



Report – The City Bridge Trust Committee

Review of City Bridge Trust’s Priorities and Policies

To be presented on Thursday, 16th October 2014

*To the Right Honourable The Lord Mayor, Aldermen and Commons of the
City of London in Common Council assembled.*

SUMMARY

Following the launch of the *Investing in Londoners* programmes in September 2013, this paper sets out proposals to make some minor amendments to the policy which guides the application of Bridge House Estates surplus income in order to strengthen and improve the work of the City Bridge Trust (under which the *Investing in Londoners* programmes are delivered). It is also recommended that changes be made to the procedures which support the delivery of the funding priorities set out in that policy to enable more efficient administration and a more effective application of the charity’s resources.

MAIN REPORT

BACKGROUND

The *Investing in Londoners* programmes, representing the new policy for application of income of the Bridge House Estates charity surplus to bridge requirements, were approved by the Court of Common Council (the City of London Corporation being the sole corporate Trustee of the Bridge House Estates charity), in July 2013. The new policy and grant-making programmes set out in that policy were launched at the end of September 2013.

Although the funding priorities have been set for the next five years, it is important that the Trust remains sensitive to its operating environment and that it is able to adapt its policies in order to respond to changing needs in London. A year on from the launch of *Investing in Londoners*, it is timely to review the effectiveness of each of the programmes and to make recommendations designed to secure opportunities to strengthen their delivery in accordance with accepted norms of charity best practice. As a Trust with significant but finite resources, it is important to balance the Trust’s position as a high volume grant-maker against ensuring resources are used to maximum effect.

CURRENT POSITION

The City Bridge Trust is operating in a challenging economic environment. The recent recession has led to many people living on reduced incomes and with increased living costs, resulting in greater and growing calls on the voluntary sector at a time when there are fewer resources available. London local government, a significant funder of the voluntary sector for many years, has taken a significant real term cut in funding from central government between 2009/10 and 2013/14 and it is expected that further reductions in public spending will follow the General Election in May 2015, which will have the potential to affect London's disadvantaged communities. It is in this context that the City Bridge Trust needs to work as effectively as possible to understand the needs of London's communities and how it can help meet those needs through its grant-making and related activity. The proposed changes to the existing grants policy reflect the views of stakeholders as expressed to the City Bridge Trust, both through formal consultation and more informal feedback from applicants and the charitable sector more generally.

INVESTING IN LONDONERS

MAKING LONDON MORE INCLUSIVE

This programme includes the priority of making capital grants of up to £100,000 to improve the accessibility of community buildings. As building costs have increased since figures were first set, there is a danger that the programme, under current criteria, could exclude community-based initiatives the programme is intended to target.

A) It is recommended, therefore, that the threshold for the total costs of developments that normally will be considered on this programme be increased from £5m to £10m. The maximum grant that can be awarded will remain at £100,000.

RESETTLEMENT AND REHABILITATION OF OFFENDERS

This programme currently prioritises projects focused on 'through-the-gate' and on-release work with ex-offenders leaving custody, which precludes those serving a community sentence.

B) It is recommended, therefore, that the wording of this programme be changed to read: *'Through-the-gate' and on-release work with ex-offenders leaving custody or serving community sentences.*

MAKING LONDON SAFER

Although this programme explicitly cites the provision of refuge provision and counselling support for survivors of trafficking, they are not referenced in the priority strand of the programme.

C) It is recommended, therefore, that the wording of this priority strand of the programme be changed to read: *Information, advice, advocacy services and representation for victims of hate crime, trafficking, or child abuse.*

CLOSED PROGRAMMES

Mobilising London's Communities is a closed programme (i.e. a specialist programme to which a limited number of providers are invited to apply) which is intended to help the voluntary and community sector take advantage of provisions within the Localism Act 2011. However, since the City Bridge Trust Committee approved this programme last year, it has become apparent that, in practice, the Localism Act offers few direct opportunities

for which charitable funding is required and the interest shown in accessing these funds has been negligible.

D) It is recommended, therefore, that Mobilising London's Communities be dropped from the closed programmes.

FUNDING POLICIES ADOPTED BY THE 2013/18 QUINQUENNIAL REVIEW

One of the general funding qualifications set out in the last quinquennial funding policy was carried forward was that grants to charities with a turnover of £5m or more will not usually be more than 50% of the total project costs. When this policy was originally adopted, it came from a view that many large charities would have sufficient funds in reserve to meet the remaining 50% of the cost. However, whilst this may be the case for some charities, for others it is not, and Officers are of the view that an organisation's capacity to contribute to project costs should be on a case-by-case basis (as is the case for smaller organisations) and in line with the City Bridge Trust's approach to the level of free reserves held by an organisation.

E) It is recommended, therefore, that the qualification restricting charities with a turnover of £5m or more to no more than 50% of the project costs be removed.

The Trust's general funding qualifications also currently include a ceiling on the size of capital building programmes that will be considered under any grants programme. If this is increased under the *Making London More Inclusive* programme (Recommendation A), it is recommended that the threshold of this general funding qualification also be increased for consistency.

