

MEETING 15/05/2014

Ref: 12164

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Local Accountancy Project

Amount requested: £103,000
{Revised request: £100,810}
Amount recommended: £100,800

Adv: Joan Millbank
Base: Southwark
Benefit: Southwark and SE London

Purpose of grant request: To employ a part-time business support manager to help community and voluntary sector organisations to improve their financial management skills.

Background

Local Accountancy Project (LAP) is a second-tier voluntary sector organisation dedicated to building the capacity of front line third-sector organisations to apply effective accounting, financial management, and financial systems. LAP offers a range of financial services and support via training and dedicated advice on all aspects of financial management including budgeting, cash flows, book keeping, management accounts, financial controls, financial accountability, taxation and regulation. It also provides payroll and independent examination services, which also helps to generate income for LAP.

LAP is itself a well-established organisation and has helped to establish London-based and national networks to support and promote local community accountancy services.

LAP services are focused on smaller and under-resourced organisations and those working with marginalised communities.

Funding History

You have supported LAP on three previous occasions. The most recent grant was in 2000 when you awarded £9,500 to extend the work of its development worker for a further five months. All grants were successfully monitored.

Current Application

LAP is seeking your support to set up a 28 hour per week business support manager post, which will provide financial management capacity-building support to 60 groups over three years. Each organisation will undergo a financial health check to identify its financial management needs. Following the health check, each group will then receive up to ten dedicated advice sessions. These sessions will be designed to build understanding and skills within the organisation, its trustees and its key staff members, and to put financial policies and procedures in place appropriate to the size and nature of the group. These are likely to include book keeping systems, tools for management reporting (budgets, income and expenditure sheets, balance sheets, cash flow charts), cash handling and petty cash systems, computerised accounting systems. Organisations will also receive advice and support on legal regulations and accountability including Charity Commission rules and funders' requirements. Recipients could also benefit from LAP's general training, placement of volunteer accountants, website fact sheets, and buy in end-of-year accounting and payroll services if required.

Organisations will be identified through outreach, advertising and referral. User group feedback will help inform the monitoring processes. Success will be measured against the implementation and maintenance of financial systems within each organisation.

Financial Observations

The deficit for the year ended 31st March 2013 was £16,688 (18.1% of turnover), all on unrestricted funds. The draft outturn for the year ended 31st March 2014 shows income of £109,871 and a surplus of £4,465 (4.1% of turnover), all on unrestricted funds.

The reserve policy states that the organisation aims to hold in free unrestricted reserves, sufficient funds to meet its obligations for a period of three months which it has calculated as £24,000. At 31st March 2013 free unrestricted reserves stood at £31,280, equating to 2.6 months' worth of current budgeted expenditure.

The budget for the current year ending 31st March 2015 shows expected income of £148,486 and a projected surplus of £4,378 (2.9% of turnover), all on unrestricted funds. At 30th January 2014 income of £52,032 (35%) had been secured through grants, with £58,450 (39.4%) expected through service charges and fees (2013/14: £54,577), £37,000 (24.9%) anticipated from this grant application and £1,004 (0.7%) from sundry charges and investment income.

Officer's Appraisal

Community accountancy projects offer important and affordable finance management support and advice services to the voluntary sector and to smaller organisations and new community groups in particular. LAP helped 380 small organisations in the year ending March 2013 including 32 new groups; many of these from Black and Minority Ethnic communities. This project will increase substantially LAP's ability to provide capacity building support to groups, helping them to achieve sound financial management. Following the assessment meeting adjustments were made to clarify project outputs and project costs were adjusted accordingly as reflected in the costings now presented in the application form.

Recommendation

£100,800 over three years (£35,200; £32,800; £32,800) for the part-time (28hpw) salary costs of a Business Support Manager and related project running costs.

