

MEETING: 25/07/2019

Ref: 15067

ASSESSMENT CATEGORY: Bridging Divides - Positive Transitions

Centrepont Soho

Adv: Gilly Green

Amount requested: £183,397

Base: Tower Hamlets

Benefit: London-wide

Amount recommended: £107,100

The Applicant

Centrepont is a leading national charity for homeless young people aged 16-25 and provides accommodation and a range of support services to help young people find a settled way of life. It provides supported housing for over 2000 young people each year and support on a range of issues such as health, education, employment and participation to a further 10,000 young people annually. There are over 350 full time staff and an active volunteer base of 200. Whilst the organisation works across several different cities, this application is focused solely on London.

The Application

Centrepont seeks continuation funding for its dual diagnosis programme which provides focused interventions for young people, integrating support work around substance misuse and mental health. Within Centrepont's population, 53% of service users have either a formal mental health diagnosis or report issues with mental health and wellbeing including mild depression, stress and anxiety. Nearly two thirds of those use drugs. The project employs two caseworkers who work to identify young people at risk, offering assessment and brief interventions, helping young people recognise their issues and set goals around reduction or management of substance misuse and management of their mental health. The workers also train and support hostel staff to be more confident about talking to young people about these issues and knowing when to refer on. Over 80% of young people who accessed the service last year reported a positive change in their wellbeing, and 78% a reduction in their substance use. Overall, numbers using the service were lower than anticipated, but learning from the last three years suggests that young people will engage more fully if 'meaningful' activities (such as sports or hobbies) are available to replace substance abuse or manage triggers. Consequently, an increased budget for a young people's activity fund has been included in the bid. This, alongside salaries and on costs of the dual diagnosis workers forms the basis of the application.

The Recommendation

Centrepont has considerable experience of working with homeless young people in London. Your funding over the last three years has enabled it to embed a small dual diagnosis team to bridge the gap between mental health and substance misuse issues and achieve earlier positive interventions with young people. Your officer feels that the original request for two members of staff is inappropriately high and advises a grant at a reduced level in line with one full time equivalent post (which is your usual practice) and on costs as follows:

£107,100 over two years (£52,900, £54,200) towards the salary and on costs of a f/t Dual Diagnosis Worker and a wellbeing activities budget for young people.

Funding History

| Meeting Date | Decision |
|--------------|--|
| 18/03/2016 | Social investment proposal to develop a café not supported due to lack of evidence of need or adequate business model. |
| 27/11/2014 | £208,400 over three years (£56,000; £76,000; £76,400) towards the salaries of two Dual Diagnostic Practitioners and related costs. |

Background and detail of proposal

The approach to date has been successful in engaging young people, especially those hardest to reach. The workers are visible in the hostels and spend time gaining trust, enabling young people to feel confident to share their issues. Learning over the last three years has shown that the innovative approach of working also with the partners of young people where appropriate and a flexibility of appointment times are key to effectiveness. Young people also report that the holistic approach which includes support also with diet, management of finances, education, employment and training is especially welcome, and prevents young people being referred to a plethora of different agencies. Support continues for up to 6 months after young people have moved out, if required.

Financial Information

Centrepoint's key income sources are through donations and legacies totalling £17.4m; and rents and supported housing grants at approximately £15m per annum. Giving from individual donors is a key and growing part of the fundraising strategy and last year the organisation signed up 12,000 new regular givers. At the end of 2017/18 current reserves were slightly below target but the position is forecast to improve over the next two years. Fundraising costs are due to increase to 26% this year, being relatively high but remaining within your acceptable guidelines.

| Year end as at 31 MARCH | 2018 Audited Accounts £ | 2019 Forecast £ | 2020 Budget £ |
|---|-------------------------------|-----------------------|---------------------|
| Income & expenditure: | | | |
| Income | 32,709,000 | 33,440,134 | 35,985,000 |
| - % of income confirmed as at 16 April 2019 | n/a | 100% | 68% |
| Expenditure | (31,658,000) | (33,064,308) | (36,499,000) |
| Total surplus/(deficit) | 1,051,000 | 375,826 | (514,000) |
| Split between: | | | |
| - Restricted surplus/(deficit) | 255,000 | 77,000 | (1,689,000) |
| - Unrestricted surplus/(deficit) | 796,000 | 298,826 | 1,175,000 |
| | 1,051,000 | 375,826 | (514,000) |
| Cost of Raising Funds | 7,827,000 | 6,314,849 | 9,350,000 |
| - % of Income | 23.9% | 18.9% | 26.0% |
| Operating expenditure (unrestricted funds) | 29,114,000 | 30,064,308 | 31,710,000 |
| Free unrestricted reserves: | | | |
| Free unrestricted reserves held at year end | 2,654,000 | 2,952,826 | 4,127,826 |
| No of months of operating expenditure | 1.1 | 1.2 | 1.6 |
| Reserves policy target | 2,900,000 | 2,900,000 | 2,900,000 |
| No of months of operating expenditure | 1.2 | 1.2 | 1.1 |
| Free reserves over/(under) target | (246,000) | 52,826 | 1,227,826 |