

Review of the Charitable Fund

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Review of the Charitable Fund

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Review Team Members:	Steve Cant, Geoff Berridge

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. Consolidation of findings and analysis leading to some clear conclusions took place in June and July 2020, followed by a period of further consultation with Trustees about recommendations in July. Formal recommendations, as set out in this report, were finalised in September 2020 then refined and agreed at a meeting of the Trustees on 12th October 2020.

The work involved in carrying out this review has totalled about 250 hours.

Executive Summary

1 Overview of Findings

During its work, the Review Team has found:

- 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 Centre for Charity Effectiveness
- A sound basis for the Fund's continued existence as an important adjunct to the Company's mainstream activities.

Against this, the Review Team found that there will be significant challenges in operating the Charitable fund going forward. There are several weaknesses that will need to be addressed as follows:

- Weak 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
- Statement of direction is not clearly linked to the Company's wider strategy, especially its philanthropic programme, and does not reflect a desire to support members' wishes
- 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

A summary of the report's Recommendations is set out in the table below.

A full articulation of the Review's findings, the conclusions drawn, and the consequential detailed recommendations, is contained in the main report below. Each such recommendation is cross referenced to the main Recommendations shown above.

2 Summary of Report Recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below:

Ref. No.	Recommendation	Critical/ Essential/ Recommended
1.	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.	Critical
2.	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.	Critical
3.	This governance structure 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,	Essential
4.	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.	Essential
5.	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.	Critical
6.	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.	Essential
7.	The existing funding criteria need to be clarified and explained clearly to those making grant applications. The fund should not be receiving applications that are not aligned with its funding criteria.	Essential
8.	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, and value-added feedback provided to all applicants whether successful or otherwise	Essential
9.	The fund needs to be clear and robust about its requirements for beneficiary organisations to identify and track their outcomes and	Essential

Ref. No.	Recommendation	Critical/ Essential/ Recommended
	social impact. Grantees should sign up to providing reports on this at appropriate intervals.	
10.	<p>The fund should use the company Pro Bono network more actively to identify worthwhile 'not for profit' organisations that would benefit from funding. The aim should be for a more integrated approach to philanthropy, aligning Pro Bono work with the provision of funding – the “funder plus” model. This approach should help promote well developed applications, aligned with the funding criteria, and sponsored by active members. This approach should extend to include charities known to or supported by members but not necessarily via recognised Pro Bono work.</p> <p>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.</p>	Essential
11.	<p>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, via the enhanced communications referred to above.</p>	Recommended
12.	<p>The administration of the fund needs to be thoroughly overhauled, with the aims of providing greater value for money than existing arrangements and releasing more funds for distribution to good causes</p>	Critical
13.	<p>Long term support for organisations which have traditionally benefited from support has been examined with the following recommendations:</p> <ul style="list-style-type: none"> • 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. • 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. • 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. • CMCE – no funding as this would represent recycling of (Gift-aid supported) donations to the Company. 	Essential

Critical (Do Now) –It is of the greatest importance that the Charitable Fund / Company should act immediately

Essential (Do By) – The Charitable Fund / Company should act soon.

Recommended – The Charitable Fund / the Company is expected to benefit from the uptake of this recommendation.

Report

3 Purpose

The purpose of this document is to:

- Provide a summary of the finding and conclusions from the review
- Make specific detailed recommendations to the Trustees for the future development of the WCoMC charitable Fund.

4 Terms of Reference

Terms of reference were agreed at the outset of the review and these are contained in full in Appendix 2. The objective was to review the operation of the Charitable Fund in its totality focusing particularly on:

- Fundraising - ways to maximise the replenishment of the Fund
- The source / origins of grant applications
- Fund management – is it effective and are the return on investments adequate?
- The funding criteria. Are they appropriate for today’s needs and do they work effectively?
- Use of funds / grants: Is the reporting of the use of grants adequate in terms of the recipient’s benefits and value to the Company?
- Does the Trust understand the impact of its grants?
- Should part of the Fund be used for alternative purposes? e.g. a benevolent fund
- Administration of the work of the Charitable Fund: Is it fit for purpose?
- Company Members – who provide most of the funding. Do they understand what the Charity does? Are they motivated to support the Charitable Fund?
- External Benchmarks - Look at what other Livery Companies do with their charitable funds, find best practice, and learn from it.

