

<b>Committee</b>	<b>Dated:</b>
City Bridge Trust (CBT)	25 <sup>th</sup> July 2019
<b>Subject:</b> Current backlog in Bridging Divides applications	Public
<b>Report of:</b> Chief Grants Officer & Director of City Bridge Trust (CGO)	<b>For Decision</b>
<b>Report authors:</b> Jenny Field, Deputy Chief Grants Officer	

### Summary

CBT is currently experiencing a backlog of applications which is compromising our target turnaround time of up to 4 months. The purpose of this paper is to explain the reasons for this; outline what remedial actions have already been taken and make recommendations for further steps to enable us to revert to our usual turnaround times.

### Recommendation

Members are asked to:

- a) Increase the levels of delegated authority, as set out in paragraph 19 of this paper, subject to the approval of the Court of Common Council;
- b) Hold an additional two CBT Committee meetings for the approval of grant recommendations during 2019/20, in order to reduce waiting times for applicants whilst the backlog is cleared;
- c) Agree that future strategic reviews should build in provisions to enable a smooth transition from one set of funding programmes to another;
- d) Recommend that Resource Allocation Sub-Committee consider for approval an uplift in CBT's Local Risk Budget for 2019/20 of £41,000 to enable CBT to respond to an unforeseen increase in applications and a subsequent backlog in applications;
- e) Increase the target turnaround times for applications from 4 months to 6 months in the light of increased demand until such time as the backlog is cleared and we can confidently reduce this target time again.

### Main Report

#### Background

1. We brought the report of your Learning Partner, Renaisi, analysing the first year of Bridging Divides, to your last meeting. It showed that during 2018/19,

CBT received more applications than in the annual average of the previous 5 financial years (422 applications compared with 299). At that meeting, we undertook to interrogate the data in order to better understand whether the increase in applications is the result of a spike or whether it signifies a trend.

2. Our analysis includes only 'main grants' and excludes those that follow a different assessment process (Eco Audits, Strategic Initiatives, Stepping Stones, Small Grants). The detailed data analysis can be found at Appendix A.
3. The increase in the number of applications has contributed to a backlog of applications and a lengthening of our usual turnaround times. We have met with the Chair and Deputy Chair to explain the situation and explore the options to enable us to clear the backlog, some of which are included in the recommendations within this paper.
4. Amongst the options discussed were 'to do nothing' and 'to temporarily close the grants programmes'. The former was discounted because the current turnaround times are too long and officers intend to work towards reverting to our usual turnaround times. The latter was also discounted because the increase in applications is at least partly due to increased need within the sector and it is important that we are able to respond to this need.

### **Why is City Bridge Trust experiencing a backlog in applications?**

5. The data shows that whilst it is early days in the implementation of Bridging Divides, there has been a small but significant increase in application rates overall (an average of 30 applications per month under Bridging Divides, compared with an average of 25 per month during the life of Investing in Londoners). This has been exacerbated by a large spike in applications during the last month of Investing in Londoners (the funding programmes that preceded Bridging Divides).
6. During previous five-year strategic reviews, we have closed the old programmes before launching the new ones. This has always led to surge in applications to the old programmes. In 2007/08, for example, the old programmes closed on 1<sup>st</sup> October 2007, with the new programmes launching in July 2008 – and 268 applications were received in the months of September and October 2007 alone.
7. Learning from this experience, during the 2012/13 Strategic Review, the closure period was shorter, with the old programmes closing on 21<sup>st</sup> June 2013, and the new ones launching on 23<sup>rd</sup> September 2013. This also led to a surge in applications, albeit a slightly smaller one, with 166 applications being submitted following the announcement of the June deadline.
8. Ahead of the launch of Bridging Divides on 23<sup>rd</sup> April 2018, in order to reduce the likelihood of a surge in applications, we decided not to announce the closure of Investing in Londoners. These funding priorities were taken down from the website on Friday 20<sup>th</sup> April 2018 therefore, and those organisations which had started an online application, were given just over a month within which to submit their completed applications. This resulted in 71 Investing in

Londoners applications being received between 1<sup>st</sup> and 30<sup>th</sup> May 2018. On the previous occasions, although the increase in applications was greater, there was a period of closure which enabled officers to work through the additional applications. This was not the case with Bridging Divides and so this factor has contributed to the backlog.

