

Appendix 2 to City Bridge Trust Philanthropy Strategy Report of 02.05.2018 : External context

1. The last few years have been a time of considerable reputational challenge for charities. Intensive news coverage of governance shortcomings (Kid's Company), data protection and fundraising (the misreported story relating to Olive Cooke) and inappropriate behaviour (The President's Club/Oxfam/Save the Children) continue to reverberate. Questions have been raised around the impartiality/effectiveness both of the Charity Commission and the umbrella bodies for the sector, and public trust in charities has been compromised. Measures such as the reinforced Data Protection provisions have been put in place to help address some of these issues.
2. Charities need to demonstrate impeccable governance, conduct, programming and impact measurement if they are to maximise their potential to attract significant philanthropy. Many powerful commentators exhort improved collaboration between charities; a challenge which is played back to funders who often fail to demonstrate sufficient collaboration and alignment around their funding processes, choices and learning.
3. These challenges for the sector come at a time when its work has never been more necessary: there is continuing uncertainty around our economic outlook and the retrenchment of public funding in an age of austerity has led to increasing demand for charitable services.
4. In London, the picture is of increasing inequalityⁱ. Figures from the London Poverty Profile show that 50 per cent of London's wealth is owned by the richest 10 per cent of households, while the bottom 50 per cent own just 5 per cent.ⁱⁱ After housing costs, 27 per cent of Londoners live in poverty, a figure six percentage points higher than the rest of England. In two East London wards – Bethnal Green, Poplar and Limehouse – more than half of children now live in poverty.ⁱⁱⁱ
5. Though much of the breadth of need in London can be framed in terms of either poverty, inequality or housing, these factors are often inseparably linked. In particular, changes in the nature of employment and an increase in the cost of housing have resulted in a stark rise in the number of households experiencing in-work poverty. For many Londoners, employment is no longer a guarantee of financial security, with in-work poverty rising by 50 per cent over the past decade. Today, 58 per cent of Londoners in poverty live in a working family
6. Notwithstanding these challenges, by comparison to the rest of the country, London enjoys significant opportunities. Following the Second World War, in which its population and its economy shrank, London has re-established itself as perhaps the world's leading global capital – an economic, but also a cultural and intellectual super-power, attracting migrants, visitors and investors from the UK and around the world. The capital now generates around a quarter of the UK's wealth and closer to a third of its tax takes.

Much of the UK's 'soft power' – its influence around the world – is exercised through London. And its wealth, cosmopolitanism, youth and creative vitality can make it a very exciting place to live and visit.

7. But if London's success has brought benefits, it has also brought great challenges. The capital has long played an outsized role in the economic and cultural life of the UK, but perhaps never more so than today - the vote for Brexit has widely be interpreted as at least in part a vote against London's increased dominance.
8. Within this context, the need for "intelligent" Philanthropy is acute and yet in some senses the Philanthropic Market is disfunctional, with many donors responding to strong and popular causes rather than the programmatic and funding 'cold spots' whether in London or further afield. Whilst there are heartening new initiatives which are driving greater co-ordination and transparency across the Philanthropic market, there is a perennial challenge in persuading Philanthropists to balance head with heart, and to ensure they have the data to enable them to do so..
9. According to CAF's UK Giving 2018, Philanthropy has slightly increased as a result of fewer donors giving more notwithstanding an increasing range of thoughtful and creative approaches – often harnessing technological advances and the big data revolution - to attract, retain and develop philanthropists across a range of ages and demographics.

What do we anticipate from other players?

1. There is research currently underway into the state of Philanthropy in London (Centre for London) as well as CoLC's own research into the quantum of giving across FPS, and qualitative research undertaken for CoLC by Corporate Citizenship around the drivers and constraints on Corporate Philanthropy across Financial and Professional Services nationally. CAF produce an annual report into UK Giving, and NCVO produce their annual almanac providing facts and figures nationally on the voluntary sector including income from individuals, the financial relationship with government, assets and loans.
2. The GLA has commissioned Rocket Science to undertake a Philanthropy Review to be concluded in late June looking at the GLA's role in supporting and encouraging philanthropy in the capital which will include a strategic review of current GLA programmes and key stakeholder engagement with a view to producing a handful of practical and achievable actions for the GLA and Mayor to consider in relation to enabling effective giving in London.
3. City businesses continue to look for artful collaborations to leverage their Philanthropy. Recognising the deep divide between London and the UK encompassed in the Brexit vote, and wanting to play their part in supporting more disenfranchised communities outside London, leading businesses have

expressed appetite to partner with CoLC and other strategic partners eg Big Lottery on initiatives with a national footprint.

4. A range of different initiatives are targeting different demographics with thoughtful approaches and we are linked in to many of them.
 - The Philanthropy Collaborative is a new initiative pioneered by philanthropist Matthew Bowcock to drive a step change in giving in Ultra High Net Worth Individuals. It is an impeccably researched, peer-led approach and Matthew is working closely with us to help develop workstreams and engagement.
 - CBT is a leading contributor to London's Giving which is a more grassroots approach intent on ensuring engagement across the demographic range with people taking ownership of local issues of their choosing in close collaboration with Local Authorities, businesses and charities.
 - CBT is also supporting a range of attempts to engage millennials, using new technologies and approaches to harness their desire to add value. It is also funding infrastructure organisations to support volunteer management etc, building capacity and expertise of the sector to ensure the experience of the volunteers is positive.

5. We have strong links with NCVO, the Cass Centre for Charity Effectiveness, and are linked into the Marshall Institute for Philanthropy and Social Entrepreneurs, all of which will be useful partners to help provide thought leadership and research support.

ⁱ Travers, Bosetti, Sims, Housing and Inequality, Centre for London

ⁱⁱ Trust for London, London Poverty Profile, 2017

ⁱⁱⁱ <http://www.endchildpoverty.org.uk/more-than-half-of-children-now-living-in-poverty-in-some-parts-of-the-uk/>