

## **Hull Community and Voluntary Services Ltd.**

### **Report of the Trustees for the year ended 31st March 2010**

The trustees present their report and audited financial statements for the year ended 31st March 2010.

#### **Reference and Administrative Information**

Charity Name: Hull Community and Voluntary Services  
(formerly known as Hull Council for Voluntary Service  
– name changed on 5th August 2006)

Charity Registration No: 514311

Company Registration No: 1570120

Registered Office: 29 Anlaby Road  
HULL  
HU1 2PG

#### **Executive Committee**

Rev. Michael Hills  
Victoria Bissett  
Andrew Dorton  
Jean MacEwan  
Nigel Mills - resigned  
Russ Warren - resigned  
Rikki Arundel  
Sally Gould  
Honor Pallant

#### **Secretary**

Mr D. Rogers

#### **Senior Management Team**

Mr. D. Rogers	Chief Officer
Mr. T. Smith	Deputy Chief Officer (from June 2009)
Ms. D. Taylor	Finance Manager
Mr. T. Grealy	Volunteer Centre Manager
Mr. S. Kimberley	CVS Services Manager

## **Outgoing Auditors**

Atkinsons  
Chartered Accountants & Registered Auditors  
60 Commercial Road  
Hull  
HU1 2SG

## **Incoming Auditors**

Enterprise Accountancy Services Ltd  
2 FCY Buildings  
Bankwood Lane  
Rossington  
Doncaster  
DN11 0PS

## **Bankers**

Unity Trust Bank  
Nine Brindleyplace  
Birmingham  
B1 2HB

## **Solicitors**

Phillip Hamer  
9-11 Scale Lane  
Hull  
HU1 1PH

## **1. Structure, Governance and Management**

### Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 5th June 1981 and registered as a charity on 10th October 1983. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Memorandum and Articles of Association were last amended on 5<sup>th</sup> December 2006. In the event of the company being wound up its members are required to contribute an amount not exceeding £1.

### Recruitment and Appointment of Executive Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as the Executive Committee. Under the requirements of the Memorandum and Articles of Association the members of the Executive Committee are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

The purpose of the charity is to bring together voluntary and community organisations and groups and their statutory sector partners. To this end the Executive Committee seeks to reflect the diversity of its membership from the voluntary sector and to include where possible trustees who represent statutory sector partners. It also seeks to maintain a relevant skill mix within the Executive Committee in order to be able to fulfil its duties as a trustee body. In furtherance of this Executive Committee members have undertaken a skills audit which will be regularly updated.

### Trustee Induction and Training

A trustee induction pack has been prepared for new trustees. This includes information on:

- Roles and responsibilities of charity trustees, drawn from Charity Commission publications, and the specific Trustee Role Description drawn up by Hull CVS.
- The main documents setting out the operational framework for the charity including the Memorandum and Articles, the Five Core Functions of a CVS, the Business Plan 2009 to 2012 including Strategic Objectives.
- Resourcing and current financial position as set out in the latest published accounts, the budgets for the current year and recent financial and other monitoring reports.

New trustees are invited to undertake short training sessions with the Chief Officer to work through the material in this induction pack and ensure they have a thorough understanding of the charity and their role within it.

Trustees are encouraged to undertake further training in their role, supported and resourced by the charity. Examples of this have included trustees attending a NCVO national trustees conference, and attendance at the NAVCA national conference. Trustees also receive regular updates from the Charity Commission and other sources about general issues relating to the trustee role.

### Risk Management

The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records, for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the charity or for publication is reliable;
- The charity complies with relevant laws and regulations.

The systems of internal control are regularly reviewed and are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A Business Plan and annual budget approved by the trustees;
- Regular consideration by trustees of financial results, variance from budgets, and non-financial performance monitoring information;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

Particular areas on which trustees have focused have been:

- Financial controls – to improve the system of financial controls to ensure clear delegated authority, lines of responsibility and reporting procedures;
- Performance monitoring – to ensure that operations of the charity meet the outputs and outcomes expected by funders and reporting procedures are reliable;
- Personnel policies – to improve the range and quality of personnel policies agreed by trustees so that there is clarity on the part of managers and other staff, and proper procedures in place to deal with the issues;
- Health and safety of both staff and beneficiaries – to improve the quality of existing procedures and to ensure proper risk assessment and recording is undertaken;
- IT systems – to improve the process and procedures to ensure the safety and security of information processed and stored electronically.

