

APPENDIX 2

Common Good project approvals – Policy & Resources committee 30th January 2018

Angus Cycle Hub CIC – Financial Review

1.0 Common Good funding application Summary (salient extracts):

Established 2014

Registered Community Interest Company

Company Limited by Guarantee)

7 Committee Members plus community development panel

Moving to new premises, proposed lease from Angus Council from 01/03/18

Bank balance mid October 2017 - £25k credit balance

1.1 1.1 GROUP'S MAIN ACTIVITIES:

Provide a range of services to the local community including;

- Provision of a community cycle hub, shop & service centre with the aid of volunteers
- Cycling and bike maintenance coaching and training
- Organise cycling events & workshops
- Provide Bikeability On Road Cycle Training for schools in Angus
- Coordinate social rides to encourage participation and health and wellbeing
- Recycling of bikes dumped at Angus Council's Recycling Centres to provide a low cost entry to cycling
- Provide local cycling information

1.2 DETAILS OF THE PROJECT SEEKING FUNDING / COMMUNITY DIFFERENCE / No OF PEOPLE / WHAT DEMOGRAPHIC GROUPS WILL BENEFIT / SIMILAR PROJECTS:

“Angus Cycle Hub is looking to provide opportunities for Education and Training, a Community Cycle Hub, Recycling Project and Bike Loan Scheme from a property located at 33 Market Place Arbroath. The project has been running successfully for the last three years in Angus and is coming to the end of a number of funding streams it has used to initiate the project. During that time we have created a range of opportunities for local people to engage with health and wellbeing and learning agendas through Cycling.

Angus Cycle Hub would like to formalise an education and learning project by becoming an approved Scottish Qualifications Authority (SQA) centre. We will provide support and development workers and opportunities for Young People who do not engage with main stream education. The project will support members, of the local community through a joint project with Criminal Justice Service, Angus Social Care and Health Partnership and Angus Schools. The project will focus on providing skills for work opportunities, practical experience in retail and in a maintenance workshop setting. We will support individuals through health and wellbeing opportunities and encourage and promote active travel through cycling and walking.

Through work with our partners we identified that there is a lack of alternative education options, health, wellbeing and active travel advice and opportunities. Funding of SQA unit costs will ensure free training and access to qualification to community members in Angus. We wish to provide up to x5 SQA awards in Cycling and Cycle Maintenance, Employability, Personal Achievement/Development, Steps to Work and Customer Service to begin with and would look to expand our offering. We currently have a waiting list of referrals and do not have capacity or space to grow our project.

2016 -2017 we had 3016 participants through events and interventions we ran and provided support to x10 people with learning difficulties/social problems/disabilities referred to us through our partners in a pilot project. Through this work we estimate that we can provide a similar level of intervention, SQA qualifications and additional training support to around 50-100 people per year. A bike loan service or "Bike Bank" will provide local people in Arbroath the opportunity to engage with cycling at a very low cost and we will support the community to lead healthier lives and reduce short car journeys.

Our project welcomes people, volunteers and referrals from all walks of life regardless of age, socio/economic or ethnic backgrounds. Although based in Arbroath participants come from all over the Angus region with specific support for areas of deprivation.

Angus Cycle Hub links in to a number of partner organisations in the locality to help facilitate its aims in line with national and regional policy. We have strong links to Education, Angus Active Schools, Angus Social Care and Health Partnership and Criminal Justice Services. The project aims to increase cycling participation in line with The Scottish Governments Cycling Action Plan for Scotland (CAPS), Active Travel Active Scotland Document, Angus Council Active Travel policy and is in line with Angus Community Planning vision and aligned with the Angus Economic Priorities including "Supporting communities", "Supporting Pride in Place" and "Supporting skills".

1.3 SUMMARY OF REQUESTED FUNDING FROM ARBROATH COMMON GOOD FUND PER APPLICATION:

In August 2017 a funding application was received from Angus Cycle Hub for Arbroath Common Good Funding of £69,929, and this was duly presented to Committee on 10th October for consideration. Consequently, any approval decision was deferred back to Committee pending a Financial Review.

Subsequently, in the intervening period, a revised bid was received in January 2018, seeking a reduced level of funding of £50,775.

The application, requests funding for an initial one year period for staff, setup cost and property rental costs, with a further application to be submitted for staff costs only for year two potentially at a later date. The organisation is in the early stages of looking at an Asset Transfer request on their rental property, subsequently, if successful this could reduce their need to seek funding for property rental in future years.

