

<b>Committee</b>	<b>Dated:</b>
<b>City Bridge Trust</b>	6 <sup>th</sup> July 2018
<b>Subject:</b> Strategic Initiative – Cranfield Trust	<b>Public</b>
<b>Report of:</b> Chief Grants Officer	<b>For Decision</b>
<b>Report author:</b> Tim Wilson, Principal Grants & Social Investment Officer	

### **Summary**

This report seeks your approval for a further six months of funding towards the “Strive” programme by Cranfield Trust ahead of the launch of City Bridge Trust’s funder plus scheme in early 2019. Continuation funding for “Strive” will help ensure City Bridge Trust can refer grantees and applicants to a source of high-quality advice and support.

### **Recommendations**

Members are asked to

- Agree a grant of £68,400 over six months to Cranfield Trust to provide up to 32 London-based charities with management consultancy support through its “Strive” programme. The award to be conditional on a satisfactory review of the Cranfield Trust’s financial forecast for 2018-19.

### **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.

4. In November 2016 Committee approved a strategic initiative awarding Cranfield Trust £205,100 over 18 months through a new programme called "Strive". This was launched in December 2016, and further promoted through an event at the Guildhall in March 2017.
5. "Strive" services address management challenges to strengthen organisational efficiency and effectiveness. Cranfield's clients most commonly present one or more of the following issues:
  - i. Limited capacity to plan;
  - ii. Weak financial management;
  - iii. The need for stronger governance;
  - iv. Increased need for human resource expertise; and
  - v. The need for leadership support and development.

## **Proposal**

6. City Bridge Trust released first payment towards Cranfield's "Strive" programme in January 2017, and the current programme is due to end in early July 2018. The Trust is still working on its Funder Plus programme for grantees as part of its Bridging Divides strategy and pending the formal launch of this scheme wishes to ensure that London charities can still benefit from capacity building support. A short-term award to Cranfield allows continuity of service until the full Funder Plus suite is ready.
7. The 2016-18 "Strive" phase aimed to work with 95 frontline organisations, of which at least 70 should be City Bridge Trust grantees and at least 25 charities operating in London which are potential applicants. Over the current funding period, Cranfield has supported 141 frontline organisations, of which 68 are City Bridge grantees.
8. The "Strive" programme has sufficient pending pipeline (46 organisations) to meet the target for grantee support before the end of its current award, and the level of interest demonstrates the potential for Cranfield to reach the proposed new target for the coming 6-month period. Demand has grown for "Strive" over the current funding period, and a subsequent award would help maintain this momentum. Cranfield proposes to strengthen its offer to the sector by including new services around HR compliance, financial forecasting and maximising impact.
9. Beneficiary feedback on "Strive" has been consistently positive. In addition to written testimony, several programme participants spoke at a February 2018 event at Saddlers' Hall where the charity's patron, HRH the Princess Royal delivered a key note address. Data provided by Cranfield shows a good geographical distribution of beneficiaries across London.

10. City Bridge Trust is developing a wider programme of Funder Plus which we expect to launch in January 2019. The proposed grant to Cranfield Trust ensures that grantees can continue to benefit from expert advice and support until the wider scheme is available.
11. Both the proposed level of funding and the target beneficiary numbers are proportionate to the current award.

### **Financial Information**

12. Cranfield Trust's unrestricted reserve holding as shown in the table below is above target. The Trustees set a reserve target based on planned total organisational expenditure for the 12 months ahead, which is prudent, but not commonly used by other charities considered by this Committee. For sake of consistency, the financial table accompanying grant recommendations compares the reserve holding at year end with expenditure in the financial year just ended. On this basis, Cranfield holds surplus reserves. However, examining the reserve position for 2016 and 2017 using the method Cranfield's trustees apply, the holding is within range. 2016 free reserves are equivalent to 6.5 months' of the total organisational expenditure for 2017, and free reserves for 2017 are equivalent to 7.3 months' of total planned organisational expenditure for 2018. Officers expect to receive a 2018-19 forecast shortly and will use this to verify if the reserve position at financial year end 2018 is also consistent with Cranfield's approach.
13. The table shows income rising significantly in 2017 compared with the two financial years either side. This was a result of a significant grant of £250,000 received from the Garfield Weston Foundation which is for three years of delivery. The charity is holding this award in restricted reserves and spending funds over a 36-month period.
14. In contrast, the cost of raising funds falls in 2017 compared with the two financial years either side. For nine months of the 2017 financial year the charity's Fundraising Manager role was vacant. Cranfield has now recruited to this role and the level of fundraising expenditure is returning to previous levels.
15. Finally, at time of preparing this paper for Committee the charity was not ready to share a forecast for 2018-19 since these were pending review by Trustees as part of an internal reorganisation. Your officer recommends that release of funds should be conditional on receipt of a satisfactory forecast for 2018-19. These figures are expected before the end of June.

