

Committee: Funding Committee of the Bridge House Estates Board	Date: 11 September 2023
Subject: Strategic Initiative: London's Giving – Resource Hub (Ref: 20540)	Public
Report of: Sacha Rose-Smith, Chief Funding Director	For Decision
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Summary

This paper seeks Funding Committee approval of a grant of £615,000 to London Funders to build on its existing London's Giving work by establishing a Resource Hub to support the development and capacity of place-based giving schemes (PBGS) in London.

This paper follows from the report presented to the December 2022 meeting of the Funding Committee which set out proposals for the Resource Hub, informed by scoping research undertaken by Deborah Xavier, Freelance Consultant, in consultation with PBGS in London and other relevant stakeholders. At that meeting, 'in principle' approval was given to support the establishment and development of the Resource Hub over the next ten years which would build, amplify, increase, and develop the range and depth of support currently available under the London's Giving initiative. Officers were asked to work with London Funders (the current host of London's Giving and future host of the Resource Hub) to draw up a fully costed budget for the first three years of its operation, to be brought to this Committee for approval. This paper is the outcome of this work.

Recommendations

It is recommended that the Funding Committee, in discharge of functions for the City Corporation as Trustee of Bridge House Estates and solely in the charity's best interests:

- i) Approve a grant of £615,000 over three years to London Funders (charity no: 1116201) to develop a Resource Hub to support the development of place-based giving schemes in the capital.

Main Report

Background

1. City Bridge Trust has been a long-term supporter of place-based giving schemes (PBGS) in London, through funding to individual local schemes, combined with development and capacity building support for them through the London's Giving strategic initiative, hosted by London Funders. These funding streams support the Bridging Divides funding strategy (in particular, the strategic aim to increase the quality and scale of giving) as well as the joint BHE & City Corporation Philanthropy Strategy (in particular, the strategic aims of supporting and raising awareness of high quality giving in the capital) and the Bridging London Strategy of BHE (in particular, to act as a catalyst for positive change in London).

2. A time-limited, strategic development fund for PBGS (over and above the funding available under CBT's open grant programmes) was also established during last year, co-designed by a Task and Finish Group. This funding strand is now closed with 14 grants being awarded (from a total of 19 applications) totalling £3,180,143.
3. The Task and Finish Group also oversaw the commissioning of research scoping the feasibility of a Resource Hub to build on the existing work of London's Giving, hosted by London Funders. It was envisaged that the Hub would amplify and strengthen CBT's investment in London's PBGS movement and raise the movement's profile, reach, and influence in order to make London a more equitable and inclusive city.
4. It was the view of the Task and Finish Group that London Funders should remain the logical home for the Hub, at least for its first 3 years of operation.
5. The findings of this research were presented to the Funding Committee in December 2022, when 'in principle' approval was given to the establishment of this proposed Resource Hub over the next ten years, subject to detailed costings for its initial three years being brought to this Committee for approval. This report sets out those detailed costings.

About London's Giving

6. CBT's engagement with place-based giving schemes (PBGS) began when it became a founder funder of Islington Giving as a Strategic Initiative with a grant of £119,500 over three years approved in April 2011. This was at a time when the appetite to establish PBGS was growing amongst London's communities and CBT supported several emerging schemes as Strategic Initiatives.
7. Inspired by the success of Islington Giving, CBT has also been supporting the promotion and development of PBGS since February 2014. This overarching work launched as [London's Giving](#) in February 2015 and is hosted and promoted by London Funders. As well as a range of online resources, news items and articles, London's Giving provides one to one support to individual schemes, regular network learning events and, in partnership with [Rocket Science](#), enables local schemes to use shared impact measurement tools.

About Place-Based Giving Schemes

8. A PBGS is a partnership, initiative, or organisation which understands, highlights, and responds to local needs. It is more than a distributor of grant-funding to local communities. Schemes aim to bring together the public, private and voluntary sectors to bring about real change in local communities and to unlock local resources and assets (money, knowledge, and skills) for the benefit of those communities.
9. There is no blueprint or 'one size fits all' template for PBGS. Every scheme in London is different, depending on local conditions but they all share the same mission and principles, developed with the London's Giving network of PBGS:

- a. to connect people and foster collaboration, bringing together residents and the public, private and the voluntary sectors;
- b. to empower local people to take action on the issues that affect them; and,
- c. to speak up about and challenge inequality.

