



Resource Allocation Sub (Policy and Resources) Committee

Date: THURSDAY, 15 MARCH 2018
Time: 12.00 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Catherine McGuinness (Chairman)
Jeremy Mayhew (Deputy Chairman)
Sir Mark Boleat
Deputy Jamie Ingham Clark
Henry Colthurst
Simon Duckworth
Alderman Peter Estlin
Deputy the Revd Stephen Haines
Christopher Hayward
Deputy Edward Lord
Hugh Morris
Deputy Dr Giles Shilson
Deputy Tom Sleigh
Sir Michael Snyder
Deputy John Tomlinson
Alderman Sir David Wootton

Enquiries: Emma Cunningham
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Lunch will be served in the Guildhall Club at 1pm

**John Barradell
Town Clerk and Chief Executive**

AGENDA

1. **APOLOGIES**

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To consider minutes as follows:-

- a) To agree the public minutes of the meeting held on 18 January 2018

For Decision
(Pages 1- 6)

- b) To note the public minutes of the Joint Meeting of the Resource Allocation and Efficiency and Performance Sub-Committees held on 18 January 2018

For Information
(Pages 6 - 8)

4. **REVIEW OF THE CENTRAL GRANTS PROGRAMME**

Report of the Chief Grants Officer.

For Decision
(Pages 9 - 24)

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

7. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

For Decision

Part 2 – Non-Public Agenda

8. NON-PUBLIC MINUTES

To consider minutes as follows:-

- a) To agree the non-public minutes of the meeting held on 18 January 2018

For Decision
(Pages 25 – 26)

- b) To note the non-public minutes of the Joint Meeting of the Resource Allocation and Efficiency and Performance Sub-Committees held on 18 January 2018

For Information
(Pages 27 - 30)

9. REVIEW OF THE CENTRAL GRANTS PROGRAMME - APPENDIX 2

Report of the Chief Grants Officer.

For Decision
(Pages 31 - 34)

10. CONCRETE REPAIRS TO THE BARBICAN ESTATE

Report of the Director of Community and Children's Services.

For Decision
(Pages 35 - 40)

11. NATIONAL LOTTERY FUND (NLF) MONITORING REPORT 2018

Report of the City Surveyor.

For Decision
(Pages 41 - 68)

12. PRIORITIES INVESTMENT POT

Report of the Chamberlain.

For Decision
(Pages 69 - 74)

13. **PROJECT FUNDING UPDATE**

Report of the Chamberlain.

For Decision
(Pages 75 - 82)

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 18 January 2018

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources)
Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday,
18 January 2018 at 11.00 am

Present

Members:

Deputy Catherine McGuinness (Chairman)
Jeremy Mayhew (Deputy Chairman)
Deputy Jamie Ingham Clark
Simon Duckworth
Alderman Peter Estlin
Christopher Hayward
Deputy Edward Lord
Deputy Dr Giles Shilson
Deputy John Tomlinson

In Attendance

Alison Gowman

Officers:

John Barradell	-	Town Clerk and Chief Executive
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Deputy Chamberlain
Simon Murrells	-	Assistant Town Clerk
Peter Lisley	-	Assistant Town Clerk
Kate Smith	-	Town Clerk's Department
Karen Atkinson	-	Chamberlain's Department
Andrew Carter	-	Director of Community and Children's Services
Carolyn Dwyer	-	Director of Built Environment
Philip Gregory	-	Chamberlain's Department
David Farnsworth	-	Chief Grants Officer
Richard Horner	-	Town Clerk's Department
Damian Nussbaum	-	Director of Economic Development
Paul Wilkinson	-	City Surveyor
Angela Roach	-	Principal Committee and Members services Managers

1. APOLOGIES

Apologies were received from Mark Boleat, Henry Colthurst, Stephen Haines, Hugh Morris and Tom Sleigh.

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **MINUTES**

The public minutes and summary of the meeting held on Thursday 14 December 2017 were approved as a correct record.

4. **ADULT SOCIAL CARE BUDGET PROPOSALS**

The Sub-Committee considered a report of the Director of Community and Children's Services concerning an increase in the budget for Adult Social Care to address the forecast overspend.

RESOLVED – That approval be given to an increase in the baseline budget of £265,000 in 2018/19 and £135,000 in 2019/20 (to total £400,000), subject to the approval of Community and Children's Services.

5. **EDUCATION BUDGET FOR 2018/19**

The Sub-Committee considered a report of the Director of Community and Children's Services concerning the proposed Education Budget for 2018/19.

RESOLVED – That the Education Budget for the 2018/19 be approved as set out in the report.

6. **CYBER SECURITY DIRECTORATE**

The Sub-Committee considered a report of the Director of Economic Development concerning the creation of a Cyber Directorate.

It was noted that whilst the report referred to use of the Priorities Investment fund, the source of funding for the proposal had yet to be determined.

