

Committee:	Date:
The City Bridge Trust Committee	18 th March 2016
Subject: Strategic Initiative - Justice First Fellowships (Legal Education Foundation)	
Report of: Chief Grants Officer	For Decision

Summary

This report seeks approval to co-fund over three years, with the Legal Education Foundation, the provision of six Justice First Fellowships across London.

Recommendations

Members are asked to:

- Note the report.
- Agree a grant of £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

Main Report

Background

1. The Legal Education Foundation (LEF) is an endowed grant-making 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.
2. 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.
3. In 2014 LEF launched in the UK (in partnership with the Esmee Fairbairn Foundation and Unbound Philanthropy) the first Justice First Fellowship scheme, to support the next generation of specialist social welfare lawyers to deliver justice in their communities. Social welfare law refers to legal help on areas including welfare benefits, debt, housing, employment, community care, discrimination, immigration, asylum and family. It is often referred to as “the

law of everyday life” and it plays a vital role in helping people to secure their rights and to tackle disadvantage.

Current Position

4. The scheme aims to support the next generation of 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 have to complete a period of compulsory training called the training contract.)
 - it gives Fellows responsibility for a project that advances access to justice.¹ 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.
5. Since 2014, 18 specialist social welfare organisations across the UK have been carefully selected and funded to host Justice First Fellows, though only one (Greenwich Housing Rights) in London. In these two years LEF has committed £1.2m for Fellowships with additional funding and support coming from the foundations mentioned above plus several leading law firms and the Royal Bank of Scotland.
6. Working in conjunction with the London Legal Support Trust, LEF now wishes to co-fund with City Bridge Trust six Fellowships in London, each based in one of the identified Centres of Excellence advice agencies. Your co-funding is requested as, if agreed, it will enable LEF to use more of its own funds to support similar Fellowships in other parts of the UK.
7. *Centres of Excellence* is an initiative funded by you through the London Legal Support Trust where specialist social welfare advice agencies serving Londoners go through a rigorous assessment of their management and sustainability, with those that meet the standard being awarded Centre of Excellence status. (A report of the first year’s work of this initiative was received recently and showed very good progress being made.)

Costings/request

8. Funding of £320,000 over three years is sought from the Trust so that LEF can increase rapidly the number of advice agencies in London hosting a Fellow. LEF has agreed to commit £160,000 for the balance needed to meet the overall cost of £480,000 for six Fellowships (three in 2016-18 and three in 2017-19).

¹ An example of this is the project at Coventry Law centre to establish a new advice service for women experiencing domestic violence; in conjunction with local community groups, the council and the police.

9. Each Fellowship in London is budgeted at £80,000 for two years. This covers:
 - Trainee salary (set by the host organisation in line with their pay structures)
 - Supervision and support costs (calculated at 50% of salary costs)
 - A contribution to associated project and set-up costs (eg including laptop and software)
10. The Legal Education Foundation covers all the costs of administering the scheme and delivering the programme of training and support over the two-year fellowship. The City Bridge Trust grant, if awarded, would be paid to and managed by LEF, who would also be responsible for monitoring and reporting of the grant.

Benefit/outcomes

11. Each Fellow would be placed in a London Centre of Excellence advice agency, with LEF ensuring, as far as possible, an even distribution across the capital. The collaboration with the London Legal Support Trust will help in identifying suitable hosts and which also have a pressing need for support in delivering their services.
12. The Fellows will deliver direct advice services and projects that will benefit disadvantaged Londoners. Legal advice and representation are crucial to addressing disadvantage, helping people to take more control over their lives and to secure fair treatment and protection. Their presence will increase significantly the capacity of each host organisation to serve its community and to deliver general and specialist outcomes.
13. The Fellowship scheme increases opportunities within the community sector for those who can and wish to deliver specialist legal services; coming at a time when other sources of funding for this are on the decline. They will help to preserve routes into social welfare law as a career as well as giving it prestige as a positive choice made by graduating lawyers.

