

Committee:	Date:
Policy and Resources Committee – For decision Court of Common Council – For information	07/06/2018 21/06/2018
Subject: Philanthropy Strategy	Public
Report of: David Farnsworth, Chief Grants Officer & Director of City Bridge Trust	For Decision
Report author: Fiona Rawes, Head of Philanthropy Strategy	

Summary

This paper presents the draft Philanthropy Strategy for your consideration and approval, together with the underpinning rationale. The strategy is set in the context of the City Bridge Trust's (CBT's) charitable funding strategy for 2018-2023, "Bridging Divides", and the City of London Corporation (City Corporation)'s Corporate Plan (2018-2023). The strategy recommends that the City Corporation should combine its efforts with CBT to role model, support and raise awareness of higher impact and/or higher value philanthropy¹ to enable individuals and communities to thrive, especially those experiencing disadvantage and marginalisation.

Details of proposed next steps are also included in this paper.

Recommendations

Members are asked to:

- a) Note the approach to the development of the strategy;
- b) Comment on and approve the strategy; and
- c) Subject to the comments made by this Committee, approve the proposed next steps and the timetable for their implementation.

Main Report

Background

1. The City Corporation and its associated charities enjoy a proud track record of philanthropy, donating around £55 million per annum² to charitable causes of which c.£20 million per annum is given through CBT, alongside significant investments in open spaces, culture and for broader charitable purposes.
2. It has also developed a volunteering strategy aimed at embedding a positive volunteering culture within the City Corporation, with clear and consistent practices, which support volunteers and their beneficiaries to flourish in the Square Mile, London and beyond. The volunteering strategy has been closely aligned with the philanthropy strategy throughout its development, and will build on the strong

¹ The giving of money, time, skills and assets by individuals, businesses, trusts and foundations

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

volunteering programmes in place across a range of departments, not least Open Spaces, and ensure a clear and consistent proposition for our volunteers, whether corporate or external.

3. Beyond its giving commitments, the City Corporation also fundraises for a range of projects and initiatives.
4. The City Corporation also provides advice and encouragement about corporate philanthropy through the Responsible Business team in the Economic Development Office ('EDO'), albeit as a minor part of a much broader, and evolving, responsible business agenda.
5. A range of charities who are hosted by, and enjoy a close association with, the City Corporation are also active in this space including CBT, Heart of the City, The Lord Mayor's Appeal and the 50 or so grant making charities which are part of the Central Grants Programme managed by CBT.
6. Appendix 1 provides more detail on the current position
7. The opportunity was taken in 2015 to commission an independent review into the effectiveness of the various strands of work supported by CBT and to make recommendations for CBT's future strategic direction in this arena.
8. Rocket Science undertook this review and it was presented to CBT Committee in July 2016. The report included a recommendation to appoint a Head of Philanthropy Strategy to develop and deliver a new, joint philanthropy strategy for The City Corporation and CBT in order to align their efforts and maximise their impact.
9. In October 2017, Fiona Rawes joined as the Head of Philanthropy Strategy and initiated a strategic review which drew on the Rocket Science findings alongside further internal and external consultation, and analysis of CBT and the City Corporations' operating context.
10. Resourcing to date for the development of this strategy has been limited to Fiona, with strong support from the City Corporation Strategy and Performance team and the Chief Grants Officer. Additional communications and volunteering resource has been costed and signed off by the City Bridge Trust committee part of which will support the strategy's implementation.
11. At this stage, it is not anticipated that significant additional resourcing will be required to implement the strategy, however the detail will be worked through and costed up as part of the implementation planning process over the summer. In particular, we may need to ensure that we have dedicated capacity to better track, monitor and evaluate the philanthropy taking place across the City Corporation in order to fully maximise the opportunity this strategy presents.

External Context

12. 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.