The Director of Economic Development was heard in support of the report. Detailed discussion ensued and whilst Members were supportive of the principle of the City Corporation becoming involved in cyber security, particularly in its capacity as a champion for business, concern was expressed about the scale and complexity of the issue and whether the City Corporation could make a difference to the issue or had the ability of the City Corporation to deliver such a project. The Sub-Committee felt that the report as drafted, did not clearly define the scope of the proposal and that potentially it was too wide ranging for the City Corporation. Members therefore asked for a further paper to come back which addressed the issue of scope and what realistically the City Corporation might be able to deliver.

RESOLVED – that it be recommended to the Policy and Resources Committee that the report be withdrawn and that a further report addressing the issue of scope and what realistically the City Corporation might be able to deliver on cyber security be submitted.

7. CORPORATE PLAN 2018-23

The Sub-Committee considered a report of the Town Clerk concerning the refreshed version of the Corporate Plan, 2018-23.

Reference was made to the importance of the document and to all Members being aware of its content. It was suggested that consideration should be given to placing the Corporate Plan before the budget and medium-term strategy item on the agenda of the next ordinary meeting of the Court. Members supported the suggestion.

RESOLVED – That the following be noted:-

1. the refreshed Corporate Plan, 2018-23;
2. that a further alignment of departmental Business Plans for 2018-19 with the Corporate Plan, 2018-23 was intended via the revised two-page high-level summary Business Plan template as set out in appendix 2 of the report; and
3. from March 2019, and annually thereafter, the Corporate Plan annual review, priorities for the coming year and budget would be presented in the same document.

8. RESOURCING THE IMPLEMENTATION OF BRIDGING DIVIDES

The Sub-Committee considered a joint report of the Town Clerk and the Chief Grants Officer concerning the resources required to implement 'Bridging Divides', the City Bridge Trust's (CBT) approved charitable funding strategy.

The Chief Grants Officer was heard in support of the report. Reference was made to the City Corporation's philanthropic activities, the Bridging the Divides Programme, the use of Bridge House Estates funding and to the broader approach which was now being taken towards the use of the fund. Reference was made to social mobility and whether more could be done to ensure that the offer of resources was channelled to areas where it was most needed such as other City centres. It was noted that a new head of Philanthropy was now in place and would be considering whether activities could be considered beyond London.

RESOLVED – That it be recommended to the Grand Committee that, the strategic framework for the implementation of 'Bridging Divides' be approved as set out in the report and that it be noted that further reports relating to the framework would be brought back to relevant Committees for decision in due course.

9. BRIDGE HOUSE ESTATES STRATEGIC FUND REVIEW

The Sub-Committee considered a joint report of the Chief Grants Officer and the Chamberlain proposing the creation of a Bridge House Estates (BHE) Strategic Review Fund totalling up to £1m, to understand the wider impacts of the implementation of Bridging Divides.

Members noted that this was a one-off proposal. A Member questioned the total cost of administration and was advised that it was more likely to be approximately £400k rather than £1m, but until the review was underway, it was difficult to anticipate the specific nature and amount of work that may be needed.

RESOLVED – That it be recommended to the Policy and Resources Committee that:-

1. the creation of a BHE Strategic Review Fund, totalling up to £1m be supported; and
2. the governance arrangements for the approval of bids against the Fund, i.e. the Town Clerk approving bids in consultation with the Committee Chairmen of Policy & Resources, Finance and City Bridge Trust, the Chief Grants Officer and Deputy Chamberlain be agreed.

10. **CITY BRIDGE TRUST: PROPOSED REVENUE BUDGET - 2018/19**

The Sub-Committee considered a joint report of the Chamberlain and the Town Clerk concerning the 2018/2019 revenue budget (the first year of the new funding strategy for Bridging Divides programme) overseen by the City Bridge Trust (CBT) Committee.

It was noted that, whilst the report had been printed on yellow coloured paper, with a *not for publication* strapline, it was a public report.

RESOLVED – it be recommended to the Policy and Resources Committee that the 2018/19 revenue budget of £23.810m be approved and that the Chamberlain be authorised to revise the individual budgets to allow for any necessary realignment of funds resulting from corporate projects.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

13. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

Item Nos.

Paragraph(s) in Schedule 12A

14 - 17

3

Part 2 – Non-Public Agenda

14. NON-PUBLIC MINUTES

The non-public minutes of the meeting held on Thursday 14 December 2017 were approved.

15. CITY FUND ESTATE ADDITIONAL FUNDING

The Sub-Committee considered and agreed a report of the City Surveyor concerning a request for additional funding for the City Fund Estate in 2017/18 and 2018/19.

16. PROJECT FUNDING UPDATE

The Sub-Committee considered and agreed a report of the Chamberlain concerning the provision of funding to enable three projects to proceed as follows:-

- The Monument Visitor Centre
- Police Digital Interview Recording System Replacement
- Police Telephony System Replacement

17. CYCLICAL WORKS PROGRAMME

The Sub-Committee considered and agreed a report of the Chamberlain concerning the funding of the Cyclical Works Programme for 2018/19.

18. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There were no questions.

19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There were no urgent items.

