



**London
Funders**

Working together to strengthen London's voluntary and community sector

LONDON FUNDERS Annual Review 2008

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Executive summary

London Fundors is the membership organisation which works with fundors and investors supporting London's voluntary and community organisations. It links all the sectors, providing foundations, fundors from the public sector and corporate givers with opportunities to share their experience and learn from each other. It helps to forge productive relationships which contribute to the wider benefit and overall sustainability of London's voluntary and community organisations – to contribute to a vibrant, varied and fit for purpose third sector which is appropriately and fairly funded.

2008 saw membership growth and more face to face activity, including many opportunities for cross-sector discussion and shared learning. As our Chair Sara Llewellyn says, "We all work better for London when we understand the responsibilities and constraints of each other".

Meetings are collaborative, cross-sector information exchanges, providing opportunities for exchange of ideas, learning and networking. Main meetings in 2008 were on "Working Money Harder"; fundors' support of work with young people; funding faith communities; and tackling health inequality. Project groups looked at effectiveness in funding, research and evaluation, funding for voluntary sector infrastructure development, issues for refugees and migrants, and many aspects of the 2012 Olympic Games. Joint meetings with other partners drew attention to useful research, helped make sense of the array of quality assurance systems used by funded organisations, and delved deeper into monitoring and evaluation of work supported.

The [e-bulletin](#) is an information resource published every two months, covering succinctly news and information relevant to fundors. The website includes reports of meetings and other publications, and links to members' websites.

London Fundors ended 2008 with high expectations for 2009 and a commitment to supporting members in their work to strengthen the VCS in London. We will work to help members collaborate, especially in cross-sector links and partnerships - fundors working together and learning together, responsive to the voluntary and community sector's needs. Inevitably, much of our work in 2009 is being shaped around supporting fundors to cope with the impact of the recession on their own resources and on the organisations and communities they exist to support.

Vision

London Funders exists to strengthen and support London's funders to better meet the needs of Londoners

London Funders is the membership organisation which works with funders and investors supporting London's voluntary and community organisations. It links all the sectors, providing foundations, funders from the public sector and corporate givers with opportunities to share their experience and learn from each other. It helps to forge productive relationships which contribute to the wider benefit and overall sustainability of London's voluntary and community organisations. It aims to contribute to a vibrant, varied, fit for purpose third sector which is appropriately and fairly funded.

To achieve this London Funders brings funders together to:

- * share knowledge about social issues in London and keep up to date with social change
- * increase understanding of current funding and policy trends
- * identify and encourage best practice in grantmaking or investing to support and strengthen the voluntary and community sector
- * get to know each other better and work intelligently together
- * improve efficiency and increase leverage on investment
- * promote innovation in funding
- * be a channel for dialogue between funders and the third sector in London

The heart of our plans is a commitment to activity which will bring solid and tangible outcomes for our members. To benefit the voluntary and community sector – and therefore to benefit London's communities – we want to help develop better informed funders and investors making better decisions.

While the organisation of meetings, maintenance of the website and management of resources are arranged by the small staff team (the Secretariat), London Funders is in reality the whole network of member organisations. The breadth of membership, quality of work, relevance of activity, and nature of our policy development are a function of the engagement of those working on or responsible for our whole range of member organisations.

Chair's introduction

I am very pleased to report on a very busy year and to draw out a few highlights of which London Funders Trustees, Secretariat and members can all feel proud.

During 2008, our membership grew and our meetings were better-attended than ever before. As one of our key "raisons d'être" is to bring funders from the statutory sector together with those from the independent sector, I am especially pleased to report that we had active participation in London Funders' activities from 31 of the 33 London boroughs during 2008. Many more individuals from our membership organisations are participating too, rather than just one key contact from each. We all work better for London when we understand the responsibilities and constraints of each other.

As a membership body, we continue to respond to what our members tell us about their learning needs. Our events, briefings and working groups are all moulded by requests and feedback from funders across London. My thanks to all the excellent speakers who gave us their time during the year; we certainly find people are very generous when they can see their time will help improve funding practice across London.

