The Disparity in Accessibility to Funds and Support for Black-Led Non-Profit Organisations

Report

LCVS · TOGETHER FOR LIVERPOOL FOR GOOD

LIVERPOOL JOHN MOORES UNIVERSITY

LIVERPOOL CITY REGION COMBINED AUTHORITY

Glossary of Terms

Black-led

An organisation where 51% of the decision makers are of a Black ethnicity.

BLOs

Black-led Organisations

BLNOs

Black-led Nonprofit Organisation

WLOs

White-led Organisations

WLNOs

White-led Nonprofit Organisations

RC *

Racialised Community

RCLNOs

Racialised Community-led Nonprofit Organisations

SIOs

Support Infrastructure Organisations

CVSO

Charity and Voluntary Service Organisations

LCVS

Liverpool Charity and Voluntary Services

LCRCA

Liverpool City Region Combined Authority

LJMU

Liverpool John Moores University

* The term Racialised Community encompasses all people that are non-Caucasian in race or non-White in colour.

Project Team

Olatunde Durowoju is a Reader (Associate Professor) in education management and the Associate Dean, Diversity and Inclusion, for the Faculty of Business and Law at Liverpool John Moores University. He has led several inclusivity projects aimed at breaking systemic barriers and delivering equity of outcomes and experiences for disadvantaged groups. He has won several awards over the years and is the creator of the 'Working Seminars on Achieving Inclusivity using Artificial Intelligence in HE', a melting pot for inclusivity scholars and AI advocates. He is also the acting chair of the Anti-Racism and Learning Technology special interest group within the Association for Learning Technology.

Bukola Fatokun is a seasoned Lecturer in International Business Management within Liverpool Business School, Faculty of Business and Law at Liverpool John Moores University. She earned her Doctorate in Business & Management, and currently teaches on the MSc Management Programmes. She has worked and lived in four continents and has experience with charitable organisations in the US and the UK. She has volunteered for NGOs such as Include-IT Mersey (LCR) as a Digital Inclusion Tutor. She has won many awards and has extensive experience in the areas of research methods (quantitative and qualitative), and postgraduate student support. She is an author, a mentor and also a role model.

Moni Akinsanya is the LJMU's Associate Director of Diversity and Inclusion. She was instrumental to setting up the Reciprocal Mentoring Programme, Positive Action Programme and the Liverpool City Region Combined Authority Black, Asian, and Minority Staff Leadership Development Programme. Moni provides expertise on all equality, diversity and inclusivity matters across LJMU and to external Organisations. She has served as a trustee of several boards in the community, making immense contributions and working in partnership with key community representatives. Moni has developed many project initiatives with community groups, organised various women's programmes during lockdown to empower particularly women of colour and faith, some of which attracted over 200 women from different parts of the world.

LCRCA Research Team is the research team at the Liverpool City Region Combined Authority (LCRCA) that deliver a programme of independent and impartial research on corporate and strategic policies, through gathering relevant primary and secondary evidence and intelligence data, using both quantitative and qualitative research methods as required. In addition to delivering internal research within the LCRCA, where relevant, the Research Team also works closely with partner organisations and external stakeholders across the Liverpool City Region to deliver appropriate research, analysis, and insight to support policy development.

Foreword by Chair

The challenges and obstacles to accessing funding have long been raised by local Black-led organisations. The Black Lives Matter movement, reinvigorated following the unjust killing of George Floyd in 2020 and the unjust killing of other Black individuals brought racism, discrimination and inequality into sharp focus in many countries around the world including the UK. In addition, the impact of the Covid-19 outbreak in 2020 also revealed how existing structures within our society disadvantage different groups especially along racial lines.

Non-profit organisations, especially those set up to address the needs of racialised communities, played a crucial role is trying to minimise the impact of covid-19 on these communities by offering support in diverse ways such as; checking-in on the vulnerable, providing and distributing food and other essential items, and offering emotional support, etc. Some of these important organisations are witnessing an existential crisis, exacerbated by the current cost of living crisis. It is unequivocally clear that systemic inequities does exist within our society, and it is imperative to root out these inequalities on a larger scale. It is important that we adopt a regional approach to understanding the scale and scope of this problem as contextual factors may play a role in the shape of this within different regions.

