

# Centre for Policy on Ageing

## **Statement on the future of CPA, made by Foster Murphy, chair of CPA governors at the CPA Annual General Meeting, Monday 29<sup>th</sup> July 2002.**

My post script to the Chair's Report on page 2 of the Annual Report gives an indication of the difficulties the Centre is facing in the current year. But, first, some remarks about individuals. We have lost our Director, Gillian Dalley, and two Governors, Ruth Lesirge and Martin Shreeve. Gillian Dalley announced her decision to leave the Centre in June and has, in effect, apart from a little tidying-up, now finished her term of office at the Centre. During her tenure she was responsible for writing and ensuring the preparation of many reports, articles and larger publications. Much of her work, as had been asked of her on her appointment, focussed on standards and quality. A Better Home Life and Fit for the Future were both 'blessed' with multi-faceted steering/advisory groups, chaired by our indomitable Vice-Chair, Kina Avebury. Gillian had to produce draft after draft to satisfy (not completely!) the differing factions. A Better Home Life has stood the test of time, but whilst quite a number of the key recommendations of Fit for the Future passed the Department of Health scrutiny, members will be aware and regret, that, no later than last week, central aspects of the report continued to be watered down. Beside these two books, much of her other work must have been easier for Gillian and she and her team produced much of quality. Gillian herself both wrote clearly and spoke cogently in the UK and beyond on a wide number of policy areas.

Ruth Lesirge resigned from the Board during the spring due to pressure of work. As a Governor, she had helped us to focus the long-term strategic issues in her first term of office. Martin Shreeve has reached the completion of his six year period as Governor and now has to stand down. During much of this period, he had run Better Government for Older People, a notably successful operation in mobilising older people's participation. I hope that Martin may accept an invitation to continue as Honorary Governor for the next year.

I would also like to ask this AGM to join me in congratulating Elizabeth Mills, Governor, on the award of an OBE for her work with Research into Ageing.

Now, back to the core difficulties of the Centre -and 'core' is the right word because our difficulties stem from the problem of 'core' funding. Members will know the Centre's historical situation. Given an 'endowment' by the Nuffield Foundation, the necessity to draw down on this in the past decade to cover core costs was masked by the rising value of the stock-market in the 90's. So if we had to take, say £200 thousand, drawing to meet our deficit, the rise in value of our holdings by a similar amount meant that our overall position appeared no worse. However, in the past four years, a combination of factors came about to hugely undermine this position:

- we had to use the endowed capital for an expensive refurbishment of the building.
- the cost of this, combined with the continuing deficit led to a larger year-on- year drawdown.
- so, this resulted in the real value of our holding declining and we further depleted our assets.
- finally, the stock market decline has come at the very worst time for the Centre.

The combination of a new Chair of the Finance Committee, Bill Rathbone and a new Finance Officer, Mark Brody, led us to have presented to the Governors the position in its stark reality and to us, beginning last autumn to undertake a thorough process of evaluation of what we should do. An 'awayday' in January, followed by extra Board meetings, led us to coming to the fundamental conclusion that the Centre could not continue as a stand- alone organisation and might not survive at all unless we explored the possibility of assuring our future through a partnership, or indeed a merger, with a compatible other organisation working in our field.

From mid-June, therefore, Alan Hatton-Yeo, the energetic and talented Director of the Beth Johnson Foundation has been working with Governors and staff to produce for the Governors a set of options for the future of the Centre. At meetings earlier today, the Centre's Finance Committee and Governors have examined Alan's report.

The actions which the Governors have agreed fall into 3 areas.

-STAFF: all staff will be given notice that their posts will be made redundant, in two stages -November 2002 and May 2003. Harsh as this is, if necessity, it is the only way that CPA can secure its immediate financial viability while more medium term actions are taken.

Members should know that detailed consultation, collectively, and individually has taken place and this will continue. I have to say to staff present, the Governors are conscious of staff commitment, loyalty and dedication and regret having to take this action. Staff have already been informed and a further meeting will be held with them tomorrow involving the Vice-Chair.

-PREMISES: after the cost of staff, the cost of the building is the next largest item in the Centre's budget. With a staff reduced in November remaining staff will all be located on the current library floor and the other two floors will be proactively marketed.

-FORWARD PLANS: Planning for the future continuance of work will fall into two parts. The Governors have asked the current Deputy Director to undertake a strategic review of the options for the library and information service in partnership with an external advisor, supported by the current IT coordinator. It is possible that a consortium might be established to manage and support the library and information service. Indeed I received this very morning a formal expression of interest by a national organisation ready to be part of such a consortium. The development of this function, with the support of an advisory group, would be a key part of a Business Development Plan, to be produced by next March. The second element would be to produce a feasibility study, further elements of the business plan and confirmed funding of the policy area of work. Two policy officers would be given a contract from November to May to complete this task with the help of an advisor and to enable plans to be integrated into an overall Business Plan for CPA. The report from Alan Hatton-Yeo suggests a strategy for CPA being an independent voice of policy around ageing in the UK.

So, the Governors are left with a very variegated jigsaw to piece together:

- ensuring the Centre does not trade illegally because of its declining finances.
- finding ways forward for its two key divisions
- exploring partnerships/a consortium
- seeking to let off some of the premises
- ensuring the proper management of the process, which involves painful personal outcomes.

We will continue to work at this, with some further support from Alan Hatton- Yeo already contracted and with a possible extension of his advice. At an appropriate time, I would suggest that a consultation meeting with members will be held and we are taking steps to issue a press release to as wider audience

In conclusion I want to thank every member of the Governing Body for the tremendous efforts they have put in on behalf of the Centre and the Deputy Director and all the staff for all the hard work they continue to put in.

Foster Murphy,  
Chair of the Governors