

Committee	Dated:
City Bridge Trust	31 st January 2019
Subject: Strategic Initiative – Cranfield Trust (15200)	Public
Report of: Chief Grants Officer	For Decision
Report author: Tim Wilson, Funding & Social Investment Director	

Summary

Cranfield Trust's management consultancy support to City Bridge Trust grantees and applicants has been available in current form since early 2017. This service is known as the *Strive* programme. Since launch, 127 organisations have benefitted, and the service has received very positive feedback. Cranfield was recently appointed as a key partner for City Bridge Trust's new 'funder plus' support scheme and your officers believe that *Strive* would strengthen the depth of offer available. Officers have reviewed, and discounted, the potential for double funding. Demand for Cranfield's services remains strong, and the proposal in front of you today includes provision to expand the reach of the work.

Recommendations

Members are asked to

- Agree a grant of £492,500 over three years (£161,000; £164,000; £167,500) to Cranfield Trust to provide management capacity-building support to 390 London-based charities through its *Strive* programme.

Main Report

Background

1. Given the funding proposals submitted previously to this Committee, many Members will be familiar with the free management consultancy support offered by the Cranfield Trust. An independent charity established in 1988, Cranfield places commercially skilled volunteers with small to medium sized charities to address specific projects. 80% of the organisations Cranfield supports have a turnover of less than £1 million. Volunteers are expected to work to a high standard, and almost 60% have an MBA, as well as bringing a strong understanding of the pressures charitable organisations typically experience. Charities mainly seek support with strategy, leadership mentoring, HR and marketing.

2. Whilst Cranfield operates nationally, the greatest demand for its support comes from London-based charities. In the last 12 months Cranfield started 90 new London projects, bringing its caseload in the capital to 124 across 21 boroughs. It expects continued strong demand, which it can meet through a body of almost 500 volunteers in London and the South East. Volunteers are matched to host charities by Cranfield's Project Managers who bring considerable voluntary sector experience to their role.
3. Early engagement with a Cranfield Project Manager helps the charity requesting support to refine its initial proposal. For example, discussions with the Project Manager might reveal that the root cause of the issue the charity wishes to address is deeper and requires a different intervention than first thought.
4. City Bridge Trust approved a strategic initiative of £205,100 to Cranfield over 18 months in November 2016 to run a new programme called *Strive*. A further £68,400 was awarded in July 2018 over 6 months to maintain *Strive* until the launch of the Trust's Funder Plus programmes in early 2019. *Strive* was offered primarily to City Bridge Trust grantees, but also made available to prospective applicants in order to make the scheme as inclusive as possible.

Proposal

5. At your November 2018 meeting, you received a paper with recommendations for the next steps regarding your revised funder plus offer. You awarded two grants, one to the Cranfield Trust and the other to Locality, for "Triage and Connect" services. This work will involve organisational health checks (or diagnostics) for City Bridge Trust grantees to identify the most significant needs, before referring those grantees to suitable sources of support.
6. The November meeting also highlighted that funding for Cranfield's *Strive* programme was due to end in January 2019. We noted that there had been very positive feedback from programme participants and that, as a result, we would bring a proposal for future *Strive* support to today's meeting. Through funder plus, "Triage and Connector" will refer organisations to a pool of 'trusted providers' and services. We propose that *Strive* is included in that pool. It should be noted that, should the Triage and Connectors refer a City Bridge grantee to the *Strive* programme, Cranfield does not stand to gain financially from the transaction. In other words, there is no question of double-funding should you agree today to continue to support the programme.
7. During the past two years of City Bridge Trust funding, Cranfield has supported 127 organisations through *Strive*, 99 of which were active grantees and the balance prospective applicants. This exceeded the original targets by 25%.
8. Client testimony highlights several positive outcomes:
 - Staff, trustees and volunteers with improved skills and confidence;
 - Increased efficiencies in service delivery;
 - Improved financial understanding and financial systems;
 - Improved fundraising capabilities; and,

- Enhanced management ability.
9. Demand remains strong and Cranfield is committed to providing one-to-one consultancy and mentoring support to at least 65 organisations a year, of which 50 would be grantees. This service would be offered through the existing Cranfield volunteer base.
 10. Cranfield also proposes to expand its offer with more peer mentor training and support. The charity will train five Chief Executives as mentors offering individual consultancy to widen *Strive's* reach and promote peer learning. The service would be strengthened further through a programme of learning events (three a year) and the provision of online information.
 11. In total, Cranfield will aim to provide in-depth support to 130 charities each year and a much greater number through online materials. Services and support will be delivered as follows:

Service	Beneficiaries per year	Beneficiaries over 3 years
Individual consultancy and mentoring support	50 City Bridge grantees	150 grantees
Individual consultancy support	15 prospective grantees	45 non-grantees
Peer mentor training	5 grantee charity leaders	15 grantee charity leaders
Peer mentor matching, placing and management	5 further grantees	15 grantees
Peer learning events (for up to 20 delegates)	60 delegates at 3 events per year	180 delegates
Access to online HR information and advice	Unlimited	
Access to online management information	Unlimited	

