

FUSION²¹

Foundation Trustee Report

2021-2022



Proud providers of procurement with purpose

Our purpose

“To be an organisation for positive change.”

Everything we do at Fusion21 is designed to support for purpose and drive for creating a positive change. We work with like-minded public sector organisations, partners, and suppliers to build up communities and motivate sustainable change where it's needed most. Our team of procurement, social value and community investment specialists is driven by a passion to make a difference.

Consequently, our members benefit from our specialist knowledge and determination to help them procure more efficiently and meaningfully.

Our vision and mission



OUR VISION
To make a visible impact



OUR VALUES
Social impact | collaborative communities | social business | smart thinking | sustainability | thought leadership



OUR MISSION
Helping members to buy smarter, championing social value and sustainability

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Chair and Chief Executive Report

Welcome to the 2021-22 Trustee report

This year we are pleased to introduce a report that, although still framed by Covid-19, focuses on the positive outcomes achieved on behalf our members to support the recovery stages of the pandemic.

We were especially proud to be a founding investor in the Covid-19 Recovery Loan Fund, launched by the Social Investment Business. As a founding investor in the Recovery Loan Fund worth more than £25 million in size, our Foundation has committed £2 million to the initiative to provide accessible financial support for organisations in the VCSE sector, whose primary purpose is to improve people’s lives, their environment, and the society they live in.

We were also able to successfully develop our core grant funding strategy by introducing a focus on funding research to better understand challenges in communities and create opportunities for policy advocacy. Through our research led approach, we have already seen the emergence of new ideas and thinking and have been able to support some of these projects to further their research through a test and learn approach.

We have continued to support our members through our social enterprise arm, Fusion21 Ltd, providing valued procurement and social value services. We are delighted to see a continued growth and strong performance in both areas, supporting even more of our members.

We look forward to a landmark year in 2022-23, celebrating our 20th anniversary. Reflecting on 20 years of service to the public sector, particularly in the social housing sector, it is clear to see the impact Fusion21 has had on communities and in people’s lives over this period. As we look ahead to the future, our focus remains on continuing this impact as an organisation focused on positive change.



Chris Murray,
Group Chair



Dave Neilson,
Group Chief Executive

Our strategy

Our strategy to deliver against these objects is focused on supporting the long term recovery from the Covid-19 pandemic, funding innovation and research to build brighter futures for local communities.

Our funding priorities are **health & wellbeing, employment & skills, financial inclusion & resilience**. We fund research to better understand issues and/or to create opportunities for policy advocacy. We also fund delivery projects that are innovative – projects that have a ‘test and learn’ approach – creating new solutions to ongoing issues.

We see partnership working as the best way to maximise impact with the grant funding we have available. We take a proactive approach to our grant making. Only invited applications will be considered. We like to develop relationships with our potential grantees. We do this by collaborating directly with our members (the public sector organisations using our procurement services) to understand the need in their communities. This helps us to spot opportunities to co-fund projects with them. Sometimes those projects are directly commissioned from organisations in the voluntary, community and social enterprise (VCSE) sector.

We fund research to better understand challenges in communities and create opportunities for policy advocacy. We also fund innovative delivery projects that have a ‘test and learn approach, creating new solutions to ongoing issues.

A key priority within our strategy is to support projects that:-

are transformational
in terms of their design, delivery or impact

add value
and don’t duplicate existing work. They seek to shape and inform future work and dialogue

demonstrate clear partnership working
between beneficiaries and relevant stakeholders



Achievements and Performance: Fusion21 Foundation

Social investment

As a founding investor in the Recovery Loan Fund (the Fund) worth more than **£25 million in size**, the Foundation has committed **£2 million** to the initiative to provide accessible financial support for organisations in the VCSE sector, whose primary purpose is to improve people's lives, their environment, and the society they live in.

Instrumental in the Fund's launch, the Fusion21 Foundation continues to support Fusion21 members and community organisations through our grant programme, helping to build brighter and sustainable futures for local communities. Our investment in the Fund aims to increase sector resilience as businesses recover from the last couple of years, while offering crucial support to VCSEs and communities that have been hardest hit by Covid-19.

