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**CITIZEN ADVICE BUREAU FUNDING**

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**Responsible Cabinet Member – Councillor Jenny Chapman, Communities and  
Engagement Portfolio and Councillor Stephen Harker, Resources  
Responsible Director – Lorraine O'Donnell, Assistant Chief Executive**

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**Purpose of Report**

1. This report presents a request for funding received from the Citizen's Advice Bureau (CAB).

**Summary**

2. A one off contribution is sought by the CAB to prevent the trustees having to radically reduce the CAB's provision of services. This follows an exceptionally challenging year for the organisation which is currently seeking to develop a sustainable medium term business plan.

**Information and Analysis**

3. Darlington Citizens Advice Bureau was established nearly 70 years ago and is part of a national network of Citizens Advice Bureaux. As an independent charity and company limited by guarantee, it is managed at an organisational level, by a Board of Trustees and, on a day to day basis, by the Manager and number of staff and volunteers.
4. Citizens Advice works to provide a series of services which make clear to clients their legal rights, courses of action available to them and their consequences, and supports the clients in their chosen course of action.
5. In the main these services cover Money Advice and Welfare Benefits Advice and these are delivered from two offices based in the centre of the town. The main office, which is rented from Darlington Borough Council, is situated in Bennet House.
6. In 2005/06 the Bureau received around 11,000 enquiries from nearly 6,000 individuals. This represents about 6% of the population of Darlington. It is anticipated that the demand for the services offered will continue to grow.
7. The Bureau Manager and trustees of CAB met the Leader of the Council, the portfolio holder for the voluntary sector and officers of the council on 10 September to request that that the council increases its level of support to CAB. It was agreed that the Council's Assistant Chief Executive work with the Bureau Manager of CAB to produce a business plan that the council could consider supporting.

8. Two meetings have been held on 25 September and 16 October. At the latter meeting, actual financial data at the half year position was presented with projections for the end of year. It became clear that:
  - (a) CAB has pressing financial difficulties this year. Without support, trustees will have to take decisions to reduce services and lay off staff. The post of Bureau Manager is under threat;
  - (b) whilst there is obviously a link between the short term financial problems and the development of a sustainable medium term business case, the immediate focus needs to be on this year's outturn.

### **Short term issues**

9. CAB currently has approximately £7k reserves, which is lower than the expected 3 months of operating revenue thought prudent by national bodies including the Charities Commission.
10. CAB expect to be £33.5k overspent on current projections by the year end. This is largely from loss of income on Legal Services Commission (LSC) contracts and redundancy costs for staff.
11. As a company limited by guarantee, trustees are required by law not to let the bureau trade while insolvent. Whilst a deficit can be carried over to the next financial year, a clear exit strategy from the deficit must be in place. The method proposed by the Bureau Manager is to seek £20k additional funding from the council, pay no rent on the Old Town Hall (equivalent to an additional contribution from the council of £7.4k) and use £6.1k of reserves.
12. The request is in fact for a financial contribution of £27.4k covering the real cost of the rent.

### **Outcome of Consultation**

13. This report has arisen from consultation with the Bureau Manager and trustees of the Citizens Advice Bureau.

### **Legal Implications**

14. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

15. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

## **Council Policy Framework**

16. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

17. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

## **Conclusion**

18. Without one-off support from the council, CAB's trustees are faced with decisions to downsize their organisation. In their view, it is not possible to do so and maintain service provision. It is vital for ongoing viability that the organisation does not lose money on contracts and this is a fundamental aim of the current work to develop a sustainable medium term business plan.

## **Recommendation**

19. It is recommended that :-

- (a) members support the request for one off funding of £27.4k to enable CAB to develop a sustainable medium term business plan;
- (b) officers continue to assist the CAB in developing the business case;
- (c) continued core funding is contingent on the strength of the business case.

## **Reasons**

20. The recommendations are supported by the following reasons :-

- (a) to enable the CAB to continue to provide advice to Darlington residents;
- (b) to enable sufficient time to be devoted to developing a viable business case.

**Lorraine O'Donnell**  
**Assistant Chief Executive**

## **Background Papers**

There were no background papers used in the preparation of this report.

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