9. Another contributing factor has been the introduction of grants of five-year duration which has meant that grantees in receipt of a three-year grant under Investing in Londoners can apply for continuation funding under Bridging Divides, provided the work continues to meet your new priorities (27% of applications under Bridging Divides are for continuation funding).
10. Our target application turnaround time is approximately 4 months. However, as a result of the backlog, the actual time taken for some applications to be processed can be 6 months and in some cases as long as 9 months.
  - **Given the overall increase in applications to CBT, it is recommended that the target turnaround time for applications is increased from 4 to 6 months until such time as the backlog is cleared and we can confidently reduce this target time again.**
11. This spike in applications received, together with an overall increase in application numbers, are not the only reason for the backlog in applications, however. The staffing re-structuring that took place during 2018/19 resulted in some capacity issues as did bedding in the new Bridging Divides funding priorities and approaches, and the expansion of the work of the Central Grants Unit. In addition, the move from three-year to five-year grants has meant that some organisations which had received a three-year grant under Investing in Londoners have been able to apply for two-year continuation funding where the work also meets the priorities of Bridging Divides (this accounts for 27% of Bridging Divides applications).
12. The move to five-year grants means that the average amounts requested (and awarded) have also increased and there is a risk that the Trust could overspend its grants allocation of £20m (from the overall £100m set aside for Bridging Divides) during 2019/20. Proposals for how to manage this increase in commitments will be brought to your meeting in September 2019.

### **The current backlog**

13. A bumper 110 applications are brought to you today, with a recommendation for funding for 42 organisations, together with those recommended for rejection and reporting of those approved under delegated authority since your last meeting. This unprecedented number is a result of Officers from across CBT and Chamberlains Teams prioritising more time than usual for grants assessments as opposed to other aspects of the Trust's work. Of those being recommended for funding, 59% were received in the October – December 2018 quarter, although it should be noted that the length of assessment time will not always be wholly due to the backlog, especially, for example, where organisations are slow to come back with additional

information that may be needed to complete the assessment of their application.

14. At the time of writing this report, 93 applications had been allocated to Funding Managers/Freelance Assessors for assessment. Of these, 33% were received before December 31<sup>st</sup> 2018 and 52% were received in the quarter January – March 2019.
15. At the time of writing, a further 66 had been received up until 21<sup>st</sup> June 2019 and are yet to be allocated. 24% of these were received during March 2019, with the remainder being received between 1<sup>st</sup> April and 21<sup>st</sup> June 2019.

### **What have we done to reduce the backlog?**

16. We have identified funds within our Local Risk budget, as a result of staff vacancies elsewhere in the team, to cover the cost of a Funding Manager over a 12-month period and have recruited accordingly. The postholder will start with CBT on 12<sup>th</sup> August 2019. In addition, we have widened our pool of freelance consultants with a potential four additional people to join our existing group comprising Gilly Green, Tania Bronstein and Sara Masters. The financial implications of this are set out in paragraph 18.
17. The team has been working in small groups in order to triage the inflow of applications so that applications for continuation funding, together with those that can be dealt with by delegated authority can be readily identified along with applications that do not meet your priorities.

### **What more can be done to reduce the backlog?**

#### **18. Review the current levels of delegated authority**

The Chair has suggested that the Committee review the current levels for making decisions through delegated authority.

As approved by the Court of Common Council on 16<sup>th</sup> October 2014, the levels of delegated authority are:

- (i) Up to £10,000 may be approved by the CGO;
- (ii) Applications of over £10,000 and up to £25,000 may be approved by the CGO in consultation with the Chairman and Deputy Chairman;
- (iii) Applications of over £25,000 and up to £50,000 may be approved by the CGO in consultation with the Chairman and Deputy Chairman, with reference to the Chamberlain;
- (iv) Applications over £50,000 to be approved by the Committee.

