

MEETING: 13/05/2015

Ref: 12596

**ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector**

**London Voluntary Service Council**

**Adv: Jenny Field**

**Base: Islington**

**Amount requested: £180,000**

**Benefit: London-wide**

**Amount recommended: £120,000**

**The Charity**

Originally established in 1910, London Voluntary Service Council (LVSC) is the principal umbrella body for the voluntary and community sector in the capital. Its main activities are advice and support to the sector; research and policy; training and events; leading a number of cross-sectorial networks; and its specialist HR advice and employment law service, PEACe. It is also leading the development of United Way in London encouraging more corporate and individual giving in the capital as part of the United Way worldwide network which has a presence in 41 countries.

**The Application**

Funding is requested towards the salaries of LVSC's Chief Executive and its Head of Policy and Support. Although able to raise funds to deliver specific projects and networks, it finds it increasingly difficult to fully fund its core costs of which these two salaries form a part.

**The Recommendation**

You may recall at your last meeting, you received a briefing on London's future infrastructure needs, particularly in the light of the *Change for Good* report, with presentations from London Funders and the Cranfield Trust. LVSC is working closely with London Funders and Greater London Volunteering to move the agenda forward. The three organisations ran a joint event for London's voluntary sector earlier in April at which the Deputy Chief Grants Officer spoke.

Funding has been requested over three years but given that there will need to be changes in how infrastructure is provided in the capital, a commitment of years is advised at this stage. LVSC may wish to apply for continuation funding after then but would do so in the light of the current position within the sector.

***£120,000 over two years (2 x £60,000) towards the salaries of the Chief Executive and the Head of Policy and Support.***

**Funding History**

Meeting Date	Decision
09/09/2010	£150,000 over three years (3 x £50,000) towards the engagement of mainstream voluntary sector organisations in London in a programme of sustainable development and carbon reduction.
21/01/2010	£60,000 over two further years (2 x £30,000) towards the costs of the PEACe network.
01/03/2007	£90,000 (£30,000, £30,000, £30,000,) towards The Personnel and Employment Advice Service ( PEACe) supporting and advising small groups on employment law and Human Resource management in London.

**Background and detail of proposal**

Policy areas and networks that LVSC is currently leading include London for All, funded by London Councils and delivered by LVSC in partnership with Race on the Agenda, Women's Resource Centre, LASA and the equalities network, HEAR; the London Employment and Skills Network, funded by Trust for London, which brings together organisations with an interest in employment and skills; Safer Future Communities, funded by the Mayor's Office for Policing and Crime which works on community safety issues; and Regional Voices and Health funded by the Department of Health which helps voluntary organisations to better understand and influence commissioners in order to achieve better health outcomes.

**Financial Information**

During 2013-14, LVSC advised it received funding through a one-off contract of over £800,000 for a community digital engagement programme, the majority of which was dispersed to voluntary sector delivery partners. In addition, it advised that two time-limited funds came to an end on 31<sup>st</sup> March 2014 amounting to £292,305, resulting in a considerably reduced income forecast in 2014/15. LVSC continued to incur some of these costs into 2014/15 which led to the forecast deficit. In 2015/16 it plans to reduce staff costs by approximately £100,000 and move towards a balanced budget. Total forecast income in the current year 2015/16 is £828,731, of which £544,831 (65.7%) had been confirmed by April 2015.

The cost of generating funds is not disclosed in the audited accounts for 2013/14. Estimates have been provided which appears relatively low, which LVSC has advised is because the majority of its income service contracts. LVSC has agreed to disclose this figure in future audited accounts.

The deficits forecast for 2014/15 and the current financial year 2015/16 mean that the charity's free unrestricted reserves have fallen below the target figure of £220k. LVSC advised that its Trustees are committed to re-building its level of reserves in the next two to three years, by increasing its capacity for earned income through its programme of training, workshops and events and from additional fundraising.

<b>Year end at 31<sup>st</sup> March</b>	<b>2013/14 Audited Accounts</b>	<b>2014/15 Forecast</b>	<b>2015/16 Current Year Budget</b>
<b>Income and Expenditure</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income	1,879,166	770,459	828,731
Expenditure	1,925,310	918,365	808,914
Unrestricted Funds Surplus / (Deficit)	88,807	(147,906)	(42,164)
Restricted Funds Surplus / (Deficit)	(134,951)	0	61,981
<b>Total Surplus / (Deficit)</b>	<b>(46,144)</b>	<b>(147,906)</b>	<b>19,817</b>
Surplus / (Deficit) as a % of turnover	(2.5%)	(19.2%)	2.4%
Cost of Generating funds (% of income)	-	36,000 (4.7%)	37,500 (4.5%)
<b>Free unrestricted reserves</b>			
Free unrestricted reserves held at Year End	292,461	144,555	102,391
How many months' worth of expenditure	1.8	1.9	1.5
Reserves Policy target	220,000	220,000	220,000
How many months' worth of expenditure	1.4	2.8	3.3
Free reserves over/(under) target	72,461	(75,445)	(117,609)