

Committee	Dated:
Resource Allocation Sub-Committee Policy and Resources Committee	17 March 2016 17 March 2016
Subject Implementation of Grants Review	Public
Report of: Deputy Town Clerk	For Approval
Report author: Scott Nixon, Project Manager	

Summary

As part of the Service Based Review (SBR), a comprehensive review of the effectiveness of the City Corporation's grant-making was completed. The aim was to increase the strategic impact of grant-making, ensure that the grants are managed more efficiently and effectively, improve the consistency and quality of the customer experience and so bring consequential reputational benefits.

The recommendations arising from the review were endorsed by the Policy and Resources Committee in May 2015, resolving that *'the proposed change of approach to grant giving as set out in the report be approved'*. The report was subsequently supported by Committees affected by the proposed recommendations and further updates were provided to Policy and Resources Committee in November 2015 and the Court of Common Council in January 2016. This paper provides an update on the work to implement the recommendations of the review.

Recommendations:

- To note the grant programmes identified as in scope for immediate centralised administration, those under review, and those not in scope.
- To agree the transfer of funding commitments from Finance Grants Sub-Committee to the relevant Committees for on-going administration and request that each commitment be reviewed and reported back to this Committee no later than December 2016, except in cases where a specific review date has already been agreed.
- To agree the staffing resources for a new Central Grants Unit, to be funded from the individual grant programmes.
- To agree that the grant programme arrangements are reviewed in 2017/18 to align with City Bridge Trust's next quinquennial review.
- To agree the four overarching funding themes for the grant programme (for 2016-2018) which are proposed as; Stronger Communities; Education and Employment Support; Enjoying Open Spaces and the Natural Environment; and Inspiring London through Culture.
- Members are invited to consider whether to specify a geographical area for the consolidated grants programme or individual themes, or to leave this to the discretion of the decision making Committees as part of their agreement of grant eligibility criteria.
- To agree the allocation of funding across the four funding themes.

Main Report

Background

1. In May 2015, this Committee endorsed a revised overall approach to grant giving across the City Corporation. That report highlighted a set of core principles designed to drive a more consistent, coherent and co-ordinated approach. This report provides an update on the implementation of the review recommendations, with particular reference to these core principles.

Grants Programmes

2. Within the SBR Effectiveness of Grants report, fourteen grants programmes (including charities and trusts) were identified for potential inclusion into a consolidated, centrally administered programme. Further analysis of these programmes, their available funding and the practicality of them being administered centrally has now been undertaken.
3. Four programmes have been deemed out of scope:
 - Early Years Foundation Stage Programme This programme was agreed as a cost saving by the Community and Children's Services Committee under SBR proposals from the Director. The programme therefore no longer operates.
 - Estate Community Grants This scheme facilitates localised activities on City Corporation managed housing estates and the funding derives from the Housing Revenue Account which ring-fences funding for tenants and leaseholders.
 - Signor Pasquale Favale's Marriage Portion Charity The Port Health and Environmental Service Committee, which acts as trustee of the charity, considered that the historical importance of this bequest and the positive publicity it generates outweighed any benefit of merger or dissolution, and resolved that this bequest would continue to operate in its current format.
 - Open Spaces ad hoc grants Following further analysis, and consultation with the Open Spaces and City Gardens Working Party, arrangements have been made for these grants to be converted to a 'commissioned service' approach.
4. A further six grant programmes are under review. Should funding from these programmes become available for distribution at a later date, it will be proposed that it be incorporated into the centralised grants programme:
 - Community Small Grants Scheme. A review of the impact and outcomes of the existing grants scheme has been commissioned by Community and Children's Services following which a decision will be taken on whether this scheme will be incorporated into the centralised programme.
 - Emanuel Hospital
 - Ada Lewis Winter Distress Fund
 - Mansion House Staff Fund
The potential merger of these trusts is currently being investigated. An initial approach has been made to the Charity Commission and further proposals will be submitted in the next 4-6 months once the Trustees have been fully consulted.

- Sir William Coxen Trust Fund
 - The Vickers Dunfee Memorial Benevolent Fund
A merger of these trusts with external (i.e. non City of London Corporation) organisations with similar charitable purposes is being investigated.
5. Four grant programmes, with a combined annual budget of £893,127, remain immediately viable for centralised administration:
- Finance Grants Sub Committee (annual allocation from City's Cash)
 - Combined Relief of Poverty Charity
 - City Educational Trust
 - Combined Education Charity

Finance Grants Sub-Committee Current Financial Commitments

6. As agreed at the Finance Committee in January 2016, the Finance Grants Sub-Committee no longer has a grant management function. However, there are a number of on-going commitments remaining from decisions taken by that Sub Committee, totalling £632,304 per annum. These are listed in Appendix 1.
7. Following the principle of Committees having responsibility for grants relating specifically to areas within their remit, a reallocation of these commitments is proposed. Members are requested to review this suggested re-allocation shown in Appendix 1. As a number of the grants have no set review date, it is also proposed that the recipient Committee be requested to review each commitment, no later than December 2016, except in cases where a specific review date has already been agreed.

