

MEETING: 28/01/2015

Ref: 12435

### ASSESSMENT CATEGORY - Reducing Poverty

North London Action for the Homeless

Adv: Tim Wilson

Base: Hackney

Amount requested: £68,176

Benefit: Hackney

Amount recommended: £59,000

#### The Charity

North London Action for the Homeless (NLAH) was established 20 years ago by local Jewish and Christian groups. Originally working from a synagogue, for the past six years NLAH has been based in a Catholic church near the Kingsland Road. The charity offers a twice-weekly drop in service for homeless and vulnerable people where food is available, as well as the opportunity to discuss concerns and support needs. The services are open to people of all (and no) faiths, and only vegetarian food is served to ensure that no-one is excluded because of dietary restrictions. Over 100 people attend the centre each week.

#### The Application

Food is currently prepared by a part-time cook. Since joining the organisation in 2010, this staff member has started a gardening project, involved service users in the production and sale of preserves, and established a strong network of local businesses which donate food on a regular basis. NLAH seeks funding to increase this staff member's hours, and to appoint them as "Kitchen/Garden Manager". The charity will then be in a better position to maintain current levels of its meals service, and to engage a greater number of participants in cooking and food growing projects.

#### The Recommendation

NLAH offers an impressive level of service to vulnerable and homeless people. Eating together at the twice weekly sessions, NLAH provide people with the opportunity to begin conversations about support needs and ways in which the charity might provide further assistance. The charity offers hairdressing, TB checks, and, when it has sufficient donations, clothes and toiletries. Much of the service is reliant on the part-time cook who works with a team of volunteers to serve the meals. The charity's free reserves are currently above its own target, and are forecast to remain above target. Given that the funding requested from the Trust is for core activities it would be reasonable to expect NLAH to commit some of these surplus reserves towards the work. Funding is advised as follows:

***£59,000 over three years (£17,500; £20,000; £21,500) towards the costs of a Kitchen/Garden Manager (21 hours per week) and running costs. The funding is conditional on NLAH providing the balance of funding from other sources.***

#### Funding History

Meeting Date	Decision
25/09/2003	£3,765 towards the salary of a welfare advisor for six months.
23/03/2000	Rejected as the funding requested would make the Trust the charity's largest single funder.

## Background and detail of proposal

Much of the current level of NLAH support is possible thanks to the goodwill and volunteer time of the part-time cook. In order to sustain its meals service, the charity seeks to pay the cook the time she currently provides voluntarily. This will also allow for the expansion of NLAH's food growing and preserve-making projects.

## Financial Information

Forecast income and expenditure figures received from NLAH for 2014-15 assumes that the funding requested from City Bridge Trust is awarded. As a result of this assumption, the charity reports a relatively low level of secured income for 2014-15, £33,000 (48.5%) at 23<sup>rd</sup> December 2014. City Bridge Trust is not expected to make up the whole 51.2% shortfall, however, as NLAH also has several funding proposals pending with smaller trusts and foundations which it hopes to use towards 2014-15 income.

Members will note that the charity's free reserves exceed its own target position, and your officer has discussed this with the organisation. Since the funding sought is towards core activities it would be reasonable to expect NLAH to apply some of these reserves towards the proposed activities. Your officer's recommendation is to ask NLAH to apply £10,000 of its free reserves towards project costs. Given the charity's relatively low turnover it is proposed that this be spread over the three years of grant funding sought from the Trust.

Members will also note the charity's extremely low cost of generating funds. All funding applications are made by a board member who acts in an unpaid capacity.

Year end at 31 March	2012/13 Independently Examined Accounts	2013/14 Draft Accounts	2014/15 Current Year Budget
<b>Income and Expenditure</b>	£	£	£
Income	57,332	54,926	68,000
Expenditure	52,313	52,222	68,000
Unrestricted Funds Surplus / (Deficit)	5,019	2,704	(1,500)
Restricted Funds Surplus / (Deficit)	0	0	1,500
<b>Total Surplus / (Deficit)</b>	<b>5,019</b>	<b>2,704</b>	<b>0</b>
Surplus / (Deficit) as a % of turnover	8.8%	4.9%	0%
Cost of Generating funds (% of income)	1,013 (1.8%)	208 (0.4%)	500 (0.7%)
<b>Free unrestricted reserves</b>			
Unrestricted free reserves held at Year End	43,657	46,361	44,861
How many months' worth of expenditure	10.0	10.7	7.9
Reserves Policy target	26,157	26,111	34,000
How many months' worth of expenditure	6.0	6.0	6.0
Free reserves over/(under) target	17,500	20,250	10,861