The meeting ended at 11.45am

Chairman

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JOINT MEETING OF THE RESOURCE ALLOCATION AND EFFICIENCY AND PERFORMANCE SUB-COMMITTEES WITH COMMITTEE CHAIRMEN

Thursday, 18 January 2018

Minutes of the joint meeting of the Resource Allocation and Efficiency and Performance Sub-Committees with Committee Chairmen held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 18 January 2018 at 12.00 pm

Present

Members:

Deputy Catherine McGuinness (Chairman)	Graham Packham
Jeremy Mayhew (Deputy Chairman)	Dhruv Patel
Randall Anderson	Ian Seaton
Deputy John Bennett	Deputy Giles Shilson
Sir Mark Boleat	Jeremy Simons
Deputy Roger Chadwick	Sir Michael Snyder
Deputy Jamie Ingham Clark	John Tomlinson
Karina Dostalova	James Tumbridge
Simon Duckworth	Philip Woodhouse
Peter Dunphy	
Alderman Peter Estlin	
Alderman Alison Gowman	
Christopher Hayward	
Ann Holmes	
Clare James	
Deputy Edward Lord	
Wendy Mead, Chief Commoner	
Deputy Joyce Nash	

Officers:

John Barradell	- Town Clerk and Chief Executive
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Deputy Chamberlain
Paul Wilkinson	- City Surveyor
Carolyn Dwyer	- Director of the Build Environment
Philip Gregory	- Chamberlain's Office
Bob Roberts	- Director of Communications
Simon Murrells	- Assistant Town Clerk
Peter Lisley	- Assistant Town Clerk
Angela Roach	- Town Clerks

1. APOLOGIES

Apologies were received from Stephen Haines, Ian Luder, Hugh Morris and Tom Sleigh.

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEES**

There were no questions.

4. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

5. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

Item Nos.

Paragraph(s) in Schedule 12A

6

3

Part 2 – Non-Public Agenda

6. **OVERALL FINANCIAL POSITION AND MEDIUM TERM FINANCIAL PLANNING**

The Sub-Committees considered a joint report of the Town Clerk and the Chamberlain concerning the City Corporation's overall financial position.

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEES**

There were no questions.

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEES AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

The meeting ended at 12.40pm

Chairman

Contact Officer: Angela Roach

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Committee Resource Allocation Sub-Committee Policy & Resources Committee	Dated: 15/03/2018 15/03/2018
Subject Review of the Central Grants Programme	Public
Report of: Chief Grants Officer	For Decision
Report author: Jack Joslin, Senior Grants Officer, Central Grants Unit	

Summary

In March 2016, the Resource Allocation Sub-Committee and the Policy and Resources Committee agreed recommendations of the Effectiveness of Grants Service Based Review (SBR): to increase the strategic impact of grant-making, ensure that the grants are managed more efficiently and effectively, improve the consistency and quality of the customer experience and so bring reputational benefits. A consolidated Central Grants Programme (CGP) run by a Central Grants Unit (CGU) housed within City Bridge Trust (CBT), drawing on core expertise, were key recommendations adopted by way of a two-year pilot.

The Finance Grants and Performance Sub-Committee (FGOPSC) who oversee the programme requested an evaluation report of the pilot be submitted to the Policy and Resources Committee in March 2018 to inform any future delivery. Officers proposed that the evaluation be undertaken independently: a company called Rocket Science were commissioned (www.rocketsciencelab.co.uk). The full report (Appendix 1) outlines how the pilot has effectively implemented a transparent and professional grants process and makes key recommendations. The recommendations in the report were considered by the FGOPSC on 21st November 2017.

The sub-committee agreed to recommend Option 3 of the report to the Policy and Resources Committee for approval. Option 3 is to maintain the structure of the CGP and look to develop and expand its scope. The sub-committee also noted the overall reduction in the grants budget available from City's Cash and the scale at which the CGU is viable. The sub-committee agreed to recommend that the City's Cash contribution available to the CGU for distribution in grants should be uplifted to an amount equivalent to 20% of the current overall City's Cash Grants Budget on an annual basis, with a total amount of £250,000 proposed. This would enable the CGU to deliver a successful grants programme going forward and improve the economies of scale.

Recommendations

1. To agree that the CGP is implemented on a permanent basis with effect from 1st April 2018.
2. To agree that the City's Cash contribution available to the CGU for distribution in grants should be uplifted to £250,000 on an ongoing basis, being an uplift of £91,000 for 2018/19.
3. To note the uplift of £10,000 applied to operating costs of the CGU for 2018/19 and agree that the CGU continue to charge a proportionate management fee to Charities that fall under the programme.

4. To agree to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve that any underspends on other grant budgets held within City's Cash be considered for transfer to the CGU for equal allocation to the three City's Cash funding themes or to be allocated for specific charitable purposes elsewhere.

