

Report – Policy and Resources Committee and The City Bridge Trust Committee

Philanthropy Strategy

To be presented on Thursday, 21st June 2018

To the Right Honourable The Lord Mayor, Aldermen and Commons of the City of London in Common Council assembled.

SUMMARY

The City Corporation and its associated charities enjoy a proud track record of philanthropy. Following a number of reviews undertaken in recent years, a Strategy has been developed to maximise and focus the City Corporation's efforts in this area.

This new overarching strategy binds together the relevant elements of the City Corporation's Corporate Plan with the City Bridge Trust's "Bridging Divides" strategy and aligns much more explicitly with those of related charities such as The Lord Mayor's Appeal and Heart of the City.

Your City Bridge Trust Committee and Policy and Resources Committee have considered and approved this Strategy and it is presented to the Court for information.

RECOMMENDATION

Members are asked to note the Philanthropy Strategy, set out at Appendix 2.

MAIN REPORT

Background

1. The City Corporation and its associated charities enjoy a proud track record of philanthropy, donating around £55 million per annum to charitable causes of which c.£20 million per annum is given through the City Bridge Trust (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 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 and provides advice and encouragement about corporate philanthropy through the Responsible Business team in the Economic Development Office (albeit as a minor part of a much broader, and evolving, responsible business agenda).
4. A range of charities who are hosted by, and enjoy a close association with, the City Corporation are also active in this space including 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. Appendix 1 provides more detail on the current position.
5. In 2015 an independent review was commissioned to look into the effectiveness of the various strands of work supported by CBT and to make recommendations for the future strategic direction in this arena. This was followed by a strategic review in 2017, which drew on the findings of the initial review, alongside further internal and external consultation, and analysis of CBT and the City Corporations' operating context.

External Context

6. 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.
7. 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.
8. 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.
9. 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 inequality. Figures from the London Poverty Profile show that 50% of London's wealth is owned by the richest 10% of households, while the bottom 50% own just 5%. After housing costs, 27% 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.
10. 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% over the past decade. Today, 58% of Londoners in poverty live in a working family

11. 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.
12. However, 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 in part a vote against London's increased dominance.
13. Within this context, the need for "intelligent" philanthropy is acute and yet in some senses the Philanthropic Market is dysfunctional, 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.
14. According to the Charities Aid Foundation'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 to attract, retain and develop philanthropists across a range of ages and demographics.

The approach

15. Within this context, we have adopted a collaborative approach to the development of this strategy, consulting with a range of senior external and internal stakeholders and associated charities (including Heart of the City and the Lord Mayor's Appeal).
16. External consultation revealed 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, more could be done to realise their unique and combined potential.
17. 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 2015 review.

18. Businesses commented 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.
19. 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.
20. This external feedback was used 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.
21. 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.
22. Finally, there was useful debate on the value in promoting philanthropy regardless of what it focused on (i.e. ‘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.

Scope

23. 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. The term of this Philanthropy Strategy will align with that of the Corporate Plan and the ‘Bridging Divides’ Strategy i.e. through to March 2023.

24. Appendix 2 sets out the ‘what’ of the strategy. The ‘how’ will be developed through an implementation planning exercise, which will be the subject of further consideration by your Policy and Resources and CBT Committees in the autumn.

Corporate & Strategic Implications

25. The strategy directly supports the City Corporation’s Corporate Aim to “contribute to a flourishing society”. 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
<p>People have equal opportunities to enrich their lives and reach their full potential (outcome 3).</p> <p>Businesses are trusted and are socially and environmentally responsible (outcome 5)</p>	<p>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</p> <p>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</p> <p>Key audiences are better equipped to generate higher impact and/or higher value philanthropy as a result of CoLC and CBT’s awareness-raising activities about it.</p>	<p>Volunteering, Social Mobility, Employability strategies</p> <p>Responsible Business strategy</p> <p>Responsible Business strategy</p>

26. 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.

Next steps

27. A detailed implementation plan is currently being developed, which will be brought back to the CBT Committee and Policy and Resources Committee in the autumn 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.

Conclusion

28. 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, there is a pivotal opportunity for the City Corporation to build on its significant and longstanding track record of philanthropy and play a leadership role in ensuring both that its own philanthropy, and that which it supports and insiprse 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

All of which we submit to the judgement of this Honourable Court.

DATED this 7th day of June 2018.

SIGNED on behalf of the Committees.

Catherine McGuinness, Deputy
Chairman, Policy and Resources Committee

Alison Gowman, Alderman
Chairman, The City Bridge Trust Committee