

Community Investment Fund Guidance

Grant Monitoring Methodology and Return on Investment (ROI) Approach

This methodology sets out a standardised approach to monitoring grant funding. It is primarily outcomes-based to reflect the principle that grants are awarded to achieve broad public outcomes rather than deliver tightly specified outputs or services.

Grants provide funding to enable activities aligned to Council priorities and are focused on achieving meaningful outcomes, rather than purchasing defined outputs or services.

Core Principles & Proportionate Monitoring Framework

The monitoring framework is designed to:

- Focus on outcomes and activities (what difference has been made)
- Maintain proportionality based on grant value and risk
- Support flexibility in delivery models
- Ensure transparency and auditability
- Avoid creating contractual arrangements through overly prescriptive measures
- Align with Community Investment Fund Framework / Eligibility Criteria

Grant monitoring will be applied using four tiers based on the funding strand and organisations shall self-report via Plinth on the selected outcomes and metrics:

The Council will maintain a transparent audit trail, clear decision-making process and proportionate oversight aligned to grant value.

Tier 1 – Innovation Fund	
Objective	Build a strong pipeline of projects to test
Tier 1 Grant Value	Below £5,000
Grant Length	Up to 12 months
Staff Costs	N/A
Reporting	One off final report
Social Value Impact	No
Payment Profile	One off payment post grant award and on completion of signed funding agreement
Financial Clawbacks	Yes if project funds not directed towards project as outlined within the grant application.
Sustainability	Plan outlined in application options of how the service will continue after grant or likelihood of requiring continuing funding
Funding Review	9-month review to assess success, if external funding has been found or if the project successes indicate future funding.
Example Outcome	Number of unique group attendees
Case Studies	Impact of group attendance

Tier 2 - Prevention Pilots	
Objective	Fund high-potential prevention pilots
Tier 2 Grant Value	£5,001 - £50,000
Grant Length	Up to 2 years
Staff Costs	Part time staff costs with direct link to project
Reporting	Quarterly
Social Value Impact	Yes
Payment Profile	Dependent on term but one off payment post grant award and on completion of signed funding agreement for 12 month grant. Longer term grants will be structured across financial years.
Financial Clawbacks	Yes if project funds not directed towards project deliverables and outcomes as outlined within the grant application.
Sustainability	Plan outlined in application options of how the service will continue after grant or likelihood of requiring continuing funding
Funding Review	9 or 18 month review to assess success, if external funding has been found or if the project successes indicate future funding.
Example Outcome	Number of unique group attendees and survey data/ wellness scores to evidence the impact of the grant.
Case Studies	Impact of group attendance

Tier 3 - Scale and Sustainability Fund	
Objective	Expand successful pilots and discontinue initiatives that are not delivering.
Tier 3 Grant Value	£50,001 - £100,000
Grant Length	Up to 3 years
Staff Costs	Staff costs relate to specifically appointed positions.
Reporting	Quarterly
Social Value Impact	Yes
Payment Profile	Milestone based payments profiled over grant term
Financial Clawbacks	Yes if project funds not directed towards project deliverables and outcomes as outlined within the grant application. Continuation of funding post 18 months subject to funding review.
Sustainability	Plan outlined in application options of how the service will continue after grant or likelihood of requiring continuing funding
Funding Review	18 month review to assess success, if external funding has been found or if the project successes indicate future funding. This will have TUPE implications. Options to amend the project, such as co-location or changing the number of users are required is important or if the outcomes of this project suggest this could become a commissioned service.
Example Outcomes	Number of unique group attendees and survey data/ wellness scores to evidence the impact of the grant. Evidence of how this project has reduced Local Authority spending. Such as groups created, people who have reduced care needs, numbers

	attending alternative community provision, families benefitting from strengthened support or reduced risk of crisis escalation.
Case Studies	Impact of group attendance on both individuals, cohorts and the wider community service provision.