Financial Observations

14. As an endowed charity LEF derives most of its income from its invested funds, which amounted to £214,108,000 as at 30 June 2015.
15. The organisation's 2015 Annual Report and Accounts set out its reserves policy "to maintain an investment fund at £200m, based on 30th November 2012, in real terms which equates to a target sum of £211,000,000 at 30 June 2015". Its invested funds at 30 June 2015 of £214,108,000 were, therefore, £3,108,000 ahead of this target. Due to fluctuations in the market, the value of the charity's investment fund had reduced by £7,108,000 in the 7 months since 30th June 2015, to £207,000,000 as at 31st January 2016, which is £4,000,000 below the charity's target of £211,000,000.
16. Although, at 30th June 2015, the charity had a sufficient level of investments to self-fund, 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.

17. 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 at 30 June	2014/15 Audited Accounts	2015/16 Draft Outturn	2016/17 Current Year Forecast
Income and Expenditure	£	£	£
Income	3,782,000	5,871,000	6,368,000
Expenditure	5,148,000	5,913,000	6,368,000
Unrestricted Funds Surplus / (Deficit)	(1,611,000)	263,000	0
Restricted Funds Surplus / (Deficit)	245,000	(305,000)	0
Total Surplus / (Deficit)	(1,366,000)	(42,000)	0
Surplus / (Deficit) as a % of turnover	(36.1%)	(0.7%)	
Cost of Generating funds (% of income)	129,000 (3.4%)	132,000 (2.3%)	135,000 (2.1%)
Free unrestricted reserves			
Unrestricted free reserves held at Year End	216,921,000	217,184,000	217,184,000
How many months' worth of expenditure	n/a	n/a	n/a
Reserves Policy target	211,000,000	213,321,000	215,667,531
How many months' worth of expenditure	n/a	n/a	n/a
Free reserves over/(under) target	5,921,000	3,863,000	1,516,469

Conclusion

This project will provide much needed, direct, legal support within community advice and legal charities in London and for the benefit of some of the most disadvantaged people in the capital; it will promote community legal advice as a valid career option for newly qualified legal personnel and help support a cohort of social welfare lawyers; and it will leave a lasting legacy through the individual projects the Fellows will establish. The proposal also represents an opportunity for the Trust to work in partnership with another, prestigious, foundation and therein to demonstrate to the wider sector the benefit of partnership and co-production.

Appendix

Appendix A – Summary Assessment of Strategic Initiative

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Appendix A

Summary Assessment of Strategic Initiative for Committee Decision (Use: Y/N/Potentially or N/A where relevant)

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 Investing in Londoners programmes (IiL)?	Y
Or, meet a clear need that has arisen since(IiL) were agreed?	
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?	In part
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Potentially
Will the work/approach funded be replicable?	Y
Does the grant provide an opportunity to strengthen Civic Society in London?	Y
Is the work sustainable beyond the period of the grant?	Possibly
Can the impact of the work be measured through evaluation?	Y

Leverage	
Will the grant particularly benefit from the Trust's and the Corporation's distinctive networks and connections? Is there an opportunity to add value in this regard?	Possibly
Will the grant be able to build on the Trust's, and its existing grantees'/investees', knowledge and expertise?	Y
Will the grant have the potential to leverage any other funding from other sources?	Y
Spread	
Geographic	
Will the grant support work in a geographic where there is high need but relatively low Trust spend?	Potentially
Thematic	
Will the grant support work in a thematic area(s) of the Investing in Londoners Programme where there is high need but relatively low Trust spend?	Possibly
Portfolio	
Within the Trust's Strategic Initiative portfolio, is the grant duplicating or complementing anything already funded?	N
Approach	
Will the grant enable better collaboration between relevant organisations?	Y
Is the proposed work across more than one LA or is London-wide?	Y
Does the proposed work explicitly link the private, statutory and voluntary sectors?	Y