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THE FUNDERS FOR RACE
EQUALITY ALLIANCE

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A line art illustration in white on a blue background. It depicts two individuals from the chest up, both wearing face masks. The person on the left is a woman with her hair pulled back, looking slightly to the right. The person on the right is a man with a beard, looking slightly to the left. The drawing style is minimalist, using only outlines.

**A QUANTITATIVE ANALYSIS OF THE
EMERGENCY FUNDING TO THE UK
BLACK AND MINORITY ETHNIC
VOLUNTARY SECTOR DURING
COVID-19**

6 April 2021

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EXECUTIVE SUMMARY

The public outcry over the deaths of George Floyd and Breonna Taylor. The Black Lives Matter protests around the world. Covid-19 widening inequality and having a disproportionate impact on people from Black and Minority Ethnic backgrounds. 2020 led to an unprecedented shift in how we think about and fund race equality issues in the UK.

According to [Voice4Change England's 2015](#) report, the Black and Minority Ethnic voluntary and community sector (VCS) has historically experienced specific challenges, such as a high number of organisations being eligible to apply for only a small number of over-subscribed funds. With this context in mind, Black and Minority Ethnic VCS groups entered the pandemic under-funded. Thanks to the influencing work of sector players such as #CharitySoWhite and the Ubele Initiative, funders became more responsive to meeting the sector's needs and priorities.

The Funders for Race Equality Alliance has been reflecting on the changing funding landscape. Alongside the Ubele Initiative and Future Foundations UK, the Alliance has been discussing the unprecedented amount of emergency funding targeted at the Black and Minority Ethnic VCS. With their expertise, members of the Alliance sought to better understand the amount and nature of emergency funding that has been allocated to race equality as a consequence of Covid-19 and Black Lives Matter. In doing so, the review explores the implications for the sustainability of the Black and Minority Ethnic VCS.

The Alliance is a group of funding organisations working together since 2015 to achieve race equality in the UK. The Alliance commissioned this analysis of emergency funding during the early stages of the pandemic to help UK funders:

1. identify their next steps in supporting the Black and Minority Ethnic voluntary sector,
2. review and analyse their funding processes,
3. enable more focused conversations about future funding strategies as the impact of the pandemic continues,

4. identify infrastructure groups and networks which will enable them to reach communities they have not previously been in contact with,
5. identify gaps in funding,
6. support the sustainability of Black and Minority Ethnic civil society,
7. understand the causes, consequences and impact of the unexpected shift in funding race equality.

The review covered 34 emergency funds. It identified and analysed the type, amount and purpose of funding awarded to Black and Minority Ethnic organisations through different types of funding pots between March 2020 and November 2020. It sought views from funders and stakeholders which helped to inform the analysis, identify learning and reflections and shape the recommendations.

The overall aim is to ensure that the much-needed increased support for race equality and Black and Minority Ethnic communities and civil society organisations is not temporary, but becomes permanent and sustainable.

Key recommendations for the Alliance and wider funding sector

1. Sustain the Black and Minority Ethnic VCS work through the pandemic and beyond.

The analysis shows that many of the grants have to be spent before the end of March 2021 or approximately 6 to 12 months after they were made available. This puts organisations at risk of financial insecurity after this period.

As funders move into the next phase of the pandemic, they need to keep up the momentum, apply what they have learnt and not go back to 'business as usual'.

For the short term, this means funders need to look at renewing their funding with a longer-term lens, to extend across both the recovery phase of the pandemic and beyond. Funders also have a responsibility to redress the historic underinvestment of the Black and Minority Ethnic VCS and create generational funding opportunities to advance greater racial justice in the UK.

The overall aim is to ensure that the much-needed increased support for race equality and Black and Minority Ethnic communities and civil society organisations is not temporary, but becomes permanent and sustainable.

2. Address devolved and regional inequalities in the ongoing Covid-19 response

The majority of emergency funding – 66% – went to London. This was followed by the North West, which received 9%, and then Yorkshire and the Humber and the West Midlands, which received approximately 5% each.

The analysis identified regional inequalities in funding, most notably in the Midlands and South East. These regions received a disproportionately small amount of funding when compared to their Black and Minority Ethnic population size.

Funders need to further investigate the gap in regional funding. Further research should include an analysis of the number and type of organisations, as well as the size of the Black and Minority Ethnic population in different regions in the UK. This would enable funders to understand if the dissemination of emergency funding was proportionate to the number of organisations and size of communities in each region.

The Alliance is currently mapping the race equality sector in England to improve funders' understanding of the players and issues facing the sector. This work can help identify gaps in organisational coverage in English regions.

In addition, community foundations and infrastructure organisations need to play an increased role in supporting local Black and Minority Ethnic organisations and movements in under-funded regions.

3. Develop longer-term, adaptable funding strategies

The analysis found that the dominance of flexible funds illustrated funders' responsiveness to the changing needs of the sector during this period. Several funders loosened restrictions around funding so that funds could be repurposed.

Funders need to continue to adapt funding approaches to be more accessible, flexible and enable more of a long-term focus on racial equality and justice within existing and new priorities.

This can be done by: ring-fencing, providing additional pre-application support, pooled funds and re-granting through Black and Minority Ethnic intermediary organisations. These strategies have proven to be key in providing an effective Covid-19 response.

4. Partner with infrastructure groups and networks to enable reach

During the first phase of the pandemic, many funders harnessed the unique and pivotal position of Black and Minority Ethnic-led organisations and infrastructure bodies to ensure that funds were accessible to hard-hit and previously under-served communities.

Collaboration and the use of participatory grantmaking has been highlighted in the analysis as an efficient way for larger funders to distribute funds quickly and efficiently.

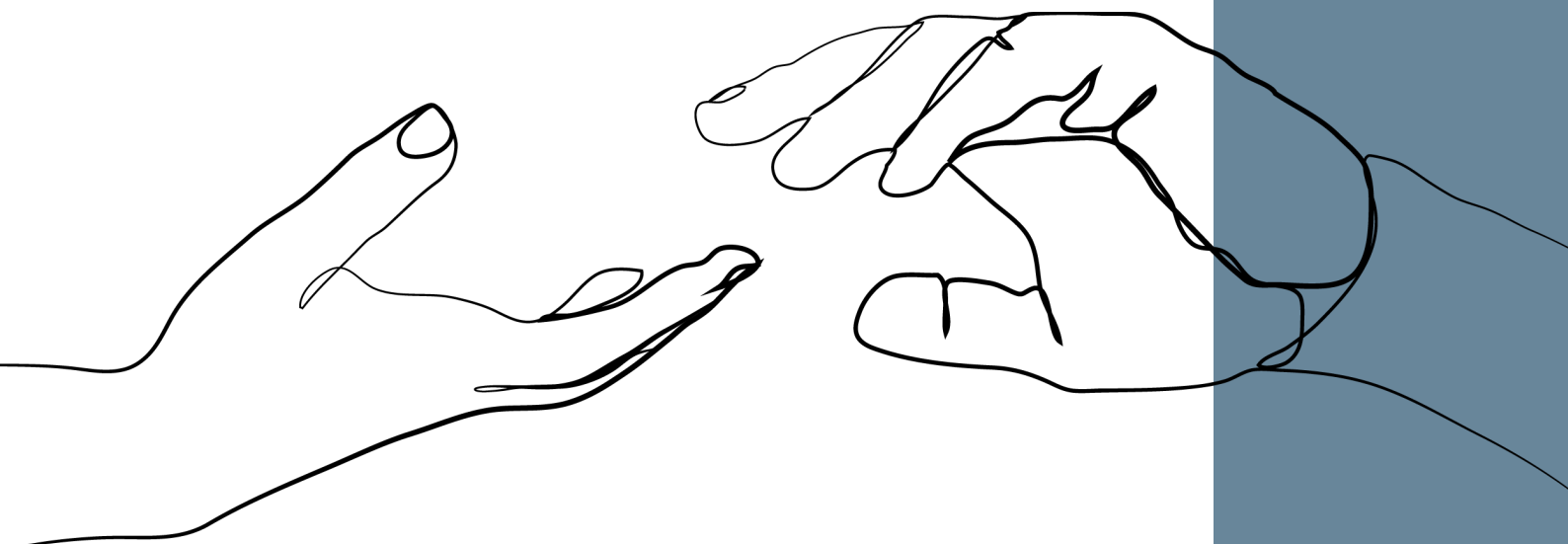
Collaborations and partnerships between funders and the Black and Minority Ethnic VCS will be vital to creating effective funding approaches. Funders must actively raise their own awareness of existing and emerging groups that are already doing valuable work.

