

MEETING: 21/03/2019

Ref: 14968

ASSESSMENT CATEGORY: Bridging Divides - Advice and Support

Citizens Advice Bureaux Service Camden

Adv: Gilly Green

Base: Camden

Benefit: Camden

Amount requested: £220,030

(Revised request: £172,210)

Amount recommended: £172,200

The Applicant

Citizens Advice Camden (CAC) provides independent, confidential, impartial and free advice and information services to people who live work or study in the London Borough of Camden and surrounding areas. Established in 1939, it provides face to face drop in and appointment sessions, via telephone and email and undertakes outreach in local health and family settings, and most recently in universities.

The Application

Universal Credit (UC) is the biggest change to the welfare system since its inception and will be claimed by 7 million families, 28% of working age households by 2022. The last 6 months has seen a 70% rise in enquiries to CAC about UC and nationally the move to UC is causing debt and hardship for many people. The DWP has recently announced *Help to Claim* - a national funding award to all Citizen Advice services to help people with their initial UC claims and up to the point of their first payment. However, restrictions placed on the funding mean that claimants cannot be helped beyond their first payment. CAC reports that many claimants, especially those working with more than one job with fluctuating incomes and zero-hour contracts are experiencing difficulties once the first payment has been made. This makes budgeting difficult and errors more likely, causing considerable hardship until resolved. Since this application was submitted, DWP has announced *Help to Claim* so the original application for general support been revised to focus on a full-time specialist advisor to help claimants after their first claim, to train volunteers to carry out advice and casework and to undertake complex casework directly.

The Recommendation

CAC is the largest generalist advice provider in the borough with a high local profile and strong track record. It is a member of the Camden Advice Partnership which brings together key organisations to provide a strategic voice. There is considerable concern that claimants whose working patterns require the continual adjustment of UC could be considerably worse off. This project has strong local networks and brand confidence and will be able to reach people, providing much needed help. It meets your outcomes by helping improve people's economic circumstances and avoid debt. Funding is recommended:

£172,200 over three years (£56,300, £57,400, £58,500) for the salary, project and management costs of a f/t specialist UC Advice Worker.

Funding History

None

Background and detail of proposal

The exclusion by the DWP's *Help to Claim* funding of helping people once a claim has been made is likely to cause considerable hardship. A specialist advisor will train volunteers to offer support at a range of outreach locations, including at foodbanks. This will not only ensure help is available but enable CAC to monitor the impact of the move to UC for those on low incomes and zero-hour contracts. CAC will collect and analyse data from its drop in and appointment services on the problems encountered and how well they are being resolved. It is the UC Practice Lead for north London DWP district, and it has received additional funding to feed back to CAB nationally on how well the migration and claim process for UC is working. As well as the benefit to individuals, this grant will help provide the evidence for this feedback process, thus contributing at an influence and policy level more broadly.

Financial Information

CAC receives approximately 90% of its income from statutory sources. Its contracts vary in length – the longest - 7 years has just been extended to an 8th year whilst the local authority prepares to tender the service. Whilst this clearly poses some risk, CAC has over 90% of its income confirmed for next year and is confident that it will continue to be funded from the LB Camden, albeit at an estimated 20% reduction. There is a significant liability (c. £2.5m) on a (now closed) defined benefit pension scheme. But trustees are actively managing this and have negotiated additional payment arrangements – renegotiated every 3 years. They are also planning changes to service delivery by reducing the number of their premises and moving more work online to bring significant future savings. Applications are in the pipeline to make up the likely shortfall for 2019/2020. The accounts do not currently show the costs of raising funds but this will be rectified when CAC changes its accountants next year. Overall, whilst a challenging situation remains, the organisation is taking significant steps to ensure its long-term future.

Year end as at 31 MARCH	Audited accounts 2018	Forecast 2019	Budget 2020
Income & expenditure:			
Income	1,093,703	1,063,362	1,164,792
- % of income confirmed as at 28 Jan 2019	n/a	98%	92%
Expenditure	(1,161,288)	(1,122,953)	(1,167,203)
Actuarial gain on pension fund	195,000	0	0
Total surplus/(deficit)	127,415	(59,591)	(2,411)
Split between:			
- Restricted surplus/(deficit)	0	12,828	8,800
- Unrestricted surplus/(deficit)	127,415	(72,419)	(11,211)
	127,415	(59,591)	(2,411)
Cost of Raising Funds	0	0	0
- % of income	0.0%	0.0%	0.0%
Operating expenditure (unrestricted funds)	622,330	598,591	577,484
Free unrestricted reserves:			
Free unrestricted reserves held at year end	358,262	285,843	274,632
No of months of operating expenditure	6.9	5.7	5.7
Reserves policy target	311,165	299,295	288,742
No of months of operating expenditure	6.0	6.0	6.0
Free reserves over/(under) target	47,097	(13,452)	(14,110)