

MEETING: 28/11/2019

Ref: 15652

ASSESSMENT CATEGORY: Bridging Divides - Positive Transitions**The Children's Society****Adv: Ciaran Rafferty****Base: Islington****Amount requested: £178,849****Benefit: Islington****Amount recommended: £120,000****The Applicant**

The Church of England's Children's Society (usually shortened to the Children's Society or TCS) was established in 1881 and today provides a range of direct services, nationally, in parallel with campaigning work to improve the lives of the most disadvantaged 10-21 year olds. In particular, services aim to support those at risk of sexual and other exploitation; missing from home, involved with the care system; misusing drugs or alcohol; or who are young carers or refugees. TCS produces The Good Childhood Report which is an important documentation of the issues which affect young people across the UK.

The Application

This application is for two years' continuation funding of a project which you have been supporting over the past three years and which supports boys aged 11-18 at risk of or affected by criminal exploitation – including those caught up in “county lines” where they are coerced into being drug runners and sellers and can easily end up with criminal records. The support provided by TCS treats them as victims rather than criminals and provides a range of therapies to enhance their mental health and improve their wellbeing. Over the next two years the project will hope to meet increased demand and extend its support to those young people in late primary/early secondary school age, as well as to siblings also affected.

The Recommendation

This project has been unique in its focus on boys/young men exploited in this way and has become a highly regarded and in-demand service – seeing increased referrals from a range of statutory agencies (including the Police) partly because there are few other, if any, similar support programmes, partly because the general awareness of this type of exploitation has increased and partly because the impact of the support has been considerable. The annual grant requested is larger than for the current grant as the charity wishes to scale up the amount of support to meet increased demand and also to do additional work as mentioned above (with siblings and with some at primary-secondary transition age. However, as it is your usual practice to offer continuation funding at more or less the same annual amount as before; and because the charity has significant free reserves, a grant in keeping with the current level of funding is advised:

£120,000 over two further and final years (2 x £60,000) to support boys/young men in London at risk of or affected by criminal exploitation.

Funding History

Meeting Date	Decision
22/09/2016	£180,000 over three years (3 x £60,000) for the Boys & Young Men project in London, to fund a f/t Project Worker, 9hpw of the Service Manager, and related activity and support costs.

22/09/2016	Stepping Stones application - declined
09/07/2015	Stepping Stones application - declined

Background and detail of proposal

This project is one of very few (if any) schemes which work specifically with boys/young men who are exploited and/or trafficked through the “county lines” drug industry. The project works closely with statutory agencies, including the Police, to ensure that the participants are treated as victims and not as criminals and that, as such, they have access to professional and bespoke support. Such support often entails individual and/or group therapies with the specific outcome of improving their mental health. The project to date has been very well managed and had significant impact and the views and voice of the young people themselves has helped shape the project's ongoing improvement over time, helping these young people to build trusted relationships and to have a better chance of being emotionally resilient.

Financial Information

The cost of raising funds as shown in the table below represents a large proportion of total expenditure. However, in each year more than half of these costs relate to the operation of charity shops etc which generate important unrestricted income and which, through the use of volunteers, can be seen as a charitable activity in their own right. If these costs are removed then the costs of fundraising activities would typically represent 20% of total expenditure in any year. The £10m increase in income in 2018/19 over the previous year was the result of the sale of one of their buildings (releasing c.£9m) together with it “being a good year” for legacy income.

In addition to the free unrestricted reserves shown in the table the charity also holds unrestricted, designated, reserves. These are designated in part to the value of property owned (£3.8m in 2019) and in part to a strategic reserve (£20.2m in 2019) which is set aside for the management of legacy matters such as the pension deficit, the move to a new London workspace and other strategic investments identified by the Trustees. The charity identifies a fund of £20m in each year – which it equates to 6 months of operating expenditure – as being free unrestricted reserves available for general use. Although the budget for the current year forecasts free reserves at a level below the £20m target the charity does have some capacity to draw on the designated funds if necessary.

Year end as at 31 March	2018	2019	2020
	Signed Accounts	Signed Accounts	Budget
	£	£	£
Income & expenditure:			
Income	38,408,000	49,046,000	39,854,000
- % of income confirmed as at 5/11/19	N/A	n/a	43%
Expenditure	(36,388,000)	(37,780,000)	(43,447,000)
Net Gains (Losses) on Investments	687,000	(445,000)	n/a
Actuarial gains on pension schemes	13,485,000	1,777,000	n/a
Total surplus/(deficit)	16,192,000	12,598,000	(3,593,000)
Split between:			
- Restricted surplus/(deficit)	(106,000)	(503,000)	(2,351,000)
- Unrestricted surplus/(deficit)	15,406,000	12,659,000	(1,242,000)
Endowment funds surplus/deficit	892,000	442,000	n/a
	16,192,000	12,598,000	(3,593,000)
Cost of Raising Funds	16,986,000	18,424,000	19,301,000
- % of income	44.2%	37.6%	48.4%
Operating expenditure (unrestricted funds)	33,369,000	34,757,000	29,284,000
Free unrestricted reserves:			
Free unrestricted reserves held at year end	20,000,000	20,000,000	18,758,000
No of months of operating expenditure	7.2	6.9	7.7
Reserves policy target	20,000,000	20,000,000	20,000,000
No of months of operating expenditure	7.2	6.9	8.2
Free reserves over/(under) target	0	0	(1,242,000)