

MEETING: 26/11/2015

Ref: 12859

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

LandAid Charitable Trust

Adv: Tim Wilson

Amount requested: £58,701

Base: Westminster

Benefit: London-wide

Amount recommended: £58,500

The Charity

LandAid is a charitable foundation without endowment working to raise funds from the commercial property industry which it then distributes as grants to charities supporting children and young people. Established 30 years ago, LandAid originally focused on international organisations before switching to UK groups. In coming years it will concentrate its support to charities addressing youth homelessness. LandAid beneficiaries usually own or have a long-lease on property. Since 2013 LandAid has offered pro bono support, matching property industry experts with partner charities. Several City Bridge Trust grantees have benefited from LandAid brokered support, most recently the Koestler Trust.

The Application

LandAid seeks funding to expand its pro bono operations in London. The Trust is asked to fund half the costs of the charity's Pro Bono Manager, an amount equivalent to the level of service delivery that London organisations typically request. The manager will work to expand the network of property companies engaged in the programme and to increase demand from beneficiary charities.

Unlike the legal profession where the provision of pro bono hours is something of an expectation, there is no equivalent norm in the buildings' industry. LandAid plans to engage a further 45 London companies with the pro bono programme over the course of the grant, and in turn intends to facilitate support to 45 London charities. Each pro bono intervention is expected to be equivalent to £7,000 of professional fees, which means that a Trust grant could unlock over £300,000 of value to the sector (before counting the benefit arising from the interventions). By way of comparison LandAid calculates that it facilitated £138,000 of pro bono support in 2013-14 and that this led to over £1.2m of savings and benefit for participating charities.

The Recommendation

Research validates the need for LandAid's proposed support. A 2014 study by the Ethical Property Foundation and Charity Commission surveyed over 200 organisations and found that almost half thought property was the greatest risk to their long-term survival. A third had paid for commercial property advice, and a further 40% relied on informal advice from friends and contacts. At a time when there is pressure on charities to make efficiency savings, the support of LandAid's network of property professionals could generate significant benefit to London's voluntary sector. Funding is advised as follows:

£58,500 over three years (£19,000; £19,500; £20,000) to cover half the costs of LandAid's full-time Pro Bono Manager.

Funding History

None

Background and detail of proposal

Charities can approach LandAid for grant-funding, for pro bono support, or for both. LandAid uses management information systems as well as the expertise of its Pro Bono Manager to provide the match between charity and property professional. Charities are supported to make specific requests so the scope of support is clear and then records are kept of hours provided, value of work and (where possible) impact generated.

Financial Information

Forecast income for the current year 2015-16 is £1,675,464 of which £769,994 (46%) had been confirmed by 23rd October 2015. The charity advises that it receives major donations from the building industry throughout the year and reports that the relatively high proportion of unconfirmed income at this stage is not unusual.

Free reserves at the 31st of March 2015 were £363,802 and are forecast to remain at this level at the end of the current year on 31 March 2016. This level of free reserves is £113,802 (46%) higher than the charity's reserves policy target to hold £250,000, which is equivalent to 1.8 months' worth of expenditure. In the view of officers this is a low target, below the usual 3 – 6 months held by many charities to cover the costs of winding-down and to manage unforeseen expenditure. The level of reserves has been discussed with the applicant who has advised the Trust that it plans to review its finance policies in 2016 and is likely to increase the target for free reserves. At the level currently held, officers do not believe LandAid's free unrestricted reserves to be excessive.

The charity has cut its costs of generating funds in recent years following an efficiency review of its fundraising operations.

Year end 31 March	2014-15 Audited Accounts	2015-16 Current Year Budget
Income and Expenditure		
Income	£ 1,726,828	£ 1,675,464
Expenditure	1,867,934	1,675,464
Unrestricted Funds Surplus / (Deficit)	(147,773)	0
Restricted Funds Surplus / (Deficit)	6,667	0
Total Surplus / (Deficit)	(141,106)	0
Surplus / (Deficit) as a % of turnover	(8.2%)	0%
Cost of Generating funds (% of income)	370,690 (21.5%)	325,131 (19.4%)
Free unrestricted reserves		
Unrestricted free reserves held at Year End	363,802	363,802
How many months' worth of expenditure	2.3	2.6
Reserves Policy target	250,000	250,000
How many months' worth of expenditure	1.6	1.8
Free reserves over/(under) target	113,802	113,802