

MEETING: 25/09/2014

Ref: 12258

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

**Timebanking UK**

**Adv: David Farnsworth**

**Amount requested: £132,087**

**Base: Outside London**

**Amount recommended: £132,100**

**Benefit: London-wide**

**The Charity**

Timebanking UK is the national umbrella charity linking, and supporting, timebanking projects across the UK by providing support, advice, guidance, resources, and training.

**The Application**

Timebanking UK seeks £132,087 over three years to increase the support it can offer to the sixty six London timebanks. This support will be focused in three areas of work: improving the collaboration and knowledge-sharing between the London timebanks; improving their monitoring and evaluation; and improving their volunteer management and organisational procedures.

**The Recommendation**

An earlier grant of yours to this charity enabled the development of the London Timebank Network. This grant is an opportunity to further strengthen this network. Timebanking UK has existed since 2003. It is emerging from a difficult time in its organisational development (see below), but it is once again under strong leadership, and is able to resume the important work it has been doing.

***£132,100 over three years (£50,060; £42,320; £39,720) towards Timebanking UK's work to support the London timebanks. Release of the grant in year 1 is subject to the receipt of quarterly management accounts.***

**Funding History**

Meeting Date	Decision
10/09/2009	£110,000 (£41,000, £36,000, £33,000) towards the development costs of the London Time Bank Network to support local Time Banks, north and south of the river.

**Background and detail of proposal**

Timebanking is a means of exchange used to organise people and organisations around a purpose, where time is the principal currency. For every hour participants 'deposit' in a timebank, perhaps by giving practical help and support to others, they are able to 'withdraw' equivalent support in time when they themselves are in need. As well as providing practical benefits, both to the person giving their time and skills, and the person receiving the benefit of those time and skills, it is also a good way to strengthen community ties.

The sixty six timebanks in London cover 26 boroughs and reach 9,000 people. Most of the time banks are small charities and community organisations. The majority have less than one full time member of staff and a turnover of less than £250,000. The umbrella delivery model of Timebanking UK is therefore an efficient approach to strengthening these organisations. The work proposed emerges from a consultation

in which 35 of the London boroughs participated and therefore there is already good buy-in from the timebanks to working with this project to improve.

### Financial Information

Forecast income for the current year 2014/15 is £276,463 of which £132,315 (48%) had been secured by August 2014. Total income at this level is £158,341 (134%) higher than the prior year and it is hoped to achieve this through an expansion of its membership and increased training and presentations.

The audited accounts for 2012/13 show a deficit of £200,453. The charity explains that this was due to the costs of negotiating a merger with another organisation which, ultimately, was rejected by the Board and did not go ahead. Since that time the Board has developed a strategy which it hopes will stabilise the organisation and ensure robust financial policies with transparent decision making to ensure the long-term future of the charity.

The charity has a modest free reserves target holding of £24,000 which equates to approximately 1.5 months' worth of current year expenditure. At 31 March 2014, the charity did not hold any free reserves and, unfortunately, unrestricted funds were in a negative position amounting to £66,933 due to creditors exceeding available cash. The charity advise that this figure may be halved this year as negotiations are underway with creditors to settle the debt in a lump sum rather than paying monthly over a longer period of time. Also, should the charity raise income in the current year in-line with its budget, then a free reserve holding of £29,131 would be generated by 31 March 2015.

Year end at 31 March	2012/13 Audited Accounts £	2013/14 Draft Accounts £	2014/15 Current Year Budget £
<b>Income and Expenditure</b>			
Income	179,399	118,122	276,463
Expenditure	379,852	143,601	180,399
Unrestricted Funds Surplus / (Deficit)	(21,331)	(66,028)	96,064
Restricted Funds Surplus / (Deficit)	(179,122)	40,549	0
<b>Total Surplus / (Deficit)</b>	<b>(200,453)</b>	<b>(25,479)</b>	<b>96,064</b>
Surplus / (Deficit) as a % of turnover	(112%)	(21.6%)	34.5%
Cost of Generating funds (% of income)	2031.25 (1.1%)	2612.66 (2.2%)	3000.00 (1.1%)
<b>Free unrestricted reserves</b>			
Unrestricted free reserves held at Year End	(1,408)	(66,933)	29,131
How many months' worth of expenditure	(0.0)	(5.6)	1.8
Reserves Policy target	24,000	24,000	24,000
How many months' worth of expenditure	0.8	2.0	1.5
<b>Free reserves over/(under) target</b>	<b>(25,408)</b>	<b>(90,933)</b>	<b>5,131</b>