The second half of 2008 saw the near collapse of the banking sector and a worldwide economic downturn. London, Londoners and London's third sector have not escaped unscathed, although the impact will unfold fully over the coming years. We reacted quickly in the autumn, sure that our members would want to build a picture of London's communities in the recession and to work collaboratively to mitigate ill effects. Together with the ChangeUp Consortium, LVSC, London Councils and the Young Foundation, we planned a major event for funders and key third sector organisations titled *The recession: we're all in it together*. This took place after the year end, in February, but deserves some mention as it will help shape our work over the next period.

Our staff and Board continue to work very well together. We are very fortunate to have a very knowledgeable, skilled and experienced Director in Gaynor Humphreys. Our other staff member, Belinda Birch, gave birth to baby Adam in January 2009 and she is taking a year's maternity leave. We are fortunate to welcome Yvonne Schwartz as her locum.

The Board of London Funders is a strong one, and I extend my thanks to every member for their active participation and for the very different expertise and contacts which each brings. Especially thanks to my fellow officers, Debbie Pippard (Vice Chair) and Ian Redding (Treasurer) who do so much of the "invisible" work.

London is a wonderful and special place – like no other. Londoners deserve the very best from our third sector and our job as funders in London is to help make London a great place for every resident through our support for, and partnerships with, that third sector.



Structure, governance and management

Company registration 5596299
Charity registration 1116201

Executive Committee Officers 2008

Chair Sara Llewellyn, The City Bridge Trust
Vice Chair Debbie Pippard, Big Lottery Fund
Treasurer Ian Redding, London Councils

Executive Committee Members 2008

Lisa Greensill	Government Office for London
Mubin Haq	City Parochial Foundation
Kathryn Hinds	The King's Fund
Susan Humphries	London Borough of Haringey
Sandra Jones	London Borough of Lewisham
Katherine Payne	The Mercers' Company
Andrew Robinson	CCLA Investment Management Ltd
Bonnie Royal	London Borough of Southwark
Alistair Wilson	UnLtd

Observer:
Clodagh O'Donnell Greater London Authority (to October 2008)
Jagdeep Mann Greater London Authority (from December 2008)

Staff team

Belinda Birch Membership and Communications Officer, and Company Secretary
Gaynor Humphreys Director

Professional advisers

Accountants

Gotham Erskine LLP
Friendly House
52-58 Tabernacle Street
London EC2A 4NJ

Bankers

Cater Allen
9 Nelson Street
Bradford BD1 5AN

Solicitors

Sinclair Taylor & Martin
The Charity Team at Russell-Cooke
2 Putney Hill
London SW15 6AB



Sara Llewellyn and Gaynor Humphreys at the AGM 2008

Short history

Formerly known as London Funders Group, the network had a long informal period while it matured into its current form. At a fairly early stage it was taken on by London Boroughs Grants (which became the Association of London Government and then London Councils) where it was hosted for five years. The motivating factors for involvement recorded in the early days were:

- * declining faith in single sector solutions to tackle disadvantage
- * search for effective and sustainable partnerships
- * growing interest in funding strategies with an impact on areas of multiple deprivation
- * recognition of the need to fund more effectively
- * the search for better monitoring and evaluation

For a time, a voluntary group ran the organisation, offering a programme of relevant and interesting events for funders in London. The London Development Agency (LDA) sponsored new development of London Funders from 2003 with a three-year development grant that recognised a need for funders to share information and to develop a collective response to provide a more coordinated approach to funding for London's voluntary and community sector.



For three years London Funders was helpfully hosted by the Association of Charitable Foundations and during this time it became clear that there was sufficient interest for a separate charitable company to be created. The formalities were in place from late 2005, including an elected Executive Committee and by May 2007 London Funders was fully independent with its own staff and separate income.

Since then, membership has steadily grown and very firmly connected public sector and independent funders in learning and discussion in every one of the network's activities.

What's good about London Funders?