The trustees have:

- Clarified the responsibility of management to implement the trustees' policies and to identify and evaluate risks for their consideration;
- Communicated that employees have responsibility for internal control as part of their accountability for achieving objectives;
- Embedded the control system in the charity's operations so that it becomes part of the culture of the charity;
- Developed systems to respond quickly to evolving risks arising from either internal factors or changes in the external environment;
- Included procedures for reporting failures quickly to management and trustees together with details of corrective action being undertaken.

The charity has formalised the process of risk management through the use of a risk register which was adopted by the trustees and is being regularly reviewed. It is also currently putting in place a disaster recovery plan.

It has developed a new performance monitoring framework and process, based on an exception reporting system, which highlights particular areas of risk in service delivery.

The charity has undertaken an internal quality assurance assessment, using the PQASSO system, in which a number of trustees were actively involved. The charity has achieved Level One within this system and is actively working towards Level Two. The work of its Volunteer Centre was externally quality assured during the 2008/9 financial year and achieved an excellent standard and was re-accredited by Volunteering England as a nationally recognised Volunteer Centre. The charity has achieved the Investing in Volunteers Quality Standard for working with its own volunteers. The charity has submitted evidence to NAVCA to achieve the new NAVCA Quality Award for its work.

It is the policy of the Trustees to retain within reserves sufficient reserves to cover the expenditure of the budgeted core functions for three months if funding became unavailable.

### Organisational Structure

Hull CVS has an Executive Committee of up to 15 members who meet six times per year. At present this committee has 8 members from a variety of professional backgrounds relevant to the work of the charity. The Chief Officer, as Company Secretary, also attends committee meetings but has no voting rights.

The Executive Committee is responsible for the overall governance of the charity. It determines policies, for instance on employment issues, health and safety, equal opportunities, child protection and so on. It receives monitoring reports from staff on the performance of the charity against its policies and regular reviews of policies are undertaken. The Executive Committee is responsible for the finances of the charity, approving any funding bids or contracts, approving annual budgets and receiving quarterly management accounts and monitoring reports which report on performance against budgets and contracted outputs and outcomes. The Executive Committee delegates authority to an Operations Sub-Committee which meets bi-monthly in between Executive Committee meetings. Minutes from this sub-committee are presented and approved at Executive Committee meetings.

Responsibility for implementing policy and for the day to day management of the charity is delegated to the Chief Officer and the management team. A scheme of delegation is in place. The Chief Officer has overall responsibility for ensuring that the charity delivers its specified services and meets key performance

indicators, as well as meeting all its legal obligations. The management team has responsibility for the day to day operations of the charity, ensuring that their teams meet appropriate performance targets within budgets, for individual supervision of staff and ensuring their personal and professional development.

The staff are organised into three service areas:

- CVS Services which includes information, advice and support services, grant making and the Local Involvement Network (LINK)
- Volunteer Centre
- Finance and Administration Services

### Related Parties

Part of the core function of a CVS is to develop relationships and partnerships between the voluntary sector and local public sector organisations. It has worked with public sector partners on the development of the local Compact, and on a Community Engagement Strategy. It also helped to engage the voluntary and community sector in the Local Area Agreement. It has a close working relationship with Hull City Council and undertakes a range of activities in partnership with the Council. It has been the lead partner, along with Hull City Council, a range of other public sector agencies and voluntary sector organisations, in developing a Volunteering Strategy for Hull which was launched in June 2007. The charity also works in partnership with other voluntary sector infrastructure organisations in the Humber Sub-Region through the Humber Federation of Local Development Agencies.

## **2. Objectives and Activities**

### Objects

The charity's objects are:

- a) to promote any charitable purposes for the benefit of the community in the local government district of Kingston upon Hull and its neighbourhood (hereinafter called "the area of benefit") and, in particular, the advancement of education, the protection of health and the relief of poverty, distress and sickness;
- b) to promote and organise co-operation in the achievement of the above purposes and to that end to bring together in council representatives of the voluntary organisations and statutory authorities within the area of benefit.

