

<b>Committee</b>	<b>Dated:</b>
City Bridge Trust	14 <sup>th</sup> November 2018
<b>Subject:</b> Strategic Initiative - Funder Plus Phase 1	<b>Public</b>
<b>Report of:</b> Chief Grants Officer & Director of City Bridge Trust (CGO)	<b>For Decision</b>
<b>Report author:</b> Jenny Field, Deputy Director of City Bridge Trust	

### Summary

At your last meeting you received a paper outlining proposals for the first phase of a new CBT Funder Plus<sup>1</sup> offer, as part of your Bridging Divides strategy for 2018 – 2023. At that meeting you agreed to commit up to £500,000 of your 2018/19 grants budget towards this first phase, together with up to £50,000 non-grants expenditure in order to procure a Managing and Learning Partner to support the initiative. It was envisaged that three grants of up to £150,000 (from the £500,000) would be awarded to providers of civil society support in London to each work with a cohort of CBT grantees to provide a Triage and Connect programme over 12 months to test what good ‘diagnostics’, ‘connecting’ and ‘supporting’ looks like. This report seeks your approval for two such grants, one to the Cranfield Trust and the other to Locality, towards this programme. It is anticipated that a recommendation for a third grant to a third charity will be brought to your January 2019 Committee meeting.

### Recommendation

Members are asked to:

- a) Approve a grant of £150,000 to the Cranfield Trust towards a Triage and Connect programme to support the delivery of Phase One of the Trust’s new Funder Plus offer.
- b) Approve a grant of £150,000 to Locality towards a Triage and Connect programme to support the delivery of Phase One of the Trust’s new Funder Plus offer.
- c) Approve a condition on both grants that the two organisations work with CBT to ensure their respective budgets and the numbers of beneficiaries are appropriately aligned.

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<sup>1</sup> ‘Funder Plus’ means providing capacity building support for grantees, usually through a third-party provider, thereby adding value to the grant. For example, you are supporting the Cranfield Trust’s Strive Programme which is providing pro bono management consultancy support for CBT grantees.

## Main Report

### Background

1. Your Bridging Divides strategy 2018 – 2023 commits you to improving your Funder Plus offer to make it more coherent and better aligned with other funders.
2. At your last meeting, you received a paper outlining proposals for Phase One of your new Funder Plus offer which is intended to provide a foundation on which to build additional layers of your offer, through the ‘total assets’ approach set out in the Bridging Divides strategy.
3. At the meeting you agreed to commit up to £500,000 of your 2018/19 grants budget towards this first phase, together with up to £50,000 non-grants expenditure in order to procure a Managing and Learning Partner to support the initiative.
4. The proposals for Phase One of Funder Plus were informed by two roundtables held during this year; one for funders and another for civil society support organisations both of which led to very rich discussions and strong appetite for working together to find more creative and imaginative ways of helping organisations build capacity alongside more traditional areas of civil society support.
5. We have also consulted on the content of the Phase One programme, a draft of which was appended to the report received at your last meeting. Key principles of this document include:
  - Whilst the offer will require a digital platform to enable organisations to both self-diagnose their support needs and also identify the provider best suited to them, this cannot replace a face-to-face conversation to help tease out some of the more pressing issues than the organisation itself may have identified.
  - The importance of ‘clear blue water’ between those undertaking the deeper diagnosis and the funder cannot be over-emphasised; potential/existing grantees may be reluctant to show what might be perceived as weakness to a funder.
  - Whilst Funder Plus offers are often welcomed by the sector, organisations can also feel overwhelmed by too many Funder Plus offers but not able to turn any down for fear of appearing ungrateful. It is therefore important to be clear that any offer is just that: an *offer* not a *requirement*.

6. At the last meeting, you approved our proposal that Phase One of your new Funder Plus offer would run as a 'Triage and Connect' programme to test what does good 'diagnostics', 'connecting' and 'supporting' look like, working initially with three cohorts of your grantees. The cohorts are likely to be:
  - A group of recent grantees;
  - A group linked by geography (focusing on the 'cold spots' highlighted in the statistical report that was brought to your July meeting);
  - A group linked by an issue (yet to be decided but it would be sector specific, for example, mental health; frontline advice agencies; deaf and disabled people's organisations).

