

**ASSESSMENT CATEGORY - Reducing Poverty****Home-Start Barnet****Adv: Olivia Dix****Amount requested: £77,272****Base: Barnet****Benefit: Harrow and Barnet****Amount recommended: £75,000****The Charity**

The charity was founded in 1997. Its mission is to support vulnerable families with young children who are experiencing difficulties. Volunteers with parenting experience undertake the core work. The organisation also runs a number of group and one to one sessions. Since its inception, Barnet Home-Start has supported over 10,000 children, young people and families, and recruited more than 600 local volunteers.

**The Application**

The application is for a contribution towards the core work of home-visiting and support for families in Barnet. As part of this core work it will integrate its Money Smart programme (to help low-income families learn about money and budgeting) in Harrow to Barnet, since the poverty levels and financial problems of families referred to Home-Start are increasing.

**The Recommendation**

Home-Start Barnet is a well-run organisation providing an important service, the need for which is growing, with referrals increasing by nearly 25% over the last two years. Key staff have been in post for over 10 years and this contributes to the efficiency of the organisation and its ability to provide a holistic service. It is very well networked with both statutory and voluntary sector organisations, which enables it to signpost people effectively as well as to source emergency funding for individuals if necessary. The grant recommended is slightly less than that requested as some components sought annually but which would be required in the first year only:

***£75,000 over three years (3 x £25,000) for the salary of a p/t (21 hpw) Coordinator and related costs of providing support services, including money management guidance, to vulnerable families with young children in Barnet.***

**Funding History**

Meeting Date	Decision
04/05/2006	£75,000 over three years (3 x £25,000) for the salary and associated costs of a Co-ordinator post.
02/03/2006	Application withdrawn

**Background and detail of proposal**

Barnet is a borough with striking differences in wealth, with areas of great affluence and pockets of some of the most deprived areas nationally, mainly in the west of the borough, and it is estimated that almost 18% of under 16s live in poverty. It is also a very diverse borough with 145 different languages spoken and almost 39% of the population belonging to ethnic groups other than White British. Families supported in 2014/15 by Home-Start Barnet came from more than 22 different ethnic groups. Volunteers for the organisation, who deliver the core home-visiting and support work, undertake an 8 week induction course, developed and approved by the national

organisation Home-Start UK. Relevant safeguarding checks are in place. All staff, volunteers and committee members have regular enhanced DBS checks. A number of people become volunteers – either for families or in the charity shop - after being helped by Home Start themselves and several have gone on to paid work – an additional impact of the work, though not a core objective.

The integration of the Money-Smart project into core work will increase the effectiveness of the support for financial problems already provided by staff and volunteers and is important partly because of an increase in families adversely affected by welfare benefits changes and the introduction of Universal Credit being likely to bring an increase in referrals due to poor money management, a rise in debt, risk of eviction and food poverty.

### Financial Information

Forecast income for the current year ending 31st March 2017 is £504,608 of which £384,408 (76%) had been confirmed as at 13th March 2016. Cost of generating funds as reported in the 2014/15 accounts was minimal as a proportion of the CEO's salary cost had not been included, also Trustees and volunteers undertook further activities at minimal cost. The organisation has taken on board the need to include the salary cost going forward and have therefore included an estimate for 2015/16 shown below.

The reserves policy is to maintain an unrestricted free reserve equivalent to redundancy costs plus commitments as appropriate, which was equated to £75,000 as at 31st March 2015. The Grants Officer has discussed with the charity the importance of reserves providing for unexpected fluctuations in income and expenditure and the CEO has agreed to discuss this with the Board.. Actual free reserves were £57,859 as at 31st March 2016, which equates to 1.5 months' worth of expenditure. The charity has advised that it is aware of the need to increase reserves, and as such they now have a four person fundraising sub-committee and have also opened a charity shop to provide increased self-generated income. The Big Lottery has given four years funding £59,291 from 2015 for core work in Harrow. From 2016 there is three year funding of £45,000 from the Mercers' Company and three contracts for £359,291 from LB Barnet over the same period. Therefore there is a base of secured income for financial years beyond 2016/17.

Year end at 31 March	2014/15 Independently Examined £	2015/16 Draft Outturn £	2016/17 Forecast £
<b>Income and Expenditure</b>			
Income	445,534	419,148	504,608
Expenditure	459,252	409,300	487,750
Unrestricted Funds Surplus / (Deficit)	11,966	0	0
Restricted Funds Surplus / (Deficit)	(25,684)	9,848	16,858
Total Surplus / (Deficit)	(13,718)	9,848	16,858
Surplus / (Deficit) as a % of turnover	(3.1%)	2.4%	3.3%
Cost of Generating funds (% of income)	45 (0.0%)	32,670 (7.8%)	-
<b>Free unrestricted reserves</b>			
Unrestricted free reserves held at Year End	57,859	57,859	57,859
How many months' worth of expenditure	1.5	1.7	1.4
Reserves Policy target	75,000	68,216	84,101
<b>How many months' worth of expenditure</b>	2.0	2.0	2.0
Free reserves over/(under) target	(17,141)	(10,357)	(26,242)