

REPORT



THT Social Investment Fund

For Information
13th November 2019
Report for Trafford Scrutiny Committee

Report Title

Social Investment Fund -Scrutiny Committee update November 2019

1. Purpose of Report

1.1. This paper provides an update on the performance to date for Trafford Housing Trust's Social Investment Fund which forms part of the Partnership Agreement between Trafford Housing Trust and Trafford Council.

2. Recommendations

2.1. To note the contents of this report.

3. Executive Summary

3.1. The Social Investment Fund was launched in September 2017 following a detailed review and consultation with stakeholders regarding how Trafford Housing Trust can maximise the impact of its commitment to invest in Trafford communities.

3.2. This paper provides an update to the Scrutiny Committee on progress to date, including:

1. Executive summary of activity to date
2. Financial performance year end 2018/19 and year to date 2019/20
3. Applications received and grants awarded
4. Key trends
5. Commitment to Youth Provision
6. Funding outcomes (based on completed projects)
7. Capacity Building activity
8. Forward plans

4. Executive summary of activity to date since September 2017

- 4.1 To date we have invested £2,553,681 across 192 projects and an additional £295k in strengthening the VCSE sector through Capacity Building.
- 4.2 Management costs as a percentage of total spend have reduced significantly over the first three financial years. This trend suggests that over all, a cap on management costs at 10% of the fund is achievable once full scale up has been reached.
- 4.3 Overall applications have increased in value over the last two years.

- 4.4 We have four priority themes, ‘Strengthening Families and Communities’; ‘Employment and Skills’; ‘Boosting Household Incomes’; and ‘Long-Term Economic Growth’. The two latter themes consistently attract a lower percentage of applications.
- 4.5 There is potentially a disproportionately low level of spend (£171k) in West Trafford, and a high level of spend (£122k) in South Trafford compared to the Indices of Multiple Deprivation (IDM) data.
- 4.6 We have a commitment to invest at least £50,000 in Youth related projects per year. To date we have invested in 68 projects targeting young people in Trafford totaling £888,418.31.
- 4.7 More information can be found on our website: socialinvestment.traffordhousingtrust.co.uk or the GrantNav website which published all our investments: grantnav.threesixtygiving.org

5. Financial performance year end 2018/19 and year to date 2019/20

£000's	2017- 2018 Sept - March	2018/19 Full Year	2019/20 April – Sept	Total investment of Social Investment Fund to date
Management costs	77k	128k	50k	255k
Grants/Loans/Commissioning	247k	923k	537k	1,707k
Capacity Building	101k	131k	76k	308k
Management overheads	Not calculated	245K	151k	Not included in investment calculation
			Total to date	£2,270k

- 5.1 Over the last two years we have been scaling up our Social Investment work. Our investment in communities through the Social Investment Fund is approximately double previous annual investments through Community Panels. This demonstrates substantial growth and we are currently forecasting to invest £1.8 million this financial year.
- 5.2 Currently the average management costs equate to 11% of the investment spend. Management costs were disproportionately high in year one due to additional set up costs and lower investment cost whilst activity scaled up. Management costs have reduced from approximately 31% in year one, to 10.8% in year two and 6.9% year to date in year three. This trend suggests that over all, a cap on management costs at 10% is achievable.

6. Applications received and grants awarded

Type	Micro	Small	Medium	Large	Loan	TOTAL
Application received to date						
Sept '17 – March '18	31	18	30	18	1	98
April '18- March '19	41	26	55	28	0	150
March '19 - August '19	4	12	20	16	0	52
Total Number of applications received to date	76	56	105	62	1	300
Applications approved to date						
Sept '17 – March '18	18	16	6	4	1	45
April '18- March '19	28	24	32	20	0	104
March '19 - August '19	4	10	18	14	0	46
Total Number of applications approved to date	50	50	56	38	1	195
Value of funds approved to date						
Sept '17 – March '18	£7,953.96	£27,147.80	£52,242.00	£163,435.00	£50,000.00	£300,778.76
April '18- March '19	£13,015	£36,185	£268,206	£1,009,934	£0	£1,327,340.00
March '19 - August '19	£1,710.00	£16,378.00	£110,853.00	£795,042.00	£0.00	£923,983.00
Total funds approved to date	£22,678.96	£79,710.80	£431,301.00	£1,968,411.00	£50,000.00	£2,552,101.76
Greater Manchester coverage	0	0	1 (£10,000)	2 (£167,024)	1 (£50,000)	4 (£227,024)
Youth Focus number of applications approved	9	21	26	12	0	68
Youth Focus - Amount allocated	£4,061.02	£33,142.40	£190,167.00	£661,047.89	£0.00	£888,418.31