Main Report

Background

1. In March 2016, the Resource Allocation Sub-Committee and the Policy and Resources Committee received a report outlining the work that had been undertaken to date to implement the recommendations of the SBR. The aim of the review was to increase the strategic impact of grant-making, ensure that the grants are managed more efficiently and effectively, improve the consistency and quality of the customer experience and so bring consequential reputational benefits. The report recommended a consolidated CGP be implemented.
2. In order to manage the CGP effectively a new CGU was proposed by way of pilot and subsequently approved by the Resource Allocation Sub-Committee and the Policy and Resources Committee to manage all grant applications, monitoring and evaluation processes and Committee reporting procedures.
3. It was agreed that the CGU would be co-located within CBT in order to facilitate consistency of approach and harmonise service standards. The Chief Grants Officer, whose responsibility includes the grant-making activities of CBT, maintains an overview of the CGU, with relevant input from the Head of Charity and Social Investment Finance within the Chamberlain's Department. The FGOPSC was tasked with scrutinising the effective implementation of the programme.
4. In March 2017, the Policy and Resources Committee received a report and endorsed an approach which allowed CBT to second staff in to manage the CGP until 31st March 2018; and agreed an interim resource of up to £50,000 from City's Cash to support the CGU during this time.
5. CBT seconding a Senior Grants Officer (SGO) to manage the CGU has progressed the following:
 - a) The standardisation and centralisation of grant-making activity for all in scope charities and funding programmes.
 - b) The CGU becoming the single point of contact across the CoLC for grant management advice and guidance, developing an overview of all charitable activity that can be called upon by Officers and Members.
 - c) Good practice in grant management being instilled/re-enforced within those departments with grant making responsibilities.
 - d) Robust and transparent due diligence procedures being implemented, which has reduced the likelihood of any reputational damage.
 - e) That there is a link with the wider CBT charitable funding team, drawing on their expertise to ensure complex issues are swiftly resolved.
6. As this is a 2-year pilot project, the FGOPSC agreed that an evaluation be undertaken to inform recommendations for any on-going delivery approach of the CGP.

CGP Evaluation

7. In September 2017, Rocket Science was commissioned by the CGU to undertake an evaluation of the 2-year pilot and reviewed the CGP, its processes and its decision-making structures. The evaluator spoke with Members, Principal Officers that lead the Officer Decision Panels and CBT officers that oversee the CGP.
8. The evaluation report is attached at Appendix 1. The key findings of the evaluation are set out below:
 - a) Outsourcing to the CGU, overseen by the CBT has been worthwhile, bringing transparency, grant making expertise and professionalism to the process;
 - b) The process that has been put in place, though bringing clear benefits, is resource-intensive for the level of funding involved;
 - c) A more consistent approach to Members' involvement would be beneficial to improve efficiency;
 - d) The budget available is not clear to many of those involved;
 - e) If the CGP were retained, a longer-term, more strategic view should be determined.
9. Members of the FGOPSC met in November 2017 and considered these findings, future options and agreed to recommend that the CGP be made permanent. This would allow the CGU to develop its scope and programmes further, FGOPSC also recommended the following details:
 - a) To consult the charities for which the City of London is trustee or is otherwise associated, and City Corporation departments to investigate the opportunities of the CGU managing their grant making processes.
 - b) To continue to second a SGO from CBT to manage the CGP for 3 days a week and secure additional resource for 2 days a week of a CBT Grants Officer to minimise the key person risk and assist with the development of the programme. Additional support will be provided by CBT Grants Assistants and a City of London Apprentice.
 - c) To continue to deliver the three City's Cash Grants programmes (Stronger Communities, Enjoying Green Spaces and Inspiring London through Culture) it is requested that the Resource Allocation Sub-Committee approve that additional resources are allocated to ensure that these programmes can be delivered successfully and developed in consultation with the departmental officers and the decision-making committees.

Financial Information

10. Appendix 2 first outlines funds available for distribution through the CGU in 18/19 and demonstrates the proposed scale of the programme, including the requested uplift to the City's Cash budget, to ensure that the three City's Cash programmes are sufficiently resourced on an ongoing basis.
11. Appendix 2 secondly outlines the City's Cash Grants Budget allocation from 2015/16 to 2018/19. Members will note that the contribution to the CGU sat at 20% of the overall budget at the inception of the CGP. The Forecast for 2018/19 outlines how this has reduced to 13% of the overall budget equating to £53,000 for each of the above grant programmes.

12. Members are requested to approve an uplift to the CGU element of the City's Cash Grants Budget to enable this to equal £250,000 annually, being an uplift of £91,000 for 2018/19, and equates to approximately 20% of the budget in that year. This uplift will ensure that the CGP has appropriate resources to deliver successful grant programmes in the future, outlined in Appendix 2.
13. Members are further requested to note the uplift of £10,000 applied to the operating costs of the CGU, included with the approved CBT budget for 2018/19. This amount is supplemented by contributions from COL Charities that the CGU supports.
14. Members are requested to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee to approve that any underspends on other grant budgets held within City's Cash be considered for transfer to the CGU for equal allocation to the three City's Cash funding themes or to be allocated for specific charitable purposes elsewhere.

Appendices

- Appendix 1 – CGP Evaluation report
- Non-Public Appendix 2 – CGP – Income available for distribution

Background Papers

- Policy and Resources Committee, March 2016, 'Implementation of Grants Review'

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City of London

Central Grants Programme Evaluation



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1. Executive Summary

1.1 Purpose and Scope of the Review

The City of London Corporation (CoLC) commissioned Rocket Science to evaluate the impact of the two year pilot of its Central Grants Programme (CGP), the consolidated grant programme for the Corporation, which was launched in August 2016.