5 History and context

The charity was originally set up to enable the creation of the Company, over 20 years ago. Its creation was “the price of admission” as a Livery company. In its early years, the charity was successful in its support of the creation of the Centre for Charity Effectiveness (CCE). However, the past decade has seen steady decline in its activity and its active support by members. In the same time frame there have been changes in the marketplace, with growing emphasis across the sector on outcomes and impact; trends which have not necessarily been followed by the Charity. Many members are simply unaware of this legacy to the point where, today, many members know little of the fund, what it does with its funds and the impact it achieves. This all points to a range of communications challenges which are highlighted in the main report.

6 Creating a Benevolent Fund

As part of our review of the Charitable Fund we were asked to consider whether a benevolent fund should be established. A separate report on this matter is included below at Appendix 2.

7 Analysis

The following section, a table setting out the Review Team's Findings arising from the review, is a combination of facts, opinions and views expressed by interviewees. We have tried to capture the full range of opinions in those areas where there are significant differences.

These findings, together with associated conclusions that can be drawn from them, are grouped into several themed areas for ease of understanding.

Detailed recommendations, based on these conclusions, then follow in column 3 of the table. Each such recommendation is cross referenced (in column 4) to the main Recommendations shown in the Executive summary above.

8 Findings, conclusions, and recommendations

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
1. History and Origins of the Fund			
<p>Required under Constitution of Livery Companies</p> <p>Much effort went into setting it up including fundraising events</p> <p>Once set up even more effort, over many years, went into raising funds for the establishment of the Centre for Charity Effectiveness (CCE).</p>	<p>The energy and drive that went into the creation of the fund initially and then funding the creation of CCE has gradually dissipated</p>	<p>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.</p> <p>However, it is not necessary to return to aggressive fund-raising activities.</p> <p>Use the history of giving to inform the drive for a wider view of Philanthropy</p>	<p>Rec. 1</p>
<p>Much of this is forgotten</p>	<p>The Fund is now largely overlooked History forgotten Lack of awareness, especially among newer Members</p>	<p>Refresh members' knowledge about the Fund's history via enhanced communications – see below.</p>	<p>Rec. 5</p>

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
2. Perceptions & Knowledge of the Fund			
Older members were aware of the fund and its history	While it is important to understand the history of the fund, this need not shape its future direction	None – see above.	
Newer members were not aware of the fund and its history	Lack of awareness, especially among newer Members	The Charitable Fund needs a reboot and a clearer statement of direction It should be an integral element of the Company's Philanthropy programme	Rec. 1
Newer members were challenging about what the fund is for, its funding criteria and its relationship with the Company	Relationship to the Company is not clear	Address this gap via programme of communications	Rec. 5
3. Fundraising: Maintain Capital Base and grow the Fund			
Mixed views on growing the fund; some in favour others not	At a minimum we should protect the capital base	Maintain the capital base but do not expand fund raising In the short term do not plan to grow the capital base with member/other donations. Revisit this position in 2023 when the Charity's work is better appreciated by members	No action proposed – no recommendation
	The future purpose of the Fund is more important than adding to the capital base		
"Voluntary" donations already too expensive for some members	The current approach to levying voluntary donations is unpopular and should be considered further in	Monthly Direct debits are likely to be more acceptable to some members – see below Move to a proper voluntary arrangement for member donations. Opting in required.	Rec.6
Some see donations as "mandatory" – and are put off			

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
A sliding scale for donations has some support	<p>the light of the current health crisis and its likely impact on membership and recruitment</p> <p>Don't make mandatory donations a barrier to joining the Company</p>	Later - Provide a scale of annual donations from which each member can select an amount	
4. Will and giving one's estate to the Fund			
The idea was introduced some time ago – by then Master Alan Broomhead	Can be looked at again but needs a stronger message to persuade members	The short-term priority is to re-establish the credibility of the Fund – the Reboot - after which is should be at least feasible to increase fundraising efforts. Until then general fund raising should not extend beyond giving by members.	Rec. 6
There have been concerns over the performance of the Charity	Current management of the Charitable fund is leading to a reduction in bequests in the longer term	Do not pursue currently but reconsider in a year's time.	
Some members have withdrawn support		Appoint a Trustee fundraiser to work with the Treasurer. This Trustee should be responsible for promoting this to members with a clear statement of the strategy and value of the Charity's work. This Trustee should also meet those members donating in their wills on an annual basis to deal with any concerns coming from them.	
5. Direct Debit scheme for Donations			
Some support for this idea, but repeated comments that members are not rich	Affordability is an important issue especially in the context of the in the light of the current crisis and its likely	Implement monthly direct debits as alternative payment option – see earlier section	Rec. 6

