

MEETING: 25/09/2014

Ref: 12231

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Ethical Property Foundation

Adv: Jenny Field

Base: Hackney

Amount requested: £147,408

Benefit: London-wide

Amount recommended: £147,500

The Charity

Ethical Property Foundation (EPF) was established by the Ethical Property Company (EPC) in 2004, in response to the needs of the voluntary and community sector for advice and information on such issues as lease negotiation, valuation, conveyancing, surveying, repairs and refurbishment.

EPC develops and manages properties as centres which bring together charities, co-operatives, community and campaigning organisations under one roof where they can share skills and ideas. There are currently 20 such centres across the UK, including the Resource Centre in Holloway Road, which you supported in May 2014.

The Application

This application is for EPF to continue to provide the London Property Advice Service. There remains a great need within the sector for access to good quality advice on all aspects of property management. The complexities involved in moving, leasing a property, negotiating leases and property valuations can be overwhelming and, without the right professional advice, can lead to bad property decisions. In the current climate of funding cuts; changeable local policies on rent setting and non-domestic rates; transfer of assets and community rights, the service is needed more than ever and a grant over three years is requested to help expand the service.

The Recommendation

Your support for EPF over the years has been instrumental in establishing the London Property Advice Service, a unique service that helps voluntary organisations to make the most of their property and avoid costly mistakes. Support for organisations, such as EPF, that provide vital infrastructure services to the sector helps to 'add value' to your other grant-making by ensuring that organisations have recourse to good quality, professional, advice and training. Additional funding for a further three years would be consistent with your funding of the Access and Sustainability Advisory Service within the Centre for Accessible Environments (CAE), for example, and your support of Charities Evaluation Services.

£147,500 over three years (£49,700; £49,300; £48,500) towards the provision of the London Property Advice Service to benefit voluntary organisations across London.

Funding History

Meeting Date	Decision
17/02/2011	£110,000 over three years (£35,000; £37,000; £38,000) towards the London Property Advice Service.
19/02/2009	£60,000 over two years (2 x £30,000) towards the London Property Advice Service.
01/12/2005	£77,200 over three years (£29,700; £26,000; £21,500) towards the London Property Advice Service.

Background and detail of proposal

Dealing with landlords can be a daunting prospect for voluntary and community organisations, especially smaller ones. EPF has established a register of property professionals willing to share their expertise with the voluntary sector on a pro bono basis. As well as the advice service, it also provides training and consultancy services and regular events on topics relating to community building management. EPF works closely with your Access and Sustainability Adviser within CAE, as well as organisations such as Locality, the leading national network for community-led organisations.

Its most recent innovation is the development of the Fairplace Awards, a quality mark that recognises socially and environmentally responsible management of buildings. Workplaces that can demonstrate that they promote people's well-being, have low environmental impact and demonstrate responsibility towards its local community will be eligible to apply for the quality mark. The awards will be launched at an event in September 2014.

Financial Information

The charity's reserves policy requires sufficient funds to be held to enable the charity to wind-up its business should the need arise, though the policy does not state a target amount. Your grants officer has discussed this policy with the charity and explored whether there is a need to hold free reserves to mitigate the unforeseen, including a fall in income or increase in expenditure. Reassuringly, the charity regularly reviews its policy to make sure it is appropriate and, as at 31 March 2013, the charity held free reserves amounting to £131,927, which is considered a reasonable level of reserves as it equates to 6.3 months' worth of total expenditure.

The charity has advised that the forecast deficit in 2013/14 is due to a fall in grant income, sponsorship and donations. Its business plan for the period October 2014 – September 2017 sets out its plans to move from a balance of grants forming the majority of its income, to 70% of its income being earned.

Following this strategy, the budget for 2014/15 comprises £161,000 (49.4%) of earned income (2012/13: £47,135 (24.6%)); and it is anticipated that this will be achieved through the development of its paid-for property service and through the development of its Fairplace Awards for socially responsible landlords referred to earlier in this report. Overall, total income in 2014/15 is forecast to be £326k of which £90k (28%) had been confirmed as at 28th August 2014.

As is usual practice for this charity, the 'cost of generating funds' for 2013/14 and 2014/15 will be calculated as part of its year-end accounts preparation and audit.

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Year end at 30 September	2012/13 Audited Accounts £	2013/14 Current Year Forecast £	2014/15 Current Year Forecast
Income and Expenditure			
Income	280,414	191,745	325,817
Expenditure	250,398	226,678	297,189
Unrestricted Funds Surplus / (Deficit)	80,600	(13,271)	32,450
Restricted Funds Surplus / (Deficit)	(50,584)	(21,662)	(3,822)
Total Surplus / (Deficit)	30,016	(34,933)	28,628
Surplus / (Deficit) as a % of turnover	10.7%	18.2%	8.8%
Cost of Generating funds (% of income)	23,338 (8.3%)	—	--
Free unrestricted reserves			
Unrestricted free reserves held at Year End	131,927	118,656	151,106
How many months' worth of expenditure	6.3	6.3	6.1
Reserves Policy target	Not provided	Not provided	Not provided
How many months' worth of expenditure	Not provided	Not provided	Not provided