Therefore, as part of our ongoing commitment to promoting equality and diversity within Liverpool City Region (LCR), we wanted to understand if there are barriers that limit the opportunities for Black-led nonprofit organisations (BLNOs) from accessing funding to support their work and what can be done to overcome them. This research confirmed some of the anecdotal evidence that existed in the third sector literature, providing empirical evidence of the contextual factors creating disparity in funding success for BLNOs.

Evidence from this research suggests that systemic issues are at play, and addressing existing disparities requires intentionality towards change on the part of multiple stakeholders including BLNOs, funding bodies and support infrastructure organisations (SIOs) such as Charity and Voluntary Service Organisations (CVSOs). Some recommendations have been made which can facilitate at-scale improvement in the funding and access-to-support experiences of BLNOs within the region.

We are extremely pleased to have been able to secure the resources and support from our partners to investigate this inequity. In 2020, the Liverpool Charity and Voluntary Services (LCVS) made a strong commitment to the principles behind Black Lives Matter and this research is an important part of that ongoing work.

Sonia Bassey, MBE – Chair, LCVS

Executive Summary

There is a strong economic and moral imperative to investigate the disparity faced by Black-led non-profit organisations (BLNOs) in the Liverpool City Region (LCR). Regional challenges to funding disparity within the UK voluntary and Charity sector are often overlooked, as many studies fail to account for the unique barriers faced in different areas, like Liverpool, where there is often a scarcity of national funding. Additionally, misalignments between funders' and Black-led non-profit organisations' perceptions can exacerbate these disparities, perpetuating biases and deterring applications from Black-led organisations. Understanding this issue will help Liverpool Charity and Voluntary Services (LCVS) and other Charity and Voluntary Service Organisations (CVSOs) better target actions to improve local funding access and develop specific lobbying messages for local, regional, and national funders.

This research project aimed to address current gaps in the (mis)understanding of the scale, barriers, misconceptions and critical success factors contributing to the disparity in successful access to funds and support for Black led non-profit enterprises based in or affiliated with the Liverpool City Region. The study utilised a sequential mixed method approach where focus group and one-to-one interviews were conducted to gain a deeper understanding into the issues from a multi-stakeholder perspective, and the insight generated from this was then converted into a survey which was administered to a wider sample of BLNOs as a confirmatory tool. In total, **10 BLNOs** participated via focus group or interview; **7 Funders** participated via interviews; and **24 BLNOs responded** to the online survey.

This report details empirical evidence of systemic disadvantages facing many BLNOs in the Liverpool City Region, which may also be happening in other regions with similar characteristics. For many BLNOs, the funding system is seen as "not fit for purpose" because the process is perceived as overly bureaucratic, impersonal, time intensive and inaccessible. Funders themselves contribute to this disparity due to their lack of diversity at all levels of the funding process; little to no engagement with Black and other Racialised Communities (RCs); restrictive definition of governance and the overemphasis on governance as a funding requirement; inflexibility in administering restricted funds; lack of capacity that often mean they are not able to provide targeted support. All of the above create a <u>negative cycle</u>, which may be trapping BLNOs in a cycle of continuous disadvantage.

The study shows that **1 in 5 BLNOs within LCR** (compared to **1 in 4 BLNOs, nationally**) are often successful in their funding bid. This reveals a regional disparity even within the Black-led community which needs to be addressed. The only major organisational characteristics for LCR-based BLNOs with a strong, positive and significant correlation with funding success was 'how experienced the team responsible for grant/application

is' (at 0.019 < p=0.05). The other organisational characteristics such as 'the length of years in operation'; 'the geographical region served', 'the size of the organisation', 'the legal structure of the organisation', 'the presence of a governing board within the organisation'; 'the number people with sole responsibility for grant/funding application within the organisations' had no correlation with how successful the organisation is when it comes to funding application.

For those few funders who have had better funding success rate for BLNOs, the reasons for this includes funders' intentionality about equity; funders' specific focus on small organisations; funders proactively creating support sessions for BLNOs; and having the capacity to do these things. Few funders tend to earmark a percentage of their total funding pot towards specific programmes targeting BLNOs, but this may be masking the overall issue of inequity in their 'regular' funding programmes, which often represent the largest percentage of their funding pot. Still, those dedicated funding programmes may be biased towards certain types of organisations such as social services, culture and recreation, and faith-based organisations.

To address the disparity in funding success and support access for BLNOs, respondents in the study reported seven critical success factors with the most popular ones being **Bid writing skills** and **Fit with funding criteria**. Eleven recommendations to Funders were reported by the respondents, and the most popular one was **Funders should directly engage with Black-led Organisations and communities**. Six recommendations to SIOs were reported by the respondents. The most popular one was **Having Bid writing support**.

