LONDON LEGAL SUPPORT TRUST CENTRES OF EXCELLENCE (COEX) ANNUAL REVIEW 2023

London Legal Support Trust

Centres of Excellence (COEx) Annual Review 2023

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1. Introduction

- 1.1. This report sets out and analyses the results of the annual survey of agencies supported by LLST under its Centres of Excellence (COEx) programme. It builds on the results of three previous surveys, conducted in 2020, 2021 and 2022 and compares findings and trends.
- 1.2. The COEx programme provides core funding and support for free specialist legal advice agencies in London and Home Counties, to help them become stable and remain viable.
- 1.3. In 2023 the programme's membership was expanded from 38 agencies to 43.
- 1.4. All but one of the COEx programme agencies responded to a survey conducted in late 2023. The survey was conducted using the on-line Survey Monkey tool and was split into three parts.
- 1.5. This review provides an important snapshot of the state of the free specialist legal advice sector in London and South East. It is unique in that it provides annually comparable information about a diverse range of free legal advice agencies and the political, economic, social, technological, staffing, volunteering, governance, finance, funding, and risk issues they face. Core survey questions have remained consistent for the past four years, supplemented by specific lines of enquiry as COEx agencies negotiated the rough waters of the Covid-19 pandemic, followed by the cost-of-living crisis.
- 1.6. The results will inform the Trust's COEx programme in 2024 and beyond. They will also be of interest to policy and strategy makers, advice networks and advice service funders. LLST is currently undertaking a full review of the COEx programme, and this report along with previous survey findings will help inform this process.

2. Headline Findings

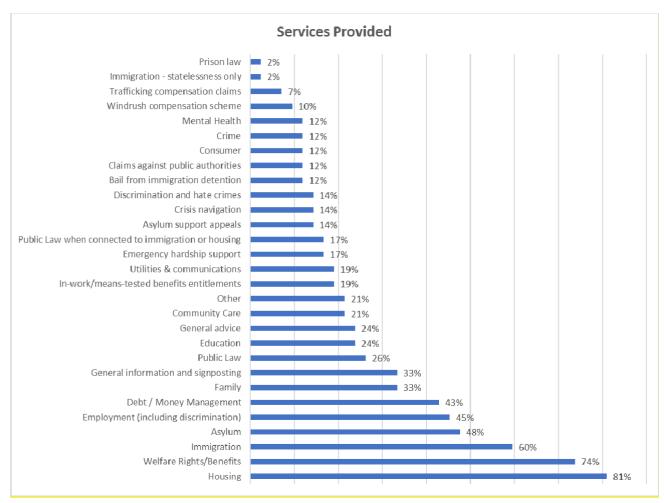
- 2.1. The 42 COEx agencies responding to the survey assisted **187,028 individuals** in the last full year for which figures were available. This is almost the same number as in 2022, but there were four (9%) more respondent agencies in 2023.
- 2.2. The number of cases or matters dealt with by COEx agencies increased by 6% from 156,527 in 2022 to 165,685 in 2023¹. The main topics advised on were welfare benefits, family, housing, general advice, immigration, debt/money, 'other', employment and emergency hardship support. There was a fall in the number of family and employment cases.
- 2.3. There were further **shifts in 2023 in delivery channels**. Telephone, which had risen to account for 78% of services in 2022, fell to 59%, as face-to-face, in-person services recovered to 16%. In-person still only equates to less than half of its pre-pandemic level.
- 2.4. The **cost-of-living crisis**, continued to lead to high demand, increasing complexity of cases and clients in very difficult and desperate circumstances. Positive outcomes were more difficult to achieve, with many clients having negative budgets despite maximised incomes.
- 2.5. **Hardship, debt and housing problems** were high for many respondent agencies, with inflated prices, rent and mortgages cost increases and more people being evicted.
- 2.6. Consequently, the **mental health** of many clients was negatively affected, and agencies reported more and more **safeguarding** issues. This in turn took its toll on many COEx agency staff and volunteers, who bore the brunt of client frustration and desperation.
- 2.7. COEx agency staff were themselves struggling with the cost-of-living. As much grant and contract income did not increase with inflation, **salary increases were pegged** and lower-paid staff struggled to make ends meet.
- 2.8. Some COEx agencies reported **staff recruitment and retention difficulties** a widespread and on-going issue for the advice sector. However, the engagement of volunteers was a little more positive with fewer agencies seeing a reduction and 48% reporting a growth in volunteer numbers.
- 2.9. The **generosity of some funders** helped some COEx agencies cope with the cost-of-living crisis, but this was by no means universal. Many funding streams, legal aid being singled out, have become seriously devalued and are failing to cover costs of service delivery.
- 2.10. COEx agencies are now operating in a world where **Covid-19** has an on-going impact. Rates can and do spike, affecting workforce sickness rates, and related operation like the courts are still impacted by the pandemic. Hybrid working and remote channels are the new normal improving access for some staff, volunteers and clients and creating service barriers for clients who need in-person services.
- 2.11. The 42 COEx agencies that responded to the survey employ a total of over **1400 FTE staff** and **95% engage volunteers**. Staff turnover averaged 18% in 2023 similar to 22% in 2022.

¹ The number of 'cases' or 'matters' advised on differs from the number of individuals advised. Not all people advised have a 'case' or 'matter', but some may have several. See 3.13.

- 2.12. All COEx agencies said they face **financial and funding risks**. 23% saw new financial risks arise in 2023.
- 2.13. Nearly all COEx agencies also register risks relating to the **loss of key staff and volunteers**, wellbeing and burn-out risks (which have risen from 29% of respondents in 2020 to 95% in 2023) and increasing risk of not being able to meet service demand.
- 2.14. Two-thirds of respondents are challenged by **political reform, policy change and hostility risks**. Agencies working in immigration and asylum fields face this challenge in particular.
- 2.15. There has been a **decline in the financial well-being of COEx agencies**. Those with surpluses in the last financial year fell from 89% in 2022 to 55% in 2023, and the outlook for the end of the current financial year is also slightly worse than reported in 2022 38% projecting a surplus compared with 45% in 2022.
- 2.16. Income for COEx agencies has grown by £4.8m (12%) to nearly £46m. 61% (£2.96m) of this growth in the overall income is accounted for by the five new COEx agencies. Not including the new COEx agency income, overall COEx income grew by 4.6%, without accounting for the one COEx agency that did not respond to the survey. However, in real terms, the value of COEx income has probably fallen as it has not kept pace with inflation.
- 2.17. Trusts and foundations remain the largest funder of COEx agencies providing 43% of income. Contract and commissioned service income fell from 21% to 13.7%. Local authority income increased by £2.6m and Legal Aid income also increased by £1.7m. The five new COEx agencies brought with the over £1.43m in Legal Aid income and £522,000 in local authority income to the cohort.

3. Services

- 3.1. In the 2023, the range of service categories was enlarged to provide a more detailed breakdown, to reflect all the subject areas that COEx agencies reported in previous annual surveys. For example, Public Law when connected to immigration or housing was listed as a discrete category, whereas it had previously been included under Public Law generally. Four respondent agencies told us that they only dealt with Public Law connected to housing or immigration. In-work/means-tested benefits entitlements was also listed separately from Welfare Rights/Benefits. However, all agencies who listed this discrete topic also provided more general welfare benefits advice.
- 3.2. The 42 respondent COEx agencies provide a wide range of legal advice services. Housing, Welfare Rights/Benefits and Immigration advice is provided by over half of the agencies. Just under 50% provide Asylum, Employment and Debt/Money Management advice and one third provide advice on Family Law matters and general information and signposting services. The number of agencies providing Asylum advice increased in 2023 because four of the five new COEx agencies cover this subject.

