

<b>Committee:</b>	<b>Dated:</b>
Community and Children's Services Committee	11/06/2021
<b>Subject:</b> Combined Relief of Poverty Charity – Administration Update and Funding for Approval	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly insofar as they are in the best interests of the charity</b>	2, 3, 4
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>£0</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Andrew Carter, Director of Community and Children's Services	<b>For Decision</b>
<b>Report authors:</b> Simon Cribbens, Assistant Director – Commissioning and Partnerships Jack Joslin, Head of Central Grants Unit	

### Summary

The City of London Corporation is the trustee of the City of London Corporation Combined Relief of Poverty Charity (Reg. no. 1073660) (CRPC). This report presents various matters for consideration that are intended to support the better administration and management of the charity, consistent with the City Corporation's duties as trustee to keep such matters under review to ensure that the charity is operating most effectively. Specifically, decisions are sought on a strategic grant proposal.

### Recommendations

Members are asked, collectively acting for the City of London Corporation as trustee of the CRPC and in the best interests of the charity and its beneficiaries, to:

- approve delegated authority to the Director, in consultation with the Chair and Deputy Chair of the Community and Children's Services Committee, to consider and approve any application or requests made to the Benevolent Association restricted Fund of the CRPC in accordance with the charity's funding policy
- approve a grant of £60,000 to the First Love Foundation over 12 months to deliver advice and food support to City of London residents and those residing in bordering boroughs
- note the finance update for the charity
- instruct officers to review and make recommendations on the funding criteria for the charity to be considered at a future meeting of this Committee.

## Main Report

### Background

1. The City of London Corporation's CRPC is the principal relief of need and/or poverty charity for which the City Corporation is corporate trustee acting by the Common Council. The administration and management of the charity has been delegated to the Community and Children's Services Committee. To avoid any doubt, the City Corporation is not trustee in its local authority capacity and any decisions must be taken by this Committee independently and solely in the charity's best interests.
2. The objectives of the charity are for the public benefit:  
  
*"The relief of those in need by reason of poverty, old age, ill health, accident or infirmity who are either the widow, widower or child of a Freeman of the City of London or who reside in the City of London or the London Boroughs by the provision of grants, items and services or such other support as the trustee determines."*
3. In October 2018, the charity's modest funds were more than doubled following the decision to accept the transfer to the CRPC, on a restricted basis, the assets of the Corporation of London Benevolent Association (COLBA), another historic relief-of-need charity associated with the City Corporation's elected Members. The funds are to be used for the general purposes of the CRPC, subject to the restriction that, where there are competing applications of equal merit, preference must be given to: those beneficiaries residing in London who are previous or current elected Members, their dependents or connected persons; when residing outside London, preference should be given to the widows, widowers or children of previous and current elected Members; and, in applying the funds for these restricted purposes, the historic connection to the Association is recognised. This report seeks to implement a framework to support these commitments.
4. In 2020/21, the very modest assets of the Signor Favale's Marriage Portion Charity have also been transferred to the CRPC on an unrestricted basis. However, the funds were transferred to the CRPC subject to a wish that Signor Favale's name be retained in some way in making future grant awards, and this was accepted by your Committee.
5. When the charity's strategic funding objectives were last reviewed as part of the City Corporation's Grants Service Based Review in 2015/16, it was considered to be in the best interests of the charity to include it within the City Corporation's Central Grants Programme (CGP) and for the charity's funds to be applied under the Stronger Communities theme, which supports projects or services delivered for the benefit of communities or beneficiaries within the City of London and its housing estates across London.
6. The Department of Community and Children's Services (DCCS) is responsible for leading on the charity's administration and management. As the charity falls within the CGP, the Central Grants Unit (CGU) within the

Town Clerk's Department provides grants assessment and due diligence, and support in implementing good practice. Financial assessments are supported by the Charities Finance Team in the Chamberlain's Department. Decisions are taken in consultation with an advisory officer panel.

