



Kerena Fussell & Arnold Ridout
Co-ordinators
Newham LCC Group

26th July 2016

By email

Dear Kerena and Arnold,

We are writing to co-ordinators of all LCC borough groups with a very unusual request. It's one which we wouldn't normally make, but do so because of the difficult financial situation in which LCC finds itself. Specifically we asking all groups to send the centre all funds they may hold above what they need to function.

Here's why.

Over the past five years LCC has coped with a one third reduction in our traditional sources of external funding: we expanded income from membership, raised sponsorship for our campaigns for the first time, and created a consultancy/services arm (our Cycling Projects Teams).

However, despite delivering successful campaigns such as *Love London*, *Go Dutch*, *Space for Cycling*, and most recently *Sign for Cycling*, we have struggled to make ends meet and have run deficit budgets for the last two years.

We have clear plans to turn this around, principally re-launching our membership offer (to occur soon). But in the meantime expenditure has been cut right back to essentials and our reserves have been depleted – to a potentially dangerous level. It is possible still more cuts will be needed - something we urgently need to find a way to avoid.

The annual audit has shown that the combined cash reserve of LCC's borough groups is £107k (greater than the organisation's central reserve of £91k). For some years now the collective size of the funds borough groups hold has been larger than their combined turnover. Whilst a big chunk of that £107k is restricted to specific uses, that still leaves a considerable sum of money that could help LCC as a whole through this difficult period.

That's why we are asking all groups to help us out in a way that is proportional to each group's means. We ask that all groups look at their future spending plans and assess what reserve they need to cover themselves in case of eventualities. (As a guide: at the centre we aim for a reserve of no more than about 10% of our annual turnover.)

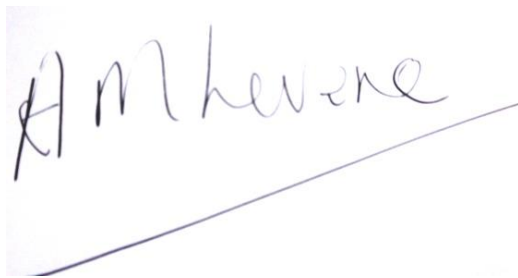
We'd then like to ask that groups transfer to LCC centrally any cash they hold above this level. We estimate that this would raise up to £50k – a significant amount that would help the charity move forward without making some extremely painful cuts.

In the case of your group, our records show that your reserve has been around £1,000 in each of the past two years, with expenditure and income being around £500. Subject to your future spending plans, it would therefore be hugely helpful if you were in a position to transfer, say, £750 to LCC centrally. We hope this is something that you and your group will be able to seriously consider.

We recognise how hard you and your fellow volunteers have worked to raise the cash your group holds, and wouldn't be reluctantly making this request unless the situation demanded it. We hope you are assured that LCC will continue to work tirelessly to adapt the current, difficult funding climate (something that is being felt by most charities of similar size across the country).

Do let us know if you have any questions. Please liaise direct with my colleague Chris Evans (chris@lcc.org.uk) regarding cash transfers, if you are able to assist (Chris is currently on leave but will be back in the office on Monday 8th August).

Thanks for your continued support,

A handwritten signature in blue ink that reads "T Levene". The signature is written in a cursive style and is positioned above a horizontal line that extends across the width of the signature area.

Tony Levene
Treasurer (tony@lcc.org.uk)

A handwritten signature in blue ink that reads "A Sinha". The signature is written in a cursive style and is positioned above a horizontal line that extends across the width of the signature area.

Dr Ashok Sinha
Chief Executive (ashok@lcc.org.uk)