

Report – The City Bridge Trust Committee

Proactive Grants for Strategic Initiatives

To be presented on Thursday, 14th January 2016

*To the Right Honourable The Lord Mayor, Aldermen and Commons of
the City of London in Common Council assembled.*

SUMMARY

In July 2015, the Court agreed an increase to the City Bridge Trust annual grants budget to about £20M to tackle disadvantage throughout Greater London.

The criteria that frame the grant spend are set out in the grants policy agreed on 18 July 2013, following the recommendation of the City Bridge Trust Committee. No change to the grants policy is proposed. The Trust, however, is mindful of changes in its operating environment: in particular, the reduction of about 40% in London Boroughs' budgets and the reduction in grant funding available at a time when many organisations face increased demand. The Trust, therefore, anticipates greater demand for its resources. In response, the Trust has decided to make a shift in the balance in its funding – from its reactive grant-making (i.e. grants made in response to applications to its 'Investing in Londoners' grants programme) to more proactive grant making – from a c. 90:10 ratio to 80:20. This should allow for more strategic responses, informed by the reactive work. At the same time, the Trust will be improving the transparency and processes of its proactive grant-making.

Your City Bridge Trust Committee invites the Court of Common Council to note its recent decisions. Namely, that:

- a) up to 20% of the City Bridge Trust Committee's total annual grants budget be committed through proactive grant-making (not including the £1m strategic grant to the Prince's Trust);
- b) up to one-quarter of this 20% (i.e. 5% of the annual proactive grants budget) be ring-fenced for the consideration of grant proposals that fall outside of the reactive grants programme criteria, but which are informed by those criteria, and/or the broader evidence of need (elicited at the previous quinquennial review or through evidence of need brought about by circumstances not present when the previous external consultation took place); and
- c) the improvements, filters and prioritisation guidance for proactive grants, as summarised in the report and the attached appendix, were agreed.

The Court of Common Council is asked to note that, with the increased budget agreed at your meeting in 18 July 2013, the proposed increase in the budget for strategic grants would not affect the monies available for the regular grants programme, nor the allocation to the Prince's Trust.

RECOMMENDATION

That the amendments to the City Bridge Trust's grant-making approach be noted.

MAIN REPORT

Background

1. In July 2015, your meeting agreed an increase to the City Bridge Trust annual grants budget to c. £20M. The Trust is now London's largest grant funder independent of Central Government and is the 20th largest Trust/Foundation in the UK. At any one time, c.600 not-for-profit organisations are in receipt of the Trust's grants - tackling disadvantage throughout every London Borough.
2. The criteria that frame the grant spend are set out in the grants policy you agreed on 18 July 2013, following the recommendation of the City Bridge Trust Committee. This policy is underpinned by the evidence arising from a comprehensive, external consultation on the needs of London. The Trust undertakes this consultation every 5 years (quinquennial review). The Trust is currently mid-way between quinquennial reviews.
3. No change to the grants policy is proposed. The Trust, however, is mindful of changes in its operating environment: in particular, the reduction of c.40% in London Boroughs budgets and the reduction in grant funding available at a time when many organisations face increased demand. The Trust, therefore, anticipates greater demand for its resources.

Current Practice

Reactive grant-making

4. Between 80% and 90% of the total grants budget is currently spent through "reactive" grant-making, i.e. grant decisions in response to applications made against published grants programme criteria. The current programme is called Investing in Londoners and runs for a period between 2013 – 2017. Although there is room for improvement, this process is robust and is further strengthened by a monitoring and evaluation framework, using a combination of regular reporting by the grantees against outcomes and a programme of monitoring visits (including some unannounced visits).

Proactive grant-making

5. The remainder of the Trust's grant-making is proactive in nature: that is your City Bridge Trust Committee deciding on the basis of officer-generated proposals that complement, add value to, and underpin the reactive grant-making. This is all anchored in the evidence of need and the Trust's overall vision of a fairer London and its work to tackle disadvantage in London.
6. The City Bridge Trust Committee recently discussed the amount and the level of guidance and transparency around the criteria and prioritisation of such grant-making and, as a result, a larger amount of up to 20% of the total, together with a more structured process has now been agreed.

Improvements, Filters and Prioritisation guidance for Proactive Grant-making (a.k.a. Strategic Initiatives)

7. Improvements are being made to the Trust's proactive grant-making in 4 key areas:

(i) More transparent criteria

8. That strategic initiatives be informed by the reactive grant-making and that they have the potential to achieve impact beyond an individual reactive grant.
9. Your Committee has, therefore, formally agreed:
 - a) that no more than 20% of the total annual grants budget is committed to proactive grant-making (on current figures, this would equate to c. £4M); and
 - b) that of the 20% referred to above, up to one quarter of that sum (i.e. 5% of the annual proactive grants budget) is ring fenced for the consideration of grant proposals that fall outside of the grants programme criteria, but which are either informed by the broader evidence of need (elicited at the previous quinquennial review), or through evidence of need brought about by circumstances not present when the previous consultation took place (on current figures, 25% would be c. £1M).

