

## **Funding issues affecting Ethnic Communities**

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### **A. Major types of funders cited by the workshop**

1. Charitable Trusts and Foundations
2. National Lottery schemes
3. European Union schemes
4. Regional Development Agencies' schemes
5. Central Government schemes
6. Local/Regional Government schemes

### **B. Issues raised**

#### **1. The application process**

- 1.1 Application process is often too complicated and demanding in relation to the internal resources of ethnic groups.
- 1.2 Application process is often too long.
- 1.3 Funders often have no developmental officers who act as the human interface between funder and applicant. Groups feel isolated and left alone unable to cope with what are felt to be unsurmountable obstacles.
- 1.4 The above results in many ethnic groups feeling that they are framed by funders to fail. Many ethnic groups therefore decide simply not to apply. The funds do not result in access by all.

#### ***Ways forward***

- 1.5 In general, make application forms simpler.
- 1.6 In general, make application process simpler.
- 1.7 Consider breaking the application process into at least 2 main stages. A suggested first stage is a simple Expression of Interest form, in which a one-side of A4 sheet asks for the most direct and essential information - a clear aim and outline of the project. The applicant can then be informed with a quick turnaround whether the funder is interested in the work proposed. If the project is not relevant to the fund, no more work is invested in an application.
- 1.8 More substantial work specific to a particular funder only begins when the applicant is invited to put in a Second Stage full application.
- 1.9 Face to face assessment of projects in many cases can be more useful and effective rather than requests for large pieces of written information.
- 1.10 Funders should break down budget items into the simplest direct form and resist combining them in block, with variations from one funder to another. Many hours are spent re-combining different items of budget for different funders. Many funders, after requesting block items in the budget then write back asking for these blocks, which they have asked for as a combined sum, to be broken down for them!
- 1.11 Funders should resist using the application process as a means of gathering general information about communities and their organisations. They should invest in research projects to gather such statistical

information. Funders need to clarify what information is about the proposed project, and what information is actually information which attend to the funders' needs.

- 1.12 In between the Expression of Interest Stage and the full Application Stage, funders should consider supporting the development of applications by ethnic groups. This can involve:
  - Application seminars. Ethnic groups need to learn the ropes of the funding scene and be informed of what a particular funder wants in an application. Funders are very specific in their demands, but what these underlying demands are are not often transparent.
  - Providing developmental / advisory funding officers.
  - Funding feasibility studies, and project development support.
- 1.13 Development funds are often seen by funders as a undesirable risk. Funders need to recognise that project development costs are critical to enable ethnic community participation in more complex projects.
- 1.14 Development of local networks of translators and interpreters to assist the immigrant generation of ethnic minority applicants will be very useful.

## **2. Supporting ethnic minority project development and sustainability**

- 2.1 Funders tend to consider their commitment in the short term and challenge small organisations with providing an exit strategy which would make no further demand on the funder as proof of their being fit to have a grant. This is experienced as an enormous and unfair burden, especially when a high proportion of projects from ethnic groups are ones which enable ethnic groups to get a first foothold on the problems to be addressed.
- 2.2 The present concentration on project funding does not attend to the need to assist ethnic groups in establishing essential core strategic functions. Ethnic groups have additional difficulties because many commercial funders do not particularly want to be identified with deprived groups.
- 2.3 It is often the case that an ethnic organisation is entirely project funded with no core funding at all, so that it is constantly threatened to "disappear" as projects end. Without funded core strategic development, continuity and strategic development are absent essentials with regard to the development of ethnic communities in participating fully in British life.

### ***Ways Forward***

- 2.4 Funders should engage ethnic groups in exploring ways of investing in the long term sustainability of ethnic organisations.
- 2.5 Funders should identify and support new initiatives from ethnic communities who have not yet established themselves fully in society. Funds should be allocated specifically to invest in emerging developmental projects from disadvantaged groups as a strategy to assist general development of ethnic communities.
- 2.6 There is a wish expressed by ethnic groups that funders who are committed to the development of ethnic groups should consider building into their structures ways of helping projects extend into the future.
- 2.7 Funders should consider putting into place funding schemes for core costs and strategic development to strengthen organisations so that they are enabled to develop and maintain a continuing strategic presence.
- 2.8 Funders should consider putting into place funding schemes which enable monitoring and evaluation to be bought in to assist ethnic groups to get to grips with strategic assessment and development of their work.
- 2.9 Develop a framework of safety within which honesty between funders and fundraisers before, during and after the project is possible. Within such a situation, failures can be known so that lessons can be learnt by all parties.

