

APPENDIX 1

Committee	Dated:
Resource Allocation Sub –Committee	Urgency
Subject: Carry forward of uncommitted grants budget 2016/17	
Report of: Chief Grants Officer & the Chamberlain	For Decision

Summary

The City of London Corporation's charitable funder, City Bridge Trust (CBT) is now London's largest independent grant-maker. CBT has been increasing the strategic approach to its grant making including more longer-term, proactive grants developed in partnership with experts and based on evidence of need.

This approach has been taken in respect of 80% of the additional money agreed for grant-making as a result of CBT's 20th Anniversary: with detailed plans having been developed and agreed by the CBT Committee to focus grants on the employability of disabled people and those with mental health issues; and also improving the resilience of London's voluntary sector (infrastructure support). The remaining 20% has been committed to charities through the core Investing in Londoners (IIL) grants programme.

To deliver these plans and commit the funding allocation to the expert charities selected as grant recipients, this report recommends the approval of the carry-forward of the remainder of the 20th Anniversary grant funding (agreed by Court but uncommitted as yet to specific charities) of £4,448,000 to the 17/18 financial year. This is being requested under urgency to enable the CBT Committee to agree detailed 5 year grant proposals at its May and July 2017 committee meetings.

As part of CBT's 5 year strategic review to inform the 2018-2023 grant spend, consideration is being given as to how the approach to the grants budget might be improved to better support the delivery of high impact, longer-term grants: a detailed paper for the CBT Committee and Resource Allocation Sub Committee (RASC) is proposed.

Recommendations

Members are asked to:

- a) Approve that the balance of uncommitted funding available to CBT for the Anniversary programmes, supporting Employability and Infrastructure Support, of £4,448,000 be carried forward to the financial year 2017/18; and
- b) Note that a paper will be presented to the CBT Committee and the RASC during 2017/18 to propose how the treatment of the grants budget might be improved to better support the delivery of longer-term, high impact grant-making.

Background

1. CBT is the charitable funding arm of the charity, Bridge House Estates, of which the City of London Corporation is the sole corporate trustee. A policy, approved by the Court of Common Council and based on consultation and evidence of need, sets out the spending parameters of the charitable funding.
2. As London's largest independent grant-maker, CBT works to ensure it has the most impact with its charitable spend. Over the past three years CBT has moved to a more strategic approach to its grant-making: with Court approval, it can now make longer grants (up to 5 years, and exceptionally 10 years) and has also increased the proportion of its grants budget available for 'proactive' grant-making – i.e. grants worked up with invited partners, informed by the core investing in Londoners grants programme, to target specific issues.
3. Against this back drop of increasing CBT's strategic focus, in July 2015, in CBT's 20th Anniversary year, the Court of Common Council agreed an uplift to the CBT core grants budget, equating to an extra £3m in 2015/16; £4m in 2016/17; and £5m in 2017/18. As set out in table 1 below, these additional funds were to be used to provide a 20% uplift in the core IIL grants programme; 40% for strategic grants to support the most disadvantaged into work; and 40% to support strategic grants to strengthen charities in London (e.g. improving their governance, financial and fundraising skills.).

4.

Table 1: Anniversary funding

	2015/16	2016/17	2017/18	Total
	£	£	£	£
Employability programmes	1,200,000	1,600,000	2,000,000	4,800,000
Infrastructure support	1,200,000	1,600,000	2,000,000	4,800,000
Subtotal	2,400,000	3,200,000	4,000,000	9,600,000
Core IIL grants budget	600,000	800,000	1,000,000	2,400,000
Total	3,000,000	4,000,000	5,000,000	12,000,000

5. In 2015/16:

- a. The IIL core budget was therefore increased by £600,000 and the allocation was fully committed;
- b. CBT began work to determine how best to deploy the resources focused on employability. Mindful of its trustee's work in this area and wishing to make the most impact with the charitable funds, CBT contributed to the development of a City of London Employability Strategy to ensure any grant-making was complementary to this, based on the same analysis of needs. During this development time, no funds were committed.
- c. CBT also began work to determine how best to deploy the resources focused to strengthen charities in London: Pan London research, 'the Way Ahead' was commissioned and recommendations developed with

key stakeholders, including leading charities, London Councils, and London Funders. During this development time, £350,000 was committed towards London's voluntary sector infrastructure support.