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
	impact on membership and recruitment		
A sliding scale – with higher contributions from some and lower from Freeman - had some support	An idea worth pursuing but we can only do this when there is greater recognition of the value of the Fund's work.	Do not pursue currently but reconsider in 2021.	Implement later – see Rec. 6
6. Fund Management: Trustees			
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.	In the short term the Fund should consider co-opting a couple of younger / more diverse Members who are active in the world of philanthropy and are younger than the present set of Trustees. These Members would then progress to being full trustees. Set maximum length of Trustees' time in office	Rec. 4
There was support for bringing in some external expertise		On balance, do not seek external input if Member Trustees are more diverse	
Conversely several existing trustees saw no need to look for external input			
New trustees do not receive any induction	New trustees expected to get on with it and hit the ground running, which is both inefficient and frustrating for the new trustees.	Trustee induction is required Provide a set of guidelines for Trustees on governance and behaviour at meetings.	Rec. 3

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
<p>The documented descriptions of trustee responsibilities need to be reviewed.,</p> <p>The conduct of meetings and the length of time a member may serve as a Trustee or Chair also need to be reviewed.</p>	<p>These are serious gaps</p>	<p>Clearer roles for trustees are required recognising the need to keep things simple and not over-engineer solutions. Nevertheless, Trustee roles should be based on capabilities required matched to skill sets available.</p>	Rec. 2
		<p>The conduct of meetings should be clearly set out, including appropriate handling of conflicts of interest.</p>	Rec. 3
		<p>The length of time a member may serve as a Trustee or Chair should be clearly set out.</p>	Rec. 4
<p>Trustees – except for the Treasurer – do not have specific roles</p>	<p>This does not align with best practice charity management</p>	<p>Give Trustees specific roles: Chair, Treasurer, Lead grant assessor, administration, pro bono liaison and fundraiser, again recognising the need to keep things simple and not over-engineer solutions</p>	Rec. 2
<p>Potential conflict of interest with some applications</p>	<p>Conflicts of interest are allowed or at least not challenged at Trustee meeting This is a significant failing</p>	<p>Address this problem by proper declaration of interests at the start of any meeting which decides on grants to be made. No Trustee with an interest in the matter to hand may speak in support of it or vote for it.</p>	Rec. 3
<p>Chair seen as not effective on certain issues Current Chair has offered to step down</p>	<p>Some trustees are frustrated by lack of clear and incisive leadership</p>	<p>Succession plan needed for new Chairs</p>	
<p>7. Fund Management: Investments</p>			
<p>Strong support for Cazenove as the Fund Manager</p>	<p>The current arrangements are not broken</p>	<p>No change required</p>	<p>No Recommendation.</p>
<p>It would be expensive and time consuming to choose an alternative to Cazenove</p>	<p>Do not waste time on this now when there are other more</p>		

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
	important issues to address.		
8. Grant Making Criteria			
Present criteria are adequate - but they are too general	Need to be more specific for each application We should look to achieve sustainability and resilience in grant making	Criteria are adequate but we should rework them with better explanations and examples from past successful applicants. Provide a set of “sub criteria” to ensure a better fit between what the Charity wants, and the applicant’s needs.	Rec. 7
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	Provide better guidance for applicants both in writing and potentially with pro bono support provided they are already in with a chance	
Idea - Look for / prioritise transformational projects	We need a new clear focus for grant making. There are many ideas but the idea for long term support to an organisation to be identified via a sponsored competition was thought to be worthwhile (John Pulford’s Open Call Initiative idea)	Pursue the idea for long term support to an organisation to be identified via a sponsored competition. This proposal is more fully explained in Appendix 4.	Rec. 11
Idea - Look to support post covid 19 cases / Help organisations deal with crises		Members to be encouraged to bring ideas forward. Have a Trustees’ triage panel to assess members’ ideas and shape them to meet the Charity’s criteria	
Idea - Look for / prioritise causes that support young people			
Idea – John Pulford’s long-term funding “Open Call Initiative”			
No evidence of impact tracking	We do not, as matter of course, follow up on grants to assess impact.	We need to be clearer about our requirements to identify and track outcomes and impact	Rec. 9

