

<b>Committee</b>	<b>Dated:</b>
Education Board	8 November 2018
<b>Subject:</b> Online funding for City Academies	<b>Public</b>
<b>Report of:</b> Strategic Director for Education, Culture & Skills	<b>For Decision</b>
<b>Report author:</b> Anne Bamford	

### Summary

This paper asks Members to note an initial options appraisal of City Corporation Academies using online fundraising platforms to increase school income to boost teaching and learning, and to raise funds for bespoke improvement projects. Members are asked to note the initial evaluation of the option and consider the recommendations contained within the report.

### Recommendation

Members are asked to note the initial evaluation of the option and consider the recommendations contained within the report.

### Main Report

#### Background

1. Schools in London are currently experiencing considerable financial pressures. In 2019, the 'Fairer Funding Formula' is likely to be fully implemented and while there have been slight increases in the per pupil funding to schools, the rate of increase has not kept pace with several areas of raising expenditure and many schools are experiencing a real-terms reduction in school funding.
2. The general financial pressures on school budgets mean that schools are increasingly looking to alternate funding sources. As the Sponsor of Academies under the City of London Academies Trust (CoLAT) and a Co-Sponsor of two further academies, the Education Board has a strategic role to consider options which would positively benefit the financial position of any of its schools. This includes opportunities for increased income generation.
3. There are several alternative funding sources across a range of giving options and a comprehensive list of these can be found in **Appendix 1** as well as a list of the types of campaigns schools can run.
4. This paper specifically explores the option of City Corporation Academies generating income through online giving facilitated by online donation management websites (e.g. *Active Network* and *Just Giving*) by including links to online donation pages on school websites. The paper sets out the current position, an options appraisal, and provides recommendations for next steps.

#### Current Position

##### City of London Academies – Income generation

5. Currently, City of London Academy Highgate Hill (COLAHH), City of London Academy Southwark (COLAS) and City of London Academy Highbury Grove (COLAHG) maximise lettings where possible. This year, Galleywall Primary and City of London Primary Academy Islington (COLPAI) have received support from parents for raising funds. Galleywall held a summer fete and one parent of a COLPAI pupil secured funding for a gardening project for the school. COLPAI also received a £5,000 donation in the year from a governor contact. City of London Academy Shoreditch Park (COLASP) received some small donations in 2017/18 and books were donated to the library through City Corporation contacts. In all schools, where teachers have capacity, they will apply for small amounts of funding for specific projects (e.g. Science). However, there is currently no notable income received to schools from online giving platforms.

## Comparative Multi-Academy Trusts

6. A desktop analysis was carried out of school websites within similar sized multi-academy trusts to CoLAT, including Herts for Learning, Williamson Trust (Kent) and Mossbourne Federation. One school, Sir Joseph William's Mathematic School in the Williamson Trust Foundation, has a page on the website dedicated to the 'RMSA' which is a parent teacher organisation for raising funds to purchase items for pupils' use or support school projects. The page includes a link to '[TheGivingMachine](#)' which is an online shopping portal enabling a small percentage of products bought through the website to be converted into donations to the RMSA. This was the only online giving link found in the initial desktop analysis and there were no examples of direct giving fundraising links on school or Trust websites.

## **Option Appraisal**

### Advantages

7. The advantages of using online giving to raise funds have been considered for the City Corporation and the individual academies. These are listed below:
- Additional resources and opportunities to boost teaching and learning.
  - The possible development of closer links between the community, businesses and the school to promote closer partnership working.
  - Targeted campaigns might result in capacity funding which can be leveraged to apply for bigger external grants, e.g. those bids requiring some form of matched funding.
  - The campaigns could promote philanthropy with a clear social purpose.

### Disadvantages

8. The disadvantages of using online giving to raise funds have been considered for the City Corporation and the individual academies. These are listed below:
- The City Corporation already actively solicits philanthropy for a range of projects and initiatives. If schools also collected funds, this could lead to conflicting messaging or 'over asking' the same funders.
  - Individual schools and the City Corporation more generally could suffer reputational risk from inappropriate giving, for example if donations came from inappropriate sources or were used for inappropriate purposes.
  - The Trust academies operate in areas of high deprivation and have a high proportion of Pupil Premium income, and so targeting parents and families would not be appropriate.
  - The City Corporation and its associated charities have a strong record of philanthropy, donating around £55 million per annum to charitable causes. Education is a recipient of significant funds including through grants and bursaries and considerable in-kind support. The City Family of Schools may not be considered as 'in-need' of increased giving to other schools.
  - Many of the Family of Schools ask the pupils, parents and even staff to contribute financially to many other charities and high impact causes. A giving site or facility to benefit the school may have an unintended negative impact of the giving to other charities and high value causes.
  - The set up and ongoing management costs, both actual and in terms of staff time, could outweigh the benefits.
  - There may be actual or perceived disreputable 'drivers' for giving. For example, companies might donate to create a more positive view of their organisation or individual might donate to presume this will give them preference of opportunities for their children or a group of children.
  - Income generation could lead to longer-term over-reliance on additional funding sources to 'prop-up' uneconomical budgets or poor budget planning.

### Operational issues to consider

9. Additionally, for the City Corporation, CoLAT, co-sponsored trusts and individual academies, there would be several operational factors to consider, including:
- The legal framework around school income generation, fundraising and use of donations.
  - Academy Financial Handbook guidance and rules, notably around related parties.
  - Administrative burdens.
  - Proprietary and probity.
  - VAT and Tax implications/Tax credits.
  - Data protection and GDPR compliance.
  - Measurement of return on investment and impact.

### **Recommendations**

10. Members endorse further investigation into the option of online funding to schools, including:
- a. Case studies of what other schools are doing in this area, weighing the overall net benefit.
  - b. Commissioning experts in the field to examine the overall net benefit to schools.
11. Following further analysis of the feasibility and net benefit of the option, if Members agree in principle that the option would benefit schools, Members would then need to engage with the CoLAT Board of Trustees and Senior Leadership Team, as well as the Co-Sponsors and Directors of the Co-sponsored Academy Trusts, to recommend this option.

### **Conclusion**

12. This report provides members with an options appraisal of City Corporation academies using online platforms for fundraising including for general budget increases and bespoke improvement projects. Members have been asked to note the initial evaluation and consider the recommendations.

### **Appendix**

- Appendix 1 – List of alternative funding sources and campaign types.

### **Anne Bamford**

Strategic Director for Education, Culture & Skills

T: 020 7332 3158 E: [anne.bamford@cityoflondon.gov.uk](mailto:anne.bamford@cityoflondon.gov.uk)