F) If Recommendation (A) is approved, it is recommended that the general funding qualification on the ceiling imposed for the City Bridge Trust's capital funding of building programmes be amended such that grants will normally only be awarded to "...developments of less than £10m in total (in line with the new Making London More Inclusive programme)".

RESIDENTIAL CARE SERVICES AND FACILITIES

The Trust's previous policies explicitly excluded residential care services as being eligible for funding as these should be met through fees and charges. This exclusion was omitted in error from the policy and guidance for Investing in Londoners. However, as occasional enquiries from residential care homes are received, it would be helpful information for applicants if this was explicitly excluded.

G) It is recommended, therefore, that the general funding qualifications be amended to state expressly that the City Bridge Trust does not directly fund residential care services or facilities.

DELEGATED AUTHORITY

Since approving the current arrangements for delegated authority given to officers, the City Bridge Trust Committee agreed to reduce the number of Committee meetings held per annum from 10 to 6. In order to mitigate concerns around target application processing times and to help make the grant-making operation more effective and efficient, it is recommended that the threshold of delegated authority is raised from £5,000 to £10,000 for approval by the Chief Grants Officer alone; and from £25,000 to £50,000 for approval by the Chief Grants Officer in consultation with the Chairman and Deputy Chairman, with reference to the Chamberlain where there is a need for an urgent decision between Committee meetings. The Chamberlain has been consulted over this proposal and is

supportive of the proposition. The Head of Audit & Risk Management has also been consulted on these proposed changes and is content from a risk and control perspective.

H) It is recommended, therefore, that revised delegated authority to the Chief Grants Officer be granted as follows:

- (i) ***The Chief Grants Officer may make decisions on applications of up to £10,000;***
- (ii) ***Decisions on applications of over £10,000 and up to £25,000 may be approved by the Chief Grants Officer in consultation with the Chairman and Deputy Chairman; and***
- (iii) ***Decisions on applications of over £25,000 and up to £50,000 may be approved by the Chief Grants Officer in consultation with the Chairman and Deputy Chairman, with reference to the Chamberlain and where there is a need for an urgent decision between Committee meetings.***

DURATION OF GRANTS

For several years the City Bridge Trust's policy has been that three years is the maximum period that the City Bridge Trust will fund a particular project or activity in an organisation. Whilst the City Bridge Trust remains of the view that, in most instances, this is an appropriate length of time, it is felt that the current arrangements would benefit from enjoying a greater degree of flexibility.

i) Grants of Strategic Importance to London

The current criteria permits exceptions in the case of work deemed to be of strategic importance to London, allowing it to be considered for a further two years, making five years in total. In practice, 'strategic importance' has been interpreted as meaning one of three things: the provision of capacity-building support to the voluntary sector provided the quality of the support is high and the applicant has a reasonable exit strategy following the second grant; where the organisation is the only organisation in a position to deliver that service; or where the organisation is developing a scalable model of delivery or is breaking exceptional new ground.

Given the challenges of the current economic climate, it is proposed that consideration be given to the funding of work of strategic importance, as defined above, with a commitment of five years. As it is vital that the Trust is satisfied that the work funded is helping to meet its strategic objectives, it is therefore recommended that such grants are subject to external evaluation after three years.

I) Applications be considered for grants of five year duration from organisations that:

- (i) ***Provide capacity-building services to support London's voluntary sector at the local borough, sub-regional or pan-London level including, where appropriate, to support the collaboration or consolidation of organisations; or***
- (ii) ***Can demonstrate that they are uniquely placed (by virtue of the nature of their work) to deliver a particular project or service; or***
- (iii) ***Are developing high-quality services that can be scaled-up to benefit all of London or which are breaking exceptional new ground.***

These grants are subject to external evaluation after three years.

ii) Exceptional Grants

Occasionally, work is funded that falls outside the City Bridge Trust's usual priorities through an 'Exceptional' grant. This is to enable the City Bridge Trust to respond to: new needs and circumstances; or work which falls outside the stated priorities but is, nonetheless, of significant importance to London.

Additionally the City Bridge Trust is able to support initiatives which bring major benefits on a London-wide basis, as identified by the Trustee (i.e. The City Corporation) following consultation with voluntary sector leaders and other stakeholders. Such schemes would require funds in addition to the base-line grants budget, so as not to affect the Investing in Londoners budget or its successor programmes.

Currently, the Trust's policy states that three years is the maximum period that will be considered for funding; however, given the exceptional nature of such grants, it is proposed that their duration should be decided on a case-by-case basis but still not exceed 10 years.

J) It is recommended therefore that:

- (i) ***The duration of Exceptional Grants be decided on a case-by-case basis, but should not exceed 10 years in total.***
- (ii) ***Exceptional Grants be subject to external evaluation every three years.***

Number of grants that can be held

Currently, organisations cannot hold more than one grant at a time, except in a case where we support applicants who also apply for a free eco-audit or where existing grant-holders apply for funding under the Arts Apprenticeship programme. Your City Bridge Trust Committee is of the view that this exception should be extended to organisations applying for an Access Audit (grants of up to £5,000) and to the Trust's special one-off initiatives, such as the new programme to help organisations take advantage of the social investment market due to be launched in the autumn, and Exceptional Grants. Many organisations, particularly smaller ones, struggle with implementing good financial systems and with meeting charity accounting requirements. Community accountancy services are needed within the sector more than ever, and so your Committee also recommends the consideration of a second application from second-tier infrastructure bodies, provided it is for the provision of community accountancy services.