This programme is split into the following four funding themes:



**Stronger
Communities**

£38,670 awarded
to 4 projects



**Enjoying Green Spaces &
the Natural Environment**

£74,020 awarded
to 6 projects



**Inspiring London
through Culture &
Heritage**

£73,215 awarded
to 12 projects



**Education and
Employment
Support**

£39,500 awarded
to 10 projects¹

Each of the four themes has its own criteria and Officer Panel, chaired by senior CoLC Officers. Grants are ratified (though the education and employment support committee has a more active role) by the relevant department's committee, comprised of Members. The grants are in turn overseen by the Finance, Performance and Grants Sub-committee.

Small grants between £1,417 and £14,950 have been awarded to 27 organisations since the Central Grants Unit was established in October 2016.

¹ An additional round of this strand has a deadline of Sept 2017

1.2 Outcomes of the Review

Five key findings from the evaluation

1. Outsourcing to the Central Grants Unit, overseen by the City Bridge Trust has been worthwhile, bringing transparency, grant making expertise and professionalism to the process.
2. The process that has been put in place, though bringing clear benefits, is resource-intensive for the level of funding involved.
3. A more consistent approach to Members' involvement would be beneficial in order to improve efficiency.
4. The budget available is not clear to many of those involved.
5. If the Central Grants Programme were retained, a longer-term, more strategic view should be determined.

These findings lead to the following recommendation for the CGP beyond March 2018:

Recommendation: Maintain the pilot structure and look to develop the Central Grants Programme further.

2. Methodology

Our approach to undertaking this review required the following research and consultation:

- Desk research of the documents produced in the initial review of the CoLC's grant making and decision papers that implemented those recommendations;
- Review of the grant process, associated documents and decisions for all the grant panels held during the pilot;
- Face-to-face/telephone interviews with the main City Bridge Trust staff and CoLC officers involved with the Central Grants Programme;
- Focus Group with principal officers that lead the Officer panels which make recommendations to the relevant sub-committee across all four grant programmes;
- Telephone interviews with key elected Members of three of the four sub-committees which ratify and approve decisions;
- Telephone interviews with grantees.

2.1 Wider Context

Recent grant funding scandals such as Kids Company and Tower Hamlets have shone a light on the importance of transparency in grant making when managing public money. All local

authorities are required to comply with the [Government's Transparency Code](#) and both public bodies and independent grant makers are also encouraged to comply with the [360Giving Standard](#)² and publish details of their grant making online, to which the CoLC, in respect of the City Bridge Trust's activities, has already committed.

Grants awarded are being scrutinised more than ever before in this period of austerity and local authorities and charity trustees are more likely to be challenged if grants awarded do not have a clear outcome of benefit for those they are designed to support.

As Central Government's contribution to the CoLC in respect to its public functions also decreases addressing statutory requirements only, any funds stewarded by CoLC should seek to achieve maximum impact. The CoLC's budgets need to support activities that contribute to the betterment of the City of London community and the educational, cultural, open spaces and other community resources that fall under the CoLC's remit.

2.2 Desk Research

The establishment of the Central Grants Programme was primarily in response to recommendations outlined in a Grants Service Based Review (Baxter, 2015)³. The '7 Steps to Success' recommendations in this report highlighted the need to improve consistency across the different grant-making departments of the CoLC, coupled with making grant-making more efficient, effective and strategic. Whilst also recognising that the CoLC would continue to provide support as part of its core or policy agendas which would be funded from Committee or Department budgets (not to be confused with 'grants' which involve an open and competitive bidding process).

The papers of the financial and other Committees overseeing the CGP show a close monitoring of the established structure. Clear reporting to the oversight committees and sub-committees was demonstrated in these papers. Additional areas for improvement were also brought to the Members for their consideration, demonstrating that the CGU is continually seeking to improve.

The criteria of the four grant programmes are clear and address the respective Department's priorities (where appropriate) or other strategic corporate policy objectives. The criteria of the Education and Employment theme was reviewed with the support of the Senior Grants Officer with primary responsibility for administering CGP this year on request of the Education Charity Sub-Committee. The only issue is that information about the CGP is difficult to find on the CoLC's website, unless you know what to look for.