### **3. The relationship between ethnic minority grant recipients and funders**

- 3.1 Ethnic groups feel that their way of implementing projects and evaluating their significance is seen as suspect by funders.
- 3.2 Many ethnic groups feel that what they feel is important is dismissed by funders with regard to the way targets are framed.
- 3.3 Cash flow is a big problem for small groups. They usually have no reserves. Some groups say they are made to 'feel like inadequate criminals who are trying to get away with things or just run off with money' with regard to the information they have to provide in order to get funds released.
- 3.4 Quarterly reporting is seen to be persecutory. It is felt that too much time is spent reporting and gathering information instead of doing the actual work.
- 3.5 Ethnic groups feel that funders do not consult them when decisions made about them affect them greatly.
- 3.6 General feeling of lack of trust between ethnic community groups and funders.

#### ***Ways forward***

- 3.7 Funders should seek to develop and maintain a relationship with ethnic communities, thereby promoting an increasing understanding of the position of ethnic communities. This can also be done through developing and maintaining an ongoing relationship with trusted representatives of ethnic groups.
- 3.8 Funders should actively consult ethnic communities or trusted representatives of ethnic groups when seeking to design funding schemes.
- 3.9 Grant Panels and Officers should reflect the diversity of our communities in order to gain trust and bring about a proper understanding of social and cultural issues affecting our communities.
- 3.10 Meetings with funders should occur more often on various fronts, e.g. as seminars with particular developmental themes. There should be a sense of working towards shared aims.
- 3.11 Time needs to be invested to clarify and focus the funder's needs, and develop frameworks appropriate to the capacity of ethnic community organisations and the scale of the projects. Monitoring of projects and grants can meet funders' needs and be short and simple at the same time.
- 3.12 Establish the amount of monitoring time in relation to funds allocated. Half-yearly reporting should be adequate in most cases. Monitoring of small ethnic groups can be commissioned from larger local ethnic organisations.
- 3.13 Costs of monitoring should be met by the funders e.g. % as a basis + time related to monitoring, so that vital project time is not diverted from the project aims.
- 3.14 Ensuring quarterly payments in advance is very important to small groups.

### **4. Criteria and competition**

- 4.1 Projects from established organisations backed up by organisational resources and years of established expertise and research, are competing alongside emerging developmental projects from ethnic groups, working in new directions which contain many unknowns.
- 4.2 Criteria used tend to reflect measures of success appropriate to established project types.

- 4.3 Demands for research do not recognise the validity of the assessment of the need of the project by ethnic groups and the closeness of small ethnic groups to their limited localities on the ground.
- 4.4 Outputs demanded by funders are often perceived to be unrealistic.
- 4.5 Funders may not understand the cultural and social significance of ethnic projects - the focus of strengths of such projects may not be taken into account which may leading to a form of discrimination against types of projects attending to socio-cultural needs.
- 4.6 A perception of general inflexibility with regard to criteria, and an unwillingness to enter into dialogue with ethnic applicants with a view to understanding the context of the project in relation to grant criteria. This is experienced as a general disinterest in ethnic circumstances.
- 4.7 Many projects from ethnic groups therefore do not compete on a level playing field and are destined to fail.

#### ***Ways forward***

- 4.8 Different criteria, measures and outputs should be applied to fundamentally different project scenarios.
- 4.9 Qualitative measures needed as much as quantitative in assessing the diversity of grant awards in order to address current imbalance.
- 4.10 Structures should be in place so that emerging developmental projects should not be competing with projects with established themes.
- 4.11 Funders should set targets which meet their commitment to assisting the developing of ethnic groups so that they get the fair share of the funding cake.
- 4.12 Funders' criteria must reflect ethnic community needs through consultation. This can only be achieved by developing a relationship and building an understanding of the needs and concerns of ethnic communities as a continuing strategy.

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