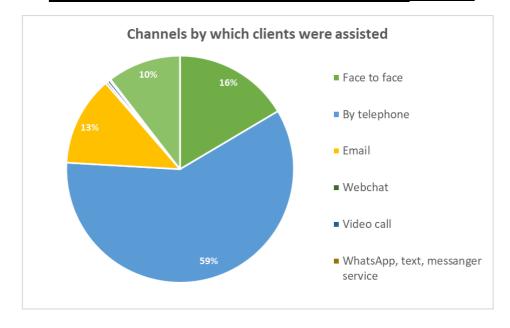


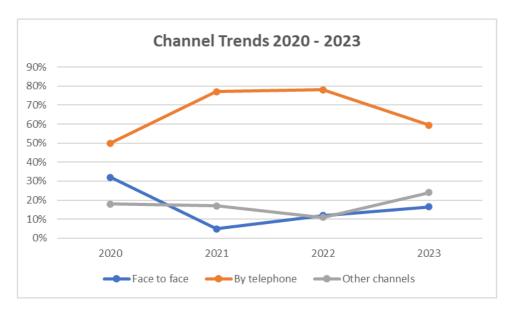
- 3.3. In the 2023, we asked COEx agencies to tell us about the number of people they had helped in the last full year for which they had data. We asked them to break this down by channel.
- 3.4. The cohort helped a total of **187,028 individuals**. This figure does not include 900,000 people that one COEx agency said had been helped via its website. This compares to 187,101 individuals reported in the 2022 survey, 173,254 in 2021 and 176,006 individuals in 2020. So,

client numbers were almost the same between 2022 and 2023. However, the number of COEx agencies responding to the survey increased from 38 to 42. This effective fall in the average number of people helped may be partly explained by the feedback received that clients are presenting with increasingly complex situations (see 4.5. Few people can be helped because cases are taking longer.

- 3.5. **Delivery channels** showed a significant shift in 2023, with the percentage of people helped by telephone falling, face-to-face delivery increasing and use of other channels more than doubling. We asked agencies to provide a more detailed breakdown of 'other' channels in the 2023 survey. We found that webchat and video calls were used for less than 1% of people advised, email for 13% and 'Other' channels for 10%. These 'Other' other channels included post/letter, on-line tools like RCJ Advice's <u>CourtNav</u> service, court duty schemes, YouTube and webforms.
- 3.6. We have noted in previous reviews how the Covid-19 pandemic restrictions altered delivery channels. In the first survey we reported on, in 2020, 50% of individuals were helped by telephone and 31% face-to-face. Pandemic lockdown meant this changed to 77% of clients by telephone and just 5% face-to-face in 2021. Telephone remained the primary delivery channel in 2022, but face-to-face delivery rose as restrictions were eased and fully lifted. Despite many agencies not returning to levels of in-person service they provided prepandemic, in 2023 face-to-face delivery did rise albeit to half its pre-pandemic level.

Channels		
By telephone	59%	104238
Face to face	16%	28872
Email	13%	22361
Other channels	10%	18342
Channel not recorded	6%	11702
Video call	0.4%	659
Webchat	0.3%	518
WhatsApp, text, messanger service	0.2%	336
Total		187028

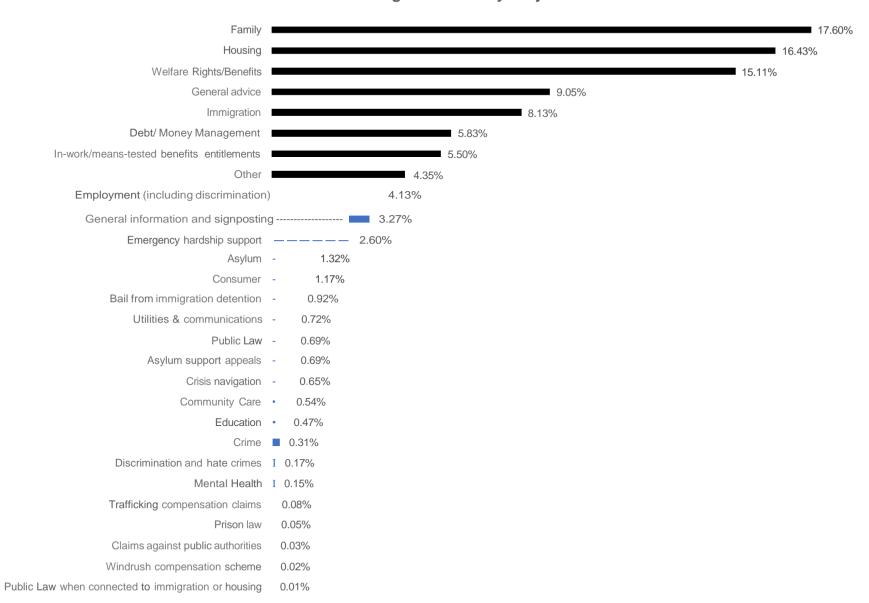




- 3.7. Three respondent COEx agencies do not record the channel of advice at all, and others reported people without the channel being recorded, so for 6% of people advised we have no channel information. We excluded 'channel not recorded' figures when calculating percentages of clients by channel.
- 3.8. The **main topics advised on** were Welfare Benefits (including In-Work/means-tested benefits), Family, Housing, General Advice, Immigration, Debt/ Money Management, Other, Employment, and (a new category in 2023) Emergency Hardship Support.
- 3.9. The overall number of cases or matters started rose from 156,527 in 2022 to 165,685 in 2023 but there were four more respondent COEx agencies.
- 3.10. Compared to 2022 survey results, there was a six-fold increase in General Advice category cases from 2316 to 15001. Two thirds of these cases were accounted for by two local Citizens Advice services within the COEx cohort.
- 3.11. After an 80% increase in the number of clients assisted with family matters in 2022, such cases fell by around 23% in 2023. Employment cases fell by almost one third, debt cases by a quarter and immigration cases by 15%.
- 3.12. Growth areas were Asylum cases, with a 250% increase, housing cases with a 10% increase and welfare benefits matters (including In-Work/means-tested benefits), which increased by 7%.

Client numbers by subject	%	n.
Housing	16.4%	27230
Welfare Rights/Benefits	15.1%	25035
Immigration	8.1%	13476
Asylum	1.3%	2189
Employment (including discrimination)	4.1%	6839
Debt / Money Management	5.8%	9662
Family	17.6%	29160
General information and signposting	3.3%	5425
Public Law	0.7%	1146
Education	0.5%	773
General advice	9.1%	15001
Community Care	0.5%	889
Other	4.3%	7205
In-work/means-tested benefits entitlements	5.5%	9117
Utilities & communications	0.7%	1187
Emergency hardship support	2.6%	4313
Public Law when connected to immigration or	0.0%	18
Asylum support appeals	0.7%	1137
Crisis navigation	0.7%	1080
Discrimination and hate crimes	0.2%	275
Bail from immigration detention	0.9%	1524
Claims against public authorities	0.0%	49
Consumer	1.2%	1938
Crime	0.3%	519
Mental Health	0.1%	242
Windrush compensation scheme	0.0%	39
Trafficking compensation claims	0.1%	131
Immigration - statelessness only	0.0%	0
Prison law	0.1%	86
Private hire licensing	0.0%	0
		165685

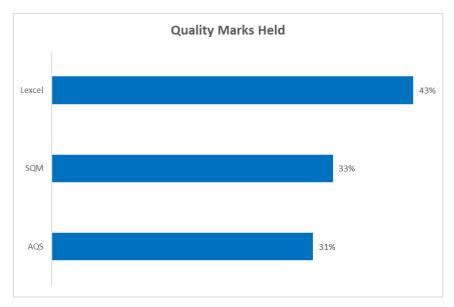




3.13. As noted in previous reports, the number of subject cases may be expected to differ from individual client numbers. Most clients will present several often-linked issues or matters, which are recorded as separate cases or issues. However, the COEx cohort includes a variety of advice agencies working in different ways, scales, and settings. Their recording practices vary, as do their definitions of a 'case'. Some caution should therefore be observed in using the figures reported above for both 'cases' under subjects and individuals under channels.

Quality standards

3.14. Lexcel remains the most popular quality mark for COEx members. All 42 respondent COEx agencies hold at least one quality mark.



3.15. Just one agency reported that a serious concern had been raised at their last quality audit. This, they said, had been resolved.