5. Support the Black and Minority Ethnic VCS to tackle structural inequalities and advance anti-racism

The analysis showed that only 9 of the 34 funds supported work on human rights and justice. This lack of funder focus on tackling racism, discrimination and structural inequalities and injustice needs to be addressed. Funders must continue to diversify their funds to support organisations and initiatives, which focus on tackling structural inequalities.

The Alliance also recommends that funders complete the Alliance's racial justice funding audit in order to identify if, and how much, of their UK funding is aimed at the root causes of inequality or at alleviating the consequences. This will enable funders to analyse their portfolios and develop targets and strategies to ensure they are properly supporting racial justice work.

Funders must actively raise their own awareness of existing and emerging groups that are already doing valuable work.



ACKNOWLEDGEMENTS

Responses were received from 30 funders, covering 34 emergency funds that aimed to support Black and Minority Ethnic-led organisations and communities. Their contribution to this analysis has been instrumental. This analysis also benefited from direct input from the Ubele Initiative, Future Foundations UK and 360Giving. {1}

Thanks must also be given to Shahana Khundmi for analysing the data, and Tracey Agyeman, Saphia Youssef, Josh Cockcroft, Kamna Muralidharan, Ali Harris and the Alliance's steering group for their guidance and challenge.

All of the above contributors offered a helpful and timely perspective, which is greatly appreciated.

LANGUAGE

It is important to highlight that there are differing views on terminology and how best to describe people and communities that experience racial inequality.

Race equality campaigners and advocates were consulted on specific terminologies in order to ensure consistency with the sector. The contributors of this report are conscious of the evolution of language, identity and limitations of these terms, while also recognising the sensitivities and complexities involved.

It should be noted that Black and Minority Ethnic can be perceived as a 'catch-all' term, which greatly reduces complex ethnic, racial, cultural and religious differences. The term can also marginalise groups such as Gypsy, Roma and Traveller communities. This definition is not perfect. In this regard this analysis will not use acronyms when referring to the sector, people and communities (other than in direct quotations).

It is also important to state that each funder within this analysis has their own definition of what constitutes a Black and Minority Ethnic organisation and may not reflect the views of the Alliance.

The Alliance is reviewing its use of language to ensure it is inclusive and reflects the specific needs of each ethnic group.

{1} Find out more about the [Ubele Initiative](#), [Future Foundations UK](#) and [360Giving](#).

METHODOLOGY

This analysis reported on 34 emergency funds that targeted Black and Minority Ethnic organisations. These were 'funds' rather than individual grants, which allowed for a more in-depth analysis into their aims and criteria to understand the sector's response more clearly.

In the initial stages of research, a list of relevant funds was compiled using publicly available sources and contributions from funders. A quantitative analysis was conducted to analyse how funds were brought together and distributed throughout the four nations.

Short interviews were also conducted with nine funders involved in the analysis, using four key questions to provide context and depth to the decisions made by individual funders during this period.

LIMITATIONS

This analysis is a snapshot of the emergency funding available between March and November 2020. Therefore, this restricted timescale limited the number of funds which could be included in this analysis. The period leading up to December 2020, when the analysis was conducted, was a busy time for many funders, as their priority was distributing funding to organisations as quickly as possible.

A longer period for data gathering would have been beneficial to allow funders additional time to provide more data on their funds and recipients. However, it is also necessary to balance the time restraints of this analysis with the need to inform the sector of what has been learnt, so that funders can reflect, adapt and apply these lessons to future funding practice.

It is recommended that the Alliance should revisit this analysis in the near future to perform a short extension to include funds that may have been omitted. This will also help to provide a clearer picture of the long-term commitments and changes that funders are making across the four nations.

The Alliance invites funding organisations with relevant funds not captured in this analysis to contact FREAlliance@equallyours.org.uk, so that this data can be included in the second edition of the analysis.



FOREWORD

The Alliance believes charitable foundations have a leadership role to play in tackling race inequality, by providing funding for the benefit of all and by ensuring, specifically, that Black and Minority Ethnic populations benefit.

Despite systemic inequalities and a lack of resources, since the start of the pandemic Black and Minority Ethnic VCS organisations have responded quickly and collaboratively. They have raised the profile of the disproportionate impact of Covid-19 in policy spaces and provided services to affected communities.

In March 2020, the Alliance heard from the Ubele Initiative who produced a [research series](#) on the sector's needs and concerns as a result of Covid-19. It was agreed that the findings would help shape the Alliance's next steps in responding to the pandemic.

Individually, members of the Alliance shared how they have made changes to their funding practice, culture and approach to race equality.

The Alliance, supported by the Ubele Initiative and Future Foundations UK, identified the areas of work the Alliance could add the most value to. It was agreed that providing funders with a quantitative snapshot of the emergency funding made available between March and November 2020 would be essential to shaping the next phases of funding, both during and after the pandemic.

The resulting analysis stresses the vital role of funders in responding outside of traditional methods to ensure funding reaches affected communities. It shows the need to continue to develop impactful partnerships with the Black and Minority Ethnic VCS, which prior to Covid-19 were underfunded.

This analysis complements work the Alliance had already commissioned: a mapping of the race equality sector in England, and an audit tool to identify how much of members' funding is going towards Black and Minority Ethnic-led organisations and contributing to race equality outcomes.

The resulting analysis stresses the vital role of funders in responding outside of traditional methods to ensure funding reaches affected communities.

QUANTITATIVE ANALYSIS

1. Size and timing of the response

This analysis covered 34 separate funds with a combined value of £106,125,069. Of this, £47,261,551 (44.5%) went to Black and Minority Ethnic voluntary and community organisations. This analysis focuses on the latter portion and how these funds were allocated.

The largest amount given to Black and Minority Ethnic organisations from a single fund was over £19m from the London Community Response Fund. The largest single grant that was awarded to a Black and Minority Ethnic organisation was for £150,000 and came from UnLtd (a distributive inclusive fund - see more on page 11).

The London Community Response Fund was the first fund in this analysis to open in March 2020, while most other funding was not available until the middle or latter part of the year (See figure 1). At the time of the analysis, several other funds were yet to begin distribution and were therefore not included in the analysis. These included the [Majonzi Fund](#), [Children in Need's Black Lives](#) and the [Cowrie Scholarship Fund](#), showing that invaluable work is still ongoing.

The longest period of time within which grants had to be spent was five years, although many of the grants had to be spent before the end of March 2021 or approximately 6 to 12 months after they were made available. This raises questions about the future of support for the ongoing impacts of Covid-19 and the longer-term sustainability of Black and Minority Ethnic civil society.

DISTRIBUTION OF FUNDS OPENING DATES

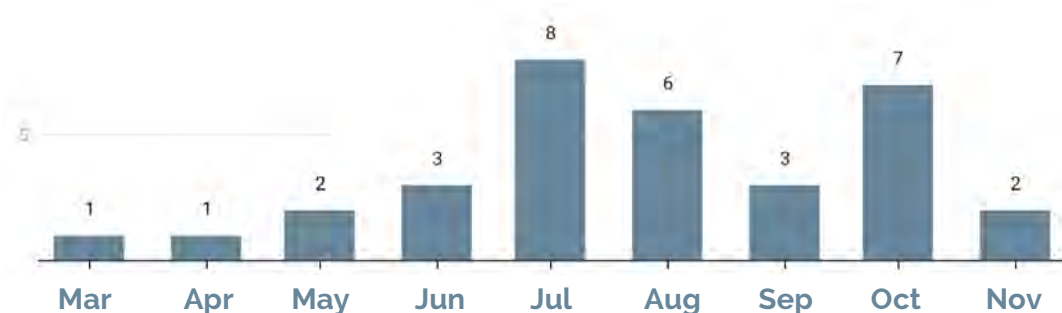


Figure 1: Distribution of funds opening dates from March 2020 to November 2020

2. How funds were designed

BREAKDOWN OF BLACK AND MINORITY ETHNIC FUNDING BY SOURCE

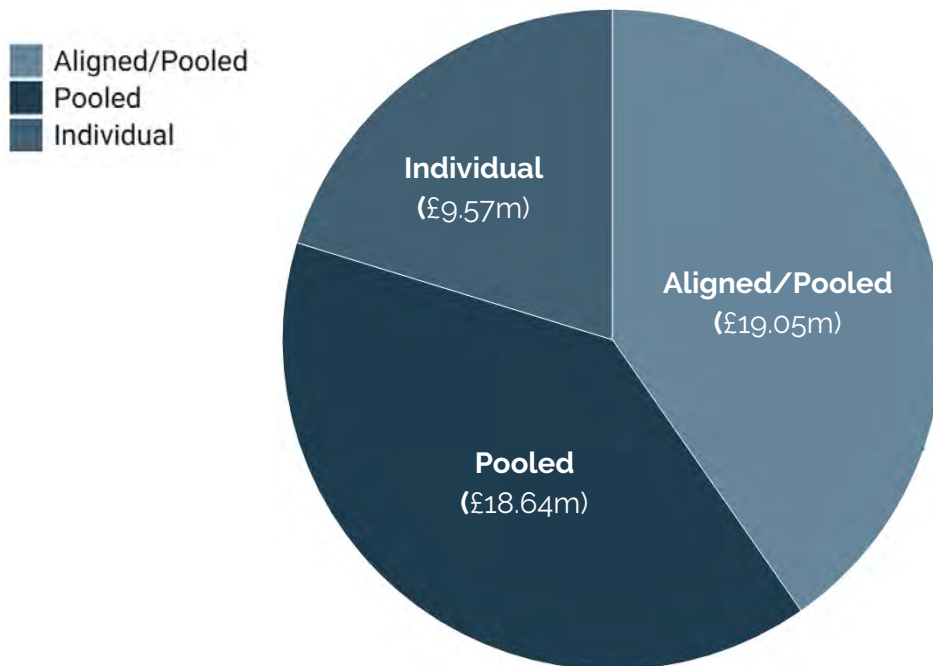


Figure 2: Breakdown of Black and Minority Ethnic funding by source

The design of funds was divided into three categories: pooled, aligned and individual (See figure 2).

