

**ASSESSMENT CATEGORY - Reducing Poverty**

**Child Poverty Action Group**

**Adv: Kate Moralee**

**Amount requested: £131,834**

**Base: Hackney**

**Benefit: London-wide**

**Amount recommended: £130,000**

**The Applicant**

Child Poverty Action Group (CPAG) is one of the key national voluntary sector campaigning organisations working in the field of child and family poverty. It has a vision of a society free of child poverty where all children can enjoy a childhood free of financial hardship, with a mission of promoting action to prevent and end poverty among children and families. Established in the 1960's, it has a long track record in highlighting child poverty issues. The key aims of the charity are to raise awareness of the causes, nature and impact of poverty, to promote strategies for prevention and eradication, to bring about policy change and to enable those who are eligible to access their full benefits entitlements. It also provides accurate information, training and advice to people who work with families experiencing poverty. Current objectives (2017 to 2020) include the development of a programme of evidence-based, solution-focussed policy and research, communications and campaigns on child poverty.

**The Application**

The Trust is asked to support a Universal Credit (UC) London Welfare Rights Worker and associated project costs including training bursaries for 50 London organisations working with disadvantaged communities; and the production and distribution of 50 UC handbooks to build the capacity of frontline workers to maximise financial entitlements of Londoners living in poverty.

**The Recommendation**

CPAG has a long history of delivery and an excellent reputation across the advice and guidance sector. It provides expertise and specialist advice to frontline workers through a range of publications, training, helpline and email response services. It also has direct experience of providing advice to claimants in an area transitioning to UC through a Foodbank Advice Project in Tower Hamlets (2015-18). Although it is a national organisation this request has been informed by the increase in demand from front line advice workers in London who are facing the roll out of Universal Credit across all boroughs in 2018 and the transfer of "legacy benefits" to UC by 2022. CPAG will use its existing networks, including leading the London Child Poverty Alliance, to target smaller, localised community organisations delivering advice to specific communities of interest. Your officer recommends that funding be released on receipt of satisfactory quarterly management accounts until free reserves reach target and the organisation operates at an annual surplus, as currently it has low free reserves and a history of unrestricted deficits. Funding is recommended as follows:

**£130,000 over 2 years (2 x £65,000) for a f/t Universal Credit London Welfare Rights Worker, plus associated project costs including training bursaries and UC handbooks for 50 London organisations. Release of the grant is subject to receipt of satisfactory quarterly management accounts.**

## **Funding History**

<b>Meeting Date</b>	<b>Decision</b>
06/09/2007	£8,000 towards the costs of investigating the impact on families with disabled members of recent changes in social welfare policy and practice.

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

With the roll out of UC across London in 2018 and the transfer of existing claims to UC by 2022 more than half a million families including 680,000 children will be impacted. Currently UC results in families with children becoming on average £960 a year worse off, with lone parents £2,380 worse off.

UC is incredibly complex and there have been well documented difficulties which have led to widespread confusion resulting in a significant increase in demand for support from front line workers. In 2017 29% of calls and 38% UC email queries to CPAG were from London. Two seminars were over-subscribed and a UC conference had 175 attendees. This project responds to that increase in current and projected future demand, building the capacity of voluntary and community organisations supporting Londoners living in poverty. It will enable the collection and collation of information, issues, trends and data from advice providers across London and use established links with DWP to negotiate solutions that may benefit all UC claimants across the city. It adopts a solution focussed early intervention approach, producing resources to support community organisations to prepare their communities for UC, supporting communities to act earlier to prevent crisis, by working with local councillors, MP's and local press as well as local civil society organisations.

The project will complement other areas of services offered by CPAG in London including dissemination of learning from its successful Foodbank project, its Early Warning System project, working with panels of families to develop strong qualitative evidence to influence systemic change, its London Child Poverty Alliance, Social Security Consortium and End Child Poverty Coalition engagement, policy and influencing work.

### **Financial Information**

Although CPAG has a recent history of unrestricted deficits it has responded to this with an organisational restructure reducing expenditure and development of its IT infrastructure (supported in part through a grant from Legal Education Foundation) to make the organisation fit for the digital world and increase sustainability through developing new digitalised products. Your officer recommends that funding be released on receipt of satisfactory quarterly management accounts until free reserves reach target and the organisation operates at an annual surplus.

<b>Year end as at 31 March</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>Audited Accounts</b>	<b>Forecast</b>	<b>Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income &amp; expenditure:</b>			
Income	3,071,805	3,354,515	3,349,000
- % of Income confirmed as at 20/4/18	n/a	100.00%	52%
Expenditure	(3,176,779)	(3,347,478)	(3,349,000)
Total surplus/(deficit)	(104,974)	7,037	0
Split between:			
- Restricted surplus/(deficit)	(10,457)	4,027	0
- Unrestricted surplus/(deficit)	(94,517)	3,010	0
	(104,974)	7,037	0
<b>Cost of Raising Funds</b>	248,667	88,152	90,000
- % of Income	8.1%	2.6%	2.7%
Operating expenditure (unrestricted funds)	2,079,157	2,154,581	2,112,000
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	239,881	242,891	242,891
No of months of operating expenditure	1.4	1.4	1.4
Reserves policy target	900,000	900,000	900,000
No of months of operating expenditure	5.2	5.0	5.1
Free reserves over/(under) target	(660,119)	(657,109)	(657,109)

