

MEETING: 28/01/2015

Ref: 12450

### ASSESSMENT CATEGORY - Reducing Poverty

**Shelter National Campaign for Homeless People Limited**

**Adv: David Farnsworth**

**Amount requested: £178,879**  
**Amount recommended: £179,000**

**Base: Islington**  
**Benefit: Hackney**

#### **The Charity**

Shelter is a charity operating from 21 locations throughout England and Scotland. It provides specialist face-to-face housing, debt, and legal advice, advocacy and intensive support. Each year it helps over a million people who are struggling with bad housing or homelessness, and campaigns to prevent these issues arising in the first place.

#### **The Application**

Shelter seeks funding to pay for the salary, and related costs, of a Senior Advice and Guidance Worker in Hackney to provide housing, debt, and welfare benefits advice to local people in housing need.

#### **The Recommendation**

Shelter has a national profile, whilst also maintaining strong local networks. In Hackney, Shelter has an established footprint through its Legal Aid funded service, and a project funded by the Oak Foundation, advising residents impacted by the development of the 2012 London Olympic Games site. This grant would enable a Senior Advice and Guidance Worker to build on this, and increase the housing advice provision in an area of considerable need.

***£179,000 over three years (£59,000; £59,000; £61,000) towards the salary, and related costs, of a full-time Senior Advice and Guidance Worker in Hackney.***

#### **Funding History**

Meeting Date	Decision
01/05/2008	£144,000 over three years for the salary and running costs of Shelter's London children's service.
29/01/2004	£132,000 over three years for the salary and running costs of a service providing housing and homelessness advice, information and advocacy for older people in London.

#### **Background and detail of proposal**

Hackney is one of the most deprived local authorities in England. The borough faces a prevalence of issues surrounding housing and poverty. Shelter has established a new Hackney Family Support Service which focuses on preventing homelessness, and promoting access to decent, affordable homes for families with complex needs. The Senior Advice and Guidance Worker will be based in this service, and will deliver specialist advice to service users, whilst also assisting those in the wider community. The advice may be short consultations, or long-term casework. Debt and welfare advice will also be provided, which in itself will often prevent homelessness. The key outcomes arising from the funding of this post will be: more homeless families will be able to access accommodation; and more families at risk of losing their homes will be able to maintain their tenancies.

## Financial Information

Shelter has advised that preceding 2013/14 it had built up reserves as part of its 2012-15 strategy, and that the deficits in 2013/14 and 2014/15 represent planned deficits due to investments being made to increase the efficiency of its services and income generation. Rather than having a reserves policy with a target holding, Shelter advises that it carries out a detailed risk assessment to calculate possible scenarios where general reserves would need to be called upon. These have been identified as a sharp increase in expenditure, a sharp temporary drop in income or a sharp temporary excess in expenditure over income. The trustees review these scenarios and agree a reserves amount on an annual basis and deem the holding of £8,572k at 31<sup>st</sup> March 2014 to be sufficient. Investments at 31<sup>st</sup> March 2014 stood at £7,556k which are accessible if required and so are included in the calculation of free unrestricted funds.

Forecast income in the current year 2014/15 is £69,514k, of which £51,488k (74%) had been confirmed by December 2014. Income at this level represents an increase of £11,974k (20.8%) compared to the prior year, which is largely due to the receipt of a significant legacy of £9.7m. This legacy also explains the forecast increase in free unrestricted reserves of £9,259k (108%) to £17,831k by 31<sup>st</sup> March 2015. The charity advises that the legacy will be used to achieve its strategic aims of developing and improving front line services, and investment in digital technology.

The cost of generating funds for the organisation is at a high level as the figure includes the cost of running its portfolio of retail shops, as well as fundraising costs to raise voluntary income.

Year end at 31 March	2013/14 Audited Accounts £	2014/15 Current Year Forecast £
<b>Income and Expenditure</b>		
Income	57,540,000	69,514,000
Expenditure	59,845,000	60,589,000
Unrestricted Funds Surplus / (Deficit)	109,000	9,259,000
Restricted Funds Surplus / (Deficit)	(2,414,000)	(334,000)
Total Operating Surplus / (Deficit)	(2,305,000)	8,925,000
Net gain on investments	450,000	-
Net gain on revaluation	3,030,000	-
Total Surplus / (Deficit)	1,175,000	8,925,000
Surplus / (Deficit) as a % of turnover	2.0%	12.8%
Cost of Generating funds (% of income)	22,340,000 (38.8%)	24,430,000 (35.1%)
<b>Free unrestricted reserves</b>		
Unrestricted free reserves held at Year End	8,572,000	17,831,000
How many months' worth of expenditure	1.7	3.5
Reserves Policy target	-	-
How many months' worth of expenditure	-	-
Free reserves over/(under) target	-	-