*N.B Micro – less than £500; Small - £500-£2000; Medium £2000-£10,000; Large Over £10,000

7. Key trends

7.1 We regularly analyse spend against four areas

- Size of applications
- Theme of application
- Geography of beneficiaries
- Equality and diversity of beneficiaries

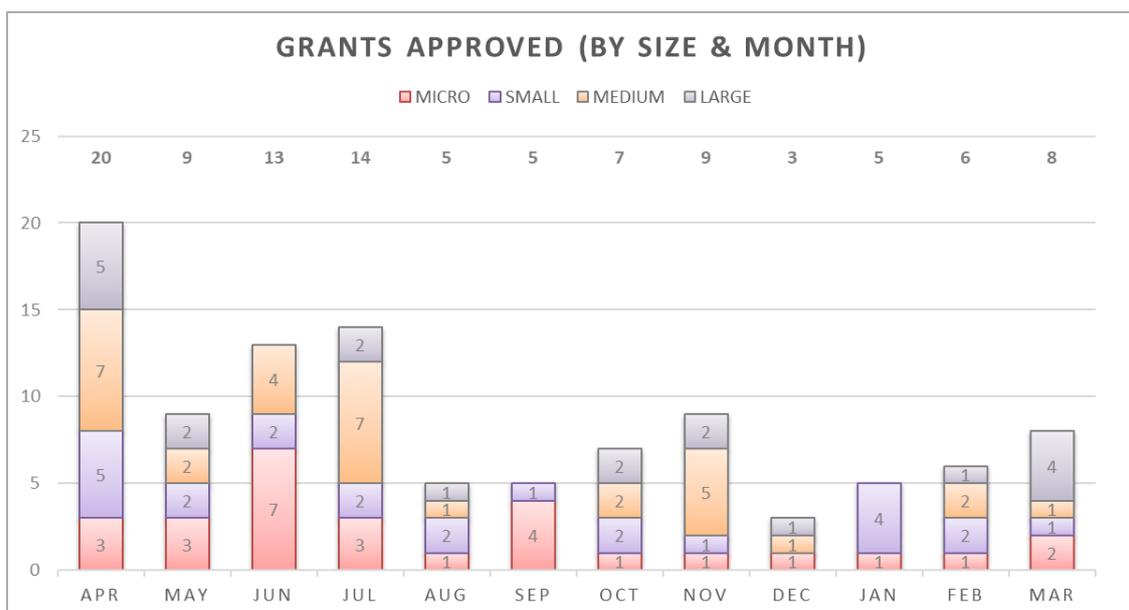
More detail about the trends and our response to these trends is outlined below:

