

MEETING: 21/03/2019

Ref: 15216

ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital

FEDERATION OF LONDON YOUTH CLUBS

Adv: Ciaran Rafferty

Base: Hackney

Amount requested: £399,846

Benefit: London-wide

Amount recommended: £390,000

The Applicant

The Federation of London Youth Clubs – a registered charity commonly known as London Youth – is the membership body for voluntary managed youth organisations in the capital and provides a range of support and capacity-building programmes to its 300 strong network of groups as well as some specific front-line projects for young people. Its origins date back to the Ragged Schools Movement of the 1880s. You have supported London Youth on a number of occasions in recent years and are currently funding them as one of the delivery partners for your investment in support of the Mayor's Young Londoners Fund.

The Application

This application is to support the delivery of the *City Leaders* programme. You may recall that you funded this scheme as a strategic initiative in its earliest days in 2016, since when it has become a landmark project for harnessing, supporting and developing leadership potential within a cohort of young Londoners. The City Leaders project aims to support the development and sustainability of the voluntary youth sector in London through training and supporting a cohort of disadvantaged young people to develop their leadership skills. The initiative aims to tackle some barriers to opportunity faced (or perceived) by disadvantaged young people, as well as to provide more opportunities for them to take a more positive role in London's civic society. It derives from research in 2013 which showed that in the 50 largest charities only 6% of senior management personnel and 8% of trustees were from a BME background.

The Recommendation

The City Leaders model is now fully tried and tested and has delivered consistent outcomes since it was established. In each year 270 young people from 30 youth organisations will embark on a series of group, teamwork-focused, activities which they themselves will design. 216 of the original cohort from 24 youth organisations will progress on to the next stage of designing and delivering community-based social action projects in partnership with other local organisations. They will have to pitch their ideas to an expert panel to access their project funding. In the final stage 24 young people who have shown the most commitment to their own personal development through the programme will progress to the final Future City Leaders phase where they will have the opportunity to participate in a series of leadership masterclasses, achieve a youth leadership accreditation and deliver a community campaign. Although the costs are high there is tangible benefit to a significant number of young people and their organisations. Your funding, should you agree it, will ensure the project's viability and help to attract the investment (in money, time and/or talent) of the corporate and wider public sector. A grant is advised:

£390,000 over three years (3 x £130,000) towards the costs of the City Leaders project.

Funding History

Meeting Date	Decision
31/01/2019	£320,000 over three years to deliver a programme of training & support for organisations funded through the Mayor's Young Londoners Fund.
31/01/2018	£400,000 towards a series of activities and programmes for member organisations and young people.
28/01/2016	£279,000 to develop, run and evaluate the City Leaders project.
26/05/2015	£50,000 through Stepping Stones to develop social investment plans.

Background and detail of proposal

In 2016 you were one of the principal funders of the original and pilot City Leaders initiative. Part of your funding enabled London Youth to commission an independent evaluation (which can be viewed via this link: <https://londonyouth.org/wp-content/uploads/2018/06/City-Leaders-evaluation-report-September-2017-final.pdf>) and which concluded: *"Overall the programme has delivered a successful pilot year, involving a range of youth organisations and young people, delivering a variety of projects led by teams of young people that have resulted in improved skills, participation and leadership outcomes, with most outcomes being achieved by around two-thirds of young people."*

The project has great credibility with the youth organisations and with young people and is seen as an effective way to encourage and support young people to engage in community-based social action. The project is also noteworthy for involving key individuals and organisations from the corporate sector, many of whom mentor the participants or get actively involved in the judging panels. Co-funding for the scheme has been provided by the Morrison's Foundation whilst CVC Capital Partners, Cinven, Barclays, Accenture and M&C Saatchi are, hopefully, to be involved in this year's programme. This multi-sector support is a key and valuable component, not least for its potential to widen the sphere of opportunities for young people.

Given the overall cost of the project the sum requested from your Committee is higher than your usual level of project funding. However as this is a unique and London-wide programme with significant involvement of young people and significant outcomes the level of funding recommended can be justified.

Financial Information

Income in the current year is projected to be lower than in previous years due to the ending of a large contract to deliver the Talent Match programme and to the income in 2016/17 and 2018/19 being augmented by profit from the sale of properties which the charity deemed surplus to requirements. There are no plans for any more property sales in the foreseeable future. The figure shown for unrestricted reserves in each year is for general funds only and does not include unrestricted designated funds as most of these are in relation to fixed assets or other essential commitments (eg the implementation of digital programmes). The level of free reserves held is shown in relation to the organisation's total expenditure as their reserves policy is to hold 3-6 months of total expenditure.

Year end as at 31 August	2017	2018	2019
	Audited Accounts	Draft	Forecast
	£	£	£
Income & expenditure:			
Income	11,739,868	10,190,877	6,833,912
- % of Income confirmed as at 14 Feb 2019	n/a	102%	62%
Expenditure	(8,079,516)	(7,251,395)	(7,271,908)
Total surplus/(deficit)	3,660,352	2,939,482	(437,996)
Split between:			
- Restricted surplus/(deficit)	(54,963)	265,282	(233,086)
- Unrestricted surplus/(deficit)	3,643,565	2,650,399	(204,910)
Permanent endowment	71,750	23,801	n/a
	3,660,352	2,939,482	(437,996)
Cost of Raising Funds			
- % of Income	1.8%	2.1%	4.0%
Total expenditure	8,079,516	7,251,395	7,271,908
Free unrestricted reserves:			
Free unrestricted reserves held at year end	1,733,788	2,627,606	2,685,606
No of months of total expenditure	2.6	4.3	4.4
Reserves policy target	2,019,879	1,812,849	1,817,977
No of months of total expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(286,091)	814,757	867,629