- d. The balance of £2,050,000 for the 2 areas referenced in 5b and 5c above was agreed to be carried-forward as part of the 15/16 year-end process.

Current position

6. In 2016/2017:

- a. The IIL core budget was increased by a further £800,000 and the allocation was fully committed;
- b. The plans to deploy the additional monies focussed on employability and support for London's charities were further developed in partnership with key stakeholders across London. Commitments of £65,000 were agreed by CBT in respect of this work during the course of the year and plans as to future spend were considered and agreed by the CBT Committee in March 2017 (see Table 2 below for a more detailed breakdown of the allocation of the money against the programme elements and the sums committed):

Table 2: Allocation of anniversary funding

Employability programmes 2015 - 18:		£
Bridge to Work - supporting young disabled Londoners to get into work & maintain employment		3,300,000
Supporting predominantly young people with mental health issues into and in employment		1,500,000
Funding available		4,800,000
Funds committed in 16/17 - Mental Health programme		(65,000)
Yet to be allocated - employability		4,735,000
Infrastructure support 2015 - 18		
The Bridge Fund - short term funding for key infrastructure bodies as a result of the withdrawal of funding from London Councils		1,000,000
The Cornerstone Fund - support for a pan-London strategic fund, working with other funders and key stakeholders, to support the infrastructure underpinning London's civil society		3,000,000
Other developments arising		800,000
Funding available		4,800,000
Funds committed in 15/16 - voluntary sector support		(350,000)
Funds committed in 16/17 - The Bridge Fund		(737,000)
Yet to be allocated - infrastructure support		3,713,000
Total yet to be allocated		8,448,000
Funding Balance:		£
2015/16		1,248,000
2016/17		3,200,000
Subtotal requested for carry-forward		4,448,000
2017/18		4,000,000
Total anniversary programmes yet to be allocated		8,448,000
Funding previously committed		1,152,000
Total Employability/Infrastructure support funding (per Table 1)		9,600,000

7. This paper requests that the balance of funding allocated in 15/16 and 16/17 of £4,448,000 be approved for carry-forward to enable the work undertaken to date on these programmes to be continued. Significant awards are planned to be made at the May CBT Committee, which takes place prior to the normal annual cycle for agreement of carry-forward budgets.

Proposal for a change in treatment of grants budgets

8. Up to 2015/16, CBT focussed on shorter term grant funding. Grants approved covered a 1-3 year funding timeframe, with pre-award discussions taking place over several months. With increased strategic focus and the provision of an increasing grants budget, CBT is now in a position to consider funding

higher value programmes that will have significant reach and impact over a longer time period. Such programmes require investment in upfront analysis by the team, external experts, collaboration and feedback from Members to inform plans. A further period is then required in specific discussions with potential partners, to determine where the approach and skills needed to achieve the required outcomes exists. The final stage involves undertaking financial assessments of the selected partners, to ensure that they meet CBT's risk criteria.

9. Developing these higher value, impactful, longer-term grants may lead to lengthy periods of time between the allocation of funding to CBT, and the commitment (or spending) of these funds. An annual grant allocation followed by decisions on carry forward in the second quarter of the subsequent financial year is not the most efficient or effective way to support this approach.
10. As part of CBT's 5 year strategic review to inform the 2018-2023 grant spend, consideration is being given as to how to ensure the best possible governance and operational management to support delivery of the strategy. Within this context, consideration is being given to how the approach to the grants budget might be improved to better support the business to deliver high impact, longer-term grants: early work indicates that recommended improvements may include considering the grants budget akin to a capital budget which supports the delivery of a 5 year strategy and the establishment of a designated reserve within Bridge House Estates balance sheet for grant-making.
11. Officers will produce a detailed paper to present to the CBT Committee and Resource Allocation Sub Committee, in financial year 2017/18, setting out proposals for improvements in the future treatment of the grants budget.

Conclusion

12. CBT, as a result of the anniversary funding allocated across 3 financial years from mid15/16, is currently planning and delivering long-term programmes relating to Employability and Infrastructure Support. To enable this work to continue in line with scheduled plans, approval for a carry-forward of funding from 15/16 and 16/17 is required ahead of its May Committee.
13. To enable seamless continuation of long-term grant giving programmes, a proposal to consider the grants budget in a way which better supports the business purpose (potentially more akin to a capital budget) will be worked up and presented to Committee later this financial year.