

MEETING: 08/07/2020**Ref: 15666****ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital****Carers Trust****Adv: Gilly Green****Base: Southwark****Amount requested: £272,375.00****Benefit: London-wide****Amount recommended: £189,000****The Applicant**

Carers Trust (CT) is a leading UK charity supporting anyone living with the challenges of caring, unpaid, for family or friends with an illness, disability, mental health or addiction issue. Its aim is to ensure all carers have the confidence, resilience and recognition to live their own lives. They operate through a UK-wide network of 138 local carers organisations (Network Partners) with a long-term ambition to strengthen the capacity and sustainability of the network. The organisation aims to ensure the role and value of carers is recognised as integral to the provision of care. In London, the Trust has 22 Network Partners.

The Application

In 2018/2019 (CT) commissioned a survey to look at issues facing the Network and found key issues for London-based organisations were: challenges posed by the changes to commissioning practice; difficulties in sustainability; and gaps in knowledge and resources. Pre-Covid, one of the specific challenges faced by network partners specifically in London has been the increasingly competitive commissioning landscape in the London Boroughs with new service models being commissioned, particularly the move by commissioners to look at partnerships to deliver bundled contracts. Local commissioners are now expecting VCS organisations to work in more formal partnerships with other organisations and bodies, resulting in cross-borough collaborations and STP-wide initiatives. Whilst some Network members reach out and develop partnerships, many still struggle to do so, and lose out in competition for tenders. In light of future pressures on local budgets, this is likely to be even more of a challenge going forwards as Network Partners will need to adapt their services to meet the needs of carers in the new context that has been created by the pandemic. In response Carers Trust wishes to employ a dedicated London Capacity Building Manager over 3 years to help local organisations work more collaboratively, better understand commissioners' requirements and be able to respond in an agile way. Funds are also requested to allow for training staff in local organisations to keep up to date with innovation and now especially with remote service provision. Funds are also requested explore and test income generating pilots such as retail outlets through E-bay or social enterprises.

The Recommendation

The impact of Covid 19 has hit especially hard on carers and those they care for and the pressures on the organisations that support them will grow considerably at a time when there will be increased pressure on local authority budgets. This will be challenging work to navigate but your officer feels that with a strong appointment this could be a strategically critical post for the sector, helping members build service models that meet commissioning needs, as well as work better together. Whilst the

inclusion of funds to test new models of income generation is useful, the idea is insufficiently developed and the organisation could fund these costs from its own reserves. Management costs also appear high. There is a question whether with its level of reserves the organisation should support this development itself but with the likely pressures on carers and the organisations that support them - and Carers Trust already releasing reserves for emergency grants - your officer believes that the work will enable organisations to be more effective and sustainable and the proposal meets the outcomes of Connecting the Capital - Capacity Building. A grant at a reduced level is recommended as follows:

£189,000 over three years (£65,000; £63,000; £61,000) for the London Network Capacity Building Project Manager (f/t) and associated project running costs and management costs.

Funding History

Meeting Date	Decision
28/04/2011	£130,000 over 2 further and final years (£62,000, £68,000) towards the salary costs of the London Development Manager supporting local Carers' Centres.

Background and detail of proposal

Carers Trust acknowledges that as a sector many carers organisations have been unable to embrace innovation in response to a changing environment. Neither has the network come together as strategically as it could to share ideas and practice. This application builds on a groundswell of movement within London carers organisations that with a changing commissioning landscape, they will need to work differently. Testing out income generation ideas is useful, but plans appear insufficiently thought out at present.

Financial Information

From 2016 to 2018 CT's income dropped from £9m to £5.5m and the organisation appeared to be struggling. However, with a new CEO, new board and a large one-off legacy the organisation has rebuilt itself. It has come into this unprecedented crisis on a firmer footing with reasonably high reserves. Trustees have decided to release excess free reserves above its agreed reserve level in 20-21 for emergency grants to its member organisations to support carers affected by COVID-19 as well as to its Innovation Fund and a Respite Break fund to be launched later this year. CT is itself applying for emergency funds to plug the current shortfall on the budget for this year. The main reason behind the restricted deficit for 2021 is due to restricted balances brought forward that the organisation is planning to spend through 20-21, along with a reduction in likely restricted income. Trustees have confirmed they will cover any gaps from reserves on restricted or unrestricted budgets. The leadership team is taking seriously the current threats from Covid-19 and income projections and assumptions are stress tested on a monthly basis. Savings of £250,000 have already been identified, new recruitment is paused, and some staff have been furloughed.

Year end as at MARCH 31ST	2019	2020	2021
	Signed Accounts	Forecast	Budget
	£	£	£
Income & expenditure:			
Income	6,575,561	5,946,833	5,076,383
- % of Income confirmed as at 04 June 2020	N/A	100%	72%
Expenditure	(5,185,573)	(5,681,099)	(5,577,813)
Total surplus/(deficit)	1,389,988	265,734	(501,430)
Split between:			
- Restricted surplus/(deficit)	530,440	(192,827)	(470,259)
- Unrestricted surplus/(deficit)	859,548	458,561	(31,171)
	1,389,988	265,734	(501,430)
Operating Expenditure (unrestricted)	2,357,291	2,191,705	1,757,193
Free unrestricted reserves:			
Free unrestricted reserves held at year end	1,471,042	1,929,603	1,898,432
No of months of operating expenditure	7.5	10.6	13.0
Reserves policy target	641,943	600,546	491,918
No of months of operating expenditure	3.3	3.3	3.0
Free reserves over/(under) target	829,099	1,329,057	1,406,514