

<b>Committee</b> Education Charity Sub (Education Board) Committee	<b>Dated:</b> 21st November 2017
<b>Subject</b> Grant Recommendations – City Educational Trust Fund (290840) & City of London Corporation Combined Education Charity (312836)	<b>Public</b>
<b>Report of:</b> Chief Grants Officer	<b>For Decision</b>
<b>Report author:</b> Jack Joslin, Central Grants Programme	

### Summary

The City of London Corporation is the sole corporate trustee of the following two small charities which operate to further education for the public benefit: the City Educational Trust Fund (290840) and the City of London Corporation Combined Education charity (312836).

Following a review of the City Corporation's grant-making activities, the City Corporation, as charity trustee of each charity, has resolved that it is expedient and in the best interests of those small charities for their funds to be applied within the administrative framework of the City Corporation's new Central Grants Programme (CGP) which opened to applications in July 2017. Operating within the charitable objects of each charity, a policy has been set to guide the application of those funds under an 'Education and Employment' funding theme and this Sub-committee has been given delegated authority to make grants in accordance with the agreed eligibility criteria. Those policies remain under review. **(Appendix 1)**

The second closing date for the 'Education and Employment' theme grant applications under the Central Grants Programme was on 29 September 2017. These applications have been assessed and this report makes recommendations in respect of funding awards from both charities **(Appendices 3 and 4)**.

### Recommendations

- To note the Central Grants Programme assessment process, eligibility criteria and budget.
- To note that no applications are recommended for funding from the City of London Corporation Combined Education Charity at **Appendix 3**
- To review the recommendations for grant funding from the City Educational Trust Fund at **Appendix 4** and to make funding decisions.

### Main Report

#### Background

1. Following the corporate cross-cutting review of grant-making by the City Corporation in 2015/16, responsibility for the management of the City of London

Corporation Combined Education Charity (Combined Education Charity) (312836) and the City Educational Trust Fund (290840) has been delegated to the Education Board, subject to consulting with the Community and Children's Services Committee as to any policy to be adopted for the application of each charity's funds, it being considered to be expedient and in the best interests of each charity that they be administered by the City Corporation as trustee through a centrally managed grant-making programme. The City Corporation, as trustee of each charity, in delegating the exercise of these functions also resolved that this sub-committee should be established with membership drawn from both Grand Committees and which takes grants decisions for each charity.

2. On 20 July 2017 the Education Board, upon the recommendation of this Sub-committee and following consultation with the Community and Children's Services Committee on 14 July 2017, agreed a new policy (or criteria) for the application of funds from the Combined Education Charity and City Educational Trust Fund that aligned the charities' activities more closely to the aims of the City Corporation's Education Strategy. This was considered to be in the best interests of each charity as those charitable funds would be able to leverage greater grant-making impact in supplementing other compatible activity being undertaken by, or with the support of, the City Corporation.
3. The current eligibility criteria for both charities, together with the charitable purposes of each, are provided at **Appendix 1**. These policies remain under review to ensure that they remain effective in supporting the relevant charity's objectives. Where a policy is found to be too restrictive in practice, a charity's trustee/s should consider whether the policy should be reviewed and/or if discretion should be exercised to depart from that policy in individual cases so that the trustee/s can meet their duty to carry out the trusts of the charity i.e. for these charities, to apply the funds by way of grants to further the relevant charity's purposes for the public benefit.

### **Central Grants Assessment Process**

4. The Central Grants Unit (CGU) grant assessment process draws on City Bridge Trust's expertise in the field of charitable grant-making and demonstrates good practice in the sector. Due diligence checks are undertaken by the CGU to ensure any application recommended for approval meets the proposed funding charity's objects and complies with the agreed eligibility criteria. A copy of the standard checklist for both charities is provided at **Appendix 2**.
5. Recommendations to this Sub-Committee are based on an assessment of how well applicants have demonstrated that their application aligns with the relevant charity's criteria, the required evidence to support the application having been provided, and a satisfactory financial assessment by the Head of Charity and Social Investment Finance in the Chamberlain's Department.
6. All individual applicants to the Combined Education Charity are requested to provide proportionate information regarding their personal circumstances to evidence need. The criteria provide that exceptional applications from individuals may be considered on provision of proof that the applicant cannot access funds elsewhere ("the exceptional circumstances" criteria). The information provided in

support of the application is then assessed, in addition to the matters noted above, in line with the Joseph Rowntree Minimum Income Standards.<sup>1</sup>

7. The deadline for applications received under the 'Education and Employment' theme of the CGP (second funding round) was 29 September 2017. All were assessed by the Senior Grants Officer overseeing the CGP in the four week period following the closing date. Additional benchmarking of applications has taken place in consultation with Officers in the Education Team in the Community and Children's Services Department.