"Borough grants officers say that participating in London Funders represents a good staff development tool – through events, project groups and use of the website. When topics are tackled in meetings there are expert speakers and an effort is made to help funders think together strategically and at a policy level, helping to understand targets, policies and outcomes."

From record of meeting with London boroughs in October 2008

Achievements and performance in 2008

Meetings: collaborative, cross-sector information exchanges

In 2008 our quarterly members' meetings provided significant opportunities for exchange of ideas, learning and networking. Reports of meetings are shared on London Funders' website.

WORKING MONEY HARDER MARCH

We challenged funders about how to get 105% out of their funding. Presenters used real examples of working together and thinking long term, and of helping with bold, innovative projects and supporting sustainability in services or facilities. Commentators reflected on good and bad funding practice to stimulate lively responses.



WHAT WOULD MAKE LONDON BETTER FOR YOUNG PEOPLE?

MAY



This proved to be London Funders' biggest meeting so far. It covered policy and practice, including integrated borough youth services and voluntary youth clubs; guns, gangs and knife crime; youth participation; and the attraction for funders of work with "NEETs". As a result of this meeting, we published *Work by and for young people in London: the funding jigsaw*, listing funding opportunities in London.

FUNDING FAITH COMMUNITIES

OCTOBER

Understanding, respect, rights – the meeting ended with these three words, a summary of much that had been said. Some of the discussion was intense: we were clearly in an area of both interest and challenge. The meeting explored the complex relationships between local groups and local/national government and the paradox that money can be a barrier for some faith groups, rather than what brings them to the table.

LONDONERS AND THEIR HEALTH

DECEMBER

A look at the factors behind London's shocking health statistics, exploring strategies to tackle health inequality and reflecting on effective ways funders have found to promote health. We looked at current research, case studies of health related projects achieving change in relation to the health of refugees, of Muslims and of parents with mental health problems, and helped piece together the roles of many of the agencies and services in London relevant to funders interested in health and health inequality.



Members of the GLA's Peer Outreach Team at our May meeting where they shared their experience of their work to promote young people's participation

Project groups: working on members' special interests

Cross-sector groups set up at members' request. They meet three/four times a year for presentations and discussion; members set the agenda around policy development and action. Meeting notes are posted on our website and new participants are welcome.

Asylum, Refugee and Migration

Chair: Mubin Haq, City Parochial Foundation

Aims to share knowledge about funding and related issues; map funding and identify gaps in funding; coordinate funding, helping to fill gaps and respond to new needs; propose strategic solutions to improve funding for this sector. The focus has recently extended to all migrants.

Highlights of 2008 meetings:

- employability of refugee professionals
- an overview of migration in London and where funders can support vulnerable groups
- migrants' rights, including employment rights and the campaign for a one-off "earned amnesty" for long-term irregular migrants in the UK

Good Practice in Grantmaking

Chair: Ian Redding, London Councils

Inspired by the Gershon review of public sector activities that focused on reducing bureaucracy and finding ways to increase efficiency and effectiveness, this Group takes a practical look at how funders can promote efficiency, identify cost savings (especially in the back office) and work together to ensure coherence in the funding environment.

Highlights of 2008 meetings:

- the Audit Commission's work on intelligent commissioning
- VCS workforce development: recruitment, retention, staff development, qualifications
- a taster workshop on how funders can harness new media, social networks, web 2.0, podcasting, blogging and other communications methods to reach target audiences

Olympics and Paralympics

Chair: Bharat Mehta, City Parochial Foundation

Short, medium and long-term projects related to Olympic planning and legacy, and how and why sport helps in developing communities. The group is interested in exploring aspects of the Olympic legacy in its broadest sense.

Highlights of 2008 meetings:

- plans for business, skills and employment in the five Olympic Boroughs and pan-London
- human trafficking and forced labour, likely to be intensified at the time of the Games
- problems facing 2012 planners as the economic challenges bite in London

Research and Evaluation

Chair: Kate Hinds, The King's Fund

The use of research to develop funding programmes, data sources, the skills involved in good commissioning of research, effective use of knowledge and of research data to influence policy.

