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| Committees | Dated: |
| City Bridge Trust (CBT) Committee – For decision Policy and Resources Committee – For decision Court of Common Council – For information | 2 nd May 2018 |
| Subject: Philanthropy Strategy | Public |
| Report of: Chief Grants Officer & Director of City Bridge Trust (CGO) | For Decision |
| Report author: Fiona Rawes, Head of Philanthropy Strategy | |

Summary

This paper provides:

- the draft Philanthropy Strategy for your consideration and approval together with the underpinning rationale. Cognisant of the Bridge House Estates' charitable funding strategy (2018-2023), Bridging Divides, and the City of London Corporation (CoLC)'s Corporate Plan (2018-2023), the recommendations are that we should focus CoLC and CBT's combined efforts. By role-modelling, supporting and amplifying higher impact and/or higher value philanthropy to enable individuals and communities will thrive, especially those experiencing disadvantage and marginalisation.
- Details of proposed next steps, in particular the development of a subsequent implementation plan.

Recommendations

Members are asked to:

- a) Approve the strategy set out in the 'Proposals' section (with a summary set out in Appendix 4)
- b) Review the proposed next steps set out in Paragraph 19 and provide your feedback on the proposals outlined, including how you would like to engage with/be updated on progress with these in the coming weeks.

Main Report

Background

1. At your September 2015 meeting, a report was presented setting out the broad range of philanthropic activities supported by CBT to encourage more philanthropy (the giving of time, money, talent and other assets).
2. As a result of the report, you resolved to commission an independent review to look at the effectiveness of the various strands of work supported by CBT and to make recommendations for CBT's future strategic direction in this arena.
3. Rocket Science were therefore commissioned to undertake this review and the CBT Committee reviewed the recommendations of their final report in July 2016. These included a recommendation to appoint a Head of Philanthropy Strategy to develop and deliver a new, joint philanthropy strategy for CoLC and CBT.
4. In October 2017, Fiona Rawes joined as the Head of Philanthropy Strategy and initiated a strategic review: this drew on the Rocket Science findings alongside further internal and external consultation, and analysis of our operating context.
5. These have created the foundations for this Philanthropy¹ Strategy set out below.

Current Position

1. CoLC and its associated charities enjoy a proud track record of philanthropy, donating around £55 million p.a.² to charitable causes of which c.£20 million p.a. is given through CBT. Appendix 1 sets out more detail.
2. The need to encourage more philanthropic giving is perhaps greater now than it has been for some time. In the context of Brexit, a shrinking state and significant public sector funding cuts, there is much uncertainty about what the future holds for London and the UK, and the organisation and funding of civil society within it. Appendix 2 provides more detail on our external context.
3. Detailed consultation has been undertaken with
 - a range of senior external stakeholders³

¹ The giving of money, time, talent and other assets.

² CoLC Responsible Business Survey Key Findings and Recommendations B Lab UK 31st March 2017

³ *Esmee Fairburn, Big Lottery, Charities Aid Foundation, Association of Trusts and Charitable Foundations, Centre for London, The Mayor's Fund, The Mayor's Philanthropy Strategy team, Harvey McGrath, Matthew Bowcock, The Philanthropy Collaborative, the Marshall Institute for Philanthropy, Trust for London, Islington

- Members and Senior Officers including the Chief Officers' Group and the Summit Group.
 - Key internal teams and associated charities (Heart of the City and the Lord Mayor's Appeal).
4. The detailed findings from the external consultation are set out in Appendix 3. They reveal some common themes around the unique positioning of CoLC and its associated charities, the need for greater alignment and coherence across the different workstreams and asks, and the scope for strategic partnerships – whether with independent funders or with businesses - around key issues and localities. This feedback also echoes the findings of the more comprehensive review undertaken by Rocket Science in 2016.
 5. Your Head of Philanthropy Strategy used this external feedback to generate a first draft of the proposed strategy which was then tested with key internal teams and partner charities. Common themes from the feedback were as follows:
 - Ensuring that the strategy has an inspiring and aspirational Vision and Mission
 - Ensuring that the outcomes underpinning the Vision and Mission are tangible and measurable and that any gains/deficits emerging are clearly attributable to our engagement
 - Striking an appropriate balance between the need to be pioneering with identifying and building on what works
 - Recognising the assets and value of civil society organisations, not least in the management of volunteer time and skills
 - Framing potential relationships between businesses, government and civil society as highly mutually reinforcing
 - Being sensitive to the power imbalance which can exist between philanthropists and recipients and designing a strategy which addresses this robustly.
 - Being sensitive, in the field of social mobility, to the imbalance in the social mobility benefits for people in London vs the rest of the UK and ensuring that CoLC/CBT partner effectively to contribute to a national uplift.
 6. Questions were also raised by internal teams around the governance of this strategy, not least the impact for associated charities such as Heart of the City and The Lord Mayor's Appeal (TLMA) who have separate boards, priorities and fundraising imperatives.
 7. Finally, there was useful debate on the value in promoting philanthropy regardless of what it focused on (ie 'cause agnostic') vs promoting philanthropy with a clear social purpose, with a strong preference in favour of the latter.

