

<b>Committee</b> Finance Grants Oversight and Performance Sub-Committee	<b>Dated:</b>  22/09/2020
<b>Subject</b> Central Grants Programme (CGP) and Central Grants Unit (CGU) – Update Report	<b>Public</b>
<b>Report of:</b> Chief Grants Officer (CGO) and Director of City Bridge Trust	<b>For Decision</b>
<b>Report author:</b> Jack Joslin, Head of Central Grants Unit, Central Grants Unit (CGU)	

### Summary

This report provides an update on the CGP and the CGU.

### Recommendations:

Members are requested to:

1. agree the wording of the Central Grants Programme Annual Report at **Appendix 1** for onward submission to committees;
2. note the Central Grants Programme Annual Report; and,
3. note the CGP and CGU progress update report.

### Main Report

#### Background

1. The CGU has been established since October 2016 to manage the effectiveness of the CGP based on recommendations of the Effectiveness of Grants Service Based Review (SBR) 2014/15.
2. The CGU is co-located with the City Bridge Trust (CBT) team in the Town Clerk's Department in order to facilitate consistency of approach and harmonise service standards across grant-making activities by the City Corporation (in its various capacities, including as trustee of a number of charities which form part of the CGP). The Chief Grants Officer, responsible for the funding and grant-making activities of CBT is also responsible for maintaining an overview of the CGU (and broader charity matters), with relevant input from the Charities Finance Team (Chamberlain's Department), with the work being delivered by the Head of Central Grants Unit (HCGU).
3. In March 2018 the Resource Allocation Sub-Committee and Policy and Resources Committee met and both agreed to support the implementation of the CGP on a permanent basis from the 1<sup>st</sup> April 2018. Members agreed an

uplift to the City's Cash Grants element of the CGP Budget to enable this to equal £250,000 annually, being approximately 20% of the City's Cash grants budget, an uplift of £91,000 for 2018/19. Members also noted the uplift of £10,000 applied to the operating costs of the CGU which now total £60,000, included within the approved CBT budget for 2018/19.

4. A number of small charities in respect of which the City Corporation is trustee are administered through the CGP in a manner consistent with their charitable objects and governing documents, it being considered in each case to be in the charity's best interests for their most efficient administration and effective application of funds to do so, these matters being kept under review in the normal way. Consistent with the powers of a charity trustee to recover the reasonable costs and expenses of administering their charity, in each case some of these costs are recovered from each of the charities operating as part of the CGP.
5. As noted above, the CGU was originally set up to manage the effectiveness of the CGP. Due to its success, in May 2019 the Policy and Resources Committee agreed that the City Community Infrastructure Levy (CIL) Neighbourhood Fund be managed by the City CGU. It was agreed that a post be created to manage the programme under the oversight of the Head of the Central Grants Unit (HCGU). The HCGU recruited the CIL Neighbourhood Programme Manager in March 2020. Any resources spent on the CIL Neighbourhood Fund by the CGU are met from the 5% administration fee charged to the total CIL. The CIL Neighbourhood Fund currently has just over £5.5 Million available for distribution. A further report on the launch of the CIL Neighbourhood Fund will be presented at this Committee.

### **Overview of the work of the CGU**

6. Like all City of London Departments, the CGU had to adapt to the impact of the Coronavirus Pandemic and the subsequent lockdown. All staff have been working from home throughout the period and continued to deliver grant programmes remotely. The CGU has always delivered a paperless process since its inception so did not need to amend many processes.
7. The CGU signed up to London Funders Pledge to offer support to civil society groups affected by the Coronavirus outbreak. Contact was made with all grantees outlining how projects could be extended and money could be spent differently where required in order to support the small organisations we work with. The CGU Team had conversations with lots of organisations that had been differently affected by the lockdown restrictions and fed into the wider work CBT have been doing in this field.
8. The CGP maintained its existing deadlines to ensure that organisations still had access to support and could still plan projects for the future.
9. The CIL Neighbourhood Fund was set to launch on 1 April 2020 but was postponed until 1 September 2020. Further information on this is provided in a separate report.

