

## TRAFFORD COUNCIL

**Report to:** Scrutiny Committee  
**Date:** 14 March 2018  
**Report for:** Information  
**Report of:** Social Investment Manager, Trafford Housing Trust

### Report Title

Social Investment Framework

### Summary

This paper outlines the arrangements for Trafford Housing Trust's Social Investment Framework and provides an update on spend to date.

### Recommendation(s)

Scrutiny Committee is recommended to note the contents of the report.

### Contact person for access to background papers and further information:

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#### **1. Background to THT's Social Investment fund, vision and purpose:**

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. More information can be found on our website [www.socialinvestment.traffordhousingtrust.co.uk](http://www.socialinvestment.traffordhousingtrust.co.uk) or the GrantNav website which published all our investments [www.grantnav.threesixtygiving.org](http://www.grantnav.threesixtygiving.org).

**Trafford Housing Trust's mission** – We are a force for good, driven by social justice, inspiring people and neighbourhoods to be the best they can be.

**Trafford Housing Trust's vision** – We strive for a society transformed, free from poverty, inequality and injustice, where people:

- are healthy and happy and where everyone makes a valuable contribution;
- have information to make choices; and
- take responsibility.

**Social Dividend** – Trafford Housing Trust will declare a Social Dividend each year, initially based on 10% of the THT operating profit, and it will be distributed intelligently to deliver anti-poverty activities that enhance the lives of THT tenants and other residents of Trafford and beyond.

This will establish a clear relationship between the organisation's profit and purpose. Whilst this Social Dividend will be in the region of £2million per year based on current profit projections, THT's commitment under the Partnership Protocol is to ring fence at least £10m of this to 2027 for Trafford Social Dividend projects with the balance to be used in Trafford or in other areas where THT is then operating. The commitment Trafford Housing Trust makes to Trafford Council is contained in the Partnership Protocol dated 30<sup>th</sup> June 2017, extract below:

**Trafford Social Dividend Projects**

means projects or initiatives approved by THT following consultation carried out regularly with THT's tenants, other residents of the Borough, and other stakeholders (including Trafford Council) to identify neighbourhood and Borough wide priorities which benefit the Borough (and its residents) which are allocated through the delivery model to be agreed pursuant to clause 5.3.2 of this Agreement;

**5 Community Investment**

5.1 The Parties acknowledge that THT's Original Business Plan included within it a provision of £600,000 per annum (uplifted annually by inflation) to support community investment (the **Original Community Investment Sum**) and the Consultation Document set out the basis upon which such investment provision would be applied within the Borough (**Community Investment Arrangements**).

5.2 The Parties have agreed that it is in the best interests of the Parties and THT's residents for changes to be made to the arrangements for determining how such funds which form part of the Original Community Investment Sum are applied and THT has consulted with its residents over those proposed changes. The consultation exercise undertaken by THT demonstrated that THT's residents were not opposed to the proposed changes.

5.3 Accordingly, the Parties agree that from the date hereof the following arrangements shall apply in substitution for the Community Investment Arrangements:

5.3.1 subject to the requirements of THT's lenders and the requirements of the Regulator and its financial standing from time to time, THT shall apply no less than £10 million towards the Trafford Social Dividend Projects between the date hereof and 31 March 2027, and will allocate £50,000 per annum of this funding to projects benefiting young people within the Borough as identified by the Youth Trust (Youth Funding); and

5.3.2 THT and the Council will use their reasonable endeavours to agree the delivery model for allocation of the Trafford Social Dividend within three months from the date hereof; and

5.3.3 From the date upon which THT is able to demonstrate to the satisfaction of the Council (acting reasonably) that it has applied no less than the Original Community Investment Sum towards Community Investment Arrangements including the Trafford Social Dividend Projects then THT shall be under no further obligation to apply any sums (whether derived from its operating surplus or otherwise) towards the Social Dividend (or, for the avoidance of doubt, the Community Investment Arrangements, or the Youth Funding)

5.4 Without prejudice to clause 5.3.3 and clause 5.5 the Parties shall review how, post 2027, THT may continue to support funding for local priorities

5.5 For the avoidance of doubt, the Council acknowledges that for so long as THT is complying with (or has complied with) its obligations under this clause 5, it shall be estopped from pursuing any claim that THT is (or has been) in breach of the provisions set out in paragraph 8 of the Deed of Covenant.