Proposals

8. A one page summary of the strategy is set out in Appendix 4.
9. **Scope of the strategy:** given this feedback, we have an exciting opportunity to develop an overarching strategy which binds the relevant elements of CoLC's corporate plan with CBT's "Bridging Divides" strategy and aligns much more explicitly with those of related charities such as TLMA and Heart of the City.
10. It is proposed that **the term of this Philanthropy strategy** should align with that of the Corporate Plan and the 'Bridging Divides' Strategy ie from the point of approval in 2018 to March 2023.
11. **The vision for the Philanthropy Strategy** is that, as a result of higher impact and higher value philanthropy, individuals and communities thrive, especially those experiencing disadvantage and marginalisation. This speaks to the vision⁴ and mission⁵ of Bridging Divides as well as resonating with the Corporate Plan⁶
12. **The mission for the Philanthropy Strategy** is that CoLC and CBT contribute to higher impact and higher value Philanthropy through our role modelling in London and our collaborations and awareness-raising in the UK and internationally.
13. In order to deliver on this mission, the proposed focus is on **3 strategic outcomes:**
 - 13.1 CoLC and CBT role model high impact philanthropy contributing to a reduction in inequality and/or an increase in social mobility.
 - 13.2 Higher impact and/or higher value philanthropy is generated from others as a result of CoLC and CBTs' support for the philanthropic ecosystem; and
 - 13.3 Key audiences are better equipped to support and inspire higher impact and/or higher value philanthropy as a result of CoLC and CBT's awareness-raising activities to promote it.

Each of these strategic outcomes, and the supporting workstreams, are explored in more detail below.

⁴ 'for London to be a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation, by removing the the challenges and barriers they experience'

⁵ 'to reduce inequality and foster more cohesive communities by using all of our assets and resources, monetary and otherwise, in pursuit of a London that serves everyone.'

⁶Relevant Corporate Plan outcomes

- People have equal opportunities to enrich their lives and reach their full potential (outcome 3)
- Communities are cohesive and have the facilities they need (outcome 4)
- Businesses are trusted and are socially and environmentally responsible (outcome 5)
- We inspire excellence, enterprise, creativity and collaboration (outcome 10)

14. First strategic outcome: CoLC and CBT role model high impact philanthropy: in particular, contributing to a reduction in inequality and/or an increase in social mobility.

This is where the vast majority of the effort and resourcing of this strategy will lie. A key focus will be the successful implementation of CBT's Bridging Divides Strategy, potentially supported by increased investment in charitable funding from the underlying asset base, and increased support from across CoLC (Bridging Divides drawing more deeply on the non-monetary skills and resources of CoLC).

However this outcome is also focused on the CoLC role modelling high impact philanthropy itself, beyond the CBT relationship for example in the way in the way that it gives other money both through the Central Grants Programme and directly to other charities; through the Benefits in Kind⁷ it gives; and through its corporate volunteering programme. The philanthropy strategy is also pertinent to the a range of⁸ other CoLC strategies

The supporting workstreams are as follows:

- 14.1 Both CBT and CoLC will role model high impact philanthropy in their respective philanthropic portfolios (see Appendix 1 for more detail on the CoLC portfolio), ensuring that all their philanthropy is compliant, efficient, impactful, and strategically aligned. Both entities will focus on ways of improving data capture, and sharing due diligence and impact analysis .
- 14.2 Within the funding parameters of Bridging Divides, CBT will explore its potential to deepen its engagement with improving Social Mobility, and link this to other work across the CoLC which reinforces the Social Mobility agenda through our schools, communities and business stakeholders.
- 14.3 CoLC will support the CBT team to successfully implement Bridging Divides across a spectrum of volume grant-making, social investments and high value strategic investments. More specifically, CoLC will fully harness its own expertise, assets, networks and associated charities in support of the Bridging Divides Strategy (the 'total assets' approach), exploring the scope for greater streamlining, co-ordination and efficiencies in the process.

⁷ a) Abatement of a full commercial rent;

b) Abatement of a fee or charge for services provided; or

c) The provision of goods or services to a third party at either a nil or reduced charge by the City of London Corporation. This is to include Officer volunteering time and general support and the provision of advice or guidance to external bodies/charities

⁸ its Benefits in Kind Strategy; and aspects of its Social Mobility Strategy, Responsible Business Strategy, Investment Strategies and other relevant strategies. There is a distinction clearly between what work streams this strategy will & should influence and which workstreams are directly overseen by the Head of Philanthropy Strategy

15. Second strategic outcome: higher impact and/or higher value philanthropy is generated from others as a result of CoLC and CBT's support for the philanthropic infrastructure

We also want to capitalise on our assets, expertise and networks to drive an increase in the quality and value of philanthropy being generated across London and the UK to enable individuals and communities to thrive. With this in mind;

- 15.1 We will explore opportunities to foster greater collaboration across philanthropic funders and umbrella bodies, social investors and broader business and government stakeholders through on or offline convening and action.
- 15.2 We will invest in the most impactful of our existing partnerships which are focused on increasing Philanthropy. We will also scope and develop new partnerships to inspire people from a range of demographic backgrounds and/or localities to give more time, money, assets and skills.
- 15.3 We will become more systematic in understanding what our Philanthropy has leveraged for our partners.

