

<b>Committee</b> Resource Allocation Sub-Committee Policy & Resources Committee	<b>Dated:</b> 15/03/2018 15/03/2018
<b>Subject</b> Review of the Central Grants Programme	<b>Public</b>
<b>Report of:</b> Chief Grants Officer	<b>For Decision</b>
<b>Report author:</b> Jack Joslin, Senior Grants Officer, Central Grants Unit	

### Summary

In March 2016, the Resource Allocation Sub-Committee and the Policy and Resources Committee agreed recommendations of the Effectiveness of Grants Service Based Review (SBR): 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 reputational benefits. A consolidated Central Grants Programme (CGP) run by a Central Grants Unit (CGU) housed within City Bridge Trust (CBT), drawing on core expertise, were key recommendations adopted by way of a two-year pilot.

The Finance Grants and Performance Sub-Committee (FGOPSC) who oversee the programme requested an evaluation report of the pilot be submitted to the Policy and Resources Committee in March 2018 to inform any future delivery. Officers proposed that the evaluation be undertaken independently: a company called Rocket Science were commissioned ([www.rocketsciencelab.co.uk](http://www.rocketsciencelab.co.uk)). The full report (Appendix 1) outlines how the pilot has effectively implemented a transparent and professional grants process and makes key recommendations. The recommendations in the report were considered by the FGOPSC on 21<sup>st</sup> November 2017.

The sub-committee agreed to recommend Option 3 of the report to the Policy and Resources Committee for approval. Option 3 is to maintain the structure of the CGP and look to develop and expand its scope. The sub-committee also noted the overall reduction in the grants budget available from City's Cash and the scale at which the CGU is viable. The sub-committee agreed to recommend that the City's Cash contribution available to the CGU for distribution in grants should be uplifted to an amount equivalent to 20% of the current overall City's Cash Grants Budget on an annual basis, with a total amount of £250,000 proposed. This would enable the CGU to deliver a successful grants programme going forward and improve the economies of scale.

### Recommendations

1. To agree that the CGP is implemented on a permanent basis with effect from 1<sup>st</sup> April 2018.
2. To agree that the City's Cash contribution available to the CGU for distribution in grants should be uplifted to £250,000 on an ongoing basis, being an uplift of £91,000 for 2018/19.
3. To note the uplift of £10,000 applied to operating costs of the CGU for 2018/19 and agree that the CGU continue to charge a proportionate management fee to Charities that fall under the programme.

4. To agree to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve that any underspends on other grant budgets held within City's Cash be considered for transfer to the CGU for equal allocation to the three City's Cash funding themes or to be allocated for specific charitable purposes elsewhere.

## **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 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.
2. In order to manage the CGP effectively a new CGU was proposed by way of pilot and subsequently approved by the Resource Allocation Sub-Committee and the Policy and Resources Committee 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. The FGOPSC was tasked with scrutinising the effective implementation of the programme.
4. In March 2017, the Policy and Resources Committee received a report and endorsed an approach which allowed CBT to second staff in to manage the CGP until 31st March 2018; and agreed an interim resource of up to £50,000 from City's Cash to support the CGU during this time.
5. CBT seconding a Senior Grants Officer (SGO) to manage the CGU has progressed the following:
  - a) The standardisation and centralisation of grant-making activity for all in scope charities and funding programmes.
  - b) The CGU becoming the single point of contact across the CoLC for grant management advice and guidance, developing an overview of all charitable activity that can be called upon by Officers and Members.
  - c) Good practice in grant management being instilled/re-enforced within those departments with grant making responsibilities.
  - d) Robust and transparent due diligence procedures being implemented, which has reduced the likelihood of any reputational damage.
  - e) That there is a link with the wider CBT charitable funding team, drawing on their expertise to ensure complex issues are swiftly resolved.
6. As this is a 2-year pilot project, the FGOPSC agreed that an evaluation be undertaken to inform recommendations for any on-going delivery approach of the CGP.

## **CGP Evaluation**

7. In September 2017, Rocket Science was commissioned by the CGU to undertake an evaluation of the 2-year pilot and reviewed the CGP, its processes and its decision-making structures. The evaluator spoke with Members, Principal Officers that lead the Officer Decision Panels and CBT officers that oversee the CGP.
8. The evaluation report is attached at Appendix 1. The key findings of the evaluation are set out below:
  - a) Outsourcing to the CGU, overseen by the CBT has been worthwhile, bringing transparency, grant making expertise and professionalism to the process;
  - b) The process that has been put in place, though bringing clear benefits, is resource-intensive for the level of funding involved;
  - c) A more consistent approach to Members' involvement would be beneficial to improve efficiency;
  - d) The budget available is not clear to many of those involved;
  - e) If the CGP were retained, a longer-term, more strategic view should be determined.
9. Members of the FGOPSC met in November 2017 and considered these findings, future options and agreed to recommend that the CGP be made permanent. This would allow the CGU to develop its scope and programmes further, FGOPSC also recommended the following details:
  - a) To consult the charities for which the City of London is trustee or is otherwise associated, and City Corporation departments to investigate the opportunities of the CGU managing their grant making processes.
  - b) To continue to second a SGO from CBT to manage the CGP for 3 days a week and secure additional resource for 2 days a week of a CBT Grants Officer to minimise the key person risk and assist with the development of the programme. Additional support will be provided by CBT Grants Assistants and a City of London Apprentice.
  - c) To continue to deliver the three City's Cash Grants programmes (Stronger Communities, Enjoying Green Spaces and Inspiring London through Culture) it is requested that the Resource Allocation Sub-Committee approve that additional resources are allocated to ensure that these programmes can be delivered successfully and developed in consultation with the departmental officers and the decision-making committees.

## **Financial Information**

10. Appendix 2 first outlines funds available for distribution through the CGU in 18/19 and demonstrates the proposed scale of the programme, including the requested uplift to the City's Cash budget, to ensure that the three City's Cash programmes are sufficiently resourced on an ongoing basis.
11. Appendix 2 secondly outlines the City's Cash Grants Budget allocation from 2015/16 to 2018/19. Members will note that the contribution to the CGU sat at 20% of the overall budget at the inception of the CGP. The Forecast for 2018/19 outlines how this has reduced to 13% of the overall budget equating to £53,000 for each of the above grant programmes.

12. Members are requested to approve an uplift to the CGU element of the City's Cash Grants Budget to enable this to equal £250,000 annually, being an uplift of £91,000 for 2018/19, and equates to approximately 20% of the budget in that year. This uplift will ensure that the CGP has appropriate resources to deliver successful grant programmes in the future, outlined in Appendix 2.
13. Members are further requested to note the uplift of £10,000 applied to the operating costs of the CGU, included with the approved CBT budget for 2018/19. This amount is supplemented by contributions from COL Charities that the CGU supports.
14. Members are requested to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee to approve that any underspends on other grant budgets held within City's Cash be considered for transfer to the CGU for equal allocation to the three City's Cash funding themes or to be allocated for specific charitable purposes elsewhere.

## **Appendices**

- Appendix 1 – CGP Evaluation report
- Non-Public Appendix 2 – CGP – Income available for distribution

## **Background Papers**

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

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