

<b>Committee:</b> Grants Committee of the Bridge House Estates Board	<b>Date:</b> 26 September 2022
<b>Subject:</b> BHE Grants Committee – Officer Delegations	<b>Public</b>
<b>Which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	1
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>Report of:</b> David Farnsworth, Managing Director of BHE	<b>For decision</b>
<b>Report author:</b> Scott Nixon, Head of Director's Office	

### Summary

To support the efficient and effective delivery of BHE's activities in furthering its ancillary object, there has been an established and documented practice of delegating authority for certain grant decisions to officers. This is in line with good practice in charity administration and the City Corporation's governing framework.

At its meeting in December 2021 the Grants Committee of the Bridge House Estates Board ("Grants Committee") and the BHE Board in January 2022 agreed to endorse a trial process which involves additional written consultation with the full Grants Committee in the exercise of officer delegated authority for all grants of a value between £100,001 and £250,000.

It was agreed that these arrangements be implemented, but subject to review after a trial period lasting two committee cycles to determine whether it has been successful. It was agreed that the Grants Committee Chair and Deputy Chair would consider the process in place and any feedback received to inform recommendations as to whether the arrangements should be implemented on a permanent basis or if any changes should be made with recommendations being made to the BHE Board for approval and onward to the Court, as required.

This report requests that the Grants Committee review the trialled process and consider whether to recommend to the BHE Board that the arrangements should be implemented on a permanent basis; or decide that the process revert to not requiring written consultation with full committee at this level of delegation.

### Recommendations

It is recommended that the Grants Committee of the Bridge House Estates Board, in the discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity no. 1035628) and solely in the charity's best interests:

- i) Review the current officer delegations process involving the full Grants Committee by written consultation in the exercise of officer delegated authority for grants of a value of between £100,001 and £250,000;
- ii) Consider whether or not written consultation with the full Grants Committee in the exercise of officer delegated authority for all grants of a value between £100,001 and £250,000 should be recommended to the BHE Board for adoption within the officer delegated authority framework on a permanent basis.

## **Main Report**

### **Background**

1. At its meeting in December 2021 the Grants Committee, and the BHE Board in January 2022, agreed to endorse the following trial practice in the operation of the delegated authority approval process for grants of a value between £100,001 and £250,000:
  - a) the full Grants Committee shall be consulted in writing on the decision prior to the exercise of the Chief Officer's delegated authority;
  - b) should any Member have a comment on the application to be considered, this should be forwarded directly to the Chair/Deputy Chair of the Grants Committee within 48 hours of the email being sent; and
  - c) the Chair and Deputy Chair of the Grants Committee have the authority to reject or accept any comments from the wider Committee as part of the decision-making process.
2. The Grants Committee agreed that this trial practice be adopted for two Committee cycles and then it be reviewed with the findings being reported back to the Grants Committee; hence this report.

### **Delegated Authority administration process**

3. By way of background, under the current trial, the end-to-end process that the Funding Officer team follow to process a delegated authority decision of a value between £100,001 and £250,000, once the grant application assessment has been completed, is as follows:
  - a) Funding assessments recommended for approval or rejections between £100,001 and £250,000 are first sent to the Managing Director and Associate Director for approval (over email).
  - b) For grants recommended for approval or rejection a copy of the Funding Assessment is sent to the Chair and Deputy Chair, cc'ing the full Grants Committee, providing a 48-hour window for comments to be sent directly to the Chair/Deputy Chair for consideration.
  - c) The Chair and Deputy Chair consider any comments received and ask any pertinent questions to the Funding Team. A single response, consolidating all responses to questions is returned, generally within 48 hours (depending on staff availability).
  - d) Grants and rejections are subsequently approved or rejected by the Chair and Deputy Chair by email.
  - e) Grant offer/rejection letters are prepared, sent to the Funding Managers for approval and despatched via DocuSign to the applicant.

### **Review of Current Arrangements**

4. The trial arrangements commenced on 25 April 2022. An overview of how many grant assessments and rejections have been managed under this new process can be found below:

- a) Between 25 April 2022 and 30 August 2022, 19 grant recommendations of between £100,001 and £250,000 were sent for approval under delegated authority.
  - b) Six recommendations for rejection of requests between £100,001 and £250,000 were sent for approval under delegated authority.
5. It is understood that during the trial, there has only been one specific query raised by one Member of the wider Grants Committee on the grant assessments or rejections, sent directly to the Chair and Deputy Chair.
  6. Comments on the trial drawn together from experiences of the Funding Officer team who manage the Delegated Authority administration process focus on two areas:
    - a) Firstly, the process of seeking comments from the full Grants Committee adds an extra layer of administration to the approval process, which involves additional Funding Officer time and resource;
    - b) Secondly, from the applicant point of view the additional consultation process prolongs the decision-making process.
  7. In addition to the officer comments, this Committee is reminded that the BHE Board has previously endorsed increased delegations to Officers to support effective and efficient decision-making processes within the charity. The above trial process does not necessarily align with the position that the Board has taken on increased delegation levels.
  8. It should be noted that if the recommendation of this Committee to the BHE Board is to implement the trial practice on a permanent basis and the BHE Board concurs, this would require onward approval to the Court of Common Council. The reason for this is that the trial process is inconsistent with the Court's current written corporate governance procedures: current procedures require Members of a Committee to meet to collectively take decisions; and officers, when exercising their individual delegated authority between meetings of a Committee, consult with the Chairman and Deputy Chairman. Written consultation with a full Committee on delegated matters is currently usually only by exception. Charity delegation frameworks should be clear, transparent and in writing, and thus permanent implementation of the practice would need to be reflected in a change to the City Corporation's written corporate governance and delegation framework.

## **Conclusion**

9. This report sets out how the trial additional consultation layer worked in practice. It is for Members to consider whether they wish to recommend to the Board to make the measures permanent (noting that onward approval of the Court would be required to effect the changes to the City Corporation's written corporate governance framework) or whether they wish to revert to this additional consultation layer not being required.

## **Background reports**

- Report to the BHE Board, entitled BHE Grants Committee – Officer Delegations, dated 11th January 2022.
- Report to the Grants Committee, entitled Grants Committee – Officer Delegations, dated 6 December 2021.

## **Scott Nixon**

Head of Managing Director's Office

E: [Scott.nixon@cityoflondon.gov.uk](mailto:Scott.nixon@cityoflondon.gov.uk)

T: 020 4526 1213