10. During this period, the HCGU provided additional capacity to the CBT Team to support with assessment work.

## **Overview of the CGP**

### **Education and Employment**

11. At the Education Charity Sub-Committee (Education Board) in July 2019 Members once again recommended revised wording to widen the policy setting out the eligibility criteria they wished to adopt for the grant-making activities for both charities<sup>1</sup> within that Sub-Committee's responsibility to facilitate improved distribution of funds in accordance with the City Corporation's obligations as Trustee of the two relevant charities to actively apply the charities' funds for the charities' respective objects, rather than those funds accumulating. The amended policy criteria have now been considered by Community and Children's Services Committee (CCS Committee) in December 2019 and approved by the Education Board in January 2020.
12. A grant programme was delivered in April 2020, with only a few applications received. During the assessment process it was highlighted that the City Education Trust deficit brought forward from 2018/19 and grants awarded in the year had to be covered by income received in 2019/20, which left a low balance in unrestricted income funds that were carried forward. As the charity cannot forecast the level of income due to be received in 2020/21 due to the impact of Coronavirus, it is unable to make grant commitments ahead of the next investment income distribution due in October.
13. At the Education Board in July 2020 Members noted that if any grants were awarded by the City Educational Trust Fund then the charity would be overspent. The Combined Education Charity would be overdrawn on cash balances held as its income funds are held in non-liquid investments which cannot be accessed until October 2020.
14. The Committee approved the rejection of the three applications received and moved to close the programme for the rest of the year. The CGU has since worked with applicants to identify other funding bodies to approach to support the work that was applied for. The next Education and Employment programme will open in 2021/22 subject to there being sufficient funds to distribute.

### **Inspiring London through Culture**

15. This continues to be a very popular programme and is solely funded from City's Cash. A deadline for the programme was held in July 2020, the CGU is currently assessing 17 applications for funding.

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<sup>1</sup> City Educational Trust Fund (290840) and the City of London Corporation Combined Education Charity (312836)

## Stronger Communities

16. The Stronger Communities Programme is funded from City's Cash and from the City of London Corporation Combined Relief of Poverty Charity (1073660), and had run one grant round in April 2020. The programme saw record number of applications. Unfortunately, many of these were geographically ineligible. The CGU initially assessed all of the applications within the first three weeks of the deadline and sent emails to those deemed ineligible to provide guidance on other Covid-19 Funding available including the London Community Response Fund, a restricted fund held within Bridge House Estates (1035628) ancillary object.
17. There have been challenges in attracting suitable applications for the City of London Combined Relief of Poverty Charity and the policy for the charity has been subject to review to also take account of the transfer of funds from two other charities<sup>2</sup>. However, in a departure from the published policy, but meeting the overriding duty to apply the charity's funds in furthering its charitable purposes, two grants were awarded during the Covid-19 health pandemic to support pressing needs of beneficiaries, namely by providing funding to support the Age UK City of London to set up a Foodbank located in the City of London. A policy which is more suitable to the charity, but still operating within the Stronger Communities Programme and in pursuit of its overarching policy objectives, is expected to be considered by the Community and Children's Services Committee on the 27 September 2020.
18. At the February 2020 CCS Committee meeting, it was resolved that the CGU administer the City's Cash Small Grants (up to £3,000) element of the Stronger Communities Programme on a rolling basis from 1 April 2020. A subsequent paper will be going to September 2020 CCS Committee to extend this approach to the Main Grant programme to ensure that the programme can react to emerging community needs in a more strategic and impactful way.

## Enjoying Green Spaces and the Natural Environment

19. This programme is funded solely from City's Cash. Enjoying Green Spaces and the Natural Environment delivered one programme in 2019/20 and attracted a large amount of applications. The Open Spaces team have agreed to run one grant programme again this year with a deadline in October 2020.
20. The HCGU has worked with officers in the Open Spaces Department to develop a marketing strategy for the October 2020 grant round based on the success of the last year. Last year, the HCGU carried out funding presentations at Epping Forest, Parliament Hill on Hampstead Heath and Ashted Common and provided one-to-one support on applications received from Burnham Beaches and City Commons. (These open spaces are the property of other charities in respect of which the City Corporation is trustee.) This year these sessions will be conducted online over video call.

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<sup>2</sup> Nearly £300,000 were transferred from the Corporation of London Benevolent Association in 2019 and around £15,000 from the Signor Favale Marriage Portion Charity earlier this year, the former being subject to binding restrictions, the latter being subject to an expression of wishes which was accepted in receiving the funds.

