

MEETING: 09/05/2019

Ref: 15238

ASSESSMENT CATEGORY: Bridging Divides - Advice and Support

Legal Education Foundation

**Adv: Ciaran Rafferty
Base: Outside London
Benefit: London-wide**

Amount requested: £320,000

Amount recommended: £320,000

The Applicant

The Legal Education Foundation (LEF) is an endowed grant-making charitable trust whose purpose is "to promote the advancement of legal education and the study of the law in all its branches." The endowment (valued at c.£200m) creates income which is used to make grants to a wide variety of, mostly, charitable organisations working in different social, professional and academic settings and by commissioning research. A stated objective is to increase public understanding of the law and the capability to use it. LEF funds and supports organisations such as law centres and advice centres across the UK. In London it has also developed strong and supportive links with the London Legal Support Trust, whom you are funding to help local advice centres to become Centres of Excellence.

The Application

This application is to continue your initial support of the Justice First Fellowship Programme through co-funding (with LEF) 6 Fellowships each to be based in London social welfare advice agencies, specifically those which have gained the Centre of Excellence accreditation. In March 2016 you agreed funding for this as a Strategic Initiative. The programme aims to support the next generation of law students committed to public interest and social justice issues who want to pursue a career in social welfare law. The Fellowship consists of three parts:

- It fully funds a two-year training contract in a leading social welfare organisation (In order to qualify as a solicitor, graduating law students must complete a period of compulsory training called the training contract.)
- it gives Fellows responsibility for a project that advances access to justice. This both provides valuable programme development experience for the Fellow and gives the host organisation capacity to develop a new area of work, with an evidence base of need and impact
- it brings the Fellows together regularly throughout the two-year programme and beyond to receive wider support, training and networking opportunities.

The Recommendation

Your current funding for this programme, as a strategic initiative, ends this summer and has been very successful. Your investment (along with that from LEF; Esmee Fairbairn Foundation; and Unbound Philanthropy so that the programme can be offered nationally) has provided greater access to high quality legal advice and guidance just at the time when advice agencies have seen a considerable spike in the call on and need for their services. This proposal now meets your standard Bridging Divides funding criteria and, as such, can be considered for the three years' support requested. Each of the 6 Justice First Fellows will be deployed in their agency for two years whilst they will also benefit from a programme of training, support and development activities, particularly to develop their wider, non-legal, skills necessary to meet the presenting needs more effectively and sustainably.

The total cost of providing each Fellowship is £40,000 per year for two years – therefore for 6 in London (3 + 3) would be £480,000 over three years. You are asked to support a contribution to these costs (with LEF providing the balance) on the basis of three people commencing their 2-year fellowship in year 1 and another three commencing in year 2 – hence the structure of the grant requested and recommended:

£320,000 over three years (£80,000; £160,000; £80,000) towards the costs of providing 6 Justice First Fellowships In London.

Funding History

Meeting Date	Decision
18/03/2016	£320,000 over three years (£80,000; £160,000, £80,000) to the Legal Education Foundation to support the provision of six Justice First Fellowships in London.
12/03/2015	£4,000 to the Legal Education Foundation, in one instalment, to support the work of the Early Action Funders Alliance.

Background and detail of proposal

The Justice First Fellowship Programme is now in its 5th year and has succeeded to the point where it currently provides over 60 placements nationally, with great success and impact. It is important that London can benefit from this scheme as the need for dedicated, professional, legal advice on social welfare issues is so great. The programme is designed to encourage and enable newly qualified lawyers to practice in the social justice arena, an area of law which is often seen as less attractive (and/or less lucrative) to many new graduates. In this respect there are short- and long-term benefits to London and Londoners.

Financial Information

As an endowed charity LEF derives most of its income from its invested funds which stood at £259.3m at 30th June 2018. In the table below the charity determines its income by what its Investment Committee has approved for taking from investments each year, with the aim of delivering the organisational objectives and maintaining the value of the endowment. As a result the table below does not show free reserves held in relation to the number of months of operating expenditure they would support.

The organisation's 2018 Annual Report and Accounts set out its reserves policy "to maintain an investment fund at £200m in real terms based on 30th November 2012 and for the Fund to provide a sustainable amount for grant and operational expenditure purposes each year over the long term" which equates to a target sum of £259.3m at 30 June 2018. Free reserves held at 30 June 2018 of £253.2m were therefore £6.1m short of this target but not a cause for concern.

Although, at 30th June 2018, the charity had a sufficient level of investments to self-fund this proposal, it is seeking the Trust's support both in the aim of working in collaboration and also so that it can use any investment fund surpluses that may arise to support Fellowships elsewhere in the UK.

The cost of generating funds is comparatively low but relates solely to investment management costs as there is little or no other fundraising undertaken by the charity.

Year end as at 30 June	2017 Audited Accounts	2018 Audited Accounts	2019 Forecast
Income & expenditure:			
Income	3,969,000	4,581,000	7,332,000
- % of Income confirmed as at 13/4/19	n/a	n/a	100%
Expenditure	(6,326,000)	(9,712,000)	(7,332,000)
Net gains (losses) on investments	34,007,000	8,662,000	not forecast
Actuarial movement on pension scheme	(199,000)	(150,000)	0
Total surplus/(deficit)	31,451,000	3,381,000	0
Split between:			
- Restricted surplus/(deficit)	(176,000)	168,000	(174,000)
- Unrestricted surplus/(deficit)	31,627,000	3,213,000	174,000
	31,451,000	3,381,000	0
Cost of Raising Funds	131,000	151,000	131,000
- % of Income	3.3%	3.3%	1.8%
Operating expenditure (unrestricted funds)	5,877,000	9,261,000	7,157,000
Free unrestricted reserves:			
Free unrestricted reserves held at year end	250,013,000	253,076,000	262,824,000
No of months of operating expenditure	n/a	n/a	n/a
Reserves policy target	253,800,000	259,300,000	268,895,000
No of months of operating expenditure	n/a	n/a	n/a
Free reserves over/(under) target	(3,787,000)	(6,224,000)	(6,071,000)