This is the largest social investment Fusion21 Foundation has made to date and demonstrates our commitment to leveraging social investment as a strategic tool to have a positive impact on the social enterprise sector.

The Fund was established by Social Investment Business (SIB) to make the Recovery Loan Scheme more accessible to UK charities and social enterprises.



“Fusion21 is a social business that has made significant contributions towards COVID-19 recovery in communities. Our involvement as founding investor in the Fund builds on this, enabling us to make **positive changes on a local scale**, while also contributing to making a significant national impact across the VCSE sector.”

- Chris Murray,
Chair of Fusion21 Foundation

Achievements and performance: grant funding

This year, the Foundation built upon the partnerships it established in 2020-21 to grow our strategic partnerships and investments to support communities' responses to the impact of the pandemic.

We spent over **£330,000** supporting projects across the country over our three priority themes:

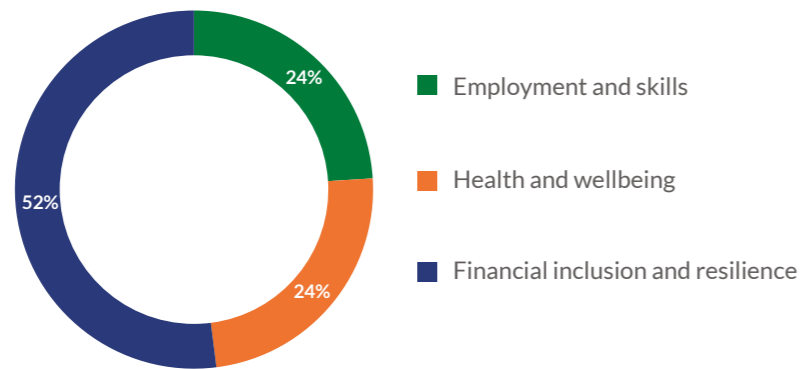
- employment and skills
- health and well-being
- financial inclusion and resilience

40% of spend was attributed to projects that were commissioned this year.

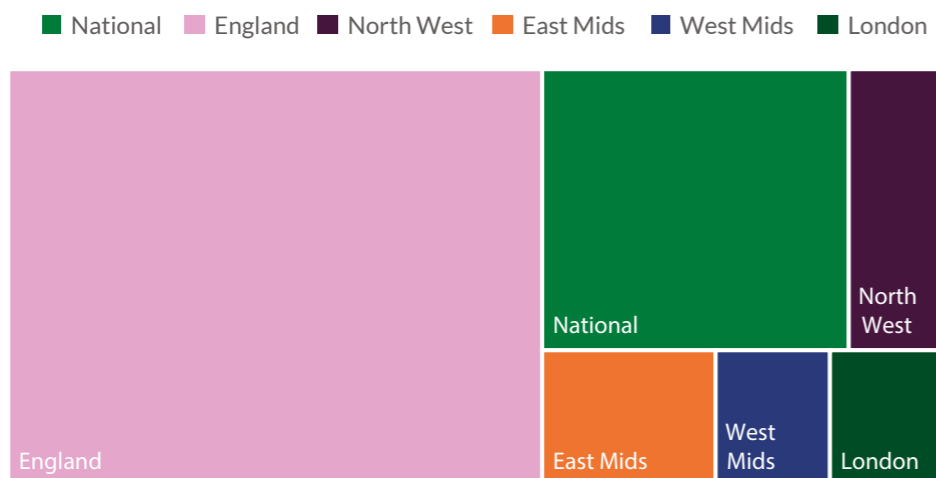
We commissioned a number of multi-year projects this year, to the total value of £247,572.



