

MEETING: 22/09/2016

Ref: 13269

## ASSESSMENT CATEGORY - Improving Londoners' Mental Health

East London Out Project

Adv: Tania Bronstein  
Base: Waltham Forest  
Benefit: Several NE London

Amount requested: £145,936  
(Revised request: £147,468)  
Amount recommended: £147,470

### The Charity

East London Out Project (ELOP) runs a LGBT community centre in Leytonstone providing counselling; advice and information; facilitated support groups; volunteering opportunities; and projects for young people. It also offers consultancies, training, and awareness-raising programmes in schools and other settings in Waltham Forest, Hackney, Tower Hamlets, Newham, Barking & Dagenham and Redbridge. ELOP sits on various forums in these boroughs to advocate for improved responses to need in LGBT communities. The charity's direct services benefit 5,000+ people every year.

### The Application

ELOP seeks a three-year grant towards salary, running costs and overheads of administering a counselling service to support 350 LGBT people in London per year.

### The Recommendation

The project helps large numbers; provides a very rapid response to referrals; and provides accessible, user-centred, cost-effective services adhering to best practice. The request was amended during assessment. ELOP now seeks funds for a new post and related expenses to more effectively administer and run this busy service, and to free up senior staff to focus on income generation. The Project's outputs and outcomes are unchanged. The revised breakdown is appended to the application. The charity is currently embarking on a strategy to increase its free reserves, which are low. It is advised, therefore, to make the grant release in year one conditional upon receipt of quarterly management accounts:

***£147,470 over three years (£48,320; £49,550 and £49,600) for the salary of a full-time Administrator; costs of supporting volunteer counsellors; and overheads of a counselling service. The grant in year one is to be released in quarterly instalments subject to receipt of satisfactory management accounts.***

### Funding History

None

### Background and detail of proposal

LGBT people are 2 to 3 times more likely to face longstanding psychological and emotional problems, given experiences of prejudice and discrimination, (Cambridge University, 2014). Yet, LGBT charities providing talking therapies are struggling to survive austerity cutbacks, and some have closed. ELOP, one of few providers north of the Thames, has seen a 50% surge in referrals since 2014, with more people seeking help in acute distress. Its response has been to increase its counsellor team to 28 to offer up to 85 sessions weekly, assess callers' needs within 10 working days of referral, and to start offering counselling sessions within 3 weeks or sooner.

Waiting times in similar voluntary sector services average 4 to 12 weeks. London NHS counselling services assess less than 75% of users within 28 days of referral, the NHS best practice benchmark (House of Commons, May 2015).

Other practice standards are higher than elsewhere. Volunteer counsellors (either fully qualified or attending qualifying courses) are clinically supervised in groups of 3 or 4 every 2 weeks (usual sector practice is larger groups and less frequent supervision). The service helps large numbers (350 per year), and offers good value (£22.85 per session in 2015/16, compared to £75 per session by NHS services in 2013/14).

### Financial Information

Forecast income in 2016-17 is £268,310 of which £123,981 (46%) was confirmed as at 30 June 2016.

Free reserves have fallen from £36,059 as at 31 March 2014 to £3,274 as at 31 March 2016, equating to less than one weeks' worth of expenditure as shown in the table. The charity advises that this is a result of its trustees' decision to use reserves to address spiralling demand (when the alternative would have been closing or refusing services). While committed to respond to demand, trustees have put in motion a strategy to increase income generation and build free unrestricted reserves. The charity also reviewed what it needs to hold in free reserves and revised its policy target to 3 months' worth of expenditure in May 2016.

Management accounts to 30 June 2016 show that the charity appears on track to achieve its forecast for 2016-17. Nonetheless, the level of free reserves is a concern, and the implementation of the strategy to increase income needs monitoring, hence a condition is attached to the recommendation.

The costs of generating funds are under-estimated in the annual accounts. These are calculated at £15,205 for 2016/17, representing staff time spent on fundraising. The charity advises that these costs will be accurately reported in future annual accounts.

Year end at 31 March	2014/15 Audited Accounts	2015/16 Draft Outturn	2016/17 Current Year Forecast
<b>Income and Expenditure</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income	140,206	174,097	268,310
Expenditure	161,579	173,724	233,525
Unrestricted Funds Surplus / (Deficit)	(21,373)	(11,411)	34,785
Restricted Funds Surplus / (Deficit)	0	11,784	0
Total Surplus / (Deficit)	(21,373)	373	34,785
Surplus / (Deficit) as a % of turnover	(15.24%)	0.2%	12.96%
Cost of Generating funds (% of income)	29 (0%)	0 (0%)	15,205 (5.7%)
<b>Free unrestricted reserves</b>			
Unrestricted free reserves at Year End	14,686	3,274	38,059
How many months' worth of expenditure	1.09	0.2	1.96
Reserves Policy target	40,395 -80,790	43,431- 86,862	58,380
How many months' worth of expenditure	3-6	3-6	3
Free reserves over/(under) target	(25,709)-(66,104)	(40,157)-(83,588)	(20,321)