10. Currently, there are 13 active¹ PBGS in London with a further two in development. The latest impact report can be found [here](#). The report highlights that between April 2017 and March 2020 the schemes collectively:

- a. Raised £9.99m (of which £5.5m was in 2019-20)
- b. Dispersed grants to the value of £8.71m (of which £3.9m was in 2019-20)
- c. Raised £552,446 in-kind income
- d. Enabled volunteering with an estimated value of £1m.

11. Many of the groups supported by PBGS fall under the radar of other funders, such as CBT. More important, however, than these monetary and 'in-kind' benefits is the added value that PBGS create through collaboration and trust and through the sharing of new approaches and programmes that help to achieve social change.

Resource Hub Proposal

12. Whilst PBGS within the London's Giving network continue to innovate – be this through participatory grant-making, community-led investment, or long-term partnerships with business - securing the sustainable core revenue necessary to underpin this activity remains a major challenge for many schemes. A significant role for the proposed Resource Hub will be to develop fundraising capacity and expertise within the network to help them build connections, innovate, and create a genuine step change in local giving.

13. The scoping report identified three core areas of focus for the Resource Hub:

- a. To drive reach, establishing new PBGS and helping emerging and established PBGS to achieve their potential.
- b. To build the profile of the movement enabling cross-London relationships to accelerate growth and influence.
- c. To provide challenge and support, innovation, and influence, to ensure a greater collective impact on the lives of Londoners.

14. The proposed activities that the Hub will focus on during its first 3 years can be found in Appendix A. However, it is also recognised that needs may well change during this period both from within the network and because of external factors. It will therefore be important that a flexible approach is taken so that the Hub is able to be agile and responsive to changing needs.

¹ All of these schemes, plus the 2 in development, applied to the Strategic Development Fund, with all but one being successful or recommended for funding.

15. It is envisaged that these activities will support the delivery of the following indicators of success for the Hub that have been identified by the network for its first 3 years:

- a. A vibrant, collaborative network with the right mechanisms in place to actively share learning within the network as well as more widely.
- b. PBGS are seen as a beacon of excellence in their participative giving practice.
- c. PBGS achieve a stronger profile and track record as the 'go-to' organisations for hyper-local distribution of funding.
- d. PBGS have diversified their funding model, including greater success in attracting funding from London's corporate sector.
- e. PBGS in London are modelling their commitment to equity and justice through their leadership as well as through the way they work.
- f. PBGS continue to innovate and pilot approaches which can challenge and influence the wider funding system.

Cold Spots

16. A separate report looking at those boroughs that are 'cold spots'² for CBT (and which are also cold spots for other funders) is included in the non-public papers of today's meeting. The report recommends targeted engagement by the Funding team with these boroughs.

17. PBGS have the potential to play an important role in addressing cold spots, although this should be qualified by recognising that the characteristics of cold spot boroughs – very little voluntary sector infrastructure support; a relatively large number of small groups and relatively high levels of disadvantage – also provide major challenges for establishing new giving schemes. Nevertheless, work in cold spot boroughs is amongst the priorities for the Resource Hub as set out in the table at Appendix A.

18. One of the Funding Managers, Maria Hughes, is acting as a dedicated Team Lead for PBGS in London and the wider London's Giving Network, as part of her generic duties. If a similar role is identified to lead on cold spots development work, it will be important that a joined-up approach is adopted to ensure most effective use of resources and to avoid duplication of effort.

Budget

19. The proposed resourcing for the Resource Hub is a mix of flexible 'hands on' support alongside strategic leadership and resource which can catalyse and sustain stronger collective initiatives within the place-based giving community. The three key areas that have been identified are:

- a. A new post of Hub Director (0.8-1 FTE), employed by London Funders and line managed by the CEO. This role will be supported by the existing Director of Place position within London Funders.

² That is, boroughs that have received a relatively lower amount of funding from CBF during the past 5 years, relative to their deprivation ranking on the 2019 Index of Multiple Deprivation

- b. Communications and administrative support, either via a dedicated post or flexible support model.
- c. Consultancy budget for internally led and external consultancy; and joint project costs (e.g., collective campaigns, training, resource development etc).

