

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2015
<b>Subject:</b> Finance Grants Sub-Committee – Revision to Terms of Reference	<b>Public</b>
<b>Report of:</b> Joint report of the Town Clerk and Chief Grants Officer	<b>For Decision</b>

### **Summary**

At its 9 June 2015 meeting, the Finance Committee agreed to relinquish its direct grant-giving role (exercised through the Finance Grants Sub-Committee) and adopt a strategic oversight and performance management role in respect of all City Corporation grants programmes.

To exercise this role, it is proposed that the Terms of Reference of the Finance Grants Sub-Committee are amended to provide that Sub-Committee with the strategic oversight and performance management role. This report provides the Committee with proposed Terms of Reference for the Finance Grants Sub-Committee for approval.

### **Recommendation**

Members are asked to approve the proposed amended Terms of Reference of the Finance Grants Sub-Committee, as set out at Appendix 1.

### **Main Report**

#### **Background**

1. A cross-cutting review of the grant giving activities of the City of London 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 of London Corporation and suggest how to improve value for money and increase impact. This review excluded the activities of the City Bridge Trust.
2. The review concluded that there was no consistent approach across the City of London Corporation to governing or managing grants, potentially exposing the City of London Corporation to financial, organisational and reputational risk.
3. To create a consistent approach across the Corporation, the Finance Committee agreed to relinquish its direct grant-giving role, with various Sub-Committees taking on responsibility for grant-giving (in line with priorities and funding which will be agreed by the Resource Allocation Sub (Policy and Resources) Committee). Instead, the Finance Committee, through its Finance Grants Sub-committee, agreed to adopt a strategic oversight and performance management role in respect of the City Corporation's charitable grants programme.

## **Terms of Reference**

4. The Terms of Reference of the Working Party are therefore proposed as follows:
  - To provide strategic oversight of the City of London Corporation's Charitable Grants Programme ('the Programme'), including reviewing progress, performance and risks for all grants
  - To ensure the Programme is compliant with any obligations under the Local Government Transparency Code 2015 and the Equality Act 2010
  - To approve and deploy a performance management framework in respect of the Programme
  - To assess performance of the Programme against Charity Commission best practice guidelines
  - To make recommendations to the relevant grant-giving Committees on any performance issues or issues with specific grants
  - To provide the Resource Allocation Sub (Policy and Resources) Committee with an annual report regarding performance of the Programme and recommendations in setting the City's Cash and City Fund allocations to the Programme themes
5. The Local Government Transparency Code 2015, referred to above, sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published. The relevance to this Sub-Committee will be in ensuring that matters such as the publication of grant-making criteria and decisions are compliant.
6. The Equality Act 2010, referred to above, provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The relevance to this Sub-Committee will be in ensuring matters such as the application and assessment processes are compliant with the act.
7. The performance management framework will be a crucial document to support the work of this Sub-Committee. It will provide an overview of the Grant's programme whilst also allowing for more detailed analysis to assist the Sub-Committee's scrutiny function. As such, and subject to the agreement of the above terms of reference, a draft framework will be developed by officers for the Sub-Committee's consideration.

### **Composition and frequency of meetings**

8. It is proposed that the Sub-Committee continue to meet on a twice yearly basis in May and November.
9. It is proposed that the composition of the Finance Grants Sub-Committee remain the same as at present (Chairman, Deputy Chairman and 10 Members of the Finance Committee). This is broadly in line with the Finance Committee's other Sub-Committees.

10. Members may also wish to consider the role that the Chairmen of the various Service Committees which have gained responsibility for making grants might play on the Sub-Committee. Given that the role of the Sub-Committee is, in effect, to scrutinise the effectiveness of the grants made by the various Service Committees, it may not be appropriate for those Chairmen to be full Members of the Sub-Committee. However, it may be appropriate for those Chairmen to attend meetings of the Sub-Committee when suitable to provide the Sub-Committee with information of the issues considered by the Service Committee when making specific grants.
11. For ease of reference, the draft Terms of Reference are also set out at Appendix 1.

### **Conclusion**

12. This report sets out the proposed revised Terms of Reference for the Finance Grants Sub-Committee, in light of the review of grant giving which arose from the Service Based Review. Members are asked to approve the Terms of Reference as set out in Appendix 1.

### **Appendices**

- Appendix 1 – Composition and Terms of Reference

#### **David Farnsworth**

Chief Grants Officer

Town Clerk's Department

T: 020 7332 3713

E: [david.farnsworth@cityoflondon.gov.uk](mailto:david.farnsworth@cityoflondon.gov.uk)

#### **Chris Braithwaite**

Senior Committee & Member Services Officer

Town Clerk's Department

T: 020 7332 1427

E: [christopher.braithwaite@cityoflondon.gov.uk](mailto:christopher.braithwaite@cityoflondon.gov.uk)