

MEETING: 10/01/2017

Ref: 13675

ASSESSMENT CATEGORY - Reducing Poverty

Refugee Action

Adv: Sandra Jones

Base: Westminster

Amount requested: £171,955

Benefit: London-wide

Amount recommended: £165,000

The Charity

Established in 1981, Refugee Action (RA) has become one of the leading national charities working to enable refugees and asylum seekers to build new lives. To achieve this the charity provides direct services as well as encouraging joined up working between refugee and asylum support organisations, and with mainstream services in order to maximise impact and effectiveness. One of RA's key areas is to end the avoidable poverty and homelessness of those going through the asylum process.

The Application

Funding is sought towards an Asylum Crisis project for destitute asylum seekers based in London. The project offers effective complex casework and advocacy to enable vulnerable individuals and families seeking asylum to avoid homelessness and destitution. This will be delivered by 10 volunteers who are managed by a Project Co-ordinator (4 days per week) and the Deputy Manager for London at 1 day per week.

The Recommendation

To date the project has been funded by Comic Relief, with the funding ceasing in December 2016. In reporting to Comic Relief, the project delivered by the Co-ordinator and a team of 14 volunteers supported over 89 complex cases in a year up to specialist level. This grant will provide continuation of this project. In discussion with your officer the project reduced the volunteer costs by £2,000 per annum.

£165,000 over three years (£54,900; £54,700; £55,400) towards the costs of 4 days per week Project Co-ordinator; 1 day per week Deputy Manager; volunteer costs for 10 volunteers; and associated running costs.

Funding History

None

Background and detail of proposal

Existing refugee advice services require refugees to come to them whereas Asylum Crisis is based on an outreach model, conducting assessment at drop-in services based in the communities where asylum seekers live and managing the casework from a central office. Frontline refugee support organisations often do not have the expertise and resources to contest Home Office refusals of support, whereas AS has partnerships with solicitors to challenge decisions.

Working with organisations supporting refugees and asylum seekers, the Project Coordinator and volunteers will run outreach drop-in sessions offering advice. Where there is the need for more in depth casework, this would be undertaken at RA's premises. Project volunteers are trained on specialist asylum support issues

and processes to create an expert team with a strong grounding in quality and impact. Where there is a need for representation at tribunal, e.g. to challenge social care or asylum support refusals, the charity will work with the solicitors from Asylum Support Appeals Project and Deighton Pierce Glynn.

Financial Information

Forecast income in the current year is £4,770,398 of which £4,306,468 (90.3%) is confirmed as at December 2016, with 49% of the income for 2017/18 already confirmed. The charity is currently in a period of substantial financial change, with their income reducing from £20million in 2014/15 to less than £5million in the current financial year. This has been due to the loss of substantial grants from the Home Office and its agencies to deliver frontline advice and achieve a range of impacts for asylum seekers and refugees including integration support for resettled refugees, applications for support during the asylum process and support to access employment. Going forward, RA has secured £1.3 million per annum for three years for the Gateway Protection Programme and a further £2.4million per annum for Syrian resettlement, both grants from central government. The remaining 40% of their income is from Trusts and donations and earned income.

The charity has a clear strategy and plan for managing the significant contraction to the organisation, with reasonable sized forward agreed contacts and coverage of planned deficits. In addition reserves are primarily backed by liquid assets. RA have a £2m designated fund which was set up to cover the future planned deficits and the reason why free reserves haven't moved in 2016/17 is because this designated fund is expected to be utilised over the coming months. The charity considers that they will be breaking even by 2018/19.

Year end at 31 March	2015/16 Audited Accounts	2016/17 Forecast	2017/18 Forecast
	£	£	£
Income and Expenditure			
Income	10,544,000	4,770,398	6,060,484
Expenditure	10,489,000	5,871,238	6,919,073
Unrestricted Funds Surplus / (Deficit)	(104,000)	(1,130,930)	(858,589)
Restricted Funds Surplus / (Deficit)	(159,000)	30,090	0
Total Surplus / (Deficit)	55,000	(1,100,840)	(858,589)
Surplus / (Deficit) as a % of turnover	0.5%	(23%)	(14%)
Cost of Generating funds (% of income)	654,000 (6.2%)	1,021,020 (21.4%)	1,009,267 (17%)
Free unrestricted reserves			
Free unrestricted reserves held at Year End	530,000	530,000	1,080,000
How many months' worth of expenditure	3	3	2
Reserves Policy target	525,000- 1,005,000	525,000- 1,005,000	525,000- 1,005,000
How many months' worth of expenditure	3 - 6	3 - 6	3 - 6
Free reserves over/(under) target	5,000 - (475,000)	5,000 - (475,000)	555,000 - 75,000