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
Better evidence of outcomes and impact may help to boost members engagement..	This is well short of what would be regarded as best practice on this issue. Need to be certain what difference a grant will make	Then we need to monitor the actual outcomes and impact of a grant. Grantees should sign up to providing reports on this at appropriate intervals.	
9. Effectiveness of Awarding Grants			
The process of assessing grant applications is extremely poor – not close to best practice.	Need better evaluation of applications: maybe a scorecard Need to review how we evaluate applications	Overhaul the approach to grant assessments with scoring, proper evaluation, and formal value-added feedback – to be carried out by lead grant assessor.	Rec. 8
As a relatively small charitable fund, we should be mindful of not over engineering our approach to assessing grants.	A reasonable point but current practice is so far short of “good” that action is required.		
Members have little visibility of what we do and don’t support.	We should represent members’ views on what we do or don’t support	Publicise grant making outcomes and impacts via news items and case studies. Have a separate page on the Company’s website, managed as part of the wider communications plan.	Rec. 5
10. Proactive/Reactive Funds Distribution			
Divided views on this but being too openly proactive could be risky – prompting too much demand	Better to be reactive in the main but using the pro bono network would allow some proactivity – in a	Use pro bono network more actively – aim for integrated approach to philanthropy. This means adopting the “funder plus” model – see below.	Rec. 10
Good support for using the pro bono network to seek out applicants – either			

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
direct pro bono clients or charities known to members	managed and well-informed way.	<p>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.</p> <p>Develop a strategy for the Charity which, after member consultation, maps out the areas of support</p>	
<p>Some interest in for more support for young and disadvantaged people</p> <p>Support for looking at a wider spread of beneficiaries</p> <p>Suggestion that the charity world post covid 19 will require much help.</p>	Need clearer guidance on what could be supported.	Ask members for their ideas – via an improved communication approach – see below.	Rec. 5
We need “a big project” that combines pro bono and money.	<p>No consensus on this question but John Pulford’s long-term funding / competition idea might fit the bill.</p> <p>This idea, it should be noted, has been in circulation for a couple of years.</p>	<p>Further investigate and pursue the proposal that the Fund should issue an Open Call to small non-profit organisations in the Greater London area to bid for a package of three year funding, say £10k pa, plus pro bono management consulting support in order to provide social benefit in an area of need identified by the Fund.</p> <p>This proposal is more fully explained in Appendix 4.</p>	Rec. 11
11. Grants to Specific Organisations			
Strong support for the idea that we must avoid the risk of propping up organisations	Need to define why we would support an organisation for a long time	The proposal (above) to provide long term support to a carefully selected charity would meet this objective.	Rec. 11

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
<p>Many interviews thought that WCoMC and CCE were no longer close and supportive.</p> <p>Recent applications from CCE have been weak and a sense of entitlement could be inferred.</p> <p>Against those views, several trustees felt that was value in the long-term relationship continuing.</p> <p>There are significant overlaps in trustees between the Company's Charitable Fund and the Centre for Charity Effectiveness Trust Ltd.</p>	<p>There are mixed views on this beneficiary.</p> <p>There is potential for confusion.</p>	<p>Further support for CCE only where there is a clear, strong case made that directly aligns with the Fund's criteria.</p> <p>In addition, the relationship between the Company's Charitable Fund and the Centre for Charity Effectiveness Trust Ltd. should be clarified.</p>	<p>Rec. 13</p>
<p>Sea Cadets relationship seen as highly valued and aligned with criteria – building capability of young people</p>	<p>Further support for Sea Cadets widely supported:</p> <p>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.</p>	<p>Continue - but the value of the relationship with the Sea Cadets needs to be better documented</p>	

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
<p>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.</p> <p>The nature of the support required in the future is likely to change, with accreditation visits being done virtually</p>	<p>Further support for YBI widely supported but this likely to change</p>	<p>Continue, but aligned to YBI's new accreditation approach</p>	
12. Alignment with Pro Bono Work			
<p>Strongly supported</p>	<p>Use pro bono to shape and evaluate applications</p>	<p>Combine pro bono and Charity giving to have a wider philanthropy programme – in line with WCoMC strategy.</p>	<p>Rec. 10</p>
<p>Strong support for a "funder plus" programme</p>	<p>Get members' support to bring applications forward</p>	<p>Encourage members to propose those charities that they know – even if not a pro bono client</p>	
<p>Support for Pro Bono Assignments as funnel for new Beneficiaries</p>	<p>Link to philanthropy concept</p>		
<p>The fund should be open to applications from organisations outside the pro bono support network</p>	<p>Do not make pro bono support mandatory for consideration of grants</p>		
13. Administration			
<p>Cost too high, not value for money 10% of funds available for distribution each year are spend on administration</p>	<p>Requires improvement in terms of process, timings and follow ups</p>	<p>We need a different approach here. We recommend:</p> <ul style="list-style-type: none"> • Redefining the administration role. 	<p>Rec. 12</p>

