

MEETING 18/03/2016

Ref: 13077

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Pro Bono Community

Adv: Tania Bronstein

Base: City

Amount requested: £110,955

Benefit: London-wide

Amount recommended: £110,955

The Charity

Pro Bono Community (PBC) is a recently established charity providing a specialised training programme for junior lawyers, trainees and law students, aimed at preparing them for volunteering in law centres and other advice agencies. In the last 12 months, PBC trained 171 people. Of these, 90 lawyers and legal trainees and 62 law students went on to undertake voluntary placements in community-based advice centres.

The Application

PBC seeks three-year funding to recruit, train, and place 240 law students as volunteers in law centres and community based advice agencies throughout London.

The Recommendation

Community legal advice providers have experienced significant loss in capacity and have welcomed this new project. Your funds would enable these providers to cope with the rising demand for free legal advice for Londoners on low incomes.

£110,955 over three years (3 x £36,985) for a part-time salary (2.5 d/p/w), training costs and overheads to train law students to volunteer in community advice agencies

Funding History

None

Background and detail of proposal

PBC was set up to address loss of capacity in the community legal advice sector arising from cuts to legal aid. Recently 11 law centres in the UK have closed, and the remaining 45, alongside other not-for-profit legal advice providers, can no longer afford to employ sufficient legally trained staff. Yet, they report a steep rise in demand for free legal advice, mostly on matters now outside the scope of legal aid.

PBC works with lecturers and practitioners to deliver a modular programme that trains would-be volunteers in social welfare law and client work skills. Programme completers are placed in legal advice centres to volunteer at least one day per week over a minimum of 13 weeks. Several law firms pay PBC to train their junior lawyers and trainees, who then go on to volunteer in their own pro bono schemes, including in law and advice centres. Demand for extra help in these centres is high, and students on law courses represent an untapped source of volunteers. In the past, some students have paid to take part in the programme themselves, as this experience enhances their CV, and gives them chances to practice client-based skills. However, most students cannot afford these costs, hence this application to the Trust.

PBC has excellent contacts with universities, law schools, law centres and advice agencies in London. The training programme, already popular with students, is soon to gain accreditation from City Law School. This would further enhance the project's ability to attract a minimum of 80 students per year, as planned.

In the next three years PBC will focus on attracting more law firms to the scheme, and on increasing the number of law students trained to volunteer in advice centres, as well as the number of voluntary sector advice providers supported. There is also a longer-term ambition to extend the programme nationally. However, the project for which funds are sought will be exclusively delivered in London.

Financial Observations

For the current year to 31 August 2016 forecast income is £106,264, of which £55,824 (52.5%) had been secured as at 1 February 2016. The charity's funding model is one whereby the greatest proportion of its income is earned through fees charged to law firms for its services, which accounted for 54% of income in 2014/15, and is forecast at 58% of income in 2015/16.

The charity's first year of operations was 2013/14 and a Director was appointed in April 2014. It established a formal reserves policy in 2015/16 to hold free unrestricted funds of between 3 and 6 months' worth of expenditure. At 31st August 2016 free unrestricted funds are forecast to be substantially below this target, as shown in the table below. The charity is aware of the shortfall and plans to generate further fee income and secure grants to gradually accumulate free unrestricted funds.

The cost of generating funds was not disclosed in the 2013-14 accounts. The figures provided in the table below are estimated and represent 40% of the Director's salary costs, whose brief includes establishing and sustaining links with law firms and fundraising from other sources. After a discussion with your grants officer the charity has agreed to disclose the cost of generating funds in future accounts.

Year end at 31 August	2013/14 Independently Examined Accounts	2014/15 Forecast Outturn	2015/16 Current Year Forecast
	£	£	£
Income and Expenditure			
Income	80,967	76,234	106,264
Expenditure	51,435	81,924	113,243
Unrestricted Funds Surplus / (Deficit)	11,855	11,987	(1,799)
Restricted Funds Surplus / (Deficit)	17,677	(17,677)	(5,180)
Total Surplus / (Deficit)	29,532	(5,690)	(6,979)
Surplus / (Deficit) as a % of turnover	36%	(7%)	(6.5%)
Cost of Generating funds (% of income)	7,000 (8.6%)	21,000 (27.5%)	21,000 (19.8%)
Free unrestricted reserves			
Unrestricted free reserves held at Year End	11,855	23,842	16,863
How many months' worth of expenditure	2.7	3.5	1.8
Reserves Policy target	n/a	20,481 - 40,962	28,311 - 56,621
How many months' worth of expenditure	n/a	3 - 6	3 - 6
Free reserves over/(under) target	n/a	3,361 - (17,120)	(11,448) - (39,758)