Based on the finding from the study and recommendations from the respondents, the project team put together some recommendations for future action, which can be found in the subsequent section on 'Recommendations'. These represent very clear areas of support based on the reported needs of BLNOs. Any future interventions in the region or sector should be based on these.

Recommendations for Funders

1. Funding organisations simplify the funding application process to reflect the challenges outlined by BLNO's by:

- Reducing the use of (excessive) jargon in the application and auditing processes.

- Using easy processes for applying including video, audio, storytelling

- Reducing bureaucracy in the funding application process

- Hosting regular events/workshops with BLNOs to better align funder requirements with their needs

2. Funding organisations must be intentional about equity in their funding process by:

- Publishing yearly funding equity reports, similar in principle to Environmental, Social and Governance (ESG) reporting that shows accurate data about the funding being allocated to BLNO's for example

- Adopting equitable funding criteria and scoring system in their decision making (as current criteria are biased against low-asset, newer organisations and organisations meeting the needs of marginalised communities).

- Recognising that BLNO are not starting at the same place and there is not a level playing field due to racism

3. Funders to proactively consider how they can ensure the voices of Racialised Community members in decision making:

- Improving RCs representation in their workforce, especially on their decision-making panel.

- Paying Black, Asian and Minority Ethnic community members to sit on decision making panels

Recommendations for Support Infrastructure Organisations

1. Support Infrastructure Organisations (SIO's) must engage for equity by:

- Increasing their community outreach programmes and target RC to better understand the unique needs of these communities and the most appropriate way of meeting those needs.

- Increasing the level of representation of members of RCs within their workforce and in governance and decision-making roles.

- Making the support they offer more explicit to BNLO's.

2. (SIOs) fundraising support must include:

- Bid writing and professional advisory support, for example business and project planning advice, how to establish suitable company structure, marketing, funding strategies; mapping funders by geography and by causes they support (tailored funding streams), intermediary roles between organisations and funders, promoting organisations to funders

3. SIOs to coproduce a dedicated toolkit that can help BLNOs to navigate the funding landscape more easily. This must be co-designed in consultation with RCs & with funders

Recommendations for National Govt/Agencies

1. Lobbying the Charity Commission to review the current process of setting up a charity in consultation with RCs and as part of this sharing the challenges that BLNO's face.

2. Lobbying the government to ensure equitable allocation and distribution of funds in such a way that organisations are not disadvantaged along the lines of size, geographical location and Race.

1.

Introduction

1.1: **Background**

There are over 3,000 voluntary and charity sector (VCS) organisations in Liverpool which employ circa 10,000 FTE employees and provide an economic contribution of nearly £400m (4% of city's total GVA). 43% of Liverpool City Region (LCR) VCS workforce come from Liverpool.

Previous research commissioned by the Liverpool City Region Combined Authority (LCRCA) revealed that there is a gap in access to business support and grant funding for black-led for-profit businesses, however the evidence base for non-profit organisations is currently limited and has not been fully explored within the region. Anecdotal evidence and literature suggest that systemic racism has led to disparity in funding opportunities and access to support for black-led organisations (BLOs) compared to their white-led counterparts, more so in the voluntary and community sector (VCS).

There is a compelling economic and moral case to investigate the scale and nature of the disparity for black-led non-profit organisations (BLNO) operating in Liverpool City Region to enable better understanding, and to help target (i) action that the LCVS might need to take with local funding approaches to enable proportionate access to grant funding and wider support and (ii) specific lobbying messages that LCVS and other bodies may want to communicate to local, regional and national funders.

1.2: **Rationale for the Study**

1. **Scale of the Issue:** There is still little empirical evidence of the scale of this disparity in the UK voluntary and community sector when compared to other countries such as the US (GiveBlack 2022). For example, the rejection rate in the US for black-led organisations is 5.2 times higher than their white counterparts and assets of Black-led non-profits were 76 percent smaller than those of their white counterparts (Dorsey et al. 2020). These type of statistics for the voluntary sector is seldom available in the UK context. Furthermore, there is also anecdotal evidence that even when national funding is available this does not trickle down to Liverpool.