In addition, Schedule 1 Variations to the principal agreement, Deed or Covenant and DCA state *5.1.1 a right, from time to time, for the Council to nominate one senior officer of the Council to the Trust's social investment funding board*. The nominated officer is Jane LeFevre, Director of Legal and Democratic Services.

**The vision of the Social Investment Fund** – The vision of the fund is to use a combination of National, Regional, and Borough wide evidence including the opinion of those who live and work in Trafford to outline the priorities for how Trafford Housing Trust can best invest in activities which tackle poverty and inequalities within the Borough. The current framework is outlined in **appendix one** and includes grants, commissioning and capacity building against agreed themes with specific outcomes designed for each project funded.

## **2. The Social Investment Board and supporting team**

The Dividend will be declared by the main THT Board of Governance to finance and facilitate the Social Investment Framework, which will be managed by an Independent Social Investment Board. Composition of Board Members has been recruited via an open selection process and provides a mix of experience and skills required for the effective function of the framework, including individuals with experience of living in Trafford.

Maintaining local knowledge was a key component to designing the new framework and this is demonstrated by the representation of people who live and work in Trafford throughout the model and the additional support of Community Mentors. The current membership is included on the website; seven of the twelve members are Trafford residents. The Chair is Steve Hughes, who is currently the Head of Operational Services at Citizens Advice Stockport, whilst also being the elected Local Government Councillor - Chair of Licensing and Lead for Digital Services - at Rossendale Borough Council. He has a wide experience in delivering social change through community based projects, and an in-depth knowledge of both the educational and local government sectors. Steve is committed to the development of the voluntary sector and has a passion for developing our communities in Trafford through empowerment and social change.

The supporting structure of staff and volunteers includes;

- Staff team of five including Manager, Administrator and three Capacity Builders who support the development of Organisations in areas such as Business planning, demonstrating need and impact, cost modelling and sustainability planning.
- Virtual Committee currently consisting of 12 members, of which 7 are Trafford residents. The Virtual Committee are a mixture of individuals who live and work in Trafford or have relevant areas of experience from outside of the area (e.g. from other grant funding bodies). Their role is to score all applications received. Their scores are collated in order to fast track applications under £2000 and provide recommendations to the Social Investment Board for applications over £2000.
- Community Mentors, currently consisting of 10 members. All 10 mentors are local residents who are undertaking ILM level 2 training in mentoring skills. Their role involves supporting Organisations to develop applications and monitoring information and also acting as a network to promote the fund and feedback intelligence about need and priorities within the Borough.
- Community Ambassadors is a role we are currently developing. As 'friends of the team' these are individuals who are well networked across Trafford and informally can help us to promote the opportunities of the fund.

### 3. Application process and decision-making process

We have the following grants available:

Micro	Small	Medium	Large stage one expression of interest	Large stage two
Under £500	£500 - £2000	£2000 - £10,000	Over £10,000	
Fast tracked process: Scored at least 5 Virtual Committee members and decision are based on meeting the minimum requirements within the scoring matrix.		Scored by at least 5 Virtual Committee members and a recommendation based on meeting the minimum requirements within the scoring matrix are given to the Social Investment Board for a decision.		Detailed stage two application developed alongside a Capacity Builder and submitted to Social Investment Board for decision.

Applicants can either apply on a paper form or by using our self-service portal online.

Applicants are taken through the following steps:

- 1) Eligibility check
- 2) Registration
- 3) Application
- 4) Decision making
- 5) Grant agreement if successful
- 6) Payments if successful
- 7) Monitoring and evaluation of completion of project

It is advised applicants work with a Community Mentor or Capacity Builder prior to submitting their application. Once received the Administrator ensures all the details requested are supplied and arranges for the application to be scored by at least five Virtual Committee members. Alongside the application, Virtual Committee members receive information from the work carried out by the Mentor or Capacity Builder and information regarding previous applications if relevant. The scores are then collated and a recommendation on approval is based on our minimum scoring criteria. Applications under £2000 are fast tracked in order to provide a decision within 4 weeks. The scores, applications and supporting information for applications over £2000 are presented at the next Social Investment Board meeting for further discussion and a decision.

