

<b>Committee</b>	<b>Dated:</b>
<b>City Bridge Trust</b>	14 <sup>th</sup> March 2018
<b>Subject:</b> Strategic Initiative – John Lyon’s Charity/Young People’s Foundations (Ref: 14536)	<b>Public</b>
<b>Report of:</b> Chief Grants Officer	<b>For Decision</b>

### **Summary**

Building further on your commitment to strengthen the voluntary and community sector in London, this report seeks approval to extend the current financial support given by your Committee for the operation and development of Young People’s Foundations in Brent, Barnet and Harrow; and for three newer Foundations in each of Westminster, Camden and Hammersmith & Fulham. Should you approve the grants recommended these will be delivered through entering into a funding arrangement with another grant-making trust – the John Lyon’s Charity – for the sum of £300,000.

### **Recommendation**

Members are asked to:

Approve a grant of £300,000 to the John Lyon’s Charity to co-fund the salary and running costs of the Young People’s Foundations in each of the boroughs of Brent, Harrow, Barnet, Westminster, Camden and Hammersmith & Fulham, with £50,000 to each.

### **Main Report**

#### **Background**

1. The John Lyon’s Charity (JLC) is an independent grant-making trust and has a history which, in part, mirrors that of the City Bridge Trust. Although it has been distributing grants only since 1992, the Charity and its endowment are constituted still on the basis of a 16<sup>th</sup> Century Royal Charter granted by Elizabeth I.
2. John Lyon was a yeoman farmer from the village of Preston in Harrow. In 1572 he was granted a Royal Charter by Elizabeth I to found a free grammar school for boys: Harrow School. The Charter anticipated that John Lyon would endow a

trust for the purpose of maintaining the two roads between London and Harrow, now the Edgware and Harrow roads, which he did in 1578 by leaving a farm and estate of 48 acres.

3. John Lyon's Foundation consists of Harrow School (the original school), The John Lyon School (established in 1876 as a day school to provide education for boys from the local community) and John Lyon's Charity. It is governed by the Keepers and Governors of the Free Grammar School of John Lyon, the Corporation that was established by the 1572 Charter. For over 400 years the income from the estate in Maida Vale went to the various authorities that were responsible for the upkeep of the two roads. In 1991, the Charity Commission scheme came into effect giving the Governors discretion to apply the income for charitable purposes for the benefit of the inhabitants of the boroughs of Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow, Kensington & Chelsea and the Cities of London and Westminster – the boroughs served by the two roads.
4. The Governors of the Foundation are the Trustee of John Lyon's Charity. They have appointed a Grants Committee to oversee the Grants Programme and recommend awards for their approval. John Lyon's Charity (JLC) is a separate registered charity and is independent from the two schools. The Charity gives grants to benefit children and young people up to the age of 25, or their families, who live in the aforementioned nine boroughs. In 2016/17 £10.5m was spent on grants (479 awarded).
5. City Bridge Trust has had a strong and productive working relationship with John Lyon's Charity for over 13 years, going beyond mutual funding of the same organisations. JLC was one of the cohort of 5 funders (along with CBT) which came together in 2005 to devise and co-fund the multi-year *Fear & Fashion: Tackling Knife Crime* initiative. In more recent times officers from both CBT and JLC have worked very closely together through London Funders; whilst both parties (along with BBC Children in Need and London Youth) were co-organisers of the Youth Inclusion event at Mansion House in May 2015. In 2017, JLC co-ordinated the Funders' Coalition to support the needs of young people in the wake of the Grenfell tragedy. Co-production and collaboration in this way supports better-informed funding and more effective use of resources.

### **Current Position**

6. In September 2015 you agreed a grant of £300,000 to JLC (as part of the additional funds allocated for infrastructure support as part of the Trust's Anniversary to co-fund with them the establishment of a Young People's Foundation in each of the boroughs of Brent, Barnet and Harrow – with £100,000 to each and matching a similar investment by JLC. At the time the concept of such a Foundation was completely new and was a response to the severe cuts in funding experienced by the youth sector – voluntary and statutory - across London and, especially, in the outer London boroughs. Reduced levels of funding are rendering many youth services unsustainable. In parallel, the switch amongst statutory funders from grants to commissioning has favoured larger organisations

at the expense of smaller, often BME-led, ones as the smaller groups do not have the same capacity to tender for contracts. (In some boroughs, for example, contracts for borough-wide summer holiday activities are issued on the basis that the Authority will only enter into a single contract, which automatically rules out small, local, providers.)