SPEND BY PRIORITY THEME



SPEND BY REGION



These projects generated a range of outcomes across the priority themes including:

<p>£2m committed for social investment</p>	<p>2 policy reports published</p>	<p>1 national survey on food insecurity conducted</p>
<p>4 community food organisations supported to build their sustainability</p>	<p>3 business start-ups created</p>	<p>16 businesses supported to develop</p>
<p>14 people reported a reduction in their loneliness</p>	<p>120 people reported improved mental health</p>	<p>42 young people completed accredited training</p>
<p>152 young people attended a health and social care employability programme</p>	<p>57 young people entering employment in the sector as a result</p>	

The key emerging themes and challenges identified by our members this year included:

<p>COVID-19 Impact of end of covid interventions – eg. furlough, UC top up, eviction restrictions</p>	<p>The changing landscape of employment</p>	<p>Mental health 'fall out' from the pandemic</p>
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Mental health

Young people

It's been widely reported that the Covid-19 pandemic has significantly increased the risk of young people experiencing mental illness, and there is a growing need for support services in this area.

Committed to enhancing the health and wellbeing of young people, the Foundation announced a new partnership this year with **OnSide** - a national charity which inspires young people to lead happier, healthier lives while providing safe places to talk and enjoy activities. The charity has a network of 14 Youth Zones in the most economically disadvantaged areas across the UK and works with young people aged 8 - 19, or up to 25 with additional needs.

We're one of 5 funding partners to support a 3 year, £0.5m project with Onside Youth Zones - delivering a holistic programme to create a culture of health in the Youth Zone Network across England. We have invested £67,500 in the charity's 'Culture of Health' £500,000 initiative, which aims to provide mental health support to 840 young people across the Youth Zone network while also improving overall health outcomes.

Following the success of a pilot scheme in 2020, it's 3-year '[Culture of Health](#)' programme was established in partnership with the Oglesby Charitable Trust and is also supported by the Rayne Foundation and the CareTech Foundation. Now in its second year, the initiative is supporting young people to tackle mental health by building resilience to deal with the issues they face; in addition to promoting positive health choices - from good nutrition to the avoidance of substance abuse.

Grant funding from the Foundation is supporting the programme in its second and third year, specifically supporting youth zones in Wolverhampton, Barnet, Croydon and Barking and Dagenham.



“The COVID-19 crisis has meant that, more than ever, our youth workers across the country have been supporting the mental health and wellbeing of young people.

The funding from the Fusion21 Foundation will enable us to deliver our Culture of Health programme in the West Midlands and London, making an incredible difference by improving health outcomes and raising aspirations for young people and their communities.”

Kathryn Morley,
OnSide CEO

Overall project outcomes will include:



Social Isolation

In October, we were delighted to kickstart a project with **Clarion Housing Group** and **Homeshare UK**, offering Clarion residents the chance to take part in a unique pilot programme - bringing older and younger people together with the aim of tackling social isolation and housing shortages.

The programme, called Homeshare, matches older people who can offer a spare room with a younger person who is looking for somewhere affordable to live and able to share their company and offer practical support around the home. Through Homeshare, people learn new skills and older householders are able to remain independent in their own homes for longer, with the housing model bringing communities and generations together to reduce loneliness and social isolation which affects all ages.

In the pilot phase, Clarion is seeking eight pairs of residents – one older and one younger – to live together and share their experiences to inform the future rollout of the programme.

“Homes have never just been bricks and mortar – it’s our relationships which build thriving communities. We’ve seen the benefits of Homeshare where people share their homes and lives, when they are carefully matched together and supported.

The demand for Homeshare has increased during the pandemic as more older people want the company of someone they trust, and enjoy sharing their skills and life experiences. It is a unique way of bringing people of all ages together, and we’re delighted to work with Clarion to make Homeshare available to the social housing sector.”

Deborah Fox,
Head of Homeshare UK

The latest report by Homeshare UK, the membership network for over 20 local Homeshare services, shows that 96% of older people sharing their home (“Householders”) felt ‘less lonely’ and that having a younger Homesharer has ‘helped them a great deal through lockdown’. Across the UK, over 1,000 people took part in Homeshare in 2020, with growing numbers of people in their 50s and 60s looking for affordable, sociable accommodation.

