

MEETING: 13/05/2015

Ref: 12694

## ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Foundation for Social Improvement

Adv: Joy Beishon  
Base: Westminster  
Benefit: London-wide

Amount requested: £27,005

Amount recommended: £27,000

### The Charity

Foundation for Social Improvement (FSI) was established in 2007 to provide free business, marketing and fundraising advice to small charities. It is a membership organisation with over 3,000 members representing a wide variety of small charities, a third of which are based in London. Charities with an annual turnover of less than £1.5m are offered free membership whereas larger ones are charged. According to FSI's website, it delivered over £2.2m of free support to small charities in 2013/14; comprising of a series of one day seminars, supported by workbooks; two hour skills workshops; a fundraising conference; a 'back-office' skills conference; participation in the 'small charity week'; and monthly one-to-one advice clinics.

### The Application

This proposal will contribute to meeting the growing need in the sector for free/low cost core-skills training. FSI has a considerable way to go to secure the full cost required to run the training programme and conference. However, further funding is being sought from other Trusts and Foundations, including the Leatherseller's Company and the Westminster Foundation, corporate sponsors and via earned consultancy income. In addition, FSI receives significant support from its founder, with donations representing 20% of FSI's current income.

### The Recommendation

The application is towards the cost of delivering a series of one-day training events for small charities. Specifically, 10 one-day training courses or workshops a year (30 in total over three years) on 'Demonstrating Your Impact'; 'Managing Volunteers' and 'Financial Skills'. Nearly 600 of the 740 places offered over three years will be restricted to London based charities.

***£27,000 over three years (£8,730, £9,000, £9,270) towards the cost of providing a range of training courses and workshops for London based charities.***

### Funding History

Meeting Date	Decision
12/02/2014	Declined as application did not make a sufficient case of demonstrating capacity to achieve the standard you would normally expect when providing funding for infrastructure activities. Organisation has no free cash reserves.
30/06/2011	Declined as the request did not focus specifically on any of your identified priorities.

### Background and detail of proposal

There are over 23,000 charities in London, the vast majority of which are very small organisations. With limited resources, small charities rightly prioritise available funding for frontline delivery of services, resulting in little or no capacity to develop

and train staff in the very skills that would lead to more effective service delivery, attract additional funding and support organisational sustainability. Every two years FSI assess the skills gap within member charities. The most recent survey (2013) found that 66% of respondents believed a lack of funding for training and development was the main reason for skills gaps within their organisation. Areas where the greatest skills gaps were identified included impact reporting, strategic business management, planning and fundraising.

### Financial Information

FSI advised that success in winning consultancy work and an expansion in corporate sponsorships increased income in 2014/15 by over 16% (as compared with 2013/14). Forecast income for the current year 2014/15 is £441,994 of which £365,133 (83%) had been confirmed by April 2015. The reserves policy is to hold free unrestricted funds equivalent to 6 months' worth of expenditure which based on 2013/14 equates to £166,872. At 30th June 2014 free unrestricted funds stood at £39,568, which is equivalent to 1.4 months' worth of expenditure. FSI advised that it plans to increase reserves towards its target level by 2019/20, through increasing paid consultancy work and grants from charitable foundations. In the audited accounts for 2013/14 the cost of generating funds is low which FSI explained relates to direct fundraising costs only. FSI has provided a full estimate of fundraising costs for 2014/15.

Year end at 30 <sup>TH</sup> JUNE	2013/14 Audited Accounts	2014/15 Current Year Forecast	2015/16 Following Year Budget
<b>Income and Expenditure</b>	£	£	£
Income	378,502	441,994	414,000
Expenditure	333,743	416,448	382,810
Unrestricted Funds Surplus / (Deficit)	44,759	25,809	31,190
Restricted Funds Surplus / (Deficit)	0	(263)	0
<b>Total Surplus / (Deficit)</b>	<b>44,759</b>	<b>25,546</b>	<b>31,190</b>
Surplus / (Deficit) as a % of turnover	11.8%	5.8%	7.5%
Cost of Generating funds (% of income)	1,321 (0.3%)	42,467 (9.6%)	-
<b>Free unrestricted reserves</b>			
Free unrestricted reserves held at Year End	39,568	65,377	96,567
How many months' worth of expenditure	1.4	1.9	3.0
Reserves Policy target	166,872	208,224	191,405
How many months' worth of expenditure	6.0	6.0	6.0
Free reserves over/(under) target	(127,304)	(142,847)	(94,838)