K) It is, therefore, recommended that the funding qualification on the number of grants organisations can hold be re-worded as follows: *“Organisations cannot hold more than one grant at a time, except in the case where the application is for a free eco-audit, an access audit, or is made under one of the Trust's special one-off programmes, such as the Arts Apprenticeship programme or the Trust's programme to help organisations gain the skills and experience that will enable them to take advantage of the social investment market. It is possible for an organisation to hold a grant and receive additional funding as a Strategic Initiative or as an Exceptional Grant.*

Organisations in receipt of a revenue grant may also apply for a capital grant under the Trust's Access to Buildings, where the grant is to be used as match-funding for capital funds from a major funder such as the Arts Council, the Heritage Lottery Fund or the Big Lottery Fund.

Second-tier infrastructure bodies may apply for a second grant if the purpose is for the provision of community accountancy services. ”

PROPOSAL

It is recommended that the proposed amendments to the charity’s policy and funding priorities and qualifications, set out in that policy, be approved, as well as to the procedures supporting delivery of the grants programmes, as summarised below.

It is recommended that:

A) The threshold for the total costs of developments that normally will be considered on the Access to Buildings programme be increased from £5m to £10m. The maximum grant that can be awarded will remain at £100,000.

B) The wording of the Resettlement and Rehabilitation of offenders be changed to read: *“Through-the-gate and on-release work with ex-offenders leaving custody or serving community services.”*

C) The wording of the Making London Safer programme be changed to include: *“Information, advice, advocacy services and representation for victims of hate crime, trafficking or child abuse.”*

D) The proposed Mobilising London’s Communities be dropped from the Trust’s closed programmes.

E) The qualification restricting charities with a turnover of £5m or more to no more than 50% of the project costs be removed.

F) If Recommendation (A) is approved, it is recommended that the general funding qualification on the ceiling imposed for the City Bridge Trust’s capital funding of building programmes be amended such that grants will normally only be awarded to *“...developments of less than £10m in total (in line with the new Making London More Inclusive programme)”*.

G) It is recommended, therefore, that the general funding qualifications be amended to state expressly that the City Bridge Trust does not directly fund residential care services or facilities.

H) Revised delegated authority to the Chief Grants Officer be granted as follows:

- (i) *The Chief Grants Officer may make decisions on applications of up to £10,000;*
- (ii) *Decisions on applications of over £10,000 and up to £25,000 may be approved by the Chief Grants Officer in consultation with the Chairman and Deputy Chairman; and*
- (iii) *Decisions on applications of over £25,000 and up to £50,000 may be approved by the Chief Grants Officer in consultation with the Chairman and Deputy Chairman, with reference to the Chamberlain, and where there is a need for an urgent decision between Committee meetings.*

I) Applications be considered for grants of five year duration from organisations that:

- (i) *Provide capacity-building services to support London's voluntary sector at the local borough, sub-regional or pan-London level including, where appropriate, to support the collaboration or consolidation of organisations; or*
- (ii) *Can demonstrate that they are uniquely placed (by virtue of the nature of their work) to deliver a particular project or service; or*
- (iii) *Are developing high-quality services that can be scaled-up to benefit all of London or which are breaking exceptional new ground.*

Such grants to be subject to external evaluation after three years.

- J) (i) The duration of Exceptional Grants be decided on a case-by-case basis, but should not exceed 10 years in total.
- (ii) Exceptional Grants be subject to external evaluation every three years.

K) The funding qualification on the number of grants organisations can hold be re-worded as follows:

“Organisations cannot hold more than one grant at a time, except in the case where the application is for:

- *a free eco-audit, or*
- *an access audit, or*
- *is made under one of the Trust's special one-off programmes, such as the Arts Apprenticeship programme or the Trust's programme to help organisations gain the skills and experience that will enable them to take advantage of the social investment market.*

Additionally, organisations in receipt of a revenue grant may also apply for a capital grant under the Trust's Access to Buildings, where the grant is to be used as match-funding for capital funds from a major funder, such as the Arts Council, the Heritage Lottery Fund or the Big Lottery Fund.

Second-tier infrastructure bodies may apply for a second grant if the purpose is for the provision of community accountancy services.

It is possible for an organisation to hold a grant and receive funding as a Strategic Initiative or as an Exceptional Grant.”

CONCLUSION

The recommendations contained in this paper are intended to strengthen and improve the City Bridge Trust's current grant-making policy, funding priorities and practices, supporting the Trust's effective delivery of the Investing in Londoners grants programmes for the public benefit. They are not, however, intended to preclude any future policy changes that may be deemed necessary, in the light of changing needs in London.

All of which we submit to the judgement of this Honourable Court.

DATED this 25th of September 2014.

SIGNED on behalf of the Committee.

Jeremy Mayhew
Chairman, The City Bridge Trust Committee