In **pooled funds**, funders collaborate by combining funds, resources and knowledge to distribute funds under a single criterion. Of the 34 funds analysed, the majority - 21 - fell into this category. They made up the largest value of funding (£18.64m). Examples of pooled funds include Rosa's Covid-19 Emergency Fund for BME Women's Organisations, which was a collaboration with Emmanuel Kaye Foundation, Esmée Fairbairn Foundation, Oak Foundation and the Indigo Trust. The Resourcing Racial Justice Fund was also a collaboration with Thirty Percy, Lankelly Chase and a Coalition of People of Colour.

In an **individual fund**, an organisation defines its own fund criteria and distributes funds itself. 12 out of the 34 funds analysed fell into this category. These funds had a combined value of £9.57m. An example of this type of fund was Lloyds Bank Foundation's COVID Recovery Fund, which ring-fenced funding and distributed £4.5m of funding during this period.

Another example is Brighton and Hove City Council's Engagement Fund which distributed £25,000 to Black and Minority Ethnic groups.

In **aligned funds**, funders come together under the same funding criteria and goals, but funds are distributed by the organisations themselves rather than pooling the funds together. The London Community Response Fund was a mixture of aligned and pooled funding, the exact division of which was unclear in the analysis. This was the only fund in this analysis that used aligned funds. The London Community Response Fund comprised 40% of the entire funding analysed.

The analysis also showed that the largest amount of funding came from pooled funds. In contrast, individual funds made up the smallest portion of the funding analysed.

3. Distribution methods for targeting Black and Minority Ethnic voluntary and community organisations

BREAKDOWN OF BLACK AND MINORITY ETHNIC FUNDING BY DISTRIBUTION METHOD

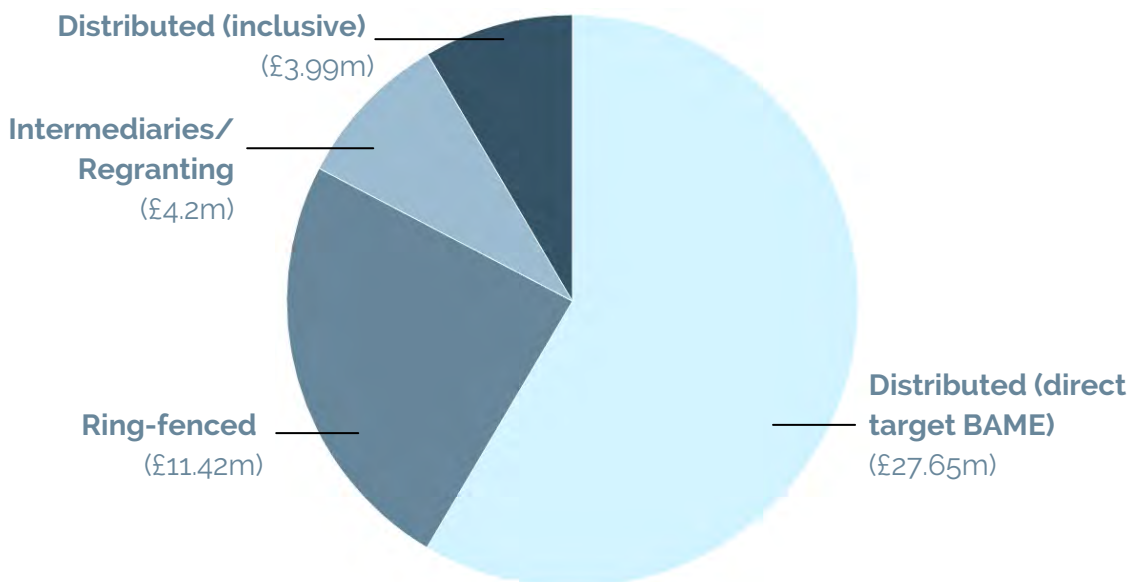


Figure 3: Breakdown of Black and Minority Ethnic funding by distribution method

How grantees were targeted was divided into four categories: ringfenced, intermediaries/regranting, distributed (inclusive) and distributed (direct target Black and Minority Ethnic) (See figure 3).

Ring-fenced funds are a specific percentage or amount of total funding, which is allocated for a particular purpose or targeted group. This approach was emphasised early in 2020 by #CharitySoWhite in an [open letter](#) to the government asking them to ensure that 20% of funding is ring-fenced for the Black and Minority Ethnic VCS.

Ring-fenced funds made up £11.42m – 24% of the total funding (See figure 3). Examples of funds in this category are:

- Black Funding Network, whose crowdfunding raised £30,100, which was distributed to three Black-led changemaking organisations in London,
- Comic Relief's ChangeMakers fund, where £1.8m was ringfenced for Black and Minority Ethnic groups from the fund's total of £9m,
- Lloyds Bank Foundation, which used a 25% benchmark to ring-fence funding for their COVID Recovery Fund.

Intermediaries/regranting funds are granted to partner organisations to distribute to end recipient organisations. 11 of the funds included in this analysis came from this group (See figure 3). They made up £4.2m of funding – 9% of the total. 10 of the 11 funds came from Comic Relief's Global Majority Fund (Phase 1). Their intermediary partners included: Imkaan, the Anti-Tribalism Movement, Sporting Equals, Bawso, Next Step Initiative, Greater Manchester BAME Network, African Health Policy Network, Voice4Change England, Migrant Centre Northern Ireland and the Black Training and Enterprise Group.

For the purpose of this analysis, distributed funds were split into two categories. In the first, **distributed (direct target Black and Minority Ethnic)**, no specific amount or percentage of the fund is allocated, but the audience is directly targeted and encouraged to apply for funding. It may include prioritisation, additional pre-application support such as webinar sessions, or direct referral. The majority of total funding (£27.6m) was distributed in this way (See figure 3). This made up 59% of the total funding and was used by eight funders. An example of this is Power to Change's Covid-19 Community-led Organisations Recovery Scheme (CCLORS). The Ubele Initiative was involved throughout the design of the scheme, grant award decision-making and promotion.



The second part of this category was **distributed (inclusive)**, where no specific amount or percentage of the fund is allocated, but the audience is targeted through general advertising and encouraged to apply. Notably, the smallest proportion of total funds analysed came under this category: £3.99m of funding – or 8% of the total funding analysed (See figure 3). An example of the distributed (inclusive) approach is Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group's Community Mental Health Grants. This fund was promoted via Voscur and all voluntary sector contacts held by the Neighbourhoods and Communities Team at Bristol City Council. Through this fund they were able to distribute £11,323 (22.6%) of funding to Black and Minority Ethnic groups.

Unconventionally, a fund which combined many of these approaches through a participatory grantmaking lens is the [Phoenix Fund](#). The National Lottery Community Fund (NCLF) partnered with the Global Fund for Children and the Ubele Initiative to co-design this fund. This 'bottom up' approach saw a network of community-led groups lead on all decision making whilst the two funding bodies played a facilitation role. This innovative approach resulted in NCLF having a wider reach, as more than [65% of the organisations](#) that applied for the fund had no previous history with NCLF.