Initial funding request (August 2017):

Common Good funding (1 year) for:

- Staff costs - Project Manager to oversee the running of our project (£29,272)
- Staff costs - Community Support Worker whom will directly work with the community and be responsible for community training (£21,882)
- Services - initial SQA centre setup costs (£3,775)
- Property – annual property rental (£15,000)

TOTAL INITIAL ARBROATH COMMON GOOD FUNDING REQUEST	£69,929
TOTAL ANNUAL BUDGETED GROSS INCOME (EX. ARBROATH COMMON GOOD CONTRIBUTION)	£82,402
TOTAL ANNUAL BUDGETED GROSS EXPENDITURE	£185,397

Revised Funding request (January 2018):

- Staff costs - Project & Educational Manager (£27,5000)
- Services - initial SQA centre setup costs (£3,775)
- Property – annual property rental (£15,000)
- Property – building improvements @ 33 Market Gate (£4,500)

TOTAL REVISED ARBROATH COMMON GOOD FUNDING REQUEST	£50,775
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2.0 SUMMARY OF COUNCIL OFFICERS AND LOCAL MEMBERS ASSESSMENT OF APPLICATION:**2.1 Economic Development division's Officers assessment of application (based on initial application):**

- 1 not approve
- 2 approve

2.2 Officer's assessment of project:

1/ Although a good project I do not believe it is sustainable in the longer term. Many worthwhile community projects fail because their revenue requirements are unsustainable and AC Common Good cannot be the long term solution. Perhaps they could look for an appropriate external funding stream until they could better sustain themselves?

2/ With the development worker roles I think this will help extend the provision and if they are targeting areas of deprivation as their project plan says, then this will fit in with the locality priorities for Arbroath. There are priorities around health and wellbeing for all ages but also priorities around improvement to cycle paths and accessibility that we would look to them to support and advise us on. I like that they are thinking of qualifications and there may be further development of this in a few years around taking on Modern Apprentices

3/ This project seems to offer good opportunities, both open and targeted, for adults and young people across Angus with a focus on employability. The organisation has sufficient experience to deliver on learning outcomes that meet a need in the community.

2.2 Officer's assessment of group:

1/ The cycle hub has a good reputation from many partners and they are connecting in to local events and partnerships

2/ I am aware, indirectly, of the work that they do and of the value placed upon the organisation by the community. They work well with partners and make a positive contribution to achieving outcomes across a range of provision for adults and young people.

3/ The work of this group is admiral and appears to be making a contribution to national and local priorities.

2.3 Arbroath Members assessment of bid and use of Arbroath Common Good Funds (based on initial application):

- 3 agreed funding SQA set up and rental costs only (£18,775)
- 3 agreed no funding provided (£0)
- 1 stated would go with majority decision

Consequently, 6 Arbroath Members do not support the funding staff costs.

3.0 Financial Review – Due Diligence Opinion

The organisation undertakes a variety of projects and has secured funding from various sources in their initial three year period: Angus Environmental Trust, Cycling Scotland Grant Awards and through Angus Council; Smarter Choices Smarter Places. Additional income is also derived from shop sales, maintenance sales and recycling initiatives; average sales for 2016/17 and 2017/18 is circa £45k per annum.

From 2018/19 onwards, the Smarter Choices Smarter Places & Angus Environmental Trust (£35k – specifically for mechanics staff costs, out with Common Good application) (in conjunction with Angus Council Economic Development Unit) funding streams will continue to provide resources for their various projects: established and new. The organisation are actively seeking to attract new revenue streams to aid sustainability and growth and are awaiting funding decisions (due early 2018) on Climate Challenge Fund (£89k) and the regions Low Carbon and Transport Challenge bids (through Angus Council) bids,

If only partial Common Good funding was not made available then it is proposed to self-fund by reduced staffing costs and more reliance on our volunteers to ensure projects continuation, but would obviously have detrimental effect on ambitions of organisation.

Extract Angus Cycle HUB CIC Unaudited Annual Accounts

source	Income £000's	Expenditure £000's
Sales	48.9	15.5

Grants	137.1		131.5
Total	186.0		147.0

Net Profit is £39.0k, however at present activity level; sustainability is not possible without grant support.

However, the move to new premises will allow expansion of both their existing and new projects which will consequently help drive up profitability and sustainability. The continued growth of shop and recycling initiatives will help drive sustainability of projects through increased sales.