

Updated forecast grants spend 2022-2028 produced 26.08.2022, Sam Grimmett Batt, Funding Director

1. Summary

	Original budget Dec 21	Forecast @ Mar 22	Revision Aug 22		Forecast @ Mar 22	Revision Aug 22		Forecast @ Mar 22	Revision Aug 22		Forecast @ Mar 22 (no revision)		
Funding area	22/23 £m	22/23 £m		Variance	23/24 £m		Variance	24/25 £m		Variance	25/26 £m	26/27 £m	27/28 £m
Bridging Divides (BD) responsive grantmaking	28.6	28.6	29.8	1.2	30.0	30.0	0.0	39.0	39.0	0.0	39.0	39.0	39.0
Future BD responsive grantmaking	0.0	1.0	1.0	0.0	6.3	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bridge Programme	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0	1.0
Transition funding	13.4	2.0	1.1	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cornerstone additional funding	1.0	1.0	2.5	1.5	1.0	0.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0
London's Giving	5.3	5.3	3.5	-1.8	1.8	3.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0
LocalMotion	0.0	0.0	0.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alliance Partnerships	10.3	10.3	9.8	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Every Voice Counts launch grants	0.0	0.0	0.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Collaborative Action for Recovery (CAR)	25.0	20.0	6.3	-13.7	10.0	23.7	13.7	0.0	0.0	0.0	0.0	0.0	0.0
Anchor Programme	8.0	8.0	0.5	-7.5	8.0	8.5	0.5	3.7	11.1	7.4	0.0	0.0	0.0
Responding to resilience risk (RRR2)	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bridge to Work	0.1	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Test&Discover Social Investment	4.0	2.0	0.0	-2.0	10.0	12.0	2.0	8.0	8.0	0.0	0.0	0.0	0.0
Test & Discover grants	6.0	3.8	0.0	-3.8	12.5	12.0	-0.5	18.5	22.3	3.8	4.2	0.0	0.0
Funding via delegates	0.0	0.0	0.0	0.0	20.0	20.0	0.0	6.0	6.0	0.0	0.0	0.0	0.0
TOTAL SPEND	101.8	83.1	55.6	-27.5	110.5	126.9	16.4	76.2	87.4	11.2	44.2	40.0	40.0

2. Budget revision – detail

As a reminder, the uplift in funds will primarily be spent between 2022 and 2025, with the majority of expenditure taking place in 22/23, 23/24 and 24/25 and a small amount extending up to 25/26 including to cover ongoing monitoring and evaluation of grants awarded. This spread ensures that funding is distributed sustainably, deliberately, and without creating an unnecessarily high administrative burden for BHE.

As communicated in MD reports throughout 22/23, some expenditure from 22/23 has been moved to 23/24 due primarily to further development work on the CAR and Anchor grant programmes. In total £27.5m of planned expenditure has been transferred to 23/24 and 24/25 since the last update in March. When the plans were originally formulated much of the detail of the operationalisation of the various streams was unknown and as such it was difficult to estimate what might be possible in terms of expenditure. As plans for the Anchor Programme have become more developed, it became

clear that further preparatory work was required before launching for applications, not least to ensure appropriate consultation with the wider sector. The amount allocated for Anchor Programme in 22/23 has therefore reduced with the majority moved to 23/24 (the overall allocation remains the same, with some expenditure in 24/25 too).

The amount allocated for CAR in 22/23 has also reduced, as it has taken longer to build the strategic, comms and funding plans and appoint the learning and tech partner than originally envisaged. The launch plans are however now well underway and the full £30m is currently planned to be distributed by the end of the 23/24 financial year.

The Social Investment “test and discover” element has reduced as the royal charter was granted later in the year than hoped; work will be contingent on BHE Board’s approval of a proposed new approach in alignment with recommendations from the BHE Investment Working Group.