7. In September 2020, your Committee adopted the revised Stronger Communities criteria, including that grants will be awarded to projects or services that are being delivered for the benefit of the communities or beneficiaries within the City of London and/or housing estates managed by the City of London. The Committee approved a revised, more strategic approach to funding and charitable activities for the charity, including the proposed expenditure of up to £300,000 over 2020/21 to 2025/26 (subject to ongoing review).
8. The CRPC has struggled to attract applications and expend funds under the Stronger Communities Programme, and significant income has accumulated. There was no expenditure on charitable activity for the year ending 31 March 2020. However, the onset of COVID-19 led officers to seek the trustee's approval to make direct grants in support of the local response to the pandemic to relieve local need. Consequently two grants totalling £16,000 were awarded to Age UK City of London in April and July 2020 to support the delivery of the Square Mile Food Bank.
9. At the meeting of this Committee in September 2020 it was agreed to look at more strategic approaches to funding, having regard to the difficulties which had been experienced in applying the charities funds and a wish to generate maximum impact from the charity's modest funds and further reduce the costs of administration. Authority was also delegated to the Director of Community and Children's Services, in consultation with the Chairman and Deputy Chairman, to develop and set the framework for implementation of the charity's new funding strategy.

## Current Position

10. A charity trustee has a duty to keep their charity's administration and governance under review, and to take relevant steps to ensure that the charity is operating effectively to achieve its intended objectives. This will include regularly reviewing the charity's governing documents, governance arrangements, policies and activities, and so on.
11. The current funding policy of the CRPC falls under the Stronger Communities criteria at **Appendix 1**, and in summary provides that: "grants will be awarded to projects or services that are being delivered for the benefit of the communities or beneficiaries within the City of London and/or City of London Managed Housing Estates".
12. The CRPC's specific objectives are not included in the Stronger Communities publicly available policy so that it can work more strategically to provide funding for the relief of poverty. However, it does operate under the above geographical requirements, having previously considered that maximum impact can be generated for beneficiaries from the charity's very modest

funds by focusing activities within an area where the City Corporation has particular local knowledge and stakeholder relationships.

13. In the financial year 2020/21 the CGU received one request from an individual to the Benevolent Association restricted fund of the CRPC charity. As a formal policy and procedure for dealing with these applications was not in place at that time, and to ensure that this was dealt with quickly and sensitively, the request was dealt with by the Town Clerk under delegated authority (through the Head of the CGU, the Director of DCCS and the Chairman and Deputy Chairman of this Committee). Going forward, it is requested that the Committee approves delegated authority to the Director, in consultation with the Chair and Deputy Chair of the Community and Children's Services Committee, to consider and approve any application or requests made to the Benevolent Association restricted fund of the CRPC on a case-by-case basis. The CGU will manage any application administration and payment.

### **Funding Proposal**

14. At the meeting of this Committee in September 2020, it was agreed that the CRPC should seek to make grants that were more strategic to maximise the benefit to beneficiaries.
15. Officers have spent time discussing several options of how to maximise the benefit of the CRPC, given its small budget and very broad objectives. There is also a need to consider keeping the costs of grant assessment and management low, and to use the expertise of DCCS officers. After consideration, it was felt that the most strategic and impactful approach would be to award a grant to a single organisation which provides direct support to beneficiaries that would ensure the CRPC was delivering its objectives and maximising support, while keeping administrative costs to a minimum.
16. Approval is sought to extend the emergency food support service being delivered by the First Love Foundation to City of London residents. The pilot stages of this work have been supported to date through discretionary funding through the City's cash element of the Stronger Communities Programme (i.e. by the City Corporation in its general corporate capacity). This approach ensured that need was met while the project strengthened its operation and referral pathways. The new proposal will expand the remit of this work, providing a well-tested and impactful support for individuals who have been affected by the COVID-19 pandemic and are in need due to poverty, old age, or ill health.
17. The City of London Corporation's self-benefit has been considered during assessment of this application. This Committee, in collectively discharging the City Corporation's duties as trustee of the CRPC, and in considering this grant proposal, must take a decision which is only in the best interests of this charity. It is considered that there is no overriding conflict of interest for the City Corporation which would prevent the application being considered, as the City Corporation will not receive any direct or indirect financial benefit as a consequence of any funding award from the CRPC, and as the proposal has

been submitted and assessed through an open, public application process and assessed on its merits against the published criteria.