### Aims

In pursuance of these charitable objects, and having regard to the Charity Commission's guidance on public benefit, the trustees have adopted the following Mission Statement: "The role of Hull CVS is to support the sustainable development of voluntary and community groups, and volunteering, in order to promote justice, equality and improved quality of life. Working in partnership with others Hull CVS:

- Brings organisations together to share information and good practice, enabling the sector to work more effectively
- Promotes the value of the sector and of volunteering
- Supports the development of new groups and organisations
- Provides services which help established organisations to do their work to maximum effect
- Is actively involved in enabling community and voluntary groups and organisations to have a voice on issues of common concern."

The following Strategic Objectives are taken from the Business Plan 2009 to 2012:

1. to DELIVER EFFECTIVE SERVICES being beacon of good practice and professionalism in delivery of CVS core functions
2. to achieve RECOGNITION - CVS needs to be recognised. Well marketed and branded, everyone needs to know what the three letters 'C.V.S' mean
3. to BE THE VOICE FOR VCS, get key messages across to Government and the Community. Be the champion of the voluntary sector and volunteering and campaign when appropriate.
4. to DIVERSIFY SERVICE - diversify Hull CVS to represent and work with all sections of the community
5. to ACHIEVE SUSTAINABLE FUNDING
6. to achieve our NEW BASE in the city centre, a one-stop-shop for all VCS and volunteering development needs or to be signposted from.

### Activities

In order to deliver against the aims above Hull CVS is organized into a number of activity areas. These are:

- CVS Services which includes:
  - Information Service – providing information, development support and funding advice to voluntary and community organizations
  - Grants – operates a number of small grant programmes including Starter Grants, Bransholme Trust, Grassroots Grants and in this financial year the Targeted Support Fund.

- Local Involvement Network – enabling and supporting the sector and individuals to influence policy, planning and delivery of health and social care services
- Volunteer Centre – providing information, advice and support to volunteer involving organizations and operating a volunteer brokerage service to recruit and place volunteers within the voluntary and public sectors. In addition to general volunteer brokerage Volunteer Centre Hull operates some specialist programmes including:
  - Involved Hull which works specifically with young people aged 16 to 24 to engage them in volunteering
  - Hull Skilled Project which works with long term unemployed people to engage them in volunteering as a pathway into work
  - DWP volunteering project which takes referrals from the local Job Centres of unemployed people wishing to volunteer
- Finance Services – providing a payroll service and some HR support to employing organizations and providing internal financial services to CVS

Further information is within the Achievements and Delivery Section of this report

### Grantmaking

The charity undertakes a significant amount of grantmaking. During this financial year Hull CVS has continued to be the Community Development Foundation's local funder for Grassroots Grants. This involves administering a fund from which small grants are made to local community groups. This programme also requires the charity to raise funds to match money from government to be put into an endowment to enable the Grassroots Grants fund to continue beyond the life of government funding. Fundraising and management of the endowment are being undertaken in partnership with York and North Yorkshire Community Foundation. Grant making policy is laid down by the funder. This is also the case with the other two small grant programmes, The Bransholme Trust and Starter Grants. These are funded by The Sir James Reckitt Charity and the Hull and East Riding Charitable Trust, who agree the grant making policy. Hull CVS Trustees have delegated responsibility for decision making on small grants to a grantmaking panel which is composed of representatives of local voluntary and community organisations who are appointed by the CVS trustees. This grantmaking panel meets on a monthly basis to receive grant applications.

### Volunteers

CVS is grateful for the support and help given by its dedicated team of volunteers. Around 3500 hours of volunteer time were given during the year, in addition to some 120 hours given by trustees who receive no remuneration. Volunteers are principally involved in providing reception and administration help

within the charity. In addition the year saw the continuation of the new service in which volunteers are trained to interview and signpost potential new volunteers approaching the Volunteer Centre for advice. It is vital for Hull CVS to involve volunteers in order that we gain experience of volunteer recruitment and management issues and understand legal and other aspects of volunteer management. This assists us in advising other organisations and promoting good practice. All volunteers, including trustees, receive reimbursement of appropriate expenses. Hull CVS has adopted a volunteer policy and encourages the training and personal development of volunteers and provides them with regular supervision and support. As previously mentioned, the charity holds the Investing in Volunteers Quality Standard.

### **3. How our activities deliver public benefit**

Our main activities, and the kinds of organisations and individuals who have benefited from them are described below in the Achievements and Performance section. All our charitable activities focus on the support, development and representation of voluntary and community groups and volunteers in line with our Mission Statement on page 6 above.

