

Committees:	Date:
Policy and Resources Committee	18 March 2024
Subject: Conclusion of Joint Philanthropy Strategy 2018 – 2024 and proposals for the future direction of the work.	Public
Which outcomes in the CoLC’s Corporate Plan does this proposal aim to support?	(3 &4 of current plan)
Does this proposal require extra revenue and/or capital spending?	N
If so, how much	N/A
What is the source of funding?	N/A
Has this funding source been agreed with the Chamberlain?	N/A
Report of: David Farnsworth, Managing Director of City Bridge Foundation	For Decision
Report Author: Fiona Rawes, Philanthropy Director	

Summary

This report sets out a range of strategic and operational considerations relating to the future direction and framing of the City of London Corporation (CoLC)’s philanthropy. The Joint Philanthropy Strategy, adopted in 2018 by the Court of Common Council, both for the CoLC itself and as Trustee of Bridge House Estates in advancing the charity’s ancillary purpose, comes to an end in March 2024.

There have been significant contextual changes in Bridge House Estates governance and operations since the Joint Philanthropy Strategy’s adoption, including recently rebranding with a new working name, City Bridge Foundation (‘CBF’), Registered Charity No. 1035628. Noting these, the CBF Board has agreed, in the discharge of functions for the CoLC as Trustee of CBF and taking decisions solely in that Charity’s best interests, to conclude the joint approach on the expiry of the current Joint Philanthropy Strategy at the end of March 2024.

The report notes that ongoing work to steward and align Philanthropy across the City Corporation will continue, not least through the the work of the Central Grants Unit which plays a central role supporting the CoLC in its grant-making activity (as charity trustee, local authority and its general corporate capacity), and in monitoring CoLC Benefits in Kind. The report notes the expanded scope of the work delivered by the Unit since its inception in 2016, and recommends that the Unit should be renamed as the Central Funding and Charity Management Team (CFCMT) to better reflect its expanded operational scope.

Finally, the report sets out proposals for refreshed oversight of the CoLC’s volunteering work upon the conclusion, in March 2024, of the current Volunteering Strategy and proposals for the development of a new one.

Recommendations

It is recommended that the Policy & Resources Committee:

1. Note the conclusion of the Joint Philanthropy Strategy at the end of March 2024.
2. Agree to the proposed new name of Central Funding and Charity Management Team (CFCMT) for the Central Grants Unit reflecting the substantively expanded scope of its operational responsibilities since it was established.
3. Agree to new description of the Unit's work as set out in Appendix 6 to this report
4. Agree for revised oversight arrangements for the CoLC's Volunteering activities as set out in paragraph 16
5. Agree that a new Volunteering Strategy should be developed for review and consideration by the Corporate Services Committee, with timing to be subject to the recruitment of a replacement Volunteering Manager to undertake the associated work.

Main Report

Background

Strategic framework

1. Background to the development of the [Joint Philanthropy Strategy](#) (approved by the Court of Common Council in June 2018), its interface with the City Corporation's [Corporate Volunteering Strategy 2018-2023](#) (approved by this Committee in September 2018), and the subsequent development of CBF's [Bridging London Strategy 2020 – 2045](#) is set out in **Appendix 1**.
2. The Joint Philanthropy Strategy was developed in recognition of the fact that, as outlined in **Appendix 2**, the CoLC undertakes significant philanthropy, whether in its general corporate capacity, as charity trustee or in the discharge of its public functions, and that a more strategic approach was required to achieve maximum impact from those activities. The Joint Philanthropy Strategy has focused on role modelling high impact philanthropy across the CoLC (acting as charity trustee of CBF and more widely), as well as supporting the growth and raising awareness of high impact and/or high value philanthropic practice externally.
3. For the CoLC acting in its capacities other than as trustee of CBF, the Joint Philanthropy Strategy has been reviewed by the Policy and Resources committee twice, firstly on 8th April 2021 and secondly on 23 February 2023. The impacts and challenges of the work are summarised in **Appendix 3**.