20. In addition, as recommended by the feasibility study, there will be some staffing costs allocated to London Funders to provide leadership on wider place-based thinking and practice. London Funders will continue to advocate the value of place-based giving in London's funding eco-system and provide opportunities to convene members to share learning about place-based giving (for example via the annual Festival of Learning and ongoing learning programme).

21. The proposed budget is set out in the table below:

	Year 1 (24/25)	Year 2 (25/26)	Year 3 (26/27)
Expenditure	Amount (£)	Amount (£)	Amount (£)
Salaries and overheads			
Hub Director (1FTE)	55,000	57,750	60,638
Comms & Engagement (0.4FTE)	14,000	14,825	15,271
Director of Place (London Funders) (0.4FTE)	25,375	26,644	27,976
Employer's National Insurance	10,381	10,914	11,427
Employer's Pension contribution	9,438	9,922	10,388
Office costs (desk hire, @5k p.a FTE)	8,000	8,000	8,000
Governance and finance support	1,600	3,680	3,864
Total salaries & overheads	123,794	131,735	137,564
Direct costs			
Communications/website	2,500	800	800
Design and print	1,500	1,575	1,750
Meetings and events	2,225	2,336	2,453
Insurance	200	210	221
Website development & hosting	3,000	3,150	3,308
Staff development	1,250	1,313	1,378
Staff travel & subsistence	600	630	662
Consultancy costs ³	60,000	63,000	66,150
Total direct costs	71,275	73,014	76,771
TOTAL	195,069	204,748	214,335

³ This covers: (i) Internal consultancy for PBGS development support; (ii) External consultancy to include expertise in EDI Learning Partner; Marketing & Comms; Fundraising; Website Design & Management; Joint collaborations

22. Funding for London's Giving is currently in place until 31 March 2024. It is therefore proposed that this budget will commence from 1 April 2024.

Oversight of the Hub

23. To succeed, it is vital that the Hub is independent, inclusive, enabling and evolving. With this in mind, a cross-sectoral Steering Group will be established within 3 months of the Director being recruited to bring together fresh and independent voices to oversee this new phase of place-based giving. Whilst closely aligned to London Funders, the new Steering Group will enable greater representation of those involved in PBGS to shape the direction of the Hub, providing support, strategic oversight, and scrutiny during its initial phase. The detailed nature of the Steering Group and its terms of reference would be developed once the Director is in post.

Learning & Evaluation

24. The Hub will build on the work of Rocket Science, working with local schemes to collect and collate both quantitative and qualitative data to share learning and showcase the collective impact of London's Giving as a whole.

25. However, officers are also of the view that it will be important that an independent evaluation of the effectiveness of the Hub is undertaken for CBT. It is proposed that this is commissioned through the CoLC's usual procurement processes and resourced from the BHE Local Risk budget.

26. It will be important that this independent evaluation and the Hub's impact measurement are mutually complementary.

Financial Information

27. The Financial Information in the table below related to London Funders, as host for the Resource Hub.

28. The substantial increase in income and expenditure forecast for 2023 and budgeted for 2024 is almost entirely due to the Propel initiative. Stewarded by London Funders, Propel is a major partnership long-term funding programme involving a number of funders (including CBT) and equity partners, focused on enabling civil society groups and organisations to explore, develop and lead collaborative approaches to tackle some of the capital's biggest challenges. London Funders has received several grants (including from CBT) towards the additional costs of its co-ordination and administration of this major multi-funder collaboration.

29. In 2022, London Funders' reserves policy was to hold 6 months of total expenditure as free reserves and the audited accounts for 2022 show that free reserves were slightly below that target. As a result of Propel, London Funders' Board has reviewed the policy which now aims to hold 6 months of core costs in free reserves. Included in its calculation of core costs, are all salary costs, including those of restricted funded project staff for whom the funding does not include

redundancy/notice costs, together with the wind down costs of those projects to enable them to meet their legal obligations. It is forecast that actual free reserves will reach 86% of the target in 2023 and 95% of the target in the 2024 budget.