Table 1 below shows the number of applications dealt with where funding has been recommended, using the current levels of delegation and the number dealt with by Committee during 2018/19.

**Table 1:**

Grant level	Number of applications	Value of grants approved	% of number approved
< £10,000	19	£96,233	9.5%
£10,000 - £25,000	17	£292,005	8.5%
£25,000 - £50,000	17	£676,955	8.5%
> £50,000	147	£20,948,850	73.5%
<b>Total</b>	<b>200</b>	<b>£22,014,043</b>	<b>100%</b>

19. It is proposed to review these levels, so that:

- (i) Applications of up to £50,000 may be approved by the CGO;
- (ii) Applications of between £50,001 and £100,000 to be approved by the CGO, with reference to the Chamberlain;
- (iii) Applications of more than £100,001 to be approved by the Committee.

Table 2 shows the impact this change would have on the number of applications dealt with by delegated authority and the number that would continue to come to Committee for approval, based on applications approved during 2018/19:

**Table 2:**

Grant level	Number of applications	Value of grants approved	% of number approved
< £50,000	53	£1,065,193	26.5%
£50,000 - £100,000	47	£3,609,030	23.5%
> £100,000	100	£17,339,820	50%
<b>Total</b>	<b>200</b>	<b>£22,014,043</b>	<b>100%</b>

Increasing the levels of delegated authority as proposed would make a sizeable difference to the amount of business that could be undertaken outside of the Committee Meeting, thereby increasing the time available for discussion about strategy and wider policy issues, whilst ensuring that Committee continues to make decisions on the more substantial applications which accounted for 50% of grants in 2018/19. We have discussed these amended levels of delegation with the Chamberlains officers who support CBT, who are content to support these in principle. Discussions are yet to take place with The Chamberlain to confirm this approach.

- **It is therefore recommended that the levels of delegated authority are increased to those set out in paragraph 19, subject to the approval of the Chamberlain and the Court of Common Council.**

20. Increase the number of Committee Meetings during the year

An additional two meetings during 2019/20 in, say, October and December, would also have a significant impact on clearing the backlog and would reduce the amount of time applicants have to wait for a funding decision. If

Members approve this recommendation, it is proposed that these meetings would focus solely on grant approvals. It should also be noted that these additional meetings are purely to help deal with the backlog and that thereafter the current bi-monthly schedule should revert.

- **It is recommended that two additional, but one-off, Committee meetings are held during 2019/20.**

21. Include a gap at the end of future grants programmes and plan for a programme spike at the end of Bridging Divides.

Learning from previous experience, we need to understand that when funding programmes come to an end, an increase in applications will be inevitable. Officers recommend that we plan for this in the future, rather than try and maintain 'business as usual'.

- **It is recommended that future strategic reviews plan for a spike in the number of applications received and build-in a period of closure in order to transition from one set of funding programmes to the next.**

22. Improve and streamline our systems where possible.

It is proposed to introduce a dashboard as part of our grants database which will alert staff when the monthly average number of applications is exceeded.

We will also continue to review our systems and processes as part of our continuous improvement ethos, making efficiencies (without compromising sound procedures) where possible.

### **Resource Implications**

23. We have identified funds within our Local Risk budget to cover the cost of a Funding Manager over a 12-month period. However, the engagement of additional freelance grants assessors will have resource implications. Where possible, we will mitigate the cost making savings from other budget lines. However, at this early point in the year, we will need to ask Resource Allocation Sub-Committee for additional funds for our 2019/20 Local Risk budget of £41,000, subject to the approval of this Committee.