4. Funding criteria

BREAKDOWN OF BLACK AND MINORITY ETHNIC FUNDING BY DISTRIBUTION METHOD

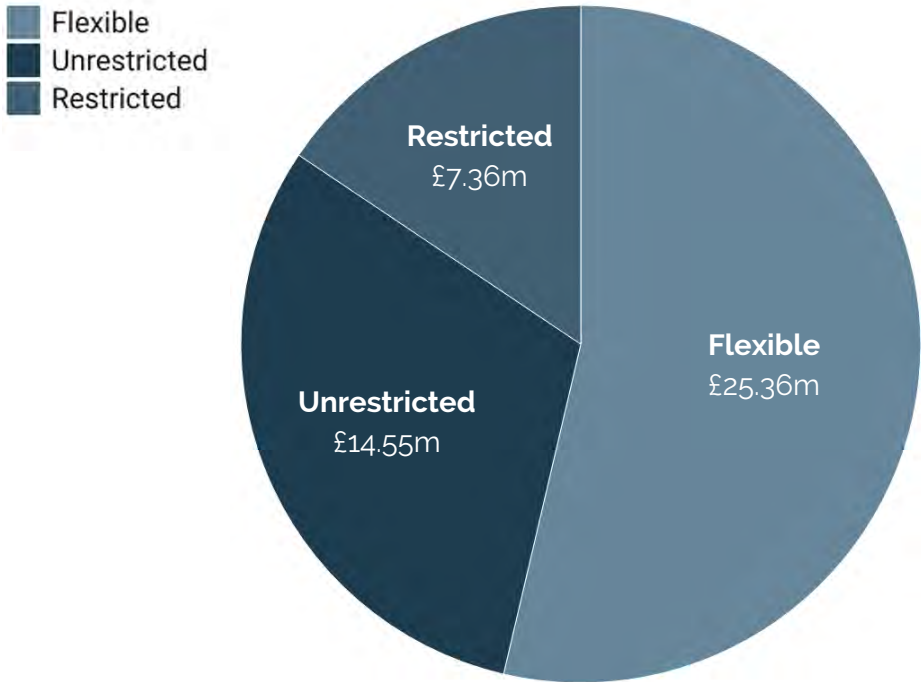


Figure 4: Breakdown of Black and Minority Ethnic funding by restrictions on use

How grants could be spent was divided into three categories: restricted, unrestricted and flexible (See figure 4).

Restricted funds could only be spent on specific priorities or projects and had restrictions on use. £7.36m of the funding analysed had restrictions on use, which made up 16% of the total funding and covered 14 funds (See figure 4). An example of this is the Film and TV Charity's Black, Asian and Minority Ethnic Community Grant, which had to be spent on projects in these areas:

- Breaking down barriers and amplifying underrepresented voices.
- Supporting access and career development.
- Providing education around issues, such as discrimination and mental health.
- Promoting industry engagement with work created by Black, Asian or Ethnic Minority talent.

Unrestricted funding provided core funds with no restrictions on use. These funds could be spent on core functional costs including salaries, rent and operations. £14.5m of funding came from this category and made up 31% of the total. An example of this was Lloyds Bank Foundation's COVID Recovery Fund, and the Phoenix Fund grant winners who received core funding to meet their needs and continue their missions (See figure 4).

The **flexible funds** category was introduced into the analysis because there were funds that took criteria from both the first two types of funding use. These were categorised as restricted funds with flexibility for core costs due to Covid-19. The majority of funding (£25.36m) came from this category – 53.6% of the total funding – and referred to 9 funds. An example of these are The Smallwood Trust's Covid-19 Frontline Women's Fund and Women's Sector Resilience Fund.

This dominance of flexible funds illustrates that funders were responsive to the changing needs of the sector, as many VSOs needed flexibility to react to the wide-ranging issues caused by the pandemic.

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5. Purpose of grants

PROJECT TYPES COVERED BY FUNDS

Not mutually exclusive

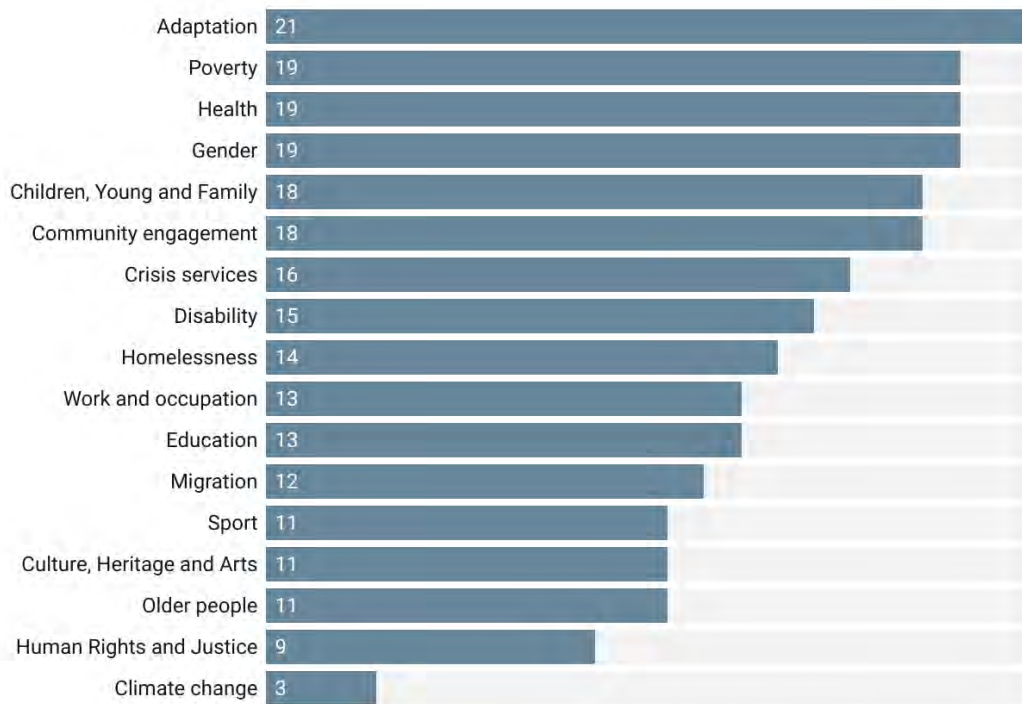


Figure 5: Project types covered by funds.

Source: [International Classification of Non-Profit Organizations \(ICNPO\)](#). Additional categories were added to those outlined by the ICNPO.

As part of the analysis, funders were asked to indicate the type of projects that grants would be used for. The choices included: culture, heritage and arts, sport, education, children and family, older people, gender/sex/sexual orientation, work and occupation, climate change, poverty, human rights and justice, homelessness, community engagement, crisis services, immigration, health, adaptation and disability.

Funders had the option to select a number of these categories. Adaptation, poverty, health and gender were the top four areas to be funded. These areas covered food banks, support for people with No Recourse To Public Funds (NRPF), areas of deprivation, mental health, wellbeing and changes necessary for organisations to continue working during the pandemic.

The analysis found that although some funders traditionally focused on a specific area such as migration, gender or health,

Although some funders traditionally focused on a specific area, the consequences of the pandemic influenced funders to diversify their funds in order to support a wider range of issues.

the consequences of the pandemic influenced funders to diversify their funds in order to support a wider range of issues. This was true for Sporting Equals who were an intermediary for Comic Relief's Global Majority Fund (Phase 1). While traditionally the organisations they support focus on sport, because of the organisation's trusted position in the communities they serve, they were well positioned to support and offer counselling services.

Other funders also addressed wider-ranging community issues caused by the pandemic. These included funders such as UnLtd, The Lloyds Bank Foundation, Do It Now Now and Power to Change, whose funding targeted specific challenges created by the pandemic such as sustainability, adaptation, resource building and financial viability.

It is notable, however, that only nine funds supported work on human rights and justice. This indicates a need for investment in these areas, so that more Black and Minority Ethnic organisations can be supported to tackle systemic discrimination and inequality, and advocate for racial justice.