2.3 Focus Group Findings

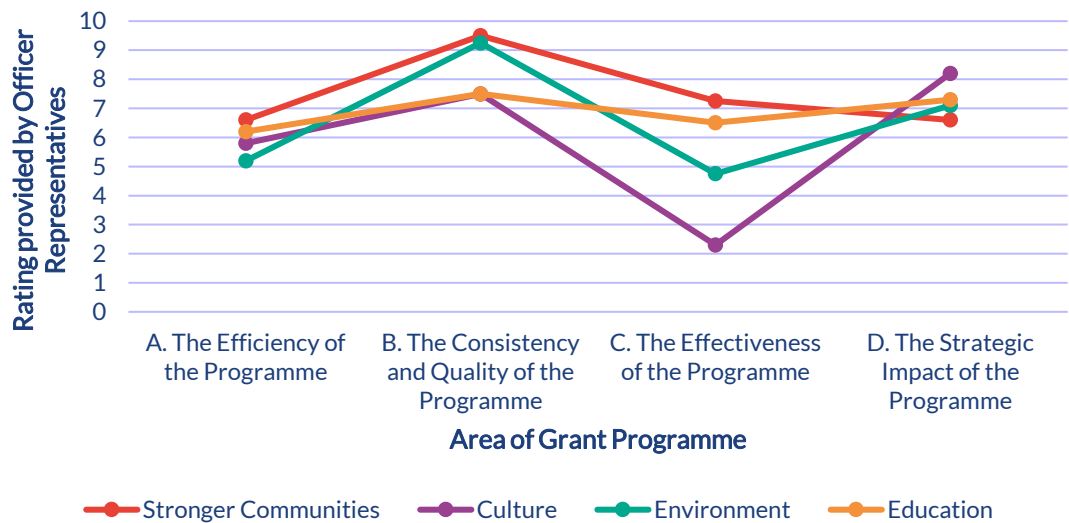
During the focus group, CoLC Officers were asked to rate the effectiveness of the CGP in response to a number of statements on the different elements of the CGP.

² <http://threesixtygiving-standard.readthedocs.io/en/latest/#>

³ Baxter (2015) A More Strategic Approach to Grant-Giving

Figure 1

Senior Officer Focus Group – Scores Awarded



2.4 Key Officer Interviews

To supplement the focus group findings, key officers involved in the process were interviewed to capture their views of the process.

The City Bridge Trust Officers, Town Clerks Department, were as follows:

- David Farnsworth, Director City Bridge Trust
- Scott Nixon, Head of Projects
- Jack Joslin, Senior Grants Officer

Chamberlain's Department representative:

- Karen Atkinson, Head of Charity & Social Investment Finance

Anne Pietsch, Chief Lawyer, Public and Corporate Law, Comptroller and City Solicitors Department was also interviewed via telephone. She had been involved in the work on earlier amalgamation of charities associated with the CoLC, many of which were long established endowment funds. She was also involved in the Grants SBR.

2.5 Applicant Interviews

One successful applicant from each of the strands of funding was selected to discuss their view on the process of the CGP. In selecting the groups to speak to, it was ensured that the views of a range of organisations were represented. Both a range of the size of grant awarded, what stage of the process they were at, and the size of the beneficiary organisation were all considered to ensure a varied view was captured.

Though it would have been useful to speak to a group which had been unsuccessful in their bid to CGP, no one came forward to be part of this review. The focus group did have an example of an organisation unsuccessful in their bid as it was deemed to have insufficient capacity to deliver the project outlined, however, officers from the Department in question are now working with the group to increase its capacity and assist it to deliver such a project in the future.

2.6 Elected Members' Interviews

Fourteen Members who currently sat, or had previously sat, on the various Committees and Sub-Committees involved in administering the CGP were invited to participate in this review. Four Members agreed to be interviewed over the telephone.

3. Key Findings

1. Outsourcing to the Central Grants Unit, overseen by the City Bridge Trust Team has been worthwhile bringing transparency, grant making expertise and professionalism to the process.

Officers of the CoLC felt that use of the City Bridge Trust was the only way to manage the CGP beyond the pilot. The understanding and experience of grant-making the City Bridge Trust Team brings to the table was invaluable to the Officers who don't have either the capacity or expertise to manage those programmes within Service Departments by bringing the grants back in house. This view was echoed by the Members interviewed who felt that City Bridge Trust's involvement has been key in ensuring the money is being put to 'best use'.

The processes that have been implemented are valuable in moving towards a standardised, effective, efficient process which is also clear for applicants. That there are organisations new to a grant from the CoLC is a sign that the grant funds are increasingly accessible. This was previously not the case with organisations receiving long-term support from CoLC (these organisations were dubbed 'partners' by the Officers). However, as a result of what was felt to be limited marketing, the groups applying to the programme were still those with a good understanding of how CoLC works and which had an existing relationship with CoLC representatives. This suggests that there are still barriers to accessing the CGP for groups without a pre-existing relationship.

Despite the steps made towards introducing a more transparent system, there was some nostalgia expressed for elements of the previous system. One particular Department representative highlighted an example of a 'partner' that they felt would be more effective in delivering the department's strategy compared to many of the new grantees and this partner organisation is really struggling from the withdrawal of long-term support from the CoLC. However, as concluded in the Grants SBR, retaining long-term partners, without an open grants programme, would risk preserving an opaque system which the CGP was established to address. Nevertheless, there is a potential to direct a proportion of a Department or Committee's available budget to target more strategic priorities as will be covered below.

