

MEETING: 18/03/2016

Ref: 13043

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Merton Voluntary Service Council

Adv: Julia Mirkin

Amount requested: £184,836

Base: Merton

Benefit: Merton

Amount recommended: £160,000

The Charity

Merton Voluntary Service Council (MVSC) has been supporting, developing and representing the voluntary sector in Merton since 1985 and has established an excellent reputation. Following the sudden death of its founding CEO, Chris Frost, in November 2013, MVSC has continued to deliver valuable services and has maintained a strong relationship with the local authority. A 'state of the sector' report produced in 2014 revealed that over 65% of voluntary organisations in Merton access support and services from MVSC, in the form of training, capacity building or partnership development. In 2015, MVSC took over management of Merton's Volunteer Centre. The amalgamation of the two organisations augments their close relationship; it allows MVSC to deliver a more coherent brokering role between volunteers and voluntary organisations and it increases cost-effectiveness. As well as offering one-to-one advice and training for the voluntary sector, MVSC offers a range of virtual support through its online platform; it also coordinates a community development project on a local estate and undertakes consultancy, such as grant management on behalf of the local authority.

The Application

MVSC proposes to increase capacity in evaluation of small voluntary groups, focussing on equalities and mental health charities, ensuring evaluation feeds into management, communication and advocacy work. The grant recommendation is lower than the request as it is your policy to only fund one FTE post, therefore the volunteer elements will no longer be delivered as part of this project. To partially offset the resulting shortfall, the costs associated with the workshops and overheads have been included in the budget and recommended sum.

The Recommendation

MVSC holds the NAVCA quality award; the Volunteer Centre Quality Standards (VCQA); Investing in Volunteering, and the London Youth Quality Mark. This application responds directly to research and seeks to support small charities to adapt to a more competitive funding environment.

£160,000 over three years (£51,400; £53,400; £55,200) towards 0.8 of the Head of Development's salary and 0.2 of the Chief Executive's salary, evaluation workshop costs and associated overheads.

Funding History

Meeting Date	Decision
06/04/2006	£146,000 over three years (£47,000; £49,000; £50,000) towards the salary and associated running costs of a Development Worker developing the capacity of small groups in Merton.

Background and detail of proposal

MVSC submitted a broad proposal that aimed to improve communications, advocacy and aspects of volunteer management by drawing on improved monitoring and evaluation. At the assessment meeting, it was agreed that the impact of a more

focused project would be easier to capture and measure. A more streamlined proposal is now presented, which aims to enhance the monitoring and evaluation skills of small groups, particularly those that serve BAMER (Black, Minority, Ethnic and Refugee) communities or beneficiaries with mental ill health. The funded programme will improve fundraising in the groups supported, measured by: the number of funding applications prepared independently; the proportion of successful applications; and the number of successful funding partnerships forged.

Intensive 'health checks' form a significant aspect of the project, which will be carried out with twelve groups annually; achievement against specific action plans produced during the health checks will ensure that specific goals and targets are achieved. MVSC will monitor progress for each group every six weeks, during each year of the project. Workshops in monitoring and evaluation and on PQASSO quality standards will be delivered to support achievement of targets. Following the intensive twelve month period, support will continue, but less intensively.

Financial Information

At 26 February 2016 the organisation had secured £957,747 (99%) of 2015/16 forecast income and £572,871(81%) of 2016/17 budgeted income. Income and expenditure are forecast to decrease in 2015/16 and further in 2016/17 due to the decline in project funding from local authorities. The charity advised that it is seeking funding from alternative sources and it has pending grant applications of £97,500 in addition to the budgeted income for 2016/17 shown in the table below. The reserve policy is to hold free unrestricted funds equivalent to 6 months' worth of operating costs and at 31st March 2017 it is forecast to hold 2.8 months' worth of total expenditure. The organisation has advised that in case it is unable to secure funding, it has prudently budgeted for the use of its reserves to sustain certain posts and for potential redundancies. Furthermore it states that it is fully committed to increasing its free unrestricted reserves and plans to do so by expanding its consultancy and grant management work for which it generates income. The charity advises that in 2014/15 there were no material direct fundraising costs and hence a value for the cost of generating funds was not included. However, it says that the situation changed in 2015/16 and it now focuses some specific resources on fund raising, which will be disclosed in its 2015/16 accounts. In the meantime, the charity has provided an estimate for 2015/16 and 2016/17, based on its freelance fundraiser costs and an allocation of 0.2 FTE of a senior staff member's time.

Year end at 31 March	14/15 Audited Accounts	15/16 Current Year Forecast	16/17 Following Year Budget
Income	1,120,234	928,795	679,469
Expenditure	1,100,713	914,669	699,868
Unres Funds Surplus / (Deficit)	45,709	(32,831)	(20,399)
Restricted Funds Surplus / (Deficit)	(26,188)	46,957	0
Total Surplus / (Deficit)	19,521	14,126	(20,399)
Surplus / (Deficit) as a % of turnover	1.7%	1.5%	(3.0%)
CoGF (% of income)	-	13,400 (1.4%)	13,400 (1.9%)
Free unrestricted reserves			
Free unrestricted reserves at Yr End	219,167	186,336	165,937
How many months' of expenditure	2.4	2.4	2.8
Reserves Policy target	550,357	457,332	349,932
How many months' of expenditure	6.0	6.0	6.0
Free reserves over/(under) target	(331,190)	(235,644)	(120,141)