

Committee: Grants Committee of the Bridge House Estates Board Bridge House Estates Board	Date: 5 December 2022 Delegated Authority
Subject: Strategic Initiative – Together for London (Ref: 19887)	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045</i> Strategy does this proposal aim to support?	1,3
Which outcomes in CBT’s funding strategy, <i>Bridging Divides</i>, does this proposal aim to support?	Reducing inequalities, Progressive, Collaborative,
Does this proposal require extra revenue and/or capital spending?	No (£852,000 funding allocation from Bridging Divides designated grant making fund)
Report of: David Farnsworth, Managing Director of BHE	For Decision
Report Author: Tim Wilson, Funding Director	

Summary

This report requests £852,500 over five months as a strategic initiative to support the London Community Foundation’s emergency winter grants’ programme *Together for London*. £800,000 would be deployed in early 2023 through a small grants programme for at least 80 community organisations, with a focus on core costs and the provision of emergency support. The balance of £52,500 (6.5%) would cover the London Community Foundation’s operational costs.

Recommendation

It is recommended that the Grants Committee of the Bridge House Estates Board, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity reg. no. 1035628) and solely in the charity’s best interests:

- i) Endorse to the BHE Board a grant of £852,500 over five months to the London Community Foundation for onward grant-making through the *Together for London* Winter appeal and the operational costs of same.

It is recommended that the Bridge House Estates Board, in the discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity no. 1035628) and solely in the charity’s best interests:

- i) Approve the grant of £852,500 over five months to the London Community Foundation as per the terms recommended by the Grants Committee.

Main Report

Background

1. In September 2022, the Grants Committee agreed a programme of additional support to help current grantees manage cost pressures from rising demand and high inflation. Paragraph 23 of the paper noted that officers were exploring options to work with partners on emergency grants during the Winter period and, following discussions with the London Community Foundation (LCF), the Grants Committee and BHE Board are recommended to support the *Together for London* appeal.
2. Together for London is a small grants programme of emergency support and core funding during Winter. Launched by LCF in Autumn¹ for small (sub-£500k turnover) community organisations, Together for London will offer grants of up to £10,000 over 6 months for core funding and the provision of emergency support to clients (be it food, essential items, mental health support, accredited financial advice, and accredited welfare advice). LCF will award the small grants on a restricted basis.
3. CBT is not positioned to operate a comparable emergency funding programme at present. Current turnaround times on applications received are approximately 6 months and we are recruiting to vacancies in the Funding Manager team. LCF has the back-office functionality to manage Together for London and has raised £1m so far, with significant donors including the Trust for London and the Bank of Ireland.
4. Given ongoing cost pressures across the sector, high demand is expected. Together for London opened in late October, with over 153 applications received so far. Over 300 organisations attended LCF's programme webinars and there have been over 1,200 web views of the fund guidance page. LCF expects to deploy funds in December and January waves, with any CBT funds distributed in early 2023. The recommended funding would be paid inside this financial year with cashflow projections to be updated to reflect this.
5. LCF will review applications received and, with reference to demand compared to donated funds available, will give priority to organisations supporting those most affected by the crisis (disabled people, older people, minoritized communities, carers, and homeless people) as well as to applications from boroughs ranked higher on the Indices of Multiple Deprivation.

London Community Foundation

6. A registered charity, the London Community Foundation (LCF) supports work across the capital through grant-making and technical assistance. It raises funds from a wide range of private and charitable sources to fund programmes tackling disadvantage and it directs funds to all London boroughs (as well as the City of London). It typically prioritises smaller charities and community groups, and has focused on issues of food poverty, isolation, homelessness, domestic violence, and children and young people. To date, it has raised over £100m in philanthropic funds

¹ <https://londoncf.org.uk/together-for-london>

and committed over £90m in grants. CBT has not previously funded LCF, but has worked alongside it, most recently during the London Community Response Fund in both the strategy and operations groups.