7.2 Spend by type of application:

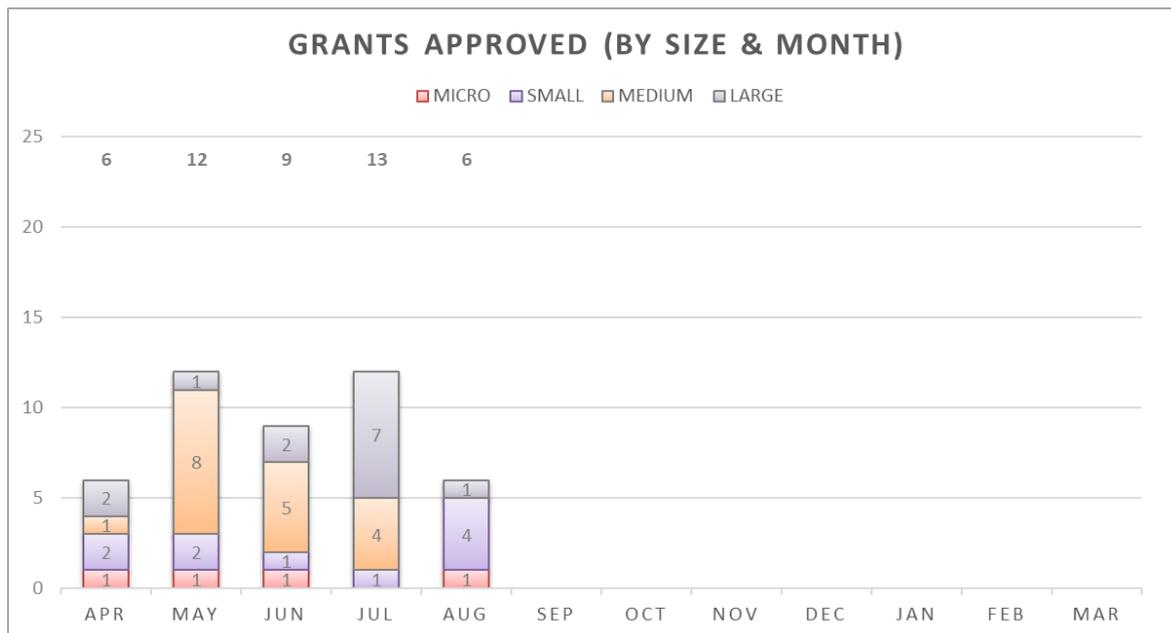
7.2.1 The number of applications approved year to date in 2019/20 has decreased in volume and increased in value when compared to the same period in 2018/19 (£805,357 invested in 61 projects in 18/19, compared to £880,683 invested in 46 projects in 19/20). The general theme has seen an increase in large applications (up by 3 over the 5-month period) and a reduction in micro applications with 11 fewer applications being approved with the same 5-month period.

7.2.2 In our commitment to compliment rather than duplicate the resources of Partner Organisations, we have formed a stronger link to Trafford Council's Neighbourhood fund. This fund launched in January 2019. With a very similar offer to our small and micro grants, the fund is open all year-round offering grants of £500 for events and £2000 for projects benefiting Trafford residents. We have been proactively referring groups to this funding pot. We will continue to monitor the affect this is having on our micro and small applications and ensure that promotional materials, including public communications encourage more micro and small applications.