### **Combined Education Charity**

8. The Combined Education Charity received a total of 12 applications. One application has been received from a Charity and 11 applications from individuals (with a disproportionate amount of time spent assessing these individual applications). An overview of all applications recommended for approval, rejection or which were withdrawn is provided as **Appendix 3**.
9. The Combined Education Charity received applications totalling £72,523.84. The current funds remaining for distribution in this financial year are £40,846 none of which have been committed so far this financial year. Taking into account the maximum 12%<sup>2</sup> (£4901.52) management fee for CGU support which may be charged to the charity at the end of the financial year, it is recommended that this Sub-Committee allocate no more than £35,945 in this round
10. However, following an assessment of all the applications received, all the applications from individuals have been recommended for rejection as they fall outside the eligibility criteria, or were otherwise not suitable for funding. Officers have identified four applications where the applications could have been supported but for the fact they did not comply with the strict eligibility criteria, as all of these individuals have access to additional funding support or have not provided proof that they do not. (Refer paragraph 6 above and Appendix 1, page 2.) In the absence of any other suitable applications for funding from the charity, and as those applications otherwise comply with the objects of the charity, meet all other aspects of the eligibility criteria and as the applicants have provided evidence of need, officers consider that the proposed grants would be an appropriate use of funds but for the fact they do not meet the "exceptional circumstances" criteria.
11. As all these applications fall outside the strict eligibility criteria which have been agreed as a matter of policy by the Education Board, which criteria do not currently provide for the exercise of any discretion by the Sub-Committee, should the Sub-Committee be supportive of those applications for funding the decisions can be referred up to the Grand Committee which could then consider whether to exercise its discretion to depart from the published criteria in these cases for the reasons given above, should they consider it to be in the best interests of the

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<sup>1</sup> The Minimum Income Standard for the UK shows how much money people need, so that they can buy things that members of the public think that everyone in the UK should be able to afford.

<sup>2</sup> Once the full extent of time spent by the Central Grants Unit is known, should the fee be less than the 12% stated, both the Combined Education Charity and City Education Trust Fund will be reimbursed, and the funds made available for the 2018/2019 funding cycle.

charity to do so in each case. Alternatively, the Sub-committee could refuse these applications at this meeting on the basis they do not fall within the criteria and instead consider recommending to the Grand Committee that the policy is reviewed. A further meeting of the sub\_committee could also be called before the end of the financial year and more active steps taken to seek applications which fall within the policy, say from individuals attending secondary schools which, unlike in cases of further an higher education, an individual attending a maintained or academy school is less likely to be in receipt of funds (say by way of scholarships or bursaries).

### **City Educational Trust Fund**

12. The City Educational Trust Fund received a total of six applications for funding. The Senior Grants Officer assessment report for the recommended rejected and withdrawn applications are provided at **Appendix 4**.

13. The City Educational Trust Fund received applications totalling £95,808. The current funds remaining for distribution in this financial year are £153,573 none of which have been committed so far this financial year. Taking into account the maximum 12%<sup>3</sup> (£18,429) management fee it is recommended that this Sub-Committee allocate no more than £135,144 in this round.

14. Following assessment by the Senior Grants Officer, it is recommended that this Sub-Committee approve four funding applications totalling **£63,725**.

### **Conclusion**

15. This report asks Members, for the City Corporation's as charity trustee of the Combined Education Charity and the City Educational Trust Fund, to consider the funding applications which have been assessed and which are now recommended for approval.

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### **Appendices**

Appendix 1: Eligibility Criteria – The City of London Corporation Combined Education Charity and the City Educational Trust Fund.

Appendix 2: Due Diligence Checklist for Combined Education Charity and City Educational Trust

Appendix 3: The City of London Corporation Combined Education Charity – Grant Recommendations

Appendix 4: The City Educational Trust Fund – Grant Recommendations

### **Background Papers**

- Report and Minute of the Community and Children's Services Committee, Item 12, 14 July 2017.

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<sup>3</sup> Once the full extent of time spent by the Central Grants Unit is known, should the fee be less than the 12% stated, both the Combined Education Charity and City Educational Trust Fund will be reimbursed, and the funds made available for the 2017/2018 funding cycle.

- Report and Minute of the Education Board, Item 10, 20 July 2017.