

<b>Committee</b> Resource Allocation Sub-Committee Policy and Resources Committee	<b>Dated:</b> 16 <sup>th</sup> March 2017
<b>Subject</b> Central Grants Programme (CGP) Resourcing and Management Fee 2017/2018	<b>Public</b>
<b>Report of:</b> Chief Grants Officer	<b>For Decision</b>
<b>Report author:</b> Scott Nixon, Head of Projects, City Bridge Trust	

### Summary

In October 2016, the Policy and Resources Committee received a report and endorsed an approach which allowed City Bridge Trust (CBT) to second staff in to manage the CGP until 31st March 2017; and agreed an interim resource of up to £41,000 to support the Central Grants Unit (CGU) during this time (equivalent to 10% of the CGP's total budget allocation).

As this was a pilot project, it was agreed that a follow up report would be submitted to this Committee in March 2017 to approve the staffing and resources for 2017/2018 and the management fee for the CGP. This was to allow time for one pilot grant-round to take place per funding theme and therefore for a more accurate assessment of resource requirements to be captured and presented to this Committee.

During the four month period (October 2016 to January 2017) a time recording system has been implemented by the CGU so that each individual grant programme can be recharged for the actual time and resource spent by CBT Officers.

Members are asked to agree that the CGU can recharge up to £60,000 to manage the CGU over a 12 month period (1 April 2017 - 31 March 2018). This figure takes into account the fact that six grant rounds will be delivered in 2017/2018 (as opposed to four in the six month pilot) and that additional grant monitoring and evaluation costs will be incurred during 2017/2018. The management fee to be charged to each of the four grant-giving committees will be kept within a 10% to 15% of their grants budget allocation.

All four grant giving committees (Culture, Heritage and Libraries, Community and Children's Services, Education Board and Open Spaces and City Gardens) agreed that the Policy and Resources Committee could approve the proportionate management fee to be charged by the CGP for their respective funding theme.

### Recommendations

- a) To agree to continue to second staff from CBT to manage the CGP, for a one year period (April 2017 – March 2018).
- b) To agree that the CGU can recharge up to £60,000 to manage the CGU over this 12 month period.
- c) To note that an evaluation report of the CGU pilot will be submitted to this Committee in December 2017 to agree the 2018/2019 delivery approach.

## Main Report

### Background

1. In March 2016, the Resource Allocation Sub-Committee and the Policy and Resources Committee received a report outlining the work that had been undertaken to date to implement the recommendations of the Effectiveness of Grants Service Based Review (SBR). The aim of the review 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 report recommended a consolidated CGP be implemented (while maintaining principal funding streams separately e.g. CBT activities and this Committee's Policy Initiatives Fund).
2. In order to manage the CGP effectively a new CGU was proposed to manage all grant applications, monitoring and evaluation processes and Committee reporting procedures.
3. It was agreed that the CGU would be co-located within CBT in order to facilitate consistency of approach and harmonise service standards. The Chief Grants Officer, whose responsibility includes the grant-making activities of CBT, maintains an overview of the CGU, with relevant input from the Head of Charity and Social Investment Finance within the Chamberlain's Department.
4. In October 2016, Members of this Committee received a report and endorsed an approach which allowed CBT to second staff in to manage the CGP until 31st March 2017; and agreed an interim resource of up to £41,000 to support the CGU during this time (equivalent to 10% of the CGP's total budget allocation).
5. It was agreed that a full report would be submitted to this Committee in March 2017 to approve the staffing and resources for 2017/2018 and the management fee for the CGP. This was to allow a decision on resourcing to be based on a more accurate assessment of resource requirements with some grant rounds having been delivered.

### Current Position & CGP Management Fee proposal 2017/2018

6. At the time of this report, only two of the four grant rounds will have taken place for the 2016/2017 programme. The remaining two grant-giving Committees will have convened to award funds by the end of March 2017.
7. Between October 2016 and January 2017 (4 months of the agreed pilot), based on the CBT officer time recording system /overheads incurred, £18,000 of the agreed maximum of £41,000 will be recharged by the CGU to the CGP. Therefore, based on current forecasts, it is expected that approximately £32,000 would be charged for the first 6 month pilot.
8. The number of grant rounds to take place in 2017/2018 has been provisionally agreed by each grant-giving committee, as laid out below:

<b>Funding theme</b>	<b>Number of grant rounds*</b>
Inspiring London through Culture	2
Stronger Communities	1
Enjoying Open Spaces and the Natural Environment	1
Education and Employment	2

\*Note: If all the funds available within this financial year are not distributed in the agreed number of grant rounds, an additional grant round may be implemented at the request of the grant-giving committee.

9. The funding available for 2017/2018 will be less than that in 2016/17 (which benefited from a significant carry forward of funding from previous years). Therefore, the CGU will ensure that as high a proportion of the available funds as possible is distributed as grants in 2017/18 without compromising the agreed due diligence processes and procedures of the CGU.
10. Additional time will be required by the Senior Grants Officer in 2017/2018 to monitor and evaluate grants awarded in the previous financial year.
11. The gross budget for the CGP, prior to the deduction of CGU management fee, in 2017/2018 is shown below.

<b>Grant Themes - Sum available including carry forward.</b>	<b>2017/18</b>
Stronger Communities	63,931*
Inspiring London through Culture	84,931
Open Spaces	42,331*
Stronger Communities - Combined Relief of Poverty (1073660)	7,696
Education and Employment - City Educational Trust Fund (290840)	191,991
Education and Employment - Combined Education Charity (290129)	45,666
<b>Total grants budgets including carry forward</b>	<b>436,547</b>

\* The Stronger Communities and Enjoying Green Spaces and the Natural Environment figures provided are based on maximum amounts that could be awarded based on the applications received to-date. These figures will be updated after the grant-giving committees have assessed the applications.

12. It is assumed that the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee will approve the carry forward of any City's Cash underspend from 2016/2017.
13. To support these grant rounds, it is proposed that the Senior Grants Officer continue to be seconded in from CBT until 31st March 2018. The expertise and management time of the Chief Grants Officer and Head of Charity and Social Investment Finance will also be drawn upon.
14. During this period the time recording system will continue to be implemented by the CGU so that each individual grant programme can be recharged for the actual time and resource spent by CBT officers. CBT will backfill their grants team to ensure there is no adverse impact on its own resources and delivery of CBT's activities in furtherance of Bridge House Estates' (1035628) charitable purposes and policy objectives.
15. Members are asked to agree that the CGU can recharge up to £60,000 to manage the CGU over a 12 month period (1 April 2017 - 31 March 2018). This figure takes into

account the fact that six grant rounds will be delivered in 2017/2018 (as opposed to four in the six month pilot) and that additional grant monitoring and evaluation costs will be incurred during 2017/2018.

16. Based on experience to-date, the management fee to be charged to each of the four grant-giving committees should be kept within a 10% to 15% of their grants budget allocation.
17. Should the time spent by the CGU exceed the approved cap, a proposal to increase the management fee will be submitted to the Chairman and Deputy Chairman of the Policy and Resources Committee to approve by delegated authority (and, if agreed, will be deducted from the CGP budget allocation for financial year 2017/2018); and, in the case of each of the charities affected, that decision will be taken having regard to the efficient and effective administration of those charities and that the City Corporation has an obligation as the trustee in each case to act in the best interests of the charity.
18. Similarly, should the time and resource requirements of the CGU decrease over time, the level of staffing, resource and the associated management fee will be reduced accordingly by the Chief Grants Officer.

### **Background Papers**

- Policy and Resources Committee, March 2016, 'Implementation of Grants Review'

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