“The pandemic has shone a spotlight on the loneliness and social isolation that affects people of all ages. But it’s also highlighted the challenges affecting some younger people for whom housing is unaffordable and options are limited.

Our new partnership with Homeshare UK aims to tackle these issues by matching some of our older residents with younger people who will share their home and provide companionship and low-level support. We’re excited to see how our first residents get on and are committed to exploring ways to build this into our range of housing options to help ensure that our residents can live happy and healthy lives in age-friendly communities.”

Michelle Reynolds, Chief Customer Officer at Clarion Housing Group

Cost of living crisis

Food insecurity

Food insecurity has been a top priority for our members, especially during the pandemic. We’ve funded **Business in the Community** to improve the sustainability of four community food projects in the Midlands and to increase their ability to tackle the root causes of food poverty by drawing upon the experience and expertise of the community, private, not-for-profit and government sectors. The final outcomes report will be published in October 2022.

Food Foundation published their first of three surveys on food insecurity this year. The [results of the survey](#) received significant interest both from the media and parliamentarians. We distributed the survey results to our members and partners to support their strategic planning. We have also connected the Food Foundation to HACT to inform their network discussions around food insecurity.

Fuel poverty

We donated £5000 to **HACT’s Energy Hardship Fund** which helped social housing tenants on low incomes cover their energy costs and enable them to keep warm over the winter months.

Supporting young tenants

We have co-funded a new pilot project with **Clarion Housing Group** called ‘Hometruths House’. The early intervention project aims to support new young tenants to effectively navigate and sustain their first tenancy - reducing rent arrears and eviction rates amongst 18–25 year-old residents. The project will deliver a virtual training session and an interactive website, alongside additional follow-up support and advice available for those who need it.

Inspired by a project conceived by young Clarion residents in 2017, the programme covers topics including rights and responsibilities, setting up bills and managing money, getting involved in community activities, damp and mould prevention, cooking on a budget and simple DIY. Broadband access is provided through a three-month MiFi subscription to ensure digital exclusion does not affect participation. Upon completion of the programme, young residents receive a £70 supermarket voucher to get them off to a flying start.



Employment and skills

Young people

Our multi-year employment and skills projects continued to support young people, develop their skills and create great employment opportunities.

At the **Manchester Youth Zone**, 42 young people completed accredited training relating to catering and hospitality through the Youth Zone's Learning Kitchen and partnership working with Manchester College.

Despite the challenging recruitment environment within health and social care, **The Prince's Trust** continued to support young people to develop their confidence and start a career in the sector. Our match funding of the nationwide programme enabled 152 young people to attend a health and social care employability programme – with 57 young people entering employment in the sector as a result.



MANCHESTER YOUTH ZONE

Community assets

One Knowsley, the VCFSE infrastructure organisation, received an asset transfer of Court Hey courtyard and buildings from Knowsley Borough Council this year. One Knowsley, along with their key stakeholders, will be leading significant investment into the refurbishment of the two buildings, establishing a vibrant community hub with real economic impact and green credentials.

Fusion21 Foundation have supported the funding of two key posts to ensure the new asset is fully mobilised and used by the community. The buildings and grounds will be used to support, develop and deliver the activities of the VCFSE sector within the borough, by creating a resource for local residents and the wider population.



CHILD POVERTY ACTION GROUP

“The working relationship between CPAG and the Fusion21 Foundation was exemplary and could help other foundations looking to improve grant-making processes.....There can sometimes be power imbalances between funders and grantees, which can pose risks – this could not have been further from the case. We welcome the Foundation’s grant-making approach.”

Child Poverty Action Group

Policy advocacy

Universal Credit and Mental Health

Last year, we commissioned a piece of research by the **Child Poverty Action Group**: ‘Making Adjustments? The experiences of Universal Credit claimants with mental health problems’. [The report](#) was launched in February and shone a spotlight on the experiences of people with mental health problems when navigating the social security system.