7. The underlying concept of the Young People's Foundation was to create a single new body (a registered charity) which would act as a specialist borough infrastructure/membership organisation and which would provide a collective voice and pool of resources for all the local organisations, large and small, running activities for young people. It would establish close links with local businesses and statutory agencies. It would also, through its size, be able to bid for grants and contracts on behalf of its members. At the time of your initial investment those three Foundations were the pioneers. Since then, such has been the interest generated, several others have been established – or are being established – across London and including Westminster, Camden and Hammersmith & Fulham.
8. All six of those mentioned above have now been established as independent registered charities and have been operating for a year or more. They each have full and diverse trustee boards and staff teams. Membership is steadily climbing in each – Barnet, for example, has 85 Community group members; plus local businesses and the Council as Strategic Members; and individuals who are committed to the cause, as Friends. All three original Foundations have strong links with their local authority; and have now launched their own Small Grant Funds for their member organisations. Their power to commission has started to bear fruit – Harrow, for example, has recently secured £518,000 of funding for the voluntary sector in the borough from sources including the Mayor's Office of Policing and Crime (MOPAC) and London Sport.
9. Prior to 2016 (following research supported by the Trust and with the local knowledge of JLC) these boroughs had youth sectors that were in a perilous state due to funding constraints but which are now beginning to consolidate and flourish thanks to the work of the individual Foundations. These London examples now attract visitors from around the country to look at how to deliver collaborative working such as they embody. The model has been adopted in a number of London boroughs and, indeed in other UK cities, thanks to the advocacy of JLC.
10. In order to maintain the momentum and to build on early success in Harrow, Brent and Barnet you agreed additional support to each of those for another year at your Committee in July 2017. Such support – delivered through a similar co-funding model with JLC as before – gave additional financial breathing space to establish sustainability. Funding was not sought at that time for the Foundations in Westminster, Camden and Hammersmith & Fulham as they were newer and were in various stages of building their membership and their support from their respective local authorities. However, you are now being asked to provide similar support (£50,000 per organisation) to the three newer Foundations as to the others as each of these is now in a position to embed its sustainability and to provide a tangible level of service to its members.

11. Not all of the Foundations are in a position as yet to produce their own independently examined /audited accounts for a full year of operation, hence the proposal to support them – as before – through the aegis of the John Lyon’s Charity. Whilst this model provides a substantial level of protection to your investment It also has the benefit of tapping into the specialist and unique knowledge of the JLC staff who have day-to-day engagement with the Foundations and who can provide expert, local, management of the grant beyond anything your own officers could provide.
12. Funding of £50,000 for each of the six Foundations, should you agree it, will be used to support their core staffing and operational costs. These are needed as none of the Foundations take a contribution from the monies they raise for their members and are therefore reliant on raising specific funds (such as from JLC and CBT) for their operational costs. In the longer term this will change, of course, but in the meantime they prefer to direct all other funds raised to the benefit of their members – many of whom have been at the sharp end of sector-wide cuts and need whatever their Foundation can pass on. Your support will be matched by JLC and will ensure each Foundation’s ability to operate at maximum capacity for the year ahead. (Your current support for the original three Foundations ends on 31<sup>st</sup> March 2018), after which it is anticipated that the Foundations may well seek support through your Cornerstone Fund, if appropriate.

#### Financial observations

13. Capital is available from the charity’s endowment under the total return policy adopted.

Year end as at 31 March	2017	2018
	Audited Accounts £	Budget £
<b>Income &amp; expenditure:</b>		
Income	7,886,000	8,086,954
- % of Income confirmed as at 08/02/2018	n/a	n/a
Expenditure	(13,110,000)	(12,844,530)
Total surplus/(deficit)	(5,224,000)	(4,757,576)
Net gain on investments	27,572,000	817,644
<b>Total surplus/deficit</b>	<b>22,348,000</b>	<b>(3,939,932)</b>
Cost of Raising Funds	1,392,000	1,240,496
	17.7%	15.3%
Net assets held	365,333,000	368,345,382

## **Conclusion**

Your co-investment to date in the three pioneer Youth Foundations has been very successful, with each becoming an established charity with significant and diverse membership and proven ability to attract funds on behalf of its members. This grant, should you approve it, would help these three Foundations - and three more recently established ones - to become more sustainable and to attract funding from other sources.

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**Summary Assessment of Strategic Initiative for Committee Decision**  
 (Use: Y/N/Potentially or N/A where relevant)

<b>FILTERS</b>	
<b><i>Will The pro-active grant:</i></b>	
Further the Trust's Vision and Mission (a fairer London & tackling disadvantage)?	Y
Support work within one of existing Investing in Londoners programmes (IIL)?	Y
Or, meet a clear need that has arisen since( IIL) were agreed?	Y
Have the potential for impact beyond that of an individual reactive grant or number of Individual grants?	Y
Be affordable within the agreed annual budget (from the Trust alone or in combination with other funders) and, looking forward, leave sufficient budget to meet anticipated pro-active grants for the remainder of the financial year?	Y
Be made to an organisation(s) that conforms to the Trust's eligibility criteria and has the capacity and expertise to deliver the work?	Y

<b>PRIORITISATION GUIDANCE</b>	
<b>Evidence</b>	
Is there external and/or internal research and information that supports the need for the proposed grant?	Y
Is there external and/or internal research and information that indicates the approach proposed in the grant will be successful?	Y
Is there evidence that indicates the work will be hard to fund from other sources?	Y (at this stage)
<b>Impact</b>	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Y
Will the work/approach funded be replicable?	Y
Does the grant provide an opportunity to strengthen Civil Society in London?	Y
Is the work sustainable beyond the period of the grant?	Y
Can the impact of the work be measured through evaluation?	Y