

Agenda Item	8
Date	3 rd December 2020
Title	Covid-19 Emergency carers grants (phase 2)

1.0 Purpose of paper

To inform Trustees of the proposed Phase Two funding for carers organisations.

2.0 Summary

Trustees will remember that in April 2020 we agreed to run an emergency funding programme for carer organisation. It was further agreed that a second phase of funding would be launched at the end of 2020 to meet the continued challenges posed by Covid-19. This paper provides further detail on the proposed second phase and next steps.

- In April 2020 Trustees approved £500,000 to be allocated to emergency funding for organisations working with unpaid carers. This replaced the Development Grant round for 2020 and included additional budget allocation.
- £213,596 of the allocated budget was distributed in Phase One, providing funding to 29 organisations.
- At the October 2020 Trustee Meeting Phase Two was discussed and it was agreed to bring a recommendation for the focus of the funding to the December 2020 meeting for approval.
- Following high levels of feedback from current grantees, the wider sector and other funders it was identified that Phase Two funding would focus on some element of core costs support.
- Identifying ways of providing additional support to help organisations survive was also flagged as being of interest and importance to Trustees. A partnership with The Cranfield Trust has been identified as a potential way of providing this.
- It is recommended that funding of up to £20,000 be available to cover shortfalls in unrestricted budgeted income from events, individual giving or earned income.

3.0 Recommendations

Trustees are requested to

- (i) Agree to support a grants programme supporting replacing specific lost budgeted income and the proposal to fund The Cranfield Trust to provide additional support to carer organisations.
- (ii) Approve next steps for rolling out Phase Two.

4.0 Background

Over the summer all recipients of Phase One funding were asked to tell us about the three key organisational challenges they were going to be facing going forwards. The majority of grantees responded to the survey providing us with a wide range of answers and useful information. There were some consistent themes though – providing face to face group sessions for carers, financial uncertainty and deeper uncertainty about what the future holds.

Initial thinking for Phase Two focused on supporting organisations to get activities up and running again in Covid-19 safe ways. This was seen as being a crucial step in; making a significant difference to the mental well-being of carers as well as staff; and getting organisations back on track delivering services. However, the ever changing Covid-19 situation has made resuming these kind of activities impossible for now and organisations continue to operate in a constantly changing and uncertain environment.

5.0 Wider context

In October 2020 a Covid-19 Voluntary Sector Impact Barometer showed that two in five (39%) charities and community groups are now reporting a deteriorating financial situation. It further showed that eight in ten organisations (80%) predicted a negative impact on delivering their planned objectives over the next 12 months and one in ten think it likely they will be forced to close.

The Barometer is the largest research project of its kind and surveyed almost 700 organisations in September 2020 through an online survey. It is a partnership between Nottingham Trent University, NCVO and Sheffield Hallam University.

It is predicted that charities are facing an estimated £10 billion funding gap over the next six months. It is clear therefore that financial concerns are not going to be easily resolved for the sector and that access to funding that can be used to plug holes in operating costs is going to be vital over the coming winter months. With that in mind the following focus for phase two funding is proposed.

6.0 Proposed way forward

6.1 We have approximately £235,000 ringfenced for Phase Two of this funding initiative. Whilst the funding allocated in Phase One focused on enabling applicants to quickly deliver support to meet unpaid carers immediate needs simply repeating this doesn't feel necessary. However, the financial impact of Covid-19 is starting to be felt by these organisations as they continue to operate as best they can during these uncertain times.

It is proposed that the focus of the funding for Phase Two be on covering a shortfall in unrestricted income that would have been expected through events, individual giving or earned income. Funding of up to £20,000 can be applied for so long as it can be shown this will replace unrestricted income that was reasonably expected. Depending on how many applicants apply for the full amount we would be looking at making 11 grants at the minimum.

6.2 At the October Trustee meeting the work that Lloyds Bank Foundation does to support their grantees was discussed and the huge value that this can bring to an organisation was recognised. Whilst this kind of investment in consultancy and training is beyond the resources we have, over the past month a series of conversations have taken place to identify other alternative ways of adding some additional value to the carers sector during this challenging time.