This is an important issue and area of interest for many Fusion21 member organisations who are working in communities. As such, we partnered with HACT’s Centre of Excellence in Community Investment to deliver a webinar on 30th March to talk about the report and share its findings. The webinar had 70 participants from the housing and VCSE sector.

The report was also cited as part of a joint All Party Parliamentary Group (APPG) on mental health and universal credit and by MIND during the DWP Select Committee (Oral Evidence on UC and managed migration).

The partnership between the Foundation and the CPAG was extremely positive – and the impact of the commissioned report is still being felt.

CPAG will advocate for the report’s recommendations to be considered by The Equality and Human Rights Commission in drawing up an agreement with the DWP, and they have already had valuable engagement with MPs and directly with DWP.

Policy advocacy continued

Support for the social enterprise sector

In January, the **Independent Commission on Social Investment** published its final [report](#) (funded by the Foundation) on how the social investment market can support the growth of social enterprises.

The Commission engaged with over 300 social enterprises, has taken over twenty hours of recorded evidence and held sixteen engagement sessions with social enterprises, policy workshops and public witness sessions.

The Commission's final report has called for "comprehensive structural reform" to the social investment market. It concludes that "the needs of social enterprises have been deprioritised over the past decade" and that "social investment cannot work – and has no purpose –

without social enterprise." This deprioritisation has come at a time when social enterprises need greater access to finance, with the social enterprise sector growing rapidly.

The Commission also highlights a major opportunity for economic and jobs growth. Its recommendations could see 5,000 social enterprises grow, creating 180,000 jobs either directly or indirectly, with 36,000 jobs in our most deprived communities, adding £3bn to the UK economy and injecting over £600m into the poorest parts of the UK.



"This is a long report, but the core message is a short and simple one. We need the social investment market to get back on track by putting the needs of social enterprises at the centre of everything it does. This means finding flexible sources of capital which can accelerate the growth of social enterprises and provide workable investment to disadvantaged organisations, such as Black-led social enterprises. It means reforming the institutions of the market so that they are all completely focused on the needs of social enterprises."

Lord Victor Adebowale CBE,
Chair of the Commission on Social Investment

Policy advocacy continued

Tenants' Voices

This year was our second of three years supporting TAROE Trust to develop a sustainable business plan to ensure tenants' voices continue to be heard at a national level. Throughout the year, the charity has firmly cemented its position as a national organisation working on behalf of tenants, particularly as the DLUHC and the RSH moved forward with plans to implement the Social Housing White Paper. The TAROE Trust has been able to work directly with residents to inform its engagement in key sector working groups.

The organisation has positioned itself in several strategic forums to further its manifesto aims, including:

- DLUHC's new Social Housing Quality: Expert Challenge Panel, the prime group responsible for monitoring the Government's implementation of the Social Housing White Paper.
- Interim Resident Panel at the HSE to assist in the establishment of the new Building Safety Regulator.
- New Tenant Voice Steering Group, to be led by the NHF, to commission research into the establishment of a national tenant platform which contributes to a key objective of the charity.
- Delivery of Oral Evidence to the HCLG Housing Select Committee Inquiry into Social Housing Regulation in January.
- DLUHC Social Housing Quality Resident Panel – a working group which provides an opportunity for the charity to influence the set-up and subsequent operations of the new DLUHC Resident Panel.
- Housing Safety and Wellbeing Taskforce – Membership to provide input into a collaborative platform, to share best practice and support organisations, stakeholders, and communities

- DLUHC Residents Voice Advisory Group – overseeing implementation of building safety reforms
- RSH Sounding Board and National Tenant Organisations Liaison Group
- RSH TSM Working Group - responsible for development of the new Tenant Satisfaction Measures for the sector.
- DLUHC Decent Homes Review Sounding Board – Body responsible for taking forward Social Housing White Paper commitment to review Decent Homes Standard
- BEIS Social Housing Decarbonisation Fund Consultative Panel – Government body responsible for developing and offering decarbonisation and retrofit funding to social housing sector
- National Social Housing Fire Safety Group (NSHFSG) – Sector led group to share learning and drive-up standards in fire safety



Strategic Partnerships

HACT's Centre of Excellence in Community Investment (CECI)

This year, we were delighted to join forces with HACT's Centre of Excellence in Community Investment (CECI). The CECI was established by HACT in 2018 and has championed and celebrated the importance and impact of community investment across the UK. The five core founding funders were Clarion, L&Q, Orbit, Peabody and Sovereign.

