

MEETING 30/01/2020

Ref: 15372

ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital**Community Drug and Alcohol Recovery Services****Adv: Tim Wilson****Base: Merton****Amount requested: £221,100****Benefit: Merton and
Wandsworth****Amount recommended: £110,550****The Applicant**

Community Drug and Alcohol Recovery Services (CDARS) is a registered charity established in 1991. It provides a range of psychosocial services to support the community reintegration of: people recovering from drug and alcohol addiction; experiencing mental health crisis; and, perpetrators of domestic violence. Based in South West London its services cover Merton, Wandsworth, Sutton, Richmond and Kingston.

CDARS' programmes are designed to support mental, physical, social and emotional wellbeing. Its services include the Sunshine Recovery Café, a self-referral facility for adults in the charity's operational boroughs who perceive themselves as being at risk of mental health crisis. It offers 1-1 support and group activities to provide users with non-clinical alternatives to hospital admission.

The Application

CDARS application is for funding towards its outreach programme for isolated individuals with chronic mental health needs. Whilst the charity's café is available for those who are able to travel, CDARS recognises that there is a sufficiently large group of potential beneficiaries who cannot attend either because the cost of travel is prohibitive, or they lack the confidence to leave their immediate local area, or they are simply unaware of the Sunshine service. CDARS outreach services are designed to overcome these barriers

The work will deliver weekly sessions of fitness, health, life and basic-skills services as well as training for group of peer mentors who can support people experiencing mental health issues.

The Recommendation

The charity is well regarded and has a history of raising funds from charitable Trusts as well as statutory commissioners. The CDARS application initially requested funding for two full-time posts, which is against your current policy. Following your officer's assessment visit, CDARS has confirmed that it can scale its project (and potentially seek support from other sources or self-fund) so funding advised as follows:

£110,550 (3 x £36,850) for a full-time Health and Wellbeing Outreach Worker (plus on-costs) to deliver mental health support services to isolated clients at a range of venues across the borough. The grant in years 2 and 3 is conditional on evidence that CDARS' free reserves are expected to return to a level equivalent to 3 months' total expenditure and clarification of the restricted reserve forecast.

Funding History

Meeting Date	Decision
24/11/2016	£50,000 over 12 months through the Stepping Stones Fund to examine potential for outcome based contract opportunities.

Background and detail of proposal

The charity has run services comparable to those requested from City Bridge at its Sunshine Café with funding from the National Lottery's Reaching Communities programme. This work has been subject to positive evaluation, and CDARS now looks to complement this service through outreach in the most deprived wards of its operational boroughs, which are expected to be in Merton and Wandsworth. The charity has already selected suitable delivery venues in consultation with its network of local partners. CDARS anticipates that other organisations (such as local faith groups) will help to promote available services along with the charity's own marketing. This will be especially helpful in reaching the significant Polish and Tamil communities in the target boroughs.

Financial Information

CDARS income (and expenditure) fell significantly in 2019 compared with the previous financial year as the charity reached the end of a 12-year contractual relationship with Public Health Merton for substance misuse support. During this period, re-tendering was required every 3 years, and CDARS plans to bid again when the contract opportunity is offered in 2021.

As a result of the end of contract, the table below shows CDARS in an unusual position with a 57% reduction in turnover from 2018 to 2019. Expenditure has been scaled back accordingly, but the charity has free reserves above the trustees' target despite the expected deficits on unrestricted funds in 2018, 2019 and 2020. Your officer is of the view that it is prudent to maintain a larger free reserve holding in anticipation of the potential increase in turnover and expenditure that would arise from successful re-tendering in 2021.

The charity has provided a forecast showing significant growth in restricted reserves, and your officer is seeking to clarify whether this is a result of a change in patterns of income following the end of major contracts.

If the organisation was to return to a level of income equivalent to that seen in 2018, which seems reasonable given how long CDARS held the substance misuse contract in recent years, then it would not be sensible to run down free reserves ahead of this. Nonetheless, the recommended funding is conditional on sight of evidence that free reserves are due to return to a level equivalent to 3 months' total expenditure from 2021 onwards (i.e. years 2 and 3 of any City Bridge Trust award) and clarification of the restricted reserve forecast.

Year end as at 31st March	2018 Audited Accounts £	2019 Draft Accounts £	2020 Forecast £
Income & expenditure:			
Income	1,829,404	888,812	1,017,850
- % of Income confirmed as at 18th November	n/a	100%	64%
Expenditure	(1,933,525)	(882,249)	(973,133)
Total surplus/(deficit)	(104,121)	6,563	44,717
Split between:			
- Restricted surplus/(deficit)	451	51,462	84,917
- Unrestricted surplus/(deficit)	(104,572)	(44,899)	(40,200)
	(104,121)	6,563	44,717
Operating expenditure (total funds)	1,933,525	882,249	973,133
Free unrestricted reserves:			
Free unrestricted reserves held at year end	363,270	318,371	278,171
No of months of operating expenditure	2.3	4.3	3.4
Reserves policy target	483,381	220,562	243,283
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(120,111)	97,809	34,888