CVS offers its services, either free or at cost price or less, to all of the 520 voluntary and community organisations on its database and to individuals wishing to volunteer. We also act as a significant provider of advice and information to bodies in the statutory sector about the work of the community and voluntary sector.

#### Charging for services

The main areas where the charity charges service users are the delivery of a payroll service for groups; sales of the Governance and Funding Assistance Guide and updates; and for attendance at some training courses where no external funding is available. In the case of the payroll service and GaFA Guide, these are charged at a fixed price designed to cover the costs of delivering the service.

For training courses the charity has adopted a sliding scale of fees dependent on the income of the organisation accessing the training. Two free places are available on each training course for groups with income below £20,000, and above that a sliding scale operates from 80% of cost price to 110% for VCS organisations and 150% for public sector organisations.

### **4. Achievements and Performance**

#### **4.1 CVS Services**

##### Information Service

Our Information Service provides information, advice and support on a range of subjects including constitutions and charity law, fundraising, planning and management of charities and voluntary organisations. It primarily responds to enquiries from groups and organisations. Responses to those enquiries can range from a brief telephone call to an in depth interview to a lengthy piece of development support. Around 3500 general enquiries were dealt with during the year.

As part of its information and communications work the Information Service manages the CVS database of contacts which includes the members list. At the end of the financial year the charity had 292 voluntary and community sector organisations on its contact list, of which 112 were members. In addition we are in contact with a further 104 stakeholder organisations which are non-voluntary sector organisations which ask to be part of our mailing list. In total the charity had almost 1400 separate contact people within these organisations.

The communications strategy has been revised during the year to place much greater emphasis on electronic communications. Contacts are now kept up to date with information via weekly emails. The charity still intends to publish and mail a hard copy newsletter for those without access to email and internet.

Usage of the charity's website has increased dramatically during the year. In April 2009 the site received 1382 unique visitors, which had increased to 2589 by March 2010, an increase of 87%. During the year the website received 90,562 separate visits. The website has been redesigned during the year and a totally new website will be launched during April 2010. The range of information published on the website is continually being added to, with 8 new information sheets being published during the year.

### Fundraising Plus

The charity was successful in attracting new funding from the BIG Lottery Basis programme to restart its specific funding advice work during the year. This programme is being delivered in partnership with Humber All Nations Alliance as the lead body, and the three other CVS type organisations in the Humber sub-region and will run for three years. The project started in September 2009. Already it has delivered comprehensive organisational health checks to ensure organisations are fit for funding to 27 organisations within Hull. Of those 27, 19 have accessed further intensive one to one support and advice around where to access funding, how to prepare funding bids and other specific funding related issues. 12 organisations have also been signposted on to further intensive support from other sources. This project has also delivered three training courses on funding related issues, attended by 40 people.

### Governance and Funding Assistance Guide

In 2007-8 the charity launched its new Governance and Funding Assistance (GaFA) Guide. This is primarily aimed at development workers in our own and other organisations who work with front line voluntary and community groups. It gives them quick and easy access, using the latest technology, to a very wide range of information about all aspects of running groups and organisations. This service operates by subscription and currently has around 50 subscribers generating income for the Charity which will be used to further develop the Guide into new areas of relevance. Regular quarterly updates to the guide are circulated to all subscribers.

## Grants

The CVS services team also includes our grants administration function. This ensures that development support is closely tied in to grant making and we can offer appropriate support where it is needed to ensure organisations progress and develop onto more complex and larger funding streams.

During the year Hull CVS has operated four grants programmes.

**Starter Grants** are very small grants, up to £150, for new groups. This programme is funded by the Sir James Reckitt Charity, a local trust funder. During the year 12 grants were awarded, totalling £1500.

**The Bransholme Trust** grant programme delivers small grants of up to £500 to groups and organisations working in the Bransholme area. Again this is funded by the Sir James Reckitt Charity in partnership with the Hull and East Riding Charitable Trust. During the year 18 grants have been awarded to Bransholme groups. The total of grants awarded is £9310.

The **Grassroots Grants** programme is funded by the Office of the Third Sector through the Community Development Foundation. Grassroots Grants can award grants up to £5000 for groups meeting the eligibility criteria. In total during the year our full allocation of £144,091 was spent through this programme; 53 grants were awarded at an average value of £2,719. In addition, the match challenge element of the programme, operated in partnership with York and North Yorkshire Community Foundation, succeeded in meeting its fundraising target of £100,945. This attracts an equal sum in match funding from CDF to place into an endowment for future grant making.

