

Committee(s): Community and Children’s Service Committee – For Decision	Dated: 13/03/2023
Subject: Combined Relief of Poverty Charity – Administration Update and Funding for Approval	Public
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	2, 3, 4
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Clare Chamberlain, Interim Executive Director of Community and Children’s Services Report Author: Jack Joslin, Head of Central Grants Unit	For Decision

Summary

The City of London Corporation is the trustee of the City of London Corporation Combined Relief of Poverty Charity (1073660). 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 City of London Corporation Combined Relief of Poverty Charity (Charity Reg. no. 1073660) – the CRPC – and in the best interests of the charity and its beneficiaries:

- To approve a grant of £82,790 to Family Action over 24 months to deliver a food pantry service for City of London residents and those residing in bordering boroughs
- To note the finance update for the Charity
- To note the work of the Charity Review and 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. For the avoidance of 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; and otherwise when residing outside London preference should be given to the widows, widowers or children of previous and current elected Members; and further that, in applying the funds for these restricted purposes, the historic connection to the Association is recognised.
4. In the 2020/21 year, 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 BHE Institution provides grants assessment and due diligence, and support in implementing good practice. Financial assessments are supported by the BHE and Charities Finance Team. 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 City of London Managed Housing Estates, and approved a revised, more strategic approach to funding and charitable activities for the charity, including the proposed expenditure of up to £300,000 of income funds 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 reduce the costs of administration any further. At the meeting of the Committee in June 2021 the first strategic grant of £60,000 was awarded to the First Love Foundation to provide food support and advice to City of London residents and those in neighbouring boroughs.

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 their charity is operating effectively to achieve the charity's 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, 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 objects 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 it having previously been considered that maximum impact can be generated for beneficiaries from the charity's very modest funds by focusing the charity's activities within an area where the City Corporation has particular local knowledge and stakeholder relationships.

Funding Proposal

13. 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. However, it does operate under the Stronger Communities geographical requirements it having previously been considered that maximum impact can be generated for beneficiaries from the charity's very modest funds by focusing the charity's activities within an area where the City Corporation has particular local knowledge and stakeholder relationships.
14. Officers have spent time discussing several options of how to maximise the benefit of the CRPC given its small budget and very broad objects. While also taking into consideration the need to keep the costs of grant assessment and management low and utilising the expertise of DCCS officers. After consideration it was felt that the best, 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 objects and maximising support to beneficiaries, while keeping the costs of administration by the CRPC to a minimum.
15. Approval is sought to provide funding to Family Action over two years to deliver a Food Pantry Service to City of London residents and residents in surrounding boroughs. This new proposal will set up and run a food pantry service out of Artizan Street Library to support low-income and vulnerable families in the Aldgate Area.
16. Funding of period is sought to pay for the set up, salary and food subsidies for beneficiaries residing in the City of London or bordering boroughs. Further detail of the proposal can be found at **Appendix 1**. This project will support beneficiaries in need who have been financially impacted by the Coronavirus Pandemic and who fall within the categories of need which the CRPC can support.
17. To ensure this grant is maximising its support (having regard to its modest funds), it is proposed that the funding can support individuals who are in need and residing on border areas of the City of London in other London Boroughs, not just the City of London. This project will deliver the objects of the CRPC as it will provide relief to those in need by reason of poverty or ill health who reside in the City of London or London Boroughs. It is noted that whilst this proposal is within the charity's geographical area of benefit as set out in its objects, it does depart from the Stronger Communities criteria in respect of geographical area of benefit. This departure being recommended to maximise the impact of the grant.
18. Having regard to the previous paragraph and the trustee responsibilities set out above, it is noted that the CRPC may benefit from more flexible geographical criteria and it is recommended that the funding criteria for the CRPC be reviewed to ensure they reflect the Charity's objects and strategic objectives and maximise the impact of its funds. A review of the operations of this Charity will be conducted by the Corporate Charity Review Team in the

later stages of 2023 with further recommendations brought to Committee to review and agree.

Risk Management Arrangements

19. Officers are developing a risk register for the **CRPC** in line with the approach set out in the Charities' Risk Management Protocol (CRMP) which was endorsed by Audit and Risk Management Committee on the 18 January 2022, with further approval of the approach on 16 January 2023. The CRMP is based upon the City Corporation's Risk Management Policy and Strategy 2021 and the Charity Commission's CC 26 Risk Management guide. It aims to provide consistency of approach in managing charitable risk, ensuring that risks are considered in the best interests of that charity by the City Corporation in its capacity as charity Trustee. The CRMP provides a common list of risks to support this aim, structured around 5 thematic areas, that will be adapted for each charity. Further information on this will be provided to Committee to agree in due course.

Financial Review

20. At the Committee meeting on 28 September 2020, Members, acting collectively for the City of London Corporation as trustee of the City of London Corporation Combined Relief of Poverty Charity (Charity Reg. No. 1073660 – 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 to hold as working capital, which 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, whilst waived historically, it is entitled to do.

21. 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.

Conclusion

22. 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 – Grant Assessment Report – Family Action

Simon Cribbens

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

T: Microsoft Teams/Skype

E: simon.cribbens@cityoflondon.gov.uk

Jack Joslin

Head of the Central Grants Unit

T: Microsoft Teams/Skype

E: jack.joslin@cityoflondon.gov.uk

