

MEETING: 28/01/2015

Ref: 12431

ASSESSMENT CATEGORY - Reducing Poverty

Nucleus Community Action Ltd

Adv: Tim Wilson

Amount requested: £149,160

Base: Kensington & Chelsea

Benefit: Ealing

Amount recommended: £150,000

The Charity

Nucleus provides housing, immigration, welfare issues and debt advice. Support is available face-to-face, by phone, and online, with Nucleus' beneficiary data showing that: 5,000; 2,500; and 2,000 clients accessed these respective services last year. The charity was established 20 years ago and whilst its initial focus was the London borough of Kensington and Chelsea, its services now extend to Westminster, Hammersmith and Fulham, and most recently Ealing where there is, relative to many other boroughs with similar levels of deprivation, very little advice service availability.

The Application

Many of Nucleus' clients engage with the charity once their debt problems have escalated. This application is for funding towards an early intervention information and advice service which will target people in areas of high deprivation, offering practical money-management advice. The charity wishes to establish a street presence, using volunteers to engage people in initial discussion of the support which Nucleus offers, following which the charity will then encourage visitors to one of the pop-up shops and cafes it will establish for the provision of personalised advice. The charity hopes, through this active outreach, to engage with 3,600 people each year, and to provide proactive support that stops debt problems from mounting.

The Recommendation

This is an innovative approach to debt advice, seeking to prevent the problem arising in the first place through the provision of money-management information. The charity notes that standard money-management training courses, whilst useful, do not often engage the most vulnerable and for this reason it is keen to establish an outreach service. The approach is currently untested at this scale, and for that reason, it is recommended that the second and third year of grant funding be conditional on evidence from Nucleus of the service achieving its objectives in years 1 and 2.

£150,000 over three years (£51,000; £49,000; £50,000) for an Ealing-based debt and money advice service with funding to cover a full-time Debt Advice Caseworker and associated project running costs. The second and third year of funding to be contingent on evidence of the charity meeting its targets for the service.

Funding History

None.

Background and detail of proposal

Nucleus believes that the relatively easy availability of payday loans has resulted in growing levels of household debt, particularly among lower-income households. The charity notes that payday lenders have employed retail marketing methods to raise

awareness of their services and to promote loans. Nucleus now wishes to mirror this approach, using retail marketing to promote money-management and debt advice. Volunteers, recruited from Nucleus' existing connections with Ealing Volunteer Centre and Middlesex University will provide the first point of contact to speak to people about the service the charity is offering on their high street. Nucleus will operate pop-up "Pound (Advice) Shops" and "No-fee Coffee Shops" where personalised support will be available on debt and money-management. Following each session, clients will be referred to self-help materials, partner agencies, or more detailed advice services as appropriate. Nucleus will target some of Ealing's most deprived wards, offering a high street service since these are locations with high footfall, and where people are likely to be spending money or thinking about money. The charity has already run a smaller pilot inside a supermarket and this received a positive response. The funding requested allows Nucleus to scale the work.

Financial Information

At 6th January 2015, Nucleus reported that £530,385 (97%) of its forecast income for 2014-15 had been confirmed.

Members will note that the charity's cost of generating funds is relatively low. Nucleus has explained that fundraising is done by the charity's manager, and by trustees who receive no remuneration. The basis on which Nucleus calculates its cost of generating funds as a proportion of manager's salary and overheads is considered reasonable by your grants officer.

Year end at 31 March	2013/14 Audited Accounts £	2014/15 Current Year Budget £
Income and Expenditure		
Income	593,532	548,885
Expenditure	537,919	524,645
Unrestricted Funds Surplus / (Deficit)	98,177	23,692
Restricted Funds Surplus / (Deficit)	(42,565)	548
Total Surplus / (Deficit)	55,613	24,240
Surplus / (Deficit) as a % of turnover	9.4%	4.4%
Cost of Generating funds (% of income)	5,589 (0.9%)	5,000 (0.9%)
Free unrestricted reserves		
Unrestricted free reserves held at Year End	255,564	279,256
How many months' worth of expenditure	5.7	6.4
Reserves Policy target	134,480 - 268,960	131,161 - 262,323
How many months' worth of expenditure	3 - 6	3 - 6
Free reserves over/(under) target	121,084 - (13,396)	148,095 - 16,933