As a one off during this financial year, Hull CVS was also offered a further £471,874 of grant funding by CDF as part of the government's **Targeted Support Fund**. The purpose of this fund was to make grants of up to £40,000 to third sector organisations delivering activities which help to deal with the impact of the recession. This funding was successfully distributed through our grant making process, within a very short timescale. In total 18 grants were made, at

an average value of £26,215. One grant of £4,000 was returned and redistributed amongst some of the other grant recipients.

In total this means that during the year Hull CVS has attracted direct investment into the sector in Hull of £626,775 in addition to any funding brought in as a result of funding advice and support.

#### LINK

The Local Involvement Network is a mechanism to engage members of the public and voluntary and community sector organisations in the scrutiny of the provision of health and social care services. The LINK replaced the previous Patient and Public Involvement Forums. This was the second year of operation of the LINK. By the end of the year the membership of the LINK had reached 547 members, including 308 individual members, 138 groups and 101 associates. In addition there are a further 180 stakeholder organisations. During the year the LINK has produced regular bi-monthly newsletters. It maintains a website which during the course of the year received over 20,000 visits. It has consulted widely with its members and the general public on a range of health and social care related issues. In particular it has produced reports and asked for responses from appropriate bodies on subjects including mental health services for young people, dementia care, and the personalisation of services. It is currently working on producing reports on hospital discharge and transfer of care, and on waiting times for cancer treatment. Ten LINK volunteers were trained during the year to exercise the statutory powers to enter and view health and social care premises. These powers have been used as part of the investigation into hospital discharge policy. Further details on all of the work undertaken by the LINK, and its work programme for the coming year can be found on the website: [www.hull-link.org](http://www.hull-link.org).

## **4.2 Volunteer Centre**

The Volunteer Centre provides a service to assist organisations to recruit, train and manage volunteers and to assist potential volunteers into volunteering. During the year it responded to some 5,624 enquiries from the public about volunteering opportunities, interviewed 1,365 prospective new volunteers, worked with 210 volunteer involving organisations, and placed 1,097 people directly into volunteering. This represents a year on year increase of 16% in the numbers of enquiries being dealt with, on top of a 20% increase in the previous year. The specific projects within the Volunteer Centre outlined below have all contributed to this.

#### Vinvolved

Our VInvolved team is funded by DCSF through the national charity V and works with young volunteers. Since April 2009 the Vinvolved Team have recruited and placed 1,114 young people aged 16 to 25 into volunteering opportunities (688

female, 426 male). The team also recruited 22 young people onto the Youth Action Team (YAT), 16 of them are currently active volunteers. Most members of the YAT have been with the project for at least a year.

### Hull Skilled

This project is funded through the Working Neighbourhoods Fund by ONE HULL and Humber Learning Consortium. It works with long term unemployed people, using volunteering as a pathway back towards education and employment. Since September 2009 it has assisted 66 long term unemployed people into volunteering. Of these 11 continue to volunteer and 1 has progressed into further learning. During the coming year the priority will be to assist some of these people to achieve job outcomes.

### Jobcentreplus Volunteering option

A new activity for the Volunteer Centre during the year was to begin taking referrals directly from local Job Centre Plus offices of people who have been out of work for more than six months who have expressed an interest in volunteering. This started in June 2009. During the course of the year the Volunteer Centre took 989 referrals of which 108 were successfully placed into volunteering. This programme is funded by the Department for Work & Pensions through BTCV and Volunteering England.

### Capacitybuilders Volunteer Management Programme – Strand A

Another new activity was the delivery of the Humber Effective Volunteer Management project. This is a partnership between the four Volunteer Centres in the Humber sub-region, led by Volunteer Centre Hull. It has delivered 9 training events across the sub-region between January and March 2010 and will continue to deliver more in the next year. These events are aimed at people managing volunteers who have not had any formal accredited training. They aim to provide bite sized learning about aspects of volunteer management which can be easily fitted in with people's job roles. In addition this project will establish a Volunteer Managers Network in the sub-region and develop a new website for managers to access information about volunteer management.