The City Bridge Trust

Investing In Londoners: Application for a grant



About your organisation

Name of your organisation: Local Accountancy Project	
If your organisation is part of a larger organisation, what is its name? LAP has recently been incorporated and is awaiting a new charity number. Previous number was 1055593 MM 22/8/00	
In which London Borough is your organisation based? Southwark	
Contact person: Mr. Ade Adebambo	Position: Director
Website: http://www.localaccountancyproject.org.uk	
Legal status of organisation: Registered Charity	Charity, Charitable Incorporated Company or company number: 1114755
When was your organisation established? 01/07/1986	
Aims of your organisation:	
<p>To promote the efficiency & effectiveness of charities & voluntary & community organisations, by the provision of a comprehensive financial management & accountancy service & the training & support of their employees in relevant financial management skills.</p> <p>To build the capacity of voluntary & community groups, particularly in Southwark, but also across other surrounding boroughs, & to enable them to manage their financial affairs efficiently.</p> <p>To provide particular support to smaller organisations & those representing disadvantaged sections of the community.</p> <p>To provide affordable alternatives to commercial services such as audit & payroll for target groups.</p> <p>To provide a comprehensive payroll service to small charities and not for profit organisations which then frees them to concentrate on their core activities and enables them meet their statutory obligations.</p>	
Main activities of your organisation:	
<p>Helping individual organisations, whether incorporated or unincorporated, that for whatever reason have some form of financial difficulty or crisis.</p> <p>Advising & helping such individual organisations to set up appropriate books of accounts & keep them up to date, promoting methods of bookkeeping & a robust internal financial control procedure.</p> <p>Advising on information flows between the relevant members of management committees of individual organisations & giving advice on structures to ensure accountability.</p> <p>Giving advice on budgets, cash flow, local authority & central government funding & other grants, payroll, including advice on national insurance & local government pay scales and HMRC guide lines and regulations.</p> <p>Provision of training, seminars, finance forums & other services to achieve the above.</p> <p>Undertaking of organisations' Financial Health Checks & Independent Examinations.</p>	

Number of staff

Full-time:	Part-time:	Management committee members:	Active volunteers:
1	3	5	8

Property occupied by your organisation

Is the main property owned, leased or rented by your organisation?	If leased/rented, how long is the outstanding agreement?
Leased	3 year rolling lease.

Grant Request**Details of grant request**

Under which of City Bridge Trust's programmes are you applying? Strengthening London's Voluntary Sector
Which of the programme outcome(s) does your application aim to achieve? More organisations with improved skills in financial management More organisations with the skills to improve their volunteer management
Please describe the purpose of your funding request in one sentence. To employ a part-time business support manager to help community & voluntary sector organisations including nurseries & play groups improve their financial management skills.
When will the funding be required? 01/07/2014
How much funding are you requesting? Year 1: £37,000 Year 2: £34,000 Year 3: £32,000 Total: £103,000
Do you plan to continue the activity beyond the period for which you are requesting funding? If so, how do you intend to fund it? We hope to continue after the three year initial period but with a reduced number of days per week, with the belief that the positive impact of our activities with the groups will not require such a high level of training & support. We also aim to introduce more chargeable services ie research & consultancy.
If you need any planning or other statutory consents for the project to proceed, what stage have the applications reached?

Summary of grant request

THE NEED FOR THE PROJECT

This application is being made at the request of numerous interested parties, notably Southwark Pre School Alliance, community nurseries, pre school & after school clubs as well as the emerging refugee communities. In addition to this, the recent changes in Charity Law & the Companies Act, accounting regulations & changes within HMRC reporting, are placing a particularly large burden on small, underfunded & even established medium groups. The need for quality advice & guidance is greater than ever.

The underlying objective of this service stems from the belief that all organisations need to gain confidence & expertise in handling the financial aspects of their activity if they are to survive & develop especially under the current economic & funding climate. Small organisations do not usually have volunteers or paid staff with relevant accounting & financial skills. There is usually a reluctant volunteer or employee delegated to sort out the books. However, given the need for accountability to funders as well as members etc, this task, if not properly administered, can severely limit an organisation's ability to function properly. Examination of our clients books highlights the urgent need for our help & guidance in a great many cases.

HOW THE WORK WILL BE DELIVERED

We intend to employ a Business Support Manager whose job will be to carry out the following functions:

Provide group & one to one training & support.

Visit groups in their premises if necessary & any follow up that is thought necessary

Provide financial forums & workshops

Conduct financial health checks.

Where appropriate we will provide financial templates for organisations to follow.

WHAT WE AIM TO ACHIEVE

We aim to enable beneficiaries to control & manage their own finances by developing their skills within the organisation providing a sensitive & varied service to meet the diverse needs of frontline organisations in Southwark & the surrounding boroughs.

WHY WE ARE THE RIGHT ORGANISATION TO DELIVER THE WORK

We are the right organisation to deliver this service because LAP is a well established and influential organisation and we have the experience & unique understanding of the sector & how it works. We have over 25 years of experience in delivering community accountancy services & are the only locally focused community accountancy service within Southwark.

HOW THE PROJECT WILL MEET THE TRUST'S PROGRAMME OUTCOME

The new post will deliver advice, training and other services to different organisations each year, including training and health checks. Over the three years the Business Support Manager will help improve the financial capacity of organisations, work towards a financial development plan, and improve the financial skills of trainees. The outcome will be a stronger, more efficient voluntary sector and a larger local pool of volunteers with financial skills and better permanent job prospects.

