

MEETING: 25/09/2014

Ref: 12241

ASSESSMENT CATEGORY - Older Londoners

Age UK Merton

Adv: Tim Wilson

Base: Merton

Amount requested: £158,149

Benefit: Merton

Amount recommended: £158,300

The Charity

Age UK Merton (AUKM) is part of the Age England Association and in brand partnership with the national Age UK. An independent charity, it was established in 1950 to support older people and their carers in the London borough of Merton. The organisation has its own social centre from which it runs a number of activities such as footcare, information and advice, after-stroke and incontinence support and well-being classes. AUKM also delivers outreach work including cleaning and handyperson services. Merton is a very mixed borough with a sharp distinction in poverty levels between western and eastern wards. Some wards in east Merton, for example, have a life expectancy almost 13 years below the average of West Merton.

The Application

Having developed a health programme for those with continence problems or who have had a stroke, AUKM now wishes to expand its support to anyone over the age of 75 with a long-term health condition. The programme called "Active Life" will involve an initial home assessment by a Health and Wellbeing Officer followed by support from occupational therapy students who work with AUKM on placement. Clients receive support to develop a personal plan designed to help them manage their conditions as effectively as possible and to lead more independent lives.

The Recommendation

AUKM has many years' experience of delivering wellbeing services for older people. As a requirement of funding its recent health programme has been restricted to clients with continence issues or who have suffered a stroke. The charity seeks to develop a more holistic programme to support any client with long term health issues that have an adverse impact on quality of life. AUKM has an established link with Brunel University to provide appropriately screened occupational therapy students who might participate in the programme. Funding is advised as follows:

£158,300 over three years (£51,600; £52,600; £54,100) for the salary of a f/t Health Programme Officer plus related project costs of the Active Life health programme in Merton.

Funding History

Meeting Date	Decision
06/09/2007	£93,350 over three years (£30,500; £31,100; £31,750) to maintain and assist with the expansion of an Information and Advice service for older people.

Background and detail of proposal

AUKM's proposed "Active Life" programme has been designed to support over 200 clients each year through the preparation of health and wellbeing action plans, and the follow-up assistance of occupational therapy student placements. New client referrals will come from AUKM's network of frontline health professionals. With City

Bridge Trust funding the charity will build on its existing health services to deliver a more holistic service. The proposed service will allow a personalised response to each client and is intended to improve independence and feeling on control.

Financial Information

In common with many other voluntary sector organisations AgeUK Merton has experienced a reduction in the availability of unrestricted grant funding. Until 2012-13 the charity received core support from its local authority, but once this grant stopped the organisation needed to develop an income generation plan and to reduce expenditure. The 2012-13 deficit reflects the charity's loss of core grant, and its efforts to replace the funding with income generation through the sale of services. This has had a reasonably successful start as the organisation has generated alternative revenue funding to replace the core grant.

Members will note that AgeUK Merton has a good holding of free reserves which is only marginally below their target position to hold 6 months' worth of expenditure. The charity expects to break-even in 2014-15. As of early August, the charity had secured £176,735 (37.5%) of its forecast 2014-15 income. £181,448 (38.5%) of forecast income is expected from the sale of services and as such is anticipated across the remainder of the year. The balance of £113,110 (24%) is anticipated from grant applications for restricted funds, of which the application to City Bridge Trust is not included.

AgeUK Merton does not identify the cost of generating funds separately in its accounts and is unable to provide this figure. Your grant officer has discussed the regulator's guidance on this issue and the charity recognises the importance of identifying the amount in subsequent accounts.

Year end at 31 March	2012/13 Audited Accounts	2013/14 Forecast Outturn	2014/15 Current Year Budget
	£	£	£
Income and Expenditure			
Income	459,374	482,296	471,293
Expenditure	474,806	445,048	471,293
Unrestricted Funds Surplus / (Deficit)	17,760	(13,511)	19,566
Restricted Funds Surplus / (Deficit)	(33,192)	50,759	(19,566)
Unrealised gains/losses on investment assets	1,852	954	0
Total Surplus / (Deficit)	(13,580)	38,202	0
Surplus / (Deficit) as a % of turnover	(3.0%)	7.9%	0%
Cost of Generating funds (% of income)	-	-	-
Free unrestricted reserves			
Unrestricted free reserves held at Year End	213,726	199,170	218,736
How many months' worth of expenditure	5.4	5.4	5.7
Reserves Policy target	237,403	222,524	235,647
How many months' worth of expenditure	6.0	6.0	6.0
Free reserves over/(under) target	(23,677)	(23,354)	(16,911)