

Committee(s):	Date(s):
City Bridge Trust	13/03/2014
Subject: Strategic Initiative – London Legal Support Trust	Public
Report of: Chief Grants Officer	For Decision
Summary	
<p>This report requests funding over three years to support the sustainability of community, specialist, legal advice service providers in Greater London.</p>	
Recommendation	
<p>Members are asked to:</p> <p style="padding-left: 40px;">Approve a grant to the London Legal Support Trust of £450,000 over three years (3 x £150,000) towards core salary and other costs to support the provision of Centres of Excellence in Greater London.</p>	

Main Report

Background

1. The London Legal Support Trust (LLST), a registered charity, was established in 2003 and works to assist voluntary sector law centres and legal advice agencies (including Citizens Advice Bureaux) in London and the Home Counties by providing them with grant funding alongside other forms of support.
2. Its ability to make grants is entirely dependent on its own fundraising which it achieves from donations and by holding large fundraising events, most notably the London Legal Walk, and then delivering the funds raised to the agencies where they are most needed, through grant rounds. LLST also offers knowledge and experience of the sector to help the agencies to become more sustainable and to partner them with law firms and chambers who want to help them ensure that the law is fair.
3. LLST is part of a network of seven Legal Support Trusts across England and in Wales working with the Access to Justice Foundation to support pro bono and advice agencies, ensuring funds can be distributed where most needed.
4. The organisation is widely supported by London's major law firms (all of London's top 50 firms provide assistance in one form or another) and legal professionals and, in a typical year, will raise in excess of £600,000 from events and activities. It is extremely lean – currently employing just two paid staff (a p/t Chief Executive and his Deputy) and an apprentice and based at

the National Pro Bono Centre in Chancery Lane. The organisation of fundraising events, etc, is assisted by an impressive cohort of volunteers.

Current Position

5. LLST's underlying principle is that access to justice should be equally available to everyone regardless of their financial situation and, in this, it recognises that advice agencies and Citizens Advice Bureaux work very hard to try to ensure that vulnerable people do have a way of accessing justice through a mixture of Legal Aid (publically-funded work), funding from local authorities, charitable donations, and by using pro bono volunteers.
6. Using the funds it raises each year, LLST makes grants to community legal advice services as most of them are run on such tight budgets that their administration or core costs are largely unfunded. This places immense strain on these organisations which, in current times, are struggling to stay open as public funding decreases.
7. As well as supporting the principle of equal access to justice LLST recognises the cost-benefit of early intervention, where research (Citizens Advice, July 2010) has shown that the right advice early on can save, for example, £7 for every £1 of legal aid spent on employment law; or £8 per £1 spent on legal aid for welfare benefits. Up to two-thirds of the population are unaware of how to get the legal services they need, and nearly 70% have no knowledge of basic legal processes. Less than 50% of young people facing serious problems, for example in housing and education, get the advice they need.
8. Changes to Legal Aid mean some types of case no longer will be eligible for public funds. This includes welfare benefits, employment, clinical negligence and housing law, except in very limited circumstances. Since April 2013 nearly all family law advice has been removed from the legal aid scheme. This means people can no longer get funding for divorce or child contact or residence disputes.
9. You have identified poverty as a significant issue for London and Londoners and, in your Investing in Londoners programmes, have made it a priority to fund the provision of money, debt and housing advice by accredited organisations so that more people can access debt and legal services.
10. In the last full financial year to 31st March 2013 LLST made grants totalling £664,432 to 100+ different organisations, more than 90% of which were based in Greater London. A key strand of its giving was under its "*Keeping the doors open*" theme where an element of work or a whole agency was threatened with closure. What was exceptional here, it states, was the number of those organisations which funders and providers would recognise as cornerstones of the sector and identify as innovative, well run and collaborative.
11. Applicant organisations must satisfy certain eligibility criteria which mirror your own criteria for support. LLST will not fund non-charitable activity nor will it support applications for general advice. In addition organisations must:

- Provide or facilitate the provision of free, specialist, legal advice
- Provide advice to people or organisations who cannot afford to pay for it
- Provide help to people who live in London or the Home Counties

