

**MEETING: 06/07/2018**

**Ref: 14650**

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

**Pro Bono Economics**

**Adv: Shegufta Rahman**

**Base: Southwark**

**Amount requested: £180,000**

**Benefit: London-wide**

**Amount recommended: £150,000**

**The Applicant**

Registered as a charity in 2009, Pro Bono Economics (PBE) helps charities understand and improve the impact and value of their work by matching highly skilled economist volunteers with charities that need this expertise. PBE has engaged over 400 charities providing data advice, economic analysis and research to help develop new and better services, support advocacy and campaigns, and attract new funding.

**The Application**

PBE is seeking funding to significantly increase the number of organisations it supports in London; to develop strategic relationships with funders; and to widen its information sharing, advocacy and policy influencing capabilities. Once accepted onto the programme, organisations are placed with a small team of volunteer economists who work with the support of one of PBE's part-time economic associates and its project team. Volunteers benefit from working in a different environment and learning new skills as well as providing practical help to charities. The interaction between the charity and volunteers is the core dynamic in the project's success. PBE aims to embed skilled volunteering into the economic profession across London, as is most commonly done in the legal profession.

**The Recommendation**

PBE is looking to expand its work in London. The funding requested will enable them to support 30 organisations across London over the three years, on an upwards trajectory. The value of the charity's work is clear from the publicly available reports for each organisation they have supported over nine years. The amount recommended is lower than that requested due to the significant amount of funding the charity has secured as far as 2021.

***£150,000 over three years (£30,000, £50,000, £70,000) for associated project costs to support charitable organisations providing services for Londoners.***

**Funding History**

Meeting Date	Decision
12/01/2012	£22,500 over three years (£6,000; £7,500; £9,000) towards the costs of fifteen projects with a London-focus.

**Background and detail of proposal**

The charity is the only organisation in the UK to provide dedicated pro bono professionally skilled economist volunteers to undertake impact analysis projects in charities. The support offered by PBE is tailored to each individual organisation. Sometimes its support simply involves a conversation to help the organisation better understand the challenges and complexities of estimating their impact. In some cases, a charity may not have enough data, the right data, or data over a long

enough period to support an economic analysis. PBE volunteers work with organisations to identify what data is needed and potentially move onto a more advanced project. For many charities with good data, PBE provide a full economic analysis with robust assessments of their value and impact. Using national datasets, the charity analyses the scale of an existing problem and provides economic evidence and arguments to support an organisation's cause or position.

All projects involve a thorough process of quality assurance as they are monitored by PBE's team of economic associates and in-house chief economist. The charity also carries out post-completion review with each organisation within one month of the project completing and a follow-up review after six months. This helps PBE track the benefit of its service and ensure feedback is collected for the ongoing improvement of its work. Currently PBE complete around 30 projects each year. This helps organisations attract funding, provides evidence for their activities and improve their programme delivery. PBE also uses the knowledge derived from each project to support its advocacy and policy work. The charity also aims to improve its impact management practice via its open-source knowledge base which holds the reports of each completed project for charities and funders to access.

### Financial Information

The charity's aspiration to scale up operations and services in response to demand for its work from the wider sector is reflected in the figures below. The increase in income is matched by increasing costs which reflect a significant capacity building programme in the charity. Significant multi-year grant funding has been secured for this growth. Investments have been made in key functional roles to enable future growth and sustainability. PBE's trustees are due to review the reserves policy in July 2018 and the senior management team has advised its recommendation to the board will be to set the reserves target as a range between three to six months of operating expenditure.

Year end as at 31 December	2017 Examined Accounts £	2018 Forecast £	2019 Budget £
<b>Income &amp; expenditure:</b>			
Income	282,198	831,150	980,000
- % of Income confirmed as at 23/05/2018	n/a	71%	62%
Expenditure	(417,408)	(679,449)	(914,422)
Total surplus/(deficit)	(135,210)	151,701	65,578
Split between:			
- Restricted surplus/(deficit)	5,000	0	14,870
- Unrestricted surplus/(deficit)	(140,210)	151,701	50,708
	(135,210)	151,701	65,578
Cost of Raising Funds	18,524	75,000	76,500
- % of Income	6.6%	9.0%	7.8%
Operating expenditure (unrestricted funds)	396,408	679,449	754,422
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	140,019	291,720	342,428
No of months of operating expenditure	4.2	5.2	5.4
Reserves policy target	198,204	339,725	377,211
No of months of operating expenditure	6.0	6.0	6.0
Free reserves over/(under) target	(58,185)	(48,005)	(34,783)