Highlights of 2008 meetings:

- the complexities of impact and "legacy" when a grantmaker ceases to operate
- what to do when grants seem to fail
- performance monitoring as a learning opportunity for funded projects
- recent research into funders' requirements for reporting by funded groups; good (and proportionate) practice in monitoring and evaluation of funded work

Voluntary Sector Infrastructure Development

Chair: Debbie Pippard, Big Lottery Fund

Aims to create more coordinated funding of voluntary and community sector infrastructure in London through supporting the ChangeUp Agenda; mapping existing funding to second and third tier bodies; and looking at ways to assess the impact of second tier infrastructure funding in London.

Highlights of 2008 meetings:

- regular news exchange between members, especially about the Big Lottery Fund's BASIS programme, Capacitybuilders' Improving Reach programme, plans for Consortia Funds for 2008-11 and the new National Support Services
- London Council's approach to supporting second tier work
- the new London Infrastructure Development Plan
- the effectiveness of ICT projects in offering services to many local organisations including the idea of circuit riders

Policy briefings and joint meetings

London Funders also organises occasional events with members and other partners to provide an opportunity to respond to an immediate interest. Notes are available on our website.

Research

The Big Lottery Fund published "Answering BIG Questions", analysis of all the research undertaken by the various distributors over the first 12 years of the Lottery: Steve Browning, the Fund's Senior Researcher met members of London Funders to review research methodology and areas of learning.

Quality assurance

Which quality assurance systems are a good guide to effectiveness in second tier agencies; can commissioners' confidence in the voluntary and community sector's professionalism be increased through a greater understanding of the robustness of quality systems and what they actually measure? This event looked at how to assess different systems, what they help describe, how they strengthen voluntary and community sector practice and how far funders can rely on their standards.

Supported volunteering

Research by Greater London Volunteering on how the third sector could make more use of volunteers with special needs (eg arising from homelessness, drug or alcohol dependency or disability).

Accountability and learning

Charities Evaluation Services led discussion on their large-scale research project into current practice in monitoring and evaluating voluntary sector work, especially concentrating on funders' own practice.

Publications and information services

The [e-bulletin](#) is an information resource published every two months and covering news relevant to funders, developments in London, news from members, alerts for events and consultations, new publications, research activity, and job vacancies amongst funding organisations. In between each of these we publish two or three mini-bulletins, to share urgent information.

What's good about London Funders?

"I would like to say how useful I find both the meetings and the email bulletins and that I am always made to feel welcome."

Tracey Chadwick, Funding & Development Team, LB Tower Hamlets

"This was an excellent e-bulletin, and I just thought I would say thanks for it."

Gustaf Lofgren, New Philanthropy Capital

On our [website](#) we publish notes and reports from all our meetings and news and information helpful to members. The website includes some basic advice for fund seekers and hyperlinks to members' websites.

The Secretariat answers queries from individual members and puts funders in touch with each other to solve problems or foster collaboration. A particular concern in the year was to help members react to the government's draft "Cohesion Guidance for Funders" and to draft a response to it from Executive Committee members.

Funders working together

In 2008, London Funders started working more closely with the Borough Grants Officers Forum, convened by London Councils, starting with a half day seminar on our work and its usefulness to borough grantmakers and commissioners. Borough staff were also introduced to the new Grassroots Grants programme through which grants are reaching the smallest groups all over London. Debbie Pippard, Head of London Region for the Big Lottery Fund, and London Funders' Vice Chair, confirmed how valuable she finds London Funders, for "big, frank discussions" on funding themes, and for less formal conversations about tricky issues. She has been one of the people putting time and effort into developing London Funders and says BIG has received through London Funders "many, many times" the value of the subscription.

What's good about London Funders?

"I always walk away with something new, something different. It's inspiring, always gives a new angle. The bulletin is very useful - I always look at it. It's the best source of information pertinent to funders I've seen."

