

MEETING: 22/09/2016

Ref: 13257

ASSESSMENT CATEGORY - Reducing Poverty

Crosslight Debt Advice

**Adv: Sandra Jones
Base: Kensington & Chelsea
Benefit: Hammersmith &
Fulham**

Amount requested: £95,682

Amount recommended: £95,700

The Charity

Crosslight Debt Advice (CDA), offers a service of free face-to-face advice, education, practical assistance and ongoing support to anyone presenting themselves as having debt problems. The committee might recall that CDA applied for funding under the William Wilberforce Trust (established by the Holy Trinity Brompton) in September 2015 and was deferred until further information could be provided regarding the finances of the charity and its need for funding. The application was subsequently withdrawn "in order to submit a new proposal when the organisation has become fully independent in the near future". This has now happened.

The Application

The charity is seeking funding for the salary of the CDA Operations Manager. This post will manage the co-ordination of the work across four branches (South Kensington, central Hammersmith, Chiswick and Twickenham) including managing volunteers (currently approximately 55), operational support for the debt centres, money-management courses and co-ordinating quality assurance and compliance.

The Recommendation

CDA has been providing debt and money advice since 2009, with demand for its services increasing year-on-year. Funding as requested, would enable the charity to continue to run and expand the debt and money advice service under the auspices of the new charity. Although the new organisation has not been fully independent for a year, it has been operating the service since 2009 under William Wilberforce Trust. As stated above, CDA did apply for funding previously and your Committee made the decision that they should reapply once they are fully independent. The organisation has recently been awarded the Advice Quality Standard (AQS).

£95,700 over 3 years (£31,000, £31,900, £32,800) for the full time salary of the Operations Manager.

Funding History

None (see above)

Background and detail of proposal

CDA operates a model of supporting the client for as long as the help is required. These individuals often have very complex needs and difficult personal circumstances that require a high level of support that takes some time to resolve. The role is to advise the clients on how to become debt free, equip them to manage their own finances effectively, and to encourage them to deal with the underlying causes of their financial difficulties. This is done by offering three related services. The first is debt advice and support offering a full casework service on a one-to-one basis. In addition to debt advice, the charity also runs a programme of budget coaching with a budgeting mentor alongside 'The Money Course' - a practical course

teaching financial management and budgeting. The Operations Manager will be working to ensure that these services are co-ordinated and meeting quality standards set by the charity. In 2014 CDA took on 108 new clients in addition to its ongoing caseload of 213, which between them had £4.1m debt.

Over the last two years the charity has been working towards independence, registering as a charity in July 2015 and becoming fully financially independent since January 2016. CDA's work has not changed and it is looking to expand its services as the demand is increasing.

Financial Information

Forecast income in the current year is £167,189 of which £134,150 (80%) has been confirmed as at 11 August 2016. As a new charity registered on 25 August 2015, it has not submitted audited accounts as yet. The organisation's projected income is made up from donations, a local authority contract (both confirmed) and grants.

The charity has provided forecasts for the following two years as shown in the table below. The increase in expenditure reflects the charity's intention to employ a Client Services Manager and increase the hours of the Branch Manager in Kensington and Chelsea – these will be subject to the charity being successful raising related funding.

The cost of generating funds has not been separately identified in the charity's budget but it intends to calculate this cost for disclosure in its first year-end accounts.

<i>Crosslight Debt Advice</i> Year end at 31 December	2016	2017	2018
	Budgeted	Budgeted	Budgeted
Income and Expenditure			
Income	167,189	178,685	159,624
Expenditure	118,545	152,358	153,040
Unrestricted Funds Surplus / (Deficit)	48,644	26,327	6,584
Restricted Funds Surplus / (Deficit)	0	0	0
Total Surplus / (Deficit)	48,644	26,327	6,584
Surplus / (Deficit) as a % of Income	29.1%	14.7%	4.1%
Cost of Generating Funds (% of Income)	-	-	-
Free unrestricted reserves			
Free unrestricted reserves held at Year End	48,644	74,971	81,555
How many months' worth of expenditure	4.9	5.9	6.4
Reserves Policy target	39,515 – 59,273	50,786 – 76,179	51,013-76,520
How many months' worth of expenditure	4 - 6 months	4 - 6 months	4 - 6 months
Free reserves over/(under) target	9,129 – (10,629)	24,185 – (1,208)	30,542 – 5,035