

MEETING: 09/07/2015

Ref: 12606

### ASSESSMENT CATEGORY - Reducing Poverty

East End Citizens Advice Bureaux

Adv: Sandra Jones  
Base: Hackney, Newham &  
Tower Hamlets  
Benefit: Newham

Amount requested: £157,354

Amount recommended: £146,900

#### The Charity

East End Citizens Advice Bureaux (EECAB) was established in January 2004 when three CABx (Hackney, Tower Hamlets and Newham) merged. EECAB offers free advice, advocacy and information from three bureaux and 46 outreach venues to people across the three boroughs. The advice includes welfare benefits; debt; housing; employment; immigration; consumer and family issues. The charity assisted over 22,000 individuals across the three boroughs in 2013/14.

#### The Application

EECAB seeks three year funding to deliver debt and welfare advice and financial capability support to Newham residents. It proposes to undertake this at the Newham office as well and outreach into community hubs to engage those not accessing debt and financial advice. This will be delivered by a full-time specialist caseworker and 10 trained volunteer advisers.

#### The Recommendation

EECAB has many years' experience of providing specialist debt and financial and welfare benefits advice, of delivering good client outcomes and of engaging with individuals who are less likely to access services. The proposal is specifically to provide a service in Newham as the charity finds it hard to sustain advice services in Newham as the level of financial support from the borough is minimal. Some of the costs in the budget appeared high, and the organisation reviewed the budget down to £176,900, with £10,000 per annum already raised. The revised request is therefore £146,900 and is recommended.

***£146,900 over 3 years (£49,200, £48,300, £49,400) towards a full-time caseworker to manage the project and project costs to provide debt and welfare rights advice in Newham.***

#### Funding History

Meeting Date	Decision
20/04/2000	Declined as the application was for a post training and advising on computer conferences. It did not fit our technical assistance priorities, as it was about trying to be a 'conferencing link' between solicitors i.e., it was a terminal to CAB network and clients.

#### Background and detail of proposal

The level of demand for financial and benefit advice in Newham is increasing, with Newham being in the top three local authorities in England, with the highest levels of income deprivation, with the highest rate of unemployment and highest proportion of residents in low paid work in London. The charity is not in a position to provide a service than meets the volume of demand in the borough, and has to turn away approximately 80 people per week. Feedback from users and initial assessments

have identified debt, money related issues and welfare benefits to be the areas that are most in demand.

The proposal will address the identified needs through a combination of specialist advice on debt, money related issues and welfare benefits, offering casework and money management and financial capability training. Ten volunteers per annum will be recruited and trained to deliver the services along with a specialist caseworker who will undertake the initial triage of clients, providing ongoing advice for the more complex cases as well as supervising the volunteers. Events and information campaigns will be targeted at the most deprived neighbourhoods in Newham to raise awareness of options and help available for people affected by welfare reform. The charity will work with local partners such as Community Links to ensure that the project is effective.

### Financial Information

EECAB advised that its Legal Services Commission (LSC) contracts ended in March 2013 due to changes in government policy. This represented 40% of its total income and greatly impacted its finances and services, so EECAB undertook a major restructure and the identification of new sources of funding.

Total forecast income in 2015/16 is £1.6m, of which £1.3m (81.8%) had been confirmed by June 2015. This includes a new contract for £220k which EECAB secured from the central government to deliver pension advice across the UK.

The cost of generating funds is not disclosed in the accounts. An estimate has been provided which is based on time spent on fundraising activities by various staff members, equating to £47,419. The Charity advised that it will disclose this figure in future accounts.

Year end at 31 March	2013/14 Audited Accounts	2014/15 Outturn	2015/16 Current Year Budget
	£	£	£
<b>Income and Expenditure</b>			
Income	1,215,758	1,405,658	1,580,643
Expenditure	1,087,572	1,266,207	1,567,593
Unrestricted Funds Surplus / (Deficit)	82,498	78,160	24,867
Restricted Funds Surplus / (Deficit)	45,688	61,290	(11,817)
<b>Total Surplus / (Deficit)</b>	<b>128,186</b>	<b>139,450</b>	<b>13,050</b>
Surplus / (Deficit) as a % of turnover	10.5%	9.9%	0.8%
Cost of Generating funds (% of income)	47,419 (3.9%)	-	-
<b>Free unrestricted reserves</b>			
Free unrestricted reserves held at Year End	163,249	241,409	266,276
How many months' worth of expenditure	1.8	2.3	2.0
Reserves Policy target	271,893	316,552	391,898
How many months' worth of expenditure	3.0	3.0	3.0
<b>Free reserves over/(under) target</b>	<b>(108,644)</b>	<b>(75,143)</b>	<b>(125,622)</b>