

MEETING: 07/09/2018

Ref: 14678

ASSESSMENT CATEGORY - Reducing Poverty

Hounslow Citizens Advice Bureau

Adv: Sandra Jones

Amount requested: £154,718

Base: Hounslow

Benefit: Hounslow

Amount recommended: £154,700

The Applicant

Established in 1999, Hounslow Citizens Advice Bureau (HCA) provides free advice services to people who live, work or learn in Hounslow. These services are delivered from three main offices, situated in Chiswick, Feltham and Hounslow, with outreach sessions provided from various community venues around the borough. In 2016/17 they undertook over 8,300 cases, an increase of 7.3% from the previous year, and took over 28,000 enquiries with over £3million of income gains through money advice and welfare benefits. The organisation has the Advice Quality Standard in addition to the National CAB Quality Advice Award.

The Application

HCA is requesting funding for an additional full-time specialist welfare benefit caseworker and associated costs to help meet a 40% increase in demand for advice since the introduction of Universal Credit and an increase in reviews and appeals with the Employment Support Allowance (ESA). Over 25% of the organisation's benefit cases are associated with the implementation of Universal Credit, which has left many of their clients being without money and at risk of homelessness, and the borough is the second highest in London with Universal Credit issues.

The postholder will undertake for more complex cases as well as train and supervise volunteers (two recruited each year).

The Recommendation

The organisation serves a very diverse and deprived community and funding will enable the service to have much needed additional capacity at a time of unprecedented demand for its services. The funding will cover the costs of a specialist caseworker, two new volunteers per annum and associated operational costs. The organisation has been overspending over recent years and so it is recommended that funding be released on receipt of satisfactory quarterly management accounts until free reserves reach target and the organisation operates at an annual surplus. A grant as outlined below is recommended:

£154,700 over 3 years (£53,000; £51,100; £50,600) for the salary of a f/t Advice Worker, volunteer costs plus related operational costs. This is subject to the funding being released on receipt of satisfactory quarterly management accounts until free reserves reach target and the organisation operates at an annual surplus.

Funding History

Meeting Date	Decision
10/03/2005	Application for a Small Grant declined as the organisation's level of income rendered it ineligible.

Background and detail of proposal

HCA is the main agency providing advice in the borough, a borough with no Law Centre and a few small organisations providing some general advice, but nothing at specialist level. (Your Committee has provided funding for Staying First to provide advice from the four main foodbanks in Hounslow but this is at generalist level and so they work with HCA when they get more complex cases.)

The postholder will provide face-to-face advice as well train a team of volunteers to increase capacity and expertise as well as act in a consultancy role for generalist HCA advisers.

Financial Information

Income for HCA decreased in 2017/18 due to a reduction in grants and contracts, with the vast majority of income coming from the local authority. There is a pattern of overspending, which has reduced the free reserves to less than one month's expenditure. Given this, your officer recommends that funding be released on receipt of satisfactory quarterly management accounts until free reserves reach target and the organisation operates at an annual surplus.

Year end as at 31 March	2017 Examined Accounts £	2018 Forecast £	2019 Budget £
Income & expenditure:			
Income	439,627	374,899	415,529
- % of Income confirmed as at 04/07/2018		%	99.7%
Expenditure	(532,266)	(432,735)	(472,664)
Total surplus/(deficit)	(92,639)	(57,836)	(57,135)
Split between:			
- Restricted surplus/(deficit)	0	0	0
- Unrestricted surplus/(deficit)	(92,639)	(57,836)	(57,135)
	(92,639)	0	(57,135)
Cost of Raising Funds	0	0	22,023
- % of income	0.0%	0.0%	5.3%
Operating expenditure (total funds)	532,266	432,735	472,664
Free unrestricted reserves:			
Free unrestricted reserves held at year end	129,934	72,098	14,963
No of months of operating expenditure	2.9	2.0	0.4
Reserves policy target	133,067	108,184	118,166
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(3,133)	(36,086)	(103,203)