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
Recycling of gifts made to the Fund (with the benefit of gift aid) back to the company via the admin charge is seen by some as unacceptable – both morally and legally.	The current method of funding the admin support costs for the fund is not sustainable	<ul style="list-style-type: none"> Utilising the services of the Assistant Clerk for a trial period of one year An annual budget of £3,000 	
Poor support for Trustees,	Define the administrative support role properly	Look at alternative methods of providing administrative support – as outlined above.	
14. Communications			
Currently not good Members have little knowledge of what the Charity is doing	Needs substantial improvement in terms of content, news about the fund and the charities it supports	Link it to philanthropy Tell success stories on a regular basis Get members' interest with success stories and big ideas.	Rec. 5
Emails alone are not enough – need to recognise different communication needs for different generations	Need to diversify the range of communications channels / media used	A coordinated communications campaign, including: <ul style="list-style-type: none"> Putting information about the Charity into the new members pack. (Done). Having a page on the Company's website. Including a paragraph in every Company newsletter. Producing a separate quarterly update on the operation of the Fund (as produced by 3W Bob Harris). An annual report on fund activities, as now, but with focus on numbers, outcomes, impact, diversity of beneficiaries 	
15. Benchmarking			
We carried out an examination of what other Livery Companies do with their	The WCoMC's Charitable fund is	All recommendations and actions arising from this review need to be mindful of this fact. We need to avoid	Rec. 2

Findings	Conclusions	Recommendations	Cross Ref. to Main Recommendations
<p>charitable funds: with the aim of finding best practice and learning from it. This was a desk-based exercise that looked at 20 Livery Companies whose charitable arms could be identified.</p>	<p>clearly relatively small in the scheme of these things.</p>	<p>overengineering solutions in those areas where potential improvements have been identified,</p>	
	<p>Best practice is difficult to define and there is no obvious “stand out” charity of the same size and recent formation which we can use as a comparator, and learn from. In a general sense the findings provide an assurance that the WCoMC Charity is not out of line with others in what it supports.</p>	<p>A summary of the benchmarking exercise is contained in Appendix 3. There is no case, based on comparison with other livery companies, for any realignment in terms of the Fund’s delivery focus.</p>	<p>Recs 11 & 13.</p>

Appendix 1- Terms of Reference

- 1. Background** The context for this evaluation / review is that the Trustees believe that many of the applications that are submitted to Charitable Fund are worthy but not supportable when judged against existing funding criteria.
- This results in the Fund seeming to be supporting the same few organisations with the same small group of WCoMC members supporting or providing services to the beneficiaries. The corollary of this is the view expressed by Trustees that we could use part of the fund in a different way.
- A secondary concern is that the bulk of WCoMC members have little knowledge of the work of the Charity and could contribute more both in terms of donations and bringing applications to us.
- The Trustees believe that the position described above is getting progressively worse and they have therefore commissioned this review.
- 2. Objectives** The objectives of this evaluation / review are as follows:
Review the operation of the Charitable Fund in its totality focusing on:
- Fundraising - ways to maximise the replenishment of the Fund
 - The source / origins of grant applications
 - Fund management – is it effective and are the return on investments adequate?
 - The funding criteria. Are they appropriate for today’s needs and do they work effectively?
 - Use of funds / grants:
 - o Is the reporting of the use of grants adequate in terms of the recipient’s benefits and value to the Company?
 - o Does the Trust understand the impact of its grants?
 - o Should part of the Fund be used for alternative purposes? e.g. a’ benevolent fund
 - Administration of the work of the Charitable Fund. Is it fit for purpose?
 - Company Members – who provide most of the funding.
 - o Do they understand what the Charity does?
 - o Are they motivated to support the Charitable Fund?
 - External Benchmarks - Look at what other Livery Companies do with their charitable funds, find best practice and learn from it.
- 3. Methodology** The evaluation will be carried out in the spring of 2020 by:
- Geoff Berridge (Freeman)
 - Steve Cant (Second Warden)
- Key phases:
- A. Stakeholder engagement – Interviews with:
- Trustees of the Fund,
 - Members of the Company’s Court

- Other senior Company members
- A sample of members both Freemen and Liverymen
- Other Livery Company Charitable Funds
- An early deliverable will be a work plan and a list of interviewees.
- Interviews will be a combination of face to face and by telephone or other media.