16. Third Strategic outcome: higher impact and/or higher value philanthropy is celebrated and key audiences are better equipped to generate philanthropic excellence as a result of CoLC and CBT's awareness-raising activities

In order to highlight the augmented importance of philanthropy to enable a positive impact for individuals and communities, we will improve understanding and awareness of what drives effective philanthropy by developing/contributing to/sponsoring/hosting awards, conferences and other thought-leadership events or researching/producing/ contributing to publications and learning exchanges in London, the UK and internationally.

Corporate & Strategic Implications

17. The strategy will directly support CoLC's Corporate Aim to contribute to a flourishing society. It will contribute to the following outcomes within the Corporate Plan:

- People have equal opportunities to enrich their lives and reach their full potential (outcome 3)
- Communities are cohesive and have the facilities they need (outcome 4)
- Businesses are trusted and are socially and environmentally responsible (outcome 5)
- We inspire excellence, enterprise, creativity and collaboration (outcome 10)

The strategy will also support CBT's Vision for London to be a city where individuals and communities, especially those experiencing disadvantage and marginalisation, can thrive by removing the challenges and barriers that they experience.

Implications

18. Risks and mitigations

The risks and mitigations in relation to this draft strategy are summarised below. It should be noted that the operational and reputational risks already captured through the CBT contribution to the central risk register⁹ are also relevant.

| Risks | Mitigations |
|---|--|
| Competing senior level agendas re how CoLC's philanthropic money or that of the charities to which it is trustee should be spent, and what is meant by "high impact" philanthropy. | <p>Apply the usual CoLC and Bridge House Estates governance and approval processes to ensure appropriate checks and balances in place.</p> <p>Ensure any revisions to the CBT strategic initiatives' funding criteria are mindful of this strategy.</p> <p>Secure agreement to using these criteria (or an adapted version of them) to inform decision making around broader philanthropic investments across the CoLC</p> |
| Safeguarding risks when implementing the CoLC volunteering strategy and funding other organisations. | Drawing on the expertise of DCCS, ensure the CoLC and CBT's safeguarding policies and procedures are implemented and that all volunteer safeguarding processes are fit for purpose |
| Lack of engagement and resourcing for CoLC colleagues to undertake the measurement required to track the impact of this strategy eg volunteering inputs, philanthropic impact and spend etc. | <p>Engagement of summit group and chief officers group in the development of the implementation plan for this strategy and, through them, their teams to ensure implementation proposals are feasible.</p> <p>Work with the CoLC Strategy team and the CBT Head of Impact and Learning to ensure measurement is co-ordinated and aligned.</p> |
| Lack of alignment with related charities eg those supported by the Central Grants Programme, TLMA, Heart of the City, results in mixed messaging to external audiences re what constitutes excellent philanthropy . | <p>Engagement with the relevant boards of these charities to ensure alignment with this strategy.</p> <p>Monthly round table with EDO, CBT, HotC and TLMA to ensure alignment around strategy and associated plans.</p> <p>Development/refinement of a coherent philanthropy communications narrative and key messages for target audiences supported by the relevant CoLC and CBT communications leads.</p> |

⁹ <H:\WP\JENNY\CoL Business\Risk Management\BHE Risk Register Report to CBT - 2016-17 JF-DF-KA amends.docx>

<H:\WP\JENNY\CoL Business\Risk Management\Copy of BHE risk register to CBT 2016-17.xlsx>

19. Next steps:

Subject to approval of the strategic proposals outlined above, your officers will then focus on developing and consulting internally on a detailed implementation plan which will address the following:

- Governance for this cross-cutting strategy
- The changes required to implement the strategy and what will stay the same
- Core actions to deliver beneath the workstreams outlined above
- How we will measure our impact and track our progress
- The key triggers to reformulate the strategy
- How we will communicate the work and impact of this strategy internally and externally
- Resources including any legal / property / HR implications

20. The intention would be to bring this plan to the CBT committee for approval in September 2018 and to the Policy and Resources committee for approval in October 2018.

Conclusion

21. We have a pivotal opportunity to build on our significant and longstanding track record of philanthropy to ensure, through the execution of this strategy, that we are playing a leadership role in ensuring both that our own philanthropy, and that which we support and inspire in London, the UK and internationally, achieves a greater impact in enabling individuals and communities, especially those experiencing disadvantage and marginalisation, to thrive.

Appendices

- Appendix 1 – Philanthropy currently undertaken by CoLC and its associated charities
- Appendix 2 - External context
- Appendix 3 - Key findings from internal and external consultation.
- Appendix 4 - The Strategy on one page

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