18. Funding of £60,000 over a 12-month period is sought to pay towards the salary costs of a project worker, food parcels and associated project costs of delivering a bespoke food bank and advice service for beneficiaries residing in the City of London or bordering boroughs. Further details of the proposal can be found in the Grant Assessment Report in **Appendix 2**. This project will support beneficiaries in need who have been financially impacted by COVID-19, and who fall within the categories of need which the CRPC can support.
19. To ensure that this grant is maximising its support (having regard to its modest funds), it is proposed that the funding can support individuals who are not just in the City of London, but also those in need and residing on border areas in other London Boroughs. This project will deliver the objectives of the CRPC as it will provide relief to those in need due to poverty or ill health who reside in the City of London or London Boroughs. It is noted that, while this proposal is within the charity's geographical area of benefit as set out in its objectives, it does depart from the Stronger Communities criteria in respect of geographical area of benefit. This departure is recommended to maximise the impact of the grant.
20. Having regard to the previous paragraph and the trustee responsibilities set out in paragraph 10, it is noted that the CRPC may benefit from more flexible geographical criteria. It is recommended that the funding criteria for the CRPC be reviewed to ensure that they reflect the Charity's strategic objectives and maximise the impact of its funds.

## **Financial Review**

21. At the Committee meeting on 28 September 2020, Members, acting collectively for the City of London Corporation as trustee of the CRPC, approved a revised Reserves Policy for the charity. This included a decision to set aside £10,000 of free reserves for the charity as working capital. This was based on the assumption that the City Corporation would resolve to begin recovering the reasonable costs and expenses incurred by it in administering the charity as trustee which, while waived historically, it is entitled to do.
22. A recommendation was presented to, and approved by, the Finance Committee of the Common Council of the City Corporation on 16 February 2021 to change the Corporation's policy such that Sundry Trusts and Open Spaces charities, including the CRPC, should bear the legitimate and reasonable costs and expenses incurred by the City Corporation in administering each charity as trustee. This will be implemented from the beginning of the financial year 2021/22 onwards.
23. Given that these costs have already been factored into the free reserves policy, the Committee is now asked to note the decision taken by the City Corporation. As the change in policy is not applicable until the next financial year, it will be reported in narrative form but with no financial impact in the Charity's 2020/21 accounts, which are currently being drafted. Actual costs

will be reflected from 2021/22 onwards in line with the timing of the agreed policy change.

24. **Appendix 3** includes the draft unaudited results for the year to 31 March 2021. In the year, the charity awarded three grants totalling £20,000, including one grant to an individual awarded out of restricted funds. The charity also made investment gains of £82,000, which were mainly applied to the restricted funds increasing their value. As a result, the charity's free income reserves increased by £3,000 from £86,000 to £89,000 by year end at 31 March 2021, well above its updated reserves target of £10,000. This means that there is around £79,000 available for expenditure on furthering the charity's purposes in 2021/22 without factoring in potential income generated in this financial year. If approved, the proposed £60,000 First Love Foundation grant (see paragraphs 14 to 16 above) will reduce the free reserves funds available to £29,000, placing the charity still in excess of the £10,000 updated reserves target.

### **Corporate & Strategic Implications**

25. **Strategic implications:** The charity's objectives and recommendations of this report support the Corporate Plan objective to contribute to a thriving society.
26. **Financial implications:** As set out above.
27. **Resource implications:** None.
28. **Legal implications:** The Comptroller and City Solicitor has been consulted in the drafting on this paper and implications are addressed within the report.
29. **Risk implications:** None.
30. **Equalities implications:** The objectives of the charity and the proposals of this report seek to alleviate poverty and deprivation. Poverty disproportionately impacts individuals and households from target equality groups, including those from Black, Asian and Minority Ethnic (BAME) communities, older households, and those with disabilities. The recommendations of this report support the Corporation's commitment and duty to tackle inequality.
31. **Climate implications:** None.
32. **Security implications:** None.

### **Conclusion**

33. A charity trustee has an obligation to take relevant steps for their charity's good governance and administration, including keeping funding and reserves policies under review. The matters presented here for consideration by Members acting collectively for the City Corporation as trustee of the CRPC, support that outcome so that the charity achieves maximum impact for its beneficiaries from its available funds.

## **Appendices**

- Appendix 1 – Stronger Communities: Criteria for funding
- Appendix 2 – Grant Assessment Report – First Love Foundation
- Appendix 3 – Combined Relief of Poverty Financial Information

### **Simon Cribbens**

Assistant Director – Commissioning and Partnerships  
Department of Community and Children's Services

T: Microsoft Teams/Skype

E: [simon.cribbens@cityoflondon.gov.uk](mailto:simon.cribbens@cityoflondon.gov.uk)

### **Jack Joslin**

Head of the Central Grants Unit

T: Microsoft Teams/Skype

E: [jack.joslin@cityoflondon.gov.uk](mailto:jack.joslin@cityoflondon.gov.uk)