

MEETING: 21/03/2019

Ref: 14965

ASSESSMENT CATEGORY: Bridging Divides - Advice and Support

Free Representation Unit

Adv: Geraldine Page

Base: Camden

Amount requested: £174,583

Benefit: London-wide

Amount recommended: £142,500

The Applicant

Since 1972 The Free Representation Unit (FRU) has provided free representation in social security, employment and a small number of criminal injury compensation tribunals. The charity helps people who cannot afford lawyers and for which legal aid is not available. Cases are taken from over 200 registered referral agencies. The casework is done by volunteers - mostly law students, trainee solicitors, pupillage barristers and others in the early stages of their career who come from various law practices across London.

The Application

FRU 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. Funding will be used to provide free representation in tribunals to clients who otherwise would not be able to afford it. FRU is the only specialist provider of tribunal advocacy in London and is a strategic resource for the advice and legal sectors.

The Recommendation

FRU delivers quality advice and legal case-work and representation to individuals that could not otherwise afford it and gives junior lawyers a valuable opportunity to get practical advocacy experience through volunteering. This work improves access to legal services for the vulnerable and those on low incomes. Whilst London maintains a number of independent advice providers compared with other parts of England and Wales, capacity is significantly reduced: agencies are faced with increased waiting times and making hard choices about what parts of social welfare law to deliver. FRU outcomes are positive securing many favourable tribunal decisions for claimants thus increasing their household income and improving their economic circumstances. The application fully meets the criteria for your Advice and Guidance programme, with the amount advised now reflecting the revised request for core funding:

£142,500 core funding over five years (£38,500, £33,500, £28,500, £23,500, £18,500) to provide free legal advice and representation in tribunals to vulnerable clients and those on low incomes in London.

Funding History

Meeting Date	Decision
14/11/2018	£1,000 (2.5 days x £400) to provide an eco-audit.
27/07/2017	Declined as the applicant did not provide financial information requested.

Background and detail of proposal

FRU has a handful of staff to oversee the cases and provide advice and support to the representatives, run the office and raise funds. FRU has a rigorous training

process with over 300 volunteers working on cases in any given year, the volunteers take responsibility for case preparation and advocacy in the tribunals. Although the decisions the tribunals make can affect the economic and emotional health of the applicants, legal aid or other public funding is not available for representation. Each year FRU receives more referred cases than it can represent. Few organisations can provide representation at tribunal hearings and there is a significant unmet need for advocacy because of the lack of legal aid. For example, a recent report found that in 2017 in England & Wales only 308 disability benefit claimants received legal aid assistance. This means that thousands of people who are incorrectly refused benefits must appeal without legal advice or representation at all. Research has found that having an informed representative can significantly increase the chances of winning the appeal.

Originally FRU applied for an assistant legal officer post but considering the financial challenges the charity has faced over the last couple of years your officer suggested that core funding might be more appropriate, allowing more flexibility on what the grant can be used for and a more targeted approach to sustainability. FRU Trustees considered this and revised its request to core funding. This is reflected in the recommended amount being lower than the original request.

Financial Information

The last 2 years have been financially very challenging for the FRU. It has used its reserves to maintain its service so that clients do not suffer, but that is no longer sustainable. They are implementing an action plan to stabilise its resources so that it can maintain the infrastructure that enables the casework to be delivered. Your grant will provide flexible resource to contribute to core costs. FRU are also seeking funding from other sources to enable it to employ more casework supervisors and stabilise its financial position. Your Officer recommends funding as this is an important service that offers vital support to the most vulnerable across London.

Year end as at 31 March	2018 Audited Accounts £	2019 Forecast £	2020 Budget £
Income & expenditure:			
Income	385,041	459,553	607,516
- % of Income confirmed as at 11/12/18	100%	100%	60%
Expenditure	(477,835)	(513,387)	(454,017)
Total surplus/(deficit)	(92,794)	(53,814)	153,499
Split between:			
- Restricted surplus/(deficit)	(16,530)	7,936	0
- Unrestricted surplus/(deficit)	(76,264)	(61,750)	153,499
	(92,794)	(53,814)	153,499
Cost of Raising Funds	20,883	3,502	2,456
- % of income	5.4%	0.8%	0.4%
Operating expenditure (unrestricted funds)	422,255	440,803	373,017
Free unrestricted reserves:			
Free unrestricted reserves held at year end	66,305	4,555	158,054
No of months of operating expenditure	1.9	0.1	5.1
Reserves policy target	120,000	120,000	120,000
No of months of operating expenditure	3.4	3.3	3.9
Free reserves over/(under) target	(53,695)	(115,445)	38,054