4. The impact of the cost-of-living crisis

- 4.1. The cost-of-living, which had been rising since early 2021 and hit a forty year high in 2022, continued to have a huge impact on advice agency clients, staff, volunteers and organisational finances in 2023.
- 4.2. The annual rate of inflation fell to 4.2% in the year to November 2023, after peaking at reached 11.1% in October 2022, the highest for 41 years. However, many people were struggling with the higher prices of food and fuel in particular. According to ONS Public opinions and social trends bulletin, almost 4 in 10 adults (38%) who pay energy bills said it was very or somewhat difficult to afford them in December 2023².
- 4.3. Private sector rents also rose by a record 6.2% nationally and by 6.9% in London in the year to November 2023³. Mortgage costs also rose sharply as the Bank of England increased the base rate steadily to 5.25% in summer 2023. The general cost-of-living crises has sparked a housing crisis, with many agencies reporting rises in demand for help from people who are homeless or threatened with it.

³ ONS, Index of Private Housing Rental Prices, UK: November 2023 http://tinyurl.com/m3v8mu9s

² ONS, Cost of living latest insights http://tinyurl.com/2679yxeh

4.4. We again asked COEx agencies about the impact of the cost-of-living crisis on their advice services, people and organisations.

Demand and the nature of enquiries

- 4.5. As in 2022, many COEx agencies reported rising demand for advice (much of which they cannot meet), increasingly complexity and clients in increasingly difficult and desperate situations with positive outcomes more difficult to achieve. Debt and housing enquiries have grown in particular.
- 4.6. However, the impact of the crisis does depend on which area of law and policy the agency is working in. Those working with the asylum system said that their clients were already destitute before the crisis so there's no real change because of the cost-of-living crisis. The policy environment is having a greater impact.

"It is not clear whether the cost-of-living crisis is impacting on demand for our service/ the nature of that demand. Asylum support is only accessible to those who are otherwise destitute, so all those we assist are already living below the poverty line. Of course, increasing costs will exacerbate this issue, and it may be that increased numbers are being forced to apply for asylum support (because friends/family cannot afford to continue to support/subsidise them). We assist with appeals against refusals of support, so our legal advice comes later in the process. We have not to date seen an increase in demand driven by the cost of living. But there are many other factors involved in the reasons people may not appeal a refusal of support: lack of access to specialist local advice now the Home Office houses many people in remote hotels; fear of publicised policies like removal to Rwanda; reduction in legal aid lawyers which means people cannot access immigration advice which would also tell them about the availability of asylum support etc. The one thing that has changed is the expansion of the shortage occupation list to include carers, and the length of the delay in asylum decision making. This has allowed more people in the asylum system the right to work, which has led to significantly increased enquiries on the impact of working on asylum support entitlements (from both individuals and advisors)."

- 4.7. For those agencies with broader remits and client groups, the feedback we had was that agencies are seeing:
 - ➤ More requests for referrals to local hardship funds and food banks.
 - ➤ More people requesting benefit checks but finding their benefit entitlement is correct but just not enough to cover expenses more clients with negative budgets.
 - More requests for support with debt: credit cards, fuel bills, rent and council tax arrears.
 - More housing related enquiries as private sector rents and mortgage costs have risen, and eviction notices have spiked. Local Housing Allowances have failed to keep pace with rising rents.

- An increase in clients who report being carers for non-relatives, as this helps them avoid the benefit cap.
- Reduced availability of financial help from local authorities.
- Impacts on health, mental health, and interactions with advisers.
- More client safeguarding issues being raised.

"For the year 23/24 we've had a +60% rise in demand year on year. Equally we've have had to try and meet pay demands and rising costs in a ever tightening funding environment."

"Demand for debt, housing, and welfare benefits advice has risen significantly. We have about a 4-week waiting period for debt appointments. We are receiving around 60-80 online housing enquiry forms each week. We are not able to take on all of these, so we are having to spend quite a bit of time going through all the enquiries to prioritise need and signpost people. The majority of clients self-refer but we are also receiving referrals from other organisations making it more difficult to manage demand and expectations. People are presenting with more debts. Many have really high rent arrears. Many can't afford to pay their rent and are facing possession action. We are seeing more people over 65 facing eviction from their private rented accommodation due to an inability to pay their rent. We are seeing more clients in debt who are also in paid employment. We continue to see more people living in housing which is in disrepair. We are seeing a rise in safeguarding alerts as callers tell us they want to end their life because of the desperation they feel. Triage is taking a lot longer because people have more issues to discuss, and many have mental health needs."

"More clients are in a stressful situation not only because salaries or benefits are not enough to maintain the minimum expenses of their households. This is not only affecting the health of adults and children but also the attitude they have when they attend our service. Many clients become very anxious and show signs of aggression when our service cannot offer more assistance."

"....the increase in rental costs means we are seeing more families where both partners are working but they cannot access the private rented sector"

"There has been an increased demand for services with users presenting with higher rent arrears, threats of eviction and less help available to supplement/help their income to pay the same. Applications for help which were successful immediately after Covid-19 are now subjected to more scrutiny and being rejected. The rent arrears funds we applied for help with the local authority have been depleted and applications are being put on hold until the funds are replenished."

"The majority of our clients live in poverty, with significant numbers residing in asylum support and trafficking safe-house accommodation. Others may be in more precarious situations. They typically have insufficient funds to cover more than their food and some essentials on a weekly basis. They often lack funds to

purchase items, such as winter clothing or data for their phones. Things have become more acute as a result of the cost-of-living crisis as their weekly subsistence does not go as far. Sadly, going without food and the bare essentials is something many were already experiencing and continue to do so. We have also been contacted by clients/former clients who are in receipt of welfare benefits and are struggling as a result of the cost-of-living crisis. This has caused them difficulties accessing appropriate food, paying for phone, paying for utilities, paying for travel. A lot of things are online and require credit and data and we have seen those who have had their phone cut off by the provider due to unpaid bills meaning they can't then access services online."

"Some areas have seen huge increases in client demand - energy debt, for example. We have helped over 900 people with energy debt this year, compared to 650 last year."

"People we worked with have continued to struggle to have enough to cover food and essentials. In a survey we carried out in April 2023 with 174 people that access our services 59% reported that they had been forced into debt to afford the cost of basic essentials – almost three times as many as in the UK population as a whole. 56% feared losing their homes, while 1 in 10 reported spending one night or more on the streets. 50% of people with NRPF that we spoke to reported turning to food banks and charities to meet their basic needs, compared to just 3% of the general population. Two thirds of parents with NRPF surveyed said they are struggling to feed their children. As a result, we continued to experience an extremely high demand for our services including help with hardship grants and access to foodbanks."

"The demand for our services has continued to grow over the past decade. The problem we find is that so many other organisations providing more generalist advice have moved to sign posting only. Clients are therefore left being sent from one agency to another."

"Whilst the pandemic created an increase in demand, the post-pandemic period has been even higher.....The issues people are seeking support with have remained fairly similar, however the complexity of the cases has continued to increase....One of the biggest challenges to achieving positive outcomes for clients this year has been the impact of rising costs of living on budgeting, meaning that even after we have supported clients with income maximisation advice and specialist debt, benefits and housing advice, many clients still have deficit budgets....The use of short-term financial assistance grants and one-off payments has created additional demand for our advice services....Many of our clients do not have the knowledge or the skills to identify and complete these claims without support."

"It is not unusual to encounter arrears exceeding £10,000; which are figures we have not seen for over 15 years. In these cases, the client cannot avoid eviction as the arrears exceed 2 months. This impacts our success rate for avoiding eviction from over 80% to around 70%"

"....a number of our outreach services are booked up for weeks in advance, with one borough reliably having a waiting list of up to six weeks. The funding environment makes meeting this demand challenging – our partners rarely have the resources that would be needed to increase our services. We increasingly explore forms of triage to identify urgent matters to 'slot in' where booked appointments are not able to attend but this is rarely likely to help more than one or two extra people at each service. This has a compounding difficulty for clients who are aware they have urgent issues but are not able to get help or can't see us when an earlier intervention may have significantly reduced their stress or anxiety. Housing, in particular, has grown increasingly challenging to advise on. Many clients are facing a choice of eviction or agreeing to significantly increased rents, to the extent they will be wholly unaffordable. We know from our existing homelessness caseloads that the Local Authorities where we operate in London are regularly offering clients accommodation not just out of borough, but often well outside of London. While we can and often do challenge such offers successfully, advising in a landscape where the immediate choices are simply variations of terrible is difficult."

"....17% more housing cases in each of the last two years and a 19% increase in welfare benefits cases from 2022 to 2023. The increase in demand is even greater than these figures suggest: they do not include people turned away because we have insufficient capacity to represent them. We do not have reliable data about this, but the number is large and growing rapidly."

"Our service is consistently oversubscribed – we cannot meet the demand for our services. In July, we opened 48% more cases compared to the previous month, and similarly, there was a 53% increase in new cases between May and June....We employed an additional caseworker to increase our capacity and ability to maintain this level of caseload. In addition to increased demand, our caseworkers report that clients require more urgent and in-depth interventions due to the impact of the cost-of-living crisis on their already precarious financial/housing circumstances. This includes utilising all possible escalation routes in an attempt to have their benefit/housing issues prioritised."

Staff and volunteers

- 4.8. As reported in 2022, the cost-of-living has affected paid staff because grants and contract values have not kept pace with inflation and hence, while some agencies have been able to provide one-off payments and/or pay increases, salaries have generally not risen in line with increased costs of travel, food, rent, mortgages, and fuel. This is most acute for people at the lower end of salary scales and living in London.
- 4.9. The impact of the crisis on clients and demand has also meant higher workloads and stress for staff. More safeguarding issues are being identified by advisers. Fewer solutions and outcomes are available. The risk of burn-out is heightened.
- 4.10. This is all causing more recruitment and retention issues for advice agencies at a time when the sector was already facing a workforce crisis.

"The funding we receive does not go as far. Salary costs have increased by £37k (7%) over the last year. Rent is relatively stable because we have a kind landlord, but we are likely to see steep rent increases over the next 2 years. Staff are struggling with rents particularly in London, and we are seeing increasing numbers of staff moving outside London. Although we work in a hybrid way which makes this feasible, it is likely to result in increased staff turnover in the coming years because people simply cannot afford to live in or commute to London."

"The cost-of-living crisis has meant a significant increase in core costs and overheads which has eaten into our budget. We undertook a salary review last year and awarded all staff a cost of living one off payment totalling 6% of their gross salary + a 5% pay increase."

"Staff have received one off payments to help with the Cost of Living but those on salaries over £40,000 have not been provided any help and the heads of service have also not been included in CoL one-off help."

"We have a pay increase in line with the local authority written into our employment contracts, however this does not keep pace with inflation, and staff are therefore receiving a year on year pay cut. It is a real worry we aren't paying enough for staff to survive in London."

"We know from staff feedback that some of our staff are really struggling financially. This is already impacting staff retention – one member of staff has just left purely due to pay as their rent had increased [and] they could no longer meet their expenses."

"Two members of staff have left [us] over the past year, having secured alternative employment elsewhere. Though [we] regularly review salaries and seek to offer satisfactory renumeration, the cost-of-living crisis, coupled with the fact that we are based in central London, means that there is a risk that staff may have to seek employment in favour of bigger charities who can offer higher salaries."

"We recently had a very experienced housing solicitor who moved to the private sector as could no longer meet their housing costs with our pay. If we can't pay more we risk losing more experienced staff who are hard to replace."

"We have had a huge increase in staff reporting safeguarding concerns for the welfare of clients. Staff are regularly speaking with people detailing clear plans to harm themselves and we have had to take the difficult decision to call the emergency services to intervene. This has always been present in our work but has shifted from being an unfortunate and rare event to part of the role. Our advisers are not trained to deal with this, nor are we trained or funded to provide the support staff could benefit from following these exposures to trauma. Staff and management remain very grateful to the Trust for making available the employee assistance programme."

- 4.11. Volunteers have also been impacted. Some agencies report that recruiting volunteers is more difficult because people can't afford to volunteer in the way that they could a few years ago. But not all COEx agencies have found that attracting and retaining volunteers has been negatively affected.
- 4.12. Volunteers are also affected by the stress of dealing with clients in increasingly difficult financial situations.

"It is harder to recruit volunteers now than before Covid-19 and the cost of living crises."

"Some of our staff have been significantly impacted by cost-of-living issues and we have offered flexible working to save on travel costs. Stress levels, because of the issues staff and volunteers have to deal with at work and in their home lives have increased. Volunteers in particular have been affected by the issues they are now seeing, and with so many clients in negative budgets even after income maximisation, there is often little we can do to help. These systemic problems, and the inability to solve them, is taking a toll on our team and leading to burnout and people leaving the service."

"Our volunteers are relatively protected in that they are primarily city lawyers who are supported by their firms to volunteer for us pro bono. We have seen a reduction in volunteers over the last year, but this is mainly due to people taking career breaks/ family leave rather than the cost of living."

"[The] increase in demand and complexity of cases has created additional stress on our people, who often feel the pressure to try to meet increased demand from clients. With longer wait times on Adviceline and increasing number of clients needing further advice and specialist casework, our people will often feel pressure to work longer hours or rush through clients to help more people. The challenge for managers is to get the right balance between quantity and depth of advice...and ensure staff and volunteers don't take on too much personal stress and anxiety. We are providing additional supervision support to support individuals who particularly struggle with this balance. Staff and volunteer morale has also continued to be an issue for us....clients are increasingly taking out their frustrations on our staff and volunteers because there are often no easy solutions to the problems they are facing."

"Whilst interest from new volunteers remains strong, we are finding that the majority of new volunteers are people who have been able to retire early and can make the commitment we require.".

"There continues to be a large turn around in volunteers as many students need additional paid work which affects their ability to volunteer."

Financial impact on the organisation

4.13. A second year of steeply rising costs for COEx agencies has left some struggling. Whilst some have found funders to be generous, others have seen no uplifts in income. 2023 saw some

- agencies forced to make redundancies and reduce hours. For others this may be the prospect for the future unless additional funding can be found.
- 4.14. Agencies with legal aid contracts complained that fees do not match the full costs of service provision.
- 4.15. The comments below illustrate quite a grim picture of the state of COEx agency finances.

"Whilst some funders have contributed to additional expenditure as a result of the cost-of-living crisis our overall expenditure is higher due to the pressure to increase salaries for existing staff and to be sufficiently competitive to recruit new staff."

"Income increased last year when the cost-of-living crisis first hit. Many funders were extremely generous and gave, in some cases, a 10% increase on the underlying grant. We have tried to spread these additional donations across 3 years, to ensure that we have sufficient budget to cover the ongoing increased costs. Nevertheless, we are left in a position where we have a significantly increased budget in the coming years and are having to fundraise to meet these increased costs. If unsuccessful we will need to look at staffing reductions or reductions in office space to meet the shortfall."

"The Local Housing Authorities are considering the funding for next year because of the impact the increased costs of temporary accommodation, it is highly likely we will lose funding and not sure at this time what the impact of this will be."

"We have run significant deficit budgets over the last two years and are attempting to break even while giving our staff a reasonable pay award. We have received no cost-of-living uplift in funding from our Local Authority and no additional funding from them outside our core contract has been made available despite the recognition that there is a cost-of-living crisis. We have been reasonably successful in fundraising and getting project funding from trusts and foundations, but we need unrestricted funding to cover our increased expenditure."

"Increased organisational costs against a background of stagnated legal aid rates has been very challenging over the last year. Wherever possible, within budget, we have attempted to address staff salaries particularly against staff in our lower brackets which has increased our expenditure. One of the biggest impacts on our income currently is around the delay in processing of cases causing a delay in legal aid income. We currently have very high [Work in Progress] but converting that to cash is extremely challenging given the delays."

"Our expenditure has increased on salaries, IT costs, insurance, professional fees, equipment. However, most of our grant funding has not increased and our LAA work has not either. We have a fixed 10-year lease which includes utilities otherwise we would be at real risk of collapse."

"Several of our funders gave us a cost-of-living uplift which was appreciated. But the big problem is legal aid has not been uprated for so many years it bears little relationship to the work it is supposed to cover."

"We have been able to access some extra income and some (but by no means all) of the grant funders have made a further contribution, which has been most welcome. However, this extra funding has been to deliver services and not much affected the bottom line of the organisation. Expenditure is tightly controlled in any event so there is not much room for manoeuvre there. We have had to take difficult decisions regarding uprating staff salaries, decisions that we shall face again this year."

"We are experiencing an increase in running costs. We are finding it difficult to recruit experienced staff and some of this may be due to not being able to significantly increase our salaries. We have been fortunate to have secured some additional cost-of-living crisis funding which has enabled us to increase our capacity. However, this is short-term funding, and we will need further funding to address increased demand and longer-term impacts of this crisis as well as providing staff with more job security. Our local authority funding is longer-term but does not increase in line with rising costs and legal aid rates have not increased for many years so even before the cost-of-living crisis we had this challenge but now the challenge is even bigger because of the rise in non-salary costs associated with running the organisation. This also means financially we have not been able to give staff a decent cost-of-living increase which is impacting on staff morale, recruitment, and retention."

"The cost of delivering our services has increased.....Meanwhile, our council grant has been cut by c. 25% from November 2023: the council's declared intention is to address cost-of-living issues by directing more of its funding towards 'grass roots' organisations. We think this is part of a growing trend amongst local authority and charitable funders to favour delivery of high-volume but straightforward advice and information in preference to more complex and expensive specialist legal advice and representation."

"Staff salaries increased by an average of 9% in January 2023...Our energy bill has seen a 64% increase between the last two quarters...our insurance costs have increased 37% this year. The funding landscape is increasing competitive and will have had the least successful fundraising year this year than we have ever experienced as funders report that their programmes are oversubscribed, and they are unable to meet demand. We have also heard from independent funders that they have less to give due to their endowments being impacted by the current market/economic situation. We will end this year with a net deficit which will require use of reserves."

5. Covid-19 impact

5.1. Whilst the pandemic and associated restrictions are over, Covid-19 is still something we are living with, and the legacy of the pandemic continues to affect advice services and related operations – like the courts. Covid-19 infections still affect millions of people and consequently the running of services. In December 2023, 6.1% of London's population had Covid.⁴ COEx agencies reported on-going sickness absence and disruption to services.

"Very aware of it in winter. Long impact on C19 on the courts. Difficulty adjusting to new models of working (remote). More clients with long covid symptoms/health issues. Undisclosed mental health issues likely exist due to pandemic and differing circumstances/work patterns."

5.2. The pandemic changed working and service delivery arrangements. Hybrid working and remote delivery channels became the norm. Despite some return to office and in-person services, a return to pre-pandemic arrangements is unlikely. This is a problem for some vulnerable clients, but for others it has increased accessibility.

"The adaptations we made during the covid pandemic to the way we work have now been implemented long term. Whilst delivery of our services to our clients in the most appropriate way is prioritised, staff are offered hybrid working around that. In some cases, this has assisted with staff morale and work life balance, but it also has meant we have had to adapt our management and supervision practices to ensure that staff are properly supported and have easy access to supervisors and managers. There are some challenges with ensuring staff feel connected to the organisation and are able to get prompt supervision and support. The long-term impact of covid, particularly on our legal aid funding, is still significant. Delays in Home Office decision making and other government processes affecting children, and now particularly delays within the courts, were exacerbated by covid and we are only just beginning to see some recovery in timescales in some areas. It means it still takes longer for cases to conclude, which consequently has had a significant impact on our cashflow."

"Continued lack of face-to-face services has impacted our service. Vulnerable clients have nowhere to go."

"Although we do not record exact numbers, the majority of cases are now handled over the phone or video call. Before the pandemic, most of our cases were handled face to face. This transition has made our service more accessible and enabled us to manage an increased workload."

"Covid-19 still has an impact on our service - clients have a higher expectation of accessing our service through different channels (remote/phone/online or face-

⁴ UK Health Security Agency, Winter Coronavirus (COVID-19) Infection Study: estimates of epidemiological characteristics, 21 December 2023 http://tinyurl.com/3hnzfn68

to-face). Locality has been blurred, clients from further afield...are seeking our services."

5.3. Many funders gave short-term funding to enable organisations to respond to the pandemic and this has depleted the coffers for some funders – combined with the challenging fiscal environment.

"We have found that fundraising is harder now than previously and whilst this is partly due to the cost of living crisis, it is perversely partly due to the end of the Covid-19 pandemic as it was easier for us to raise money during the pandemic than it is now as there was a greater emphasis on preventing homelessness and a larger amount of funding available for this."

5.4. Some agencies have now adapted to the 'new normal' and have established working arrangements to respond to conditions.

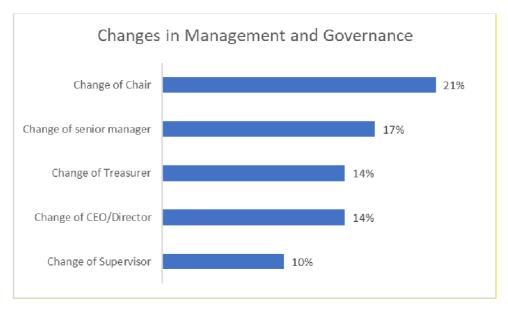
"It is not having a significant impact. Now that we are adapted to hybrid working, we are able to implement emergency processes for working from home where necessary."

"We are still working flexibly, and this is a positive for employees and helping with work/life balance and keeping travel costs down. However, it is still difficult to gauge whether the productivity is down because the Court moratorium during Covid-19 still impacts the number of cases out there needing help. The Court is still slow to issue new claims."

"The pandemic had a severe impact on community volunteer engagement and level of such engagement has not resumed. When it comes to staff - there is an expectation to be able to work from home and therefore we have agreed a 20% WFH policy."

6. Leadership, staffing and governance

- 6.1. Respondents were asked about any significant management or governance changes in the last 12 months. 60% of respondents (17 agencies) had seen changes. This was consistent with 2022 findings.
- 6.2. The following changes were reported:



- 6.3. 2023 was a year of considerable change at senior leadership level for some COEx. Six (14%) of COEx agencies had a change of CEO and nine (21%) had a change of Chair. Seven (17%) changed senior managers. However, 40% of respondents had no leadership changes.
- 6.4. 72% of COEx agencies had some churn on their trustee boards. Most had fully or partially replaced trustees who had left.

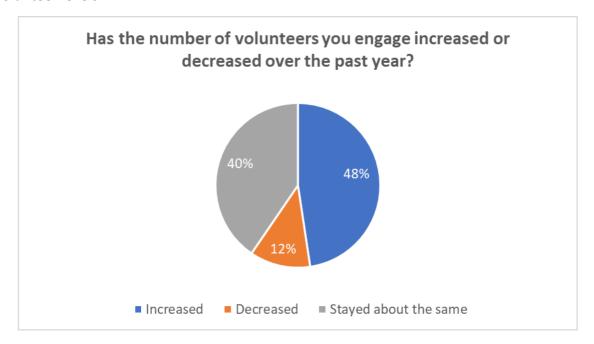
Staff and volunteer roles and levels

6.5. COEx agencies employ and engage and average of 34 full time equivalent staff and volunteers per week – an increase from 27 on average in 2022, 30 in 2021 and 22 in 2020. The total number of FTE staff and volunteers engaged by respondent agencies increased from 859 in 2020 to 1026 in 2022 and 1428.4 in 2023. The increase is partly accounted for by the growth in the respondent COEx cohort from 38 to 42 agencies. The five new agencies joining the programme engaged 84.2 staff and volunteers.

Staff and volunteers engaged	Total number	Average	Range
Solicitors / Caseworkers / Advisors	507.3	12.1	2 to 48
Other frontline / service delivery staff	110.1	2.6	0 to 14.2
Admin and support Staff	86.7	2.1	0 to 6.5
Management staff	112.8	2.7	0 to 10
Volunteers (average FTE per week)	611.5	14.6	0 to 196
	1428.4	34.0	

6.6. 40 (95%) of respondent COEx agencies engage volunteers. The Covid-19 related reduction in volunteer numbers, which had been experienced by 62% of respondents in 2020 and 53% in 2021 slowed in 2022 to 21% reporting a decrease and dropped to 12% in 2023. The turn-

around also saw 48% of agencies increasing volunteer numbers in 2023 and 40% maintaining volunteer levels.



- 6.7. Staff turnover averaged 18% across the respondent cohort (a slight fall from 20% in 2022). Three respondent agencies reported no staff departures during the year. The range was 1-76%. One agency within the cohort underwent a wholesale restructuring of its business and transfer of some staff to other organisations, hence the 76% departure rate. Excluding this outlier, the upper range was 40%.
- 6.8. Staff recruitment and retention remains a big issue within the advice sector. Under the Advice Workforce Development Programme, a range of initiatives are currently underway to address workforce issues. These initiatives include training provision, trainee entry-level roles, apprenticeships, and peer support. However, staff burn-out, salary levels in the sector and London affordability are big issues and several survey respondents mentioned staff moving on to higher paid roles, leaving London and leaving for stress reasons.
- 6.9. The most common reason for turnover, as previous surveys have found, was people simply finding new jobs.

Reasons for staff leaving		n.
Redundancy (loss of funding)	13%	5
Redundancy (restructuring)	8%	3
End of fixed-term contract	21%	8
Found new job	85%	33
Retirement	10%	4
Dismissal other than redundancy	8%	3
III-health/passed-away	10%	4

Governance

6.10. 33 respondent COEx agencies (79%) have formal role profiles for Trustees. Role profiles mainly relate to Chair, Vice-Chair, Treasurer and Company Secretary roles.

6.11. 16 (38%) of respondents had carried out a Board skills audit in 2023. Others had completed an audit in 2022 and were planning to conduct one in 2024.

Performance monitoring

6.12. 33 respondent agencies (79%) monitor staff performance against targets. Performance is monitored via billing and casework targets, time recording, calls answered data, supervision, and appraisal. Three agencies who do not monitor staff performance against targets felt there was no need to do this. No other reasons were given.

7. Risk, challenges, and plans

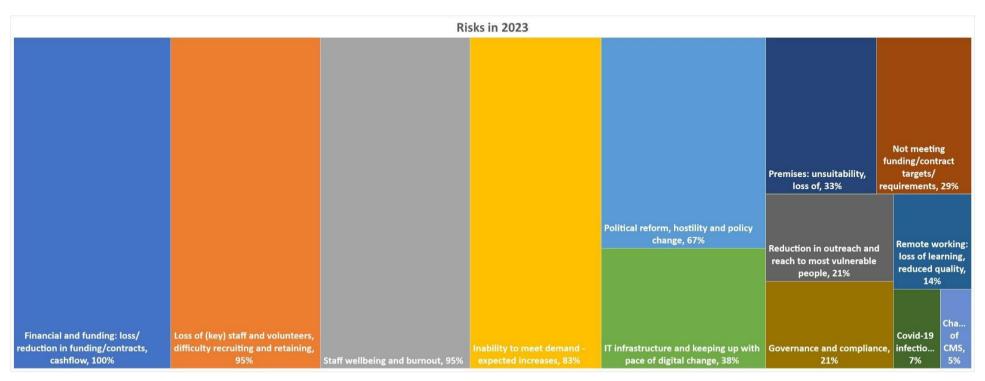
7.1. We ask COEx agencies to tell us about the risks and challenges they face and about new risks that have emerged/developed during the past year. The table chart below shows the risks mentioned by respondent agencies. All face financial and funding risks and most face staffing, demand and political/policy risks.

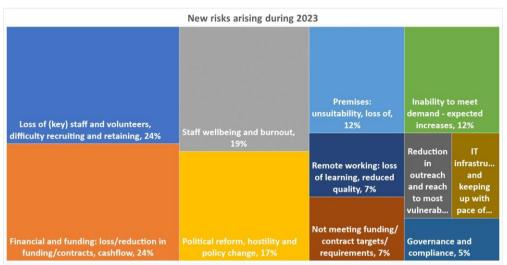
Risk		n.
Financial and funding: loss/reduction in funding/contracts, cashflow	100%	42
Loss of (key) staff and volunteers, difficulty recruiting and retaining	95%	40
Staff wellbeing and burnout	95%	40
Inability to meet demand - expected increases	83%	35
Political reform, hostility and policy change	67%	28
IT infrastructure and keeping up with pace of digital change	38%	16
Premises: unsuitability, loss of	33%	14
Not meeting funding/contract targets/requirements	29%	12
Reduction in outreach and reach to most vulnerable people	21%	9
Governance and compliance	21%	9
Remote working: loss of learning, reduced quality	14%	6
Covid-19 infections	7%	3
Change of CMS	5%	2

- 7.2. There has been little change in the top risks faced since the 2021 survey. However, over the course of the four years since 2020 that the survey has been conducted in its present form, staff wellbeing and burnout has risen from 29% in 2020, to 95% in the latest survey. Loss of staff and volunteers and difficulty in recruiting is now a risk identified by 95% by COEx agencies.
- 7.3. Financial and funding risks have regained their place at the top of the table after being overtaken by staff and volunteer recruitment and retention risks in 2022. 23% of COEx agencies saw new financial risks arising in 2023 a sign that advice sector finances are getting tougher after some initial boosts in funding during the pandemic and early stages of the cost-of-living crisis. Respondents mentioned rising overheads costs, reduced unrestricted funding and cashflow challenges.

"Inability to pay overhead costs, due to reductions in unrestricted funding."

7.4. Inability to meet demand has risen as a challenge from 71% of agencies in 2022 to 83% in 2023. The risk of not meeting contractual/funding targets and requirements is also a rising risk – up from 18% in 2022 to 29% in 2023.





- 7.5. The risk posed by Covid-19 infections has reduced significantly with just 7% of agencies registering this as a risk in 2023, compared with 21% in 2022.
- 7.6. Remote working arrangements have been retained by many agencies, post-Covid, but the potential risks (loss of learning and quality) are gradually reducing, it seems. 14% of agencies noted this risk, compared with 29% in 2022.

"We are even more stretched than when I did our last COEx Annual review in 2022. The demand for our service has increased by nearly 18% driven by the Covid-19 pandemic and, since April 2022, by the ongoing cost-of-living and housing crises. All of this is against a background of continuing austerity including the benefit cap, the bedroom tax, the two-child limit and the freezing of Local Housing Allowance since April 2020. This leads to ongoing concerns about staff wellbeing and potential burnout as staff are working longer and harder to try to meet this increased need for our services. This is not sustainable and so we are struggling to meet the current demand."

- 7.7. We asked agencies to state their top five risks in the year ahead. As in previous years, financial and funding risks were mentioned by nearly all agencies at least once in their risk registers. There is continuing concern amongst agencies about rising costs while funding sources are increasingly squeezed.
- 7.8. Staffing risks also featured in most risk registers. As previously mentioned, workforce challenges are widespread in the advice sector. Some COEx agencies are involved in the Advice Workforce Development Programme and are exploring solutions. Recruitment and retention of staff and volunteers is proving difficult for many COEx agencies, particularly against a backdrop of tight finances, political hostility and policy change, the cost-of-living crisis and increasing demand. Staff well-being and burn-out were frequently mentioned risks.

"Our greatest risk at the moment has been retaining and recruiting suitably qualified and experienced staff. Although we have improved our financial situation through new grants and careful management, this hasn't yet translated in being able to make meaningful wage increases. We were only able to pay an additional 2% this year. We continue to be vulnerable to losing staff - both those that have experience and depth of knowledge of the organisation and those who have recently joined. People generally leave to increase their pay or to gain further specialist experience. This year we increased pay by 2%; we have budgeted for 3% in 24/25 and if we can find further funding, we want to increase this to 4%. [We are] reviewing all ways to improve staff wellbeing and ensuring that [our agency] is a good place to work. We continue to look at meaningful ways to train staff, through seeking additional funding to support the supervision of training contracts."

"Challenging Funding Environment - Given the ongoing cost of living crisis, some funders have either already changed their funding priorities to directly address this need or are in the process of doing so. Combined with the legacy of Covid19,

[we] exist in a more challenging funding environment than ever. We continue to look for new ways to mitigate against this."

- 7.9. Some risks are specific to the agencies concerned and their fields of work. Some agencies with Legal Aid funding contracts are concerned about losing them and/or maintaining fee levels. Some agencies have concerns about premises suitability and affordability. Others have identified information assurance/GDPR risks and IT and cyber-crime challenges.
- 7.10. A politically hostile environment is affecting the work of many COEx agencies particularly those working in immigration and asylum fields. The prospect of a General Election in 2024 and a new Government brings new challenges and possibly opportunities. It will be interesting to see how COEx agencies are feeling at the end of 2024.

"[Asylum Support Tribunal] listings are very variable which means it is harder for us to represent people than it was this time last year. The Home Office is now housing people across the UK in areas far from local sources of specialist advice. This means we see more people who have no other source of advice aside from us, compounded by the lack of legal aid immigration lawyers. This means we face increased complexity of legal issues, with fewer organisations to refer people to for support with the areas we don't cover."

7.11. COEx agencies have detailed and imaginative plans to mitigate risks. Teams are given access to counselling, mental health first aid, employee assistance services and financial advice and workloads are carefully monitored. Agencies are trying to keep wages up with inflation, but this is a major challenge in a climate of funding pressures.

"Our main risks all have their roots in scarcity and unpredictability of funding.

Our two newly identified top risks are a good example: wellbeing challenges for staff spring in large part (though not exclusively) from staff shortages which increase pressure on staff in post; and potential failure to meet grant obligations is caused by difficulty in recruiting the staff needed to do work for newly secured grants. Problems with recruitment and retention in turn have their roots in levels of pay. We are addressing these, but not to the extent that we would like or that our staff deserve. In mitigation of the financial pressures, we continue to seek funding from new corporate sources as well as applying for suitable opportunities from trusts and foundations. We have decided to recruit a Business Development Manager to accelerate and focus our work in this area. It's a calculated risk: it will cost us a substantial sum to employ someone in this capacity, at a time when we already start each financial year anticipating an even larger deficit; but if we do not take the risk while we have sufficient reserves to afford it, we see no realistic prospect of change."

Strategic plans, successes, and challenges

- 7.12. We asked COEx agencies to tell us about their top three objectives and the challenges, problems and successes they have had.
- 7.13. Strategic objectives, successes and challenges tend to be specific to the agency concerned and are useful in planning and delivering any support that LLST may provide.
- 7.14. Common themes in the strategic objectives for COEx agencies in 2023 were
 - Maintaining current contracts and funding streams.
 - Attracting new funding to increase capacity to address increasing demand.
 - Increasing the quality and capacity of advice, casework, and representation services.
 - Increasing policy, research and campaign capacity and level of influence.
 - Improving financial stability of the organisation.
 - Using technology to improve services.
 - Changes and improvements to staffing and volunteering recruiting new people, improving retention, developing competency and restructuring.
 - A focus on involving people with lived experience in the work of the agency.
- 7.15. Commonly mentioned problems and challenges, consistent with the risks discussed above were:
 - High demand.
 - Cashflow problems.
 - Recruitment and retention of experience staff.
 - Maintaining/increasing core funding.
 - The impact of the cost-of-living crisis on clients, demand, staff, and volunteers.
 - Political hostility.

"The last year has been extremely busy, with more complex advice needs combined with an onslaught of anti-migrant policies from the Home Office, which have left people struggling to maintain any sort of stability within the asylum support system. It has felt very much like firefighting."

"2021/22 year was a good year for us financially despite Covid-19 as there seemed to be a greater emphasis on preventing homelessness AND more funding available. Unfortunately, 2022/23 was very hard going as regards fundraising and this year has been no easier although we do expect to raise our budget shortfall. As austerity measures are still in place and Covid-19 still has on-going consequences on our service users and the cost-of-living and housing crises are still negatively affecting our service users they are experiencing a perfect storm of increased costs and insufficient incomes. In view of this we expect demand to remain as high or probably to increase as winter bites."

"Our main problem is continuing to afford to fairly remunerate our staff while our core local authority funding is about 38% underfunded. We have made a strong business case for an uplift on this contract which is being considered by the Council's senior leadership at the moment. We need more funders to offer

unrestricted funding, however (whereas some will not even pay indirect costs on project funding any more). Salary costs are around 85% of our expenditure so other than by cutting posts we are unable to afford cost of living increases for our staff and this is highly problematic."

8. Finance and funding

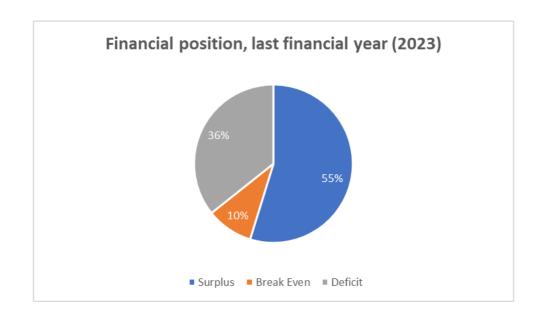
Reserves, surpluses and deficits

8.1. COEx agencies were asked to set out their **reserves** policies and state how much money they are currently holding in unrestricted reserves. Answers are useful when working with individual agencies but have not been analysed in detail or aggregated for this report. However, it is noted that 7 respondent agencies (16%) of the cohort have free reserves levels below their policy requirement at the time of the survey. They were all taking action to build up reserves but several acknowledged the difficult financial environment.

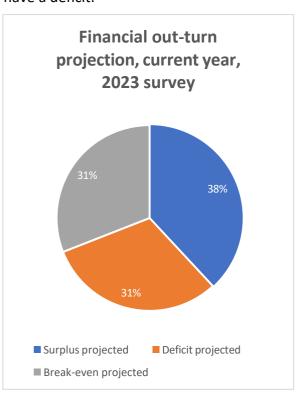
"Voluntary sector organisations and funders were preparing for continuance of financial headwinds in the years ahead, and [our] board took the decision to continue to maintain strong foundations and build capacity to secure long term income streams required to sustain organisational impact and stability. In fact, the 2022-23 income generation did surpass the budgeted income.....despite turnover in fundraising roles that impacted on income generation plans.

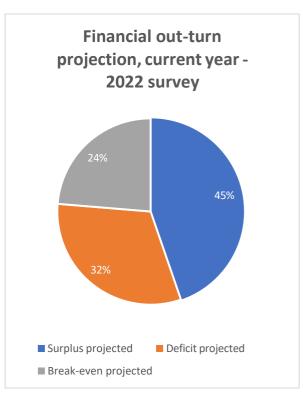
However, the Charity also faced the dual challenges of the general post-Covid uncertainty in the philanthropic landscape and significant cost of living upliftsThis led to the deficit and consequent reduction in reserves.....On balance, the Trustees remain satisfied that their decision to invest in longer-term sustainability was a good one; the fundraising outlook for 2023-24 is strong. The Board of Trustees are focused on ensuring that 2023-24 at least breaks even, and ideally begins to deliver a surplus to start restoring reserves to target."

- 8.2. There is one agency in the COEx group that is a team within a larger organisation. The team itself does not hold reserves. Excluding this team, reserves held ranged from £50,000 to just over £3.2m, with an average of £527,000 per agency.
- 8.3. All but three (93%) of COEx agencies use **cashflow** projections to manage their finances. This year, three agencies were having cashflow problems, compared to five in the previous year. Cashflow difficulties are associated with agencies with legal aid contracts in particular, central services recharges, but delays in grant payments can also cause problems.
- 8.4. Six COEx agencies said they owed money other than normal trading debts. **Money owed** was for a loan secured on premises, inter-company debt, central services recharges, Legal Aid Agency payments on account, Local Government Pension Scheme deficit, and a mortgage.
- 8.5. We asked agencies about their **end of year financial positions**. This revealed a further decline in COEx finances. 23 (55%) of respondent agencies had a surplus. This was down from, 63% in 2022, 89% in 2021 and 79% in 2020. 36% of respondent agencies ended the last financial year with a deficit and 10% broke even.



- 8.6. Deficits ranged from £5242 to £462,600.
- 8.7. The outlook for agencies at the end of the 2023/24 year was also slightly worse than that presented in 2022. Projections for the end of the current financial year show that 16 agencies (38%) are projecting a surplus, 13 (31%) to break even and a further 13 (31%) to have a deficit.





Financial planning and management skills

8.8. Five (12%) respondent COEx agencies felt they lacked the financial planning and management skills they need. They commented that they would benefit from access to

- qualified/specialist financial advice, gaining fundraising expertise, more core funding to boost core operations capacity and better financial skills to reduce reliance on a Treasurer.
- 8.9. Four of the agencies that do feel they have the skills also mentioned the need for more core funding increase financial administration resources, access to expert advice on self-employment, tax, and property finance/leases, training on QuickBooks on-line, mentoring, and professional development.

COEx agencies' income

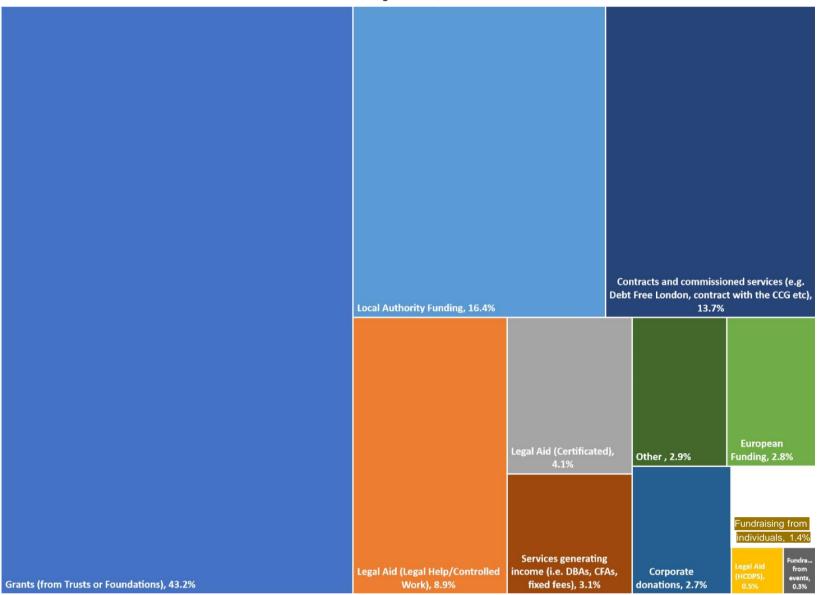
- 8.10. The total income in the last full financial year reported by COEx agencies was £45,990,245. This is a £4,869,752 growth in funding for COEx agencies compared to 2022. 61% of this growth in income is attributed to the five new agencies that joined the COEx cohort in 2023. Not including the new COEx agency income, overall COEx income grew by 4.6%, without accounting for the one COEx agency that did not respond to the survey.
- 8.11. However, the growth in COEx income probably represents a cut in real terms due to inflation. If income reported in the 2022 survey by 38 respondent agencies had kept track with inflation, we estimate that it would have grown by just under 2% more than it did.⁵
- 8.12. The income range was from £95,000 to £4.1 million. Average income per respondent COEx agency was £1.09 million.
- 8.13. Income sources in 2023 are shown in the charts and table below. 29 respondent agencies (69%) hold a contract with the Legal Aid Agency. The second chart consolidates all income from this source.

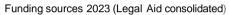
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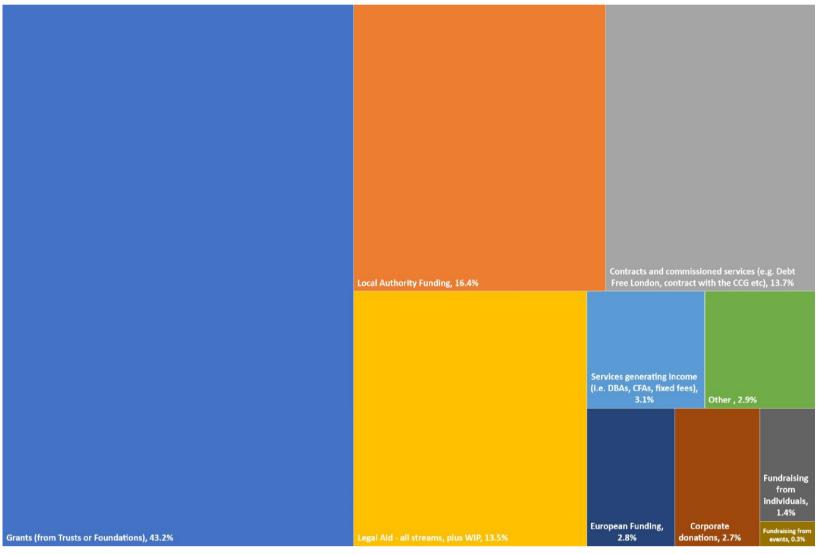
⁵ This has been calculated using the Bank of England inflation calculator. 38 respondent agencies reported total income of £41,120,493 in 2022. This would have needed to grow to £44,425,337 by January 2024 to keep track with inflation. In fact, the income for COEx agencies not including the income brought by five new COEx and the one COEx that failed to respond to the survey grew to £43,029,428.

Funding sources	% of all funding	Total	Average	Range from	Range to	respond	and % of ents with his funding
Grants (from Trusts or Foundations)	43.2%	£19,876,315	£473,246	£2,137,955	£1,624	42	100%
Legal Aid (Legal Help/Controlled	45.270	113,670,313	1473,240	12,137,333	11,024	42	10070
Work)	8.9%	£4,096,827	£163,873	£955,288	£203	25	60%
Legal Aid (Certificated)	4.1%	£1,871,028	£110,060	£264,812	£8,134	17	40%
Legal Aid (HCDPS)	0.5%	£233,639	£38,940	£100,000	£4,528	6	14%
Local Authority Funding	16.4%	£7,544,975	£301,799	£1,410,000	£9,000	25	60%
European Funding	2.8%	£1,268,995	£1,268,995	£1,268,995	£0	1	2%
Contracts and commissioned							
services (e.g. Debt Free London,							
contract with the CCG etc)	13.7%	£6,282,941	£299,188	£1,762,384	£5,107	21	50%
Services generating income (i.e. DBAs, CFAs, fixed fees)	3.1%	£1,440,836	£80,046	£543,456	£1,445	18	43%
Fundraising from events	0.3%	£145,159	£20,737	£94,909	£126	7	17%
Fundraising from individuals	1.4%	£658,178	£24,377	£104,507	£30	27	64%
Corporate donations	2.7%	£1,219,266	£64,172	£184,150	£885	19	45%
Other	2.9%	£1,352,086	£54,083	£435,414	£26	25	60%
		£45,990,245					

Funding sources, 2023







- 8.14. There was a similar spread of funding sources to those reported in previous years. However, the following changes should be noted:
 - Funding from trusts and foundations for CEOx has risen. It fell in 2022 but is now back up to 2021 levels. Around £800,000 of this income relates to the five new COEx.
 - Contract and commissioned services income fell markedly in 2023 from c.£8.5m in 2022 (21% of income) to c.£6.3m (13.7%).
 - Local authority income grew from c.£5.1m (13%) in 2022 to c.£7.5m (16.4%) in 2023. £522,000 of this came with the five new COEx agencies.
 - Legal aid income increased from c.£4.5m in 2022 to c.£6.2m in 2023, mainly accounted for by an increase of c.£1.3m for Legal Help/Controlled Work. The five new COEx agencies brought in the vast majority (£1.43m) of this increase: c.£834,000 for Legal Help/Controlled Work, c.£586,000 for Certificated Work and c.£28,000 for HCDPS.
- 8.15. Other income for COEx agencies includes:
 - Interest on bank accounts and investments
 - Accounting corrections
 - Funding from merged organisations
 - Donations
 - Employer's NI Allowance
 - Parish Council donations
 - GLA Advice in Community Settings
 - Pro bono services
 - Trading activities
- 8.16. As in previous years, a substantial amount of funding was new in 2023. It has not been possible to put a figure on this as not all agencies have specified the sum. New sources of funding mentioned include the GLA (Cost of Living Crisis Prevention Advice Project, rough sleeping, immigration), new local authority funding, Legal Education Foundation, Access to Justice Foundation, BBC Children in Need and a variety of other trusts and foundations.
- 8.17. 23 respondents (55%) expected income streams to stay the same in the next financial year. 11 (26%) did not expect this. Seven did not know (17%). This is consistent with previous survey results.