6. Distribution of funds across four nations

BREAKDOWN OF BLACK AND MINORITY ETHNIC FUNDING BY NATION

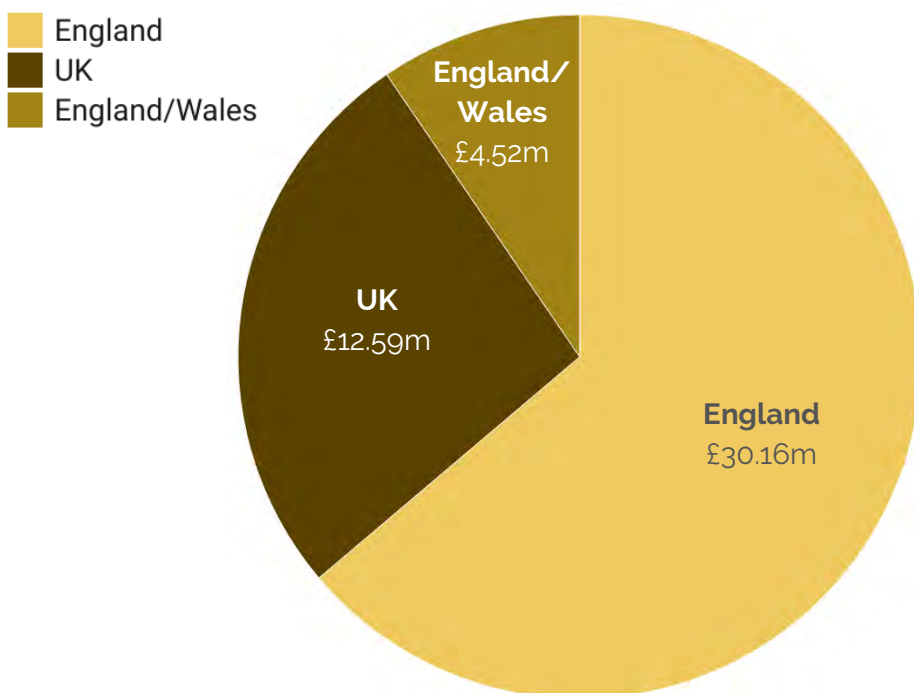


Figure 6: Breakdown of Black and Minority Ethnic funding by nation.

Only nine funds supported work on human rights and justice. This indicates a need for investment in these areas, so that more Black and Minority Ethnic organisations can be supported to tackle systemic discrimination and inequality.

All funds included in this analysis were either restricted to England or were available to all four nations, with the exception of one fund that was specifically allocated to England and Wales.

It is important to state that none were targeted solely for Scotland or Northern Ireland, although individual funds were granted in these nations. 64% of Black and Minority Ethnic funding was for England only, 27% for the UK as a whole and the remainder for England and Wales (See figure 6).

BREAKDOWN OF BLACK AND MINORITY ETHNIC FUNDING BY NATION AND ENGLISH REGION

Distribution of £39.2m of funding to Black and Minority groups

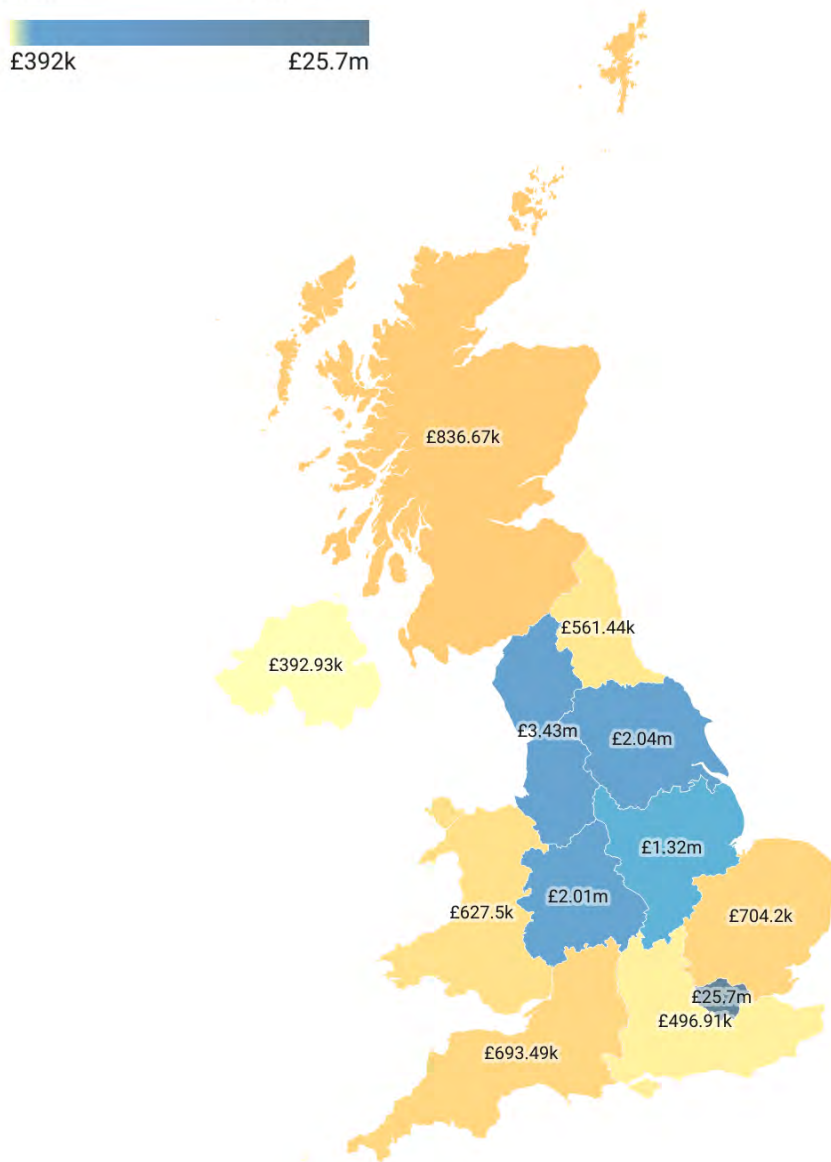


Figure 7: Breakdown of Black and Minority Ethnic funding by nation and English region.

To understand this distribution in more detail, end recipient data was used to map the distribution of this funding by English region and devolved nation, where data was available. The majority of funding – 66% – went to London. This was followed by the North West, which received 9%, and then Yorkshire and the Humber and the West Midlands, which received around 5% each. 2% went to Scotland, 1.6% to Wales, and Northern Ireland received the least at 1%. (See figure 7).

7. Comparing the distribution of funding with the distribution of Black and Minority Ethnic populations

PROPORTION OF FUNDING RECEIVED COMPARED WITH BLACK AND MINORITY ETHNIC POPULATION

Percentage difference

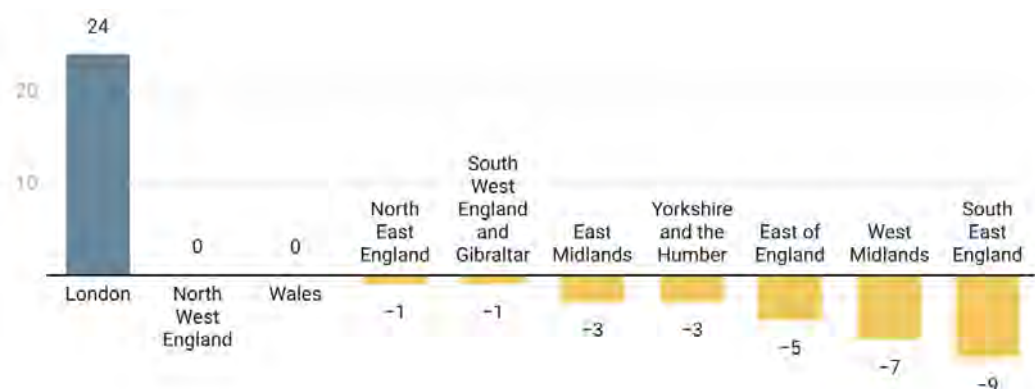


Figure 8: Proportion of funding received compared with Black and Minority Ethnic population

