

**MEETING: 21/03/2019**

**Ref: 14706**

**ASSESSMENT CATEGORY - English for Speakers of Other Languages**

**Afghanistan and Central Asian Association**

**Adv: Tim Wilson**

**Base: Hounslow**

**Benefit: Lewisham and Croydon**

**Amount requested: £113,380**

**{Revised request: £121,000}**

**Amount recommended: £121,000**

**The Applicant**

There are an estimated 250,000 UK-residents of Afghan origin, with 60% of this community in Greater London. The Afghanistan and Central Asian Association (ACAA) is a Charitable Incorporated Organisation established in 2001 by a former refugee. Starting life as a cultural organisation, ACAA now provides entry-level English classes, employability services, advice, counter-radicalisation workshops, as well as arts and sports activities for children and young people. The organisation works chiefly with people from Afghanistan, but also supports clients from Iraq, Pakistan, Iran and Syria.

**The Application**

ACAA's English language classes take place across Hounslow, Lewisham and Croydon. Although tuition is aimed at refugees and migrants, support is open to anyone who wants to improve their English. Most classes are mixed gender although ACAA also offers women-only tuition. Having received some funding from the Big Lottery for its "ESOL for Integration" work, ACAA seeks support from City Bridge Trust to reach more students by extending the hours of two Integration Workers. These post-holders ensure the effective delivery of language tuition. The organisation also wishes to accredit its tuition, so that students can receive certificates at course completion. Funding sought for the staff is equivalent to one full-time equivalent, as per the Trust's policy.

**The Recommendation**

ACAA is very much the product of the founding director's vision and energy, and its work recently won a Queen's Award for Voluntary Services as well as an award from the Mayor of Lewisham. The organisation has many years' ESOL experience and has expanded its offer significantly since City Bridge's last funding in 2012. The request will allow ACAA to increase staff time for service delivery, rent space to run more classes and improve the visibility of student achievement through course accreditation. Given the waiting list of prospective students, there is evidence of need along with the evidence of service quality. Following the assessment visit, your officer advised the applicant to include adequate provision for management costs, and the recommended amount reflects this at a further £7,500 over three years. Funding is advised as follows:

***£121,000 over three years (£42,000; £39,500; £39,500) towards the costs of the Lewisham and Croydon Integration Workers, classroom rental, on-costs and research into the most appropriate accreditation for ACAA's ESOL provision.***

## Funding History

Meeting Date	Decision
20/09/2017	An unsuccessful application to work with survivors of domestic violence.
11/05/2017	The application was withdrawn.
16/02/2012	£33,300 over three years for provision of Level 1 ESOL classes to Afghan and Central Asian refugees.
08/07/2010	An unsuccessful application for work outside the funding criteria.
05/11/2008	Application rejected due to insufficient evidence of ability to deliver proposed services.

### Background and detail of proposal

With a Hounslow-base on a busy high street, along with promotion via local mosques, schools as well as referrals from the Job Centre, ACAA receives a steady stream of enquiries for its ESOL support. The organisation works with around 150 students across its three operating boroughs, and typically has a waiting list of 50 more who wish to join. Participants are often of very mixed ability, but ACAA reports that most are at a very basic level, and the classes are designed to help learners overcome the language barriers that prevent them from engaging with public services. ACAA hopes that improved English helps improve psychological wellbeing, as well as enhanced ability to access education and employment opportunities.

Classes are delivered by qualified volunteer tutors, and the supervising staff (the Integration Workers) use the ESOL provision as an opportunity to offer support with wider needs, such as family separation or domestic violence.

Funding would complement a grant already in place from the Big Lottery, and your officer has reviewed the detail of this agreement to ensure there is no duplication of the request to City Bridge Trust.

### Financial Information

ACAA's turnover is due to increase almost four-fold between 2017 – 2019 as a result of growth in restricted income. Whilst this demonstrates considerable fundraising success, your officer discussed the organisation's ability to manage this expansion both at management and board level. ACAA provided reassurance, noting that it was recruiting new trustees with finance expertise, and had recently completed a review of its policies and procedures.

Unrestricted funds comprise a small proportion of ACAA's turnover, reflective of the organisation's reliance on grant-funding and the relative poverty of its client base. The table below shows free reserves as a proportion of total expenditure, and highlights that this holding is lower than the trustee target. ACAA states that it has a funding plan in place to increase unrestricted income and build free reserves, but it is notable that the organisation may otherwise struggle to manage periods of financial stress such as delays in grant payment or cost overruns.

2017 accounts did not show the cost of raising funds, but ACAA has estimated this to be £700 based on an apportionment of staff time. Figures for 2018 and 2019 are presented on the same basis, and the organisation has committed to identifying CORF in subsequent accounts.

<b>Year end as at 31 October</b>	<b>2017 Examined Accounts £</b>	<b>2018 Draft £</b>	<b>2019 Budget £</b>
<b>Income &amp; expenditure:</b>			
Income	84,688	298,456	422,000
- % of Income confirmed as at 27th Dec 18	n/a	100%	70%
Expenditure	(88,509)	(256,640)	(415,000)
<b>Total surplus/(deficit)</b>	<b>(3,821)</b>	<b>41,816</b>	<b>7,000</b>
<b>Split between:</b>			
- Restricted surplus/(deficit)	(17,274)	32,297	(23,000)
- Unrestricted surplus/(deficit)	13,453	9,519	30,000
	<b>(3,821)</b>	<b>41,816</b>	<b>7,000</b>
<b>Cost of Raising Funds</b>	<b>0</b>	<b>3,492</b>	<b>5,000</b>
- % of Income	0.0%	1.2%	1.2%
<b>Operating expenditure (total funds)</b>	<b>88,509</b>	<b>260,132</b>	<b>415,000</b>
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	16,157	25,676	55,676
No of months of operating expenditure	2.2	1.2	1.6
Reserves policy target	22,127	65,033	103,750
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(5,970)	(39,357)	(48,074)