Inga Spencer, London Borough of Hillingdon

Increasingly we find that very practical instances of funder collaboration emerge from opportunities to meet at London Funders' events. An example is the grants programme *Health and Belief* piloted by two of our members, London Catalyst and Church Urban Fund.

A vital part of London Funders' purpose in bringing London's grantmakers and commissioners together is a commitment to London's voluntary and community sector. Our members recognise the complexity of London and the disproportionate scale of many of London's problems. They are acutely aware of the pressures on the third sector in delivering services in London caused by our apparently intractable child poverty, the highest UK levels of mental ill-health and many other key challenges to individuals and communities. They also identify problems for the sector itself - pressure on accommodation, higher running costs than elsewhere, issues around staff recruitment and development – and a constant battle against the idea that London is prosperous and well-served.



Through our events, special interest groups and publications, funders get to know and influence each other. They share ideas of where the good practice is (eg in monitoring and evaluation). They share information on innovative and effective solutions to community issues. They dig away together at problematic topics and share knowledge and insights. They work hard to avoid the traps of creating cartels, or following funder fashion, or narrowing options for hard-pressed service providers. The aim is to produce benefits for the sector, not costs.

London Funders also aims to identify those in the voluntary and community sector with expertise in analysing the current environment and skill in scanning the horizon for future trends, to link them appropriately with funders. It is in everyone's interest for budget-holders to be well-informed; this is part of London Funders' role - to inform decision-makers and help funders work intelligently together in a spirit of equality to improve practice and outcomes.

What's good about London Funders?

"I have found London Funders so useful in linking us to a wider network and new ideas – I can't think why we weren't members before."

Kristina Glenn, Cripplegate Foundation

Summary financial statement

Donors and supporters

The core of our income is annual subscriptions for membership, including an important contribution from London Councils on behalf of itself and all the Boroughs. The London Development Agency has continued to support London Funders with a grant, intended to provide vital income during a period of planning and development to diversify income streams. The Trustees are grateful to the LDA for this three-year grant (2007-10).

We would like to thank CCLA for contributions in cash and kind to several of our members' meetings in the course of the year – they have been generous supporters.

Help in kind, mainly through the provision of meeting facilities, was also generously provided in 2008 by the Big Lottery Fund, Buzzacott, CCLA, City Parochial Foundation, The Diana, Princess of Wales Memorial Fund, the Greater London Authority and London Councils. We also had an opportunity to present London Funders to the clients of Mazars.

Financial summary for the year ended 31 December 2008

Income	£	%
Membership subscriptions	73,440	49.5
Grant – London Development Agency	70,000	47.1
Donations	2,275	1.5
Interest income	2398	1.6
Earned income	430	0.3
Total	148,543	100.00

Expenditure by work area	£	%
Member services		
Meetings and events	68,784	49.8
Advice and policy	14,649	10.6
Information, website	35,307	25.5
Governance	15,041	10.9
Cost of generating funds	4,470	3.2
Total	138,251	100.00

Balance sheet	£
Cash at bank and in hand	53,813
Debtors	581
Creditors	(3,634)
Total current assets	50,760

Funding from the London Development Agency is treated as a restricted fund, being available only for salaries.

Reserves policy

The Executive Committee has resolved to maintain free reserves in unrestricted funds equal to at least three months' expenditure on all costs.

Trustees' statement

This summary financial statement is not the statutory accounts but a summary relating to the Statement of Financial Activities and the Balance Sheet. The financial statements from which they are taken have been examined by Gotham Erskine LLP, as Reporting Accountants for London Funders (which satisfied conditions for exemption from an audit of accounts for the year); Gotham Erskine LLP's report contained no concerns about the financial statements. The Trustees' Annual Report and examined financial statements were accepted by the Trustees at their meeting on 21 April 2009 and presented to the membership at the Annual General Meeting on 15 June 2009; they have been submitted to the Charity Commission and Companies House.

Reporting Accountants' statement

We have examined the Summary Financial statement of London Funders as set out on this page. In our opinion they are consistent with the full annual financial statements. The full trustees report and accounts are available on www.londonfunders.org.uk or on request by email from info@londonfunders.org.uk.

