

MEETING: 28/11/2019

Ref: 15371

ASSESSMENT CATEGORY: Bridging Divides - Positive Transitions**Merton Home Tutoring Service****Adv: Sam Grimmett Batt****Base: Merton****Amount requested: £259,000****Benefit: Merton****Amount recommended: £135,000****The Applicant**

Merton Home Tutoring Service (MHTS) was established in 2009 in order to offer ESOL provision for those unable to access statutory support. MHTS is the primary pre-entry ESOL provider in the borough and provides both classes and home tutoring, which supports learners to a position whereby they can attend classes. It also runs a weekly conversation group. The charity operates with a small staff team, supports around 100 learners annually and usually has a waiting list of 15-20 people.

The Application

The funding will be used to provide 8 classes across two locations, delivered by qualified ESOL teachers. The charity will pilot 4-hour classes (rather than 2 hours currently) and investigate whether this accelerates pupil learning; thereby eventually increasing the overall number of people it can support each year. Additionally, one of the classes will be changed from a daytime class to an evening class.

The Recommendation

MHTS is well trusted in the community and considered an expert in local ESOL provision; having been selected to deliver the Learn English Together project (LET), to establish a baseline of ESOL need and provide a referral/signposting service, as well as advice and support to smaller organisations. Whilst still a modest operation, over the last 10 years activities have steadily increased with income tripling since you last funded it in 2013. The National Lottery Community Fund (NLCF) has pledged a grant of c.£200k over the next 3 years, primarily towards the home tutoring aspects of MHTS's work. Your grant, towards the classroom-based work, would complement this funding hence it is advised for three years duration rather than the five requested. Funding is advised:

£135,000, over three years (£43,000, £46,000, £46,000) towards pre-entry to entry level 2 ESOL community classes to give adult migrants, refugees and asylum seekers more opportunities to learn English. The grant includes £2,000 in year 1 towards safeguarding training.

Funding History

Meeting Date	Decision
18/04/2013	£34,120 over three years to provide basic English classes for migrants, refugees and other adults unable to reach other classes.

Background and detail of proposal

Room hire costs include creche facilities, which are essential as most of the learners are women unable to attend otherwise. Teaching costs are higher in year 2 and 3 to account for the introduction of a paid teacher enabling an evening class.

The grant recommendation has been determined in order to meet your policy regarding turnover, ie that your annual grant cannot exceed 50% of the recipient's annual turnover in any year. MHTS has experienced variable income levels in the past few years; the recommendation incorporates annual amounts based on the average income received in 2017, 2018, 2019 and confidently projected in 2020. In year one, an additional £2,000 has been included towards safeguarding training.

It was clear during the monitoring of your last, and during the assessment of this application, that the charity is negatively impacted by limited administrative/strategic resource. The aforementioned NLCF grant incorporated an additional amount towards specific capacity building elements. Should you approve a grant, your officer will steer the organisation towards your Funder Plus offer, The Bridge Programme, in order to potentially augment this.

Financial Information

This organisation is dependent on grant funding but can expeditiously adjust its activities based on income received. Income in 2019 was lower than expected because MHTS was not successful in an application to the National Lottery Community Fund (NLCF) (a grant has since been awarded). Other income allowed the charity to continue operations without significantly reducing activities or depleting reserves and MHTS reviewed its fundraising strategy and introduced a more stringent programme of applications in response to the dip in funding. It will also be investing in a new fundraising database and strategic advice in 2020.

The 2020 budget includes exceptional income (unlikely to be repeated at this level), and expenditure, of £118k towards the LET project. Due to this, the reserves target in 2020 has been artificially inflated, leading to the reserves appearing to be under target. In fact, if this expenditure is discounted, the reserves are £9k over target, mirroring previous years.

Year end as at 31st July	2018	2019	2020
	Signed Accounts 14 months £	Draft accounts £	Budget £
Income & expenditure:			
Income	110,272	87,893	228,833
- % of income confirmed as at 8/7/19	N/A	N/A	99%
Expenditure	(88,255)	(83,269)	(225,833)
Total surplus/(deficit)	22,017	4,624	3,000
Split between:			
- Restricted surplus/(deficit)	13,279	432	3,000
- Unrestricted surplus/(deficit)	8,738	4,192	0
	22,017	4,624	3,000
Operating expenditure (all funds)	88,255	83,269	225,833
Free unrestricted reserves:			
Free unrestricted reserves held at year end	32,247	36,439	36,439
No of months of operating expenditure	4.4	5.3	1.9
Reserves policy target	22,064	20,817	56,458
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	10,183	15,622	(20,019)