

<b>Committee</b>	<b>Date</b>
Grants Committee of the Bridge House Estates Board	20 June 2022
<b>Subject:</b> Anchor Programme	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	1,3
<b>Which outcomes in the <i>Bridging Divides</i> funding strategy, does this proposal aim to support?</b>	Reducing inequalities, Every Voice Counts, Progressive, Adaptive, Collaborative, Inclusive, & Representative values.
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b> (£20m funding allocation for Bridging Divides Designated Grant Making Fund)
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	Bridging Divides Allocation 2022-23
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For Decision</b>
<b>Report Author:</b> Dinah Cox, Khadra Aden, Clara Espinosa, Aasha Farah	

### Summary

This report requests approval to proceed with the implementation of the Anchor Programme, a proposed new funding stream which aims to grow stronger, more resilient communities for a London that serves everyone. At the heart of this programme is a commitment to achieve change for Londoners at a systemic level, by providing long term funding to civil society organisations (CSOs). In addition to providing financial sustainability, by funding organisations rather than projects over an extended period, the fund aims to achieve the following:

- a. Capacity building: improving capacity for funded CSOs to engage in positive structural change
- b. Wider knowledge sharing within civil society
- c. More equitable outcomes for London’s marginalised communities
- d. A rebalanced funder, grantee relationship with a deep focus on the funded organisations’ learning journey

A summary of the programme timeline is included at appendix 1.

### Recommendation

The Grants Committee is recommended to:

- i) Allocate up to £20m, in principle, to be committed between 2022/23 and 2024/25, and subject to the usual assessment (including financial assessment) and delegated authority protocols, towards “Anchor Programme” grants which meet the proposal/guidelines set out in this report.

## **Main Report**

### **Background**

1. Following an update in the March Managing Director’s report, which outlined the process that would be followed to implement recommendation six of Interim Review of Bridging Divides recommendations (see 2(a) below), this report outlines the details of the programme. The update noted that a group of sector representatives (referred to later in this report as the “design group”) would be convened and resourced to advise officers in producing a co-designed funding plan for the Anchor Programme. This initial scoping work with the design group has now taken place, and the plans set out in this report reflect the co-designed principles and processes.
2. On 25 March 2021, the former City Bridge Trust (CBT) Committee agreed 11 recommendations, including recommendation six:
  - a. In principle, to long-term (up to 10 years) core fund a cohort of London’s representative anchor organisations vital to supporting the conditions for a progressive and inclusive London civil society. Also, to request officers to prepare a short-list of such organisations for consideration (CBT) would then work with them to learn how to further improve its own funding approaches, including how best to support localities in response to the ascendance of communities, rise in collaboration, increase in volunteering, role of Place Based Giving Schemes and development of Mutual Aid Groups).
3. Furthermore, on 9 March 2022, the Grants Committee received a report on ten-year grants that set out the conditions under which awarding such grants would be acceptable. This included the following statements, which have all fed into the design of the anchor programme:
  - a. Research by Social Innovation Exchange<sup>1</sup> builds on and supports the concept that truly long-term funding is a pre-requisite for systemic work, highlighting the following findings/recommendations:
    - i. There is a need to build capacity for systemic work beyond just projects.
    - ii. The value of this work needs to be evidenced, which means long term curation of resources and shifting away from short term outcomes.
    - iii. Funders need to connect to practitioners on the ground more authentically.
    - iv. New funding mechanisms are needed that support sustainable long-term models.

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<sup>1</sup> [Social Innovation Exchange, 2017: Funding Systems Change: Challenges and Opportunities](#)

4. The same report set out several provisions which protect CBT against risk when awarding grants over a long-term period. To avoid duplication these are summarised in **Appendix 3**.