Perspectives of the CBF Board

4. The CBF Board recognise that the Joint Philanthropy Strategy was developed before the Board came into existence to discharge the City Corporation's functions as Trustee of CBF, and before a new, overarching '*Bridging London*' strategy, noted in paragraph 1 above, was adopted for the charity by the Court of Common Council.
5. Mindful of the fact that CBF is within the top 10 charities by asset value in the UK, steps have rightly been taken to ensure the governance of CBF is truly fit for purpose, including the establishment of a dedicated Board underpinned by two sub-committees and supported by a Conflicts of Interest Policy (following the grant of a new Supplemental Royal Charter on 1 June 2023 which includes relevant provisions aligned to charity law requirements) to clarify how actual and potential conflicts of interest and loyalty should be managed when decisions are taken by the CoLC in its capacity as charity trustee of CBF. Reflecting this, CBF has been recognised as an 'institution' within the CoLC's operational and governance framework.
6. With considerable resourcing constraints in play across the CoLC, it has been challenging to secure necessary funding from the CoLC to support all the aspirations of the Joint Philanthropy Strategy. So, for example, the Philanthropy Director role has been almost exclusively funded by CBF since its inception in 2017, and CBF has paid c.70% of the central volunteering staffing and operational costs since f/year 2019/20. The Central Grants Unit, which does not discharge CBF functions, receives limited funding from City's Estate to support its operation as the corporate team leading on philanthropic advice and best practice to the CoLC (supported by line management from the Philanthropy Director and, through her, the Managing Director of CBF), alongside the recharges made to the Funds (including charities) it administers, on a cost recovery basis. The not inconsiderable time required to argue for, and secure, funding to resource joint philanthropic activity has also largely been born by CBF.
7. More broadly, the concept of Philanthropy has become highly contested since the Joint Philanthropy Strategy was first approved in 2018 with questions arising around the provenance of philanthropic wealth and the role of philanthropy in legitimising inequality. As London's largest independent funder, CBF is rightly sensitive to these challenges which will inform, alongside other considerations, a fundamental refresh of CBF's own funding priorities currently underway under its new Chief Funding Director.

Current position

Strategic framework and operational oversight

8. Given this context, the CBF Board concluded at its Board meeting on 28 November 2023 that it was no longer in the best interests of the Charity to operate a Joint Philanthropy Strategy with its corporate Trustee beyond the current term, noting the duties on the CoLC as a charity trustee to manage

conflicts of interest, including to act solely in the best interests of the charity and not to benefit financially from the charity (unless expressly authorised). The CBF Board therefore agreed that the Joint Philanthropy Strategy should conclude.

9. The CBF Board agreed to ongoing collaboration with the CoLC on future philanthropic endeavours when appropriately resourced and in the best interests of the charity. More detail on how these close working links will continue on the conclusion of the joint strategy is set out in **Appendix 4**.

Central Grants Unit

10. The significant development of the CGU's work since the launch of the Joint Philanthropy Strategy is noted in **Appendix 5**. In light of these developments, it is suggested that the name of the Team no longer reflects the breadth of activities within its purview. A proposed new name is therefore suggested for consideration by this Committee together with a description for the unit as set out in **Appendix 6**.

Volunteering

11. Noting the recommendation from the CBF Board to conclude the Joint Philanthropy Strategy in March 2024, proposals were taken to the CoLC SLT in November to agree recommendations for future oversight and funding for the CoLC's Volunteering work from f/y 2024/25 onwards, which is primarily focussed on encouraging staff participation in volunteering and strengthening volunteering practice led by Departments in their operational activities.
12. The SLT identified in-budget funding which could be made available for f/y 2024/25 to enable a centralised co-ordinating role and programme of activity to remain in place, with provision to be made in the budgets of the key volunteer-involving Departments from f/y 2025/26 onwards.
13. The SLT also suggested that the People and HR department was the natural corporate home for the work going forward, recognising the role of the work in supporting individual and team development across the employee base as well as in providing valued additional capacity through the contribution of the 750+ external volunteers. The Interim Executive Director of HR & Chief People Officer agreed to recommend that her department should provide oversight with effect from June/July 2024 onwards (with the Philanthropy Director proving interim oversight until then as set out in the Organogram in **Appendix 7**).
14. The SLT recommended that a new, discrete volunteering strategy should be developed in the coming months for consideration by the Corporate Services Committee given the range of different stakeholders engaged as volunteers across the organisation (from employees to external volunteers). Precise timing would depend on the appointment of a replacement Volunteering Manager to support with the development of this strategy (this role currently being vacant).

Proposals

15. Noting the challenges outlined in **Appendix 3** and the perspectives of the CBF Board reflected in paragraphs 7-10 above, it is recommended that the Joint Philanthropy Strategy should conclude with effect from 31 March 2024.
16. Noting the development of the workload, expertise and broad-ranging Committee engagement of the Central Grants Unit as outlined in **Appendix 5**, it is recommended that the name of the CGU should be changed to the Central Funding and Charity Management Team, and the unit description, as outlined in **Appendix 6**, agreed.
17. It is proposed that oversight for the City Corporation's volunteering work should transfer from the Philanthropy Director to the People and HR Department with effect from June/July 2024, and a new Volunteering Strategy should be developed for consideration by the relevant committee as soon as is possible.