2. **Contextual Challenges:** Several funding disparity publications have identified some of the barriers faced by black-led organisations or VCS organisations addressing Black causes in the UK, but these lack the much-needed regional lenses approach. It is misguided to presume that these barriers exist to the same degree in all regions. Lending credence to this is the evidence that suggests that there are unique compositional and contextual challenges in different regions

with regards to inequality (Glückler 2020, Fransham et al. 2023, Stansbury, Turner et al. 2023). Therefore, contextual lenses should be considered when designing interventions or policies to eradicate funding disparity in specific regions and sectors.

3. **Irreconcilable differences?:** Past studies have always looked at barriers with little focus on the differences in the perception of funders and the funded organisations on this issue and how this might inadvertently widen the gap. To what extent are the perception of barriers (dis)similar between funders and the funded BLNOs? A misalignment may create barriers and perpetuate false narratives which may either deter BLNOs from applying for certain funds or perpetuate systemic biases among funders against BLNOs.

1.3: **Aim of the Study**

Using a multi-lens and multi-method research approach, this study aims **to address current gaps in the understanding of the scale, barriers, misconceptions and critical success factors contributing to the disparity in successful access to funds and support for black led non-profit enterprises** based in or affiliated with the Liverpool City Region area.

The **objectives** of the study include:

1) To <u>identify the perceived barriers</u> to funding from the perspective of Black-led non-profit organisations (BLNOs) and funders within Merseyside region.

2) To <u>understand (mis)alignment between the perceptions</u> of funders and BLNOs on what these barriers are and how they can be alleviated.

3) To <u>identify any contextual factors</u> within the Liverpool City Region contributing to the perceived funding barriers on BLNOs.

4) To <u>understand the role of BLNO characteristics and processes in the funding disparity</u> for BLNOs.

5) To <u>identify success factor(s) from the perspective of Black-led organisations</u> that have been successful in funding applications.

6) To <u>identify specific interventions</u> BLNOs want from funders and support infrastructure organisations.

2.

Methodology

2.1: **Methodology Overview**

LCVS commissioned Liverpool John Moores University (LJMU) to undertake this research as an independent third-party and they were supported by Liverpool City Region Combined Authority (LCRCA).

LJMU & LCRCA utilised a sequential mixed method design during this research, including:

- **Focus groups and one-to-one interviews:** The first phase was a qualitative approach. This was designed to address objectives 1, 2 and 3. The questions asked during the focus group and interview sessions can be found in Appendix 2 and 3.

- **An online survey:** The second phase was a quantitative approach utilising a survey using the questions derived from the themes identified in the first phase of study. This was designed to confirm if there was consensus among a wider audience of BLNOs on the themes identified previously. It was also designed to identify BLNO characteristics that directly contributed to funding success, and to capture any interventions BLNOs perceive to be suitable to their needs.

2.2: **Sample Overview**

In total:

- **10 BLNOs** participated via focus group or interview

- **7 Funders** participated via interview

- **24 respondents** to the online survey (for more information on the sample see Appendix 4)

Note: While the **sample size in this study appears small**, it is important to note that the sample from this region in previous studies have been lower. For example, a similar study conducted by The Ubele Initiative on the impact of Covid-19 on BAME community and voluntary sector had 15 respondents from the Northwest (Murray, 2020). However, our study gives a better picture of the views of organisations operating within LCRCA, as it focuses on a smaller geographical region but with a higher sample size.

Therefore, it provides a better snapshot of the views of organisations. While the **findings of this study are not generalisable**, it is still relevant as an **indication of the views and description of the situation facing BLNOs within the region**.

3.

Phase 1 Results

3.1: **BLNOs Focus Group & Interview Findings Overview**

Findings from the BLNOs Focus Groups and Interviews (full findings in Appendix 2) **suggest that the current funding system is "not fit for purpose"**, with **numerous barriers to accessing funding creating a negative cycle, trapping smaller and BLNO's organisations.**

Funding is seen as:

- **Impersonal:** With a lack of personal support, useful feedback, and relationship management.

- **Bureaucratic:** With multiple procedures and auditing processes.

- **Inaccessible:** As it tends to be online, uses 'wordy' extensive forms requiring knowledge of a certain funding 'language', and sometimes has unattainable or similarly unnecessary requirements.

- **Time Consuming:** This appears to be a key theme underlying these issues. Time is needed to network and search to find out about funding opportunities, to gather evidence to prove a need, bid, and manage audits.

These factors can create a negative cycle particularly for smaller organisations, which BLNOs tend to be. As they may not have the capacity to hire bid writers, they are reliant on the knowledge of those already in the organisation who may have limited time to invest in bidding. They therefore may be less successful in securing grants, causing a lack of financial stability and preventing further growth.