### **Implementing Phase One of Funder Plus**

7. Following approval at the last meeting, civil society support organisations were invited to apply for grants to deliver this Triage and Connect programme over a twelve-month period which would need to signpost grantees to the most appropriate source of support (which could not be the Triage and Connectors' own organisation, of course).
8. In the event, only two bids were received – from the Cranfield Trust (an organisation well known to CBT and which you are funding to run the Strive programme providing support to CBT grantees) and Locality, a national membership network supporting local community organisations to be stronger and more resilient. Both bids were very strong and so both are brought to you today with a recommendation for funding.
9. Both organisations have provided a breakdown of how they propose to use the grant if their respective bids are successful. The invitation to apply did not stipulate budget headings but there are sufficient similarities between the two to provide a comparison which is contained in the table overleaf. Whilst there is a lot of similarity there are also some differences, as there are in the number of estimated beneficiaries. Locality says it will aim to support up to 80 organisations whilst Cranfield Trust states a minimum of 40. If funding is approved today, it is proposed that officers meet with the two organisations to bring the budgets and the numbers of beneficiaries in closer alignment. Both organisations agree this approach will be a helpful way forward.

Cost Item		Cranfield	Locality
<b>Entry Platform</b>	Tech	3,806	2,500
	Comms	2,468	2,500
	Content	2,199	
	Admin & CRM Management		11,250
<b>Management &amp; administration</b>	Overarching	18,655	12,250
	Misc: Engaement with Learning Partner etc. Getting feedback. Devt of pool of providers.		7,500
<b>Triage &amp; Connect</b>		16,472	39,000
<b>Grants for CBT funded organisations</b>		106,400	75,000
<b>TOTAL</b>		<b>150,000</b>	<b>150,000</b>

10. In parallel, we are in the process of procuring the Managing and Learning Partner through the City of London Corporation's procurement process (deadline for submissions 9<sup>th</sup> November 2018; interviews 20<sup>th</sup> November 2018).

11. Once this appointment has been made, we propose to work with the Partner to identify suitable organisations with potential to be the third Triage and Connector and which can be invited to apply for a grant. We therefore anticipate bringing a recommendation for a third grant to your January 2019 meeting.

12. The assessment reports for the Cranfield Trust and for Locality are provided at Appendix A and Appendix B respectively.

## Conclusion

13. Both Cranfield Trust and Locality are highly experienced in providing sophisticated organisational diagnostics and of providing tailored support packages.

14. Neither Cranfield Trust not Locality will be able to signpost organisations to themselves for support, of course. Both are committed to identifying more creative and imaginative ways of supporting organisations (such as peer-to-peer support or backfilling capacity in an organisation to enable key staff to attend conferences, networking events or training) alongside the more traditional forms of support such as governance or managing resources. They both propose to develop a pool of 'preferred providers' to signpost organisations to which will be rated anonymously by those who have received support – a sort of Trip Advisor for civil society support!

15. Both are also committed to working closely with each other, the Managing and Learning Partner and CBT using a 'test and learn' approach which will enable the programme to be tweaked as it develops.

16. The two proposals although slightly different in approach also share a lot in common. Both are keen to work with the Managing and Learning Partner to co-curate how their respective programmes will finally look.
17. If a third grant is awarded at your January Committee meeting, it will be possible to launch your new Funder Plus offer shortly afterwards.
18. It is proposed to bring regular updates to this Committee on how the programme is progressing.

## Appendix A

### **Cranfield Trust Ref: 15034**

#### Background

Cranfield is a leading provider of pro bono management support for the voluntary sector in the UK. Its vision is to improve the lives of people experiencing poverty, disability and social exclusion. Cranfield Trust places commercially skilled volunteers (who have a high degree of empathy and understanding of the pressures voluntary sector organisations face) with small to medium sized charities to address specific projects. Almost 60% of volunteers hold an MBA. 80% of the organisations benefitting from Cranfield Trust support have a turnover of less than £1 million.

It has thirty years' experience of working with skilled volunteers from the private sector and placing them with frontline charitable organisations. Its largest volunteering activity is pro bono consultancy but it also uses its relationships with individuals from the private sector to deliver telephone support, online advice, Masterclass events, online information, and intensive one or two-day support. As well as Masterclasses, it holds a variety of events such as roundtables, training and group meetings.

It was one of the first voluntary organisations to offer a digital service via HRNet, the HR resource for the voluntary sector.

During the last financial year (ending September 2018) it started new consultancy projects with 287 organisations and had a total of 464 active consultancy projects.