Applications approved by size 2018/19



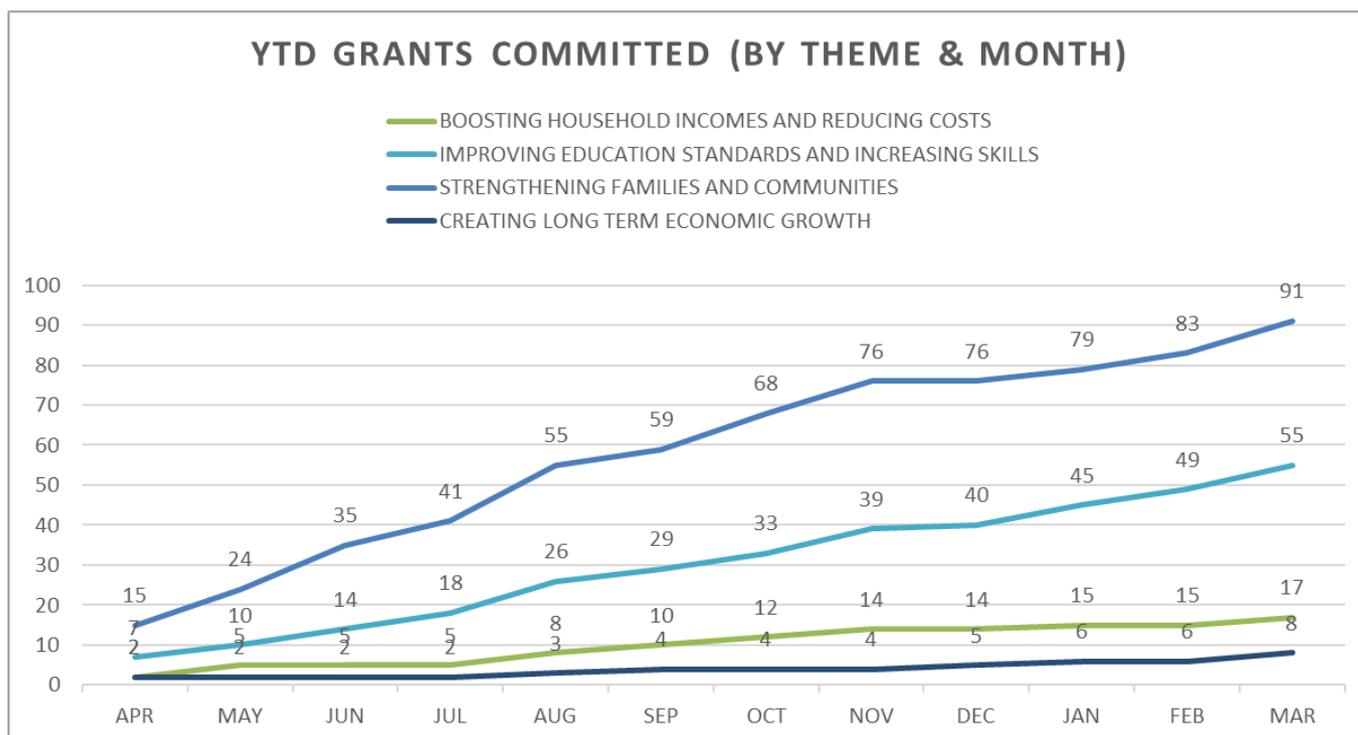
Applications approved by size 2019/20



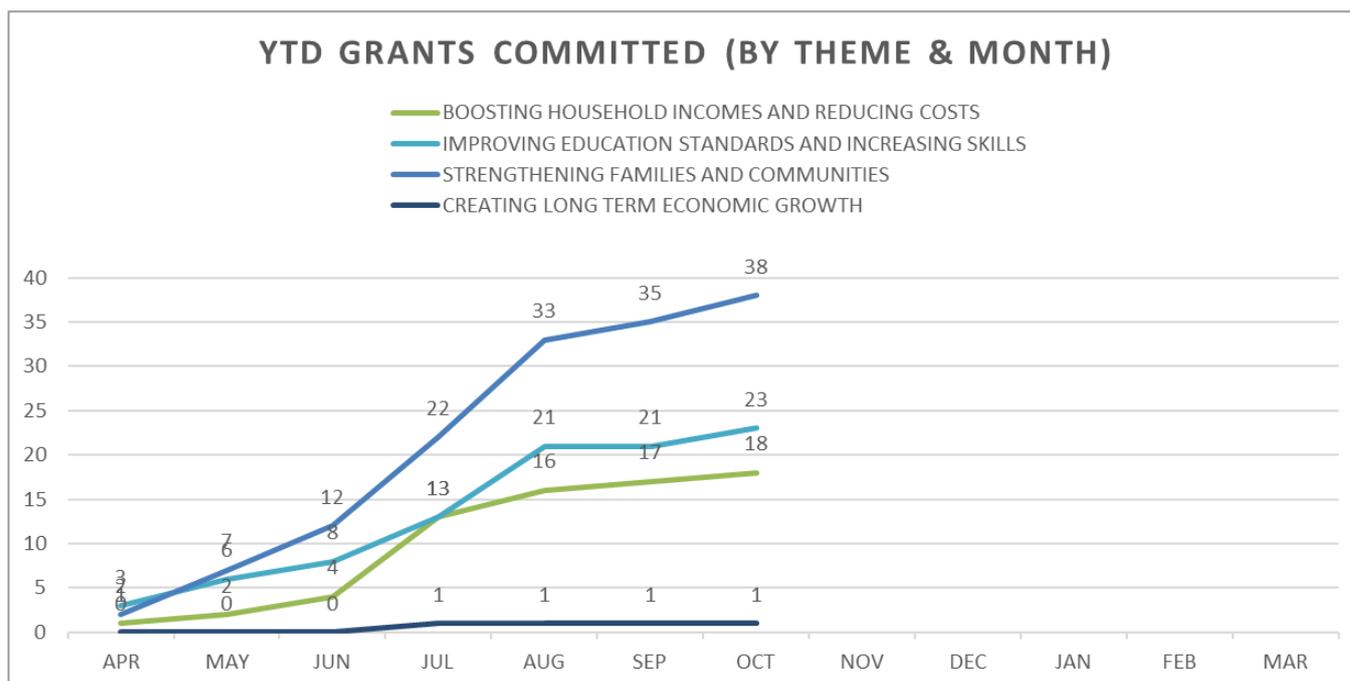
7.3 Spend by theme

7.3.1 Our priority themes are: 'Strengthening Families and Communities'; 'Employment and Skills'; 'Boosting Household Incomes'; and 'Long-Term Economic Growth'. 'Boosting Household Incomes' and 'Long-Term Economic Growth' consistently attract a lower percentage of applications and spend reflecting the complex nature of interventions in these areas.

Applications approved by theme 2018/19



Applications approved by theme 2019/20



7.3.2 The team are working to be more proactive in these areas to work with Partners to consider how we develop solutions. Over the last 18 months we have:

- researched a number of key areas to better understand how we can proactively invest including: Poverty Premium; Food Poverty; Child Poverty; Employment and Skills; and Mental health and poverty.
- trialed a 'Personal Support Fund' to be implemented by THT Customer Support Team to provide emergency financial relief to THT customers facing financial hardship.
- worked with TMBC and other partners to deliver a Trafford 'Pop-Up Business School' to promote and support business start-ups and explore the gap in support services for business start-ups where traditional business advice is not suitable.
- worked with partners to ensure children entitled to free school meals have access to at least one meal a day over the summer holiday period for 2019.

7.4 Spend by Geography:

7.4.1 Total applications with location data = 127, of which:

North Trafford	50	£229,711.63
West Trafford	26	£171,601.60
Central Trafford	21	£81,637.00
South Trafford	25	£122,798.00
Across Trafford	24	£509,995.04
In Greater Manchester including Trafford	8	£217,969.04