- **It is recommended that approval for an additional £41,000 is sought from Resource Allocation Sub-Committee to uplift CBT's Local Risk Budget in 2019/20.**

# Appendix A

## Statistical Analysis of Application Rates

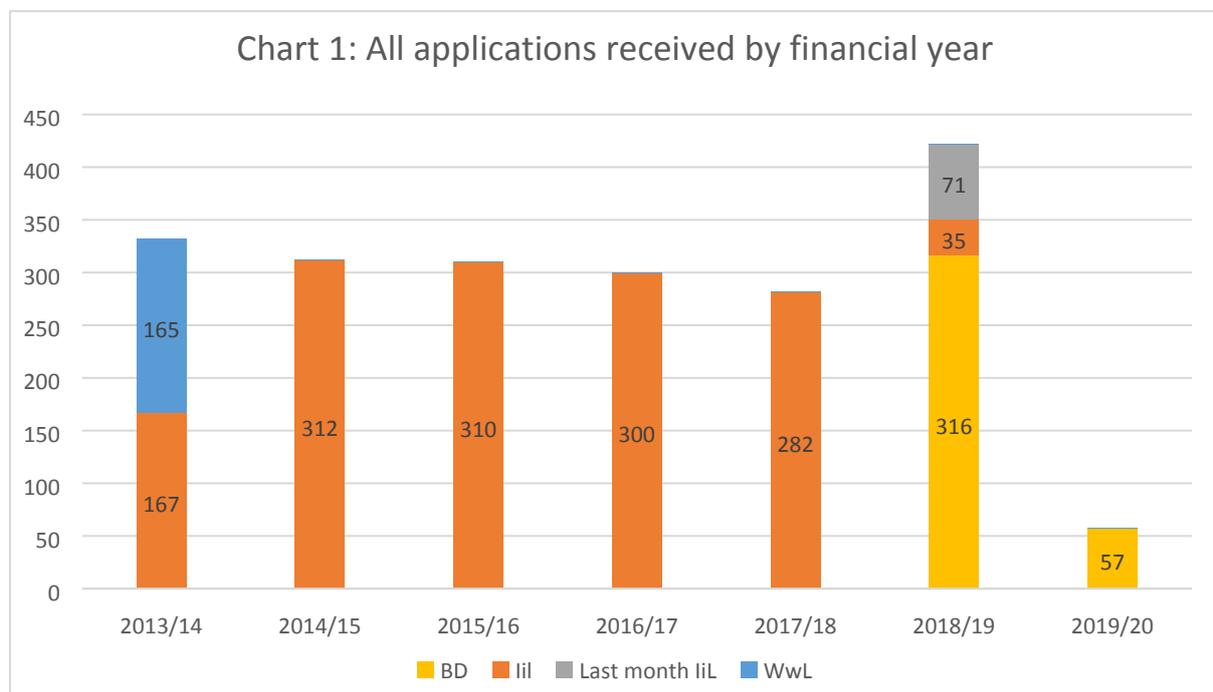
### Scope

Officers identified an increase in the number of applications received by CBT as well as an increase in the time it takes for an applicant to receive a decision. We commissioned Renaisi to undertake a statistical analysis of our grant applications<sup>1</sup> to complement the Trust's our own reviews.

The analysis includes only 'main grants' and excludes those that follow a different assessment process (Eco Audits, Strategic Initiatives, Stepping Stones, Small Grants).

### Is City Bridge Trust receiving more grant applications?

Chart 1 shows that in 2018/19 City Bridge Trust received more applications (422<sup>2</sup>) than in any of the previous 5 years (an average of 326). 2018/19 was the year Investing in Londoners closed and Bridging Divides opened. In order to understand whether 2018/19 was a 'spike' or a trend (as well as underlying drivers), we need to consider the applications received in comparable time periods.



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### First full year of grants programmes

<sup>1</sup> Renaisi, June 2019, Application Rates Analysis, data drawn down: 28.05.2019.

<sup>2</sup> Excluding Grenfell grants

<sup>3</sup> Excludes Grenfell grant awards

Chart 2 compares the opening years of Bridging Divides and Investing in Londoners. In terms of overall application numbers there is no significant difference between the first year of each programme. Both programmes had steady starts and it is possible that the application rate for the first 2 months of the grant programme – the ‘launch months’ - are anomalous whilst the Trust promotes the new scheme and applicants take time to familiarise themselves with new criteria. Excluding the first 2 months, application rates for Bridging Divides are slightly higher (30.3 per month) compared to Investing in Londoners (28.5 per month).