Fusion21 Foundation - along with eight housing associations - will be co-funding the Centre for the next 3 years, becoming a part of their networks, and playing a strategic role in relation to community investment across the housing sector.



This partnership enables the Foundation to demonstrate its support across the social housing network - helping us to develop our networks, strategic funding opportunities and profile in the sector.

CECI have six thematic networks: Financial Hardship; Digital Exclusion; Racial Equality; Support for Young People; Community Assets; and Age Friendly Communities.



Moving forward

Our strategic approach to engaging the housing sector has become the blueprint for how we will continue to work in the future. We will embed our approach in housing and, going forward, we aim to take that from strength to strength and replicate this in other sectors. We will engage with more members directly, particularly to support cost of living challenges (including the expected increase in fuel poverty due to the increase in the energy price cap).

Given the scale of the national challenges around cost of living, we will work with more experts in financial inclusion, welfare rights and hardship grant provision to understand the challenges in more detail as well as considering how we can play our part in co-funding solutions and creating impact.

We do not underestimate the impact of this economic crisis on individuals' mental health, and it is therefore inevitable that future grant commitments will have a considerable focus in this area.

Employment and skills will continue to be a priority. Alongside our continued support of Prince's Trust, we envisage greater collaboration with Fusion21's social value offer, adding value to the Green Skills agenda and seeking out opportunities to support a green transition.

Our increased profile in the sector, and continued success in commissioning projects is testament to our broader engagement with Fusion21 members and our strategic partners. This approach supports the longer-term development of a funding pipeline and enables us to utilise more channels to disseminate the learning from our commissioned projects.

We will continue to raise the profile of the Fusion21 Foundation next year - with plans to develop the website content and to take active roles in webinars and conferences of our partners to showcase our impact as a funder and shape thinking within our funding priority areas. Feedback from grantees and partners is particularly important to us and we will continue to use that to shape our offer and processes to best effect. We are already noticing partners and stakeholders valuing the connections we facilitate for organisations through our networks - this can be just as valuable as any financial commitments offered. Our ambition to become a funder of choice and a relevant, effective connector across sectors is being realised and we look forward to developing that further in 2022/23.



