

Committee	Date
Bridge House Estates Grants Committee Bridge House Estates Board	9 March 2022 Delegated
Subject: London Youth: Strategic Initiative	Public
Which outcomes in the BHE Bridging London 2020-2045 Strategy does this proposal aim to support?	1 & 3
Report of: David Farnsworth, Managing Director of BHE	For Decision
Report author: Tim Wilson, Funding Director and Social Investment Fund Manager, BHE	

Summary

At its meeting in February 2022 the Bridge House Estates Board received notice of plans to submit a £500,000 funding proposal to this Committee for London Youth. Subject to this Committee's approval, the Managing Director in consultation with the Chair and Deputy Chair will then be asked to agree a funding recommendation under delegated authority before the financial year end. This paper sets out London Youth's request for £500,000 support from City Bridge Trust given income lost due to Covid-lockdowns and the ongoing value of a strong youth sector in the capital.

Recommendations

The Bridge House Estates Grants Committee are recommended to:

- a) Endorse a grant of £500,000 over five months as a one-off grant to underpin London Youth's core costs and enable its work to benefit the capital's youth organisations, for onward approval by the Bridge House Estates Board.

The Bridge House Estates Board are recommended to:

- b) Approve a grant of £500,000 to London Youth's core costs (as per the terms set out at recommendation a).

Main Report

Background

1. The Federation of London Youth Clubs (or, as it is more commonly known, London Youth) is a registered charity (number 303324) dating back to 1887 with its roots in the Ragged Schools of the nineteenth century. It started life as a movement to foster collaboration between a network of individual youth organisations, and today, the charity represents and supports 640 member organisations who work with over 100,000 young people.
2. More than half of these young Londoners live in areas characterised by poverty, and 64% are described by London Youth as being young people of colour (higher than the demographic for the capital, which is 57%). Member organisations give young people somewhere safe to go, space to form long-term relationships with trusted adults, and opportunities to develop skills that enhance their personal and

social development. Covid has had a disproportionate health and economic impact on London's poorer communities, and many of the young people served by London Youth's network have experienced lost education which is expected to result in an even greater attainment gap compared to peers.

3. In addition to its member network, London Youth (LY) runs two residential centres in rural settings close to the capital. The centres give many young people their first opportunity to learn and have fun in the countryside. Both generate unrestricted income to subsidise operations delivered elsewhere by the charity.

Proposal

4. LY requests a one-off grant of £500,000 for core operating costs (including HR, IT, Finance, Safety, Safeguarding and Governance). These activities underpin the charity's ability to provide its planned levels of delivery and sustain it as an anchor organisation for the capital's youth sector. The request follows the Covid-related closure of the charity's residential centres and income lost (in 'normal' times, 20,000 young people would attend LY's centres) along with heightened need and demand from member organisations. If awarded, LY would be in a significantly stronger position to deliver support to member organisations whose size, location or relative lack of track record makes them especially vulnerable to closure. LY would deliver organisational support to improve process management and record keeping, fundraising, workforce development, representation, and opportunities to connect with peers.
5. During the height of the pandemic, many network members made major adaptations to their delivery models (for example, focusing on alleviating food poverty). Covid has had a disproportionate health and economic impact on London's poorer communities. In addition, the young people served by the LY network have also experienced lost education with those from disadvantaged backgrounds are expected to fall even further behind. There are concerns about these young people's mental health and their potential to find work, ongoing worries about serious youth violence in the capital, with a surge in post-lockdown teenage homicides. Overall, there is an urgent need for a well-resourced and skilled intervention from London's youth sector.
6. However, London's youth sector has experienced 10 years of funding reductions, limiting its potential to support and deliver work to those young people who most need it. London Youth estimates that two-thirds of the capital's youth organisations remain 'at risk' with available funding often being too small, too restricted, or too short term.
7. Member organisations are currently focused on helping young people with their mental health, and on catching up with missed learning at school. LY wishes to continue investment in their core capabilities.