### **Anchor Programme – Background**

5. The Anchor Programme aims to strengthen the sector by providing long term funding to catalyse systemic change, through a collaborative and equitable funding programme. It will contribute to an environment in which the sector can creatively problem solve without the restrictions of shorter-term funding, giving organisations the space to collaborate and take risks. Whilst CBT has recognised the importance of dealing with the effects of disadvantage for many years in its responsive grant making, it has also focused on strategic funding, believing that addressing systemic inequality is vital. The Anchor Programme will continue this tradition, creating the capacity for systemic work to take place whilst also contributing to the strengthening of London’s voluntary and community sector.
6. After initial in-house conversations with staff and Members of the BHE Board and Grants Committee, CBT hosted a facilitated roundtable session in February 2022. An external facilitator, The Social Innovation Partnership (TSIP), was utilised. TSIP helped address the power dynamic and mitigate the risk of a top-down imposed approach undermining the principles of collaboration and equity which underpin the Anchor Programme. A total of 15 voluntary and community sector, civil society organisations (CSOs) attended the initial roundtable session and shared their thoughts and initial ideas on what the Anchor Programme might aim to achieve, and how. The list of attendees, many with an equity focus, was developed via staff suggestions and discussions with other funders with expertise in specific sectors.
7. Following the initial roundtable session, five design sessions took place over the course of two months, attended by 22 CSOs. These included many of the original roundtable participants, as well as others suggested by them (to attempt to include those representing communities not originally “around the table”). The design group participated in the development of the Anchor Programme plan set out in this report and the facilitated sessions proved successful as it was clear that the organisations involved were enthusiastic about sharing their thoughts on the fund. Participants reported that they appreciated having a say in how funding should be given, what it should be used for and where it should go as well as advising on what the processes involved in applying and reporting should be.
8. Organisations such as LGBT+ Consortium, Inclusion London, and HEAR equality, with which CBT has a long history of partnership, have been key to the development of the programme. See **Appendix 2** for a list of all design group participants.
9. To embody equitable funding practice, participants were resourced to participate in the design group. A total of £74,250 was awarded to 22 organisations in developmental grants. These grants were for the organisations to use for any purpose

providing that it would benefit Londoners (i.e., it was a grant towards their core activity) rather than to directly recompense them for their time. The amount awarded varied between £3,000 to £3,750, with organisations with lower incomes receiving slightly more to acknowledge the greater relative impact of attending the sessions/providing consultation. Participants will also be resourced to participate in the future design and delivery of the fund. In the design sessions several anchor organisations voiced the opinion that funders should be providing more capacity support as a way of understanding that not all charities have the same resources and that providing monetary funding is not enough.

10. One of the reasons that this work is important is that funding over an extended period builds lasting relationships with funded organisations, allowing for the maximum potential benefit of our total assets – it takes time to develop rapport and understand where the unique assets of BHE's corporate Trustee, the City Corporation, might best be harnessed to support an organisation. Deeper relationships may provide the potential to leverage and test non-monetary support from within the City Corporation in currently under-exploited ways.

### **Anchor Programme - Proposal and timeline**

11. The overarching principles of the Anchor Programme are to support civil society anchor organisations who have the ability and a commitment to achieve change for Londoners at both a systemic and systems-change level. Most of these will have an equity focus and work primarily with marginalised communities/communities with protected characteristics (either specific communities or working intersectionally).
12. Together with the design group, officers propose the following overarching eligibility criteria:
  - a. Organisations which are well grounded within their community and demonstrate this by reducing inequality and growing resilience.
  - b. Organisations which have activities that encompass more than only frontline service delivery; they must additionally (or solely) undertake work which connects, convenes and catalyses other organisations to benefit the community or communities they serve.
  - c. Organisations which are led by and for those they serve or have an ethos of ensuring that the voices of their communities strongly inform their activities.
13. Over the first three years of the Anchor Programme, a learning partner will be appointed to capture internal learning about CBT's own grant making practice, begin to understand the impact of the grants over time, and to support the ongoing inclusion of CSOs working in collaboration with officers. Tenders have been received and are currently being reviewed by officers.
14. An assessment process will be co-developed, by officers and the design group, enabling the prioritisation of organisations as set out in the eligibility criteria in point 12 above.

15. It is proposed that Anchor Programme grants cover 7-10 years, with larger grants being a maximum of £150,000 per year.
16. Subject to suitable assessment and other programme processes being designed and implemented in time, it is hoped that the programme will launch in September 2022. Grants will be awarded over several rounds, with the exact number of rounds depending on the number and value of grants awarded, input of the design group, and input of the learning partner.
17. A portion of the budget will be ringfenced for smaller organisations (and this will be publicised), to encourage applications from a diverse range of organisations serving marginalised communities. This element of the programme design directly reflects the input of the design group.
18. Officers will ensure that a robust assessment and monitoring protocol is undertaken which is in line with CBT's usual approach. Grants of ten-years will likely be over £500,000 and as such will be considered by the Grants Committee before recommendation to the BHE Board.
19. A grants advisory panel (or similar arrangement), made up of CSO representatives with relevant professional and lived experience (which may include the design group members) and officers, will be established to make recommendations to CBT. However, grant recommendations themselves will be written by Funding Managers (or equivalent BHE officers) and recommendations will be approved in the usual way following the established BHE protocols.

