

MEETING: 26/09/2019

Ref: 15063

ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital

Hackney Council for Voluntary Service

Adv: Sara Masters

Base: Hackney

Benefit: Hackney

Amount requested: £225,000

(Revised request: £248,000)

Amount recommended: £200,000

The Applicant

Hackney Council for Voluntary Service (HCVS) is the umbrella organisation for the voluntary and community sector in Hackney and the City. They provide training, support and resources and Associate Membership is free to all VCSE organisations operating in Hackney. HCVS was established twenty-two years ago and its Director has been with the organisation for eighteen years. They have a strong reputation in the sector.

The Application

HCVS want to build the knowledge and capacity of the voluntary organisations they support through a robust programme of organisational support including group training; application support; one to one support; 'meet the funder' sessions and regular communications through a detailed newsletter promoting opportunities and initiatives relevant to the sectors they represent. The 'face to face' aspect of this work will reach 2,500 organisations (not necessarily unique) with the newsletter reaching an average of 1,500 organisations p/year over the five years of funding. As a result of this work they want to build the sector's confidence and skills; increase access to available opportunities and increase the level of funding for their members. This aspect of their work will be managed by their VCS Development Manager who has been with HCVS for two years and Training Coordinator who has worked there for five years.

The Recommendation

This work will reach a high number of VCSE organisations in the borough and help lay the foundation for a more robust and sustainable sector in the medium term. The original application was revised to include more delivery costs but the grant recommended is lower than both requests as the organisation has sufficient scope within its free reserves to contribute to this project, hence the sum advised:

£200,000 over five years (5 x £40,000) towards the pt 3dpw salary costs of the VCS Development Manager, pt 2pdw salary costs of the Training Coordinator and contribution to marketing, IT support and subscriptions.

Funding History

Meeting Date	Decision
07/09/2018	Two applications to the Cornerstone fund were declined as they were not as strong as others submitted.
25/09/2014	£157,000 over three years (£52,000; £52,000; £53,000) towards the part-time salary (0.6FTE) of an Organisation Development Officer, plus management and project running costs of a capacity building programme.

Background and detail of proposal

Hackney is a highly diverse borough and its VCSE sector reflects that with a high number of small charitable organisations, 61% of whom have less than five members of staff. 76% of the small to medium organisations they work with support people living with disadvantage in a borough with the third highest level of poverty in London (after the neighbouring boroughs of Newham and Tower Hamlets). HCVS work hard to respond to the needs of the range of organisations they are there to support including having a series of issue-based networks; training opportunities and events. They also have strong links with the local authority. HCVS have a new strategic plan for 2019-2022 which outlines their vision of a fairer Hackney with the mission of tackling inequality and driving social change. One of their key strategic objectives is supporting a stronger, thriving voluntary and community sector which this application responds to.

Financial Information

HCVS has historically held a significant sum in designated funds with the intention of buying permanent premises. With property prices ever increasing in Hackney they released this money from its designation into their free reserves, apportioning £250,000 to finance the recent refurbishment of their leased premises. There is a detailed plan to commit the surplus in free reserves over the next three years which includes: offsetting operational deficits on core projects; upgrading the IT and database; increasing the reserves policy level (to £240k) to provide better security against variations in funding; meeting exceptional staff costs (on sickness and redundancy). There will also be a contribution from reserves to the project applied for here, as mentioned earlier.

Year end as at 31st March	2018	2019	2020
	Signed Accounts £	Management Accounts £	Forecast £
Income & expenditure:			
Income	2,729,563	1,691,139	2,563,974
- % of Income confirmed as at June 2019	N/A	N/A	87%
Expenditure	2,828,623	2,239,241	2,746,634
Net gain (loss) on investment	25,012	13,081	12,000
Total surplus/(deficit)	(74,048)	(535,021)	(170,660)
Split between:			
- Restricted surplus/(deficit)	(23,807)	(456,704)	(68,257)
- Unrestricted surplus/(deficit)	(50,241)	(78,317)	(102,403)
	(74,048)	(535,021)	(170,660)
Cost of Raising Funds	53,460	28,560	29,000
- % of Income	2.0%	1.7%	1.1%
Operating expenditure (unrestricted funds)	231,377	218,659	305,458
Free unrestricted reserves:			
Free unrestricted reserves held at year end	998,807	920,490	818,087
No of months of operating expenditure	51.8	50.5	32.1
Reserves policy target	57,844	54,665	76,365
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	940,963	865,825	741,723