

MEETING: 30/01/2020

Ref: 15620

**ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital**

Sported Foundation

Adv: Samantha Grimmatt-Batt

Base: Southwark

Amount requested: £421,000.00

Benefit: London-wide

Amount recommended: £275,000

**The Applicant**

Sported Foundation (Sported), launched in 2008 initially operating as a grant-maker. In 2014 the charity switched to a capacity-building and advocacy model. Using a membership model, it now supports grassroots organisations using sport to engage with disadvantaged young people. Services are provided online and face to face, including a volunteer matching programme, connecting business professionals with member groups. Sported's model is to act as a conduit to enable organisation leaders (often volunteers) to build capacity, maximise funding, and deliver impact in the most effective way possible. Membership is free and currently sits at 2,675 groups, including 350 in London. The charity is also committed to evidencing the transformative impact of sport; it has developed a shared measurement framework and supports its members to adopt best practice impact measurement.

**The Application**

The charity is seeking funding to implement its Connected Communities model in London. This programme will build the capacity, resilience, and partnerships of 36 London youth sports organisations by delivering workshops and focus group sessions, developed following a local needs analysis. It will assist the groups to gather into 6 collectives, where they will jointly tackle key local social challenges. Internal and external evaluations will be undertaken, to maximise the potential for further replication across London, and for sharing learning across the sector.

**The Recommendation**

Sported understands the power of utilising local solutions to local problems and the importance of building community strength by improving self-reliance and sustainability amongst community organisations. The benefits of this approach have been well documented<sup>1</sup>. During the last 10 years, at least 400 local groups, mainly small organisations, have been lost in the youth sport sector (UK wide); a lack of capacity and resource amongst the smallest organisations has contributed to this. Improving resilience amongst these groups is essential; for those most difficult to engage they are often the only sources of hyper-local knowledge and skillset necessary to engage meaningfully. This project meets the capacity building element of your "connecting the capital" priority. The recommendation has been reduced to meet your policy of funding up to 1 full time equivalent salary and the number of groups/collectives has been adjusted accordingly. Funding is recommended:

***£275,000 over three years (£94,000, £85,000, £96,000) toward the salaries of the Project Manager, Regional Manager, and Member Engagement Manager (with no more than 50% of the annual grant going on salaries), plus evaluation and other running costs to launch the Connected Communities London model.***

## Funding History

| Date       | Decision   |
|------------|--|
| 09/07/2015 | Declined as the majority of activities fell outside your criteria. |
| 19/06/2014 | Declined as the proposal was not focused on disabled people.       |

## Background and detail of proposal

The charity has successfully tested this approach with two smaller London projects focused on increasing engagement of women and girls, and youth violence, respectively. Activities included the development of a theory of change and identification of areas in which organisations can better serve their target beneficiaries by working collectively. A key aspect of Sported's model is its capacity measurement tool which allows for aggregation of strengths and development opportunities, producing data which can also be used as an influencing tool.

## Financial Information

The financial year end changed in 18/19. Due to a shift in strategic direction (reference above, under "the applicant"), Sported began spending down its founding donation, but not diversifying and increasing income streams as quickly as anticipated. This resulted in deficits in 2015-2017, leading to a significant reduction in reserves. Whilst the low reserves are concerning, the charity has strong fundraising and cost management strategies in place, and the reserves position is increasing year on year. The deficit on restricted funds has been reducing (and will continue to after 2021), the anomaly in 2019 is due to a grant which did not materialise – due to budget restrictions of the funder. The charity recently revised its overall and financial strategy, including appointing a new chair and CEO. Other revenue funding includes a major commitment from Sport England until March 2020, with a further similar grant expected in 2021. Furthermore, it has confirmed multi-year commitments from funders including London Marathon Charity, Greater London Authority, Ronson Foundation and London Sport.

| Year ending                                 | Dec-18         | Mar-19 (15 months) | Mar-20         |
|---|----------------|--------------------|----------------|
|   | £              | Draft<br>£         | Forecast<br>£  |
| <b>Income &amp; expenditure:</b>            |                |                    |                |
| Income                                      | 2,276,084      | 2,447,235          | 2,119,997      |
| - % of Income confirmed as at 8/7/19        | N/A            | 100%               | 92%            |
| Expenditure                                 | (1,898,030)    | (2,362,365)        | (1,919,500)    |
| Total surplus/(deficit)                     | <b>378,054</b> | <b>84,870</b>      | <b>200,497</b> |
| Split between:                              |                |                    |                |
| - Restricted surplus/(deficit)              | (16,894)       | (55,903)           | (15,100)       |
| - Unrestricted surplus/(deficit)            | 394,948        | 140,773            | 215,597        |
|   | <b>378,054</b> | <b>84,870</b>      | <b>200,497</b> |
| Operating expenditure (unrestricted funds)  | 1,279,665      | 1,578,666          | 976,120        |
| <b>Free unrestricted reserves:</b>          |                |                    |                |
| Free unrestricted reserves held at year end | 52,053         | 192,826            | 408,423        |
| No of months of operating expenditure       | 0.5            | 1.5                | 5.0            |
| Reserves policy target                      | 319,916        | 394,667            | 244,030        |
| No of months of operating expenditure       | 3.0            | 3.0                | 3.0            |
| Free reserves over/(under) target           | (267,863)      | (201,841)          | 164,393        |

<sup>i</sup> E.g.: The Way Ahead, Civil Society at the Heart of London, London Funders.