

ASSESSMENT CATEGORY - Reducing Poverty**Blackfriars Advice Centre****Adv: Tania Bronstein****Base: Southwark****Amount requested: £177,050****Benefit: Lambeth****Amount recommended: £138,000****The Charity**

Blackfriars Advice Centre (BAC) offers generalist advice on several areas of welfare law as well as specialist casework, tribunal and court representation over welfare benefits, debt, housing and employment. It also runs advice surgeries in community languages, at children's centres, and from several South London venues. In 2013-14, BAC saw 6,897 new users, and conducted 24,195 pieces of advice work. Of these 46% was primarily related to debt, and many had debt as a secondary issue.

The Application

BAC seeks three-year funding to promote and deliver debt advice to Lambeth residents. It proposes to run pop-up surgeries at public venues such as markets and GP offices, as well as to outreach into community hubs to engage those not accessing debt and financial advice. The aim is to alert the public of help available, offer initial advice, and triage cases to provide follow-up expert casework support. BAC also plans to run financial capability workshops and work with statutory service providers to ensure that they refer individuals in need of advice to this project.

The Recommendation

BAC has many years' experience of providing specialist debt and financial advice, of delivering good client outcomes, and of engaging with "harder to reach" groups, and good credentials to run the project. The proposal is borne out of evidenced need and its emphasis on early intervention to prevent escalation of debt is a welcome feature. As some budget items can be delivered at lower cost, the level of grant has been adjusted without compromising the capacity to deliver the intended outcomes.

£138,000 over three years (3 x £46,000) for a f/t Debt Programme Manager and related costs to promote access to debt advice and to provide specialist casework to indebted Lambeth residents.

Funding History

Meeting Date	Decision
13/06/2002	£20,000 over two years (£10,000; £10,000) towards the salary and running costs to support small advice organisations in Southwark.

Background and detail of proposal

Research in 2012 by the Money Advice Service identified higher numbers of Lambeth residents struggling with payday and other loans than elsewhere in London, but fewer than one in five people were seeking advice over problem debt. BAC has run projects advising Lambeth tenants with rent and council tax arrears and those facing court proceedings in relation to debts. Its experience is that often people tend to seek advice over debts and financial issues when problems have spiralled out of control (e.g. following eviction). This project proposes to engage with the public in unusual spaces and use techniques not dissimilar to those used by those marketing

disadvantageous financial products, but in the opposite direction to encourage people to seek early help. At these points individuals' cases would be triaged and referred to a specialist debt advisor for further help.

Austerity and legal aid cuts have reduced availability of free debt advice in London. BAC, whose main base is in Southwark, remains one of few providers, and is now the largest independent advice service in the capital (i.e. one which is not part of a network such as CABs). BAC is currently rebranding as *Advising London*. It plans to develop services across London to meet the gap in advice services and also to broaden its funding base for greater financial sustainability. It already has a Lambeth presence, including a Vauxhall office, and a financial literacy project in local schools. Lambeth Council has commissioned BAC to run one-off projects, but does not fund it on regular basis. However, this project aligns to the Council's "Building Financial Resilience" Strategy (to which BAC contributed), and BAC plans to work towards integrating the project to local commissioning of services to ensure it is rooted locally and sustained in the longer-term.

Financial Information

Forecast income for the current year 2014/15 is £1,011,368, of which £991,368 (98%) had been secured by 15th December 2014.

Free unrestricted reserves are below the policy target, and the organisation has advised that building free reserves is a priority for the Trustee Board. However, nearly 60% of the charity's income derives from statutory sources, which are expected to contract further in the coming years. Therefore another priority of the charity is diversifying its income base over the next three years, which it advises is supported by its recent organisational restructure and new strategic plan.

The cost of generating funds has not previously been separately identified in the charity's accounts. An estimate has been provided by the charity, which it says it will review as part of its year-end accounts preparation process.

Year end at 31 March	2013/14 Audited Accounts £	2014/15 Current Year Forecast £
Income and Expenditure		
Income	1,011,849	1,011,368
Expenditure	962,144	1,046,428
Unrestricted Funds Surplus / (Deficit)	56,507	(35,060)
Restricted Funds Surplus / (Deficit)	(6,802)	0
Total Surplus / (Deficit)	49,705	(35,060)
Surplus / (Deficit) as a % of turnover	4.9%	(3.5%)
Cost of Generating funds (% of income)	20,000 (2.0%)	20,000 (2.0%)
Free unrestricted reserves		
Unrestricted free reserves held at Year End	108,110	73,050
How many months' worth of expenditure	1.4	0.8
Reserves Policy target	240,534	261,606
How many months' worth of expenditure	3.0	3.0
Free reserves over/(under) target	(132,424)	(188,556)