You are currently funding its Strive programme which is providing capacity building support to CBT grantees. At your meeting in July 2018, you agreed to extend this funding for a further six months (that is, until January 2019) until it was clearer what your new Funder Plus offer might look like.

Beneficiary feedback on "Strive" has been consistently positive. In addition to written testimony, several programme participants spoke at a February 2018 event at Saddlers' Hall where the charity's patron, HRH the Princess Royal delivered a key note address. Data provided by Cranfield shows a good geographical distribution of beneficiaries across London. By mid-January 2019, the Strive programme will have supported 95 CBT grantees plus a further 23 organisations over the two years of the programme.

Now that proposals for Phase One of Funder Plus have been approved with the emphasis on testing good 'diagnostics', 'connecting' and 'supporting', you may wish to continue to support Cranfield Trust's Strive programme due to their track record as a provider of civil society support (in their Triage and Connect role they would not be able to refer organisations to their own services but this does not preclude the other Triage and Connectors from treating them as a provider of civil society support). Officers will bring proposals for your future support of the Strive programme to your January 2019 meeting.

## The Proposal

Cranfield Trust has 30 years' experience of undertaking assessments of organisations' strengths, challenges and areas for development. It has a track record in developing new models of support when and where needed and is adaptive and creative in its approach.

It envisages six key stages to the delivery of the programme:

- An online platform to enable organisations to self-diagnose and to be signposted to appropriate sources of help
- Triaging through a structured phone call and then signposting to appropriate sources of help and support. Cranfield Trust's team is highly experienced in triaging in this way and last year dealt with 500 enquiries.
- Face to face interviews lasting 60 or 90 minutes and which can cover 'hard and 'soft issues in order to understand the full range of issues facing the organisations. Support in helping the organisation which issues to prioritise.
- Support plan and next steps. Up to 5 days support is envisaged.
- Guidance, monitoring and oversight, to ensure that the relationship with the provider is effective and useful.
- Feedback, and a follow-up diagnostic and evaluation.

## Financial Information

In 2016/17, received a grant of £250,000 from Garfield Weston for work in the north of England and in Wales. This was paid in one payment during that year and is held as a restricted reserve. Funds from this will be released in 2017/18 and in 2018/19 to meet the deficits on restricted expenditure.

Expenditure is forecast to increase in 2017/18 as a number of Cranfield Trust's associates were brought in-house on a PAYE basis in order to comply with IR35 requirements. An increase in income in 2019/20 is based on additional fundraising that is planned during the year which also explains the increase in the Cost of Fundraising.

Year end as at 30 Sept			
	2017 Audited Accounts	2018 Forecast/Draft	2019 Budget
	£	£	£
<b>Income &amp; expenditure:</b>			
Income	713,749	511,910	687,778
- % of Income confirmed as at 23/10/2018	n/a	n/a	31%
Expenditure	(447,128)	(585,722)	(767,778)
Total surplus/(deficit)	<b>266,621</b>	<b>(73,812)</b>	<b>(80,000)</b>
Split between:			
- Restricted surplus/(deficit)	139,321	(76,000)	(80,000)
- Unrestricted surplus/(deficit)	127,300	2,188	0
	<b>266,621</b>	<b>(73,812)</b>	<b>(80,000)</b>
Cost of Raising Funds	7,851	8,525	83,123
- % of income	1.1%	1.7%	12.1%
Operating expenditure (unrestricted funds)	200,324	332,906	544,960
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	272,042	274,230	274,230
No of months of operating expenditure	16.3	9.9	6.0
Reserves policy target	50,081	83,227	136,240
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	221,961	191,003	137,990

## Recommendation

**£150,000 over 12 months towards a Triage and Connect programme to support the delivery of Phase One of City Bridge Trust's Funder Plus offer, on condition that Cranfield Trust works with City Bridge Trust and the other connectors to ensure that the costings and beneficiary numbers of each other's programmes are appropriately aligned.**

## Appendix B

### Locality (Reference 15035)

#### Background

Although a national organisation, Locality has a thorough knowledge of London's voluntary sector through participation in networks and work with organisations such as London Funders, London Plus, local councils for voluntary service and City Hall (most recently by providing the verification function for the Mayor's Crowdfunding campaign). Its membership network provides it with a good understanding of issues affecting the sector – over 100 of its members are London-based.

