

Committee(s):		Date(s):
Open Spaces Grants Working Party	- For discussion	16 September 2015
Subject:		Public
Open Spaces Grants Review – preliminary discussion paper		
Report of:		For Discussion
Director of Open Spaces		
Summary		
<p>Following the corporate cross cutting review of grants, the open spaces committees agreed to establish a working party to consider the current position and to make recommendations in respect of establishing a “jointly governed and accessible to all” grants programme for open spaces.</p> <p>Members’ views and guidance are sought on a range of issues. This report will be followed by a further report to your Working Party to enable recommendations to be made to the Open Space Committees early in 2016.</p>		
Recommendations		
<p>Members views and guidance are sought on the following issues, mindful of the Charity Commission guidance:</p> <ul style="list-style-type: none"> • The current position in respect of grant giving • The development of a grants policy statement and the potential to adopt a “de minimis” position in respect of small scale grants which are in line with this agreed policy • Monitoring and effectiveness • Operation of a grants programme 		

Main Report

Background

1. A corporate review of grants was undertaken which aimed to improve value for money, enhanced impact and improved outcomes from grant giving. The review made suggestions in seven areas:
 - a. Set out a clear, corporate offer: The City Corporation’s grants programmes should be clearly differentiated and complementary, easy to communicate, easy to understand and easy to engage with.
 - b. Allocate resources strategically: Resource Allocation Sub Committee should set the annual quantum for all City’s Cash and City Fund grants programmes prior to the start of each financial year according to their

relative priority, taking advice from the relevant grant-giving committees and Finance Committee.

- c. Streamline governance: Where a grants programme relates specifically to the remit of a particular committee, that committee should have responsibility for the policy and operation of the grants programme in order to ensure alignment between relevant policies and other investments. Other committees should avoid allocating funds to initiatives which cut across the remit of those grant giving committees. Finance Grants Sub Committee takes on a performance management role for all City Corporation grants programmes
 - d. Establish a common identity for City of London Corporation grants: All grants programmes which are controlled by City of London Corporation should share a common corporate 'Identity', with consistent branding which identifies them as belonging to the City of London Corporation family of grants – whether publicly, privately or charitably funded.
 - e. Provide a consistent 'City of London' customer experience: All grants programmes should comply with the spirit of the Government's Transparency Code even where not legally required to do so, and charitable trusts should comply with the Charity Commissions' best practise guidelines. The handling of applications and the monitoring of spend should be consistent for all grants programmes and proportionate to the size of the award.
 - f. Review all City of London Corporation grants programmes in a consistent way in relation to their spending, outcomes and risks, on the basis of a twice-yearly report to Finance Committee, Resource Allocation Sub Committee and appropriate Committees and boards of trustees.
 - g. Manage City of London Corporation grants more effectively and more efficiently: Administrative and professional expertise should be consolidated wherever possible to provide economies of scale and assist the sharing of best practice. Staff costs (e.g. legal, finance and audit) should be recharged to grant programmes to avoid the City Corporation having to subsidise operations.
2. The report also made a specific recommendation in respect of open spaces, which was the establishment of a sub-committee to oversee a "jointly governed and accessible to all" grants programme. It was subsequently agreed by the open spaces committees that the various issues arising from this should be considered by a working party in September and October 2015.
 3. The report specifically addressed grants rather than benefits in kind, however at Committee, Members recognised that benefits in kind were significant within open spaces, although there was a strongly expressed desire to avoid an excessive governance structure with some level of a "de-minimis" approach suggested.

Current Position

4. The open spaces committees currently provide some £90,000 of grant funding to local groups:

Committee	Recipient	Amount
Epping Forest & Commons	Field Studies Council	£53,000
Epping Forest & Commons	Lower Mole Countryside Management Project	£15,000
Epping Forest & Commons	Downlands Countryside Management Project	£15,000
Hampstead Heath, Highgate Wood & Queen's Park	Parliament Hill Bowling Club	£4,500
Epping Forest & Commons	Friends of Stoke Common - insurance	£500
Epping Forest & Commons	Friends of Swaines Green - insurance	£200
Epping Forest & Commons	WREN Group - insurance	£500
Epping Forest & Commons	Epping Forest Conservation Volunteers – insurance	£200
Epping Forest & Commons	Bushwood Conservation Group	£500
Epping Forest & Commons	The Lake House Project	£500
Epping Forest & Commons	Epping Forest Conservation Volunteers	£336
Epping Forest & Commons	Trust for Conservation Volunteers	£3,000
Epping Forest & Commons	Friends of Kenley Airfield (Kenley Fun Day)	£1,000
	Total	£88,300

5. A further £140,000 is provided through benefits in kind, and this is illustrated at Appendix 1.
6. Members will note that the majority of the grant funding is provided to the Field Studies Council, Lower Mole Countryside Management Project and Downlands Countrywide Management Project.
7. A further detail about the grants provided is at Appendix 2.

