

ASSESSMENT CATEGORY - Reducing Poverty

Tower Hamlets Law Centre

Adv: Geraldine Page

Amount requested: £150,000

Base: Tower Hamlets

Benefit: Tower Hamlets

Amount recommended: £150,000

The Applicant

Tower Hamlets Law Centre (THLC) a registered charity was formed in 1975 and incorporated as a company in 1984. THLC provides legal advice and representation, mainly free, to people who work and live in the borough. It currently undertakes work in the areas of housing, immigration, welfare benefits, debt advice, employment & discrimination, community care and education. THLC clients are from a wide variety of ethnic minority community groups and its focus is on helping people who are marginalised in society or experiencing discrimination or disadvantage. THLC currently has legal aid contracts in housing and immigration and also provides advice on welfare benefits, housing and immigration under a contract with the London Borough of Tower Hamlets.

The Application

THLC is requesting a contribution towards the core costs of its operations over the next 3 years. The funding will be used to help ensure that THLC can deliver vital legal services to the community for many years to come. It will provide the time and resources needed to implement its plans for generating sustainable income for the future and strengthen its capacity to provide free legal services and increase the number of cases it can support. Key areas that will be developed include; improvement of management systems; creating alternative sources of income (by establishing a supporter's network and developing a corporate sponsorship strategy); and raising the profile of the law centre to potential clients, the community and potential supporters, members and donors.

The Recommendation

THLC has a long history of working in the borough (since 1975) and has an excellent reputation of the quality of its work providing specialist legal advice and representation on welfare benefits, housing and immigration law to the most disadvantaged residents of LB Tower Hamlets and surrounding area. After a period of instability following significant cuts in Legal Aid THLC is now focused on growing and changing the organisation in response to increasing and changing demand. As the whole of THLC activities contribute towards your Reducing Poverty programme priorities, your policy enables you to consider a grant towards core costs. Your funding will enable more people to access crucial legal services by ensuring the law centre can continue to operate to its best ability in the future and increase the number of people it is able to support each year.

£150,000 over 3 years (£75,000 £50,000, £25,000) towards core costs of Tower Hamlets Law Centre as contribution towards staffing, overheads, acquisition of new case management software; and for the establishment of a supporters' network, individual giving scheme and the implementation of a corporate sponsorship scheme.

Funding History

Meeting Date	Decision
06/06/2013	Declined as the proposal did not meet your criteria for support.

Background and detail of proposal

Tower Hamlets is one of London's most deprived boroughs with half of older people and a quarter of children living in deprived households. THLC clients have limited opportunities for the support they need and currently the charity has more cases than it can take manage. The proportion of households in the social rented sector is the fourth highest in the country, with that in the private sector the fifth highest and over 19,000 households on the council's waiting list. THLC represents people who are often in crisis, marginalised by society and experiencing discrimination.

Cuts to Legal aid in 2013 meant the law centre lost 70% of its income, necessitating staff redundancies, pay cuts and relocation to smaller shared premises, slimming down overheads. After this difficult period THLC has demonstrated that they have a well thought out, credible and realistic plan in terms of its strategy to ensure the sustainability of the organisation. This application is part of that strategy to build the law centre capacity and help it become more self-sufficient and find more cost-effective ways of delivering services. THLC plan tap into the large number of trainee solicitors and professional volunteers that have worked at the law centre over the years and reach out to the many influential law firms and other business on its doorstep in the City and Canary Wharf. During assessment your Officer consulted with Trust for London and the London Legal Sport Trust (LLST) who have both funded THLC. Both confirmed its work is well regarded and of good quality. The Centre reached LLST Centre of Excellence status in November 2017 and is one of the law centres it considers to be dealing well with the fall-out from the legal aid cuts.

Financial Information

After a period of instability, overspending and diminishing its reserves, THLC has reached a position in which it more financially stable, and income is balancing with expenditure. It expects the current business year (2017/18 at the time of writing) to end with a surplus for the first time in five years. The Law Centre has clearly demonstrated how it plans to become increasingly self-sustaining over the next 3 years and have very sensibly applied for amounts that taper over the lifetime of the grant.

Year end as at 31 March	2017	2018	2019
	Examined	Forecast	Budget
	Accounts		
	£	£	£
Income & expenditure:			
Income	413,951	426,000	502,425
- % of Income confirmed as at 14/3/18	n/a	100%	41%
Expenditure	(462,267)	(389,782)	(438,994)
Total surplus/(deficit)	(48,316)	36,218	63,431
Split between:			
- Restricted surplus/(deficit)	6,524	0	0
- Unrestricted surplus/(deficit)	(54,840)	36,218	63,431
	(48,316)	36,218	63,431
Cost of Raising Funds	19,600	19,600	28,600
- % of income	4.7%	4.6%	5.7%
Operating expenditure (unrestricted funds)	425,517	172,382	168,694
Free unrestricted reserves:			
Free unrestricted reserves held at year end	(997)	35,221	98,652
No of months of operating expenditure	0.0	2.5	7.0
Reserves policy target	100,000	100,000	100,000
No of months of operating expenditure	2.8	7.0	7.1
Free reserves over/(under) target	(100,997)	(64,779)	(1,348)

