



PRESS RELEASE

Wednesday 15 July 2009

Novas Scarman welcomes TSA's decision of no further action

The Novas Scarman Group today accepted the findings of the Tenant Services Authority that it did not exercise full management of its financial affairs during parts of 2008.

The charity also accepted that in December of last year, it was not in a position to deliver, in full, its offer of match funding from its own resources towards improvement works at a hostel for the homeless in London.

NSG welcomed the TSA ruling that there was insufficient evidence to support a finding of misconduct in relation to any individual and that there had been no misuse of public grants.

NSG today apologised unreservedly for its financial management failings in 2008 but emphasised that its troubles were not solely caused by management issues but by the rapidity of the recession and the crash in commercial property values.

The charity said it was pleased to report that it now is in a healthier financial position and the troubles of last year are behind it.

NSG issued the following statement on behalf of the board and the executive.

"We welcome the findings and accept the TSA's ruling in its entirety. We apologise publically for our shortcomings during parts of 2008.

"Like many organisations we were hit by the recession, but we have turned the situation around and the problems of the past have been tackled and overcome.

"We now have a chief executive in charge of the entire organisation and we have strengthened our board, executive and financial management team. We have become a strong and focussed organisation with sufficient cash, no borrowings or overdraft and assets of £20million.

"We have almost completed the sale of our entire hostel portfolio and have now fulfilled our offer to match fund £14million from our own resources for improvement works at London's Arlington House and Dean Street hostels. The grant paid to NSG from CLG has been used 100% towards these works. There has been no detriment to any homeless customers and Arlington House will be completed on time to the highest standard.

"NSG now has a viable and vibrant future as a charity that empowers 6,000 disadvantaged people a year to improve their lives through personalised support and development pathways into work and learning as well as providing support for 10,000 grassroots community leaders and organisations each year.

"We thank the TSA for their impartiality and their support over this difficult period.

"NSG made detailed submissions to the TSA criticising the BDO report which highlighted personal relationships which were irrelevant to the financial issues facing NSG. We consider much of their report, produced at substantial cost to the public purse, to be opinion based and non factual.

"Their statement released to the media on July 15 states: 'The TSA Board has decided not to publish BDO's report on the NSG at this time for a number of reasons, including that the board only relied on some facts supplied by the report and that some comments in relation to individuals appear to be prejudicial.' The TSA also stated: it has "a duty of care to those individuals as we do not agree with the Report in relation to these comments"

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Notes to Editors

The **Novas Scarman Group** is major social justice charity at the cutting edge of tackling social disadvantage through social enterprise, innovation and positive impact.

Novas Scarman works at a local level to empower people and communities by creating opportunities for positive change through personalised support and development, pathways into work and learning, inclusive local decision making and change programmes, and releasing enterprise and cultural expression.

We bring communities together by enabling a voice for those often not heard or marginalised, to be at the heart of our communities, and we aim to become one of the world's most influential and effective catalysts for social justice, inclusion and diversity.

The organisation has four core activities:

- Community support services serving the most disadvantaged communities
- Clusters of social enterprises based in Contemporary Urban Centres
- Nation-wide programmes of learning and inclusive pathways to work
- Campaigning and policy advocacy work – “connecting the streets with the corridors of power”