HOW THE PROJECT MEETS THE TRUST'S PRINCIPLES OF GOOD PRACTICE

We collect regular feedback from clients through client feedback forms and from feedback from users and non-users via our website, phone and post. The management committee reviews feedback quarterly, and strategy annually to ensure we are on course to meet future need. LAP recognises and responds to third sector diversity through its multi-ethnic board membership and operating a strong equal opportunities policy when recruiting staff, volunteers clients and board members. We focus our services to meet the needs of smaller, less capable organisations, minority groups and those tackling greatest disadvantage. We promote diversity in our literature and on our website.

Outputs and outcomes

What are the main activities or outputs you want to deliver? Please include no more than 5. By activities or outputs we mean the services, products or facilities you plan to deliver. If you plan to deliver work over more than one year you should include activities over the full grant period requested. Try to be specific.

**Training: Develop a training programme to cover the following financial courses:-
Basic bookkeeping: Payroll (paying employees): Financial Planning & Budgeting:
Financial Management & Control for Trustees: Project Accounting: Management
Reporting: Understanding your Financial Statements.**

Financial Health Checks: Undertake a financial health check of each organisation & discuss the results with the voluntary organisation staff and trustees' & develop an action plan.

Volunteer Development: We intend to recruit volunteers either directly or through the local volunteer centre. We will then train them & place in or attach them to voluntary & community organisations supported by the senior Community Accountant.

One to One support: Give one-to-one advice sessions on specific topics at the request of voluntary organisations. Follow up the health check action plans given to voluntary organisations by giving one-to-one advice where the need for support has been identified through the process.

Develop our website to enable us to provide factsheets for organisations ie Budget factsheet; Cashflow templates: Links to other relevant organisations eg Companies House & Charity Commission and also to monitor feedback.

What main differences or outcomes do you hope the activities you have described above will achieve? Please include no more than 5. By differences or outcomes we mean the changes, benefits, learning or other effects that result from the work your project would deliver. These might be for individuals, families, communities or the environment.

Training: We believe that these courses will enable both trustees' & staff to have better understanding of the organisations financial activities & to enable them to produce financial information that will help staff & committees' to manage their finances better and help them comply with rules of Charity Commission etc.

Financial Health Checks: This will enable us to identify & monitor what advice, support & training that is needed for each individual organisation in order to help them to fulfil their objectives & statutory requirements with Companies House, Charity Commission & potential funders.

Volunteer Development: It helps the volunteers' to play a more active role in the voluntary & community organisation that they are involved with & will also support them in terms of their personal development by provision of gainful employment & providing valuable skills relevant to current & potential employers.

One to One Support: By supporting organisations on an individual basis this will enable them to follow a structured & prioritised plan to improve their financial management. It enables the organisation to ask specific questions & gain answers to their relevant organisation eg VAT, CIOs, & CICs.

Develop our Website: This will encourage self help by providing them with access to templates of various financial spreadsheets & links to relevant organisations. This will also help us to monitor any feedback.

Who will benefit?

About your beneficiaries

How many people will benefit directly from the grant per year?

500

In which Greater London borough(s) or areas of London will your beneficiaries live?

Southwark (78%)

Several SE London (22%)

What age group(s) will benefit?

All ages

What gender will beneficiaries be?

All

What will the ethnic grouping(s) of the beneficiaries be?

A range of ethnic groups

If Other ethnic group, please give details:

What proportion of the beneficiaries will be disabled people?

11-20%

Funding required for the project

*Costings
Subsequently
Raised / see over.*

What is the total cost of the proposed activity/project?

Expenditure heading	Year 1	Year 2	Year 3	Total
Salary of Business Support Manager	25,000	25,000	25,000	75,000
Employers NI (12%) & Pension (6%)	4,500	4,500	4,500	13,500
Computer, Printer, Furniture	2,500	0	0	2,500
Rent & Service Charges	2,500	2,500	2,500	7,500
Telephone, Fax & Internet	845	890	920	2,655
Insurance	300	300	300	900
Postage, Stationery & Photocopying	375	385	395	1,155
Training Course Expenses	1,500	1,550	1,600	4,650
Staff Development & Training	380	380	380	1,140
TOTAL:	37,900	35,505	35,595	109,000

What income has already been raised?

Source	Year 1	Year 2	Year 3	Total
	0	0	0	0
	0	0	0	0
TOTAL:	0	0	0	0

What other funders are currently considering the proposal?

Source	Year 1	Year 2	Year 3	Total
	0	0	0	0
	0	0	0	0
TOTAL:	0	0	0	0

How much is requested from the Trust?

