

**MEETING: 24/05/2016**

**Ref: 13201**

**ASSESSMENT CATEGORY - Reducing Poverty**

**Mary Ward Legal Centre**

**Adv: Shegufta Rahman**

**Base: Camden**

**Amount requested: £125,808**

**Benefit: Several London boroughs**

**Amount recommended: £125,800**

**The Charity**

Mary Ward Legal Centre (MWLC) is a pan-London charity providing free legal advice and casework to people on a low income who otherwise could not afford to enforce their legal rights. Established in 1993, it supports over 4,000 individuals, of whom over 40% have a disability and over 60% are from Black and Minority Ethnic groups (BME). Demand for the Centre's services exceeds that which it can support, and 25% of individuals approaching the charity are turned away. The organisation reports that 90% of its cases result in a positive outcome for clients. In the last year, £950,000 of debt has been written off. For clients seeking advice about their benefit entitlements, an average increase of £84 a week in benefits was achieved, and 90% of welfare benefits appeals were found in the claimant's favour.

**The Application**

You are asked to fund the salary of a full-time Welfare Benefits Caseworker and Volunteer Supervisor (all one post) and associated project costs over three years. The post-holder would be responsible for delivering specialist advice and support around complex welfare rights issues, as well as training and supporting a team of volunteers who will provide a triage service to clients prior to seeing a Caseworker.

**The Recommendation**

MWLC has been successful in providing legal advice and casework in order to tackle poverty and disadvantage through maximising incomes, reducing debts, preventing homelessness, improving housing conditions, challenging discrimination, and improving general wellbeing across London. Often, clients will approach the organisation with multiple issues, and contact with clients can be over long periods of time with lengthy negotiations in disputes, which can lead to court and tribunal representation. A significant proportion of MWLC's work involves trying to resolve matters to prevent them reaching court in the first place. This new post will allow the organisation to widen their reach to meet the increase in demand for their services.

***£125,800 over three years (£42,100, £41,500, £42,200) for the salary of a full-time Welfare Benefits Caseworker and Volunteer Supervisor (all one post), together with associated project running costs.***

**Funding History**

None

**Background and detail of proposal**

The recent reform of welfare benefits has resulted in significant impacts on clients accessing the Centre's services. Specifically, the charity reports trends in reduced incomes due to household benefit caps and stringent entitlement rules; Council Tax arrears due to the new Council Tax Reduction Scheme; rent arrears due to the 'bedroom tax'; and losses to people on sickness and disability benefits with fewer

claimants being eligible. The new post will provide specialist welfare benefits casework to clients assessed as having complex needs. The post-holder will recruit, train and manage a team of volunteers, who will carry out triage assessments, help clients' complete forms, and follow up with them post-appointments.

Funding has been secured from Camden Local Authority for clients based in the same borough. The amount requested will allow the charity to widen its support to clients based in Islington, Hackney, Westminster, Tower Hamlets, and further afield within Greater London.

### Financial Information

Total forecast income for the current year ending 31<sup>st</sup> July 2016 is £939,289 of which £748,865 (80%) had been confirmed by April 2016. Budgeted income for the following year ending 31<sup>st</sup> July 2017 is £881,000, of which £431,000 (49%) had been confirmed at the same date.

The charity advises that income has fallen over the last five years due to the effects of cuts to Legal Aid funding following changes in Government policy. In addition to this, the value of the contract MWLC has with the Money Advice Service (MAS) has reduced, and will be lost completely when the MAS is abolished in 2018. However, the charity expects to receive funds from Capitalise for the MAS contract in 15/16 and 16/17, and expect the current contract to continue until March 2018. MWLC is also reducing staffing in response to the revision of the contract from April 2016.

Unrestricted free reserves held at 31<sup>st</sup> July 2015 were £321,756, which is equivalent to 3.8 months' worth of expenditure and below the reserves policy target of 6 months' worth of expenditure. The trustees have advised that they are actively working to increase the level of reserves through fundraising and efficiencies to reduce operating costs.

The cost of generating funds was reported as nil in the 2014/15 accounts due to relevant staff time and overheads not being apportioned to this category of spend, which the charity advises will be corrected in future. This cost has been reported in the forecasts for 2015/16 and 2016/17 as shown in the table. The charity advises that these values are low as the salary for the main fundraiser is absorbed by the sister organisation Mary Ward Education Centre.

Year end at 31 July	14-15 Audited Accounts	15-16 Current Year Forecast	16-17 Budget
	£	£	£
<b>Income and Expenditure</b>			
Income	1,052,281	939,289	881,000
Expenditure	1,017,710	986,135	858,000
Unrestricted Funds Surplus / (Deficit)	34,571	(46,846)	25,000
Restricted Funds Surplus / (Deficit)	0	0	(2,000)
<b>Total Surplus / (Deficit)</b>	<b>34,571</b>	<b>(46,846)</b>	<b>23,000</b>
Surplus / (Deficit) as a % of turnover	3.3%	(5%)	2.6%
Cost of Generating funds (% of income)	0 (0%)	16,601 (1.8%)	17,000 (1.9%)
<b>Free unrestricted reserves</b>			
Unrestricted free reserves held at Year End	321,756	274,910	297,910
How many months' worth of expenditure	3.8	3.3	4.2
<b>Reserves Policy target</b>			
How many months' worth of expenditure	6.0	6.0	6.0
Free reserves over/(under) target	(187,098)	(218,158)	(131,090)