

MEETING: 14/03/2018

Ref: 14397

ASSESSMENT CATEGORY - Reducing Poverty

Hammersmith and Fulham Law Centre

**Adv: Kate Moralee
Base: Hammersmith & Fulham
Benefit: Hammersmith & Fulham**

Amount requested: £148,500

(Revised request: £183,579)

Amount recommended: £183,600

The Applicant

Hammersmith and Fulham Law Centre (H&FLC) challenges poverty, disadvantage, exclusion and homelessness by providing people in need with legal advice and representation. A registered charity it offers legal advice and guidance in debt, housing, immigration and domestic violence. It also runs two County Court duty advice schemes and an advice project for an HIV support charity. As well as front line legal advice and representation H&FLC provides second tier advice and training, leading the local Advice Forum.

The Application

The Trust is asked to support a f/t solicitor specialising in Welfare Benefits and a proportion of organisational overheads, to develop an Anti-Child Poverty Unit. The solicitor will work closely with other advice agencies, the local foodbank and health services to actively target those most in need providing early benefits advice to support people to maintain a roof over their heads and maximise income. During the visit your officer queried the salary required to attract a solicitor with the relevant skills, expertise and experience to lead the project, and queried the on-costs included in the budget. The original request was subsequently revised (shown in the application form) to include a higher starting salary, 20% on-costs and cost of inflation over the three years.

The Recommendation

The organisation has a long history of working in the borough (since 1979) and an excellent reputation for the quality of its work. Its purpose of advising on matters relevant to those most disadvantaged in the community and for those in poverty remain a priority in 2018. Despite a long period without Local Authority funding and cuts to Legal Aid, H&FLC still provides a core advice service. H&FLC is now focussed on growing and changing the organisation in response to the increased and changing demand. This project will deliver a more holistic, multi-disciplinary approach to provide a more preventative and integrated service. This application fits well with your priority of Reducing Poverty and your officer recommends that funding be released on receipt of satisfactory quarterly management accounts until the organisation returns to a position of positive free reserves:

£183,600 over 3 years (£59,400, £61,200 £63,000) for a f/t solicitor and contribution to organisational overheads to develop an Anti Child Poverty Unit with funding released on receipt of satisfactory quarterly management accounts until the organisation returns to a position of positive free reserves.

Funding History

None

Background and detail of proposal

Child poverty is rising and poverty in the UK is changing. H&FLC is seeing an increased reliance on foodbanks, a rise in zero hours contracts, the roll out of Universal Credit and other changes to the Welfare Benefit system including Local Housing Allowance and sanctions. Many local families with children in poverty are families where one or both parents are working. The impact of the low wage and unreliable hours economy alongside the Welfare Benefit changes is creating increased hardship and difficulties. With an increase in the number of families living in the Private Rented Sector (PRS), due to the lack of availability of social housing and the local authority housing homeless families in privately rented accommodation, H&FLW are encountering an increase in the number of families evicted. The biggest cause of homelessness in the UK is ending of an assured shorthold tenancy which is exacerbated by the six weeks non payment rule of Universal Credit. This rule often results in two months arrears, court appearance and possession order. A crisis response at this stage generally cannot prevent the eviction.

H&FLC intends to provide a weekly advice line, outreach advice, train volunteers and develop information and advice packs to support people to navigate the complicated welfare system. Working in partnership with other services in the local area eg, GP surgeries and healthcare professionals, foodbank, H&FLC will be able to provide advice and support earlier and prevent cases getting to court. Assistance will be given to apply for benefits, appeal incorrect decisions and represent people at tribunals and court. These earlier interventions will result in better chances for children maintaining a secure roof, increasing income to alleviate poverty and providing support to manage any debt.

H&FLC leads a thriving Advice Forum and works collaboratively to develop an effective advice network across the borough. Their approach is one of education and empowerment to reduce poverty and exclusion. The supervising solicitor demonstrates effective leadership and is keen to explore health/justice partnership work in Australia and Canada (through support from The Winston Churchill Memorial Trust) which improves access to legal advice and creates a much more joined up and holistic approach, with the aim of replicating the projects locally.

Financial Information

H&FLC has moved from a position of small deficit to a growing surplus, the direction of travel is positive. H&FLC have operated hand to mouth since the reductions in Legal Aid in 2013 and have not received any financial support from the Local Authority for 8 years, until 2016. The senior staff and Management Committee receive monthly management accounts and a thorough cash flow forecast has been submitted which predicts a growing surplus. H&FLC has an excellent relationship and long-standing overdraft facility with its bank, which it has used when necessary.

H&FLC had a period without a finance officer which resulted in misinformation provided to the auditors and led to the accounts being restated two years running. The restatements were because of inaccurate estimate of disbursements, for income for Legal Aid work which are immediately paid out to Counsel for representation in court.

The current position for 2018 is accurate as a new finance officer has been appointed and thoroughly checked the disbursement position. H&FLC have also

appointed a solicitor for four months to work through a backlog of billing which was creating a cashflow issue.

H&FLC has recently secured a £10,000 grant from London Legal Support Trust to become a Centre of Excellence, which it is hoped will provide further opportunity for income generation. H&FLC has recently moved office, incurring costs, however the Council is considering covering these costs, it has also recently secured a 10-year contract with the LA to provide housing advice which is outside scope and deliver some strategic work across the borough, providing long term stability.

Year end as at 31st March	FY 17	FY 18	FY 19
	Audited Accounts	Forecast	Forecast
	£	£	£
Income & expenditure:			
Income	351,060	370,744	362,169
- % of income confirmed @ 31/1/18	n/a	n/a	49%
Expenditure	(346,370)	(351,213)	(345,640)
Total surplus/(deficit)	4,690	19,531	16,529
Split between:			
- Restricted surplus/(deficit)	0	0	0
- Unrestricted surplus/(deficit)	4,690	19,531	16,529
	4,690	19,531	16,529
Cost of Raising Funds		2,412	2,412
- % of income	0.0%	0.7%	0.7%
Operating expenditure (unrestricted funds)	156,568	170,526	153,875
Free unrestricted reserves:			
Free unrestricted reserves held at year end	(11,586)	7,945	24,474
No of months of operating expenditure	-0.9	0.6	1.9
Reserves policy target	39,142	42,631	38,469
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(50,728)	(34,686)	(13,995)

