

MEETING: 25/09/2014

Ref: 12261

### ASSESSMENT CATEGORY - Reducing Poverty

Sutton Borough Citizens Advice Bureaux

Adv: Tim Wilson

Base: Sutton

Amount requested: £85,377

Benefit: Sutton

Amount recommended: £85,400

#### The Charity

Established in 1939, Sutton Borough Citizens' Advice Bureaux (SBCAB) is one of the oldest in the CAB network. SBCAB offers a telephone triage service with assessors offering signposting, online information, a call-back, or a face-to-face meeting with an adviser. The charity deals with over 11,000 enquiries each year. SBCAB provides advice both from its two Sutton offices as well as through the premises of local disability organisations, mental health charities and parent centres.

#### The Application

Over the past five years SBCAB has experienced increased demand for welfare benefit advice, with many clients seeking guidance on how they might appeal benefit sanctions. In collaboration with the College of Law, SBCAB started a Benefit Appeal Project in 2012, taking on those cases where the charity believes there is a reasonable basis for appeal, where sanctions have been incorrectly applied, and are causing financial hardship. The majority of clients supported have had a disability or a long-term health condition. The work requires skilled volunteers familiar with principles of evidence, case law and precedent - qualities that College of Law students can offer, the work being too specialist for existing SBCAB advisers. Having run a successful pilot, the charity now seeks to sustain the work through a part-time Project Manager to oversee volunteer recruitment and support caseload screening.

#### The Recommendation

Benefit sanctions can be applied when a claimant is deemed to have failed to undertake obligations to look for work or attend mandatory job placements. The management of the sanctions process has been criticised, however, by the Government's own evaluations. A July 2014 report from the Department for Work and Pensions noted problems with the existing sanction process. It stated that many letters to claimants were hard to understand, did not provide sufficient explanation why sanctions were being applied, nor outline how appeals could be made. SBCAB's project is concerned with the proper application of the law and, through improving practice in this area, saving public money by avoiding errors from incorrect sanctions. The careful selection of cases is indicated by the project's 82% appeal success rate (compared to a national success rate of less than 40%). Funding is advised as follows:

***£85,400 over three years (£27,630; £28,460; £29,310) for the salary of a p/t (18hpw) Project Supervisor plus associated costs of the Benefits Appeal Project.***

#### Funding History

Meeting Date	Decision
01/03/2007	£95,000 towards disability access improvements at Sutton Borough CABx' Carshalton and Wallington Branch.
01/03/2007	£1,550 towards an environmental audit of SBCAB.

## Background and detail of proposal

Welfare benefits queries account for over a quarter of SBCAB's gateway enquiries. The Benefit Appeals Project is a volunteer-resourced project working with clients who, in SBCAB's view, have experienced maladministration of the sanctions process and who, as a consequence, are suffering financial hardship. The volunteers benefit from the opportunity to develop their legal skills, and the charity benefits by offering a service it would otherwise lack the expertise to deliver. The proposed project will allow the charity to support 150 clients each year, and to work on Upper as well as First Tier Tribunals. It is the charity's view that the benefit sanctions process is still an emerging area of law, and that improved administration will lead to fewer appeals and therefore a net saving to the public purse.

## Financial Information

Sutton CAB, like most advice centres, is managing increased demand for its services in the context of decreasing public funding. As a result, the charity expects that its restricted reserves will be exhausted by the end of 2014-15 and the shortfall covered from unrestricted reserves. In response to its changing funding environment the organisation is seeking a greater volume of contractual, unrestricted income-generating work. The charity has been successful in this regard and anticipates an unrestricted surplus across all three years shown in the table below. Members will note that free reserves are above the charity's own target, but given the deficit on restricted reserves and the demand for service delivery, this additional buffer can be said to be reasonable.

Sutton CAB has confirmed all of its forecast income for the current year. The organisation does not identify the cost of generating funds separately in its accounts. In the meantime, your grants officer has reviewed the organisation's expenses and considers that they appear reasonable and comparable to similar charities

Year end at 31 March	2012/13 Audited Accounts	2013/14 Forecast Outturn	2014/15 Current Year Budget
Income and Expenditure	£	£	£
Income	820,483	822,195	841,368
Expenditure	818,230	813,480	827,943
Unrestricted Funds Surplus / (Deficit)	13,321	21,542	32,960
Restricted Funds Surplus / (Deficit)	(11,068)	(12,827)	(19,535)
Total Surplus / (Deficit)	2,253	8,715	13,425
Surplus / (Deficit) as a % of turnover	0.3%	1.1%	1.6%
Cost of Generating funds (% of income)	-	-	-
<b>Free unrestricted reserves</b>			
Unrestricted free reserves held at Year End	279,670	301,212	334,172
How many months' worth of expenditure	4.1	4.4	4.8
Reserves Policy target	204,558	203,370	206,986
How many months' worth of expenditure	3	3	3
Free reserves over target /(under target)	75,112	97,842	127,186