

Committee	Dated:
City Bridge Trust	31st January 2018
Subject: Strategic Initiative – London Youth	Public
Report of: Chief Grants Officer	For Decision

Summary

This report recommends financial support for the Federation of London Youth Clubs (commonly known as London Youth) to provide a range of services throughout 2018 for and with its members.

Recommendation

Members are asked to:

- Agree a grant of £400,000 over one year for a range of activities for the benefit of voluntary managed youth organisations and their beneficiaries in London.

Main Report

Background

1. London Youth, a registered charity, is the membership body for voluntary managed youth organisations in the capital. It grew out of the Ragged Schools Movement of the 1880s and became a registered charity in 1962. Its current patron is HRH The Duke of Edinburgh, its president is Field Marshall the Lord Guthrie and its Chairman is Julian Beare (also a member of the Worshipful Company of Armourers and Brasiers).
2. London Youth has a long track record of delivering youth and community projects across London. As well as providing a range of support to other organisations, it also runs a series of front-line projects and services – all designed to meet its mission '*to support and challenge young people to be the best they can be*'. Its current membership comprises 300 diverse youth organisations (attended by over 27,000 young people a year) across every London borough. It also runs two activity/residential centres which together provided over 50,000 activity days last year.
3. The Trust has had a long and successful funding history with the charity. Most recent grants include £103,000 awarded in May 2015 to develop the capacity

of the youth sector to evidence and advocate for the value of its work; and a Strategic Initiative of £216,000 over three years (awarded March 2014) to enable the sector to be more inclusive of disabled young people. In January 2016 you awarded £279,000 to pilot the City Leaders project which trained and supported a cohort of disadvantaged young people to develop their leadership skills and to become young leaders.

4. Whilst the above grants have now finished (and all reporting has been of a good standard) the Trust continues to work in partnership with the charity in the implementation of the City & Guilds accredited *London Youth Quality Mark* scheme, which underpins the quality of service provided by London's individual youth clubs and organisations. This work has received a very positive external evaluation.

Current Position

5. Aside from the partnership on the Quality Mark scheme LY currently holds no grant from the Trust. In early 2017 it enquired if a considerable, core, sum over three years could be considered but, for a number of reasons, it was not possible for you to make that commitment. However - and in recognition of the important and unique position the charity holds - your officers are keen to ensure that the charity is able to deliver its core work and to a level of quality and engagement which is appropriate to its support for a sector severely affected by austerity and the subsequent reduction in available funding.
6. Your officer has met with the charity to fully and frankly determine where its funding needs are likely to be most acute over the course of 2018. The results of this are outlined in Appendix A to this report. In every component identified there will be a direct benefit to member organisations and subsequently to the many thousands of young people they work with.
7. London Youth's annual income over recent years has been typically c.£7m. It has worked hard to diversify income sources and has done especially well in recent years in engaging with and getting support from businesses and corporates. (The City Leaders programme, for example, has been supported by Morrisons, the supermarket chain.) Every potential and appropriate source is considered and Members can be assured that the charity is wholly committed to becoming as sustainable as possible. Nevertheless, there will always be a need for trust and charitable income to provide a foundation.

Proposals

8. If you were to agree a grant as recommended, for the purposes as outlined in Appendix A, you would enable London Youth to achieve a wide range of outcomes, including:
 - Growing the number of member organisations from 300 to 360, so that more can benefit from a wide range of support and direct services
 - Increasing the number of people benefiting from training on safeguarding; health and safety; risk assessment; and data protection

- Supporting more organisations to be better at impact measurement (and thereby becoming more attractive to funders and more responsive to young people's needs)
- Supporting members in fundraising and developing their sustainability
- Providing sports programmes for girls and for disabled young people
- Delivering a further programme of City Leaders