## General

21. Due to the success of the CGU referred to in the preceding paragraph, the CGU is now also being approached to administer other grants (including charitable grants) which are the responsibility of the City Corporation in its various legal capacities, and also to provide grant-making support in respect of grants that do not form part of the CGP. These additional matters and activities will be reported to this Sub-Committee to the extent that they fall within its remit and will be relevant to the setting of your Sub-Committee's Terms of Reference. This was an anticipated outcome of the Grants SBR.
22. In accordance with the recommendations arising from the Grants SBR which led to the development of the CGP, the CGU still monitors organisations that may be perceived to have fallen through the cracks where they may have previously benefited from funding from the City Corporation under previous arrangements but are now ineligible for funding under the current CGP funding criteria. Further information can be provided at Members' request or verbally at the meeting.
23. The City Corporation holds a contingency fund of £100,000 in its City's Cash budget allocated to the International Disasters Fund (IDF) administered by the Finance Committee. The CGU provide advice and make recommendations to the Finance Committee about where to distribute IDF in response to International Appeals. There have been lots of asks on the Fund this year due to the Coronavirus Pandemic. Since lockdown started the IDF has given one off donations of £20,000 to Team Rubicon, The British Red Cross and St John Ambulance in response to work supporting communities in the UK and London. Further donations of £20,000 have been made to Disaster Emergency Committee Coronavirus Appeal and the British Red Cross to support the Lebanese Red Cross in its aid work in Beirut. Due to an approved carry forward from 2019/20 the IDF has £25,000 remaining for the rest of the financial year. The HCGU is refining the policy for the IDF to be taken to the Finance Committee later in the year.
24. The HCGU continues to be the City Corporation nominated London local authority Grants Officer to attend the London Borough Grants Officer Forum, hosted by London Councils. This is a useful forum to discuss grants funding related issues across London and to get updates from London Funders and London Councils. This has been especially useful for sharing experiences of implementing CIL Neighborhood Funds across London local authorities.

## **Overview of CGU Budget**

25. Members will note that the reduction in time spent on the Education Charities has had an impact on the CGU Budget. This has been re-worked to accommodate these. This can be viewed at **Appendix 2**.
26. Table 1 outlines the Budget agreed by this Committee in November 2019 which included the increased workload due to the management and set up of the CIL Neighborhood Fund. Table 2 outlines the reduced budget for the CGU

with the reduced time spent on administering Grants for the Education Charities.

27. Table 3 provides an updated Budget with actuals to reflect a number of cost savings across the period. Members will note that it is expected that the CGU will not re-charge £15,000 this year to CBT to reflect the work the HCGU has done on application assessment for CBT during the lockdown period. The hours of the CGU Funding Officer have been extended from 1 October 2020 within agreed budgets to provide additional capacity to the team to ensure all programmes are running efficiently and that the CIL Neighborhood Fund can be administered effectively.

### **Monitoring**

28. The CGU has been working with the new Head of Learning and Impact from the CBT Team to improve and develop the CBT Team's monitoring system with a view to finding better ways of learning from the varied CBT grants portfolio.

29. An overview of the data collected in 2019/20 will be presented at this meeting.

### **Next steps 2020/21**

30. The CGU will continue to work with the CGO, the Comptroller and City Solicitor's Department and the Chamberlain's Department to explore the consolidation and rationalisation of charities associated with the City Corporation, in particular those whose activities involve grant-making. This work is taking place through the Corporation-wide Charities Review. A presentation will be made about this work at your meeting. The revised Terms of reference of your Sub-Committee are also intended to better reflect this reporting.

31. The HCGU will work with the Philanthropy Director, who is also co-located within the CBT Team, to support implementation and delivery of the City Corporation's joint Philanthropy Strategy with Bridge House Estates (1035628), and in respect of the latter from which the activities of CBT are funded, the City Corporation being the charity Trustee.

### **Appendices:**

- **Appendix 1** – CGP Annual Report
- **Appendix 2** – CGU Budget Overview

### **Background Papers:**

- Policy and Resources Committee, January 2017, 'Review and Reclassification of Former Finance Grants Sub-Committee Grants'.
- Policy and Resources Committee, March 2018, 'Central Grants Programme Review'

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