7.4.2 This data suggests there is potentially a disproportionately low level of spend (£171k) in West Trafford, and a high level of spend (£122k) in South Trafford compared to the IMD data shown in the map below. We

are proactively working across the West of Trafford and taking a more Community Development based approach to encourage and support grass root projects. It should be noted, however, that a majority of grant spend (£510k) goes towards projects that deliver services borough-wide.

7.4.3 In total we have funded 4 projects to date which have a Greater Manchester coverage benefiting Trafford residents, these include:

- Greater Manchester Homelessness Social Impact Bond £50,000 loan– As one of three loan investors, THT is working in partnership with over 20 housing providers and private rented sector partners to ensure people with a history of rough sleeping are provided with a home that is in the right place at the right time to meet their needs and aspirations.
- The Proud Trust £87,675 – A contribution to the rebuilding of their Centre and funding for an outreach programme across Trafford to raise awareness of the Centre and how it can help LGBT+ people in Trafford.
- Talk Listen Change £79,349- A project working with women who use violence in their intimate relationships and expand a pilot of behaviour change work across Trafford and then Greater Manchester.
- Greater Manchester Poverty Action £10,000 - Food Link Greater Manchester bringing Greater Manchester's emergency food providers together to build stronger networks of people and organisations that work to address food poverty.

7.4.4 In addition, the following funded projects are located on the boarder of Trafford in Old Trafford and have reported benefiting Greater Manchester residents in addition to Trafford beneficiaries.