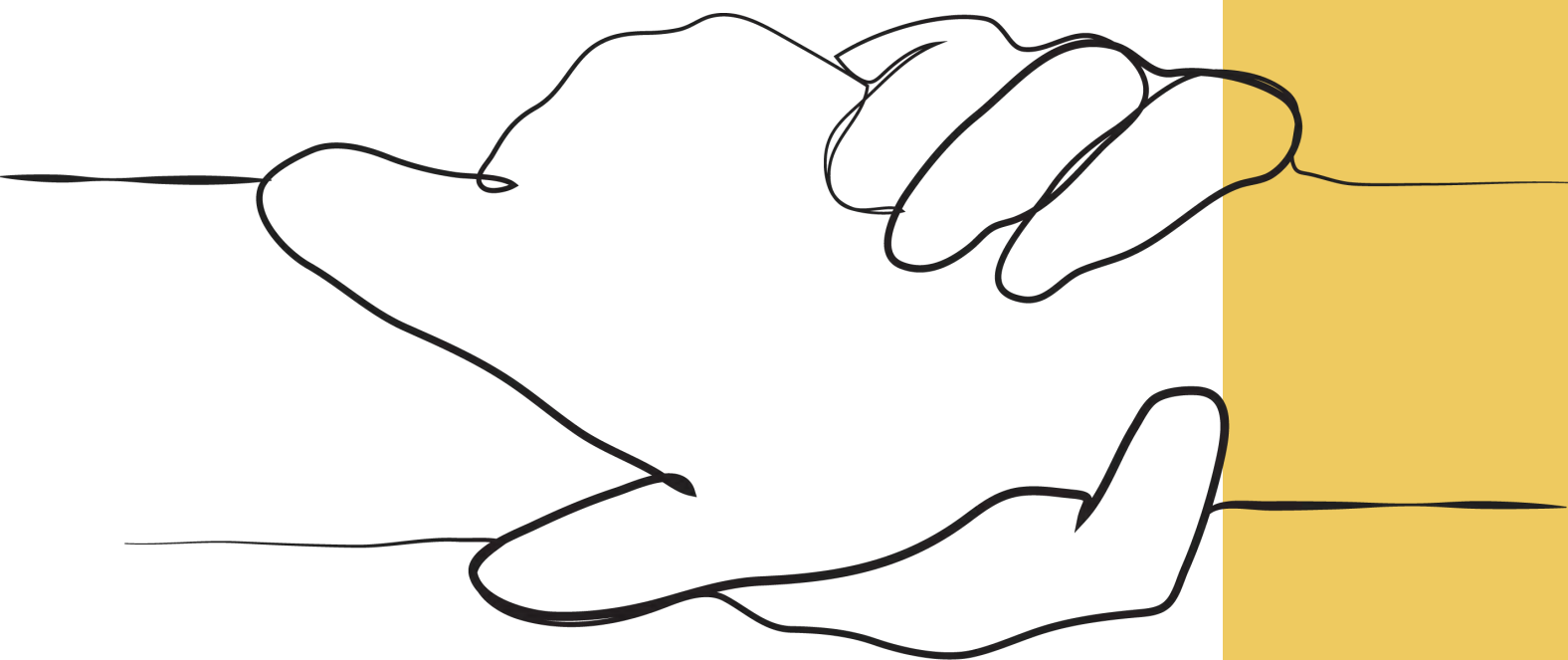
This analysis examined how proportionally these funds were distributed compared to Black and Minority Ethnic populations in each English region and in Wales. There was a correlation between the Black and Minority Ethnic population in most regions and the proportion of funding they received (it is important to recognise that this does not account for levels of intersectional inequalities).[2]

The exceptions were London, the South East and the West Midlands. London is home to 42% of the Black and Minority Ethnic population of the UK and received 66% of funding analysed. The South East and the West Midlands, which are each home to approximately 10% of the Black and Minority Ethnic population, received between 1% and 5% of the distributed funding.

[2] Black and minority ethnic population (number) in England | LG Inform

This suggests that there are regional inequalities in funding and raises questions as to how funders can better support Black and Minority Ethnic communities outside of London, learning from and building on the good practice of London-focused funders.

Further analysis is needed to provide a greater understanding of what types of projects lack funding in each region and the devolved nations. Research should focus on the number, size and type of organisations in London and a comparison of this data to other regions. This would enable funders to understand if the dissemination of emergency funding was proportionate to the number of organisations in each region as well as the minority ethnic population. The Alliance is currently mapping the race equality sector in England to improve funders' understanding of the players and issues facing the sector. This work will support identifying the gaps in the number of organisations in English regions.



BEHIND THE DATA:

Reflections from funders

To provide context and a deeper understanding of the decisions that funders made during this period and their next steps, nine anonymised funders were asked four key questions:

1. Why did you target or ring-fence funds to Black and Minority Ethnic communities - did any event or internal conversation trigger this?
2. How has your relationship with the sector changed during this period?
3. Where do you see the biggest need for funding in Black and Minority Ethnic communities, and what impact do you think your funding can have?
4. In 2020, the sector highlighted the need for long-term funding beyond the emergency, with an emphasis on creating sustainable change in the sector. How do you plan to address this going forward?

Key issues driving funding decisions

For the funders included in this analysis, tackling racial inequality was a prominent theme of Covid-19 emergency funding. Some funders cited the series of reports by the Ubele Initiative as the catalyst to them prioritising Black and Minority Ethnic groups during this period. Others were motivated by the Black Lives Matter movement. One funder who had already ring-fenced 30% of their funds to Black and Minority Ethnic groups raised this to 50% in light of the Black Lives Matter movement.

Funder focus during this time was research and data driven. Funders used data from the Office for National Statistics and the Women's Resource Centre, which highlighted the disproportionate effect of Covid-19 on Black and Minority Ethnic communities.

Changes to funder thinking and practice

As a result of Covid-19, one funder is undergoing an organisational restructuring in order to become more focused on helping community organisations find a sustainable way out of the pandemic.

Another funder has relaunched their non-emergency funding streams and has revised their priorities to ensure that their funds are accessible to organisations working for and by Black and Minority Ethnic communities.

One funder conducted a qualitative analysis of their grant applications for their emergency funding. After receiving feedback from the Black and Minority Ethnic VCS, this funder is not only revising its grant-making strategy in 2021, but will also co-produce programmes and devolve power to local communities.

Relationship with the sector

A small minority of the funders interviewed already had a close relationship with the key players in the national race equality sector. Due to this, these funders were able to act quickly in launching their funds and initiatives. One key funder was already involved in numerous funder coalitions looking at racial justice work, which influenced their approach to emergency funding. Another funder further expanded their reach to Black and Minority Ethnic groups by working through intermediary groups to target communities.

However, the majority of funders revealed that they had to learn about the issues faced by Black and Minority Ethnic communities and the sector more widely, to support and address their needs. Many funders expressed their desire to continue building relationships with the Black and Minority Ethnic sector and reflect on diversity and inclusion at senior management and board level within their own organisations.

Learning outcomes

Funders recognise the existing structural barriers that affect Black and Minority Ethnic groups' access to capital, markets and specialist advice. One funder was keen to address the whole pathway for Black and Minority Ethnic social entrepreneurs from start up to scaling up.

Funders noted that the effects of the pandemic place an even heavier burden on already over-stretched specialist services. They highlighted mental health, violence against women and girls, and employment as focus areas that are heavily affected by the pandemic.

After receiving feedback from the Black and Minority Ethnic VCS, this funder is not only revising its grant-making strategy in 2021, but will also co-produce programmes and devolve power to local communities.

Funders also stressed the importance of sustaining long-term support for the sector through capacity building and leadership development. They expressed the desire to listen to and collaborate with the sector to advance the race equality agenda.



RECOMMENDATIONS FOR THE ALLIANCE AND OTHER FUNDERS

1. Sustain the Black and Minority Ethnic VCS work through the pandemic and beyond

The analysis shows that many of the grants have to be spent before the end of March 2021 or approximately 6 to 12 months after they were made available. This puts organisations at risk of financial insecurity after this period.

For the short term, this means funders need to look at renewing their funding with a longer-term lens, to extend across both the recovery phase of the pandemic and beyond. Funders also have a vital opportunity to redress the historic underinvestment of the Black and Minority Ethnic VCS and create sustainable funding opportunities to advance greater racial justice in the UK.

An example is Rosa's Covid-19 Emergency Fund, which was shaped by a [joint survey](#) with the Women's Resource Centre and Women's Fund for Scotland, and [Imkaan's position paper](#). Rosa's next step is to focus on building a second phase Covid-19 response fund. The aim of this is to give longer-term grants to specialist organisations led by and for Black and minoritised women and girls.

It is important to note that several other funds were distributed outside of the period of analysis. These include: the Majonzi Fund, Children in Need's Black Lives and the Cowrie Scholarship Fund.

As funders move into the next phase of the pandemic, they need to keep up the momentum, apply what they have learnt and not go back to 'business as usual'. From the interviews with funders it is evident that funding practices have changed, and will continue to change in a variety of ways. One funder is developing a strategic approach to racial justice within existing grant-making models, while others plan to co-develop a long-term funding strategy to build a strong influencing movement for change.