There was a clear split in beneficiaries' views of the application process. Those groups with experience in applying for funding found the process straightforward and those who had never applied for a grant found it difficult to the point of almost giving up. Both the groups in the latter category were a lot smaller, had no paid staff members but could call on assistance from the Officers to help them through the process. Many of the elements that these smaller organisations struggled with in the application process, e.g. budget breakdown and complying with word limits, are standard requirements of any grant application. The idea of a much simpler application form for smaller groups/grants was discussed. However, the administrative costs of maintaining different application forms would decrease the efficiency of the programme. A specific breakdown of demographic data that is currently requested should be removed if possible as this was the hardest element of the application form for those who struggled with the process; as long as this information was collected at the monitoring stage, this would still be compliant with equalities requirements.

2. The process that has been put in place, though bringing clear benefits, is resource-intensive for the level of funding involved.

As part of the establishment of the CGP, the grant-making decisions now pass through multiple different Committees and Sub-Committees, rather than resting solely with one Committee/Sub-Committee Finance Grants Oversight and Performance Sub-Committee. This has allowed for more informed grant making in connection with the relevant themes as a result of CoLC Officer and Member involvement. A new Finance Sub-Committee (the Finance, Grants Oversight and Performance Sub-Committee) has been established to retain scrutiny and oversight of the whole CGP.

However, the price for this new decision making structure is the additional administration and servicing of the various devolved Committees that this entails. The City Bridge Trust team have recharged their time for managing the CGP throughout the pilot. However, the additional time spent by CoLC and Members to operate under this new structure is less clear. Approximately 14% of the grant-making budget was recharged to the various Departments in the first six months of operation. Previously, those costs were not effectively captured and it is therefore difficult to properly compare administration costs under the old and new programmes. Now that the new structure is in place, methods to reduce the cost are being identified. For example, the Senior Grants Officer (SGO) is training an apprentice to provide administrative support to the CGP. This will also be important in mitigating the risk of reliance upon the SGO.

Despite the views expressed that the process is "*committee-heavy*", there was a clear consensus that the structure should be maintained post March 2018. Given time to embed, ensuring Members and Officers are clear of their respective responsibilities, and with the processes and templates now in place, the administrative burden of such a set-up should gradually reduce. Clearly, another way to reduce the proportion of management costs involved in managing the programme is to increase the CGP's grants budget available.

There are additional charities associated with the CoLC, which are currently not fully using the income they generate. These were identified as part of the Grants SBR as having the potential to be brought under the umbrella of the CGP. Therefore, while this work has been progressing on the more time-critical outcomes of the Grants SBR, further rationalisation and transfer of charitable funds remains ongoing.

3. A more consistent approach to Members' involvement in grant-making would be beneficial.

The Education and Employment Theme decision-making structure was highlighted by some Officers as the most inefficient set-up of the four strands. Though the different source of funds involved contributed to this alternative set-up, the process was seen by some, though not all, to be inefficient decision making. Other strands were felt to be more efficient whilst still retaining Members' oversight, with Enjoying Green Spaces & the Natural Environment highlighted as particularly effective. Despite the overall proportion of CGU management costs for the CGP being approximately 14%, when broken down by theme, Employment and Education support is closer to 25%⁴. This is not straightforward however. Members are responsible for the grants made on behalf of the CoLC, and felt that Officers are not always right in their recommendations. A better balance needs to be struck between the way in which Members have oversight and proportionality in the decision-making process adopted for the level of grants being awarded.

Members were understandably reluctant to relinquish decision-making responsibilities for some of the traditional ad-hoc grants awarded, such as the annual Christmas donations. However, the reasons identified in the Grants SBR which led to the creation of the CGP are just as true with funding 'exceptions' still operating outside of the CGP. They remain outside the fair and transparent processes that have been established and the impact of these funding commitments is hard to measure.

4. The budget available is not clear to many of those involved.

Several interviewees expressed confusion over how the budgets for the CGP worked and were managed. In some of the strands, the proportion of the pot from underspend of the previous year was larger than the income received that year. Members expressed the need to get sight of budgets earlier in the process in order to assist with more strategic planning.

There is a significant number of funding 'exceptions' that remain outside the remit of the CGP. It was felt that it is not widely appreciated by panel and sub-committee representatives that the retention of these 'exceptions' limits the possibility of expansion for the CGP budget.

5. If the Central Grants Programme were retained, a longer term, more strategic view should be determined.

⁴ Though it is worth noting that the review of the criteria was a factor during this period.

The CoLC's stakeholders repeatedly expressed a need for a more strategic approach to the CGP. For example, CoLC needs to be clear whether the CGP would encourage funding the same projects year on year. If organisations are seen to have run an effective project addressing the CoLC's core functions or strategic aims, and have successfully delivered the outcomes, they should not be deterred from reapplying to this open application process. However, the risks in doing so could create dependency, reduce the chance of innovation and contribute to an external view that only 'pet-projects' are supported. To help counter this, an increase in the external promotion of the CGP to a wider audience should be considered (though without an increased budget it may be difficult to manage expectations) and keep administrative costs manageable. The various committees may also find it worthwhile to conduct a regular review of their criteria to maintain alignment with relevant strategic priorities, as appropriate.

If there is potential to increase the budget of the CGP this could allow for a proportion of the budget being ring-fenced for more strategic grant making. An addition to the criteria (subject to the approval of the relevant Committee) covering 'in exceptional circumstances' could allow for larger grants, over multiple years, in order to address departmental priorities and mindful of charitable objects.

