

Committee	Dated:
City Bridge Trust	20 th September 2017
Subject: London Hub – in line with the recommendations of The Way Ahead (Ref: 14255)	Public
Report of: Chief Grants Officer	For Decision

Summary

Building on your commitment to strengthen the voluntary and community sector in London, and, in particular, building on your involvement with the delivery of The Way Ahead, this report seeks your approval to establish the London Hub, with Greater London Volunteering acting as the vehicle for this new body.

Recommendation

Members are asked to agree a grant of £350,000 to secure the first year of operation of the London Hub, to be costed from your Anniversary Programme for infrastructure support. The grant to be conditional on Greater London Volunteering's new governing document being in place.

Main Report

Background

1. At your last meeting, you received an update on developments regarding your involvement in the future of infrastructure support for London's voluntary sector, in particular, your engagement with The Way Ahead and development of the Cornerstone Fund.
2. Underpinning your commitment to voluntary sector infrastructure support is the recognition that a vibrant and healthy voluntary sector plays a vital role in sustaining strong communities. Civil society infrastructure support, in turn, plays a vital role in creating and sustaining a healthy and vibrant voluntary sector. By 'civil society infrastructure support' we mean the provision of access to appropriate business, technical and enterprise support, as well as a 'voice' within the ongoing debate about London, its governance and the issues it faces.
3. You may recall that the starting point for this work was research you funded, commissioned through your grantee London Funders (the membership network for funders and investors of civil society in London), into the future of infrastructure support for London's voluntary sector. The resulting report, *The Way Ahead*, was launched in April 2016 at Guildhall.

4. Following the launch, a 'Systems Change' group was established with representation from public, private and voluntary sectors, to take the report's recommendations forward.
5. London Voluntary Services Council (LVSC: the umbrella body for the councils of voluntary service network) and Greater London Volunteering (GLV: which co-ordinates local volunteer centres) were tasked with establishing the London Hub to replace the functions of these two organisations, as well as taking forward the wider ambitions of The Way Ahead report, with GLV widening its objectives in order to be the vehicle for the new body.
6. The proposal before you is from GLV and funds are requested to secure the first year of operation of the London Hub.

Establishment of the London Hub

7. In October 2016, you approved a grant of £23,600 to enable GLV and LVSC to work together to establish the London Hub. As a result, the initial work has been done on due diligence, TUPE and the preparatory work on the new governing document for the organisation. In addition, you approved a grant of £48,400 in March 2017 in order to support GLV's involvement with The Way Ahead, as part of the cohort of 15 organisations funded under your Bridge Fund which you established to support eligible infrastructure organisations in the year after the withdrawal of London Councils funding.
8. GLV is in the process of widening its objects to enable it to take on the wider functions of the London Hub. It is recommended therefore that any grant is conditional on the new governing documents being in place.
9. In addition, GLV and LVSC have consulted widely with stakeholders in order to shape the London Hub. This work was further informed by five task and finish groups that were established to make recommendations (now published) on the following topics:
 - Co-production
 - Triage and connect
 - Voice and campaigning
 - Data
 - Consistent commissioning
10. The proposal is to create an agile and responsive organisation with a focus on four key themes, with suggested topics sitting under each themes, as follows:
 - **Promoting Positive Change**
 - Voice for civil society
 - Convening partnerships
 - Building cross-sector links
 - Showcasing impact
 - Making the case for investment

- Bidding vehicle¹
- **Unleashing Potential**
 - Brand for the sector
 - Leadership development
 - Inter-agency consultancy
 - Asset-based resourcing
 - Innovations and development
 - Bidding vehicle
- **Improving Support Systems**
 - Co-ordinating skill-based volunteering
 - Shared resources
 - Website/portal
 - Peer-based quality (training and upskilling; sharing what works)
- **Real-time Intelligence**
 - Policy and voice (campaign for change)
 - Outcomes and impact framework
 - Networks (to feed data)
 - Data
 - Showcasing and sharing what works

Governance of the London Hub

11. In the spirit of The Way Ahead's ambition to put Londoners at the heart of everything, membership will be open to any individual or organisation based in London (from community activists to businesses interested in civil society and statutory bodies, as well as voluntary and community groups). How this translates into the governance of the charity is yet to be decided, as the right balance needs to be struck between having an engaged membership and ensuring that decision-making is not limited by this (e.g. if the quorum for an AGM became difficult to achieve due to a high level of voting members).
12. To ensure the London Hub's trustee board is manageable, it is proposed that the Board comprise a minimum of five and a maximum of ten people, elected by the members. It is proposed that the Board select the Chair (as is the case with NCVO, for example) to enable a skilled and/or high profile person to be appointed. An AGM will be held within 18 months of the new organisation structure being established.

Staffing of the London Hub

13. It is proposed that the London Hub has a staff team of five:
 - Chief Executive to lead the organisation and to lead on the 'Promoting Positive Change' objective as well as the policy and voice strand of the 'Real-time Intelligence' objective.

¹ Some functions run across the four themes (e.g. being a bidding vehicle; sharing what works)

- Organisational Support Officer (to provide administration, finance communications, governance and systems support to the organisation).
- Networks & Development Co-ordinator to lead on the 'Improving Support Systems' objective.
- Intelligence Co-ordinator to lead on the 'Real-time Intelligence' objective.
- Programmes Manager to lead the 'Unleashing Potential' objective.

14. The aim is to keep the staff team relatively small with some of the Hub functions being delivered within voluntary organisations using the Hub's brand and reach, rather than seeking to grow the Hub itself as an organisation.