13. The last few years have been a time of considerable reputational challenge for charities. Intensive news coverage of governance shortcomings (e.g. Kid's Company), data protection and fundraising (e.g. the misreported story relating to Olive Cooke) and inappropriate behaviour (e.g. 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.
14. Charities therefore 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.
15. These challenges for the sector come at a time when its work has never been more necessary, not least in London where the picture is of increasing inequality³. 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.⁴ 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.⁵
16. 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
17. 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

³ Travers, Bosetti, Sims, Housing and Inequality, Centre for London

⁴ Trust for London, London Poverty Profile, 2017

⁵ <http://www.endchildpoverty.org.uk/more-than-half-of-children-now-living-in-poverty-in-some-parts-of-the-uk/>

world – is exercised through London. And its wealth, cosmopolitanism, youth and creative vitality can make it a very exciting place to live and visit.

18. 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 been interpreted as at least in part a vote against London's increased dominance.
19. 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 popular causes rather than the issue-based and/or 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 available to enable them to do so.
20. According to CAF's UK Giving 2018, Philanthropy has slightly increased, albeit as a result of fewer donors giving more. There is a reduction in donors 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.

The approach

21. Within this context, we have adopted a collaborative approach to the development of this strategy, consulting with
 - a range of senior external stakeholders⁶
 - Members and Senior Officers including the Chief Officers' Group and the Summit Group.
 - Key internal teams and associated charities (including Heart of the City and the Lord Mayor's Appeal).
22. The external consultation reveals that, whilst CBT and the City Corporation have much to be proud of in terms of the breadth and depth of the philanthropy they generate and support, both organisations could do more to realise their unique and combined potential.
23. Common themes emerged around the unique positioning of the City Corporation and its associated charities, the need for greater alignment and coherence across the different workstreams and asks, and the scope for deeper 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.

⁶ *Esmée Fairbairn Foundation, Big Lottery, Charities Aid Foundation, Association of 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 Giving, London's Giving, UBS, Linklaters, Bloomberg, City Responsible Business Network (the City Network Group).

24. Businesses commented, in particular, on a lack of coherence around the 'offer' from the City Corporation and its associated charities in the responsible business space, with myriad different campaigns and requests of varying quality and impact. Whilst the City Corporation and its associated charities have distinct identities, business experience the output as part of the same portfolio, albeit with discrete component parts, and are thirsty for more coherence, co-ordination and quality.
25. The City Corporation's convening power and political neutrality is perceived as very useful for businesses, and CBT enjoys significant convening power as a leading funder of London's charities. There is therefore scope both for the City Corporation and CBT to play a leadership role around cross-sector programmes e.g. major investment around a particular theme/locality with matched funding from key businesses and other trusts and foundations. However, the City Corporation would need to ensure real differentiation in such proposals to those posited by its associated charities, in order to avoid competing with/cannibalising them.
26. 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:
- Ensure that the strategy has an inspiring and aspirational Vision and Mission.
 - Ensure that the outcomes underpinning the Vision and Mission are tangible and measurable and that any gains/deficits emerging are clearly attributable to our engagement.
 - Support philanthropy which is pioneering, whilst also identifying and building on what works.
 - Recognise the assets and value of civil society organisations, not least in the management of volunteer time and skills.
 - Frame potential relationships between businesses, government and civil society as highly mutually reinforcing.
 - Remain sensitive to the power imbalance which can exist between philanthropists and recipients and design a strategy which mitigates for this robustly.
 - Any CBT/City Corporation investment to support social mobility should recognise the imbalance in the social mobility benefits for people in London versus the rest of the UK and seek to contribute to a national uplift.
27. 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.
28. 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, and support for tackling inequality and/or social mobility in particular.

29. This feedback has been taken into consideration in the draft strategy presented.

Proposed scope

30. **Scope of the strategy:** this is a pioneering approach, generating an overarching strategy which binds the relevant elements of The City Corporation'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.
31. It is proposed that **the term of this Philanthropy strategy** should align with that of the Corporate Plan and the 'Bridging Divides' Strategy i.e. from the point of approval in 2018 to March 2023.
32. Appendix 2 sets out the 'what' of the strategy. The 'how' will be developed through an implementation planning exercise in time for consideration by this Committee in November.
33. **Approvals process:** the approach in Appendix 2 has been approved by the City Bridge Trust committee but, as this is a strategy which straddles both CBT and the City Corporation, we will also require the approval of the Policy and Resources Committee to proceed to next steps.