Financial Information

Year end as at 31st August	2020	2021	2022
	Signed Accounts	Draft Accounts	Forecast
	£	£	£
Income & expenditure:			
Income	6,577,398	5,341,742	6,448,387
Expenditure	(6,005,519)	(6,625,326)	(7,403,453)
Gains/(losses)	162,028	1,053,573	0
Surplus/(deficit)	733,907	(230,011)	(955,066)
Reserves:			
Total endowed	1,462,671	1,634,806	1,634,806
Total restricted	1,129,571	602,741	177,035
Total unrestricted	14,470,756	14,595,441	14,066,081
Total reserves	17,062,998	16,832,988	15,877,922
Of which: free unrestricted	3,500,729	3,300,786	2,771,426
Reserves policy target	3,002,760	3,312,663	3,701,727
Free reserves over/(under) target	497,970	(11,877)	(930,301)

8. Accounts for 2020 show a surplus, but only because of profits on the sale of property assets. Otherwise, the charity's income was below budget in this year. Draft accounts for 2021 and the 2022 forecast show deficits (with a further deficit anticipated for 2023, but not shown in the table above). The 2021 deficit is against restricted funds, but deficits are expected against both restricted and unrestricted lines by the end of the 2022 financial year.
9. Whilst the table shows London Youth holding substantial unrestricted reserves, almost £11m of these funds are designated against the value of fixed assets, for work delivering a legacy from the sale of historical assets and for digital development. The free reserve holding is therefore broadly in line with the charity's target position of funds equivalent to 6 months although it is worth noting that the value of the fund for the delivery of a legacy was £3.8m in FY2020, with funds held in liquid investments. These funds are designated for the longer-term sustainability of the charity, giving assurances that the organisation has a longer-term financial strategy in place.
10. Over three years, the table shows a steady reduction in free reserves, and this matter is discussed in the charity's 2021 draft accounts. LY used available financial support from government during the pandemic and took cost-saving measures (including redundancies). Trustees have set a 'stretch' target to rebuild reserves, and the organisation is confident it can remain a going concern.

The Recommendation

11. As the main umbrella organisation for the capital's youth work organisations, City Bridge Trust has a long funding history with the charity (see **Appendix 1**). CBT augments LY's Quality Mark scheme for members, making one-off unrestricted awards to organisations who receive this kite mark. LY holds a Cornerstone grant for the development phase of a user-led partnership focused on mental health (a new Cornerstone application is currently under assessment). CBT has supported the City Leaders' project to develop leadership potential in a cohort of young Londoners and backs a participatory grant fund for youth organisations in Redbridge. Overall, LY is an effective way for CBT to reach the capital's extensive youth work sector and support its strategic development.

12. There are structural reasons why many youth sector organisations struggle to raise funding: lacking the time and capacity for application-based fundraising; not having an eligible governance structure (for instance, not being a registered charity); and lacking the paperwork to evidence what funders look for (for example, inadequate safeguarding documentation). Funding the main sector infrastructure organisation (London Youth) is a way of helping to build the capacity of the network and to drive up quality standards.

Corporate & Strategic Implications

13. Strategic implications: The funding recommendations will support all three Bridging London strategic aims. It will be for work in line with City Bridge Trust's Bridging Divides Funding Strategy.

14. Financial implications: Funding will come from City Bridge Trust's Grants budget and has been included in budgets for 2021-22.

15. Resource implications: Grant management will be delivered by CBT Officers.

16. Legal implications: None.

17. Risk implications: None.

18. Equalities implications: The funding recommendation seek to address the ways in which Covid has amplified pre-existing inequalities through supporting positive action with younger people.

19. Climate implications: The grant funding recommendation is made in line with City Bridge Trust's value of being environmentally responsible.

20. Security implications: None,

Conclusion

21. Given the exceptional interruption to LY's usual income-generation model and the pressing needs of its membership, funding is recommended and in such a way to align with LY's current financial year as follows:

£500,000 over five months as a one-off grant to underpin London Youth's core costs and enable its work to benefit the capital's youth organisations.