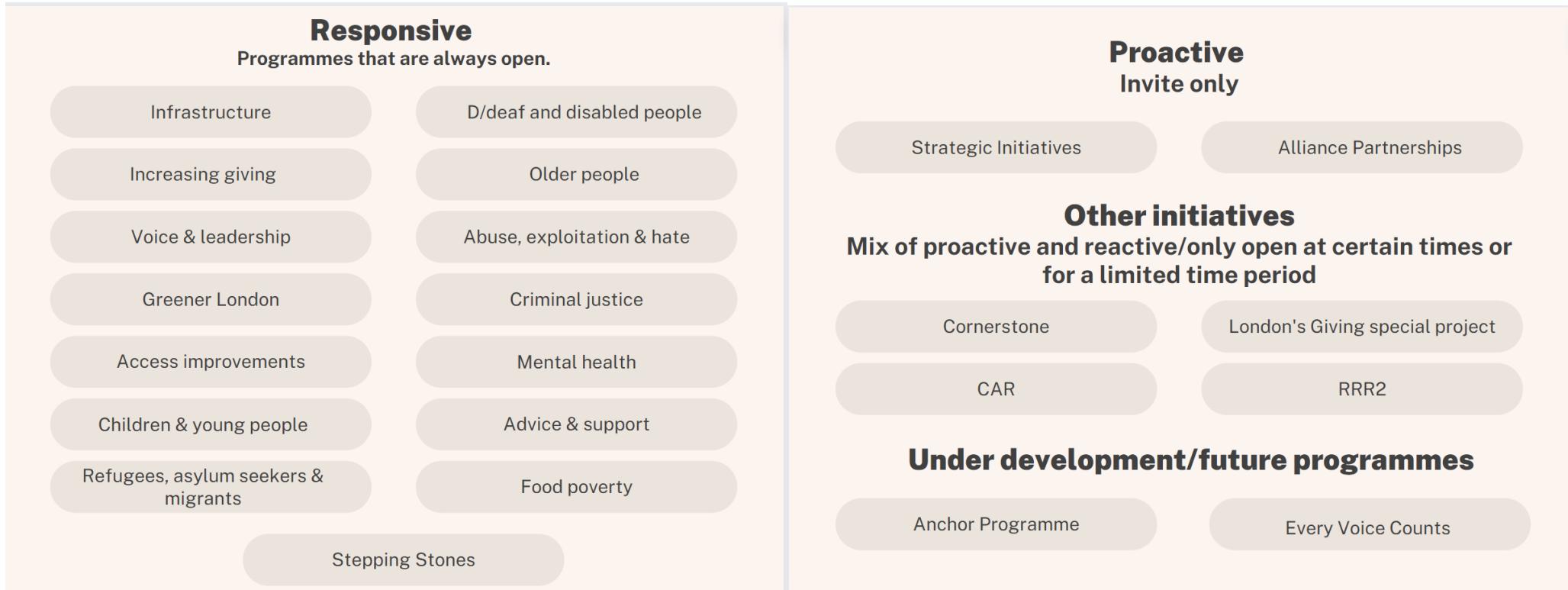
Finally, the “test and discover” (grants) element (which represents work as yet undeveloped) has reduced as there is currently limited capacity within the funding team to work on any additional developmental streams. Once some of the current developmental streams have been resourced sufficiently (such as Anchor Programme), and some developmental work is complete, resource will be unlocked for this.

Further planning and developmental work for grant spend activity in 23/24 is pending, the outcome of which is likely to impact timelines in that year further. This means that the total for 23/24 is likely to ultimately be lower than £127m as shown in the August revision above (spreading more evenly across 23/24 and 24/25). Before October (when the initial 23/24 onward grants spend forecast will be finalised) the Funding Directors will formulate a more realistic estimate for spend in 23/24.

Note, this table assumes that in addition to the spending of the uplift, the annual grant allocation would increase to £40m per year from 2024/25, in line with the 5 year Financial Plan presented to the BHE Board at their 16 February 2022 meeting; any changes to this potential allocation, which is yet to be approved, would result in a reduction to the planned spending across responsive grant making but would not impact the wider spending plan.

The planned expenditure indicated above phasing is factored into BHE cash planning as part of the regular updates to the BHE cashflow and review of cash requirements for the charity. The information is input into the cashflow based on the expected timing of the payments of planned commitments.

3. Funding Programmes/budget lines – Summary



4. Funding Programmes/budget lines – Detail

Budget line	Notes
BD responsive grants	Fourteen responsive programmes plus strategic initiatives. Agreed in 2018, extended in 2021 and substantially revised in 2022. More info.
Future BD responsive grant programme	Every Voice Counts: programme to replace the current “voice & leadership” strand in 23/24. To be developed with learning from anchor and other uplift activity. Agreed in recommendations and implementation of Interim Review of Bridging Divides (IRBD). Endorsed by Grants Committee in 2021 & 2022.
Bridge Programme	CBT’s “funder plus” pilot. A paper with an update will be taken to Grants Committee (GC) in Sept 2022. More info.
Transition funding	(closed) Transitional funding during the implementation of IRBD. GC notified in MD reports and email in 22.
Cornerstone additional funding	Funding collaborations between capacity builders. Final expenditure planned for Cornerstone. Previous cornerstone funding agreed – top-up funding paper seeking further allocation missed from earlier GC in error; retrospective agreement to be sought Sept 22. More info.
London's Giving	A programme for place based giving (PBG) in addition to our usual PBG grants. Agreed continuation in recommendations from IRBD. Update provided March 2022 Grants Committee. More info here and here .
LocalMotion	Collaboration between six major funders in six places across the country. Further funding subject to successful second phase and GC approval in late 2023. More info.
Alliance Partnerships	Adding to other funders' programmes to augment and add value. Agreed in Dec 2021.
Every Voice Counts launch grants	Potential one-off grants to support the launch of a new strand of funding (which was a recommendation of the Interim review). Presented as part of implementation paper March 2022.
CAR	Funder collaboration co-ordinated by London Funder (LCRF V2). Onward grants only. Agreed in March 2022.
Anchor Programme	Co-designed programme to provide long term funding to anchor organisations in London. Agreed in principle in recommendations from IBDR, further endorsed at March and June 2022 GCs.
RRR2	Phase two of an initiative investigating methods for supporting frontline workers in voluntary sector. Agreed 2020.
Bridge to Work	Final expenditure on this programme supporting employment outcomes for disabled people. Agreed 2018. Recommendations from learning incorporated into responsive programmes in March 2022. More info.
Test & Discover - Social Investment	Potential programme utilising uplift funds to augment social investment work. Subject to Grants Committee approval once main social investment fund finalised.
Test & Discover - grants	Uplift funds currently unallocated. To be explored with Members in 2023 once officer capacity increases.
Alliance part two/ funding via delegates	Onward grantmaking to less well-established funders with a strong track record in their area of expertise and specialist reach and knowledge. To be informed by Anchor and Alliance Partnerships learning. Responding to recommendations of IBDR relating to the establishment of Anchor and utilising to inform further funding. Subject to Grants Committee approval following the implementation of the Anchor Programme. More info.