Yet, Black-Led non-profit organisations have unique qualities that could be utilised to help deliver change. Having become used to "living on a shoestring", they often rely on the commitment and knowledge of a handful of passionate individuals within the organisation and volunteers. They know the "unmet needs", have the "lived experience", and can reach supposedly 'hard to reach' groups.

However, **persistently inaccessible and shrinking sources of funding can have implications for the organisations and their communities.**

3.2: **Funder Interview Findings Overview**

From the perspective of the funders interviewed, **factors contributing to the disparity in funding application success** for BLNOs include:

- **Governance:** Lack of understanding of governance requirements and processes, ineffective boards due to inexperience, and burdensome monitoring and evaluation (M&E) due to reliance on multiple smaller funds all which have M&E requirements.

- **Unsuitable legal structures:** Lack of understanding about the right structures, and for many not having charitable status as the process of registering is seen as challenging and many BLNOs do not go down that route.

- **Awareness of support available:** Lack of awareness of support available (within Charity infrastructure, for example CVS's and from funder organisations), and lack of awareness of funding opportunities/funders.

- **Capacity issues:** Lack of dedicated bid writers and small teams within BLNOs, whilst for some funders BLNO's can often be too small, which leads to capacity issues.

- **Low quality applications:** Due to poor understanding of the requirements/criteria for funding, and barriers related to language in terms of particular vocabulary needed (e.g. funding application vocabulary).

- **Lack of Diversity/Representation:** Lack of racial diversity in funding organisations, including on decision making committees (where this has been addressed better success rates have been noted). Lack of ethnicity data collection to understand the scale of the disparity, and little reflection of how equitable the funding process is.

- **Poor engagement:** No intentional marketing or tailoring of communications/support specifically to BLNOs or other racialized communities, and those who are willing to do specific marketing don't know where to go.

- **Inflexibility in administering restricted funding & legal requirements:** Inflexibility of permitting funded organisations to reallocate funds, even if it won't affect the intended outcome, and the burden of legal requirements within donor and Charity Commission funding policies.

- **Accessibility Issues:** The use of online applications by many funders create accessibility issues that needs to be addressed e.g. language, clarity of requirements, neurodiversity challenges, alternative formats (paper) etc.

Reasons for better BLNO success rate within funders' portfolio include:

- funders' **intentionality about equity**,

- funders' **specific focus on small organisations**,

- funders **proactively creating support sessions for BLNOs**, and

- having **capacity** to do these.

Yet, **specific targeted programmes may not necessarily be the answer**:

- Some funders tend to have specific programmes targeting Black-led organisations. Perhaps for good reasons, but this **may be masking the overall issue of inequity in their 'regular' funding programmes.**

- Dedicated funding for BLNOs **may also be biased towards certain types of organisations** such as social services, culture and recreation, and faith-based organisations. These represent organisations with the largest income (Tabassum 2021).

Full findings from the Funder Interviews can be found in Appendix 3.

4.

Phase 2 Survey & Literature Review

Section Note:

Consensus is defined in this study as the extent of agreement or disagreement between multiple parties on a particular subject.

The following rules have been applied to gauge and interpret consensus among the respondents:

- Mean score between **4.51 - 5 = 'Strong consensus of acceptance'** on an issue

- Mean score between **3.51 - 4.5 = 'Consensus of acceptance'** on an issue

- Mean score between **2.51 - 3.5 = 'No consensus'** on an issue

- Mean score between **1.51 - 2.5 = 'Consensus of rejection'** on an issue

- Mean score between **1.0 - 1.5 = 'Strong consensus of rejection'** on an issue

4.1: Survey & Literature Review Findings Overview

Based on the analysis of responses from 24 BLNOs within LCR to the online survey, many of the issues raised during the interview and focus group stages of this project were confirmed or partial confirmed.

1. BLNOs in LCR seem likely to have less people with responsibility for funding applications and therefore the time commitment of applying can be an issue.

- **Funding applications require a lot of staff/volunteer time, hours, and resources.** The majority (79%) of BLNOs, according to our sample (see Appendix 4.1, Figure 4.1.3), have no more than 10 employees, and 84% of respondents have between 1 and 2 individuals with funding application responsibility (see Appendix 4.1, Figure 4.1.4). The study also revealed that for some BLNOs these individuals have other responsibilities within the organisation that detracts from their funding application role.