Corporate & Strategic Implications

34. The strategy will directly support the City Corporation's Corporate Aim to "contribute to a flourishing society".
35. It will contribute to the following outcomes within the Corporate Plan, and has been developed in close liaison with the authors of the related strategies outlined below to ensure alignment. In particular, it will reinforce the aspirations of the City Corporation's Social Mobility Strategy given its explicit intention "to contribute to an increase in social mobility".

Corporate Plan outcomes	Philanthropy Strategy Sub outcomes related to Corporate Plan outcomes 3 & 5	Links to other City Corporation strategies
People have equal opportunities to enrich their lives and reach their full potential (outcome 3).	High impact philanthropy is role modelled by the City Corporation and CBT, contributing to a reduction in inequality and/or an increase in social mobility	Volunteering, Social Mobility, Employability strategies
Businesses are trusted and are socially and environmentally responsible (outcome 5)	Higher impact and/or higher value philanthropy is generated from others as a result of the City Corporation and CBT's support for the philanthropic infrastructure	Responsible Business strategy
	Key audiences are better equipped to generate higher impact and/or higher value philanthropy as a result of CoLC	Responsible Business strategy

	and CBT's awareness-raising activities about it.	
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36. 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.

Risks and mitigations

37. 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 register⁷ are also relevant.

Risks	Mitigations
Competing senior level agendas re how the City Corporation'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 City Corporation and Bridge House Estates governance and approval processes to ensure appropriate checks and balances in place.</p> <p>Secure agreement to using these criteria (or an adapted version of them) to inform decision making around broader philanthropic investments across the City Corporation</p> <p>Ensure any revisions to the CBT strategic initiatives funding criteria are mindful of this strategy.</p>
Lack of engagement and resourcing for the City Corporation colleagues to undertake the measurement required to track the impact of this strategy eg volunteering inputs, philanthropic spend and impact 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 City Corporation Strategy & Performance team and the CBT Head of Impact and Learning to ensure measurement is co-ordinated, proportionate 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 high impact philanthropy.	<p>Engagement with the boards of these charities where relevant 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 City Corporation and CBT communications leads.</p>

⁷ <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>

Safeguarding risks when implementing the the City Corporation volunteering strategy.

Drawing on the expertise of DCCS, ensure that the City Corporation and CBT's safeguarding policies and procedures are aligned, implemented effectively and that all volunteer safeguarding processes are fit for purpose.

Next steps:

38. Subject to approval of the strategic proposals outlined in Appendix 2, a detailed implementation plan will be developed, consulted on and brought back to the CBT committee and Policy and Resources Committee for approval. The plan will set out, inter alia, sub outcomes and measures (aligned with Corporate Plan outcomes) and demonstrate how activities align with the Corporate Plan outcomes.
39. The sequencing and timing of this approval process is as follows:

City Bridge Trust Committee	24 th October
Policy and Resources Committee	15 th November

40. Thereafter, the successful execution of the implementation plan would be monitored through an implementation group for which the SRO would be David Farnsworth and the Delivery Lead would be Fiona Rawes. Implementation group membership will be determined by the activities planned and who is best placed to execute them.

Conclusion

41. This strategy sets out an exciting opportunity to build on the combined expertise, assets and networks of the City Corporation and City Bridge Trust, creating an overarching plan to maximise their collective potential in London, the UK and Internationally. By bringing the different teams together, and joining the dots across their work, we have a pivotal opportunity to build on our significant and longstanding track record of philanthropy and play 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 the City Corporation and its associated charities
- Appendix 2 – the Strategic approach

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