It has led on several programmes which incorporate varying approaches to diagnostics and triage and connecting. Last year, it:

- Provided 978 local groups with grants<sup>2</sup> worth £4.4 million to create a neighbourhood plan.
- Enabled 72 local groups to access £1.1 million in grant funding to develop their community buildings and community projects.
- Enabled 89 organisations to access funding and support through Power to Change Bright Ideas Fund, for business ideas including cafes, financial inclusion, transport, tourism, housing, conservation and energy.
- Supported 20 areas to create plans to address local priorities through social action, as part of the £4.5 million Place Based Social Action programme.

Its specialist team also provides tailored support across the full spectrum of organisational life and:

- Supported 114 community organisations with advice and support.
- Provided 26 local authorities and other organisations with advice and support.
- Provided 81 members at crisis point with support to stay afloat through its Lifeboat turnaround programme.

Its online access platform, *My Community.com* is a gateway for advice and support for the community sector and a place where the community movement can connect virtually.

#### The Proposal

Locality foresees nine key stages in terms of the delivery of the programme:

- Defining the cohort and its eligibility
- Creation of an entry-point access platform. It is envisaged that Locality would work with the other two Connectors, the Managing and Learning Partner and CBT to develop a single platform across the three cohorts.

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<sup>2</sup> On behalf of the Ministry of Housing, Communities and Local Government

- Promotion and recruitment of CBT grantees within the cohort.
- On-boarding, that is making initial telephone contact with the organisations to get them on board.
- Diagnostic. Locality already has a diagnostic tool called Lighthouse which it would adapt for City Bridge Trust grantees to use as an online self-assessment tool and as a precursor to a more in-depth discussion. Locality are confident of being able to deploy this tool with immediate effect.
- Extended triage to draw up a support action plan.
- Connecting via the entry-point platform to a pool of 'approved provider', with advice and guidance.
- Delivery of capacity building support by the provider and oversight by Locality that the relationship is working. It is envisaged that the average length of each support package will be 2.5 days.
- Review and feedback. Supported organisations will be asked the extent to which the support met the outcomes of their support plan.

### Financial Information

As at 31<sup>st</sup> March 2017, Locality's financial year had a 31<sup>st</sup> March end. In 2017/18, it extended its year end to 30<sup>th</sup> June and so its 2017/18 audited accounts cover a 15 month period, which in part explains the increase in income and expenditure compared with the previous year. The deficit in 2016/17 was planned in order to allow flexibility to undertake key policy work, provide scope for internal development capacity and to fund improvements to internal systems. The budget for 2018/19 projects a deficit at a time when its free reserves are under target. The organisation is of the view that its reserves target is quite generous (and this will be reviewed during the year). The organisation says that the amount of income confirmed at this point in the year is higher than it was at the same time last year.

It does not currently show the Cost of Fundraising in its accounts. This has been brought to Locality's attention and it will be shown in future audited accounts.

Year end as at 30 June			
	2017 Audited Accounts	2018 Audited Accounts	2019 Budget
	£	£	£
<b>Income &amp; expenditure:</b>			
Income	4,561,000	6,424,000	6,247,459
- % of Income confirmed as at 18/10/2018	n/a	n/a	16%
Expenditure	(4,808,000)	(6,166,000)	(6,379,725)
Total surplus/(deficit)	<b>(247,000)</b>	<b>258,000</b>	<b>(132,266)</b>
Split between:			
- Restricted surplus/(deficit)	102,000	57,000	0
- Unrestricted surplus/(deficit)	(349,000)	201,000	(132,265)
	<b>(247,000)</b>	<b>258,000</b>	<b>(132,265)</b>
Cost of Raising Funds			
- % of income	0.0%	0.0%	0.0%
Operating expenditure (unrestricted funds)	3,536,000	5,176,000	5,359,938
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	1,234,000	961,000	828,735
No of months of operating expenditure	4.2	2.2	1.9
Reserves policy target	1,068,000	1,030,000	1,030,000
No of months of operating expenditure	3.6	2.4	2.3
Free reserves over/(under) target	166,000	(69,000)	(201,265)

## Recommendation

**£150,000 over 12 months towards a Triage and Connect programme to support the delivery of Phase One of City Bridge Trust's Funder Plus offer, on condition that Locality works with City Bridge Trust and the other connectors to ensure the costings and beneficiary numbers of each other's programmes are appropriately aligned.**