Corporate and strategic implications

Strategic implications

18. In the 'impact and key facts' section of the new Corporate Plan, the CoLC aspires to be a "committed Charitable Trustee" with associated draft performance measures set out later in the plan. This will provide a mechanism to support excellent philanthropic practice across the Corporation subject to necessary resourcing being available to support this work.
19. The People and HR Department will provide oversight to further galvanise the Volunteering work which seems likely to align with the aspirations of the CoLC's People Strategy whether by providing reward and recognition or training and development opportunities for our employee volunteers or by ensuring those external volunteers providing invaluable enthusiasm, skill and capacity to support the CoLC's work are celebrated and nurtured. These links will be further reinforced by the recommended volunteering strategy.

Financial implications

20. **Central Grants Unit:** Funding has been approved, through the various relevant Committees, for the work of the CGU and associated teams in f/y 2024/25. Funding for some of the work of the CGU and associated teams (Comptrollers and City Solicitors and the CBF & Charities Finance Team) is time-limited and will conclude at the end of f/y 2024/25. At that point, capacity across these teams to provide ad hoc support for charitable queries will conclude unless the query is very simple or additional resources are made available.
21. **Volunteering:** In-budget funding has also been agreed with the Chamberlain for f/y 2024/25 to enable the continuation of a centralised co-ordinating approach to volunteering. From f/y 2025/2026 onwards, it is anticipated that a

proportion of these costs will be met by Departments benefiting from the input of external volunteers on a pro-rata basis, with centralised funding supporting the employee volunteering work.

22. People implications

See paragraphs 13 and 14 above.

23. Legal implications

As Trustee for CBF, the CoLC must continue to independently consider and ensure that decisions relating to the Joint Philanthropy Strategy and its implementation in furthering the charity's ancillary object remains in the charity's best interests having regard to the charity's primary object (which takes precedence over the ancillary object) and the charity's overarching strategy under which the Joint Philanthropy Strategy sits; and, further, that any conflicts of interest arising in the CoLC acting for itself, or otherwise as Trustee of CBF, are managed. With the constitution of the CBF Board, these decisions are now taken independently for the City Corporation as trustee of CBF, with Policy & Resources Committee in this case separately taking decisions for the City Corporation for itself acting in its other capacities. In considering the resourcing of shared objectives, regard must be had to charity law requirements that a trustee cannot directly or indirectly financially or materially benefit from the charity they manage and administer, unless this is expressly authorised by law, the Charity Commission, the Court or the charity's governing document (the strict "no profit" rule). Receipt of an unauthorised benefit is a breach of trust and the charity trustee may be required to repay or otherwise account to the charity for it.

24. Risk implications

As Trustee for CBF, there are reputational risks if the CoLC is not seen to manage potential conflict of interest/loyalty issues with CBF appropriately. Concluding the joint Philanthropy Strategy will significantly reduce the risks of such conflicts arising.

25. Equalities implications

Continued focus on excellence across all the relevant teams and a strong commitment to learning and collaboration between them will enhance positive outcomes for the often marginalised and under-served communities who benefit from philanthropic work.

26. Climate implications

Much of the CoLC's philanthropy supports the ambitions of the CoLC's Climate Action Strategy, with the Open Spaces Charities making a key contribution to carbon reduction targets. The proposal relating to volunteer management will enable continued excellent management of and a consistent experience for the many external volunteers supporting the Natural Environment Department.

27. Security implications: N/A

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Background Reports

- Report to the Policy & Resources Committee and BHE Board: Joint Philanthropy Strategy Implementation – update and future plans, 8th April 2021
- Report to the Policy & Resources Committee and BHE Board: Approach and timeline to redeveloping the Joint Philanthropy Strategy, dated 17th November 2022
- Report to the BHE Board and Court of Common Council: Bridge House Estates – Conflict of Interest Policy (9 March 2023i)
- Report to the Policy & Resources Committee: Review of Joint Philanthropy Strategy 2018 – 2023, dated 23rd February 2023
- CBF Board report: Philanthropy Strategy Next Steps, dated 28th November 2023.

Appendices

- **Appendix 1:** Strategic framework for the Joint Philanthropy Strategy
- **Appendix 2:** Summary of discretionary charitable giving undertaken by the CoLC and CBF 2019-2023
- **Appendix 3:** Positive impacts and areas of challenge for the Joint Philanthropy Strategy
- **Appendix 4:** How strong working links will continue between CBF and CoLC upon the proposed conclusion of the Joint Philanthropy Strategy
- **Appendix 5:** The expanded scope of the Central Grants Unit
- **Appendix 6:** Proposed new name and description of the work of the CGU
- **Appendix 7:** Proposed future reporting structure for key philanthropic roles.