Tier 4 – Learning and Evaluation	
Objective	Move from grant-making to strategic community investment which could include Seed Funding to Develop Direct Payments support models
Tier 4 Grant Value	Up to £40,000
Grant Length	Up to 12 months
Staff Costs	Staff costs relate to specifically appointed positions.
Reporting	Quarterly
Social Value Impact	Yes
Payment Profile	One off payment post grant award and on completion of signed funding agreement
Financial Clawbacks	Yes if project funds not directed towards project deliverables and outcomes as outlined within the grant application.
Sustainability	Plan outlined in application options of how the service will continue after grant or likelihood of requiring continuing funding
Funding Review	9-month review to assess success, if external funding has been found or if the project successes indicate future funding.
Example Outcomes	Verified financial savings. Sustainable community provision. Reduced demand across priority statutory services. Priority is to move as quickly from a grant funding model to a service supported by Direct Payment service users. These initial payments are to encourage 3 rd sector organisations to develop their direct payment service offer without the short term risk of financial penalty whilst number increase to become viable.
Case Studies	Impact of group attendance on both individuals, cohorts and the wider community service provision. Impact of group support on care act needs.

Outcomes Framework

Outcomes represent the measurable changes that occur as a result of funded activity, answering the question: “What difference has been made?”

Outcomes must be:

- Clearly defined
- Measurable
- Linked to project purpose
- Supported by evidence

Outcome Categories

The table below shows the detailed priorities and outcomes associated with each priority theme. Applicants are encouraged to consider an approach to reflect the needs and outcomes of the community.

A full list of priorities, outcomes and potential activities can be found in Appendix A below. This document illustrates examples for each priority area split by outcome category along with measurement / activity examples although these activities are not exhaustive and applicants are welcomed to suggest areas for projects.

All funded projects should select one primary outcome and one secondary outcome from the table below.

Strong Start	
Giving every child the best start in life	Priorities: - Strengthen parenting skills, confidence and capacity, - Enhance children and young people's educational achievement and aspirations, - Promote positive emotional wellbeing and resilience in children and young people. Outcomes: - Parents feel confident and empowered in their parenting role, - Children and young people achieve their full educational potential.
Strengthening families and keeping children safe	Priorities: - Support healthy child development and positive life outcomes, - Improve parental wellbeing and mental health, - Foster strong family relationships and connected communities, - Improve parental experience of services. Outcomes: - Children experience positive emotional wellbeing and resilience, - Children reach key developmental milestones and thrive, - Parents enjoy improved mental health and wellbeing, - Families feel their voices are heard, - Parents feel supported.
Improving life chances and reducing inequality	Priorities: - Increase opportunities and resilience for families experiencing financial hardship, - Support families to achieve greater financial stability and independence. Outcomes: - Families benefit from strong support networks and community connections, - Families are better equipped to overcome the challenges of poverty, - Families achieve greater financial security and stability.
	Priorities: Children and young people with SEND can participate fully in their communities,

Inclusive communities and opportunities	- Increased school readiness for children with emerging additional needs, - Improved parental confidence and resilience, - Improved inclusion in education, leisure and community activities. Outcomes: - Children and young people with SEND report increased participation in community, social and recreational activities, - More children and young people with SEND access opportunities that reflect their interests and aspirations, - Children and young people with SEND experience a greater sense of belonging within their local communities.
Healthy and Independent Living	
Promoting Independence and Choice	Priorities: - Support people to gain independent living skills, - Support Peer mentorship, - Enable people to remain active, connected and engaged in their communities. Outcomes: - Remain living safely at home for longer, - Manage their own health and wellbeing, - Maintain daily living skills, - Make informed choices about support, - Retain confidence and control over their lives, - Strong community networks, - Timely information enables people to make informed choices.
Improving Health and Wellbeing	Priorities: - Peer support networks, - Wellbeing groups, - Self-management programmes, - Participate in community activities. Outcomes: - Develop social connections, - Participate in community activities, - Maintain mobility and Reduce frailty, - Better mental wellbeing, - Increased resilience, - Greater quality of life, - More confidence and self-esteem, - Increased sense of purpose.
Employment, Skills and Financial Wellbeing	Priorities: - Activities that enable people to give back and feel valued, - Volunteering opportunities that help people build meaningful relationships and reduce loneliness, - Life skills support. Outcomes: - Maintaining purpose and social connections, - Build support networks, - Feel more connected to their communities, - Build self-esteem and confidence,