### Events

In June 2009 the Vinvolved team staged 'The Big V' at Hull Truck Theatre. The event was designed to promote Youth Volunteering in Hull, with workshops in the morning for organisations and activities for young people in the afternoon. Representatives from 15 organisations attended the workshops and over 50

young people took part in the afternoon activities. Although some of the young people who attended were under 16, 23 of those aged between 16 and 25 did sign up to Vinolved.

March 2010 saw the first Hull Youth Volunteer Awards being staged at the KC Stadium. Nominations were invited from organisations, relatives, friends, Support Workers, Religious Leaders and other young people to nominate volunteers in one of four categories – Creativity & Innovation, Made A Difference, Onwards & Upwards and Sticking with It. 55 young people were nominated and ALL of them received an award. The event was attended by over 100 young people and representatives from 25 organisations, as well as representatives from the council, including the Deputy Lord Mayor who was one of the special guests presenting young people with their awards.

June 1-7<sup>th</sup> 2009 National Volunteers Week, as it was the 25<sup>th</sup> anniversary we celebrated this with a week of activities including the Big V event. The Volunteering Hull bus visited 6 different locations across the city with over 1000 people visiting for information on volunteering in Hull.

#### **4.3 Finance and Administration**

CVS has continued to offer administrative and financial services to other organisations. The Administration function provides mailing facilities, a post box, and responds to a wide range of general enquiries about the voluntary sector, often signposting people to other CVS teams or to other organisations. The office handles over 5000 contacts every year.

The Finance Office, in addition to managing the finances of Hull CVS, deals with enquiries about a range of financial and HR matters from the sector and this year dealt with in excess of 3,000 such enquiries. It provides a payroll administration service which is offered both to voluntary organisations with employees, and under a Service Level Agreement with Hull City Council to clients in receipt of Direct Payments who employ their own carers. At the end of the year this service was dealing with 373 Direct Payment service users employing a total of 627 staff; and with 49 organisations in the sector employing 323 staff. This provides a vital service particularly to small organisations which do not have the time and expertise to process payroll themselves but need to employ staff.

#### **4.4 Future Jobs Fund**

In response to the recession the Government introduced its Young Persons Guarantee which guarantees a young person a job, education or work experience. As part of this the Future Jobs Fund provides a job subsidy for six months. In order to both assist voluntary and community organisations in Hull and to provide jobs for unemployed people, especially young people, Hull CVS decided to bid to DWP to provide some Future Jobs Fund jobs. The model being

used by the charity is that Hull CVS acts as the employer and places the employee on a secondment into another organisation. This makes it easier for voluntary and community organisations to take people on without the responsibility of being the employer. Support and supervision is provided to the employee in their placement. The placement organisation also receives a payment of £1,500 to cover some of its costs in supervising and training the employee. Some contracting issues delayed the start of this scheme and it was not able to begin until January 2010. However by the end of March 12 different voluntary and community sector organisations were benefiting from having one or more people placed with them, and 49 unemployed people had been found jobs. The charity expects this activity to expand during the next year.

## **5. Premises**

The business planning process in which the charity engaged during the year highlighted the increasingly urgent need to identify some better premises from which the charity could operate. Its operations have for several years been split between two or more sites. The premises which the charity owns at 29 Anlaby Road are unsuitable for current operations, will require major expenditure in the next few years, have very poor access and no parking. Accordingly the charity reviewed its premises requirements and decided to look for suitable alternative accommodation. The recession meant that it was a good time to look for commercial property at attractive prices. The charity was in the fortunate position of having cash reserves to be able to purchase a suitable property outright. After reviewing available options the trustees decided to purchase a property, Strand House at 75 Beverley Road Hull, and to put its existing property at 29 Anlaby Road on the market. The new property requires some refurbishment and funds are being identified to undertake this work. It is anticipated that the charity will move its operations to this property early in the new financial year. This will allow savings on operating costs, through not paying rent and room hire charges. It will also allow the charity to generate additional income from renting space in its property to other charities and voluntary organisations.

## **6. Financial Review**

The charity continues to try to attract funds from a diverse range of sources to further the work of its core functions. The total turnover of the charity was slightly reduced in this financial year but the previous year was exceptional as the charity was still dealing with grant making to individuals in respect of flood recovery. Total expenditure was slightly in excess of income for the year, leading to a reduction in reserves of £19,291. The charity aims to balance its budget in the forthcoming year.

