

**MEETING: 07/09/2018**

**Ref: 14867**

**ASSESSMENT CATEGORY - Connecting the Capital**

**Volunteer Centre Greenwich**

**Adv: Kate Moralee**

**Base: Greenwich**

**Amount requested: £250,601**

**Benefit: Greenwich**

**Amount recommended: £255,600**

**The Applicant**

Established in 1999, Volunteer Centre Greenwich (VCG) is the volunteer development agency serving the Royal Borough of Greenwich. A charity, it provides the range of services usually associated with a local volunteer centre, including a volunteer brokerage service; the provision of information about volunteering opportunities at various outreach posts across the borough; training for volunteers and for those who work with them; promotion of good practice around volunteering and development of a range of income generation services.

**The Application**

The Trust is asked to support a contribution to the salaries of the CEO (0.4fte) and Volunteering and Operations Manager (0.4fte), associated delivery costs and contribution to overheads to provide additional capacity to explore, create and develop income generating activities resulting in a more sustainable infrastructure body contributing to civil society. Generation of unrestricted income will enable VCG to reinstate its engagement in strategic networking opportunities, thereby increasing the voice and quality of volunteering at regional and national levels; develop existing and new income generation activities within a clear business plan; reinstate free membership and access to essential support and advice; expand a growing training offer (which has increased from £11,245 in 2012 to £72,882 in 2017); and provide the opportunity to pursue partnership working providing specialist expertise on volunteering to enhance the quality of any bids. The funding request tapers over the five-year period in response to the predicted growth of self-generated income.

**The Recommendation**

You have supported VCG for a five-year period until end 2017, to increase the quantity and quality of volunteering placements in the Royal Borough of Greenwich. VCG's work to date has been of consistently good standard, it takes an asset-based approach recognising the existing strengths of both individual volunteers and member organisations, building on these strengths to increase individual and community resilience. It is a reflection of the current challenging climate, particularly for infrastructure organisations within the voluntary sector, that VCG is requesting funding to develop initiatives which diversify its income streams to support the increased demand for volunteers from frontline services. The role of VCG is critical in ensuring a quality and positive experience for volunteers. This proposal fits well with your Connecting the Capital priority contributing to the outcome "civil society organisations are more effective and resilient". Your officer became aware of VCG's financial challenge to cover the costs of providing equality of opportunity for disabled volunteers, with VCG having to reduce the number of days of one disabled volunteer from two days per week to one day per fortnight because of organisational financial constraints. Your officer has, therefore, agreed to an increase in the volunteer expenses aspect of the budget by £1,000 per year to provide equality of opportunity

for any disabled volunteers. Funding is recommended accordingly with grant release triggered on receipt of financial information as detailed:

**£255,600 over five years (£63,000; £58,600; £50,500; £45,200 £38,300) towards the salaries of the CEO and Volunteering and Operations Manager and associated costs to increase voice and representation; reinstate free membership and associated services; and develop and grow income streams to support the future sustainability of the organisation. The release of quarterly payments is subject to the provision of satisfactory management accounts and cashflows.**

### **Funding History**

Meeting Date	Decision
24/11/2016	Stepping Stones. £41,700 To pilot an innovative business model in the tourism sector, creating an income stream to improve VCG's sustainability whilst delivering social outcomes for local people.
24/05/2016	£4,700 towards a volunteering database and online platform.
28/01/2016	£106,000 towards the salaries of a Volunteer Services Manager; a Membership Services Officer; and associated running costs of a project increasing the number and the quality of volunteering placements in the Royal Borough of Greenwich.
31/10/2012	£162,000 towards the full-time salary and associated running costs of a project increasing the number and the quality of volunteering placements in the Royal Borough of Greenwich.

### **Background and detail of proposal**

The sector itself is becoming more dependent on volunteers to deliver valuable services to vulnerable people in local communities and to build individual and community resilience. With increased social isolation, pressures of life, austerity, welfare cuts, public sector cuts and increasing demand on services volunteers can be critical in identifying social isolation and referring individuals to activities in the local community.

The support of VCG is essential as many organisations see volunteers as a free resource or quick fix to meeting the demand for services. VCG provides information, advice and support at the right time and of excellent quality which is vital for the organisation, the wellbeing of the volunteer and the customer experience of the beneficiaries of services.

Currently VCG receives no grant funding for this support and advice service hence introducing a membership fee to generate income to provide these services in 2017. However, this has led to membership services falling from 489 to 32, demonstrating the current challenging climate for the sector when prioritising essential expenditure. The charity has provided quotes from members who are not able to afford membership fees and recognise the loss of this service.

VCG is at a critical point currently, largely because of previous investment in two income generation schemes which have not delivered the growth envisaged in the timescales required. The organisation has responded to this by restructuring (reduced staff hours) which has had a knock-on effect in terms of marketing and delivering other income streams. It is to move to new office space in September, sharing back office functions with another organisation, to further reduce costs. Your

support and investment now would safeguard a very valuable resource for the Royal Borough of Greenwich and help the charity consolidate its current position enabling it to create sound foundations for improved and sustainable growth. A grant as recommended would also secure release of funds from another Trust.

### Financial Information

VCG has made significant internal changes to reduce expenditure, which has impacted on its capacity to develop income generating aspects of the business. It has taken the decision to share office space thus reducing office and overhead expenditure moving forward. Your officer has referred VCG to the STRIVE programme with Cranfield Trust for Marketing and New Business support.

The charity's reserves target is based on wind-up costs. The initial focus for VGC will be to reinstate free membership, then to promote of new business in the knowledge that it has the staff capacity to deliver any new training and consultancy business it secures, which will show results in year two of the grant.

Year end as at 31 March 2017 and then 30 Sept 2018 onwards	2017	2018	2019
	Audited Accounts £	Forecast £	Budget £
<b>Income &amp; expenditure:</b>		(18 month year)	
Income	229,077	346,531	236,563
- % of Income confirmed as at 2/08/18	n/a	88%	36%
Expenditure	(224,171)	(370,075)	(224,355)
Total surplus/(deficit)	4,906	(23,544)	12,208
Split between:			
- Restricted surplus/(deficit)	6,571	1,922	0
- Unrestricted surplus/(deficit)	(1,665)	(25,466)	12,208
	4,906	(23,544)	12,208
Cost of Raising Funds	14,793	8,170	10,213
- % of Income	6.5%	2.4%	4.3%
Operating expenditure (unrestricted funds)	74,553	105,221	42,517
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	25,466	(1,995)	10,213
No of months of operating expenditure	4.1	-0.2	2.9
Reserves policy target	34,354	32,368	32,368
No of months of operating expenditure	5.5	3.7	9.1
Free reserves over/(under) target	(8,888)	(34,363)	(22,155)