Resourcing

8. In accordance with the core principles, it is proposed that a new Central Grants Unit is established. This would be overseen by the Chief Grants Officer and be co-located within City Bridge Trust. Appendix 2 details the proposed initial staffing level for this unit, with a total cost of £97,829 per annum. These costs may reduce in the future, depending on the scope and scale of the service committee grant-making.
9. In order to fund the above staffing, a proportionate management fee would be deducted from all in-scope grant programmes to be administered by the centralised Grants Unit. The relevant Trustees will be required to agree the management fee to be deducted.

Overall Financial Position

10. Taking into account the annual budgets for the viable programmes, amounts proposed to be carried forward from 2015/16, ongoing commitments from the Finance Grants Sub Committee and the estimated costs of staffing the new Central Grants Unit, the funding available from the in-scope programmes for the next two financial years totals £529,215 (shown in Appendix 3). The period of two years has been set because it is proposed to review the new grant arrangements

after two years of operation to coincide with City Bridge Trust's next quinquennial review of finding priorities.

Strategic Funding Themes

11. In support of the recommendation to streamline the grants programming into consolidated themes which reflect the City Corporation's priorities, suggestions were made in the SBR Effectiveness of Grants report as to potential themes. These have been developed further in consultation with Chief Officers and are presented below for approval:

Funding Theme	Grant Decision Making Committee
Stronger Communities	Community and Children's Services
Education and Employment Support	Education Board (Joint governance with Community and Children's Services - to be confirmed)
Enjoying Open Spaces and the Natural Environment	Open Spaces and City Gardens
Inspiring London Through Culture	Culture, Heritage and Libraries

12. Each grant decision making committee will be requested to discuss and agree a list of sub-themes and eligibility criteria that correspond to the overarching funding themes. These will be informed by, and aligned with, City Bridge Trust best practice guidance.

13. Preliminary discussions were held at the Open Spaces and City Gardens Committee on 1st February 2016 with regards to the grants programme. Members requested that Policy and Resources Committee determine the geographical area to be included under the grants programme and whether the open spaces and natural environment theme should cover solely City Corporation managed Open Spaces or cover those wider afield.

14. If Members accept the recommendation for separate themes, it will be the responsibility of each decision making Committee to determine the detailed eligibility criteria for their theme. This will allow Members to take account of the differing nature of the current programmes, and provide greater discretion to the decision making Committees to tailor the themes to their priorities. Members may therefore wish to consider whether making a decision on the geographical scope for either the consolidated programme or individual themes is appropriate at this stage.

Allocation of Funding to Themes

15. The following table proposes how the funding noted in paragraph 10 might be allocated to the proposed funding themes. Funding from the City Educational Trust and the Combined Education Charity has been combined under the Education and Employment Support theme, making the allocation to this theme higher than the others. The remaining available funding has been split equally across the other three themes. The available funding has also been allocated

equally over two financial years, and staffing costs have been deducted on a pro-rata basis.

Funding Theme	2016/17	2017/18	Total
Stronger Communities	£52,429	£52,429	£104,858
Education and Employment Support	£107,321	£107,320	£214,641
Enjoying Open Spaces and the Natural Environment	£52,429	£52,429	£104,858
Inspiring London through Culture	£52,429	£52,429	£104,858
Total	£264,608	£264,607	£529,215

16. An alternative funding allocation option that could be considered by Members would be for one or two of the funding themes to be selected by Members on an annual basis to receive the available funding. Funding themes could then be changed according to priorities in the following year. Any proposed revisions to the funding allocations should take into account the overall financial position as set out in Appendix 3.

Appendices:

- 1) On-going grants/payments previously agreed by the Finance Grants Sub Committee
- 2) Proposed resourcing of the Central Grants Unit
- 3) Overall Financial Position

Background Papers:

- Policy and Resources Committee 28 May 2015: *Grant Giving - Report of cross-cutting Service Based Review*
- Policy and Resources Committee 19 November 2015: *Grant Giving – Update on cross-cutting Service Based Review*

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