

MEETING: 18/03/2016

Ref: 12830

### ASSESSMENT CATEGORY - Reducing Poverty

Tamil Welfare Association (Newham) UK

Adv: Sandra Jones

Base: Newham

Amount requested: £102,000

Benefit: Newham and surrounding boroughs

Amount recommended: £102,000

#### The Charity

Operating since 1986, Tamil Welfare Association (Newham) UK (TWAN) was set up to improve the quality of life for Tamil refugees and migrants living in East London, chiefly through supporting them to adapt and successfully integrate into UK society. Activities include support for older people and children, although the charity's primary project is offering legal advice and representation on debt, welfare benefits, housing, employment and immigration.

#### The Application

Your funding is sought to provide debt, welfare and housing advice to support Tamil refugees and migrants. It proposes to undertake this at the charity's office by a full time advisor and associated running costs.

#### The Recommendation

The charity has strong links locally, with a good track record of delivering a range of quality services for local people which includes legal advice. The demand for these services has been increasing year on year, and the funding requested would enable the charity to continue to run these services. The post has been funded by TSB Lloyds Foundation, which ceases in this financial year.

***£ 102,000 (3x £34,000) towards the costs of a FT Advice Worker and associated running costs. The first payment is subject to receipt of satisfactory signed audited accounts for the years ended 31 December 2014 and 31 December 2015. Release of subsequent quarterly payments are subject to the receipt of a satisfactory forecast each quarter of income and expenditure for the year, until such time that free reserves reach a reasonable level.***

#### Funding History

Meeting Date	Decision
08/10/2009	£22,500 over three years (£7,250; £7,500; £7,750) towards weekly befriending and lunch club activities for older members of the Tamil community in East London.

#### Background and detail of proposal

TWAN's Advice Worker is responsible for providing the organisation's advice work on money and debt advice, housing and welfare benefits. This is supported by volunteers who are trained and supervised by the post holder. Although the project is predominantly for people from the Tamil community, they are open to provide advice to local people.

This work is undertaken at the charity's premises in Newham and is a lifeline for some of London's poorest people. The charity has gained Advice Quality Standard

accreditation; OISC Level 3 for immigration; and has recently been awarded the status of one of the London Legal Support Trust's Centre of Excellence.

### Financial Information

Forecast income for the current year ended 31 December 2016 is £177,000 of which £115,500 (65%) had been secured as at 24th February 2016. This total income figure includes £34,000 related to this grant application. The cost of generating funds is low, which the charity advises is due to volunteers assisting with fund raising.

Unrestricted free reserves were £20,891 as at 31st December 2014, which is equivalent to 2.0 months' worth of expenditure, compared to a reserves target of 12 months' worth of expenditure, which amounts to £122,375. The charity has advised that this is partly due to the loss of Legal Aid Agency funding. TWAN also advises that it plans to re-mortgage its property to finance the purchase of the lease on the remaining part of the same building, which would be used to generate rental income to build up reserves over the coming years. If this plan does not materialise, the charity says it has scope to relinquish part of the building they currently occupy in order to downsize and remain sustainable.

Should a grant be awarded by City Bridge Trust, it is suggested that the first quarterly grant payment be subject to receipt of satisfactory signed audited accounts for the years ended 31 December 2014 (audited accounts were received but not signed) and 31 December 2015. It is also suggested that, until such time that reserves reach a reasonable level, the release of subsequent quarterly grant payments be subject to the receipt of a satisfactory forecast each quarter of income and expenditure for the year.

Year end at 31 December	2014 Independently Examined Accounts	2015 Draft Outturn	2016 Current Year Forecast
Income and Expenditure	£	£	£
Income	96,457	173,049	177,000
Expenditure	122,375	168,522	160,600
Unrestricted Funds Surplus / (Deficit)	14,522	4,527	16,400
Restricted Funds Surplus / (Deficit)	(40,440)	0	0
Total Surplus / (Deficit)	(25,918)	4,527	16,400
Surplus / (Deficit) as a % of turnover	(26.9%)	2.6%	9.3%
Cost of Generating funds (% of income)	2,800 (2.9%)	-	-
<b>Free unrestricted reserves</b>			
Free unrestricted reserves held at Year End	20,891	25,418	41,818
How many months' worth of expenditure	2.0	1.8	3.1
Reserves Policy target	122,375	84,261	80,300
How many months' worth of expenditure	12.0	6.0	6.0
Free reserves over/(under) target	(101,484)	(58,843)	(38,482)