Members of London Funders in 2008

Action Acton (associate)	London Borough of Croydon
Arts Council	London Borough of Ealing
bassac (associate)	London Borough of Enfield
BBC Children in Need	London Borough of Greenwich
Big Lottery Fund	London Borough of Hackney
Capacitybuilders	London Borough of Hammersmith and Fulham
Capital Community Foundation	London Borough of Haringey
CCLA Investment Management Ltd	London Borough of Harrow
Charity Bank	London Borough of Havering
Church Urban Fund	London Borough of Hillingdon
The City Bridge Trust	London Borough of Hounslow
City of London Corporation	London Borough of Islington
City of Westminster	London Borough of Lambeth
City Parochial Foundation	London Borough of Lewisham
Comic Relief	London Borough of Merton
Cripplegate Foundation	London Borough of Newham
The Diana, Princess of Wales Memorial Fund	London Borough of Redbridge
Dr Edwards' & Bishop King's Fulham Charity	London Borough of Richmond Upon Thames
East London Community Foundation	London Borough of Southwark
Equality and Human Rights Commission	London Borough of Sutton
Football Foundation	London Borough of Tower Hamlets
Girdlers' Company Charitable Trust	London Borough of Waltham Forest
Government Office for London	London Borough of Wandsworth
GrantScape	London Catalyst
Greater London Authority	London Councils
Groundswell UK (associate)	London Development Agency
Help a London Child	London Housing Foundation
Heritage Lottery Fund	London Probation
Hillingdon Community Trust	The Mercers' Company
In Kind Direct (associate)	New Philanthropy Capital (associate)
Jack Petchey Foundation	Peter Cruddas Foundation
John Lyon's Charity	Porticus UK (associate)
Joseph Levy Foundation	Red Ochre (associate)
The King's Fund	Royal Borough of Kensington and Chelsea
Learning and Skills Council	Royal Borough of Kingston upon Thames
Lloyd's Charities Trust	Safer London Foundation
Lloyds TSB Foundation	St Katharine & Shadwell Trust
London Borough of Barking and Dagenham	School for Social Entrepreneurs (associate)
London Borough of Barnet	Social Enterprise London (associate)
London Borough of Bexley	Sound Connections (associate)
London Borough of Brent	Transform Newham (associate)
London Borough of Bromley	UnLtd
London Borough of Camden	Wates Foundation

Plans for 2009

Well before the end of 2008, London Funders noted the gathering economic clouds: no funder will be untouched by them any more than voluntary and community organisations can escape the consequences. Funders will need to ensure their money works harder. There has never been a stronger argument for collaboration and greater effectiveness amongst London's investors.

As 2009 opened, London Funders was planning a major conference on this topic and was working with a range of partners to ensure an informative and constructive opportunity to share information and ideas and develop mutually agreed strategies. The Executive Committee has encouraged the Secretariat to concentrate on this strongly at the start of the year and come back with recommendations for further action to ensure the best possible support for funders experiencing a drop in the resources they have to support London's VCS and achieve their desired objectives. We intend this work to offer opportunities for improvement and positive change and not just amelioration of tough situations.

What's good about London Funders?

"...as usual your advice is extremely helpful and I will be following up on the resources. The support is really welcome during these first months in the job."

Dinah Cox, Executive Director, Rosa UK

Building on the success of events and activities in 2008, London Funders aims to strengthen and diversify its membership in 2009, drawing in more foundations, building links with health and housing organisations and with corporate donors.

London Funders ended 2008 with high expectations for 2009 and a commitment to supporting members in their work to strengthen the VCS in London. We will foster partnerships where we believe we can offer enhanced services to our members through combining with other agencies. We will especially work to help members collaborate, especially in cross-sector links and partnerships - funders working together and learning together, responsive to the voluntary and community sector's needs.

To find out about membership see www.londonfunders.org.uk
or email <mailto:info@londonfunders.org.uk>



Photo courtesy of Big Lottery Fund

African drummers and dance, St Luke's