

**MEETING: 20/09/2017**

**Ref: 14133**

**ASSESSMENT CATEGORY - Reducing Poverty**

**Island Advice Centre (IAC)**

**Adv: Kate Moralee**

**Base: Tower Hamlets**

**Amount requested: £148,085**

**Benefit: Tower Hamlets**

**Amount recommended: £148,000**

**The Charity**

Island Advice Centre, (IAC) based in Cross Harbour Tower Hamlets, has provided legal advice in Welfare Benefits and Housing for 25 years. It held a Legal Aid Social Welfare Contract until 2012, has since been funded by BIG Lottery to deliver some Welfare Benefits case work and saw its Legal Aid Housing Contract end in 2015. It is well known and respected in the local area, holding regular contracts for the provision of advice with Tower Hamlets BC and with East End Community Foundation for a Rent Arrears Project currently.

**The Application**

The Trust is asked to support a full time welfare benefits caseworker to carry a case work load providing specialist advice to clients with complex cases and appeals, to train and supervise a team of law students to provide support to clients and to establish social policy as a key area of work raising and sharing issues with Department of Work and Pensions, Job Centre Plus and the Local Authority on the impact of policy and practice on clients.

**The Recommendation**

This is a well led organisation with an excellent reputation delivering complex welfare benefits and housing case work including appeals and attending tribunals and court cases. It complements other services in the locality maintaining its speciality and expertise of providing Legal Advice. IAC has had to respond to the removal of Legal Aid for Welfare Benefits and Housing cases since 2012, massively reducing its capacity to deliver legal case work. This proposal is in response to the increased demand (5 fold of their capacity to deliver currently) and increased complexity of cases and vulnerability of clients as a result of the impact of Welfare Reform and changes to Housing Benefit Allowances, alongside other stresses that individuals are facing. This proposal is recommended:

**£148,000 over 3 years (£48,600, £49,400 £50,000) for a f/t Welfare Benefits Case Worker, associated costs and costs for training and supporting volunteers.**

**Funding History**

Meeting Date	Decision
24/09/1998	Rejected as did not meet funding priorities.

**Background and detail of proposal**

Island Advice Centre has had to adapt to the loss of its Legal Aid funded Social Welfare Contract in 2012. It was initially successful in securing some Big Lottery funding to deliver advice services on welfare benefits, which ceased in 2016, as did any Legal Aid for the provision of Housing related case work. IAC is currently in receipt of a 3 year grant from Tower Hamlets LA to provide a variety of advice

services to local people and has a strong relationship and reputation for delivery of quality services. Therefore the charity is confident of retaining this funding for as long as it is available. However this contract only allows for the provision of 98 days per year (2 days per week) of specific Welfare Benefits Case Work. IAC currently subsidises this with one additional day per week, funded from its reserves.

IAC is also in receipt of a grant from East End Community Foundation for a Rent Arrears project (to offset the impact of losing the ability to provide Housing Case Work – supporting individuals at risk of or experiencing homelessness). It also provides advice in debt management. This project works to complement and strengthen existing services, by providing additional capacity for Welfare Benefits case work to reduce and alleviate poverty by maximising income. The organisation provides complementary services holistically for its clients.

With Welfare Reform, including Benefit Cap, Sanctions, Local Housing Allowance and the roll out of Universal Credit (Feb 2017 in Tower Hamlets) the number of individuals presenting with complex cases and increasing vulnerability has risen, with demand being 5 fold of current capacity to deliver. People are also presenting with increased mental health issues and confusion about the benefit system changes.

The Welfare Benefits Case Worker will increase capacity by carrying their own case load as well as training and supervising Law Student volunteers to be able to carry less complex case loads and provide support for the complex case loads, thus utilising resources to their maximum benefit.

Without increased capacity IAC predicts more repossession of homes, more people destitute, increased poverty, increased stress and mental health issues, increased homelessness and rough sleeping and ultimately more deaths. There are no other services in the area with the level of expertise of IAC to provide casework with welfare benefit appeals.

### **Financial Information**

IAC has experienced reducing income since 2012 due to the loss of Legal Aid Social Welfare Contracts, originally partially replaced by Big Lottery funding which ended in 2016. However it has an excellent reputation with local funders and the Local Authority and has responded well to the loss of income by reducing expenditure accordingly. IAC has free reserves above their current reserves policy and is investing in funding a trainee post in welfare rights.

Year end as at 31st March	FY 15/16	FY 16/17	FY 17/18
	Audited Accounts	Draft Accounts	Forecast
	£	£	£
<b>Income &amp; expenditure:</b>			
Income	521,996	334,109	294,525
- % of Income confirmed @22/6/17	n/a	n/a	100%
Expenditure	(504,885)	(333,298)	(340,969)
Total surplus/(deficit)	<b>17,111</b>	<b>811</b>	<b>(46,444)</b>
Split between:			
- Restricted surplus/(deficit)	4,766	0	(24,094)
- Unrestricted surplus/(deficit)	12,345	811	(22,350)
	<b>17,111</b>	<b>811</b>	<b>(46,444)</b>
Cost of Raising Funds	0	3,400	3,500
- % of income	0.0%	1.0%	1.2%
Operating expenditure (unrestricted funds)	192,927	132,777	136,107
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	117,778	118,589	72,145
No of months of operating expenditure	7.3	10.7	6.4
Reserves policy target	126,221	83,325	85,242
No of months of operating expenditure	7.9	7.5	7.5
Free reserves over/(under) target	(8,443)	35,265	(13,097)