Centres of Excellence

12. LLST has expert knowledge on the quality of community legal advice agencies in London and on the sustainability of their services – knowledge which a broader funder such as City Bridge Trust would struggle to attain and maintain within its current resources.
13. In making grants to organisations LLST scrutinises what type of support they need (eg financial, advisory, or both) and devises a bespoke programme accordingly. It may determine, for example, that an organisation needs some guidance on reducing expenditure, or that two organisations could work together more effectively or share office space.
14. This level of analysis and bespoke support to the numbers of organisations seen by LLST each year is beyond the day-to-day capacity of your officers. It is extremely valuable, however, as it can ensure the survival and sustainability of key services through very difficult circumstances.
15. In 2013 LLST began to develop a strategy aimed at ensuring access to and sustainability of, good quality advice. This strategy, which it now wishes to implement in 2014 and beyond, will aim to channel the majority of its grants to organisations which it will deem **Centres of Excellence**. In order to qualify as a Centre of Excellence an organisation will be required to demonstrate two central pillars:
 - a) Quality service provision of free legal advice and casework (including representation) in areas of law from which legal aid was removed in 2013; and
 - b) Business efficiency. Ensuring money is being spent most effectively, that all legal aid billing and other earned income is being maximised (without compromising quality); that administration is efficient and expenses are being kept as low as possible, with regular reviews to ensure this.
16. Community legal advice providers across London would be invited to apply to become a Centre of Excellence. They will then need to undergo a fairly stringent “MOT” undertaken by LLST and devised in partnership with infrastructure organisations, funders and management consultants familiar with this area of work and who have offered to help.
17. LLST estimates that to turn an applicant organisation into a robust Centre of Excellence with improved core strength and stability costs, on average, £20,000 - £25,000. Some of this comprises the cost of providing bespoke professional support needed and some is in the form of grant-aid to the organisation to free up their capacity to fully engage in the process and/or

offset staff temporarily being taken away from front-line duties. The development process allows the organisation to plan and concentrate their efforts on improving both their services and their financial security for the future, which is often hindered greatly by the current cycle of constant uncertainty and crisis management. This process would also provide an excellent opportunity for sharing of best practice and for developing strategic focus across the sector in London.

Proposal

18. LLST usually raises between £700,000 – £750,000 per year of which c.£120,000 is needed for its own operational costs. Of the balance remaining a proportion (typically in the region of £250,000) is pledged to particular agencies by the donor and is, therefore, restricted and cannot be used for other purposes. The remainder (typically £350,000 – £400,000) is then available to be used for general grant-making, including the implementation of the Centres of Excellence programme.
19. LLST's aim – and one which would be reflect the City Bridge Trust's priorities in reducing poverty amongst Londoners – would be to support access to a Centre of Excellence for everyone in London, with the ultimate goal of every borough eventually having its own. Capacity – financial and personnel – within LLST is extremely limited, however, and without further investment these goals would take many years to achieve, and may be too late for many organisations. Your funding, as proposed in 4.3 below, would enable LLST to scale up this process significantly and provide essential support to organisations in a sector which is currently experiencing unprecedented demand amid reducing resources.
20. It is proposed that you award a grant of £450,000 over three years (£150,000 per annum) to LLST towards its core salary costs to enable additional staff to be recruited to free up existing personnel to develop Centres of Excellence across Greater London and to financially assist those community advice organisations in the capital to become Centres of Excellence.

Financial Observations

21. The audited accounts for the year ended 31st March 2013 show income of £758,648 and expenditure of £807,619 resulting in a deficit of £48,971 (6.5%), comprising a deficit of £106,849 on restricted funds and a surplus of £57,878 on unrestricted funds.
22. The organisation's reserves policy is to hold a minimum of 2 months' worth of operating costs in free reserves amounting to £18,000. At 31st March 2013 free unrestricted reserves stood at £18,493.
23. The forecast for the current to 31st March 2014 shows income of £770,000, all of which has been confirmed. After expenditure of £717,400, a surplus of

£52,600 (6.8% of turnover) is predicted, comprising £47,800 on restricted funds and £4,800 on unrestricted funds.

24. The budget for 2014/15 anticipates income of £753,000, which the charity hopes to secure after its annual Legal Walk event in May. Expenditure comprises £108,000 for operational costs, £224,000 on restricted activities and the charity advises that the remainder will be made available for grant-making, giving a break even position.

Conclusion

25. LLST is a specialist and unique supporter of voluntary, specialist, legal advice services and is exceptional in its ability to harness the financial and professional resources of the legal services industry to support hard-pressed and financially vulnerable community legal services. It has expert knowledge of the issues facing such services and of how they might be resolved. One such measure - supporting organisations to become Centres of Excellence – will help improve the range and the quality of free specialist advice for London's most needy individuals and communities. In order to meet its ultimate goal of supporting 33 Centres in London, however, it will need to augment its current resources.
26. You have made funding for the provision of money, debt and housing advice by accredited organisations a priority in your Investing in Londoners programme, with the aim of reducing poverty. Your investment in the London Legal Support Trust's work will help strengthen and improve this sector and help it better meet the increasing needs of Londoners. A grant of £450,000 over three years (£150,000 pa) for LLST's work to develop and support Centres of Excellence in Greater London is recommended.

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