Governance position

8. The City of London acting through the Common Council is the corporate trustee of the open spaces charities and under the current Committee terms of reference delegates the exercise of those trustee functions to various Committees of the Common Council, with trustee functions being split across more than one Committee.
9. The open spaces charities do not all benefit from endowment funds to meet the relevant charity's objects and where they do those funds are inadequate to meet the current costs of administering the charity and funding current activities (having regard to current resource allocation and budget setting). That deficit is met by the City from City's Cash. Resource allocation is the responsibility of P&R Committee, and budgets for Departments and Spending Committees are set by Finance Committee
10. The City of London as trustee has a duty to ensure a charity is properly administered as a going concern to meet the charity's objects; in summary and in very general terms for the opens spaces - to preserve and maintain the relevant open space for the benefit of the public. The City has discretion in determining the amount allocated from City's Cash to the individual open space charity's budget.

11. Once a budget is allocated to the relevant spending Committee responsible for managing the relevant charitable open space, that Committee will exercise the City's trustee obligations regarding expenditure of those funds, having regard to that Committee's terms of reference.
12. Strategic decisions are reserved to the Open Spaces and City Garden's Committee. The Open Spaces and City Garden's Committee has responsibility for "dealing with, or making recommendations to the Court of Common Council where appropriate, [for] all matters relating to the strategic management (eg. policy, financial and staffing) of the City of London Corporation's open spaces where such matters are not specifically the responsibility of another Committee..."
13. Policy and Resources Committee has responsibility for: "considering matters of policy and strategic importance to the City of London Corporation including matters referred to it by other Committees and/or Chief Officers" and also "determining resource allocation in accordance with the City of London Corporation's strategic policies".
14. Finance Committee has responsibility for: "Ensuring effective arrangements are made for the proper administration of the City Corporation's financial affairs": "considering the annual budget of the several committees, to ascertain that they are within the resources allocated, are applied to the policies for which those resources were allocated and represent value for money in the achievement of those policies" and "obtaining value for money in all aspects of the City of London Corporation's activities".
15. Having considered this position, the Corporate Grants Review recommended that grant giving by the Open Spaces be consolidated into a single grants programme administered by the Chief Grants Officer. This suggests that rather than the open spaces Committees each allocating grants from their local risk, a separate bid would be made to Resource Allocation Sub as part of the budget setting process. This would in effect remove grant giving from open spaces local risk budgets.

Issues

Charity Commission Guidance

16. Members will be aware that all of the open spaces (with the exception of City Gardens and the Cemetery & Crematorium) operate as registered charities with the City Corporation as trustee. Members must act in accordance with the duties of the trustee and in particular must ensure that those charities are carrying out their stated purposes (and no other purposes) for the public benefit. In doing so, Members ought to have regard to Charity Commission guidance, which says:

Charities can work with other charities to carry out their aims. This joint working could include:

- *fundraising, donating or making a grant to the other organisation*

- *collaborating to deliver a project or contract, or share facilities*

Before your charity decides to do one of these things, you should start by asking what you intend to achieve. The trustees must properly consider and be satisfied that:

- *it will be an effective way of using your charity's resources to further its charitable purposes*
- *it will be in your charity's best interests*
- *your charity's governing document doesn't prevent you from doing it*
- *you have identified and can deal with any risks that the proposal presents*

This may be straightforward or more complex, depending on:

- *how similar the other organisation's aims are to your charity's purposes*
- *the nature of the activity you intend to support or collaborate on*
- *the value, duration and nature of the support or collaboration*
- *how easily you can verify how your charity's funds are being spent*

17. Further summary guidance on the duties and responsibilities of trustees is at Appendix 3. Members may also find *The essential trustee: what you need to know, what you need to do (CC3)* published by the Charity Commission instructive.
18. The objectives of the various open space charities are included at Appendix 4. Members may wish to consider the following issues:
 - a. To what extent do the aims and activities of current grant recipients align with the relevant site's charitable objectives?
 - b. To what extent do these activities further charities' objectives?
 - c. To what extent are we confident about the outcomes achieved and how could this be monitored more effectively?

