

MEETING: 18/03/2016

Ref: 13258

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

London Funders

Adv: Ciaran Rafferty

Base: Camden

Amount requested: £250,000

Benefit: London-wide

Amount recommended: £250,000

The Charity

London Funders (LF) is a network of funders and investors supporting London's voluntary and community sector and is unique in that its membership comprises local authorities and independent funders. It exists to strengthen and support funders to better meet the needs of Londoners. Originally an informal network, your officers were active in shaping its development and in 2005 it became a registered charity. London Funders has c.100 members including foundations, the public sector and corporate givers. It provides the opportunity for funders to share their experience and learn from each other and a defining feature of its work is its 'cross-sectoralism'. The City of London Corporation and City Bridge Trust are in membership, separately, and find it extremely useful, particularly in terms of supporting collaborative working with others.

The Application

The Trust has contributed to the core costs of London Funders since 2011 in recognition of its unique and important role in helping funders to tackle disadvantage in the capital. You have also awarded occasional, restricted, grants for specific projects or research which LF has managed on behalf of the wider membership (eg the development of London's Giving). This application is for a further five years' support and can be considered following agreement of the policy (as shown below) by the Court in October 2014.

The Recommendation

London Funders provides the only network for the capital's funders from all sectors to talk freely; to share and collaborate; to develop policy; to keep informed; and to provide a unified voice when needed. Its role, in times of austerity, has been more important than ever and has undoubtedly been crucial in developing the scope and focus of funders' responses to a dynamic sector. In particular, the Trust has benefited greatly in recent times from LF's oversight of the London's Giving initiative, whilst it will also be extremely important in the near future when you embark on your next Quinquennial Review in 2016/17. With close to half of its income deriving from members' subscriptions LF relies on additional, fundraised, income to operate effectively. A grant as requested is advised:

£250,000 over 5 years (5 x £50,000) towards core costs and subject to external evaluation after three years.

Funding History

Meeting Date	Decision
19/06/2014	£5,000 towards the £15,000 costs of commissioning research into the current and future landscape of play/youth services in London.
12/02/2014	£100,000 over two years (£50,000; £50,000) towards the core costs of London Funders.
30/06/2011	A grant of £84,000 over three years (£30,000, £27,000, £27,000) towards the core costs of London Funders.

Background and detail of proposal

In October 2014 the Court of Common Council agreed the following policy:

"Applications be considered for grants of five year duration from organisations that:

- (i) Provide capacity-building services to support London's voluntary sector at the local borough, sub-regional or pan-London level including, where appropriate, to support the collaboration or consolidation of organisations; or*
- (ii) Can demonstrate that they are uniquely placed (by virtue of the nature of their work) to deliver a particular project or service; or*
- (iii) Are developing high-quality services that can be scaled-up to benefit all of London or which are breaking exceptional new ground.*

These grants are subject to external evaluation after three years."

The work of London Funders meets this eligibility criteria as it has a role which is unique and pan-London; and is expertly delivered. It relies on subscription income from its membership, including from local authorities whose contributions are made en bloc by London Councils. A lean organisation, with only 2 staff and low operational costs, it needs additional income in order to deliver a wide range of services for its membership (e.g. subject-based network forums, research and evaluation, strategic development). Whilst it is also expert at harnessing pro-bono support (especially from the corporate sector) it cannot plan ahead or deliver effectively without its own financial foundations in place.

Your wholehearted support of LF to date is recognised and greatly appreciated by the sector, not least by London Councils. In these uncertain times for local government in particular it is fitting that, as London's largest independent foundation, the Trust is at the forefront of supporting the provision of a safe place to think, share, learn and act together to meet the needs of Londoners. Providing core funding to LF for an extended period, as recommended, will enable the organisation to plan ahead on those issues which affect the sector and London as a whole (e.g. working collaboratively with the new Mayor; shaping new responses to austerity; supporting collaboration amongst funders; navigating the ever blurring lines between statutory and voluntary). As pressure increases on funders, networking and taking time to reflect tends to drop down the list of priorities, just when it's needed most. If you agree the grant as advised you will be helping to reaffirm the importance and value of sharing and collaboration – just as funders are encouraging the sector itself to do likewise.

Financial Information

Of the £215,300 income budgeted for 2016/17 £200,000 (93%) had been confirmed by 29th February 2016. Operations have reduced in 2016/17 due to the end of a grant from Civil Society Support of £55,000 per annum towards specific project work.

The cost of generating is very low as shown in the table below and, after a discussion with your grants officer, the charity has agreed to review the calculation of this figure in future accounts.

Year end at 31 March	2014/15* Independently Examined Accounts	2015/16 Draft Outturn	2016/17 Current Year Forecast
	£	£	£
Income and Expenditure			
Income	243,138	268,880	215,300
Expenditure	215,621	266,707	215,246
Unrestricted Funds Surplus / (Deficit)	39,192	2,173	54
Restricted Funds Surplus / (Deficit)	(11,675)	0	0
Total Surplus / (Deficit)	25,517	2,173	54
Surplus / (Deficit) as a % of turnover	11.3%	0.8%	0.03%
Cost of Generating funds (% of income)	511 (0.2%)	1,000 (0.4%)	-
Free unrestricted reserves			
Unrestricted free reserves held at Year End	89,411	92,609	92,663
How many months' worth of expenditure	5	4.2	5.2
Reserves Policy target	107,810	133,353	107,623
How many months' worth of expenditure	6	6	6
Free reserves over/(under) target	(18,399)	(40,744)	(14,960)

* these covered a 15 month period from 1/1/14 – 31/3/15