Appendices

- Appendix 1: Funding History
- Appendix 2: Strategic Initiative filters

Tim Wilson

Funding Director and Social Investment Fund Manager

E: tim.wilson@cityoflondon.gov.uk

Appendix 1: City Bridge Trust Funding History for London Youth

ID	Type	Meeting Date	Decision
19141	Strategic Initiatives	09/03/2022	£100,000 over a further two years for the salary costs of a Membership Development Manager and related costs for a programme to support the development and capacity of youth organisations in several outer London boroughs, with a current focus on Redbridge.
18926	Strategic Initiatives	06/12/2021	£50,000 for a participatory-based grant fund for local youth organisations in Redbridge. The funds will be awarded by a panel and processes as agreed by the City Bridge Trust.
18714	Cornerstone Fund	30/09/2021	£25,000 towards the development phase of a user-led partnership to develop community-based, culturally appropriate interventions to improve young people's mental health, in particular post-pandemic, on condition that suitable mental health specialist partner(s) are included in the partnership.
17555	COVID19 London Community Response Fund	17/09/2020	Towards the costs outlined in your application for the re-configuration of youth services in London post covid-19
17558	Strategic Initiatives	17/09/2020	a) £97,000 towards the costs of a package of support through to January 2022 to organisations funded by the Young Londoners Fund. b) Provision of a fund of £150,000 for individual Awards for organisations achieving the London Youth Quality Mark.
16798	COVID19 London Community Response Fund	08/07/2020	A grant of £49,962 to fund the essential and urgent costs outlined in the application, so that the organisation can carry on providing support to Londoners.
15858	Strategic Initiatives	30/01/2020	£50,000 over one year for the salary costs of a Membership Development Manager and related costs for a programme to support the development and capacity of youth organisations in several outer London boroughs.
15216	Bridging Divides	21/03/2019	£390,000 over three years towards the costs of the City Leaders project.
15198	Strategic Initiatives	31/01/2019	£320,000 over three years to London Youth to deliver a programme of training and support to enable eligible organisations in receipt of Young Londoners Fund grants to achieve the London Youth Quality Mark.
14493	Strategic Initiatives	31/01/2018	£400,000 towards a series of activities and programmes for member organisations and young people.
13854	Investing in Londoners - partnership programme	10/01/2017	£150,000 to continue the London Youth Quality Mark Awards scheme until the implementation of your new programmes in 2018.
13221	Strategic Initiatives	28/01/2016	£27,000, for the development phase of the City Leaders project; £240,000 over one year for the pilot phase, plus an additional £12,000 by way of external evaluation to evaluate the pilot as it progresses.
12727	Stepping Stones	09/07/2015	£50,000 over 12 months to develop social investment financing plans for London Youth's Build It programme for young people in the construction trades.
12793	Investing in Londoners	13/05/2015	£103,000 over two years for the salary and support costs of a project to develop the capacity of London's voluntary youth sector to evidence and advocate for the value of its work.
12215	Strategic Initiatives	13/03/2014	£216,000 over three years for the revenue costs of delivering the Inclusion project.
12198	Investing in Londoners - partnership programme	12/02/2014	London Youth Quality Mark Awards.
11596	Working with Londoners	18/04/2013	£55,000 for a third and final year's support of the Urban Nature initiative. The grant will provide for the salary costs of a f/t Project Co-ordinator plus associated support and delivery costs.
9825	Working with Londoners	18/03/2010	£100,000 over two years (2 x £50,000) for the salary of a Project Co-ordinator and associated running costs of a project to engage, educate and support young people as environmental champions.

Appendix 2: Strategic Initiative Filters

FILTERS	
<i>Will The pro-active grant:</i>	
Further the Trust's Vision and Mission (a fairer London & tackling disadvantage)?	Y
Support work within one of existing Bridging Divides programmes (BD)?	
Or, meet a clear need that has arisen since (BD) 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
PRIORITISATION GUIDANCE	
Evidence	
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
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Y
Will the work/approach funded be replicable?	N
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?	N