For each application, those involved in decision making are asked to declare conflicts of interest and to adhere to a confidentiality statement. A scoring matrix is used to assess all investment opportunities against the following:

- Purpose of the investment.
- Social Value through outcomes planned.
- Value for money.
- Maximisation of resources (Partnership working/in-kind or matched funding).
- Impact on poverty (ability to meet an evidenced need/sustainability of difference made/best evidence of practice).
- Plans beyond the lifetime of the investment requested.

#### **4. Priorities of the Social Investment Fund and how these align to the Borough's strategic priorities and planning.**

The work of the social investment fund will help advance the overall THT ambition that Trafford should be a Borough where no one is marginalised or discriminated against due to financial circumstances and everyone has the chance of a decent and secure life.

The vision of the fund is to use a combination of National, Regional, and Borough wide evidence including the opinion of those who live and work in Trafford to outline the priorities for how Trafford Housing Trust can best invest in activities which tackle poverty and inequalities within the Borough.

The Social Investment Fund has four priorities based on National research carried out by the Joseph Rowntree Foundation ("We can solve poverty in the UK", 2017):

1. Boosting household incomes and reducing costs
2. Improving education standards and increasing skills
3. Creating long term economic growth
4. Strengthening families and communities

We are working with regional partners including Greater Manchester Poverty Action to consider the regional view on how the fund can have the greatest impact on poverty in Trafford. We are also running a resident survey and consultation event to gain the opinions of people who live and work in Trafford. To date 55 people have taken part in the consultation. From this work, the Social Investment Board will develop key priorities to explore further, working with experts, key service providers and beneficiaries to map out existing provision and how the fund can best add additional impact. This may result in funds being ring fenced for applications against specific priorities or the Social Investment Fund and/or working with partners to commission services to address the identified need.

The Trafford Partnership is a key stakeholder in identifying local need. In terms of the Trafford 2031 strategic aims there are some clear cross overs, including:

- Creating a beacon for sports and leisure and activity for all – in particular, addressing health and wellbeing inequalities within the Borough.
- Accelerating housing and economic growth – in particular, supporting people into work and better paid jobs.
- Building stronger communities.
- Developing a wider education and skills offer that connects people to jobs – in particular, giving children from low income families the best start and closing the inequality gap across the Borough in child and adult skills and education attainment.
- Optimising technology to improve lives and productivity – specifically addressing poverty through digital exclusion.

We are also keen to work alongside Trafford Partnership on developing the Trafford 2031 vision at a locality level and we have been involved in local visioning work in Partington and Sale Moor to date. We envisage that local applications will emerge from this work as well as ideas for commissioned projects across Trafford.

#### **5. Spend to date**

To date (1st April 2017-28th February 2018) £333,642.37 has been invested across 49 projects as shown in the table below:

<b>Committed investment</b>						
<b>Type</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Loans</b>	<b>TOTAL</b>
<b>Total allocated</b>	£6,703.96	£28,999.40	£72,304.01	£175,635.00	£50,000	<b>£333,642.37</b>
<b>Number of applications</b>	15	18	10	5	1	<b>49</b>
<b>Greater Manchester</b>					1	<b>1</b>
<b>Youth Focus</b>	0 (1 received, 1 declined)	1 (1 received, 0 declined)	2 (7 received, 4 declined, 1 awaiting)	1 (5 received, 4 awaiting)	0	<b>4</b>

### **Predicted spend March '18 – April '18:**

An additional 15 applications are currently being processed consisting of:

- 3 small applications, totalling £4,824.00.
- 3 medium applications, totalling £26,750.04
- 4 large stage one applications, totalling £197,375.00 (these will then need to develop stage two applications, and therefore will not form part of 2017/18 spend).
- 5 applications developing stage two of the application process totalling £301,282.00.

This totals a further £530,231.04, for applications that are currently being processed (although current stage one large applications will not be funded before the 2018/19 financial year).

