

Committee(s) Policy and Resources Committee – For information	Dated: 19 November 2015
Subject: Grant Giving: Update on cross-cutting Service Based Review	Public
Report of: Deputy Town Clerk	For Information

Summary

A cross-cutting review of the grant giving activities of the City Corporation was commissioned as part of the Service Based Review programme. The objectives were to analyse the grants programmes which are offered by the City Corporation and suggest how to improve value for money and increase impact.

The revised overall approach to grant giving was endorsed by the Policy and Resources Committee in May 2015 and the final report for the review has been received by all of the service Committees whose role and remit are impacted by the review. The only detailed recommendation rejected was for the Signor Pasquale Favale's Marriage Portion Charity to be included in the list of smaller City Corporation controlled charities sharing similar purposes to be merged.

The implementation of the agreed recommendations is being overseen by the Deputy Town Clerk and the Chief Grants Officer. A full implementation plan is currently being developed, with a target commencement date of 1 April 2016. The plan will be resourced by a combination of in-house and external resources.

In response to comments from Members, consideration of benefits in kind will be incorporated into the implementation plan. An initial analysis suggests that a number of the key reputational and value for money risks and issues that were identified in relation to the payment of grants also apply to benefits in kind, and this process could therefore also benefit from the application of a similarly consistent, coherent and co-ordinated approach.

Recommendation

Members are asked to note this report.

Main Report

Background

1. A cross-cutting review of the grant giving activities of the City Corporation was commissioned as part of the Service Based Review programme. The objectives were to analyse the grants programmes which are offered by the City Corporation and suggest how to improve value for money and increase impact.

2. The review concluded that there is no consistent approach across the City Corporation to governing or managing disbursements, potentially exposing the City Corporation to financial, organisational and reputational risk. The final review report identified seven core principles, which would form the basis for a more consistent, coherent and co-ordinated approach to grant giving across the City Corporation. These are listed in Appendix 1.
3. The benefits from adopting a more consistent, coherent and co-ordinated approach will include:
 - Improved corporate grasp and transparency of the City Corporation's range of grant giving activities;
 - Grants from City's Cash and City Fund better strategically aligned with the City Corporation's corporate objectives and policy priorities;
 - Best practice identified and spread in terms of the prioritisation, assessment and governance of grants;
 - Consolidation of expertise within the City Corporation to administer and manage grants, especially where these involve handling charitable grants;
 - Reduction in operating costs resulting from the rationalisation of administrative services managing grants.
4. The seven core principles were supported by a set of more detailed systemic and procedural changes and recommendations. The majority of those are operational changes which will be implemented as part of the revised overall approach to grant giving, which was endorsed by the Policy and Resources Committee in May 2015. Following this endorsement, the report has been considered by other Committees whose roles and remits are impacted. This report summarises the outcomes of that process. It also updates Members on the process for implementing the agreed recommendations.

Comments from Service Committees

5. The review report was considered by thirteen Service Committees and Boards, all of which supported the aims of the review and the overall approach. A number of individual issues were raised during the Committee reporting process, as follows:

Open Spaces

6. To implement the proposal for more transparent governance and a more structured approach to the ad hoc grants awarded by the Open Spaces Committee, a Member Working Party has been formed, including representatives from: the Open Spaces and City Gardens; Epping Forest and City Commons; Hampstead Heath, Highgate Wood and Queens Park; and West Ham Park Committees, and the Finance Grants Sub Committee. The second meeting of this Working Party is scheduled for 25 November, following which a report will be made to the Open Spaces and City Gardens Committee.

Port Health and Environmental Services

7. One of the detailed recommendations noted in the Policy and Resources report in May was for smaller City Corporation controlled charities sharing similar purposes (e.g. poverty relief) to be merged. One of the named charities is the Signor Pasquale Favale's Marriage Portion Charity. Members of the Port Health and Environmental Services Committee, which acts as a trustee for the charity, considered the historical importance of this bequest and the positive publicity it brings to the City Corporation, and resolved that this bequest would not be combined with any other smaller charities to create a single larger fund, and should therefore continue to operate in its current format.

Education Board

8. The Education Board discussed City Corporation funding for King Edward's School Witley and Christ's Hospital, noting that funding was drawn from the Finance Grants Sub Committee under City's Cash. Members queried what would happen to City Corporation funding for bursaries at these schools once the recommendations of the grants review were implemented. Members resolved that the Policy and Resources Committee be asked to clarify where this funding would be provided from before funds were fully allocated to any other proposed future grants programmes. Members may recall that one of the recommendations of the review is for the Resource Allocation Sub Committee to set the annual quantum for each grants programme, and this issue will be covered as part of that process.

City Bridge Trust

9. The City Bridge Trust Committee noted the potential implications for the work of the City Bridge Trust officers, and resolved that:

“the administrative management of the City Corporation's various programmes be consolidated under the Chief Grants Officer to improve consistency of approach, drive economies of scale, and promote best practice, conditional upon:-

- *continuing reassurance that officer support for City Bridge Trust grant-giving would not be diminished; and*
- *any resources used for grant-making from outside Bridge House Estates being funded from outside of Bridge House Estates, including officer time.”*

10. In order to ensure that the conditions specified by the City Bridge Trust Committee are met, the Chief Grants Officer is involved in the development and oversight of the work programme to implement the review's recommendations.

Benefits in Kind

11. A number of Members have raised the issue of benefits in kind in relation to the grants review. These were specifically excluded from the initial scope of the review, but will be incorporated into the implementation phase. Information is currently collected on an annual basis from departments and reported to the Finance Grants Sub Committee, with the next report being due on 17 November. An initial analysis suggests that the bulk of benefits-in-kind is either given as free staff time or foregone/peppercorn rent on City Corporation premises on a full-time

or occasional basis. A number of the key reputational and value for money risks and issues that were identified in relation to the payment of grants also apply to benefits in kind, and this process could therefore also benefit from the application of a similarly consistent, coherent and co-ordinated approach.

Implementation of agreed recommendations

12. The implementation of the agreed recommendations is being overseen by the Deputy Town Clerk and the Chief Grants Officer. A full implementation plan is currently being finalised, with a target commencement date of 1 April 2016 for the new arrangements. The plan will be resourced by a combination of in-house resources (e.g. finance and legal) and an external Project Manager, who is being recruited to manage and coordinate the activities required to deliver the implementation plan.
13. Progress has been made on a number of the recommendations, including: formalising the de facto Open Spaces grants programme, reviewing Committee terms of reference, and merging the smaller charities. As the latter recommendation will be reliant on approval from the Charity Commission, it is unlikely to be achieved by 1 April. However there are no dependencies between this task and the other activities within the implementation plan.

Conclusions

14. The final report for the Grants Review has been received by all of the service Committees whose role and remit are impacted by the review. A full implementation plan is being developed with the Chief Grants Officer, who will oversee its completion with the Deputy Town Clerk. A complementary review of benefits in kind will be incorporated into the implementation plan. The target date for implementation of the key recommendations is 1 April 2016.

Appendices

- Appendix 1 – Core Principles: 7 Steps to Success

Background Papers

Report to Policy and Resources Committee (28 May 2015) and other relevant Committees (8 June 2015 – 27 July 2015): Grant Giving: Report of cross-cutting Service Based Review

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