



Meeting of the

COMMISSIONERS' DECISION MAKING MEETING

Wednesday, 30 September 2015 at 6.30 p.m.

SUPPLEMENTAL AGENDA

	PAGE NUMBER	WARD(S) AFFECTED
6 .3 Emergency Funding Application Account 3 - Additional Information	1 - 6	All Wards

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

Antonella Burgio, Democratic Services

Tel: 020 7364 4881, E-mail: antonella.burgio@towerhamlets.gov.uk

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TOWER HAMLETS COUNCIL
Emergency Funding Request – Registration Form

Name of organisation:	Account3 Ltd
Address:	3 Birkbeck Street, London E2 6JY
Wards served:	Tower Hamlets
Name of person completing request:	Toni Meredew
Position in organisation:	CEO
Contact email address:	tonim@account3.org.uk
Telephone contact:	020 7739 7720
Amount Requested:	20,000

**Please set out below the purpose(s) for which the requested funding will be used
add additional rows below as required**

Explanation/Description	Cost
Contribution to rent	£15000
AQS audit cost	£1400
Matrix audit cost	£3,000
	£
	£
	£
	£

Please explain why your organisation has a financial emergency

Account3 got into financial difficulties after our last MSG funding were cut by almost 50% under the mayor's administration. (This was despite our applications scoring very highly and against the recommendations from council officers). The effect of the funding crisis was that we were threatened with closure, which meant that our services offering local people and families the support they require to fully engage economically and become independent would end leaving a huge gap in services available locally. Our long-term survival plan to make Account3 sustainable was to expand our current nursery and Daycare provisions (there is a huge demand for affordable nursery places for 2 and 3 years old and the borough does not have enough, as evidenced by our waiting list).

We applied for the capital funding in order to proceed with the nursery extension. Our application was fully supported and approved in early 2014 by the council's early year's team that oversees the childcare provision in the borough and our target was to have the work complete and do the first intake of children starting from September 2014. We drew up a new budget to reflect the changes in income and expenditure from Sept 2014 when we planned to open the new service.

In particular, our proposal was very attractive and provided added value because we already had the infrastructure in place including an existing nursery, modern and accessible premises.

However we needed the capital funds in order to make some alterations to make the proposed space suitable for small children i.e. additional plumbing for extra children's toilets/washroom, security doors and partitioning. We were later informed that our application was held up at the council's Legal Services for final approval and held up further by waiting for approval from the Commissioners. We have therefore we have been unable to proceed with the planned course of action and as such have reduced income to pay for the part of the rent which would have been covered by the childcare provision payments. We have tried to overcome this by some rental of extra space but it has been insufficient for the needs

We are expecting a decision from the Commissioners on our capital funds application but with the additional time it would now take for us to obtain new quotations and complete the alteration work, we envisage further hardship until next September 2015 and are requesting support of 25% of the rent for the year of hold up to our plans. The additional nursery places we would have created from the extension would have brought in additional income and made a substantial contribution towards the rent. We have been using up our reserves while we waited for the capital funds but at present, with our reserves running low, we are facing eminent risks of not managing the next quarter's rent and thus urgently require this grant from the emergency funds so that we can continue our services as normal until our capital funds is approved.

We are also requesting for the costs for two impending quality audits one for advice (AQS) and one for employability (MATRIX). These quality marks are important to enable additional fundraising and critical to our sustainable provision of services for local residents.

Please provide details of what action you have taken to date in an effort to mitigate the emergency

- Additional fundraising (NHS work, leadership programme, digital training).
- Outsourcing of staff to create income in order to reduce chances of redundancy.
- Scale down some of the projects and reduced staffing level in core functions such as reception and co-ordination.

Please explain precisely how the emergency is likely to impact on the organisation as a whole; and, in particular, how it will affect any project or initiative currently funded by the Council

The emergency grant will help to get the organisation out of the current financial difficulties caused by the hold up of previously verbally approved capital funding awaiting commissioners approval. This will allow us the additional time we need while we wait for the confirmation of release of the capital funds for the nursery extension. Once the new nursery places become available, this will bring in a steady and sustainable income that would help Account3 to pay the share of the rent and hence become viable on the long-term.

The emergency undoubtedly impacts on all our current local authority funded projects including the welfare advice project, employment and training programmes and current early year's provision as if we are unable to secure the rent no services will be delivered
The emergency funding will help to ensure that these projects continue to deliver without any disruption to local residents.

Please note our financial year end is July 31st and in the income expenditure below I have Removed the designated redundancy fund and unconfirmed capital works funding to give a more accurate picture

ORGANISATIONAL INCOME [Add additional rows where required]

FUNDING SOURCE	2014/15	2015/16
	£	£
Charitable Trusts/Foundations		
Daiwa Trust		13000
ELMAG	11000	22000
PCT	5000	10000
Sub Total	£16,000	£45,000
Business Donors or Sponsorship		
Sub Total		
LBTH Grants or Contracts		
MSG – advice	33000	33000
Emergency Funding	20000	0
Childcare income	128000	178000
MSG – Basic Skills	20000	20000
	0	0
Sub Total	£201000	£231000
Other Income e.g. subscriptions, fee/charges etc.		
Space hire	34350	34350
Training	38000	25000
TH Homes	50000	45000
Old Ford Housing Association	20000	22000
IT support	14000	2000
Other	2000	10000
Total 'designated funds' (for repairs or other uses) contribution to nursery extension		
Funds held in 'reserves' in line with formal policy Redundancy		
Any other monies 'in bank'		
Sub Total	158350	138350
TOTAL INCOME	£375350	£414,350

ORGANISATIONAL EXPENDITURE [Add additional rows as required]

EXPENDITURE	2014/15	2015/16
	£	£
Employee costs – <i>please specify individual salaries</i>		
Salaries (inc ENIC) – for breakdown see attached	220000	250000
Staff travel and training	324	1000
Pensions		2200
(A) Employees Sub Total	£220324	£253200
Premises costs – <i>please specify</i>		
Rent	60000	60000
Maintenance and capital works	8000	0
Depreciation	4500	4000
(B) Premises Sub Total	72500	64000
Office costs – <i>please specify</i>		
Office costs (stationery, phone, photocopies, postage etc)	24500	25000
Nursery equipment	2000	5000
Quality marks		4400
(C) Office Costs Sub Total	£26,500	£34,400
Other running costs - <i>please specify</i>		
Vol and beneficiary costs	500	600
Training costs	24000	20000
Partnership payments	23000	32000
(D) Other Running Costs Sub Total	£47,500	£52,600
Any other expenditure – <i>please specify</i>		
Bank charges	800	850
Legal and Professional fees and subscriptions	2700	2800
Accountants fees	3000	3000
Insurance	2000	2200
(E) Miscellaneous Other Sub Total	£8,500	£8,850
Capital expenditure - <i>please specify</i>		
(F) Capital Expenditure Sub Total	£	£
TOTAL EXPENDITURE (A + B + C + D + E + F)	£375,324	£413,050

Return completed form to: everett.haughton@towerhamlets.gov.uk

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