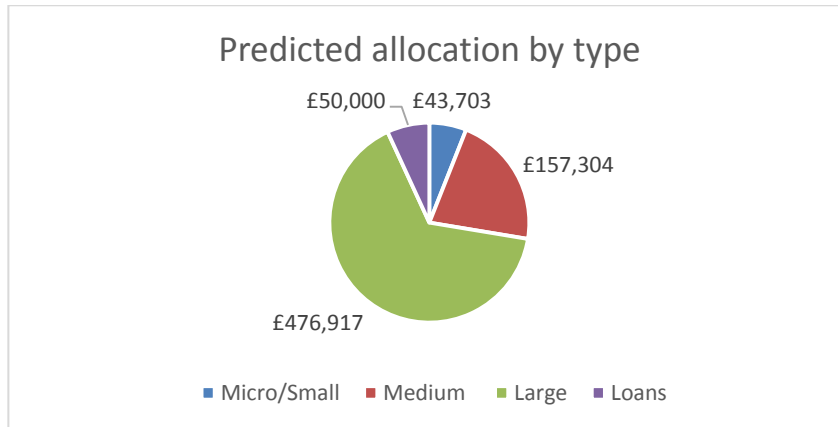
Based on the applications currently being processed, and further potential applications that we expect to receive before the end of March, additional forecast spend for the remainder of the financial year is as follows:

<b>Predicted Spend: March '18 – April '18</b>					
<b>Type</b>	<b>Micro/Small</b>	<b>Medium</b>	<b>Large</b>	<b>Loans</b>	<b>TOTAL</b>
<b>Assumed allocation</b>	£8,000	£85,000	£301,282	0	£394,282
<b>Assumed applications approved</b>	7	10	5	0	22

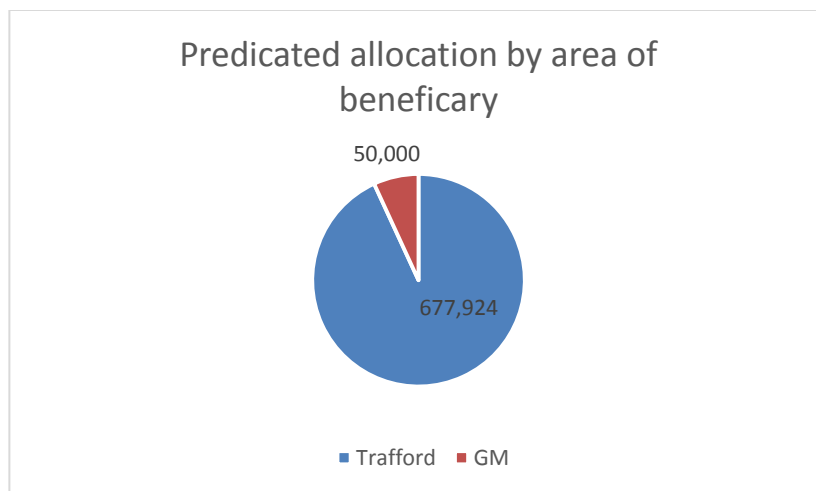
Based on the flow of applications so far and the conversations we have had with potential applicants, we therefore predict that approximately £730,000 of funding will be allocated by the end of the 2017/18 financial year. Any underspend will be rolled over to following financial years (this may be phased to reflect our developing customer base) and we have plans to ensure we grow the applications received through on-going marketing and community advertising through our volunteer mentors and ambassadors.

Whilst the predicted spend for 2017/18 is significantly lower than the £2million available, this is to be expected as the new framework was launched mid financial year. The forecasted funding is in line with previous years of Community Panel funding and scaled up over a full financial year with increased marketing and promotion and commissioning opportunities, investment should reach the potential of the annual investment fund within 2 finance years.

**Predicated allocation of 2017/18 spend by type of application:**



**Predicated allocation of 2017/18 spend by area of beneficiary:**



**Trafford Youth Focus**

Since the new Social Investment framework was launched in September 2017, we have received 14 applications with a Trafford Youth focus. These have been shared with Trafford Youth Trust to help inform the decision-making process. Five of these have been declined. Four of these have been accepted totalling £66,533.00, three are at stage two of the large grant application process, and two are awaiting a decision. The current potential funding being processed totals £234,410.00 (those at large grant part two and those awaiting a decision).

In addition, the Social Investment Board has agreed to fund up to an additional £50,000 of applications directly referred by Trafford Youth Trust to the March 2018 Board. We therefore foresee that the commitment to invest £50,000 in projects benefiting young people in the Borough will be achieved this financial year.

Discussions are taking place between the Social Investment Board and Trafford Youth Trust Board to formalise a Service Level Agreement relating to how the commitment of £50,000 a year for Trafford youth activities will be distributed in future years.

## Appendix 1 - Social Investment Framework

