

MEETING 19/06/14

Ref: 12114

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Enfield Voluntary Action

Adv: Jemma Grieve Combes

Base: Enfield

Amount requested: £177,084

Benefit: Enfield

Amount recommended: £123,000

Purpose of grant request: To improve the financial management skills and the capabilities in monitoring, evaluation and impact reporting for Voluntary and Community Organisations in Enfield.

Background

Enfield Voluntary Action (EVA) is the Council for Voluntary Service for this north London borough. It provides direct support services to assist the development of the voluntary and community sector in the borough; runs the borough's Volunteer Centre; coordinates partnerships; and acts as the representative voice of the sector. It has 120 members, including a few larger charities such as the local Age UK and CAB, but mostly comprised of smaller organisations including after school clubs, Black and Minority Ethnic organisations, faith groups, supplementary schools and an increasing number of social enterprises.

Funding History

You awarded EVA a grant of £102,000 over three years in 2008 towards the costs of a volunteering standards project for community groups in Enfield. The grant was satisfactorily reported on. The volunteer centre is currently one of the voluntary sector partners for the Enfield and Haringey Youth Offer.

Current Application

EVA is requesting a grant towards the staff and on-costs of providing 200 one-to-one advice sessions and 24 training courses, over three years, on financial impact and monitoring, evaluation and impact. EVA has experienced an increase in demand from organisations with very limited financial skills. Typical issues include lack of understanding of full cost recovery; outdated manual bookkeeping systems; misunderstanding around corporation tax; and provision of employee information to HMRC. The Community Accountant would work closely with organisations to understand their needs and implement more effective financial management systems. Training courses provided would include using accountancy software; financial policies and procedures; budgeting and full cost recovery; and payroll.

Monitoring, evaluation and impact has been identified by EVA as an area of weakness with issues such as low awareness of monitoring methods; lack of analysis and communication skills to share impact; and inadequate planning. The Development and Funding Advice Manager would work with organisations to identify gaps, provide advice and guidance, and implement new systems. Crucially they would embed monitoring and evaluation into organisation's work and show its relevance to other work such as fundraising. Training courses provided would include collecting data and user information; consultation; planning, aims and objectives; and how to measure outcomes.

The organisation is committed to making its work accessible. It works closely with local disability organisations to understand and meet the needs of clients with disabilities. It also visits organisations where one-to-one sessions would be more appropriate and holds training events at a range of locations around the borough,

Financial Observations

Audited accounts for the year ended 31st March 2013 show a surplus of £753 (0.2% of turnover of £396,639), comprising a surplus of £12,027 on unrestricted funds and a deficit of £11,274 on restricted funds. The reserves policy states that the organisation aims to hold free unrestricted reserves equivalent to 6 months' worth of core and key services running costs (£180,000) plus funds to cover organisational risks (£112,279), as calculated by the organisation in 2012/13. The total target holding is £292,279 which is equivalent to 9.6 months' worth of current expenditure. At 31st March 2013 free unrestricted reserves stood at £312,487 which is equivalent to 10.3 months' worth of current expenditure.

The draft outturn for the year ended 31st March 2014 indicates income of £399,616 and expenditure of £363,850 leading to a surplus of £35,766 (9% of turnover), comprising a surplus of £33,171 on restricted funds and £2,596 on unrestricted funds.

The budget for the current year to 31st March 2015 has income projected to be £343,763 and expenditure £363,850, leading to a deficit of £20,087 (5.8% of turnover) comprising a deficit of £16,002 on unrestricted funds and a deficit of £4,085 on restricted funds. Of total income, £306,284 (89.1%) had been confirmed at 30th May 2014. At 31st March 2015 free unrestricted funds are expected to be £299,081 which is equivalent to 9.9 months' worth of current expenditure.

Officer's Appraisal

Your 2013 annual statistical report found that Enfield had the lowest ranking by grant amount awarded by the Trust, despite a relatively high deprivation score. Applications from the borough had a below-average success at 29%. Many of the issues identified within this proposal are those which officers encounter when assessing grant applications. This application, therefore, has the potential to help the Trust strengthen the quality of applications received from Enfield. The project workers have a strong experience of the local voluntary sector and are committed to their own professional development to ensure they are able to provide the most accurate advice to organisations.

Your practice is to award funding for up to one full time equivalent post; however the original request from EVA exceeded this and has been revised accordingly (see appendix A attached to the application form). The organisation has also secured funding towards year 1 of the project from another funder and so has reduced the request in that year. The organisation will use its unrestricted free reserves to make up the shortfall in funding in years 2 and 3 if necessary.

Recommendation

£123,000 over three years (£26,200; £48,200; £48,600) towards the salaries of a Community Accountant (20hrs) and Development and Funding Advice Manager (20hrs) and on-costs, to provide monitoring and evaluation and financial training support to voluntary and community organisations in Enfield.