Year end as at 31st March	2022 Signed Accounts £	2023 Draft Accounts £	2024 Budget £
Income & expenditure:			
Income	408,541	882,644	979,278
Expenditure	(414,552)	(786,059)	(793,650)
Surplus/(deficit)	(6,011)	96,585	185,628
Reserves:			
Total restricted	15,135	13,421	194,872
Total unrestricted	199,574	297,873	302,049
Total reserves	214,709	311,294	496,922
Of which: free unrestricted	199,574	297,873	302,049
Reserves policy target	207,276	346,364	317,946
Free reserves over/(under) target	(7,702)	(48,491)	(15,897)

Conclusion

30. There is a growing belief in the importance of place, not least within Government and amongst think tanks and funders, and London Funders has been actively working to centre an interest in place in its wider work.
31. The pandemic brought the importance of place into even sharper relief as we all spent more time in our neighbourhoods. During the pandemic, several PBGS played an important role in getting funding and resources to where they were most needed.
32. The proposals for the Resource Hub present an exciting opportunity to build on and amplify the existing work of London's Giving and take it to the next level. The proposals are welcomed amongst local schemes who have been widely consulted in their shape and design.
33. CBT's funding and wider support for London's Giving and the Resource Hub, alongside its funding of local PBGS, supports the 3 main strategies that underpin the work of BHE:
 - a. The Bridging Divides funding strategy, in particular, its mission to reduce inequality and increase the quality and scale of giving in London.
 - b. The joint Philanthropy Strategy of CoLC and BHE, in particular, to support and raise awareness of high quality giving in the capital.
 - c. The BHE Strategy, Bridging London, in particular, its aim to act as a catalyst for positive change in London.

Appendices

- Appendix A – Proposed Activities of the Resource Hub

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Appendix A

Proposed Activities of the Resource Hub

1.1 Driving Innovation & Influence	
Leadership, voice and challenge	<ul style="list-style-type: none"> • London Funders provide thought leadership on place, linking PBGS to wider community of funders (e.g. via existing and emerging coalitions on place, enhanced learning programme and developing links beyond London) • Provide advocacy on value of PBG in London’s funding eco-system through existing workstreams, maximising new opportunities to promote the model (e.g. via mayors, London Councils)
Participatory practice	<ul style="list-style-type: none"> • Hands on support to develop and implement participatory grantmaking (“PGM”) practice, utilising existing expertise from within the network • Bringing practice from beyond network (e.g. PGM community) into London’s network, commissioning resources to fill any identified gaps • Extending learning and advocacy to help develop PBG as a centre of excellence for participatory practice
1.2 Achieving Reach	
Start-up, cold spots and trouble shooting	<ul style="list-style-type: none"> • Convening clusters of staff leading new and emerging schemes for more targeted support and peer learning • Coaching and leadership support for those at early stage of the journey
PBGS specific support for developing PBGs (1 to 1 support)	<ul style="list-style-type: none"> • Fundraising capacity building – via skills development, shared resource to deploy on FR research and prospecting • Bespoke support along the PBG journey (eg recruitment, evaluation, governance) provided in-house or externally
Network and peer support	<ul style="list-style-type: none"> • Develop the Director’s network with the new focus on inspiration and provocation

	<ul style="list-style-type: none"> • Reinvigorate the Chairs Network with additional capacity to provide more direct support and learning opportunities to the Chairs group • Support the testing of communities of practice for staff specialising in PGM and fundraising initially
Resources, toolkits, directory of suppliers	<ul style="list-style-type: none"> • Create new online resources and presence for hosting shared toolkits and directories
1.3 Building Profile	
Business engagement	<ul style="list-style-type: none"> • Develop and lead joint campaigns to potential London-wide/sub regional corporate funders & supporters • Develop and implement business engagement strategies tailored to individual boroughs • Dedicated resource for researching and developing potential business links
Joint working – e.g. Collective advocacy/campaigns	<ul style="list-style-type: none"> • Resources to commission collective marketing and advocacy campaigns which the whole network can utilise and benefit from • Develop the right mechanisms to facilitate joint working (eg via sub groups)
Marketing & Comms	<ul style="list-style-type: none"> • Develop communications strategies for different audiences and a stronger collective case for support
Evaluation	<ul style="list-style-type: none"> • Structured programme to translate learning to those at different stages of the PBG journey, with consistent mechanisms for sharing learning across the network
1.4 Equity & justice^[1]	
Learning and action	<ul style="list-style-type: none"> • A dedicated programme of work to make Equity and Justice a more intentional part of the Givings ‘core business’. This might include appointing a learning partner or internal resource

^[1] The scoping report identified EDI but we have amended the terminology here in response to wider discussions within the network and London Funder’s own approach to equity and justice