Financial Information

The reserves policy in 2015/16 was to hold six month's expenditure excluding capital expenditure and payments made on behalf of other funders. The 2015/16 accounts show free reserves held at the year-end considerably below this target due to a pension deficit of £452,650 against general funds of £620,916. In 2016/17 the charity sold some of its freehold properties at a profit of £4.97m (hence the increase in income that year). This was used to pay off the pension deficit (c.£500k); make a donation (£710k) to an associated charity (Joseph Levy Endowment Trust) by way of reimbursement of an earlier capital grant received from that trust; and for one-off costs incurred in that year. £2,550k of the funds remaining from the asset sale have been designated for specific activities (ie a digital transformation programme and a development fund to be used for long term change projects) with the balance increasing the amount of free unrestricted reserves to a level closer to the policy. In 2016/17 the charity amended its reserves policy from a desire to hold 6 months' free unrestricted reserves to hold c.3 months' worth – equivalent to c£1.6m in that year. This amendment was on the basis of the organisation no longer having significant pension liabilities as well as now holding sufficient designated funds to support its developmental functions.

Year end as at 31 August	2016 Audited Accounts £	2017 Draft £	2018 Forecast £
Income & expenditure:			
Income	6,951,689	11,753,381	7,521,190
- % of income confirmed as at 15/12/17	n/a	n/a	76%
Expenditure	(6,976,366)	(8,093,028)	(7,461,506)
Total surplus/(deficit)	(24,677)	3,660,353	59,684
Split between:			
- Restricted surplus/(deficit)	24,965	(54,962)	0
- Unrestricted surplus/(deficit)	(154,788)	3,643,565	59,684
- Permanent endowment gain	105,146	71,750	0
	(24,677)	3,660,353	59,684
Cost of Raising Funds	212,771	212,954	258,377
- % of income	3.1%	1.8%	3.4%
Operating expenditure (unrestricted funds)	3,823,715	4,825,391	4,069,763
Free unrestricted reserves:			
Free unrestricted reserves held at year end	168,266	1,733,788	1,793,472
No of months of operating expenditure	0.5	4.3	5.3
Reserves policy target	2,800,000	1,800,000	1,356,588
No of months of operating expenditure	8.8	4.0	4.0
Free reserves over/(under) target	(2,631,734)	133,788	436,884

Conclusion

9. London Youth is an important and highly regarded infrastructure body for hundreds of youth organisations across London and the many thousands of young people whose lives are enriched by them. Non-statutory services for young people have been greatly affected by austerity cuts and continue to be under threat. The sector itself needs to maintain what it does well and to improve, where possible, its ability to provide and advocate for the needs of young people. London Youth is a key organisation in enabling this and has set itself a series of challenging but appropriate targets for the year ahead. A grant as advised is recommended.

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Request for CBT support in 17-18 summary

Theme	Specific area	Amount	Deliverables
1. Core Membership Development (£131,222)	Investing in core membership development team	£106,222	Grow membership from 307 to 362 (Aug 18) Grow total Quality Marks awarded to 119 (Aug 18) Roll out tailored account management for members Deliver at least 4 specialist networks and communities of practise (including marketing support so young people aware of offer)
	Safety and safeguarding	£15,000	Develop digital portal and online service for members Ensure members have access to a range of tailored safety and safeguarding support; and free designated safety and safeguarding officer training
	Resilience support	£10,000	Support for income diversification and social investment workshops Expert GDPR consultancy for members
2. Learning and innovation (£114,805)	Tailored impact measurement support	£45,000	Introductory and intermediate impact workshops for members; one-to-one impact clinics; signposting to other impact resources Delivering annual research project focused on emerging need e.g. in 17-18 youth organisations role in community integration
	Research, development and new funding	£69,805	Supporting members to innovate through Development Grants Investment in LY fundraising for: new programme delivery with members; diversifying income to safeguard delivery of 17-20 strategy
3. Programme support (£153,973)	Sport	£40,000	Contribution towards sports development programme specifically towards specialist sessions for girls and young women, and disabled young people (NB topping up major investment in programme from Sport England)
	City Leaders	£113,973	Further investment in successful City Leaders programme with 270 young people from 30 member organisations (NB we are looking to grow corporate match funding year on year)
TOTAL		£400,000	

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?	n/a
Is there evidence that indicates the work will be hard to fund from other sources?	Y
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Y
Will the work/approach funded be replicable?	Y
Does the grant provide an opportunity to strengthen Civil Society in London?	Y
Is the work sustainable beyond the period of the grant?	Only with additional funding
Can the impact of the work be measured through evaluation?	Y