Together for London

7. London Funders has convened several meetings this year to discuss high inflation, rising poverty, and increasing service demand. This has been helpful for funders to share ideas and to guide their efforts to support to their own grantees and revise guidance to applicants. However, at time of writing, there is no “London Community Response” equivalent to the pan-funder Covid-19 collaboration. Together for London is a readily available mechanism to channel emergency funds to the sector during the Winter months when high demand from service users is expected to rise further. LCF has engaged several large London Funders members as well as other donors and designed Together for London to deliver money at pace to grassroots charities.
8. LCF will run the programme from end to end. It has created a dedicated web page, delivers online promotion, provides space to address applicant queries, and offers online application forms. LCF will use its database to manage risk and to draw lessons for thematic learning. It will undertake grant assessment, send offer letters, manage payments, and provide monitoring. LCF has decided against establishing community-based decision panels, opting instead (for reasons of timescale) to make grant decision in-house via twice-weekly panels. It has track record of fast-paced awards at scale, with over £13.4m distributed to over 1,000 community organisations during the Covid pandemic, and a possible turnaround time of 4.2 days from receipt of application to award of grant.
9. In addition to application data, LCF will request funded organisations provide monitoring six months after award with details of what the grant was spent on, how the funds helped the organisation, and how many people were supported or reached through this work. We expect monitoring to be proportionate given the size of the awards made, and to generate useful learning.
10. Eligibility and assessment criteria for Together for London are not an exact match to CBT’s Bridging Divides programmes. For example, whilst disabled people are a priority beneficiary group, the scheme does not place the same emphasis on user-led organisations or the social model of disability as CBT funding does. Also, accredited advice providers will be prioritised, but LCF wishes to be open to unaccredited community groups providing information and guidance on a referral basis. Give the range of funders LCF is engaging, it is unrealistic to expect a scheme that matches all these different donors’ criteria and administration could be unduly cumbersome if multiple donors set their own restrictions on a scheme which is meant to have a single set of application and assessment criteria. Nevertheless, officers will engage with LCF at the end of the first wave of funding in December to review lessons learned and discuss potential focus areas for CBT’s support.

Financial information

11. LCF's income varies depending on the levels of donations received, with turnover ranging from £7.2m in 2017, to £16.7 in 2018, then back to around £10m in the two following years before increasing to £21.5m in 2021. Expenditure, which is mainly for grant-making, varies in line with fundraising. The most recent audited accounts (2020/21) reflect the exceptional nature of the Covid-19 year, with fundraising and grant distribution significantly scaled. Over 96% of the organisation's income in that year came from donations and legacies. Draft accounts for 2022 and the 2023 forecast show income and expenditure returning to 'normal' levels with the majority of turnover from donations and legacies.

Year end as at 31 March	2021 Signed Accounts £	2022 Draft Accounts £	2023 Forecast £
Income & expenditure:			
Income	21,474,000	12,183,000	10,873,000
Expenditure	(20,033,000)	(10,805,000)	(11,010,000)
Gains/(losses)	4,235,000	2,017,000	(20,000)
Surplus/(deficit)	5,676,000	3,395,000	(157,000)
Reserves:			
Total endowed	23,575,000	24,050,000	24,006,000
Total restricted	5,300,000	8,184,000	8,191,000
Total unrestricted	860,000	896,000	776,000
Total reserves	29,735,000	33,130,000	32,973,000
Of which: free unrestricted	796,000	890,000	770,000
Reserves policy target	701,000	698,000	698,000
Free reserves over/(under) target	95,000	192,000	72,000

Conclusion

12. Together for London is an opportunity for CBT to support a fast-paced grant-making scheme which it otherwise does not have the capacity to deliver directly. This will enable CBT to support smaller community organisations across London with their costs during the Winter months, and to do so via a partner funder which has track-record of rapid decision-making. Officers can learn from the first wave of Together for London funding and discuss with LCF where the programme might focus in early 2023. CBT's support at this point helps expand the reach of Together for London and is recommended to the Committee and BHE Board for approval.

Appendix

- Appendix 1: Strategic Initiative Filters

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Appendix 1 – Strategic Initiative Filters

FILTERS	
<i>Will The pro-active grant:</i>	
Further the Trust's Vision and Mission (a fairer London & tackling disadvantage)?	Y
Support work within one of existing Bridging Divides programmes (BD)?	Y
Or, meet a clear need that has arisen since (BD) were agreed?	
Have the potential for impact beyond that of an individual reactive grant or number of individual grants?	Y
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 pro-active grants for the remainder of the financial year?	Y
Be made to an organisation(s) that conforms to the Trust's eligibility criteria and has the capacity and expertise to deliver the work?	Y
PRIORITISATION GUIDANCE	
Evidence	
Is there external and/or internal research and information that supports the need for the proposed grant?	Y
Is there external and/or internal research and information that indicates the approach proposed in the grant will be successful?	Y
Is there evidence that indicates the work will be hard to fund from other sources?	Y
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Tbc
Will the work/approach funded be replicable?	Y
Does the grant provide an opportunity to strengthen Civil Society in London?	Y
Is the work sustainable beyond the period of the grant?	Tbc
Can the impact of the work be measured through evaluation?	Y