

Committee(s): Finance Committee Finance Committee – For Information	Dated: 10/11/2020
Subject: Donations – International Disaster Fund	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,2,3,4,9
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£0
What is the source of Funding?	City’s Cash
Has this Funding Source been agreed with the Chamberlain’s Department?	Y
Report of: Chief Grants Officer and Director of City Bridge Trust	For Information
Report author: Jack Joslin, Head of the Central Grants Unit	

Summary

This report addresses a request from Finance Committee to review the policy for the International Disaster Fund (IDF) when making donations in emergency appeal situations.

Recommendations

Members are asked to note the outlined enhanced criteria for dealing with donations from the International Disaster Fund:

1. The IDF should continue to use the strong criteria applied by DEC for the selection and monitoring of UK aid charities. The IDF, should remain where possible a fund to support International Disasters. An incident in the UK can be considered in exceptional circumstances.
2. The CGU will continue to provide recommendations on Appeals and will deepen its relationship with the DEC and its partners.
3. When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that Finance Committee can be confident in giving direct to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations’ emergency donations budget.
4. Charities that do not fall under the DEC can be considered in exceptional circumstances if no DEC partner organisation is working on the ground in an area

of need. These will be looked at on a case by case basis with full due diligence provided by the CGU.

5. Recommendations on where donations should be made will be guided by international aid experts in contact with the CGU.
6. The Finance Committee should consider increasing the size of individual donations made to make greater impact when supporting an Appeal, this would limit the number of Appeals supported in a year.
7. The CGU will closely monitor the relationship with the DEC and will conduct annual due diligence on the Charity to ensure they are maintaining a high level of transparency and are financially viable.

Main Report

Background

8. In 2016 the Finance Committee requested information regarding the financial activities of charities involved in emergency appeals, to guide future decisions concerning donations to be made by the City of London.
9. At its meeting in January 2017 the Finance Committee noted that it would apply the strong criteria of the Disaster Emergency Committee (DEC) for the selection and monitoring of UK aid charities when responding to an international disaster.
10. When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that Finance Committee can be confident in giving direct to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.
11. The CGU is in place to provide advice and recommendations on how donations would be best placed in the instance that a DEC appeal is not launched.

Current Position

12. Since adopting this new framework for the IDF in January 2017 the Finance Committee has made £465,000 in donations to DEC or DEC partner Appeals, with funding coming from the City's Cash Grants budget. A list of all the donations made by the IDF can be found at **Appendix 1**.
13. The CGU maintains relationships with the DEC and its partners to ensure it has advance notice of any appeals. The DEC will inform the CGU in advance of the launch of an appeal to ensure the City of London can be seen to be an early responder to any appeal launched and use its influence to get our partners to do the same. The CGU also maintains good relationships with DEC Partner agencies.
14. Since March 2020, the Coronavirus Pandemic has had a significant impact on life in the UK. Initial donations were made through the IDF to respond to this need.
15. At the start of the lockdown it was agreed that the IDF explore options to support

organisations working in the UK in response to the Coronavirus Pandemic. As a DEC appeal had not been launched specifically for work in the UK it was decided to look at organisations responding on a National and Local level. The scope of the work had to fall outside the eligibility of CBT and be focused on emergency relief in line with the IDF agreed policy.

16. In April 2020 the Finance Committee agreed a donation of £20,000 to The British Red Cross to support its work nationally and £20,000 to Team Rubicon to assist in its aid efforts tackling the Coronavirus outbreak in London. A further donation of £20,000 was made in May 2020 to St John Ambulance in response to the Coronavirus Pandemic.
17. In May 2020 Members requested the CGU advise on other causes that could be supported at this time and within the context of the wider funding environment that the City of London is involved in. The report outlined the expansive work that CoLC officers have already done in response to Covid-19 and how there were other mechanisms within the organisation better placed to support new and emerging need in London in particular. The London Community Response Fund set up by CBT, London Funders and a coalition of other foundations is a good example of this. It was agreed the IDF should reserve its budget for International Appeals where possible.
18. In July 2020 the Finance Committee donated £20,000 to the DEC International Coronavirus Appeal and in August 2020 a further donation was made to the British Red Cross to support the Disaster Appeal in Beirut after the dreadful explosion in the City.
19. The total IDF budget for 2020/21 is £125,000, due to inclusion of a carry-forward from the previous years of £25,000, of which £100,000 has been spent across 6 donations in response to the Coronavirus Pandemic and the Appeal in Beirut. This leaves us with a total budget of £25,000 remaining until the end of the financial year.
20. It should be noted that a significant amount of CGU officer time, including that from the Charities Finance Team, is put into the assessment of International Appeals and recommendations made to the Chairman and Deputy Chairman of the Finance Committee.

Future Position

21. The IDF should continue to use the strong criteria applied by DEC for the selection and monitoring of UK aid charities. The IDF, should remain where possible a fund to support International Disasters. An incident in the UK can be considered in exceptional circumstances.
22. The CGU will continue to provide recommendations on Appeals and will deepen its relationship with the DEC and its partners.
23. When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that Finance Committee can be confident in giving direct to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.

24. Charities that do not fall under the DEC can be considered in exceptional circumstances if no DEC partner organisation is working on the ground in an area. These will be looked at on a case by case basis with full due diligence provided by the CGU.
25. Recommendations on where donations should be made will be guided by international aid experts in contact with the CGU.
26. The Finance Committee may wish to consider increasing the size of donations to make a larger impact when supporting an Appeal.
27. The CGU will closely monitor the relationship with the DEC and will conduct annual due diligence on the Charity to ensure they are maintaining a high level of transparency and are financially viable.

Conclusion

28. The IDF has made significant donations to support International Humanitarian Disasters since its inception. By utilising the expertise of International Aid organisations, the donations have always been directed at the areas that need it most.
29. The Coronavirus Pandemic has demonstrated that there is always a need to be able to respond to disasters at home as well as abroad.
30. This paper outlines how the IDF can be more impactful in how it donates to support International Disasters ensuring a close alliance with International Aid organisations like the DEC and its partners.
31. Due to the transparent governance controls applied by the DEC, it is suggested that members could confidently give direct to the individual charities that are members of this umbrella organisation, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.

Appendices

- Appendix 1 - Record of donations from the International Disaster Fund 2010 – 2020

Background Papers

Finance Committee - Donations in emergency appeal situations – 31 January 2017

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