

MEETING: 14/11/2018

Ref: 14887

ASSESSMENT CATEGORY: Bridging Divides - Advice and Support

Zacchaeus 2000 Trust

Adv: Tim Wilson

Base: Westminster

Amount requested: £200,000

Benefit: London-wide

Amount recommended: £200,000

The Applicant

Zacchaeus 2000 Trust (Z2K) is a registered charity providing benefits and housing advice support across London, mainly in the boroughs of Westminster, Camden, Kensington & Chelsea and Wandsworth. The charity works to help low-income Londoners have greater control over their own lives and to secure affordable tenancies. Z2K's services include: benefits case work; representation at disability benefit tribunals; housing advice; and referrals to other specialist organisations for issues such as ESOL tuition, debt management and mental health support. The charity also provides food bank vouchers and emergency cash when benefits have been stopped

The Application

The charity seeks core funding over five years on a tapering basis (in line with your guidelines for Bridging Divides). The organisation's core services are eligible under your programme for Advice and Support. Funds will be used for client-centred casework services, of which Z2K currently manages 500 client cases annually. If funding is awarded as requested, the charity estimates it will be able to expand its services to engage a further 100 clients each year.

The Recommendation

Z2K is a well-regarded organisation delivering a significant service with complex cases typically beyond the scope of local authority contracts. It uses the learning from its client work to inform policy, identify failings in existing systems, and promote change. Funding is advised as follows:

£200,000 over five years (£50,000; £45,000; £40,000; £35,000; £30,000) towards the core costs of Z2K's advice and support work.

Funding History

Meeting Date	Decision
11/05/2017	Application rejected for failing to meet the Trust's priorities.
10/01/2017	Application withdrawn following advice from the Trust.
13/03/2014	£149,850 over three years towards the salary of one of Z2K's full-time Caseworkers and towards the running costs of the general advice service.

Background and detail of proposal

New clients are either referred to the charity or make direct contact through one of Z2Ks outreach services. The charity applies a diagnostic to determine the level of need and risk of homelessness and restricts its services to those who are either in receipt of, or eligible for, a means-tested benefit. Clients often receive more than one support service from Z2K since they typically present at crisis point where, for instance, a repossession order has been served. The charity seeks to work with

clients over time to mitigate the risk of crises occurring in the future. Following a strategic review in 2017, Z2K reduced its client numbers to deliver deeper impact with more complex cases. It gathers learning from its case work which is used as the basis of policy advice and advocacy, with recent examples including research into the impact of the benefit cap, assessment processes for disability benefits, and reform of bailiff practice.

The charity has good relations with its local authority as well as London's network as advice and support agencies. It engages in regular exchange to share learning and deliver outreach services. In addition to the advice support Z2K staff offer, tribunal clients benefit from pro bono support from several leading law firms such as Hogan Lovells.

Financial Information

Approximately two-thirds of Z2K's income is received in the form of restricted funding, but the associated costs of service delivery far exceed this, which trustees manage through a regular transfer from unrestricted funds. Their free reserves policy is to hold an amount equal to 3 months expenditure. The deficit in 2017 was therefore a planned deficit to bring reserves in line with this policy.

The costs of raising funds shown in the 2017 accounts are low. The charity notes that it currently only allocates direct expenditure (such as external fundraisers) to this line and does not otherwise apportion the cost of core staff time. It is planning to review this practice and better reflect the full costs of fundraising in future years.

Year end as at 31 December	2017 Examined Accounts £	2018 Forecast £	2019 Budget £
Income & expenditure:			
Income	459,046	626,818	789,414
- % of Income confirmed as at 5th Sept '18	n/a	81%	44%
Expenditure	(518,385)	(619,539)	(787,767)
Total surplus/(deficit)	(59,339)	7,279	1,647
Split between:			
- Restricted surplus/(deficit)	(2,463)	0	0
- Unrestricted surplus/(deficit)	(56,876)	7,279	1,647
	(59,339)	7,279	1,647
Cost of Raising Funds	1,441	23,800	36,107
- % of Income	0.3%	3.8%	4.6%
Total expenditure	518,385	619,539	787,767
Free unrestricted reserves:			
Free unrestricted reserves held at year end	153,812	161,091	162,738
No of months of operating expenditure	3.6	3.1	2.5
Reserves policy target	129,596	154,885	196,942
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	24,216	6,206	(34,204)