### **Corporate and Strategic Implications**

20. Strategic implications - The BHE strategies supported by the recommendations in this report are the charity's overarching strategy, *Bridging London 2020 – 2045*, its charitable funding strategy *Bridging Divides*, its *Philanthropy Strategy* and the *Climate Action Strategy 2020-2027*.
21. Financial implications - Any proposed initiatives for the 2022/23 financial year are costed and included in the relevant approved budgets, which include funding for both grant commitments and related operational costs. Costs over further years will be included in the relevant budgets for those years. The £20m in grants will be awarded from the designated fund for grant making and the administration costs will be allocated to the operational element of the uplift funds as agreed at the time the uplift was approved.
22. Resource implications - All resourcing needs for 2022/23 are costed into the relevant budgets for 2022/23. Costs over further years will be included in the relevant budgets for those years.

23. Legal implications - This report and its recommendations should be considered based on what is solely in the best interests of the charity, BHE.
24. Risk implications - Risks and mitigations inherent in the funding process are captured in CBT's operational risk register. With specific reference to the implementation of any agreed recommendations of this review, there is a risk that if sufficient and appropriate resource is not committed to the operational budget, the deployment of additional funds and ambitions for change will be inhibited.
25. Equalities implications - The City Corporation's Public Sector Equality Duty (PSED) applies to the exercise of the City Corporation's local authority functions only. Nonetheless *Bridging Divides* has an explicit focus on reducing inequality, and many of the initiatives which are supported through the activities of CBT are also focused on this objective. The continued implementation of *Bridging Divides* is therefore expected to positively address inequality alongside the City Corporation's separate discharge of the PSED. The Anchor Programme aims to support CSOs that have an equity focus, working closely with marginalised communities to address systemic inequalities. Through this equitable funding programme, organisations will have the space to collaborate and work towards systemic change without the limitations of short-term funding.
26. Climate implications - CBT is committed in its foundational values to being 'Environmentally Responsible'. Future practice and deployment of charitable funding will be anchored in this and have the potential to make a greater positive impact on alleviating the causes/impact of the climate crisis: for example, through further development of the Greening London Programme and work through the Climate Action Strategy (see above).

## Conclusion

27. This report describes the details of the Anchor Programme and the process that will be followed prior to its launch, which is planned for September 2022. It requests that the Grants Committee agree to allocate £20m from the designated fund for grantmaking. It is envisioned that the money will be awarded in onward grants over the next three years. It also sets out the underlying principles and rationale for awarding a limited number of grants in specific grant programmes over such a long time, outlining the potential to catalyse systemic change and support London's voluntary and community sector for the future.
28. This proposal is in line with CBT's PACIER<sup>2</sup> values of being progressive, adaptive and collaborative. Progressive in the way the funding strand is being designed and what it aims to achieve. Adaptive in the way CBT is open to question its application and monitoring processes, allowing organisation in the design group to express the inequalities faced when it comes to applying for funding. Collaborative in the way the

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<sup>2</sup> PACIER = Progressive, Adaptive, Collaborative, Environmentally Responsible, Representative.

programme will aim to share learning and create space for organisations involved (those assessing as well as receiving grants) to connect with one another and to have a voice.

### **Background papers**

- Report to the City Bridge Trust Committee, entitled 'Interim Bridging Divides Review Recommendations', dated 25 March 2021, Item 15.
- Report to the Grants Committee of the Bridge House Estates Board, entitled 'Ten-Year Grants', dated 9 March 2022, Item 20.

### **Appendices**

- Appendix 1 – Summary timeline
- Appendix 2 – List of design group members
- Appendix 3 – Risk Mitigation

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## Appendix 1: Summary timeline



## Appendix 2: List of design group members

- Age UK London
- All Ways Network
- Breaking Barriers
- Community Action for Refugees and Asylum Seekers (CARAS)
- Casalatina
- Child Poverty Action Group (CPAG)
- Council of Somali Organisations
- Do it Now Now
- End Violence Against Women Coalition (EVAW)
- Housing Associations Charitable Trust (HACT)
- HEAR Equality
- Inclusion London
- Interlink Foundation
- LGBT+ Consortium
- London Play
- London Plus (aka Greater London Volunteering)
- London Youth
- Partnership for Young London
- Sisters of Frida
- Spectra
- Voluntary Action Harrow
- Women for Refugee Women