Expenditure heading	Year 1	Year 2	Year 3	Total
Salary of Business Support Manager	24,100	23,495	21,405	69,000
Employers NI (12%) & Pension (6%)	4,500	4,500	4,500	13,500
Computer, Printer, Furniture	2,500	0	0	2,500
Rent & Service Charges	2,500	2,500	2,500	7,500
Telephone, Fax & Internet	845	890	920	2,655
Insurance	300	300	300	900
Postage, Stationery & Photocopying	375	385	395	1,155
Training Course Expenses	1,500	1,550	1,600	4,650
Staff Development & Training	380	380	380	1,140
TOTAL:	37,000	34,000	32,000	103,000

Funding Required For The Project
What is the total cost of the proposed activity/project?

*Revised
 Costings*

Expenditure heading	Year 1	Year 2	Year 3	Total
	£	£	£	£
Salary of Business Support Manager	24,000	24,000	24,000	72,000
Employers NI (12%) & Pension (6%)	4,320	4,320	4,320	12,960
Computer, Printer, Furniture	2,500	0	0	2,500
Rent & Service Charges	2,500	2,500	2,500	7,500
Telephone, Fax & Internet	845	890	920	2,655
Insurance	300	300	300	900
Postage, Stationery & Photocopying	375	385	395	1,155
Training Course Expenses	750	750	750	2,250
Staff Development & Training	380	380	380	1,140
Total	35,970	33,525	33,565	103,060

What Income has already been raised?

Source	Year 1	Year 2	Year 3	Total
	£	£	£	£
Fees	750	750	750	2,250
Total	750	750	750	2,250

What other funders are currently considering the proposal?

Source	Year 1	Year 2	Year 3	Total
	£	£	£	£
Fees	0	0	0	0
Total	0	0	0	0

How much is requested from the Trust?

Expenditure heading	Year 1	Year 2	Year 3	Total
	£	£	£	£
Salary of Business Support Manager	24,000	24,000	24,000	72,000
Employers NI (12%) & Pension (6%)	4,320	4,320	4,320	12,960
Computer, Printer, Furniture	2,500	0	0	2,500
Rent & Service Charges	2,500	2,500	2,500	7,500
Telephone, Fax & Internet	845	890	920	2,655
Insurance	300	300	300	900
Postage, Stationery & Photocopying	375	385	395	1,155
Training Course Expenses (Venue hire/Refreshment)	0	0	0	0
Staff Development & Training	380	380	380	1,140
Total	35,220	32,775	32,815	100,810

Finance details

Please complete using your most recent audited or independently examined accounts.

Financial year ended:	Month: March	Year: 2013
-----------------------	---------------------	-------------------

Income received from:	£
Voluntary income	47,230
Activities for generating funds	0
Investment income	206
Income from charitable activities	44,544
Other sources	54
Total Income:	92,034

Expenditure:	£
Charitable activities	108,243
Governance costs	479
Cost of generating funds	0
Other	0
Total Expenditure:	108,722
Net (deficit)/surplus:	-16,688
Other Recognised Gains/(Losses):	0
Net Movement in Funds:	0

Asset position at year end	£
Fixed assets	0
Investments	0 17,797 <i>gm</i>
Net current assets	31280 13,483 <i>gm</i>
Long-term liabilities	0
*Total Assets (A):	31,280

Reserves at year end	£
Endowment funds	0
Restricted funds	0
Unrestricted funds	31,280
*Total Reserves (B):	31,280

* Please note that total Assets (A) and Total Reserves (B) should be the same.

Statutory funding

For your most recent financial year, what % of your income was from statutory sources?
41-50%

Organisational changes

Describe any significant changes to your structure, financial position or core activities since the date of your most recent accounts:

None

Previous funding received

Please list the funding received by your organisation from the following statutory sources during the last THREE years.

	2010 £	2011 £	2012 £
City of London (except City Bridge Trust)	0	0	0
London Local Authorities	47,232	47,232	47,232
London Councils	24,000	17,600	11,362
Health Authorities	0	0	0
Central Government departments	0	0	0
Other statutory bodies	0	0	0

Previous grants received

Please list the grants received by your organisation from charitable trusts and foundations (other than City Bridge Trust) during the last THREE years. List source, years and annual amounts. Please include the 5 largest only.

Name of Funder	2010 £	2011 £	2012 £
None	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0

Declaration

I confirm that, to the best of my knowledge, all the information I have provided in this application form is correct. I fully understand that City Bridge Trust has zero tolerance towards fraud and will seek to prosecute and recover funds in every instance.

Please confirm: Yes Full Name: **MR ADETOLA ADEBAMBO**

Role within **SENIOR ACCOUNTANT/COMPANY SECRETARY**
Organisation: