

CBC proposed funding cuts – impact on Derbyshire Law Centre

Date of report:

15th Feb 2023

Purpose of Report

To outline the impact of the proposed funding cuts on the service provided to CBC by Derbyshire Law Centre.

Background

On 6th November 2023 DLC were called to attend a meeting along with DUWC and Chesterfield Citizens Advice, where we were informed that a paper would be going to Cabinet on 14th November. The paper contained recommendations to phase out funding to our organisations. We were subsequently informed that the proposal was to phase out our grant over a 2-year period with an initial proposal of 50% per annum for the next 2 years, with an option to consider alternatives.

We were invited to take part in the consultation process and to attend further meetings on 29th November and 18th January, offers which we accepted.

We were given opportunity at these meetings to comment on the proposals and to ask questions. There was a clear recognition that the proposed cuts would have an impact on our organisations and that CBC would work with us to minimise this impact. We were given the opportunity to look at how we wanted the remaining funding to be paid.

At the meeting on 18th January, we informed CBC that we would like to receive 50% for the year 24/25 and 50% for the year 25/26, having decided that this option would have less impact than any alternatives, enabling us to plan for the next 2 years and apply for future funding in the longer term. A more drastic reduction in a short time would have had greater impact on our organisation and our ability to deliver services. That is not to say that this reduction will not impact DLC and this paper will set out in more detail how this cut and the subsequent lack of funding for year 26/27 and beyond when funding will cease will impact the organisation and the residents of Chesterfield who benefit from our service.

Core information/issues

Derbyshire Law Centre has received funding from CBC since its inception in March 1989 after Derbyshire County Council and Chesterfield Borough Council identified that there was a need for a Law Centre to be set up in response to meeting local needs. Since this time DLC has grown from 4 workers to over 30. Over the last 34 years the Law Centre has evolved and changed but our ethos and commitment to our local communities remain the same. We have grown considerably and are proud that, from our base in Chesterfield, we are now able to offer advice and assistance across the county of Derbyshire.

We are extremely grateful for the support, both financial and otherwise that the Borough has consistently given us.

We also appreciate that the Borough is facing greater pressures on its own budget.

However, we have prepared this report to highlight our concerns at Chesterfield Borough Council's proposal to phase out funding to DLC over the next 2 years, with a 50% reduction being proposed from April 24.

CBC has consistently awarded £41697 to DLC as core funding since April 2016. This has never increased, effectively being a cut each year towards our ever-increasing costs. Our salaries are based on NJC scales and so incur the same inflationary increases as CBC, so you may understand the pressures. Had income from CBC increased in line with inflation, by April 2024, we would be receiving £54252. So instead of a 50% cut, in real terms, we are looking at a cut of 78%.

We believe that the funding that the Borough provides us, in conjunction with other core funding allows us to draw in much more funding from other sources and enables us to achieve a high rate of successful outcomes for the residents of Chesterfield and assist the Borough Council in meeting key outcomes.

We would like an opportunity to highlight the related impact that these proposals will have for Chesterfield Borough's residents.

Loss of CBC funding will in general terms:

- reduce our capacity to lever in additional funding from outside Chesterfield Borough.
- put further pressure on our ability to operate legal aid contracts across Derbyshire for the benefit of residents on low and unstable incomes.
- affect future staffing levels, reducing capacity.

Core funding from Chesterfield Borough Council enables the Law Centre to:

- For every £1.00 of Local Authority Core funding, of which CBC is 25%, DLC brings in £7.22.
- Advise, assist, and represent many residents across Chesterfield Borough on social welfare law that improves their health and well-being.
- Continue to be the only Derbyshire-based legal charity to operate legal aid in Chesterfield and across Derbyshire for the benefit of residents on low and unstable incomes.
- Subsidise 3 Legal Aid Contracts across Chesterfield Borough, soon to be 4. Legal Aid has not risen in line with inflation since fixed fees were introduced in 2013 at a time when, since then, inflation has increased 31.48% cumulatively* All private practice legal firms in Chesterfield have pulled out of administering legal aid in social welfare law, save for Family law.
- Pay for overheads and management costs.
- Pay for telephone assessment service that is crucial in delivering specialist legal services in social welfare law – the fundamental basic needs that each resident with low and unstable income have in ensuring that:
 - They and their families have a roof over their heads,
 - They, as employees with unstable incomes, insecure/inferior contracts of employment, have access to free specialist legal service to enforce their rights in work including recovery of wages owed to them, holiday, redundancy, and maternity pay.
 - Income is released via help with managing complex debt matters,
 - Migrants and refugees have the right to stay and be reunited with their families in Chesterfield and Derbyshire,
 - Discrimination is averted and prevented.

Employ a specialist team of legal advisers, including 7 solicitors, supported by project staff, support staff, coordinators, and volunteers.

In addition to the above general impact, we would like to highlight the more specific impact that loss of funding will have:

The following STATS show that DLC usually achieves the targets set out by CBC in the SLA.

STATS for the last 5 years

Target	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
CBC To advise 1500 residents	1644	1185	1511	1735	1264 (to 31.12.23)
CBC To assist 350 residents	429	315	349	443	247 (to 31.12.23)

DLC would like it acknowledged that a 10% funding cut was received back in 2016 and that despite this cut, targets remained the same and have been consistently set as above.

The proposed reduction in funding would NOT impact on our ability to take enquiries and we would not turn away any CBC residents at this point.

What happens next, however, would be impacted as follows:

- We won't have the capacity to move all CBC resident enquiries to specialist advice or a full casework service. This will mean that some residents will be forced to turn to national services or local councillors for advice.

For the years 24/25 and 25/26 when we will be receiving 50% of the previous amount of grant, we would be looking to set targets at:

1. To advise 1500 residents
2. No targets for number of residents assisted – all focus will be on enquiries and caseworkers will be diverted elsewhere, except for legal aid funded or project funded cases.

For subsequent years where DLC is receiving no core funding, there will be no Service Level Agreement and so no targets. Any reporting will be carried out in line with DLC's internal requirements only.

Project monitoring will continue as per each project's SLA.

In addition, DLC has consistently met targets in schedule 1 contributing to CBC's council plan priorities.

Since some of the targets outlined in schedule 1 are not connected to DLC's core service or mission any reduction in funding from CBC would certainly impact our ability to meet these and the council would need to look for other ways of meeting these priorities. Any funding provided from CBC would be used to deliver core services in line with our mission aims and objectives.

* [UK Historical Inflation Rates - 1988 to 2024 | Inflation Rate and Consumer Price Index \(rateinflation.com\)](https://rateinflation.com/uk-historical-inflation-rates-1988-to-2024/)

See below

The highlighted areas show those actions that would cease/reduce without CBC funding.

As above reporting to CBC on the above will continue for years 23/24 and 24/25 but will cease thereafter.

**Service Level Agreement between Chesterfield Borough Council and Derbyshire Law Centre
Work Programme for Service Delivery**

Details of activity undertaken/to be undertaken in 2023/24, the Measures and Targets; Milestones; and, Actions and Achievements to date against Measures and Targets

CBC Council Plan Priority	CBC Council Plan Objectives	Measures and Targets	Milestones	Actions and achievements to date
		<i>Please identify the measures and targets you will put in place to assist CBC in the delivery of the Council Plan objectives</i>	<i>Please identify key dates/actions/events expected in the coming year to help deliver measures and targets.</i>	<i>Please leave blank – this column will need to be completed for monitoring purposes half way through the financial year</i>
To make Chesterfield a thriving borough	To strengthen the distinctive character and vibrancy of our town centres	N/A		
	To build a competitive place infrastructure that accelerates employment and housing growth	N/A		
	To develop Chesterfield’s role as a visitor destination and as a base for exploring the surrounding area	N/A		
	To help businesses to grow and secure new investment in the borough	<ul style="list-style-type: none"> • Use local suppliers where possible 		
		<ul style="list-style-type: none"> • Hire local locations for events and meetings 	<ul style="list-style-type: none"> • Business planning day • AGM • Away days 	

		<ul style="list-style-type: none"> Continue to rent premises in Chesterfield Town Centre 	<ul style="list-style-type: none"> Signed leases 	
		<ul style="list-style-type: none"> Continue to employ 32 staff with a view to recruiting further staff to meet service demands 		
To Improve the quality of life of local people	To progress our Climate Change target to be a carbon neutral borough by 2050	<ul style="list-style-type: none"> Use local suppliers where possible 		
		<ul style="list-style-type: none"> Encourage participation and hosting of online meetings and events 		
		<ul style="list-style-type: none"> Cycle to work scheme 		
		<ul style="list-style-type: none"> Continue to support staff who use public transport 		
		<ul style="list-style-type: none"> Encourage car share and use of public transport to meetings and events 		
		<ul style="list-style-type: none"> Review current policies around sustainability and commit to doing more 	<ul style="list-style-type: none"> By end of quarter 3 	

<p>To help people to be healthier and more active</p>	<ul style="list-style-type: none"> To improve health & well-being of the people in Chesterfield Borough through provision of free specialist legal advice service. 	<ul style="list-style-type: none"> Impact report included in annual report 	
	<ul style="list-style-type: none"> Continue to work in partnership with advice agencies to ensure that Chesterfield residents have a smooth access to advice services and services match the needs of clients 		
	<ul style="list-style-type: none"> Explore partnership work with additional agencies 		
	<ul style="list-style-type: none"> Stakeholder engagement 	<ul style="list-style-type: none"> Investigate use of focus groups 	
	<ul style="list-style-type: none"> Commitment to own staff wellbeing by providing access to online support resources and providing a dedicated support worker for each member of staff 		

		<ul style="list-style-type: none"> • Cycle to work scheme 		
	To ensure local people have the right skills to support progression in the labour market and benefit from future employment opportunities	<ul style="list-style-type: none"> • Provide volunteering opportunities 	<ul style="list-style-type: none"> • Implement a 4 year volunteering programme (dependant on securing funding from volunteering project bid) 	
		<ul style="list-style-type: none"> • Provide work experience opportunities 		
		<ul style="list-style-type: none"> • Learning and development opportunities for staff 	<ul style="list-style-type: none"> • Provide all staff with a learning budget for each financial year 	
		<ul style="list-style-type: none"> • Opportunity to join the Management committee 		
		<ul style="list-style-type: none"> • Invest in social welfare lawyers of the future and commit to employ trainee solicitors 		
	To help improve housing standards for all	<ul style="list-style-type: none"> • Work in partnership with CBC on serious disrepair issues to 	<ul style="list-style-type: none"> • Quarterly outcome report 	

		improve clients' quality of housing.	<ul style="list-style-type: none"> • Full review at 12 and 18 months to determine future funding commitment requirements 	
	To help people to feel safe in their communities	N/A		
Building a more resilient Council	To be financially sustainable	<ul style="list-style-type: none"> • Continue to secure funding from outside Chesterfield Borough for the benefit of Chesterfield's residents. 	<ul style="list-style-type: none"> • Ongoing 	
		<ul style="list-style-type: none"> • Provide value for money (every homelessness prevention saves CBC £5000) 		
	An effective and resilient workforce	N/A		
	To embrace new ways of working and maximise potential from our assets and partnerships, and respond to key challenges	<ul style="list-style-type: none"> • Continue to attend meetings with CBC housing officers and Cabinet members. 		
		<ul style="list-style-type: none"> • Provide CBC with an impact report to provide updates on the benefits of funding 	<ul style="list-style-type: none"> • Impact report included in annual report 	

		(Additional to monitoring reports)		
		<ul style="list-style-type: none">• Inform CBC of MACRO trends and issues identified by DLC that have the potential to affect CBC residents	<ul style="list-style-type: none">• Information submitted to CBC as required where social trends are identified for consideration by CBC	

Other information

It should be noted that DLC is a specialist advice agency receiving referrals from other agencies. 10% of enquiries we get from Chesterfield residents come from Chesterfield CAB referrals.

We would also like to raise concerns regarding the potential cuts to all advice agencies at the same time.

With proposed cuts to multiple agencies the knock-on effect will be even greater as each agency will have less capacity. Unable to receive help at 1 agency, people in need will try another agency and so on but with possible reduced services at each agency there will be a cumulative effect and the knock-on effect will be even greater.

Case studies

We provide the following case study to highlight the work that CBC funding allows us to carry out. Any cut in funding risks this type of work being not being able to be undertaken as it will rely on DLC being able to secure funding from elsewhere.

MM

We were made aware of MM 2023 after she was referred to DLC by Chesterfield Borough Council homeless team the same day.

We contacted MM the same day and took instructions. She is a national of Zimbabwe in the UK as a spouse. She had been experiencing prolonged domestic abuse leading to the breakdown of her relationship on . She was assisted by the police in leaving the marital home and was accommodated in a service station hotel for 2 nights.

She had been asked to leave her room as her accommodation had run out from the police.

An Immigration Caseworker visited MM the same day to complete an immigration application that would give her access to public funds and with help from the Housing Unit, it was agreed that MM would be accommodated out of goodwill by CBC whilst awaiting a decision on her application.

Following our application on her behalf MM was granted the Destitution Domestic Violence Concession allowing her access to public funds.

CBC were notified and were able to provide more long-term accommodation for MM. This enabled her to start her recovery from the traumatic experience and return to work.

MM has since been working closely with her Immigration Caseworker to submit her application for settlement as a victim of domestic violence.

All this was made possible by the unrestricted funding that DLC has.

Although DLC has a good relationship with local domestic abuse charities they were full and therefore there was at the time of greatest urgency only DLC supporting the client. Without this support it is highly likely the client/victim would have returned to the perpetrator.

DLC also deal with many queries daily that our specialist legal advisers will assist with, these may not be areas of law that we deal with however through our legal training we will recognise the area of law that applies. We have relationships with other local solicitors that we have set up through years of joint working. For example VHS solicitors specialise in criminal law and we can make quick direct referrals to them. We have a similar relationship with Vines solicitors who have agreed a fixed fee for family law advice for clients we refer.

Conclusion

We appreciate that the decision to phase out funding will not have been an easy decision for CBC and we are appreciative of the funding we have continued to receive.

We remain committed to helping the residents of Chesterfield with the resources we have and will continue to seek funding from a variety of sources.

We would like to seek assurance from the council that, should things change in the future, the council will reconsider providing funding to DLC.