**Appendix 3: Risk Mitigation (excerpt from previous paper received by the Grants Committee on 9 March 2022).**

**Excerpt 1:**

In the case of all grants awarded, the standard grant terms and conditions<sup>3</sup> apply, which, amongst other terms, include the following particularly relevant provisions:

<b>General provisions</b>	<b>Monitoring and evaluation provisions</b>
Application of additional terms and conditions if the grantholder is not complying with the grant agreement; and/or if CBT believes such conditions are necessary to ensure the project is delivered as agreed.	Review of written monitoring reports, visits (with or without notice) and comprehensive reviews of records kept by grantholders.
Unused funds to be returned, and grantholders to promptly notify CBT of unused funds.	Grantholders agreeing to be available for meetings with CBT, allowing full and free access to such records as necessary, as well as to employees, agents and premises for CBT to monitor the project.
Payment of grants in quarterly instalments	Provision of appropriate oral or written explanations where CBT requests them.
Payment of the grant (or any part) may be withheld if CBT believes it will not be applied to the project as agreed or if monitoring is not satisfactory.	Prompt notice of any variation to or decrease in the project outcomes; or of any financial or other difficulties which can have a material impact on effective delivery of the project or compliance with the grant agreement.
Withholding, suspending, or requiring repayment of a grant in a wide range of circumstances e.g. <ul style="list-style-type: none"> <li>• grantholder uses the grant for purposes other than for the project</li> <li>• satisfactory progress has not been made; provision of materially misleading or inaccurate information;</li> </ul>	Completion and return of regular monitoring reports as required by CBT, using the forms and/or instructions sent by CBT and in accordance with CBT specified timescales.
	Further updates on the progress of the project on request and provision of further information and documents as required by CBT.

<sup>3</sup>To reduce the size of your papers pack a copy of the grant terms and conditions has not been appended but can be provided by email on request.

<ul style="list-style-type: none"> <li>• significant change of purpose, ownership or beneficiaries so that the grant is unlikely to fulfil the purpose for which it was awarded;</li> <li>• grantholder becomes ineligible to hold the funds;</li> <li>• duplicate funds received</li> <li>• fraudulent, dishonest, negligent activity</li> </ul>	<p>Provision for CBT to impose additional monitoring requirements should it deem them necessary.</p>
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**Excerpt 2:**

If officers consider it appropriate in light of their assessment of the risks of awarding a grant, they also have discretion to include further tailored grant conditions. For example, due to the uniqueness of The Prince’s Trust grant (at the time), triennial reviews including a detailed monitoring framework tailored to CBT’s agreed specifications were included as a further condition of grant. Officers recommend, however, that these measures are used in moderation and only when absolutely necessary, as a conditional grant may not be considered a commitment in accounting terms and identifying appropriate timing of recognition has financial reporting and administrative resourcing implications.

Utilising the provisions of the grant terms and conditions and applying a flexible lens, CBT’s Funding Managers employ a case-by-case approach to grant management. Annual reporting is rigorously analysed, including reviews of financial information which Funding Managers use to determine the grantholder’s ongoing sustainability.

As with CBT’s usual in-house grants assessment process, the longer the grant duration the more robust the assessment and monitoring, and as such any grants awarded for ten-year durations will be subject to the most rigorous protocols. As noted in the companion paper these grants will be approved following the standard delegated authority procedures; grants of ten-years will likely be in the £500k+ range and as such will be considered individually by both the Grants Committee and the BHE Board. It is likely that there will be a focus within CAR on partnerships and collaborations, for the longer-term grants (including ten-year grants) further reducing the risk of an overreliance on a single funder.

For grants awarded under the Anchor Programme, if ten-year grants are approved in principle by the Grants Committee, a robust assessment will take place following CBT’s standard procedures. A bespoke monitoring framework will be devised, which will incorporate checks and balances during the grant period as well as assessment of the ongoing sustainability of the funded organisation. There is scope for example to include a more in-depth monitoring report at the half-way point (or some other point) to ensure that sufficient progress is made. A learning partner will be appointed, the remit of which will include feeding into the development of the monitoring framework as part of its overarching impact and learning remit.

In the case of both CAR and Anchor, CBT's usual grant terms and conditions will apply, as summarised above. In addition, further assessment measures will be incorporated, which apply uniquely in the case of such long-term awards. For example, the organisation's policies around key person risk, succession planning, etc.