

**MEETING: 14/11/2018**

**Ref: 14913**

**ASSESSMENT CATEGORY: Bridging Divides - Advice and Support**

**Islington Law Centre**

**Adv: Tim Wilson**

**Amount requested: £186,033**

**Base: Islington**

**Benefit: Islington**

**Amount recommended: £185,800**

**The Applicant**

Islington Law Centre (ILC) works to reduce poverty through the provision of legal advice, casework and representation to the local community. The charity delivers public legal education and works in partnership with others (including several commercial law firms who offer legal time pro bono). ILC promotes social justice through its efforts to ensure that legal services are accessible and that the law is applied fairly. The charity is based out of the local authority's former housing advice centre, giving it premises that offer room for confidential client discussions as well as sufficient reception space to provide a welcoming environment to those seeking its support.

**The Application**

ILC seeks funding for the salary and overhead costs of a new post providing welfare benefits' advice in connection to the rollout of Universal Credit in Islington. The advisor will deliver casework and representation to clients, as well as training volunteers to provide skilled reception services to prospective beneficiaries. The post-holder is expected to work with 160 clients each year, helping them claim benefits where they are entitled to do so, and representing them in the Upper Tribunal where there is a case to appeal a negative decision from the DWP.

**The Recommendation**

Universal Credit was fully rolled out in Islington in June 2018, and ILC has seen an increase in requests for support since then. The charity's concerns regard clients who have been given inaccurate advice on eligibility, where delays in benefit payments have led to rent arrears and the risk of homelessness, and the impact of welfare reform on those with mental health and disability needs. ILC notes that it is still the early stages of Universal Credit in the borough but anticipates the need to deliver more co-ordinated services that bring together advisers from the charity's housing and debt support teams. The organisation provides a valued service within borough and is well-regarded by the local authority which gives grant funding. Support is advised as follows:

***£185,800 over three years (£60,100; £61,900; £63,800) for a specialist Welfare Benefits advisor to provide client advocacy, casework, and representation as well as training of volunteers to provide skilled reception services. The grant includes funding towards the charity's overheads.***

**Funding History**

Meeting Date	Decision
07/09/2018	Unsuccessful application to the Trust's anniversary infrastructure support programme which was judged to be less strong than others submitted in the funding round.

### **Background and detail of proposal**

Established in 1972, ILC's services are well-known in the borough both because of its extensive outreach activity as well as word-of-mouth recommendations. The charity engages with faith-based organisations, sits on the Islington Advice Alliance (with Citizens Advice and Islington People's Rights) and participates in a range of community events. Its area of benefit has one of the highest levels of income inequality in London, and an estimated 33.7% of people living in poverty compared to 27% average across the capital (source: London Poverty Profile data).

Many of ILC's clients have complex needs, with hardship and mental health frequently inter-related. The charity reports an increase in demand since Legal Aid cuts, and notes that its beneficiaries would not otherwise be able to afford private legal representation. The charity will only work with clients where it believes there is a legitimate case and a good prospect of winning.

Through the proposed grant, ILC will continue to gather data on trends in service demand to identify opportunities for engagement with the local authority, with Parliamentary Select Committees and with the Law Society to promote the fair application of the law.

The charity anticipates that individual client work will require approximately 14 hours per case over three-month periods. It recognises the operating environment may be quite different in three years with further changes in Legal Aid and the potential to bid for contracts. As such, it is not currently seeking longer term funding from City Bridge Trust but is aware it could return for continuation support as a result of your new guidelines under *Bridging Divides*.

### **Financial Information**

ILC's 2017 and 2018 accounts show that free reserves are below the charity's target of 3 months' operating costs, a situation exacerbated by deficits on unrestricted funds in both years. The organisation is working to strengthen its finances through reducing operating costs and diversifying income streams. Whilst the impact of these changes will take time to fully materialise, ILC expects improvements to show in 2019 and reports that the trustee board is providing close oversight of the situation.

The costs of raising funds were not identified separately in the 2017 accounts. Whilst the charity does incur fundraising costs through staff time spent on funding applications it does not gather or report these figures. Your officer has advised that it would be good practice to do so.

<b>Year end as at 31 March</b>	<b>2017 Audited Accounts £</b>	<b>2018 Draft £</b>	<b>2019 Budget £</b>
<b>Income &amp; expenditure:</b>			
Income	1,684,676	1,461,049	1,585,547
- % of Income confirmed as at 15/09/18	n/a	100%	99%
Expenditure	(1,672,384)	(1,639,545)	(1,560,347)
Total surplus/(deficit)	12,292	(178,496)	25,200
Split between:			
- Restricted surplus/(deficit)	74,144	(150,838)	15,200
- Unrestricted surplus/(deficit)	(61,852)	(27,658)	10,000
	12,292	(178,496)	25,200
Cost of Raising Funds	0	0	0
- % of Income	0.0%	0.0%	0.0%
Total expenditure	1,672,384	1,639,545	1,560,347
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	64,854	37,196	47,196
No of months of operating expenditure	0.5	0.3	0.4
Reserves policy target	418,096	409,886	390,087
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(353,242)	(372,690)	(342,891)

