

Committee Education Charity Sub (Education Board) Committee	Dated: 3rd July 2019
Subject Grant Recommendations – City Educational Trust Fund (290840) & City of London Corporation Combined Education Charity (312836)	Public
Report of: Chief Grants Officer	For Decision
Report author: Jack Joslin, Head of Central Grants Programme	

Summary

The City of London Corporation is the sole corporate trustee of the following two small charities which operate to further education for the public benefit: the City Educational Trust Fund (290840) and the City of London Corporation Combined Education Charity (312836).

Following a review of the City Corporation's grant-making activities, the City Corporation, as charity trustee of each charity, has resolved that it is expedient and in the best interests of those small charities for their funds to be applied within the administrative framework of the City Corporation's new Central Grants Programme (CGP) which last opened to applications in March 2018. Operating within the charitable objects of each charity, a policy has been set to guide the application of those funds under an 'Education and Employment' funding theme and this Sub-committee has been given delegated authority to make grants in accordance with the agreed eligibility criteria. Those policies remain under review. **(Appendix 1A & 1B)**

The first closing date for the 'Education and Employment' theme grant applications under the Central Grants Programme for 2019 took place on 26th April 2019. These applications have been assessed and this report makes recommendations in respect of funding awards from both charities **(Appendices 2 & 3)**

Recommendations

- To note the Central Grants Programme eligibility criteria and budget.
- To recommend the amendment to the eligibility criteria for the Combined Education Charity shown at **Appendix 1C** to the Community & Children's Services Committee and Education Board for consideration and approval.
- To review the recommendations for the grant funding from the Combined Education Charity **Appendix 2A & 2B** and to make funding decisions
- To review the recommendations for grant funding from the City Educational Trust Fund at **Appendices 3** and to make funding decisions.

Main Report

Background

1. Following the corporate cross-cutting review of grant-making by the City Corporation in 2015/16, responsibility for the management of the City of London Corporation Combined Education Charity (Combined Education Charity) (312836) and the City Educational Trust Fund (290840) has been delegated to the Education Board, subject to consulting with the Community and Children's Services Committee as to any policy to be adopted for the application of each charity's funds, it being considered to be expedient and in the best interests of each charity that they be administered by the City Corporation as trustee through a centrally managed grant-making programme. The City Corporation, as trustee of each charity, in delegating the exercise of these functions also resolved that this sub-committee should be established with membership drawn from both Grand Committees and which takes grants decisions for each charity.
2. The current eligibility criteria for both charities, together with the charitable purposes of each, are provided at **Appendix 1A & 1B**. Since the last meeting of this Committee where Members requested amendments to widen the Combined Education Charity's eligibility criteria relating to beneficiaries being required to have a connection to London through their residence or location of study, officers have updated this charity's eligibility criteria to incorporate these comments. The updated eligibility criteria are presented at **Appendix 1C** for your consideration and approval. If this Sub-Committee approves these amendments, they will then be submitted to the Community & Children's Services Committee and Education Board for consideration and approval. Applicants have not been disadvantaged by this delay as all grants to individuals met the existing criteria. These policies remain under review to ensure that they remains effective in supporting the relevant charity's objectives.

Central Grants Assessment Process

3. The Central Grants Unit (CGU) grant assessment process draws on City Bridge Trust's expertise in the field of charitable grant-making and demonstrates good practice in the sector. Due diligence checks are undertaken by the CGU to ensure any application recommended for approval meets the proposed funding charity's objects and complies with the agreed eligibility criteria.
4. Recommendations to this Sub-Committee are based on an assessment of how well applicants have demonstrated that their application aligns with the relevant charity's criteria, the required evidence to support the application having been provided, and a satisfactory financial assessment by the Head of Charity and Social Investment Finance in the Chamberlain's Department.
5. All individual applicants to the Combined Education Charity are requested to provide proportionate information regarding their personal circumstances to evidence need. The criteria provide that exceptional applications from individuals

may be considered on provision of proof that the applicant has made determined efforts to access sufficient funds from elsewhere (“the exceptional circumstances” criteria). The information provided in support of the application is then assessed, in addition to the matters noted above, in line with the Joseph Rowntree Minimum Income Standards.¹

6. The deadline for applications received under the ‘Education and Employment’ theme of the CGP (second funding round) was 26th April 2019. All were assessed by the Central Grants Unit (CGU) overseeing the CGP in the six week period following the closing date. They were subsequently reviewed and approved by the Head of Charity and Social Investment Finance in the Chamberlain’s Department.
7. Since the last meeting on the 28th September 2018 the CGU has worked on the reporting format for all grants outlined to the Education Charity Sub-Committee and ensured that applicants are working to establish the educational benefit of the work they are applying for. In addition to the standard grant committee report prepared by Officers, the CGU has combined parts of the application outlining the Educational benefit of each application. This format is consistent across all of the grant programmes and in line with how grants are presented to the City Bridge Trust Committee.

