

**MEETING: 02/05/2018**

**Ref: 14540**

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

**Black Training and Enterprise Group (BTEG)**

**Adv: Tim Wilson**

**Base: Islington**

**Amount requested: £114,340**

**Benefit: London-wide**

**Amount recommended: £110,000**

**The Applicant**

Established in 1996 as a support body for black, Asian and minority ethnic (BAME) voluntary organisations, the Black Training and Enterprise Group (BTEG) is a charity offering practical assistance, advice and policy representation services. BTEG seeks to address the causes and consequences of racial inequality. Well regarded by policy makers, BTEG has acted in an advisory capacity to several Government Departments. The charity is closely involved with the "Moving on Up" project, which City Bridge Trust and Trust for London are supporting to increase employment rates amongst young black men in London.

**The Application**

In 2014 the Trust awarded BTEG a three-year grant for work to promote improved volunteer management amongst its membership and increase volunteering rates from the BAME community. Whilst BTEG worked well to support its members, it struggled to engage the target number of young volunteers. BTEG reported difficulties to the Trust; noting that most people they spoke to wanted paid employment and did not share the charity's view that volunteering improved employability prospects. BTEG tried several different strategies during the grant and kept the Trust informed throughout. The grant came to a natural end in 2017 and the Trust invited BTEG to apply for a new 2-year award given the organisation's strategic significance as a leading BAME infrastructure body.

The new application is a capacity building programme for BAME organisations, strengthening their ability to collaborate and to have greater voice (thereby enhancing the likelihood of their survival). The "BAME Connectivity Programme" will promote the value of collaboration through organisational workshops and leadership training. The proposed work is based on BTEG's belief that BAME organisations can achieve more and be better heard through collaborative working. The programme will promote different models of collaboration from project-specific alliances through to full merger. In addition, BTEG will play a pro-active role, matching organisations with one another where it believes collaboration could enhance the goals, purpose and values of the partners. A good practice toolkit and series of case studies will be developed to share learning from this programme with a wide audience.

**The Recommendation**

The proposed work fits well with BTEG's experience of providing infrastructure support to its members. The programme is based on an assessment of the new funding opportunities available to members through collaboration, particularly from public sector commissioners, and will help enhance members' business planning skills. Work is likely to focus on themes BTEG already knows well (education, employment and criminal justice) to ensure that advice is as practical as possible.

Funding is advised at a level equivalent to grant payments in the previous three years:

**£110,000 over two years (2 x £55,000) for the "BAME Connectivity Programme" with funding to cover the costs of a part-time (0.7 FTE) project manager and support costs.**

#### **Funding History**

| Meeting Date | Decision   |
|--------------|--|
| 27/11/2014   | £165,000 over three years for the Valuing Volunteers Project with funding for a part-time project manager and support costs.         |
| 04/09/2013   | Application withdrawn since BTEG was still in receipt of a grant.  |
| 17/02/2011   | £110,000 over two years towards a programme of bespoke personal and organisational development for BAME organisations across London. |

#### **Background and detail of proposal**

BTEG is concerned that the BAME sector is unlikely to compete for available opportunities, and many organisations may be at risk of closure, unless they can collaborate more effectively. The proposed work is a step towards creating a mindset shift among members and will begin with a small group who have already expressed interest in participation. From then on, the work will be open to all members, and BTEG may deliver specific outreach in boroughs where it identifies particular needs.

#### **Financial Information**

The charity aims to raise sufficient grant funding to cover the costs of its work. Where grant funding is not available it covers operational costs through free reserves until programmes can be closed. To manage the lag between grant applications and receipt of grant funding, and to ensure continuity of service, BTEG aims to hold unrestricted reserves equivalent to six months' total operating expenditure, a target it currently falls short of. The table below does not include an unrestricted designation of £103,000 set aside to maintain BTEG's Routes2Success role model programme for young people. Following a recent unsuccessful funding application, BTEG will start spending these designated reserves from April 2018. Fundraising costs shown in the table below relate to work done by the charity's trading subsidiary, BTEG Ltd. The estimated £1,000 shown for 2018 and again for 2019 again relate to the trading subsidiary, and the charity has treated staff time spent on fundraising as part of charitable activity. This has been discussed with BTEG and it will record staff time under the cost of raising funds in its preparation of accounts in the future.

| <b>Year end as at 31 March</b>              | <b>2017<br/>Audited<br/>Accounts<br/>£</b> | <b>2018<br/>Forecast<br/>£</b> | <b>2019<br/>Budget<br/>£</b> |
|---|--|--------------------------------|------------------------------|
| <b>Income &amp; expenditure:</b>            |  |                                |                              |
| Income                                      | 339,047                                    | 341,464                        | 371,990                      |
| - % of Income confirmed                     | n/a  | 100%                           | 57%                          |
| Expenditure                                 | 349,669                                    | 396,672                        | 372,195                      |
| Total surplus/(deficit)                     | (10,622)                                   | (55,208)                       | (205)                        |
| <b>Split between:</b>                       |  |                                |                              |
| - Restricted surplus/(deficit)              | 2,448                                      | (18,828)                       | (169)                        |
| - Unrestricted surplus/(deficit)            | (13,070)                                   | (36,380)                       | (36)                         |
|   | (10,622)                                   | (55,208)                       | (205)                        |
| <b>Cost of Raising Funds</b>                | 54   | 1,000                          | 1,000                        |
| - % of income                               | 0.0%                                       | 0.3%                           | 0.3%                         |
| Operating expenditure (total)               | 349,669                                    | 396,672                        | 372,195                      |
| <b>Free unrestricted reserves:</b>          |  |                                |                              |
| Free unrestricted reserves held at year end | 112,459                                    | 76,079                         | 76,043                       |
| No of months of operating expenditure       | 3.9  | 2.3                            | 2.5                          |
| Reserves policy target                      | 174,835                                    | 198,336                        | 186,098                      |
| No of months of operating expenditure       | 6.0  | 6.0                            | 6.0                          |
| Free reserves over/(under) target           | (62,376)                                   | (122,257)                      | (110,055)                    |

