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Head of Policy and Partnerships
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Administration Directorate
London Borough of Hillingdon,
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15 January 2016

Dear Kevin

Proposed reduction in Hillingdon Corporate Grant 2016/17

Further to our conversations I am writing in response to the proposal to reduce the Age UK Hillingdon (AUKH) Corporate Grant by £25,000 in 2016/17.

Needless to say the proposed cut is a huge disappointment as we have continued to exceed performance targets across all our LBH contract and grant funded activity. We are fully aware of the need to provide value for money, especially in the context of the funding challenges facing Local Authorities and we have successfully used LBH funding to leverage in additional resources to increase the capacity and range of services we provide, including significantly growing our social enterprise activity. As a result, we have increased the net value of our Corporate Grant by over a third (32%) since 2010/11¹.

Despite these achievements in diversifying and growing our income we are still reliant on donations and legacies to deliver core services and cover funding shortfalls and have received a number of significant legacies which have helped build our reserve funds in line with the growth in our activities.

This means however, that a cut in our LBH Corporate Grant will affect the level of service we are able to provide. The proposed cut is therefore doubly disappointing because of the impact it will have for older residents of the Borough.

To minimise this impact we will reduce the proportion of the grant we intended to allocate to the Financial Health Checks project (£15,000) which will maintain this service at 2015/16 levels. The remaining £10,000 will be allocated against the Helping Hands project and some of these costs will be recovered by introducing a gradual annual increase in Helping Hands charges.

Charges to clients for the Helping Hands service have remained at £8 per shop since April 2011. The service was closed to new entrants in April 2014 but although the number of

¹ Grant income has increased by 29% from £229,459 to £290,000 between 2010/11 and 2014/15 but has reduced 17% to 14% as a proportion of our overall income in the same period.

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people receiving the service has fallen, any 'savings' have been more than taken up by increased salary costs, resulting in an £8,000 shortfall in 2015 which then had to be covered using our reserves. There are 75 clients receiving this service, 70 of whom live alone. Our projections indicate that increasing charges by £1 per shop will generate net income of £3,000 per annum. Any shortfall will have to be met from our reserves.

We ask that further consideration be given to the proposed cut. We would also welcome the opportunity to work with officers on a longer term plan that secures the Helping Hands service and the support it provides to some of our more vulnerable residents.

Do let me know if you need any further information or clarifications on any of the points above. I look forward to hearing from you shortly.

Yours sincerely



Peter Okali

Chief Executive Officer