

WCoMC Charitable Fund
Review
February to October 2020
October 2020



Contents

- Brief Background
- Key strengths
- Area for improvement
- Recommendations



Background

- This Review (An evaluation of the Fund's Operation) was commissioned by the Chair of the Trustees of the Charitable Fund in February 2020.
- After a period of preparation, including the establishment of clear Terms of Reference, work was interrupted by the Covid-19 lockdown.
- The Review team of 2W Steve Cant and Geoff Berridge then determined to continue the work virtually.
- Interviews, all carried out via Zoom, were conducted in May and June 2020. All the trustees of the charitable fund were interviewed, together with a sample of Company members ranging from some Past Masters to some relatively new joiners.
- A major pro bono project – effort has totalled > 250 hours



Key strengths

- A committed team of Trustees
- A well-managed investment fund delivering reasonable returns
- The high-level grant assessment criteria are adequate
- A good track record in grant making, especially to long term beneficiaries
- A solid history of significant achievement both in helping to establish the Company and in the creation of the Cass Centre for Charity Effectiveness
- A sound basis for the Fund's continued existence as an important adjunct to the Company's mainstream activities.



Areas for improvement

- Operation of the governance structures, which could be themselves be much clearer
- A poor process and mechanism for grant assessments
- Disengaged Company membership which does not understand the Fund or its objectives
- A fundraising model that in some instances operates as a deterrent to Company membership
- Poor alignment with the Company's strategy and priorities
- Fund administration provided by the Company that is not suited to the needs of the fund going forward.
- Long term support for some beneficiaries in need of critical review



R1 - Charitable Fund Reboot

CRITICAL

➤ Recommendation

- Despite its history of achievement, the Charitable Fund needs a reboot including a clearer statement of direction, more clearly linked to the Company's wider strategy, especially its philanthropic programme and reflecting a desire to support members' wishes.

➤ Rationale

- Early energy and then funding the creation that went into creating the fund has gradually dissipated
- History forgotten
- Lack of awareness, especially among newer Members



R2 - Clearer roles for trustees



➤ Recommendation

- While the Fund is relatively small and, as such needs to keep things simple, clearer roles are required for trustees, who need to be more active in the management and direction of the fund.
- Trustee roles should be based on capabilities required matched to skill sets available

➤ Rationale

- Trustees – except for the Treasurer – do not have specific roles. Not best practice charity management.
- Clearer roles for trustees are required going forward - recognising the need to keep things simple and not over-engineer solutions.
- Some trustees are frustrated by lack of clear and incisive leadership



R12 - Overhaul administration of the fund



➤ Recommendation

- The administration of the fund needs to be thoroughly overhauled,
- Provide greater value for money than existing arrangements
- Releasing more funds for distribution to good causes

➤ Rationale

- Concerns around level of support for Trustees
- Requirements are modest but may increase somewhat in the short term
- Costs too high with 10% of funds available spent on administration - not value for money
- Recycling of gifts made to the Fund (with the benefit of gift aid) back to the company via the admin charge is unacceptable – both morally and legally.



R5 Develop a long term program of 2 way communications with members



➤ Recommendation

- A new, consistent, and long-term programme of two-way communications with members needs to be undertaken, using multiple media, to raise the profile of the charitable fund, clarify its priorities and engage members more directly using case studies and success stories about beneficiaries.

➤ Rationale

- Newer members were challenging about what the fund is for, its funding criteria and its relationship with the Company
- History of the Fund is largely forgotten



R10 - More integrated approach to philanthropy



➤ Recommendation

- Develop a more integrated approach to philanthropy, aligning Pro Bono work with the provision of funding – the “funder plus” model.
- Use the company Pro Bono network more actively to identify worthwhile ‘not for profit’ organisations that would benefit from funding.
- This approach should extend to include charities known to or supported by members but not necessarily via recognised Pro Bono work.
- The Company and the Fund should make more of the principle of “Get to know philanthropy”, to redress the imbalance between Members’ widespread appreciation of our Pro Bono work and the limited knowledge about the work of the Charitable Fund – notwithstanding the significantly different scale of giving in both.

➤ Rationale

- Divided views on whether the Fund should be proactive or reactive but being too openly proactive could be risky – prompting too much demand
- Good support for using the pro bono network to seek out applicants – either direct pro bono clients or charities known to members
- Better to be reactive in the main but using the pro bono network would allow some proactivity – in a managed and well-informed way.



R3 - Improved governance structure



➤ Recommendation

- The governance structure (see R2) should be underpinned by a properly focused induction programme for new trustees;
- And a set of guidelines for trustees on governance and conduct of/ at meetings, particularly focused on handling conflicts of interest.

➤ Rationale

- New trustees do not receive any induction
- They are expected to get on with it and hit the ground running, which is both inefficient and frustrating for the new trustees.
- Conflicts of interest are allowed or at least not challenged at Trustee meetings. This is a significant failing.
- Therefore the conduct of meetings should be clearly set out, including appropriate handling of conflicts of interest.



R4 Composition of the trustee group



➤ Recommendation

- The trustee group should be strengthened by the addition of younger members from diverse backgrounds.
- In the short term the Fund should consider co-opting Members who are active in the world of philanthropy and are younger than the present set of Trustees.
- There should be a maximum term length for both the Chair and trustees of 6 years - 2 terms.