The possibility of cross Departmental funding could also be an option – there is potential for groups to qualify under multiple criteria – but there are considerable challenges in the coordination of this, not least as the timing of the panels and Committee meetings is not conducive to such an approach.

It should be recognised however that any deviation from the standard criteria and grant cycle of the CGP will likely involve a decrease in its efficiency, as more Officer time is spent in managing exceptions (as is the case with grants to individuals at the moment).

4.Options

The following three options were identified:

A. Dissolution of the CGP

Disband the CGU within City Bridge Trust, thereby removing the Central Grants Programme set-up that has been created in this pilot.

To discontinue the CGP would require the reallocation/reabsorption of the City's Cash budget and transfer of the three charities (Combined Relief in Poverty, Educational Trust Fund and Combined Education Charity) being directly managed by the Committees with delegated responsibility for their administration supported by a named service Department, likely to be the Community and Children's Services Department as being the best fit with the charitable purposes of these charities.

Benefits	Risks
Officers and Members could support organisations and projects which do not fit within the current criteria.	Removal of a consistent and transparent application process and the good management enabled by CBT's grants management system.

Decision-making could be streamlined.	Removal of grant making expertise of City Bridge Trust, coupled with the thematic expertise of Officer panels and Members sub-committees.
Potential for Departments to build more of a relationship with projects through supporting them in their application and through the project delivery.	

B. City Bridge Trust to continue to manage CGP

Maintain the structure set-up during the pilot.

Benefits	Risks
More transparent system is in place.	A resource heavy process.
Maintaining this structure ensures consistency giving the programme further time to become more established.	CoLC grants are still being awarded outside the remit of the CGU that do not follow good grant-making practice which could prove a risk to the reputation of the Corporation.
Creates structure and commonality to approach which can establish/maintain best practice.	Criteria can be overly restrictive.
	There is a heavy reliance upon the SGO.
	Application process is a barrier for smaller groups.

C. Maintain the pilot structure and look to develop the CGP further

Now the system is in place and the pilot has allowed an opportunity to test and develop this approach, the CGP needs to be given time to embed itself further into the CoLC's way of working.

Benefits	Risks
The administration of the process becomes more efficient through economies of scale.	Barriers could be encountered amongst those currently managing the additional sources identified.
Increased transparency across the CoLC's grant-making.	Without strategic direction, the programme is at risk of funding the same projects in subsequent years.
Increased accountability across CoLC's grant-making.	There is still a heavy reliance upon the SGO who solely delivers the CGP
Clearer understanding developed corporately of grant-making vs funding	Insufficient applications to make good quality grants with an increased budget.

5. Recommendation

Option C: Maintain the pilot structure and look to develop the CGP

The CGP structure be maintained and look to be expanded through bringing any additional pots of funding, where appropriate, under this umbrella.

5.1 Justification

- Implementing any new structure takes time to embed and it is still too early to determine the full effectiveness of the CGP. Particularly in dealing with multiple funding sources that are subject to specific criteria.
- The CGP structure, though involving several layers of process to achieve decision-making, encompasses CBT grant-making experience and CoLC Officers' knowledge and expertise, whilst maintaining the oversight of Members who have responsibility for these budgets.
- Some CoLC funds are still being awarded outside the remit of the CGP and these often do not follow good grant-making practice thereby presenting a reputational risk to CoLC.
- The current process is inefficient, thus reducing the full potential benefit of the grants. Increasing the funds available for distribution under the CGP will reduce the proportion of the funds used for administrative procedures.

5.2 Next Steps

- Confirm the CGU structure as a permanent feature from April 2018, with sufficient resourcing to provide necessary capacity and resilience.
- Clarify and progress additional budgets that could be brought under the umbrella of the CGP including:
 - The Small Grants programme held by Communities and Children's Services department, assuming that no additional barriers become evident.
 - Completing work to rationalise other charities associated with the CoLC and consider their potential to be brought under the banner of the CGP. To drive this work of the instructing Service Departments and the Comptroller and City Solicitor's Department funds should be made available to allow the best use of internal resources with the benefit of appropriate professional advice from a charity law firm. The effectiveness of the CGP is likely to be benefited if this process were expedited. It would be beneficial if additional capacity could be ring fenced to increase the likelihood that such funds will be in place at the pilot's conclusion.
 - Additional historical funding commitments outside of the CGU control, which currently present a potential reputational risk to the Corporation, should be reviewed with an aim to bring all eligible funding pots under the management of CGP.
- Continue to monitor the staff costs involved in each of the CGP strands for 2018/19 and use this to corroborate the view expressed in this review that efficiency savings could be made by aligning the decision-making process of the Education Charity Sub-Committee with that of the other strands. Should potential efficiency savings be identified by making the decision-making process more consistent across the different themes, the CoLC should weigh up the cost of sacrificing a higher level of control over the budget against the benefits of increasing the grant-making budget available for the benefit of those for whom the funding was designed to support, by reducing costs of administration.

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