- B. Analysis - Analysis will follow a robust and systematic process (Findings, conclusions, recommendations).

4. Deliverables

- A. Report – A formal report will be produced for the trustees. This is likely to contain subject headings in line with objectives outlined above. A draft will be produced that will be finalised after consideration by Trustees. The target date for delivery of the draft report is the summer of 2020. The report will make a set of recommendations for Trustees of the Charitable Fund.
- B. Communications: - Members are key stakeholders of the Charitable Fund and, given the perception that few understand much about the Fund or its operation, the intention is to engage them both during the conduct of this evaluation and after completion of the report and its recommendations. This will be done via the Marcomms Committee (2W Steve Cant).

Geoff Berridge & Steve Cant. February 2020

Appendix 2- Creating a Benevolent Fund

1. Introduction

As part of our review of the Charitable Fund we were asked to consider whether a benevolent fund should be established. We created a scoping document - a brief proposition for the creation of a sector wide benevolent fund. We did this to better define what we were considering, and this proposition was agreed with the Master at the outset of the review of the Charitable fund. It was then shared with all members being interviewed as part of the main review. The ideas in the proposition document were tested and evaluated through the discussions with members and considering other factors. The scoping document is included below.

2. The Review

The Review considered whether a benevolent fund should be created for the whole of the management consulting sector. In doing this the review looked at collaboration with other parties, how funds might be raised, the operation and management of such a fund and the beneficiaries. The WCoMC Charity would take the lead in setting this up and managing it.

3. Recommendations

The WCoMC Charity should not at present attempt to establish a sector wide benevolent fund.

The Company should undertake a short feasibility study of this concept in 2022 to prove or not prove its viability and need. This should involve two serving Trustees from the Charitable Fund.

4. Conclusions

It was seen by most of those interviewed as an impossible challenge.

Support from the MCA, IMC and large consulting firms was very unlikely.

The need to help members of the profession was partly supported and partly challenged.

We should look after WCoMC members first.

WCoMC members would not contribute to such a fund.

It would need a fund of £1m plus: this would be a tall order to raise.

The Company would not be able to handle a Fund of this kind.

It is not the way for WCoMC to build links with the consulting sector.

5. Afterthoughts

Should such a benevolent fund be regarded as necessary and desirable it is the Company that should take this forward and not the Charitable Fund.

6. Benevolence Proposition

Introduction:

One idea under consideration during the Charitable Fund review is the creation of a benevolent fund for the whole of the management consulting sector. No such fund exists at present and there are no current initiatives to set one up.

Other Livery Companies take a sector wide view of their benevolence. (For example, the Chartered Accountants).

This document sets out a brief proposition for the creation of a sector wide benevolent fund. It is only for the purposes of discussion, with areas of uncertainty highlighted.

Raising funds:

The benevolent fund would be established with the support of other industry bodies such as the Management Consultancies Association and the Institute of Consulting.

There would be a substantial fund-raising programme using large scale industry events such as the MCA Awards Evening as well as our own fund-raising events. The intention is to attract donations and engagement from the larger Management Consulting firms as well as individuals.

Operation:

The WCoMC statutes and the objectives of the charitable fund allow it to have a benevolence scheme, so the benevolent fund would be located within the WCoMC Charitable fund. There would be a “start-up” period continuing through to December 2021 before the Fund and its administration will be fully functioning. The set-up activities required would include:

- fund raising
- establishing an administration function
- appointing a fund manager
- publicising the fund’s existence

The Fund would be overseen by the existing Committee of Trustees meeting on a regular basis.

Beneficiaries:

The target beneficiaries of such a fund in general terms would be staff members working in the sector and retirees. This would include front line consultants and back office & support staff.

The criteria for “giving” will need to be defined but would broadly be to those who need financial assistance.

The types of benefits available have yet to be determined and would clearly depend on the level of funding available, however, would be in the order of hundreds of pounds rather than thousands.

Appendix 3 - Other Livery Companies' charitable funds.