2. Address devolved and regional inequalities in the ongoing Covid-19 response

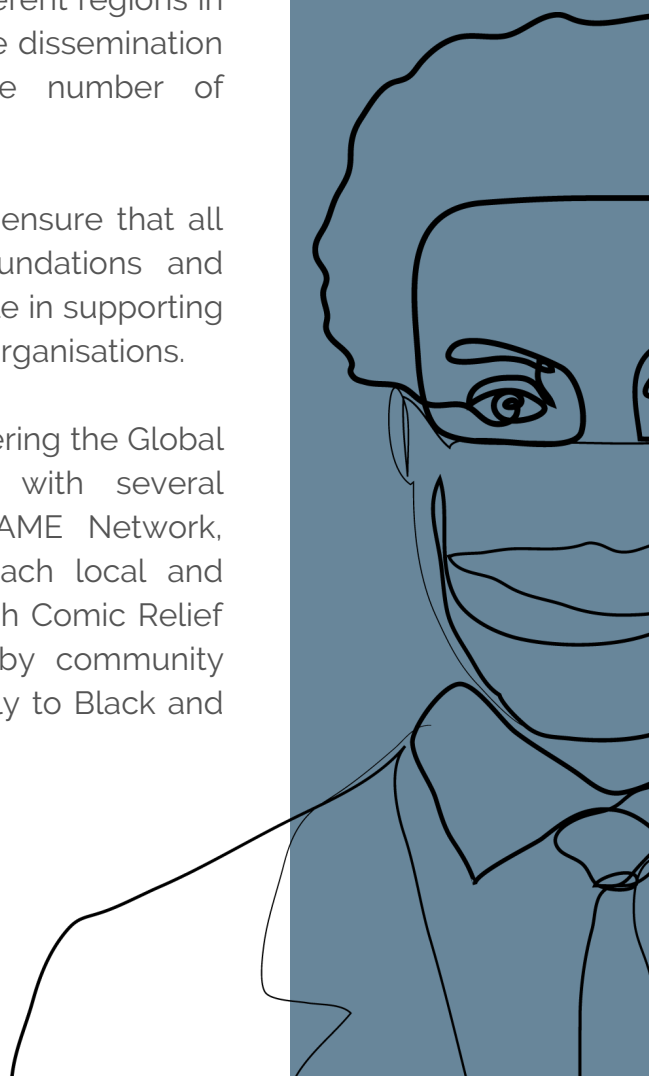
This analysis highlighted that within England, a disproportionate amount of funding is directed to London. This may be due to a stronger presence of Black and Minority Ethnic VCS organisations in the capital in comparison to other English regions. In addition, there is a higher concentration of funders in London, who may have a (welcome) focus on supporting Black and Minority Ethnic communities and organisations. However, it has not been possible to assess whether national funders are funding disproportionately in London.

What is clear is that areas such as the West Midlands and the South East, which are each home to around 10% of the Black and Minority Ethnic population, have only received between 1% and 5% of the total Covid-19 funding analysed.

Lack of comprehensive data could explain some of these differences, but this also highlights a potential gap in regional funding that funders should be aware of and investigate further. Such research should include an analysis of the number and type of organisations, as well as the size of Black and Minority Ethnic population in different regions in the UK. This would enable funders to understand if the dissemination of emergency funding was proportionate to the number of organisations and size of communities in each region.

Regional collaborations and data collection can also ensure that all regions are adequately supported. Community foundations and infrastructure organisations could play an important role in supporting existing and emerging local Black and Minority Ethnic organisations.

This was a practice employed by Comic Relief in delivering the Global Majority Fund (Phase 1). Comic Relief worked with several organisations, such as the Greater Manchester BAME Network, utilising their specialist experience and skills to reach local and grassroots Black and Minority Ethnic projects. Although Comic Relief is a large funder, this approach can be adapted by community foundations to ensure that funds are distributed locally to Black and Minority Ethnic communities.



3. Develop longer term, adaptable funding strategies

The analysis found that the dominance of flexible funds illustrated funders' responsiveness to the changing needs of the sector. Several funders loosened the restrictions around funding that had already been given so they could be repurposed for other uses.

As the economic and social impacts of the pandemic continue to unfold, it will be important for funders to continue adapting funding approaches to be more accessible and flexible. This also includes prioritisation, additional pre-application support and direct referrals.

These key examples will enable more of a long-term focus on racial equality and justice within existing and new priorities:

1. **Benchmarking** and the practice of creating funds specifically for Black and Minority Ethnic organisations during the pandemic should continue, and be embedded into current and future funding practices. This, along with the use of ring-fenced funds and re-granting will help the sector progress.
2. **Aligned and pooled funds and participatory grantmaking** proved to be successful during this period, and this should be adopted as a standard approach of funding to ensure maximum positive impact. Participatory grantmaking, and giving space to groups to lead on decision making with funding bodies playing a facilitation role, should also be considered.
3. **Greater flexibility of funding** to provide organisations with some 'breathing' space to think, strategise and develop solutions for the changing needs of their beneficiaries as the pandemic eases. This can be done by allocating specific funds or the majority of existing funds to core costs, reassessing the accessibility of application forms, shortening the length of the decision-making process and redefining how organisations are expected to measure their impact.

4. Partner with infrastructure groups and networks to enable reach

The analysis showed that collaborations with intermediaries and use of regranting were effective ways for larger funders to distribute funds quickly and efficiently. Funders must actively raise their own

awareness of existing and emerging groups that are already doing valuable work.

The UK Community Foundations (UKCF) Black, Asian and Minority Ethnic Infrastructure Fund addressed the high demand for local infrastructure support. Applications were considered by an independent panel every week and funds were made available as quickly as possible thereafter. The panel was led by independent Black and Minority Ethnic VCS leaders and experts, including representatives from Voice4Change England and Muslim Charities Forum.

Another key example of an effective partnership is the Phoenix Fund. This fund co-produced a Black, Asian and Minority Ethnic-led funding programme that centred racial justice at the core of the fund, by supporting a network of community-led groups to provide essential services and support. The decision-making committee met every two weeks to assess applications, and there were four rounds of grant-making decisions. Funding decisions were not made on a first come, first served basis, and there was funding available up until the final deadline.

It is important to note that funders' role is not to 'rescue' Black and Minority Ethnic VCS but to disrupt their own privilege, listen and co-create sustainable relationships and partnerships with the sector.

5. Support the Black and Minority Ethnic VCS to tackle structural inequalities and advance anti-racism

Only 9 out of the 34 funds in this analysis supported work on human rights and justice. Adaptation, poverty, health and gender were the top four areas to be funded.

This indicates a need for a deeper investment in the areas of human rights and justice, so that more Black and Minority Ethnic organisations can be supported to directly tackle racism, discrimination and structural inequality, and advocate for racial justice.

The analysis found that a group of funders who traditionally worked in specific areas, such as migration or gender, diversified their funds in order to support a wider range of issues. Therefore, funders need to continue to diversify their funds to support organisations and initiatives which also focus on tackling structural inequalities.

The Alliance has designed a racial justice funding audit to help funders identify how much of their UK funding is going to Black and Minority Ethnic-led organisations, and contributing to race equality outcomes. The audit is an important tool for funders' accountability, transparency and strategy. The Alliance's ambition is that all funders will be able to track and share information about where project funding and core funding is going.

If you're a charitable foundation and you would like to find out more about the racial justice funding audit, please contact FREAlliance@equallyours.org.uk



DEFINITIONS

Project types covered by funds

Adaptation: organisational changes to adapt to Covid-19, digital, staffing, overheads, expansion, mission-locked due to Covid-19, businesses, community organisations and charities

Children, young people and family: mothers and babies, child, youth and family services, life skills

Climate change: environmental awareness and protection

Community engagement: awareness campaigns, community groups, projects for the local community

Crisis services: bereavement, isolation, befriending, vulnerable, emergency relief services, foodbanks

Culture, heritage and arts: culture, heritage, performing and visual arts, libraries

Disability: physical, sensory or mental health condition, or long-term health condition

Education: further education, education support services, adult learning, scholarships, skill building, aspirations

Gender/sex/sexual orientation: gender justice, VAWG, Women, LGBTQI

Health: physical health, mental health, long-term health condition, wellbeing

Homelessness: shelters, food services, emergency housing, rehabilitation

Human rights and justice: inequality, advocacy, legal services, research, policy change