Chart 2: Bridging Divides compared to Investing in Londoners application rate in first 14 months of delivery



**Last full year of Investing in Londoners**

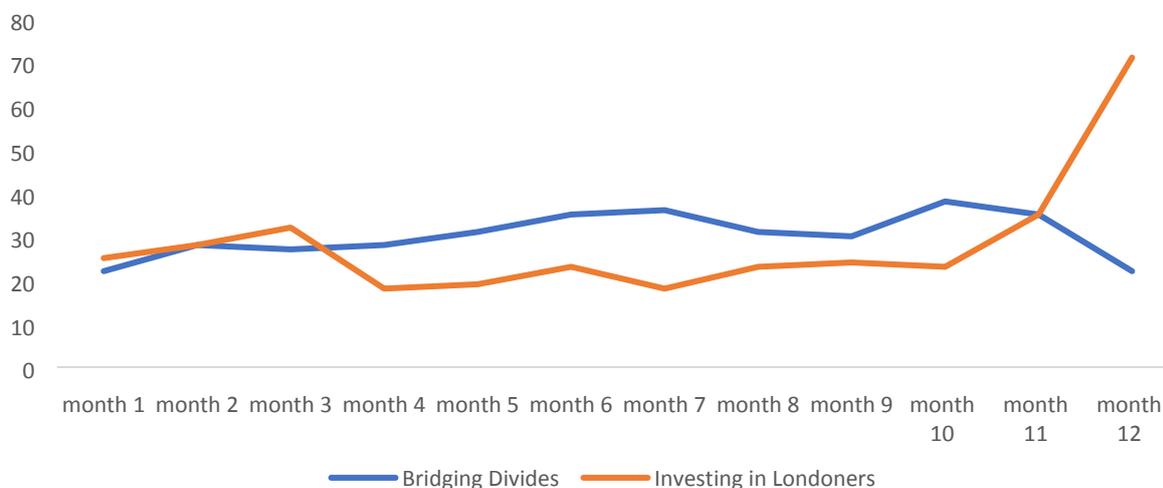
Chart 3 looks at the final 12 months of Investing in Londoners alongside the first 12 months of Bridging Divides. Here we see a marked spike in the last month of Investing in Londoners - 71 in May (more than double the usual number). It seems likely that the increase was driven by applicants rushing to submit their applications in case they no longer met the funding criteria for Bridging Divides.

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<sup>4</sup>Excluding Grenfell grants

Chart 3: Bridging Divides 1 year of delivery (excluding first 2 'launch' months) compared to Investing in Londoners last full year of delivery



At the beginning of Investing in Londoners, the predecessor grants programme also saw an end of programme spike (67 applications in 1 month compared to an average of 31.9 in the previous 11 months of the programme). However, this was absorbed quite manageably into the team at the time because of a period of closure (2 months) between grant programmes and partly due to less substantial changes between grant-making programmes.

### Has there been a substantial increase in application rates?

Other than the spike seen in Investing in Londoners applications in the final month, there appears to be no significant difference in average application rates from the last 12 months of this programme and the first year of Bridging Divides

