

MEETING: 10/01/2017

Ref: 13687

ASSESSMENT CATEGORY - Strengthening London's Voluntary Sector

Eastside Primetimers Foundation

Adv: Tim Wilson

Amount requested: £99,400

Base: Hackney

Benefit: London-wide

Amount recommended: £99,400

The Organisation

Eastside Primetimers Foundation (EPF) matches small voluntary sector organisations with skilled (usually ex-private sector) mentors who provide financial skills training and support. EPF grew out of a pilot project run within another organisation (Community Action Network). In 2004 it was incorporated as a charitable company called Primetimers before merging with Eastside Consulting in 2013. EPF is constituted as a company limited by guarantee with charitable objects, an asset lock (ensuring income is used towards those objects and not distributed as dividend) and a dissolution clause protecting the charitable purpose of any funds remaining in the event it is wound up.

The Application

EPF seeks continuation funding for the London-focused financial management mentoring programme, an initiative which City Bridge Trust has supported since late 2012. EPF has trained a small network of qualified accountants to deliver a financial health check and subsequent mentoring. Work includes detailed reviews of accounting systems and management reports as well as staff training. Forty organisations will have benefited by the end of the current grant, and EPF plans to deliver support to another 40 over the next two years.

The Recommendation

Apart from the continued demand for EPF's financial mentoring service, charities face new challenges relating to workplace pensions, new accounting standards, and the implementation of the National Living Wage. The request seeks to extend an existing, successful, infrastructure project at a level equivalent to the current grant. Over the past three years EPF has facilitated work with 40 organisations and will aim for the same target but over two years with the proposed continuation funding. Monitoring for the previous award has been consistently good, and the work is especially valuable given the voluntary sector's particularly difficult operating environment. Funding is recommended as follows:

£99,400 over two years (2 x £49,700) towards Eastside Primetimers Foundation's financial mentoring and consultancy services for organisations in Greater London.

Funding History

Meeting Date	Decision
27/09/2012	£148,000 over three years (£48,000; £49,000; £51,000) towards the costs of a financial management mentoring programme for small third sector organisations in London.

Background and detail of proposal

This funding application seeks to maintain an existing, successful service. EPF has developed a network of trained mentors and raised the profile of the available support such that it is confident it can deliver the proposed work in a 24 month period.

Financial Information

At 8th November Eastside Primetimers advised it had confirmed £79,526 of its 2016-17 income (53.4%). The balance is expected from the delivery of consultancy services for a single large client. EP acknowledges that it may struggle to meet its income target for the year, but notes this work is delivered by a Programme Manager who is paid for delivery and that expenditure will be scaled back if income is not received. EP advises that the 37% fall in income from 2014-15 to 2016-17 arises from the expected conclusion of a Department of Health contract for consultancy under their Health and Social Care Volunteering Fund. EP expects income levels to stabilise from 2016-17 onwards.

The Trustees do not have a free reserve target but note that at least £50,000 would be needed to cover the costs of an orderly wind-down should EP cease trading. Free reserves are calculated at the value of net current assets less liabilities.

EP is not a registered charity and therefore does not prepare accounts using the SORP. As such it does not disclose the costs of generating funds but has provided forecasts based on staff time and running costs. As an organisation delivering consultancy services, and with the majority of its income generated through fees, the costs of generating funds are hard to compare to standard charity practice where fundraising might result in fewer, larger grants, and therefore be a lower proportion of total turnover.

Year end at 31 March	2014-15 Audited	2015-16 Draft	2016-17 Forecast
Income and Expenditure	£	£	£
Income	236,596	164,454	148,920
Expenditure	246,911	123,962	119,821
Unrestricted Funds Surplus / (Deficit)	(9,423)	25,441	52,196
Restricted Funds Surplus / (Deficit)	(892)	15,051	(23,097)
Total Surplus / (Deficit)	(10,315)	40,492	29,099
Surplus / (Deficit) as a % of turnover	(4.4%)	24.6%	19.5%
Cost of Generating funds (% of income)	185,419 (78.4%)	113,237 (68.9%)	117,320 (78.8%)
Free unrestricted reserves			
Unrestricted free reserves held at Year End	(2,924)	34,160	63,259
How many months' worth of expenditure	(0.1)	3.3	6.3
Reserves Policy target	50,000	50,000	50,000
How many months' worth of expenditure	2.4	4.8	5.0
Free reserves over/(under) target	(52,924)	(15,840)	13,259