Grants policy statement

19. Members may like to consider whether the development of a grants policy statement would be helpful in guiding future decisions about grant giving. A policy statement could be produced to reflect:
 - a. the charity commission guidance
 - b. the charitable aims of each of the sites
 - c. outcomes sought from grant giving
 - d. monitoring expectations
20. In this respect, Members may like to consider the theme which emerges from our charitable objectives: the preservation of our open spaces and the

provision of recreation for the public. It may therefore be appropriate for any policy statement to reflect these twin concerns.

21. In developing a policy statement, emphasis will need to be placed on ensuring that it is proportionate and light touch, but with a strong focus on outcomes.
22. Officers have noted that in the discussions to date, Members have commented on the importance of establishing a de-minimis position. Member views are sought on what would be an appropriate grant value to permit officers to exercise delegation, as long as the grant was in line with the grants policy statement.

Monitoring and effectiveness

23. In line with good budgetary practice and the charity commission guidance, it is important for Members to be able to ensure that any grants are utilised effectively and appropriately.
24. Currently there is very limited monitoring in place and grants are given without outcomes being specified and agreed. Members may find it helpful to consider instructing officers to develop a consistent and proportionate framework for specifying and monitoring outcomes for grants. For example, in giving a grant to an educational charity, it could be appropriate to align the grant with the department's learning framework and to specify specific outcomes which the receipt will deliver.

Operation of grants programme

25. Members will have noted the recommendation for a "jointly governed and accessible to all" grants programme. This would suggest any charity or voluntary group would be able to apply for an open spaces grant.
26. Members will note that currently grants are only provided by the Epping Forest & Commons and Hampstead Heath, Highgate Wood & Queen's Park Committees. Members may wish to consider whether it would be desirable to make funds available from the West Ham Park Committee.
27. The Corporate Grants Review recommended that the Open Spaces grants programme be administered by the Chief Grants Officer. It will be necessary to undertake some further discussion as to how this work, but it is anticipated that the Chief Grants Officer could provide support to Open Spaces in assessing applications, providing recommendations to the Open Spaces Grants Sub Committee and monitoring the outcomes of grants.
28. There are a number of operational issues that would need to be considered prior to establishing a new grants programme:
 - a. Noting the in effect, grants will be removed from the Open Spaces local risk budgets, what size of bid would Members like to make to Resource Allocation Sub Committee to support the new grants programme?
 - b. Should a limit be placed on the size of grant, or for how many years a grant can be provided?
 - c. How frequently should the Sub Committee meet to award grants?

Dealing with the historic position

29. Members will be aware that an alteration in our approach to grant giving may mean that some organisations who have received funding in the past may not continue to receive this funding or may receive less. Consideration will therefore need to be given to managing this transition. In addition to opening dialogue with those currently receiving grants, Members may also like officers to consider the preparation of a series of stepping stones by which grant giving is aligned with specific outcomes while tapering the current historical grants over a number of years.

Benefits in kind

30. Members will recall that the issue of benefit in kind was raised at Committee. This was not included in the original corporate review, and some further work and consideration is required, both within Open Spaces but across the City. It is anticipated that further information will be brought to your next meeting. As the figures included in Appendix 1 do not reflect any contribution of staff time, it is likely that the true figures are significantly higher.

Next steps

31. Having received Members views and guidance on the issues presented in this report, it is anticipated that these views will be used in the preparation of a further report which will contain a series of recommendations to address each issue. Subject to your agreement, these recommendations will be submitted to the Open Spaces committees for their consideration.

Implications

32. This report follows on from the cross-cutting review of grants. It is anticipated that effective, outcome focused grant giving will support the work of the Open Spaces charities; and the Corporate Plan's aim "to provide valued services, such as education, employment, culture and leisure, to London and the nation" and the objectives of the Open Space Business Plan.

Conclusion

33. This report seeks Members views to enable the development of a series of recommendations on grant giving. It is anticipated that this will enable the development of an accessible and effective grants programme for the benefit of our charities and the communities they serve.

Appendices

- Appendix 1 – Benefits in Kind
- Appendix 2 – Information on current grant recipients
- Appendix 3 – Charity trustee duties and responsibilities

- Appendix 4 – Charitable objectives

Background Papers:

Report of the Town Clerk - Grant Giving: Report of the Cross-Cutting Service Based Review, 2015

Esther Sumner

Business Manager, Open Spaces

T: 020 7332 3517

E: esther.sumner@cityoflondon.gov.uk