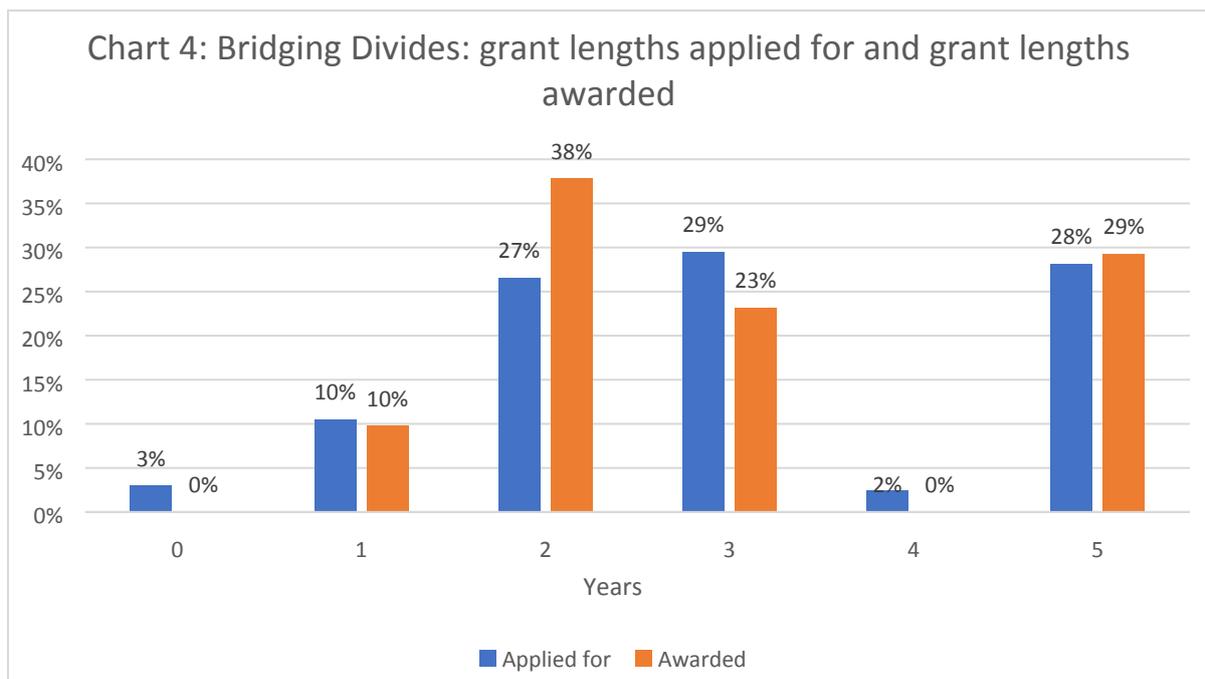
Looking over 5 years of Investing in Londoners (and excluding both the spike and the Grenfell grants) we see 25-26 applications per month were received. This compares to a rate of 30.3 for Bridging Divides (excluding the first 2 months), showing a small but significant increase in application rates. It is too soon to tell whether this is a medium- or longer-term trend.

### What application trends are emerging?

This analysis took place 14 months into the Bridging Divides programme. It is too early to confirm new application trends but we can highlight what looks to be emerging and keep a watching eye over the coming months and years.

### Five-year funding

The Trust has awarded multiple-year grant awards for some time. Bridging Divides extended the 3 year maximum grant duration to 5 years. Unsurprisingly, there has been high demand for 5-year grants. Chart 4 shows that 28% of applicants apply for it and 29% of applicants receive it. It is interesting to note that slightly more apply for 3 years (29%). Of these, the majority are new requests (9% are for continuation funding) suggesting that some applicants may be reticent to apply for 5-year funding.



### Continuation funding

The new 5-year grant period has been well promoted to existing grantees: 93 Investing in Londoners grantees with funding due to end were emailed to let them know they were eligible to apply to increase their grant period. It is possible that a disproportionate number of applications will be received from these grantees during the first years of Bridging Divides.

The data show that continuation funding has been a strong driver for Bridging Divides application rates. 27% (101) of BD applicants said they were applying to continue work that is currently CBT funded compared to 7% of applicants under Investing in Londoners. Of the BD continuation applicants, just over a third have had a decision and very few have been declined (just 4% to date). As shown in Chart 5, the most common Bridging Divide grant award length is 2 years, received by 38% of applicants (90% of the 2-year grants awarded are for these grantees).

### Amount requested

Given the move to 5-year funding awards CBT expected the individual grant award level to increase under Bridging Divides. In the first 14 months of Bridging Divides the mean amount requested is £128,046 compared to £93,425 over the 5 years of Investing in Londoners.

Chart 5: Proportion of applicants, by application request size (£)



As anticipated, the mean grant amount awarded under Bridging Divides is higher at £134,919 compared to £86,040 under Investing in Londoners. 41% of Bridging Divides grantees get less than they applied for and around a third get more than they requested. This is similar to liL.

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