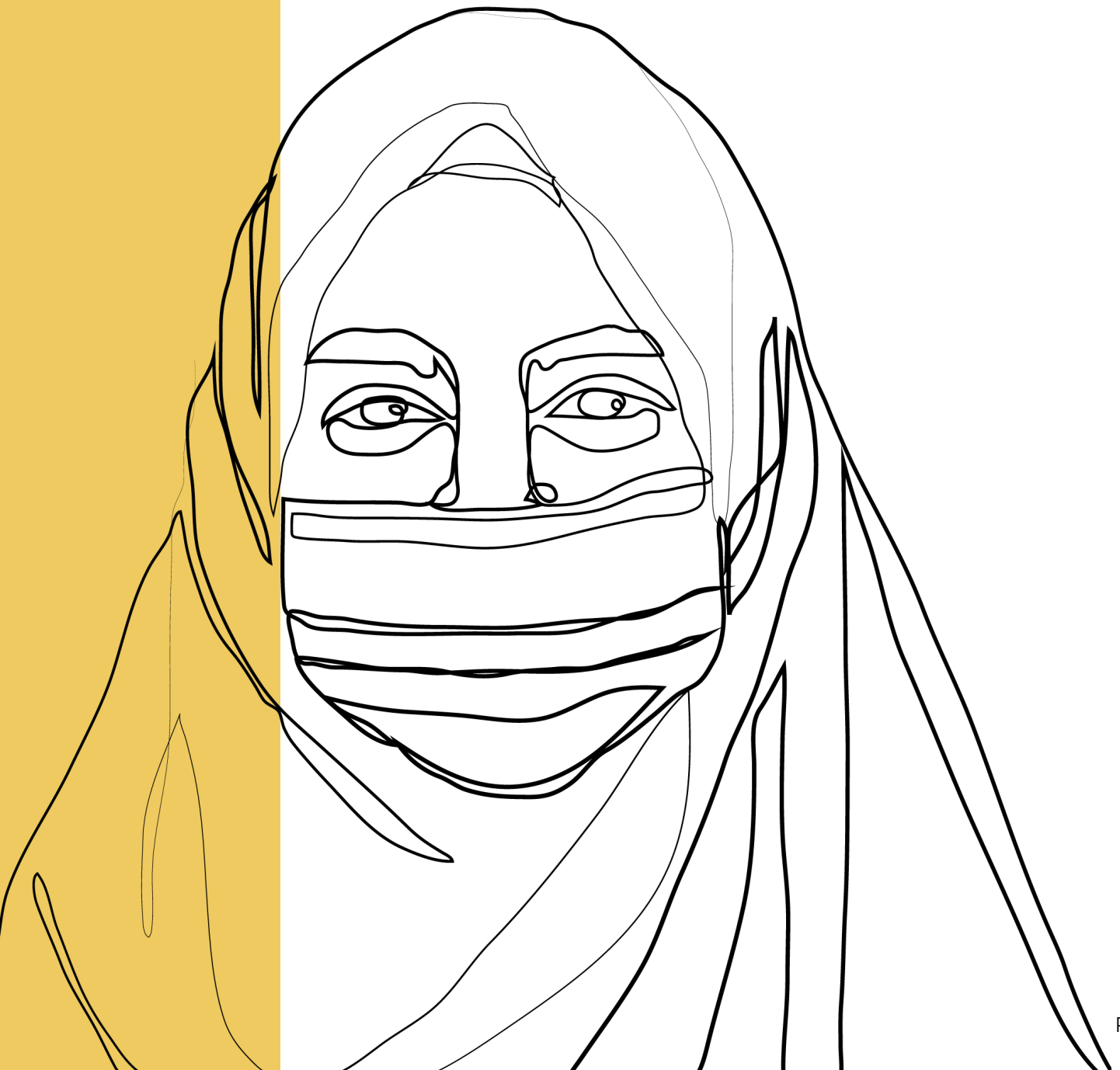
Migration: forced migration, refugees, asylum, No Recourse to Public Funds

Older people: older people's services and advocacy, dementia

Poverty: economic hardship, lower socio-economic groups, areas of deprivation

Sport: sport and recreation

Work and occupation: employment, training, back-to-work help, mentoring



SOURCES

[Black, Asian and Minority Ethnic \(BAME\) Infrastructure Fund](#)

[Black British Student Scholarship to UK Universities | Cowrie Foundation](#)

[#CharitySoWhite Open Letter on ring-fencing](#)

[Children in Need Black Lives](#)

[Comic Relief - The Global Majority Fund](#)

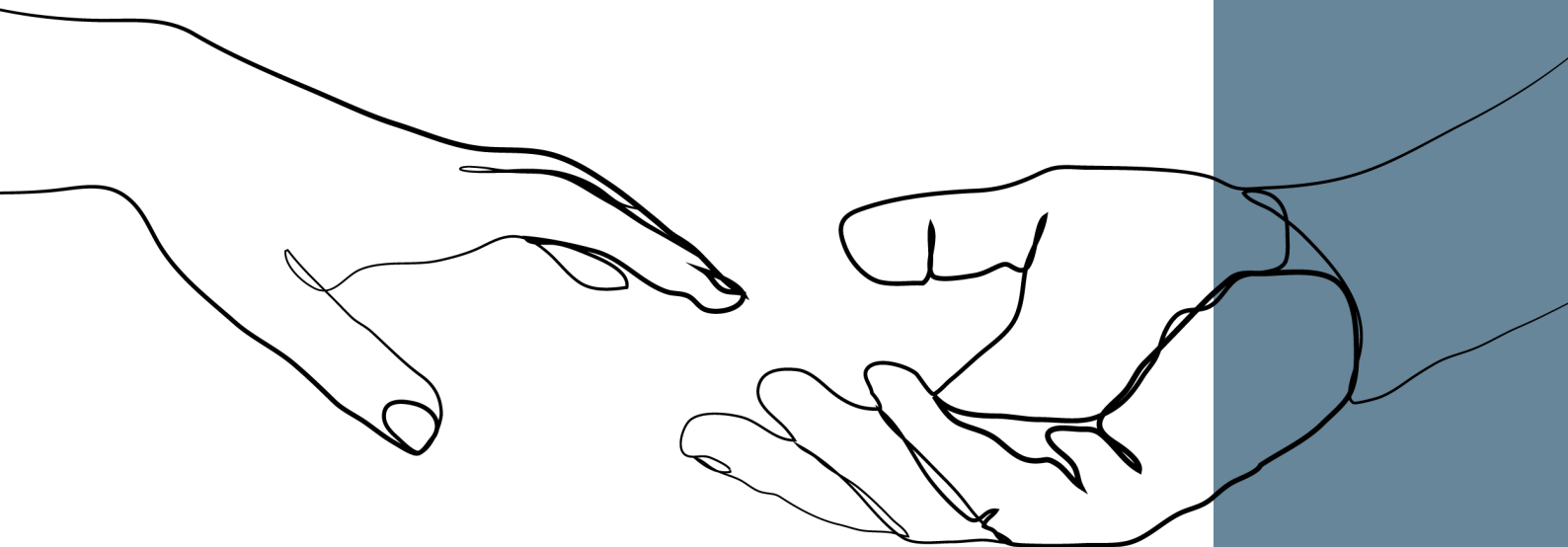
[International Classification of Non-Profit Organizations \(ICNPO\) Majonzi Fund](#)

[The Phoenix way: lessons from the pandemic](#)

[UBELE - Publications](#)

[Voice4Change England Report 2015](#)

[Working together to support Londoners | LCRE](#)



FUNDS INCLUDED IN THE ANALYSIS

[African Health Policy Network \(AHPN\)](#)

BAME Healthy Communities Surviving Covid-19

[Barrow Cadbury Trust](#)

COVID Support Fund (Migration)

[Bawso](#)

[BBC Children in Need](#)

The Inspiring Futures Programme

[Black Funding Network](#)

Crowdfunding

[Black Training and Enterprise Group](#)

BTEG BAME Covid-19 Resilience Grant

[Brighton & Hove City Council](#)

The Engagement Fund

[Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group \(BNSSG CCG\), through Bristol City Council](#)

Community Mental Health Grants

[Comic Relief](#)

ChangeMakers

[Do It Now Now](#)

Common Call COVID Fund

[Film and TV Charity](#)

Covid-19 Recovery Fund

BAME Community Grant

[Global Fund for Children \(GFC\)](#)

The Phoenix Fund

[Greater Manchester BAME Network \(GMCVO\)](#)

Emergency Grants for GM BAME Communities

[Imkaan](#)

IMKAAN violence against women and girls COVID-19 Fund

[Lloyds Bank Foundation](#)

COVID Recovery Fund

[London Funders](#)

London Community Response Fund

[Migrant Centre Northern Ireland](#)

MCNI BAME Covid-19 Recovery Fund

[Migration Exchange](#)

COVID-19 Respond and Adapt Programme

[Next Step Initiative](#)

Next Step Initiative-Comic Relief Grant Programme

[Power to Change](#)

The Covid-19 Community-Led Organisations Recovery Scheme (CCLORS)

Community Business Renewal Fund

[Resourcing Racial Justice](#)

Resourcing Racial Justice Fund

[Rosa](#)

Covid-19 Emergency Fund for Black and Minority Ethnic Women's Organisations

Covid- 19 Response Fund (for All Women's Organisations)

[Smallwood Trust](#)

Covid-19 Frontline Women's Fund

Women's Sector Resilience Fund

[Sporting Equals](#)

[The Anti-Tribalism Movement](#)

COVID-19 BAME Resilience Grants

[The Goldsmiths' Company, on behalf of Cassandra Lauren Gordon](#)

KLK Fund for Black Jewellers



[The PwC Foundation](#)

ColourBrave Charity Committee

[UK Community Foundations](#)

Black, Asian and Minority Ethnic (BAME) Infrastructure Fund
Comic Relief's Global Majority Fund (Phase1), (Regranting)

[UnLtd](#)

The Inclusive Recovery Fund

[Voice4Change England](#)

COVID 19 Grants Programme

Designed and illustrated

by Drew Sinclair

e: drew.sinclair973@googlemail.com

w: drewsinclair.wixsite.com/fineartist

Insta: [drewsinclair973](https://www.instagram.com/drewsinclair973)