

MEETING 25/09/2014

Ref: 12235

ASSESSMENT CATEGORY - Making London More Inclusive

Bikeworks CIC

Adv: Tim Wilson

Base: Tower Hamlets

Benefit: Several NE London

Amount requested: £90,000

Amount recommended: £90,000

The Charity

Bikeworks is a Community Interest Company based in East London using cycling and cycle maintenance to address disadvantage and to promote inclusion. It was established eight years ago, and City Bridge Trust was an early funder of its disability cycling programme.

The Application

The applicant seeks £90,000 over three years towards its work to make cycling more accessible for disabled Londoners. It plans to expand its current all-ability programme from two to five London boroughs, and to work with around 1,000 new participants each year. In addition to the proposed health benefits to users, the programme will also provide opportunities to socialise. For some users, participation is expected to provide a pathway into competitive cycling events. The total programme cost is £362,036 over three years. Bikeworks has already raised £112,000 towards the programme and has targeted funders who can provide the balance.

The Recommendation:

This proposal is to expand an already well-tested programme, and to extend its benefit to a wider user-base. Bikeworks has established good connections in its delivery areas to locate new participants, but also finds a lot of people come to it through word-of-mouth recommendations. The proposal will cover the costs of a Training Coordinator who will build the network of volunteers that Bikeworks needs to run this programme. Funding is advised as follows:

£90,000 over three years (£38,500; £31,000; £20,500) for the cost of a Training Coordinator (37.5hrs per week) and a contribution to costs of a disability cycling programme.

Funding History

Meeting Date	Decision
29/11/2007	£45,000 over two years towards the costs of an operations manager at a bike recycling social enterprise. This grant was monitored satisfactorily and the file was closed some time ago.

Background and detail of proposal

Bikeworks was launched around the time when London was awarded the Olympic Games and cycling was starting to become much more popular. The organisation's founder wanted to address the barriers to entry that people with learning and physical disabilities have when they wish to start cycling. Bikeworks also has a retail and repair programme to help generate income and to offer entry-level employment opportunities. City Bridge Trust was an early supporter, and the organisation has grown to run three retail shops, three employability centres and two all-ability cycling programmes across London. Bikeworks seeks your support to expand its all-ability

programme. These free clubs are for learning and physically disabled people, and offer structured training in a welcoming environment. As well as peer-to-peer promotion and referrals from day centres, Bikeworks also undertakes outreach work to special needs schools.

Financial Information

The organisation made an operating loss of £30,369 in 2012-13 which Bikeworks explains occurred as a result of planned investment in core operations. Draft accounts for the following year 2013-14, show a small surplus of £16,587 (1% of turnover).

The cost of generating funds as a proportion of expenditure is 42.6% (£554,495) in 2012-13. This is relatively high compared to many of the organisations which apply to City Bridge Trust, but is explained by the nature of Bikeworks' business. The organisation has three retail shops, three employability centres and runs two all-ability cycling programmes. These are capital intensive activities requiring ongoing stock purchases. With much of Bikeworks' income derived from trading activities, it is reasonable to assume that the cost of generating funds will remain high. However, in your grant officer's opinion, this is not a matter for concern but rather reflects the norm amongst many social enterprises which trade. The cost of generating funds is not available in the 2013-14 draft accounts.

Total income in the current year to 31st March 2015 is anticipated to be £1,814,310, which represents an increase on the previous year of £269,802 (17.5%). At 26th June 2014, income of £431,000 (23.8%) had been confirmed and the charity hopes that the remaining £1,383,310 (76.2%) will be earned through sales. The charity is confident this will be achieved due to the increased popularity of cycling in London and its investment in high quality stock at its well-located retail shops.

Year-end at 31 st March	2012/13 Unaudited Accounts £	2013/14 Draft Accounts £	2014/15 Current Year Budget £
Income and Expenditure			
Income	1,271,225	1,544,508	1,814,310
Expenditure	1,301,594	1,527,921	1,695,044
Unrestricted Funds Surplus / (Deficit)	(30,369)	16,587	119,266
Restricted Funds Surplus / (Deficit)	-	-	-
Total Surplus / (Deficit)	(30,369)	16,587	119,266
Surplus / (Deficit) as a % of turnover	(2.4%)	1.1%	6.6%
Cost of Generating funds (% of income)	554,495 (42.6%)	-	-
Free unrestricted reserves			
Unrestricted free reserves held at Year End	183,834	200,421	319,687
How many months' worth of expenditure	1.7	1.6	2.3
Reserves Policy target	216,932	254,654	282,507
How many months' worth of expenditure	2.0	2.0	2.0
Free reserves over/(under) target	(33,098)	(54,233)	37,180