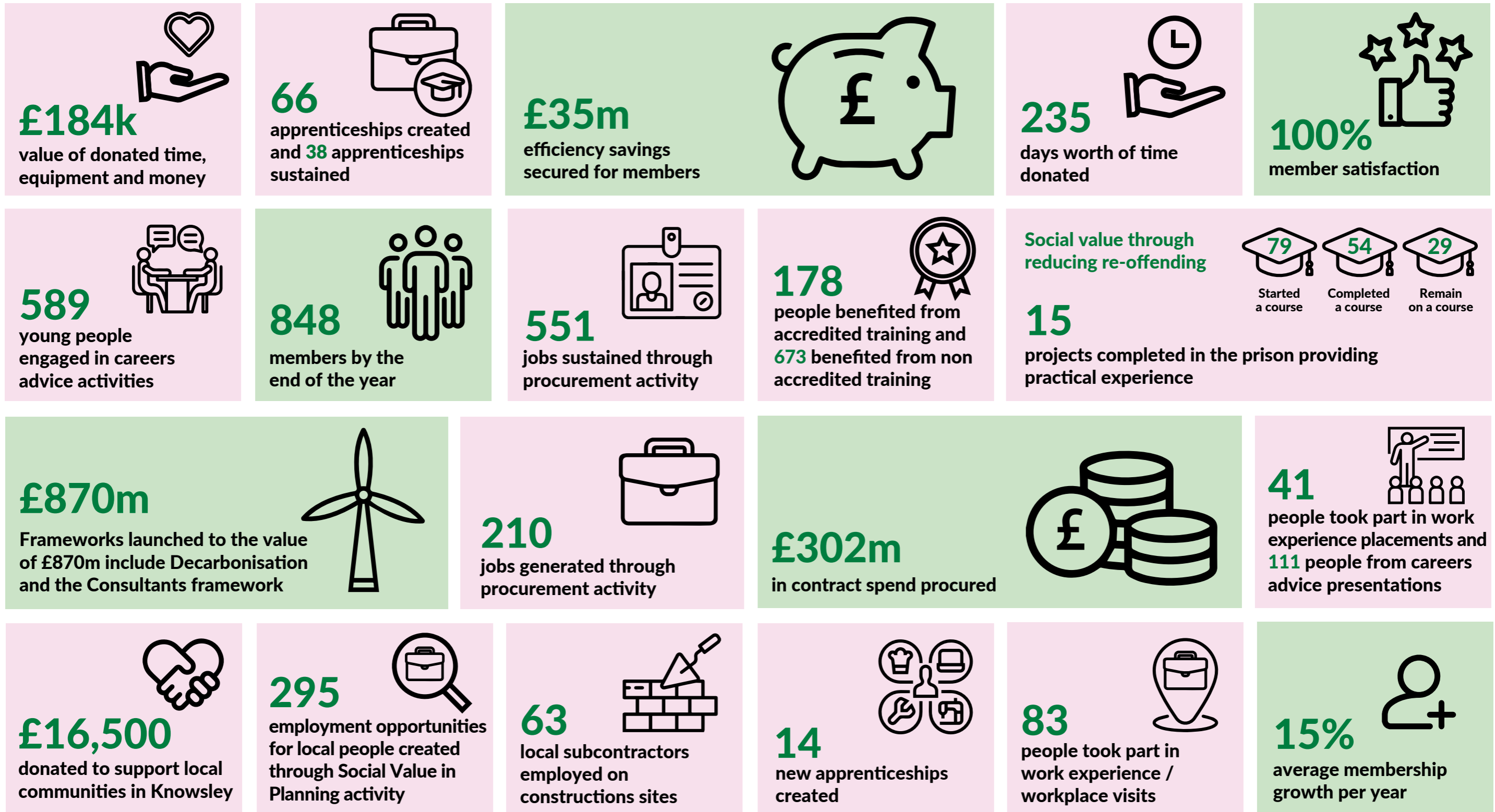
Homes UK 2021

The Foundation was represented at the Homes UK conference in November, taking part in a session entitled 'Procurement with Purpose'. Within the session the Foundation - alongside Clarion Futures - showcased how it is making a vital contribution to Fusion21 as purpose-led, strategic funder driving social impact.



Achievements and Performance: Fusion21 Ltd

- Social value headlines
- Procurement headlines



Future Plans

2022-23 will see the launch of the 5 year business plan for Fusion21. Focusing on key areas of strategic importance to our membership, the plan will continue the momentum gained over the past few years and set out our longer term goals and objectives.

The next financial year looks to be an exciting year, as we focus on developing key partnerships with like minded organisations to help maximise the impact of public expenditure, continue to support our membership with the next generation of our construction frameworks and implement the next stage strategy for the Foundation.

Focusing on our people, our procurement services, maximising our social impact, embedding sustainability into the heart of our DNA and continuing the Foundation's positive impact in communities across the UK, provides a strong roadmap to continuing to deliver against our purpose.

One Fusion21

We believe firmly in a One Fusion21 approach; whereby everything we do is to benefit our public sector members and thereby their communities. Our governance model supports our dual charitable and commercial priorities in support of this, and our culture embodies the principles of a single organisation working towards a common purpose.

The boards of Fusion21 Foundation and Fusion21 Ltd continue to work closely to ensure we remained aligned to the needs of our members. Our joint work on the next phase business plan, due to be launched in 2022-23, is a great example of this collaborative approach.

FUSION²¹

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