

MEETING: 25/09/2014

Ref: 12270

ASSESSMENT CATEGORY - Reducing Poverty

Redbridge Foodbank

Adv: Sandra Davidson
Base: Redbridge
Benefit: Redbridge and
surrounding areas

Amount requested: £58,163

Amount recommended: £58,200

The Charity

Redbridge Foodbank was launched in September 2010 in response to the needs of people experiencing severe poverty in the London Borough of Redbridge. It benefits from being part of the National Foodbank overseen by the Trussell Trust which has been leading the Foodbank movement and which has established 39 licenced local Foodbanks in London alone. In 2013-2014 Foodbanks fed 913,138 people across the UK, including 330,205 children.

The Application

The organisation is applying for funding towards the core running costs of the "People in Crisis" project in order to provide advice and support and to distribute emergency food parcels to people experiencing high levels of poverty. The service provides short-term emergency food to individuals and families in crisis, whilst a long-term strategy is developed which might best support them.

The Recommendation

This is a request for a contribution to the salary costs of a core post whose responsibilities fully meet your priority to tackle food poverty. As the organisation is currently projecting a deficit in 2014-15, it is recommended that each quarterly payment in year 1 be contingent on receipt of quarterly management accounts, so that the financial situation can be monitored and in order to minimise your risk.

£58,200 over three years (£18,800; £19,400; £20,000) towards the salary costs of the Project Manager (4dpw) to continue and develop the "People in Crisis" project, subject to quarterly management accounts in year 1.

Funding History

None

Background and detail of proposal

The organisation has distributed 13 tons of food and essential non-food items to over 1,500 adults and children each year since launching in 2010. It operates a voucher system, partnering with an impressive 40 care professionals from Redbridge and surrounding areas. In addition to supermarket partnerships, donations come from the local community and 11 food collection points have been set up across the borough to facilitate this. The charity also puts people in touch with agencies who can help resolve the underlying cause of their crisis. The emergency food will last, on average, three days and provide ten nutritionally balanced meals, which is the minimum time for the appropriate agencies to begin to be effective.

When clients first attend Foodbank they are seen by a volunteer who will give basic advice and support and signpost them to other agencies who can provide them with the long-term support they require. Over 60 people volunteer regularly and they are

working with local schools to raise awareness for their work where students have enquired about work experience and volunteering opportunities. The organisation has seen an increase in demand of 40% already in 2014 and expects that demand will continue to increase.

Volunteers undertake a variety of roles including collection and distribution of food, warehouse support and mentoring and befriending. The project aims to ensure that all volunteers will be able to attend basic training working with the local CAB and CVS. The target over the next three years is to continue to meet the demand for the service by recruiting new volunteers, setting up ten new collection points and increasing the number of referral agencies.

Financial Information

Forecast income for 2014/15 is £101,960 of which £68,174 (67%) had been confirmed as of 20th August 2014. This forecast represents a fall in total income of £87,072 (46%) compared to the prior year. However, the charity has managed to reduce expenditure by £52,307 (34%) and last year the organisation secured a total grant of £60,000 from the Henry Smith Charity, payable at a rate of £20k per annum over 3 years. This grant is higher than the amount requested as their work was highly valued by the Trustees at Henry Smith.

Free reserves at the end of last year were down to £1,499 after a deficit of £5,194 on unrestricted funds. The table below shows that the charity is projecting an unrestricted funds deficit of £13,423 in the current year. This will fully utilise all free reserves and move them into a negative position of £11,924. The Trustees are working on a fundraising strategy to reduce the projected deficit and to develop new income streams and strengthen future income generation. A number of new funding applications are being progressed.

Given the charity's current financial position it is recommended that any grant awarded today is paid quarterly as is usual practice, but with each quarter's grant payment being subject to the receipt of a satisfactory quarterly management account for the prior quarter.

| Year end at 31 st March | 2013/14 Independently Examined Accounts £ | 2014/15 Current Year Budget £ |
|---|--|-------------------------------------|
| Income and Expenditure | | |
| Income | 189,032 | 101,960 |
| Expenditure | 152,690 | 100,383 |
| Unrestricted Funds Surplus / (Deficit) | (5,194) | (13,423) |
| Restricted Funds Surplus / (Deficit) | 41,536 | 15,000 |
| Total Surplus / (Deficit) | 36,342 | 1,577 |
| Surplus / (Deficit) as a % of turnover | 19.2% | 1.5% |
| Cost of Generating funds (% of income) | 9,313 (4.9%) | - |
| Free unrestricted reserves | | |
| Unrestricted free reserves held at Year End | 1,499 | (11,924) |
| How many months' worth of expenditure | 0.1 | 0 |
| Reserves Policy target | 3.0 – 6.0 | 3.0 – 6.0 |
| How many months' worth of expenditure | 38,173 - 76,345 | 25,096 – 50,192 |
| Free reserves over/(under) target | (36,674) – (74,846) | (37,020) – (53,217) |