It is further proposed that £25,000 either be allocated from the current ringfenced money, or the budget increased by this amount, to work with The Cranfield Trust who will offer a number of consultancy and mentoring opportunities to selected grantees. The Cranfield Trust is a national charity that has been providing high quality management consultancy and mentoring to charities for over 30 years. They provide management support, advice, mentoring and training via over 1300 volunteers, all of whom are experienced private and public sector professionals.

This funding would enable The Cranfield Trust to run their Funder Plus programme with selected Triangle Trust grantees which could have a significant impact on the future sustainability of these organisations and their ability to navigate their way through future challenges.

Trustees are asked to consider if this support should only be made available to the organisations awarded Phase Two funding or if the opportunity to apply for this support should also be offered to unsuccessful applicants for Phase Two funding.

7.0 Criteria

Phase Two funding should be made available to all grantees who were invited to apply for Phase One funding and meet the eligibility criteria. This funding should again be by invitation only and will not be advertised more widely across the carers' sector. As with Phase One funding should not be attached to any outcomes beyond supporting the grantee to survive.

Lost income needs to show that it was reasonably expected by being included in the organisational budget for the current financial year (and this can be provided), has ideally been received before and shown to be proved income and is allocated to a specific cost/project rather than being used to increase levels of unrestricted reserves.

Lost income can include the following;

- **Events** – if an event that has traditionally raised a set amount of money had to be cancelled. This might be a major fundraiser that had been planned, fundraising through a marathon or other sponsored event or participation in a wider event that provides fundraising opportunities.
- **Individual Giving** – to replace a fall in donations that were expected through individual giving. Applicants will need to show that these are donations that have been received in the past and had already been added to existing expected income for the current financial year. This could also include donations from companies or through being a 'charity of the year'.
- **Earned income** – this might be through venue hire, charity shops or other social enterprises that earn organisation's money. We will also consider lost

income through contracts that have been delayed or cancelled for services delivered to other charities, schools or businesses etc. We won't consider income lost due to contracts cancelled by Government Depts for training etc.

This funding cannot be added to unrestricted reserves to build this amount up and the grant will need to be spent by the end of the applicant's current financial year.

We will only fund organisations with income over the past 3 years below £750,000 and will prioritise those with incomes below £500,000.

Applicants will also need to show that they have less than four months operational costs in unrestricted reserves.

8.0 Next steps

8.1 It is important that we ensure a quick turnaround of decision making and that grants are received by applicants as soon as possible. Therefore it is proposed we follow the same process as for Phase Two in terms of decision making. The applications will be read by the Director in the first instance and a recommendation made about whether they should be awarded a grant. The Chair and Vice Chair will then consider these recommendations and make the final decision about the awards.

8.2 The proposed timetable for these grants is as follows;

- Trustee approval of criteria - 3/12/20
- Opportunity advertised via email - by 10/12/20 (invitation to apply only)
- Deadline for applications - 22/01/21
- Funding recommendations approved by Chair and Vice Chair by - 5/2/21
- Funding awards made from - 8/2/21
- The Cranfield Trust additional support advertised – 15/2/21

8.3 Outcomes and Impact

We won't be asking grantees to identify any specific outcomes for this funding other than asking them to report back to us in 12 months' time about the difference the funding has made. We will closely follow the impact that the support from The Cranfield Trust has though and use this to help us understand if there is value in adopting this approach with them in the future.

9.0 Risks

This is a difficult time for the sector and as the Covid-19 Voluntary Sector Impact Barometer showed there will be organisations that don't survive. It may be that some of those will be recipients of this funding that still don't manage to get through the coming months. Our assessment process will aim to be as light touch as possible but still identify the organisations where our funding will make the most difference and where there will be the most chance of a positive outcome.

We may also end up having to say no to many more organisations than we did in Phase One where we approved all but one of the applications we received. This is of course part and parcel of being a charity but we will need to ensure the criteria is clear to ensure people do not waste their time. We also need to manage expectations

by being clear that the number of applications we receive will likely exceed the amount of money we have available for grants and advertise this appropriately.

It will be vitally important that people understand this is to replace expected income and not an opportunity to bid for an unrestricted contribution to running costs. So through the application process we will need to make sure we can clearly see that the lost income was expected and had been accounted for in the current annual budget which had been previously agreed by Trustees.