

Committee(s): Policy and Resources – For Decision	Dated: 23/02/2023
Subject: Charities Review Recommendations – Standardising Terms of Reference	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly insofar as it is in the best interests of the charity?	3
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	City’s Cash – Corporate Charities Review Budget
Has this Funding Source been agreed with the Chamberlain’s Department?	Y
Report of: David Farnsworth, Managing Director of Bridge House Estates House Estates and Chief Charities Officer	For Decision
Report author: Julia Pridham – Corporate Charities Review Lead	

Summary

The Corporate Charities Review (CCR) is a review of various charities associated with the City of London Corporation. The CCR aims to ensure that each charity within scope is well managed and governed, and achieves maximum impact for its beneficiaries

The CCR recommends that the City Corporation standardise delegations for certain Committees acting on behalf of the Court of Common Council as trustee for particular charities. This report sets out recommendations on amendments to standardise various Terms of Reference (ToR) to improve efficiency and effectiveness.

Recommendation(s)

Members are asked to:

- i. Note the contents of the report.
- ii. Make a recommendation to the Court of Common Council to amend and standardise the Terms of Reference of the Committees listed in Appendix 1, with delegated charity trustee responsibilities.

Main Report

Background

The Corporate Charities Review

1. The Corporate Charities Review (“the CCR”) is a review of various charities associated with the City of London Corporation. The CCR aims to ensure that each charity within scope is well managed and governed, and achieves maximum impact for its beneficiaries. At the 14th December 2022 Finance Committee meeting, Members of that Committee agreed to extend the work of the CCR until March 2025.

Current Position

2. A charity trustee has a duty to keep their charity’s objects, administration and governance under review, and take relevant steps to ensure that their charity is operating effectively to achieve the charity’s purposes. This will include regularly reviewing the charity’s objects, governing documents, governance arrangements, policies and activities, and so on.
3. For those Sundry Trusts (listed in the second column in Appendix 1) where the sole trustee of the charity is the City Corporation acting by the Court of Common Council and the governing document of the charity does not provide that the City Corporation may act as Trustee through a particular committee, the Court has typically delegated the day-to-day management of the relevant charity to a particular committee under its Terms of Reference with certain matters (such as audit, investment) reserved to other committees. Reflecting that the Court remains ultimately responsible for the discharge of the City Corporation’s duties as charity trustee and to ensure the Court retains proper oversight of the relevant charity’s administration, decisions on closure or merger of a charity are usually referred to the Court of Common Council.
4. The CCR has identified inconsistencies in the delegations to Committees acting on behalf of the Court of Common Council as trustee for particular charities.
5. The CCR initially commissioned the advice of Bates Wells LLP (a law firm with charity law expertise) and then sought the advice of Town Clerk’s Member Services team to inform recommendations applicable to the complexity of the City Corporation in order to standardise the Terms of Reference (ToR) to a selected number of Committees.

Proposals

6. In order to improve efficiency and effectiveness for City Corporation Committees who have delegated charity trustee responsibilities, in the best interests of each of the charities concerned, the CCR proposes the following form of delegation in the Terms of Reference of those Committees listed in Appendix 1 which are responsible for the management of particular charities:

Except for those matters reserved to the Court of Common Council or which are the responsibility of another Committee, the Committee will be responsible for all aspects of [the charity’s] day-to-day management and administration of the charity. The Committee may exercise any available powers on behalf of the City Corporation as trustee under delegated authority from the Court of Common Council as the body responsible for exercising the powers of the

City Corporation as trustee. This includes, but is not limited to, ensuring effective operational arrangements are in place for the proper administration of the charity, and to support expedient and efficient delivery of the charity's objects and activities in accordance with the charity's annual budget, strategy and policies.

7. The matters reserved to the Court of Common Council include decisions on closure or merger of a charity. Other matters, including those relating to audit and investment, are the responsibility of the relevant Committee.
8. These recommendations only apply to the Sundry Trusts set out in Appendix 1, but the work developing the form of standard delegation set out above is expected to inform CCR work relating to other charities encompassed by the CCR.

Corporate & Strategic Implications

9. **Strategic implications** – Supporting the option recommended in this proposal will ensure that the City Corporation as Corporate Trustee is acting in the best interests of each of the charities to achieve their purposes and policy objectives, facilitating legal and regulatory compliance.
10. **Financial implications** – None
11. **Legal implications** – As charity trustee the City Corporation has a number of legal duties and is accountable to the Charity Commission. The recommendations are intended to support the City Corporation in meeting its charity trustee duties.
12. **Risk implications** – The recommendations in this report are intended to strengthen the City Corporation's governance procedures in relation to its charity trustee duties thereby mitigating any risks in not role modelling excellence in executing its duties in this regard.
13. **Equalities implications** – None
14. **Climate implications** – None
15. **Security implications** - None

Conclusion

16. This report sets out the CCR's proposed amendments to ToR to standardise delegations to certain Committees to improve the efficiency and effectiveness of the City Corporation acting as trustee for a number of charities .

Background papers

1. Report to Finance Committee, entitled Resourcing additional time-limited support to complete the Corporate Charities Review & support the scoping of the Natural Environment Charities Review, dated 14 December 2022
2. Report to the Policy and Resources Committee & Finance Committee, entitled Implementing the outcomes of the Charity Review and strengthening the coordination of Philanthropic Giving across the City Corporation, dated 12 October 2021 & 18 November 2021
3. Report to Finance Grants Oversight and Performance Sub-Committee, entitled Implementing the outcomes of the Charity Review and strengthening the coordination of Philanthropic Giving across CoLC, dated 21 September 2021.
4. Report to Finance Grants Oversight and Performance Sub-Committee, entitled Charity Review - Interim Outcomes Report, dated 21 June 2021.
5. Report to Finance Committee, entitled Administration costs and reserves policies as applicable to the Sundry Trusts and Open Spaces Charities, dated 16 February 2021
6. Report to Policy & Resources Committee and Finance Committee, entitled Initiation & Implementation of Charities Review, dated 4 July 2019/ 23 July 2019.

Appendices

- Appendix 1: Committees proposed for standardised ToR

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Appendix 1: Committees proposed for standardised ToR

Committee:	Delegated responsibility for:
Board of Governors of City of London Freeman's School	City of London Freeman's School Bursary Fund (284769) Charities administered in connection with the City of London Freeman's School (23) (312120)
Board of Governors of City of London School for Boys	CLS Bursary & Awards Fund (276654)
Board of Governors of the City of London School for Girls	City of London School for Girls Bursary Fund (276251) City of London School for Girls Scholarships & Prizes Fund (276251-1)
Community and Children Services	City of London Combined Relief of Poverty (1073660)
Community and Children Services Housing Management and Almshouses Sub	City of London Almshouses (1005857)
Culture, Heritage & Libraries	Keats House (1053381) Guildhall Library Centenary Fund (206950)
Education Board	City of London Combined Education Charity (312836) City Educational Trust Fund (290840)
Finance	The City of London Charities Pool (1021138)
Gresham (City Side)	Sir Thomas Gresham Charities (221982)