(ii) A more structured process

10. That the Chief Grants Officer maintains overall operational responsibility for the Trust's grant-making, but the Deputy Chief Grants Officer becomes the nominated senior lead for all proactive grant proposals, and that any member of the City Bridge Trust Committee or the grants team can propose a subject/theme for a strategic initiative. This would be underpinned by a number of internal processes - such as grants team consultation (with reference to thematic/geographical leads as outlined under point (iii) below), prioritisation guidance (see Appendix 1 attached), and the record of all strategic initiatives considered, including those rejected, which will also be presented regularly to the City Bridge Trust Committee. Proposals for funding would be presented to the Committee for decision in the usual way.

(iii) An enhanced link between the reactive and proactive grant-making

11. That there be Grants Officer thematic/geographic leads and that the monitoring and evaluation team consider the need to resource more operational capacity. This would create greater capacity to analyse the monitoring and evaluation data relating to both the Trust's grants portfolio and the social investments, to inform future grant-making.

(iv) Making more of the expertise and knowledge of Grants Officers beyond the senior team

12. That all Grants Officers be encouraged to consider proactive grant-making, informed by their reactive portfolios, to increase potential impact across London.

13. Further guidance was also adopted to assist in assessing and prioritising proactive grant proposals; this is outlined in appendix 1.
14. When there are several proactive grants under consideration, a scoring system is being adopted against each criterion (see Appendix 1). Whilst this should provide more structure to the consideration and prioritisation of proactive grants, the importance of informed judgment by officers and ultimately Members should never be under-played.

Conclusion

15. The Court of Common Council is invited to note the City Bridge Trust Committee's decision to set more transparent criteria and a more structured process for the Trust's proactive grants and strategic initiatives.

All of which we submit to the judgement of this Honourable Court.

DATED this 26th of November 2015.

SIGNED on behalf of the Committee.

Jeremy Mayhew
Chairman, The City Bridge Trust Committee

Guidance adopted to assist in assessing and prioritising proactive grant proposals

Filters:

Will the proactive grant:

- further the Trust's Vision and Mission: working for a fairer London and tackling disadvantage?
- support work within one of the existing Investing in Londoners programmes, or meet a clear need that has arisen since the parameters of the Investing in Londoners programmes were agreed?
- have the potential for impact beyond that of an individual reactive grant or number of individual reactive grants?
- 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 proactive grants for the remainder of the financial year?
- be made to an organisation(s) that conforms to the Trust's eligibility criteria and has the capacity and expertise to deliver the work?

Prioritisation Guidance:

Evidence

- Is there external and/or internal research and information that supports the need for the proposed grant?
- Is there external and/or internal research and information that indicates the approach proposed in the grant will be successful?
- Is there evidence that indicates the work will be hard to fund from other sources?

Impact

- Will the grant tackle a root cause(s) of need, or positively influence policy or practice?
- Will the work/approach funded be replicable?
- Does the grant provide an opportunity to strengthen Civic Society in London?
- Is the work sustainable beyond the period of the grant?
- Can the impact of the work be measured through evaluation?

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?
- Will the grant be able to build on the Trust's knowledge and expertise of its existing grantees/investees?
- Will the grant have the potential to leverage any other funding from other sources?
- Will the grant disincentivise other statutory or non-statutory funding (noting that where either type of funding ceases, it can be acceptable for a grant from the Trust to step in)?

Spread

- **Geographic**
Will the grant support work in geographic area(s) where there is high need but relatively low Trust spend?
- **Thematic**
Will the grant support work in a thematic area(s) of the Investing in Londoners Programme where there is high need, but relatively low Trust spend?
- **Portfolio**
Within the Trust's Strategic Initiative portfolio, is the grant duplicating or complementing anything already funded?

Approach

- Will the grant enable better collaboration between relevant organisations?
- Is the proposed work across more than one LA or is it London-wide?
- Does the proposed work explicitly link the private, statutory and voluntary sectors?

In terms of the use of this checklist, it is proposed that any final list be used:

- In the first instance by Grants Officers, when considering proactive grant-making;
- As a framework for the discussion in the Grants Officer meetings and the write-ups to Committee
- As a framework for Committee discussions of proactive grant-making.