Education and Employment’ Programme Budget

8. The tables below outline the budget for the ‘Education and Employment’ programme for 2019/20 based on current income and carry forward from 2018/19. Please note that these figures include estimated income from investments and interest on cash balances due to be received later in the year. These have been based on last year’s receipts and any change in rates would have an affect on the amount of available funds.

City Educational Trust

	Unrestricted Income Fund	Expendable Endowment	Total
Balance b/f 01/4/18	£75,367	£57,209	£132,576
Income	£136,345	£0	£136,345
Expenditure Grants including admin fee	-£252,911		-£252,911
Carry Forward 31/03/19	-£41,199	£57,209	£16,010
Estimated Income 19/20	£136,345	£0	£136,345
Total	£95,146	£57,209	£152,355

¹ The Minimum Income Standard for the UK shows how much money people need, so that they can buy things that members of the public think that everyone in the UK should be able to afford.

CoLC Combined Education Charity

	Unrestricted Income Fund	Expendable Endowment	Total
Balance b/f 01/4/18	£27,285	£21,278	£48,563
Income	£41,226	£0	£41,226
Expenditure Grants	-£45,721	£0	-£45,721
Carry Forward 31/03/19	£22,790	£21,278	£44,068
Estimated Income 19/20	£41,226	£0	£41,226
Total	£64,016	£21,278	£85,294

9. The table below outlines the applications received, the amount of grants recommended and the anticipated balance or carry forward at the end of the year for each of the Charities. The balance is based on expenditure from the Unrestricted Income Fund only.

Charity	No. of Applications	Amount Requested	No. Recommended	Amount Recommended	Balance
CET	4	£76,250	4	£88,250	£6,896
CEC	8	£64,000	5	£49,000	£15,016

Chamberlain's comment

10. The total funds of the City Educational Trust are split between an unrestricted general fund and an expendable endowment fund. The Reserves policy of the charity is "to maintain the expendable endowment of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income in accordance with the objectives of the charity." The Trustee has discretion to distribute the expendable endowment if appropriate. The two funds are represented by the assets of the charity, with the endowment fund holding fixed asset investments and a small amount of cash. At the start of the 18/19 financial year, the CGU was informed of how much cash was held by the charity to enable the unit to decide the monetary level of grants that could be committed. The cash held by the expendable endowment was included within this total by error, which has led to the CGU making grant commitments which exceeded the funds held within the unrestricted general fund. As a result, this fund is currently in deficit by £41,199. The Trustees are requested to consider whether this deficit should be funded from the expendable endowment fund in 2018/19, which would result in a nil year-end balance on the unrestricted general fund. The Trustees should be aware that by utilising their endowment fund, there will be a reduced cash balance held to generate future income for the charity. The investments will continue to be held in the endowment fund. The alternative option would be that the City Educational Trust would carry forward a deficit on its unrestricted income fund into 2019/20, and would have a reduced amount to distribute as grants in that year, so aiming to return this fund to having a surplus. If this option is preferable Trustees should consider whether it is necessary to have a further funding round this year.

11. The cash held in relation to the Combined Education Charity is held in both an unrestricted fund and an expendable endowment fund. As at 31st April 2019, the expendable endowment had available cash (excluding commitments) of £21,278 whereas the general fund had available cash of £22,790.

Conclusion

12. This report asks Members responsible for discharging the City Corporation's grant-making functions as charity trustee of the Combined Education Charity and the City Educational Trust Fund, to consider the funding applications which have been assessed and which are now recommended for approval.

Appendices

Appendix 1A &1B & 1C	Eligibility Criteria – The City of London Corporation Combined Education Charity and the City Educational Trust Fund & Revised Criteria for the Combined Education Charity
Appendix 2	The City of London Corporation Combined Education Charity– Grant Recommendations
Appendix 3	The City Educational Trust Fund – Grant Recommendations

Background Papers

- Report and Minute of the Community and Children's Services Committee, 09 February 2018.
- Report and Minute of the Education Board, 08 March 2017.

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