	• Provide daily structure and purpose.
Supporting Carers	Priorities: • Improve carers wellbeing by peer to peer, community and social support, • Support carers to take breaks, • Help to maintain employment, family life and learn new skills. Outcomes: • Feel supported, • Experience less stress and burnout, • Maintain employment and family life, • Continue caring for longer where they choose to do so.
Financial and Community Resilience	
Personal and financial Resilience	Priorities: • Earlier access to support before problems reach crisis point, • Improved digital inclusion and access to online services. Outcomes: • Reduced reliance on crisis support and emergency assistance including food and energy costs, • Increased ability to manage unexpected financial shock, • Maximised household income through benefits, employment or other support, • Reduced debt and improved financial wellbeing including increased savings, • Improved budgeting, money management and financial confidence.
Family Resilience	Priorities: • Support for families to meet essential costs, • Increased access to practical, emotional and peer support. Outcomes: • Reduced risk of homelessness, family breakdown or crisis escalation, • Improved family stability during periods of financial stress and ability to plan for future challenges, • Reduced experiences of material deprivation, • Improved life chances for children and young people, • Greater ability for families to remain safe, healthy and independent.
Community Resilience	Priorities: • Stronger local partnerships and collaborative working, • Increased community capacity to identify and develop community-led solutions to local need, • Increased volunteering, peer support and community leadership. Outcomes: • Reduced inequality and improved inclusion of vulnerable groups, • Increased use of community assets and local resources, • Increased social value through local employment, volunteering and community participation, • Stronger neighbourhood support networks, social connections and community cohesion.
	Priorities:

System Resilience	• Earlier intervention that prevents crisis and reduces demand on statutory services, • Improved coordination between public, voluntary and community sector services. Outcomes: • Reduced duplication, gaps and inefficiencies across the local support system, • More seamless referral pathways and a "no wrong door" approach to support, • Increased social value generated through community-led and preventative approaches, • Increased capacity and capability within the voluntary and community sector.

Social Value Outcomes

Depending on Tier category, the funded projects should contribute to social value in the Borough in line with the [Cheshire West and Chester Borough Plan](#).

The Council will develop an approach for assessing social value benefits and social impact in partnership with the Community sector during year 1 of the fund.

For some organisations, it may be possible to provide reporting based on recognised frameworks (e.g. TOMS, Social Value Portal, Social Value Engine) and this is welcomed.

Funding Review & ROI Approach

Each grant will be subject to a funding review which will determine:

- If the grant has been a success based on outcome data, case studies and Social Return on Investment.
- If the provider has been able to source external sustainable funding to allow it to continue.
- If external funding is not available if additional funding should be granted based on grant outcomes being achieved and the impact on Local Authority funding.
- Options for this service to become a Commissioned service to allow a successful service to continue.

This will also include a return on investment (ROI) assessment for any projects >£5,000 (Tiers 2 and above) based on the key principles of the Community Investment Fund, the 20% return on investment target and use of Council revenue funding.

This assessment will be split into two components to:

- Assess the project and delivered outcomes against the Council's revenue budget.
- Assess the project and delivered outcomes incorporating the wider social impact delivered across the Borough.

These assessments will be carried out by the Council based on a simple benefit to investment calculation as illustrated below. Where direct monetisation is not possible, proxy valuations will be developed by the Council in partnership with the Community sector and used for example: Cost avoidance/savings, Unit benchmarks or External reference values based on the outcomes and activities resulting from the project or grant.

$$\text{ROI} = \frac{(\text{Cashable Savings} + \text{Monetised Benefits})}{\text{Council Investment}}$$

Worked Example

- Organisation A receives £25,000 for a pilot project to improve Adult Independence and offer Community-Led Care. The outcomes from this project led to £1,000 in cashable savings from the Council budget and a further £1,500 in benefits relating to prevention and reducing future demand. This is quantified in the calculation below with the project delivering £0.1 per £1 spent, delivering 10% return on initial investment (ROI).

$$\text{ROI} = \frac{(\pounds 1,000 + \pounds 1,500)}{\pounds 25,000}$$

Note: It might not be possible for all projects to deliver quantifiable ROI in line with the calculation above although projects that do so may be prioritised in future funding rounds.

Financial Clawbacks and Payment Principles

Grants are awarded to fund an agreed outcome, and once that has been delivered, discussions with the Council should take place to consider if within the allocated time frame, further /higher outcomes can be achieved. Any unspent funds may be reclaimed by and returned to the Council if not agreed to progress. Financial monitoring of grants is therefore an important function within the monitoring of grants.

The Council reserves the right to reclaim all or part of any grant funding where agreed outputs or outcomes have not been delivered, where expenditure is not in line with the approved purpose, or where unspent funds remain at the end of the funding period, depending on Funding Tier.

[Appendix A – Outcomes, Activities and Potentials Measurement \(Excel\)](#)