15. It is not envisaged that the entire team would be in place on day one. The work will need to be phased to ensure that the organisation is fully operational by April 2018. This means that whilst the budget provided is for a fully staffed organisation and the request is for funding for the first year of the London Hub's operation, if funding is approved as requested, the spend of the grant is likely to be over a slightly longer period than 12 months. This means that the grant payments will be scheduled to reflect the level of staffing in place.

London Hub Budget

16. A full budget for GLV/London Hub for the period 1st October 2017 – 30th September 2018 (GLV's current financial year) is provided at Appendix A. Below is a summary:

Expenditure	
Salaries (incl. NI and 5% pension)	235,529
Volunteer expenses	1,000
Training and development	5,000
Travel and subsistence	2,500
Payroll fees	1,200
Office rental, telephone, Insurance, IT, stationery etc	29,961
Governance	17,560
Networks and meetings	7,500
Sub-total	300,250
Set-up costs	
Consultancy support	6,000
Professional fees - legal/financial	7,000
Brand development	5,000
Website development	12,000
Print/design - stationery/materials	2,750
Computers and equipment	6,500
Office equipment and furniture	3,000
Recruitment costs	4,500
Engagement and launch events	3,000
Sub-total of set-up costs	49,750
TOTAL	350,000

17. In addition to the expenditure set out above, GLV has applied to Sport England, under its Opportunity Fund, for a grant of £75,000 a year for two

years. It is a partnership bid led by GLV, that includes Team London, Sported and the local Volunteer Centres for Tower Hamlets, Greenwich, Southwark and Lewisham, linked to the "Big Half" half marathon that London Marathon will be starting in these boroughs from next March.

18. That application is still under consideration and expenditure relating to this bid is not included in the above budget therefore.

Finance

19. The deficit incurred in 2015-16 was planned. In 2013-14, GLV was awarded a contract which included a generous management fee, thereby boosting its free reserves well above the target level. The income and expenditure budget for 2017-18 includes the £350,000 requested to establish the London Hub as well as the £75,000 bid under consideration for 2017/18 by Sport England referred to in paragraph 16. This is why the proportion of confirmed income appears low. It should be noted that if funding from Sport England is not secured, expenditure in the year will reduce accordingly. The estimated cost of raising funds for 2017/18 may appear relatively high, given that such a high proportion of income in that year has been requested from CBT. The estimate is based on 50% of the Programme Manager's salary who will be expected to develop programmes that are income-generating and on the expectation that this post will become self-financing in the longer term.

Year end as at 31 March	2016	2017	2018
	Audited/Examined		
	Accounts	Forecast	Budget
	£	£	£
Income & expenditure:			
Income	65,748	113,676	456,146
- % of Income confirmed as at 28/02/2017	n/a	100.00%	5%
Expenditure	(95,853)	(113,578)	(449,488)
Total surplus/(deficit)	(30,105)	98	6,658
Split between:			
- Restricted surplus/(deficit)	n/a	0	(292)
- Unrestricted surplus/(deficit)	(30,105)	98	6,950
	(30,105)	98	6,658
Cost of Raising Funds	2,206	5,729	25,000
- % of income	3.4%	5.0%	5.5%
Total expenditure	95,853	113,578	449,488
Free unrestricted reserves:			
Free unrestricted reserves held at year end	32,765	32,863	39,813
No of months of total expenditure	4.1	3.5	1.1
Reserves policy target	23,963	28,395	112,372
No of months of total expenditure	3.0	3.0	3.0
Free reserves over/(under) target	8,802	4,468	(72,559)

Conclusion

20. Establishment of the London Hub is an essential element of the successful implementation of The Way Ahead and in developing the parameters and governance of the Cornerstone Fund.
21. The current Chief Executive of GLV has recently been appointed as the new Director of London Funders and is due to take up post mid-September. In the interim, the trustees of GLV have recruited a part-time Chief Executive to provide continuity with regard to GLV's core work, together with a part-time London Hub Officer to continue its establishment. If funding is secured today, recruitment for a Chief Executive of the London Hub will commence and once an appointment is made, will replace these two part-time appointments.
22. If funding as requested is approved today, part of the role of the new Chief Executive will be to seek funding from other sources for future years, in order to ensure the London Hub is not overly dependent of City Bridge Trust.

Jenny Field

Deputy Chief Grants Officer, City Bridge Trust

T: 020 7332 3715

E: jenny.field@cityoflondon.gov.uk

Appendix A

London Hub Budget

Expenditure - operational		
People:		
Chief Executive	70,153	<i>£60k salary plus employer NI and 5% pension</i>
Programme Manager	52,333	<i>£45k salary plus employer NI and 5% pension</i>
Net & Dev Coordinator	40,453	<i>£35k salary plus employer NI and 5% pension</i>
Intelligence Coordinator	40,453	<i>£35k salary plus employer NI and 5% pension</i>
Organisational Support	32,137	<i>£28k salary plus employer NI and 5% pension</i>
Volunteer expenses	1,000	
Training and development	5,000	
Travel and subsistence	2,500	
Payroll fees	1,200	
Office:		
Desk costs	21,461	
Insurance	1,200	
Telephone	2,400	
IT support	2,400	
Stationery and post	2,500	
Governance:		
Audit fees	4,000	
Accountancy support	2,310	
AGM/Annual report	1,000	
Trustee expenses	250	
Consultancy/legal	10,000	
Delivery:		
Networks and meetings	7,500	
Sub-total: operational	300,250	
Expenditure - set-up		
Consultancy support	6,000	
Professional fees - legal/financial	7,000	
Brand development	5,000	
Website development	12,000	
Print/design - stationery/materials	2,750	
Computers and equipment	6,500	
Office equipment and furniture	3,000	
Recruitment costs	4,500	
Engagement and launch events	3,000	
Sub-total: set-up	49,750	
TOTAL	350,000	