<b>Year end as at 30 September</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>Audited Accounts</b>	<b>Audited Accounts</b>	<b>Forecast</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income &amp; expenditure:</b>			
Income	528,828	713,749	587,528
- % of income confirmed at 21/5/18	n/a	n/a	86%
Expenditure	422,048	447,128	607,546
Total surplus/(deficit)	<b>106,780</b>	<b>266,621</b>	<b>(20,018)</b>
Split between:			
- Restricted surplus/(deficit)	4,206	139,321	0
- Unrestricted surplus/(deficit)	102,574	127,300	(20,018)
	<b>106,780</b>	<b>266,621</b>	<b>(20,018)</b>
Cost of Raising Funds	28,205	7,851	23,703
- % of income	5.3%	1.1%	4.0%
Operating expenditure (unrestricted funds)	96,528	200,324	325,355
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	242,433	369,733	349,715
No of months of operating expenditure	30.14	22.1	12.9
Reserves policy target	24,132	50,081	81,339
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	218,301	319,652	268,376

## Conclusion

13. Cranfield Trust is a well-regarded support provider and has delivered a successful intervention through its "Strive" programme since this launched in December 2016. Continuation funding will help ensure support provision remains available for City Bridge Trust grantees until the wider funder plus scheme is launched in early 2019.

## Appendix

### Appendix A – Summary Assessment of Strategic Initiative

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

<b>FILTERS</b>	
<b>Will The pro-active grant:</b>	
Further the Trust's Vision and Mission?	<b>Y</b>
Support work within one of existing Investing in Londoners / Bridging Divides programmes (IIL/BD)?	<b>Y</b>
Or, meet a clear need that has arisen since(IIL/BD) were agreed?	
Have the potential for impact beyond that of an individual reactive grant or number of individual grants?	<b>Y</b>
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?	<b>Y</b>
Be made to an organisation(s) that conforms to the Trust's eligibility criteria and has the capacity and expertise to deliver the work?	<b>Y</b>
<b>PRIORITISATION GUIDANCE</b>	
<b>Evidence</b>	
Is there external and/or internal research and information that supports the need for the proposed grant?	<b>Y</b>
Is there external and/or internal research and information that indicates the approach proposed in the grant will be successful?	<b>Y</b>
Is there evidence that indicates the work will be hard to fund from other sources?	<b>In part</b>
<b>Impact</b>	
Will the grant tackle a root cause(s), or positively influence policy or practice?	<b>Y</b>
Will the work/approach funded be replicable?	<b>Y</b>
Does the grant provide an opportunity to strengthen Civic Society in London?	<b>Y</b>
Is the work sustainable beyond the period of the grant?	<b>Possibly</b>
Can the impact of the work be measured through evaluation?	<b>Y</b>
<b>Leverage</b>	
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?	<b>Y</b>
Will the grant be able to build on the Trust's, and its existing grantees'/investees', knowledge and expertise?	<b>Y</b>
Will the grant have the potential to leverage any other funding from other sources?	<b>Y</b>
<b>Spread</b>	

<b>Geographic</b>	
Will the grant support work in a geography where there is high need but relatively low Trust spend?	<b>Potentially</b>
<b>Thematic</b>	
Will the grant support work in a thematic area(s) of the Investing in Londoners / Bridging Divides Programme where there is high need but relatively low Trust spend?	<b>Possibly</b>
<b>Portfolio</b>	
Within the Trust's Strategic Initiative portfolio, is the grant duplicating or complementing anything already funded?	<b>Complementing preparatory for the Funder Plus services to be launched as part of <i>Bridging Divides</i></b>
<b>Approach</b>	
Will the grant enable better collaboration between relevant organisations?	<b>Y</b>
Is the proposed work across more than one LA or is London-wide?	<b>Y</b>
Does the proposed work explicitly link the private, statutory and voluntary sectors?	<b>Y</b>