Financial Information

12. Cranfield Trust's free reserve target is based on total organisational expenditure for the coming year, on the basis that all the charity's work (even that supported with restricted funding) is aligned to its core activity. Planning the reserve level against financial commitments in the following year is prudent, but not an approach commonly used by other charities considered by this Committee. The target is to hold funds equivalent to 3 – 9 months.
13. Free reserves increased by £110,000 in 2018 because trustees decided to undesignated funds previously held on the balance sheet for specific projects.
14. The table shows significantly higher income in 2017 compared with the two following financial years. This is a result of a grant of £250,000 received from

the Garfield Weston Foundation for three years of delivery. The charity is holding this award in restricted reserves and spending funds over a 36-month period.

15. The cost of raising funds is low in 2017 and 2018, before a planned rise in 2019 as Cranfield brings new, dedicated fundraising staff on board.

Year end as at 30th September	2017 Audited Accounts £	2018 Draft £	2019 Budget £
Income & expenditure:			
Income	713,749	509,947	682,010
- % of Income confirmed as at 11th December	n/a	n/a	65%
Expenditure	(447,128)	(579,297)	(762,010)
Total surplus/(deficit)	266,621	(69,350)	(80,000)
Split between:			
- Restricted surplus/(deficit)	139,321	(76,000)	(84,250)
- Unrestricted surplus/(deficit)	127,300	6,650	4,250
	266,621	(69,350)	(80,000)
Cost of Raising Funds	7,851	7,907	77,358
- % of Income	1.1%	1.6%	11.3%
Total planned expenditure - following year	579,297	762,010	789,172
Free unrestricted reserves:			
Free unrestricted reserves held at year end	272,042	388,692	392,942
No of months of total expenditure	5.6	6.1	6.0
Reserves policy target	144,824	190,503	197,293
No of months of total expenditure	3.0	3.0	3.0
Free reserves over/(under) target	127,218	198,190	195,649

Conclusion

16. Cranfield Trust has delivered *Strive* successfully since launch in early 2017. Continuation funding will help ensure continued provision to both City Bridge Trust grantees and prospective applicants and should form a valuable part of our funder plus activities from early 2019 onwards.

Appendix

Appendix A – Summary Assessment of Strategic Initiative

Tim Wilson
Funding & Social Investment Director, City Bridge Trust
T: 020 7332 3716 E: tim.wilson@cityoflondon.gov.uk

Summary Assessment of Strategic Initiative for Committee Decision
(Use: Y/N/Potentially or N/A where relevant)

FILTERS	
Will The pro-active grant:	
Further the Trust's Vision and Mission?	Y
Support work within the Bridging Divides programmes? Or, meet a clear need that has arisen since Bridging Divides were agreed?	Y
Have the potential for impact beyond that of an individual reactive grant or number of individual grants?	Y
Be affordable within the agreed annual budget (from the Trust alone or in combination with other funders) and, looking forward, leave sufficient budget to meet anticipated pro-active grants for the remainder of the financial year?	Y
Be made to an organisation(s) that conforms to the Trust's eligibility criteria and has the capacity and expertise to deliver the work?	Y

PRIORITISATION GUIDANCE	
Evidence	
Is there external and/or internal research and information that supports the need for the proposed grant?	Y
Is there external and/or internal research and information that indicates the approach proposed in the grant will be successful?	Y
Is there evidence that indicates the work will be hard to fund from other sources?	In part
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Y
Will the work/approach funded be replicable?	Y
Does the grant provide an opportunity to strengthen Civic Society in London?	Y
Is the work sustainable beyond the period of the grant?	Possibly
Can the impact of the work be measured through evaluation?	Y
Leverage	
Will the grant particularly benefit from the Trust's and the Corporation's distinctive networks and connections? Is there an opportunity to add value in this regard?	Y
Will the grant be able to build on the Trust's, and its existing grantees'/investees', knowledge and expertise?	Y
Will the grant have the potential to leverage any other funding from other sources?	Y
Spread	
Geographic	

Will the grant support work in a geography where there is high need but relatively low Trust spend?	Potentially
<i>Thematic</i>	
Will the grant support work in a thematic area of the Bridging Divides Programme where there is high need but relatively low Trust spend?	Possibly
<i>Portfolio</i>	
Within the Trust's Strategic Initiative portfolio, is the grant duplicating or complementing anything already funded?	Complementing the Funder Plus services offered through <i>Bridging Divides</i>
<i>Approach</i>	
Will the grant enable better collaboration between relevant organisations?	Y
Is the proposed work across more than one LA or is London-wide?	Y
Does the proposed work explicitly link the private, statutory and voluntary sectors?	Y