➤ Rationale

- Current group of trustees seen as too white, male and long in the tooth:
- The current group of trustees is not as diverse as it could be – or should be - to align with the Company's broader aspirations.
- Best practice would be to set a maximum length of Trustees' time in office.



R6 - Simplify fundraising from members



➤ Recommendation

- The short-term priority is to re-establish the credibility of the Fund – the Reboot - after which it should be at least feasible to increase fundraising efforts. Until then general fund raising should not extend beyond giving by members.
- However this should be made simpler by introducing monthly direct debits as a payment option in the short term.
- In the medium term more flexible giving should be introduced and the concept of leaving part of members' estates to the fund should be revived.

➤ Rationale

- “Voluntary” donations already too expensive for some members
- Some see donations as “mandatory” – and are put off
- The current approach to levying voluntary donations is unpopular and should be considered further in the light of the current health crisis and its likely impact on membership and recruitment
- Don't make mandatory donations a barrier to joining the Company



R7 - Clarify and communicate the existing funding criteria



➤ Recommendation

- Present criteria are adequate - but they are too general
- They need to be more specific for each application
- Seek to achieve sustainability and resilience in grant making
- Provide a set of “sub criteria” to ensure a better fit between what the Charity wants, and the applicant’s needs.

➤ Rationale

- Criteria are adequate but we should rework them with better explanations and examples from past successful applicants.
- Recent grant applications have been of poor quality – poor alignment with criteria.
- We do not provide enough guidance and support for people wanting to apply.



R8 - Improve the method and process for assessing grant applications



➤ Recommendation

- The method for assessing grant applications needs to be much more robust, adopting professional best practices including proper triage and evaluation by a lead grant assessor,
- Overhaul the approach to grant assessments with scoring, proper evaluation, and formal value-added feedback provided to all applicants whether successful or otherwise – to be carried out by lead grant assessor.

➤ Rationale

- The process of assessing grant applications is extremely poor – not close to best practice.
- Need better evaluation of applications: maybe a scorecard
- As a relatively small charitable fund, we should be mindful of not over engineering our approach to assessing grants. While this is a reasonable point, current practice is so far short of “good” that action is required.



R9 - Clarify reporting requirements for successful applicant



➤ Recommendation

- The fund needs to be clear and robust about its requirements for beneficiary organisations to identify and track their outcomes and social impact.
- Grantees should sign up to providing reports on this at appropriate intervals.

➤ Rationale

- No evidence of impact tracking - We do not, as matter of course, follow up on grants to assess impact.
- This is well short of what would be regarded as best practice on this issue.
- Better evidence of outcomes and impact may help to boost members engagement.
- We need to be certain what difference a grant will make.



R13 - Long term support for organisations

ESSENTIAL

➤ Recommendations

- YBI – Continue with pro bono support. (A good example of the Funder Plus model in action) but recognise that the practical method of support is likely to change (few, if any) overseas visits.

➤ Rationale

- Strong support for the idea that we must avoid the risk of propping up organisations.
- We should clearly define why we would support an organisation for a long time
- YBI seen as an excellent example of ‘Funder Plus’ - grants supported by pro bono work - but some concerns expressed about how funds were used to provide for overseas visits by a few volunteers.
- The nature of the support required in the future is likely to change, with accreditation visits being done virtually.



R13 - Long term support for organisations

ESSENTIAL

➤ Recommendations

- Sea Cadets – Continue as now but with greater focus on the value of the relationship to the Company and on how the funds provided deliver better outcomes and impact for the Cadets themselves.

➤ Rationale

- Sea Cadets relationship seen as highly valued and aligned with criteria – building capability of young people.
- Further support for Sea Cadets widely supported.
- On the one hand it would be helpful to have a direct Line between Trustees Group and the Sea Cadets but on the other there is a need for the Company's contact point with Sea Cadets (currently Kanan Barot) to be independent from the Trustees.



R13 - Long term support for organisations



➤ Recommendation

- Centre for Charity Effectiveness (CCE) – further support dependent on much stronger case being made.
- In addition, the relationship between the Company's Charitable Fund and the Centre for Charity Effectiveness Trust Ltd. should be clarified.

➤ Rationale

- Many interviews thought that WCoMC and the CCE were no longer close and supportive.
- Recent applications from the CCE have been weak and a sense of entitlement could be inferred.
- Against those views, several trustees felt that was value in the long-term relationship continuing.
- There are significant overlaps in trustees between the two bodies and potential for confusion.



R11 - Develop a well targeted yet proactive approach to proactive giving.



➤ Recommendation

- The fund should only proactively seek applications via a specific, targeted approach with a triage panel led by the Lead Assessor to assess them.
- While several ideas have been suggested, only one is recommended for further investigation: the idea for long term support to an organisation to be identified via a sponsored competition.
- Beyond this the Fund should consult Membership more widely on its preferences.

➤ Rationale

- General consensus that would look for a unifying common big idea or cause.
- No single idea or theme emerged.
- One Idea – John Pulford’s long-term funding “Open Call Initiative” – received support during consultations and is set out in detail in the report.



Next Steps

- A Trustee workshop to:
 - Define roles
 - Take ownership
 - Develop an implementation plan.
- Communicate with membership
 - Newsletter articles
 - Case studies
 - One off virtual event – to present recommendations and plans

