

MEETING: 25/09/2014

Ref: 12247

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Hackney Council for Voluntary Service

Adv: Jenny Field

Base: Hackney

Amount requested: £156,850

Benefit: Hackney

Amount recommended: £157,000

The Charity

Established in 1997, Hackney Council for Voluntary Service (HCVS) is the main umbrella body for the voluntary sector in Hackney, providing a range of services to help its constituents be more effective and to provide a voice for the sector at the policy level.

The Application

This application is to support frontline service providers in two key areas of their organisational development, that of evaluation and impact reporting, and their financial management.

The Recommendation

There are over 2,000 voluntary groups in LB Hackney, many of which provide frontline services but with scant resources. In a competitive funding climate, it is more important than ever that organisations are able to demonstrate their effectiveness and that they have sound financial management skills. HCVS estimates that there are around 300 smaller frontline organisations in the borough that struggle with impact reporting and with robust financial management systems. Through its consultation, local groups have consistently requested bespoke organisational development. HCVS has a sound track record of successfully supporting small community groups and has the skills and reach to deliver this proposal.

£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 helping frontline organisations improve their monitoring, evaluation and impact reporting, and their financial management skills.

Funding History

Meeting Date	Decision
04/09/2013	Withdrawn.
03/04/2008	£150,000 over three years (3 x £50,000) towards a project providing BME and small organisations with capacity building in social, economic and environmental sustainability.

Background and detail of proposal

Recognition that small groups are often lacking in key business skills is not new but the trend towards more public sector procurement and commissioning means it is increasingly important that frontline organisations are able to strengthen their information management systems which include monitoring and evaluation and financial systems. The need for this project is supported by HCVS's recent survey of 400 local organisations, 125 of which responded to the questionnaire. Confidence in bidding for local authority procured and commissioned services and measuring impact were amongst those areas seen as high priorities by the survey respondents. It is

proposed that the Organisation Development Officer will work closely with the borough's community accountancy project to help the participating organisations improve their financial management skills.

HCVS has provided two examples where frontline organisations are being asked to demonstrate the impact of their work in the public sector. In the health and social care sector, for example, Hackney GPs are adding community led activities (or 'Social Prescribing') to their medical kit. In order for smaller organisations to be able to engage with this development, they need to be able to demonstrate that they can track outcomes for patients and that they have 'contract-ready' financial systems in place. In the area of housing, Hackney Homes, the biggest provider of social housing in the borough, expects its resident and tenant associations to raise their credibility with residents by demonstrating the genuine difference they have made to residents' lives, be this establishing a community garden, installing bike sheds or setting up a play area for younger children.

Financial Information

HCVS's reserves policy states that it aims to hold free unrestricted reserves to cover six months' worth of running costs, amounting to £90,000, which are required to provide a minimum level of service. This is a modest reserve holding which is equivalent to less than one months' worth of total expenditure; however, HCVS plans to review its policy in November 2014.

Total forecast income for 2014/15 is £2.5m, of which £1.5m (60%) had been confirmed by August 2014, and represents an increase of £983,048 (65%) compared to the prior year. HCVS hopes to secure this additional income through an increase in funding bids (totalling almost £1m) to specific commissioners for social prescribing, social isolation and social care projects, in addition to the application to this Trust.

Year end at 31 March	2012/13 Audited Accounts	2013/14 Draft Accounts	2014/15 Current Year Budget
Income and Expenditure	£	£	£
Income	1,104,378	1,513,301	2,496,349
Expenditure	1,118,874	1,425,573	2,470,731
Unrestricted Funds Surplus / (Deficit)	28,270	20,498	38,797
Restricted Funds Surplus / (Deficit)	(42,766)	67,230	(13,180)
Unrealised gain/(loss) on investments	0	(16,900)	0
Total Surplus / (Deficit)	(14,495)	70,828	25,617
Surplus / (Deficit) as a % of turnover	(1.3%)	4.7%	1.0%
Cost of Generating funds (% of income)	49,326 (4.5%)	60,680 (4.0%)	68,400 (2.7%)
Free unrestricted reserves			
Unrestricted free reserves held at Year End	120,828	114,228	153,025
How many months' worth of expenditure	1.3	0.9	0.7
Reserves Policy target	90,000	90,000	90,000
How many months' worth of expenditure	1.0	0.8	0.4
Free reserves over/(under) target	30,828	24,228	63,025