Organisation Name	Amount Awarded
Diamonds Morris Dance Troupe	1709
Manchester Ceramics Collective	2000
1st Buddha's Light 32nd Stretford Scout Group	1000
Lord's Taverners	36,236
The Proud Trust	2000
Globe Community Fitness & Activities Centre	8000

7.5 Spend by Equality and Diversity

7.5.1 For the 93 projects (totalling £1,071,255) where we have equality and diversity of beneficiaries' statistics available (i.e. those completed through the online portal) we have the following information:

- 4 projects (£102,845) mostly benefitted people of a particular sexuality.
- 20 projects (£209,505) mostly benefitted Disabled people.
- 9 projects (£134,625) mostly benefitted people from a particular gender (1 male, 8 female).
- 9 projects (£81,628) mostly benefitted people from a particular ethnic background.
- 27 projects (£340,813) mostly benefitted people under 25.
- 10 projects (£117,445) mostly benefitted people over 65.

7.5.2 Trafford Council has recently published its Joint Strategic Needs Assessment (JSNA), available at www.traffordjsna.org.uk, which provides demographic statistics relating to the current and future health and

social care needs of local communities. This provides a wealth of data at a locality and ward level which the Social Investment Team will use to develop a better understanding of the challenges faced by communities across the borough, and to identify potential priorities for future investment.

8. Commitment to Youth Provision

8.1 As part of the Transfer Promise agreement the Social Investment Fund is committed to spending at least £50,000 a year in project with a Trafford Youth focus. To date we have invested in 68 projects targeting young people in Trafford totaling £888,418.31.

8.2 We are keen to ensure that investment in Youth related projects complements the wider landscape of Youth Service provision in Trafford. Due to the changes in Youth Service provision in Trafford over the last 2 years, we have been flexible in how we achieve this. Initially we had a close working relationship with Trafford Youth Trust and sought their input into decision regarding youth funding. As the Youth Trust closed we worked with Trafford Commissioners to ensure a collaborative approach to sustaining impactful youth projects in Trafford. We are now working with the Commissioners and newly established Youth Service to maximise our shared resources and investment in Youth Provision.

9. Funding outcomes (based on completed projects)

9.1 As projects come to an end we ask for a report on what was achieved. Many of our projects span over one to two years. To date we have collected the following data from the 78 projects which have come to an end.

- Total of 17455 direct beneficiaries reported.
- 88% of projects achieved their forecasted outcomes (we have seen an improvement in this from 80% in 2018-9 to 98% to date in 2019-20).
- 5254 adults and children supported to learn new skills including: internet safety; British Sign Language; Football coaching level 1; Media Broadcasting skills; Science, Technology, English and Maths.
- 16,192 people supported through family and community projects.
- 410 people supported towards employment opportunities.

10. Capacity Building Activity

10.1 We invest in the sustainability of VCSE organisations through employing Capacity Builders to develop skills and knowledge with business planning, income generation, governance and demonstrating impact.

10.2 Since April 2018 we have conducted a six monthly follow up with customers to ask about the difference working with a Capacity Builder made. Between April '18 and March '19 we had 53 respondents:

- 72% said we had increased their confidence.
- 77% said they had a lot more focus.
- 64% said they were able to provide better value for money.
- 85% said their work was more sustainable.

10.3 Feedback regarding Capacity Building support has included:

“Both Jonathan and Zoe were extremely supportive and open minded to the services and support we want to offer to families in Trafford. They took the time to understand our services and the reasons behind our project. They gave us focus and confidence in our ability as an organisation and I found the whole process a real pleasure and so helpful.”

“Our original Trafford Housing Trust application process took 3 alterations before it was successful, capacity builder Jonathan Baker held our hands through the process and therefore gave us a good insight into the requirements of the fund, a fantastic development opportunity which led to us securing match funding to stretch this project. Additional match funding was gained from Awards for All and Cash for Kids. Which meant the project was extended from 6 months to 9 months and allowed us to engage an additional 13 young people.”

“Kate's enthusiasm and understanding of problems and her ability to advise us how to overcome difficulties”

“If Carlsberg designed meetings it would look a lot like today ...thanks for a thoroughly enjoyable and exciting meet. It's not often you get three heads in a meeting all equally passionate and driven towards making something happen...”

“Love a social investor who dots the 'i's' and crosses the 't's' for organisations via capacity building and community links, beyond a funding pot. Experiencing just that from THT Social Investment team today”.