We carried out an examination of what other Livery Companies do with their charitable funds, with the aim of finding best practice and learning from it. This was a desk-based exercise that looked at 20 Livery Companies whose charitable arms could be identified.

As expected, there is a marked difference between the older and long-established Companies and those formed more recently. The former group have considerably larger funds and are able to distribute sums ranging from £200,000 to £11,000,000 per annum. The modern Livery Companies generally have smaller funds and in consequence distribute sums of less than £100,000 per annum. The Company's Charitable fund is clearly relatively small in the scheme of these things.

Most charitable funds mention education as a prime object, support for young people was the next most common object and the third was helping those who were disadvantaged or in need. Several charitable funds have objectives that relate to the profession or trade on which they are based.

In terms of who receives the funds distributed by the charitable funds, schools are the most common recipients. Some charitable funds grant monies to organisations which work with young people to develop their skills. The numbers of young people supported range from 50 to 300. The number of organisations supported range from 3 to 20.

Several charitable funds provide funds for individuals in need. This seems to be concentrated on certain geographies - London is mentioned - and their membership past and present.

Having a separate benevolent fund was not stated when examining companies' websites apart from one instance.

The conclusion is that for WCOMC, best practice is difficult to define and there is no obvious "stand out" charity of the same size and recent formation which we can use to compare with ourselves, and learn from. In a general sense the findings provide an assurance that the WCOMC Charity is not out of line with others in what it supports.

Appendix 4 - Charitable Fund Open Call Initiative.

During the review we considered the question of whether the Fund should take a proactive or reactive stance regarding the distribution of grants. While there was no consensus on this question, on balance most people considered it better to be reactive in the main but using the pro bono network would allow some proactivity, in a managed and well-informed way.

Above and beyond this, one suggestion from Trustee and 1W John Pulford is worthy of further consideration. This appendix, written by John, sets out his ideas for a well targeted yet proactive approach.

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In my time as a trustee the Fund has made grants only in response to requests received. The trustees should consider becoming more proactive to:

- Demonstrate to WCoMC members that we are actively managing their contributions; (Supports Recommendation 5)
- Show members and others that we work in partnership with the Company's Pro Bono consulting services: (Supports Recommendation 10)
- Address an agreed area of potential social benefit; (Supports Recommendation 7)
- Provide leadership for other Livery charities; (Supports WCoMC strategic objectives)
- Generate publicity for our Fund (Supports Recommendation 5)
- If required, attract other streams of funding to support our work.

(As the Fund is an independent charity, with its own aims, we should consider any publicity generated for WCoMC, the wider Livery movement and the City Corporation to be only of incidental benefit, not a primary aim).

Proposal: The Fund should issue an Open Call to small non-profit organisations in the Greater London area to bid for a package of three year funding, say £10k pa, plus pro bono management consulting support in order to provide social benefit in an area of need identified by the Fund. It should be possible to get wide publicity for such an initiative by offering branding to Third Sector magazine, the most widely read publication (hard copy and daily online emails) in the sector.

The Fund should seek input from organisations such as the London Community Response, to which we made a grant recently, to identify the type of small non-profit organisation and areas of social need, which would most benefit from our support. Potential areas, which we should consider are:

- disadvantaged young people under 16;
- post-16 year olds not in education and employment;
- substance abuse;
- ex-offenders under 21; etc.

If we want the publicity and branding of Third Sector, we'd also need to discuss these potential areas with them before making a final selection. We should also offer them a position on the judging panel.

The Fund would then 'commission' the Pro Bono Committee to launch and judge the Open Call, with representatives of the Fund, PB Committee and Third Sector on the panel.

Possible criteria

To exclude larger non-profits, which have professional bid writers, from applying, we should specify that applications should be from non-profit organisations with current income less than, say, £2m pa. However, I think organisations need to be of some size to ensure that they've got the person power to deliver, so we might also want to specify a minimum income size and/or trading history.

We should also specify that applications should include:

- evidence of a track record of innovation.
- how the project would be replicable.
- potential for working in partnership with smaller organisations.
- how they would use pro bono management consulting support.
- proposed reporting against project milestones, as we would make grant payments against these.
- governance of the organisation.
- usual requirements set out in the online application form.

If the Fund trustees approve this proposal, there would be further work to do on:

- deciding what publicity we want to provide of the launch, awards decisions and tying in to Company events.
- whether we want the Lord Mayor's involvement

John Pulford MBE, Trustee Charitable Fund

First Warden WCoMC

11 September 2020