### Principal Funding Sources

Hull CVS continued for the first three quarters of the year to receive a core grant from Hull City Council. During this year this amounted to about 5% of its total income. The Community Development Foundation and Office of the Third Sector have funded the Grassroots Grants programme and the Targeted Support Fund. The charity is grateful to the Sir James Reckitt Charity and the Hull and East Riding Charitable trust for their continued support of the other small grant programmes, the Bransholme Trust and Starter Grants. Other grant funding has been provided by the Big Lottery for the Funding Advice service, and by 'V' for VInvolved. The bulk of the rest of the charity's income is generated through payments for the provision of services, principally a payroll service and training services. Other service provision which generates income includes the Job Centre Plus Volunteering programme and the Hull Skilled programme, both of which are output funded. The charity is also very grateful to Capacity Builders for a one-off capital grant of £30,000 towards the costs of refurbishing its new premises. It is the policy of the charity to maintain a diverse range of funding sources and to constantly explore new opportunities for funding its core activities.

### Investment Policy

Apart from maintaining a prudent amount in reserves, most of the charity's funds have to be spent in the short term and there are no major funds available for long term investment. However the charity does take advantage of short term deposits with its bank where reserves are available for investment.

### Reserves Policy

General funds are to be retained and reinvested in accordance with the Company's Memorandum of Association and the Charity's objects contained therein.

The trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. It sets aside a designated redundancy reserve to meet in full the redundancy costs should the charity cease to operate. It also sets aside a small building maintenance reserve to meet the cost of repairs to the property at 29 Anlaby Road. The aspiration is to maintain a general reserve of unrestricted funds not otherwise committed or designated, or invested in tangible fixed assets, which should equate to at least 3 months of expenditure on core functions. Total expenditure for 2009/10 was £1,446,395. It is expected to be similar in 2010/11. Grants payable can be subtracted from this since grants only become payable once resources are available to Hull CVS to pay them. This gives a total expenditure figure of £819,620 and a target for reserves of £204,905.

The total balance carried forward of unrestricted funds is £475,349 (page 11 of the accounts). Of this £364,459 is held in unrestricted tangible fixed assets (see page 12) and £55,975 represents designated funds (see page 23 note 22),

leaving a balance in general reserve at the year end of £54,915. The amount held in tangible fixed assets has increased substantially during the year due to the purchase of the property at 75 Beverley Road. The amount of current liquid reserves is well below the trustees target figure. However the property at 29 Anlaby Road has an estimated market value of £100,000 and if it is sold this amount will return to liquid reserves. In addition the trustees have made an application for a bank loan from Unity Trust secured against the new property. This will partly fund some of the refurbishment work and will be part used to contribute to the liquid reserves position.

## **7. Plans for future periods**

The charity intends to continue delivering the range of services to voluntary and community groups and volunteers outlined above. It will continue to seek to fund these services from a variety of sources. It was not successful in tendering to Hull City Council for a contract to deliver voluntary sector infrastructure services. However during the financial year it received confirmation from the BIG Lottery that it had been successful with a Reaching Communities bid which provides funding for five years and will enable it to restart the Volunteer Support Project. It also anticipates expanding its activities around the Future Jobs Fund which will operate at least for the next year. The Business Plan 2009-12 identifies some priorities for Hull CVS which include seeking opportunities to co-ordinate consortia of sector organisations seeking to tender for the delivery of public services and identifying new opportunities to provide services which generate income, including expanding HR and Health & Safety Support, Community Accounting and training services. The new premises also present new opportunities to generate income through rental of office space and hire of training and conferencing facilities.

The impact of the recession in creating extra demand for services provided by voluntary sector organisations, and the shrinking of some funding streams, is generating extra demand for some of the services provided by Hull CVS, in particular for funding advice. There is also increasing emphasis within the public sector for commissioning and procurement to replace grant funding of the sector. This presents challenges for the sector in terms of organisations being ready for procurement and learning the skills necessary to undertake tendering. Hull CVS continues to provide information and opportunities for learning about these processes.

Quality issues are also a major item on the charity's agenda. In line with our strategic aim of promoting best practice, the charity intends during the coming year to continue some major work on producing and implementing a diversity action plan; on implementing the next stage of the PQASSO quality assessment; and on obtaining the NAVCA Quality Award.

Future plans are outlined in the Business Plan 2009 to 2012 which is available from the charity.