

Committee	Dated:
City Bridge Trust	24 th November 2016
Subject: Strategic Initiative – Cranfield Trust	
Report of: Chief Grants Officer	For Decision

Summary

This report seeks approval to support the work of the Cranfield Trust over eighteen months, allowing the charity to provide capacity building services between now and the start of City Bridge Trust's new programmes.

Recommendations

Members are asked to:

- Agree a grant of £205,100 over eighteen months (£120,500 year 1; £84,600 year 2) to Cranfield Trust to provide up to 95 London-based charities with management consultancy support

Main Report

Background

1. The Cranfield Trust, an independent charity, was established in 1988 to provide free management consultancy to social welfare organisations. Cranfield Trust places commercially skilled volunteers (who have a high degree of empathy and understanding of the pressures voluntary sector organisations face) with small to medium sized charities to address specific projects. Almost 60% of volunteers hold an MBA. 80% of the organisations benefitting from Cranfield Trust support have a turnover of less than £1 million.
2. Around half of Cranfield Trust's clients benefit from strategic and business planning support, but assistance is also available with marketing, IT, HR, finance and mergers. Some organisations receive support with feasibility studies for revenue generating activities.
3. The match-making between charities and volunteers is delivered by Cranfield Trust's London Project Managers, who are themselves experienced voluntary sector consultants. Early engagement with a Project Manager helps the charity requesting support to refine their initial proposal. For example, discussions with the Project Manager might reveal that the root cause of the issue the charity wishes to address is deeper and requires a different intervention than first thought.

Proposal

4. Cranfield Trust will deliver a London programme supporting up to 95 charities with bespoke consultancy. The scheme will be promoted to current City Bridge Trust grantees, but will also extend beyond this network to other charities who would benefit from support, including those who may be seeking assistance with work addressed through the "Way Ahead" initiative presented elsewhere in today's papers.
5. Organisations which participate in the programme will benefit from:
 - an online organisational health check to help them assess current areas of strength and weakness, with questions covering planning, marketing and communications, governance, finance, fundraising, impact and evaluation;
 - one-to-one support from a Cranfield Trust Project Manager to help tailor the focus on any consultancy input;
 - (where suitable) a skilled consultancy volunteer, matched to the needs of the charity, providing mentoring and coaching for around 7 days over a 9 month period; and,
 - sign off against final project based on the initial aims of the work.
6. The organisational benefits will depend on the focus of each consultancy intervention, but Cranfield Trust clients typically expect to see a range of the following: improved skills and confidence; improved services; increased efficiencies; stronger boards; improved long-term sustainability; and a stronger fundraising position.
7. The City Bridge Trust-funded work will be promoted through a marketing and communications plan with the following elements:
 - promotional literature, e-bulletins and messages through social media to articulate the value of the programme and the benefits of engagement;
 - a dedicated web-page to field enquiries and enable eligible organisations to apply; and
 - two events hosted in partnership with City Bridge Trust, the first to generate awareness of the programme, and the second to celebrate achievements of the participant organisations.
8. Cranfield Trust will produce progress updates for City Bridge Trust during the programme, as well as a final report capturing learning and overall impact. The monitoring work will include not only the support provided, but also the cascade benefit to the charities participating in the scheme. Cranfield Trust is willing to share findings from the programme with the wider sector.
9. In addition to the consultancy support provided to the programme participants, Cranfield Trust will provide *all* City Bridge Trust grantees with access to HRNet, its well-regarded online human resources information and advice service. This provides regular ebulletins as well as access to a platform providing one-to-one HR support from skilled volunteers.

Costings/request

10. The budget for the proposed work is £205,100 over 18 months. This is based on a consultancy intervention equivalent to £2,000 per project (assuming 95 clients) using full cost recovery, plus additional allowance for promotional work associated with the programme.
11. Cranfield Trust's budget assumes that 40-55 clients will benefit in the first twelve months, and 30-40 in the following six. Delivery over this period allows for further review of any 'funder plus' services City Bridge Trust may wish to offer under its new programme priorities which will launch in 2018.

Financial Observations

12. At 2nd November Cranfield Trust advised it had confirmed £320,490 of its 2016-17 income (58%), a strong position with most of the financial year remaining.
13. The charity's free reserves are within the trustees' target range, and Cranfield advises it hopes to strengthen them to a position consistent with 6 months' worth of expenditure.

Year end at 30 September	2014-15 Independently Examined	2015-16 Draft	2016-17 Forecast
Income and Expenditure	£	£	£
Income	393,644	521,989	552,450
Expenditure	398,739	415,383	549,948
Unrestricted Funds Surplus / (Deficit)	(36,623)	96,400	892
Restricted Funds Surplus / (Deficit)	31,428	10,206	1,610
Total Surplus / (Deficit)	(5,195)	106,606	2,502
Surplus / (Deficit) as a % of turnover	(1.3%)	20.4%	0.5%
Cost of Generating funds (% of income)	36,975 (9.4%)	30,371 (5.8%)	36,820 (6.7%)
Free unrestricted reserves			
Unrestricted free reserves held at Year End	138,358	234,758	235,650
How many months' worth of expenditure	4.2	6.8	5.1
Reserves Policy target	99,685 – 299,054	103,846 – 311,537	137,487 – 412,461
How many months' worth of expenditure	3 - 9	3 - 9	3 - 9
Free reserves over/(under) target	38,673 – (160,696)	130,912 – (76,779)	98,163 – (176,811)

Conclusion

14. At a time when a number of grantees approach City Bridge Trust for capacity building support, this project will provide much needed skilled assistance to the voluntary sector. Cranfield Trust's volunteers are expert management consultants with a high degree of understanding of the operational pressures charities face. Cranfield Trust has delivered excellent work with grant funding from City Bridge Trust to date, and the proposed work builds on this. It is possible that City Bridge Trust will undertake further capacity building as part of its forthcoming programmes (due for launch in 2018); until then, the work proposed in this paper will provide a valuable 'stop gap' service and enable the Trust to learn more about sector need.

Appendix

Appendix A – Summary Assessment of Strategic Initiative

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Appendix A

Summary Assessment of Strategic Initiative for Committee Decision (Use: Y/N/Potentially or N/A where relevant)

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 Investing in Londoners programmes (IiL)?	Y
Or, meet a clear need that has arisen since(IiL) 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?	In part
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Y
Will the work/approach funded be replicable?	Y
Does the grant provide an opportunity to strengthen Civic Society in London?	Y
Is the work sustainable beyond the period of the grant?	Possibly
Can the impact of the work be measured through evaluation?	Y
Leverage	
Will the grant particularly benefit from the Trust's and the Corporation's distinctive networks and connections? Is there an opportunity to add value in this regard?	Y
Will the grant be able to build on the Trust's, and its existing grantees'/investees', knowledge and expertise?	Y
Will the grant have the potential to leverage any other funding from other sources?	Y
Spread	
Geographic	

Will the grant support work in a geography where there is high need but relatively low Trust spend?	Potentially
Thematic	
Will the grant support work in a thematic area(s) of the Investing in Londoners Programme where there is high need but relatively low Trust spend?	Possibly
Portfolio	
Within the Trust's Strategic Initiative portfolio, is the grant duplicating or complementing anything already funded?	Complementing work of "The Way Ahead" reported in papers for today's meeting
Approach	
Will the grant enable better collaboration between relevant organisations?	Y
Is the proposed work across more than one LA or is London-wide?	Y
Does the proposed work explicitly link the private, statutory and voluntary sectors?	Y