11. THT and L&Q Acquisition

11.1 THT and L&Q announced in April that they are in talks which will see THT become a wholly-owned subsidiary of L&Q. This acquisition was completed on 2nd October 2019, following to due diligence, customer consultation and the development of a five-year business plan.

11.2 The acquisition of THT by L&Q builds on a highly successful joint venture partnership and will result in more investment in building new homes across the North West; improving the standard of existing stock; and creating a North West Foundation and Academy to invest in local communities to help the most vulnerable in society.

11.3 The commitment to invest £10 million in Trafford Communities between 2017 and 2027 will remain the same and there are no plans to change the delivery mechanism for this investment (e.g. through grants, commissioning, loans and capacity building). The current Social Investment function of THT will form part of the North West Foundation once it's launched in 2020. In addition to our current investment in commitments in Trafford, THT would also invest additional resources in other areas where we are developing or own housing stock. It is envisaged that around £4million a year will be invested in communities through the NW Foundation which will include a focus on employment and skills for adults and working more closely with schools to provide young people with tangible links into local employers. Stakeholder engagement sessions will be taking place to help shape the NW Foundation proposals throughout November with focus groups being held in January.

12. Future plans

12.1 Trafford Poverty Strategy - We are part of the Trafford JSNA working group and Poverty Strategy sub group and will continue to work in Partnership with Trafford Council to develop a Trafford Poverty Strategy.

12.2 Living wage funder and award - In June 2018 THT became the first Housing Association to join the Living Wage Funder scheme – a movement of grant-makers that help charities and organisations to pay the real living wage and tackle in work poverty. We will be working with other Trafford based Living Wage employers and Trafford Council to promote this campaign.

12.3 Third Party Evaluation – THT Governance have recently commissioned Ark Consultancy to conduct an independent review to understand the effectiveness of the current model in delivering its objectives. The recommendations within the report are now being considered in order to improve our economic impact reporting and consider reviewing the strategic objectives to simplify the model and focus our resources.

I. Author and Contact Details

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Appendix I. Social Investment Spend YTD and Pipeline Forecast (18/19)

Social Investment - Pipeline Forecast (19/20)		<i>(Updated 8th Oct 19)</i>											
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	TOTAL
Funding & Support													
Grant Spend To Date (Actual)	£93,383	£168,682	£19,573	£163,713	£65,782	£22,322							£533,455
Committed Grant Spend (Actual)							£263,105	£42,000	£13,000	£68,323	£44,711	£39,520	£470,659
Micro - Forecast							£288	£288	£288	£288	£288	£288	£1,728
Small - Forecast							£2,730	£2,730	£2,730	£2,730	£2,730	£2,730	£16,380
Medium - Forecast							£19,000	£19,000	£19,000	£19,000	£19,000	£19,000	£114,000
Large - Current Pipeline							£132,000						£132,000
Large - Forecast							£23,750	£23,750	£23,750	£23,750	£23,750	£23,750	£142,500
Partnership / Commissioning							£0	£0	£0	£0	£0	£0	£0
Social Loans							£0	£0	£0	£0	£0	£0	£0
Capacity Building Support	£12,629	£12,015	£12,458	£13,739	£11,726	£12,386	£14,917	£12,917	£12,930	£13,332	£12,942	£12,962	£154,955
Contingency (10% of above)							£45,579	£10,069	£7,170	£12,742	£10,342	£9,825	£95,727
TOTAL FUNDING & SUPPORT	£106,011	£180,696	£32,031	£177,453	£77,508	£34,708	£369,369	£110,754	£78,868	£140,166	£113,763	£108,075	£1,529,403
Management & Overheads	32688.2	32669.2	33166.2	34287.92	33348.1	35869.85	37883.005	35420.385	36002.385	37802.485	37169.055	39652.155	425958.94
TOTAL	£138,699	£213,365	£65,198	£211,741	£110,857	£70,578	£407,252	£146,174	£114,871	£177,968	£150,932	£147,727	£1,955,362
Total Spend to YTD	£138,699	£352,065	£417,262	£629,003	£739,859	£810,437	£1,217,689	£1,363,864	£1,478,734	£1,656,702	£1,807,635	£1,955,362	