- On average among survey respondents:

  - There is some consensus (4.33) that their **organisation often have to forgo funding opportunities because the time and effort required** significantly outweighs the potential benefit (see Appendix 4.2, Table 4.2.3).

- There is some consensus (4.25) that it is **time consuming for organisations to 'repackage' what they have got to meet the funding criteria** (see Appendix 4.2, Table 4.2.3).

- Yet, there is no consensus (3.38) that the timeline for completing applications is too short (see Appendix 4.2, Table 4.2.3).

o The high proportion of volunteer staff within BLNOs further compounds the issue. 1 in 5 (20.8%) of BLNOs respondents have volunteers making up 80% of their workforce (see Appendix 4.1, Figure 4.1.5). While the contribution of volunteers is vital to the operation of these organisations, the temporary nature of their role and their motivation for volunteering widely differs (DCMS, 2021) which creates uncertainty within the organisation.

"as a smaller charity we do not have the funding to have a person (dedicated to just funding), it is staff on top of their day to day work"

2. Funding criteria and procedures are seen to be creating a barrier.

o On average among survey respondents:

- There is some consensus (4.08) that **it is sometimes difficult to convey the impact of projects on beneficiaries in an application**, therefore visits from funders could be useful (see Appendix 4.2, Table 4.2.3).

- There is some consensus (4.04) that over time, the **funding process has grown more impersonal**, worsening the divide between Black-led Organisations and funders (see Appendix 4.2, Table 4.2.2).

- There is some consensus (4.00) that feedback from funders after an application has been unsuccessful are **sparse and unhelpfu**l (see Appendix 4.2, Table 4.2.2).

- There is some consensus (3.91) that **funding application criteria are inherently biased against low-asset, newer organisations** (see Appendix 4.2, Table 4.2.2).

- There is some consensus (3.54) that **funding criteria can be difficult to understand due to the use of jargon** (see Appendix 4.2, Table 4.2.3), and

- The is no consensus (3.13) that organisations have access to information that is made available about each funder (see Appendix 4.2, Table 4.2.3).

3. BLNOs governing structures in the LCR may not be to the quality expected by funders

- On average, there is some consensus among survey respondents (4.32) that specific funds are tied to specific legal structures which discriminates against small or grassroots organisations (see Appendix 4.2, Table 4.2.4).

- Governing structure was reported as an important consideration in funding application by funders who took part in the interviews. With a **perception from those spoken to that there is a lack of understanding of governance or a need for it by BLNOs. However, in the online survey, 9 in 10 BLNOs noted having a governing board in place** (see Appendix 4.1, Figure 4.1.6)**.**

- Some funders indicated that the quality of the governing board for many BLNOs often detracts from the chances of successful application. In the online survey, 3 in 5 BLNOs have a mix of professional and non-professionals sitting on the governing board (see Appendix 4.1, Figure 4.1.7). **Yet, it is important to recognise, as previously established, that many of these organisations are small and often rely on family members and volunteers for support.** Moreover, in our survey 7 in 10 of BLNOs have governing boards that have over 5 years sector experience (see Appendix 4.1, Figure 4.1.8). Therefore, **funders need to be aware of this and make reasonable adjustment in their requirement for 'high quality' governing board.**

A summary of the misalignment between perception and reality with regards to what funders perceive to be BLNOs' own challenges which contribute to the disparity in funding success and the reality can be found in Appendix 4.2.6.

4. However, funders may not recognise the unique challenges facing Black-led organisations

- On average among survey respondents:

  - There is some consensus (4.48) that many funders do not sufficiently recognize the unique challenges facing Black-led organisations (see Appendix 4.2, Table 4.2.2).

- There is some consensus (4.43) that **many funders are critically unaware of their shortcomings** i**n serving racially minoritized communities** (see Appendix 4.2, Table 4.2.2).

- There is some consensus (4.30) that **most funding bodies suffer from a lack of racial diversity** across all levels, making it difficult to achieve a fairer funding approval process (see Appendix 4.2, Table 4.2.2), and

- The is no consensus (3.43) that funders do not take enough initiative to actively engage racially minoritized communities in understanding their unmet needs (see Appendix 4.2, Table 4.2.2).

5. More experienced BLNOs in the LCR may not be more likely to have successful funding applications than less experienced organisations.

- 4 in 5 BLNOs in the survey (see Appendix 4.1, Figure 4.1.10) have been in operation for more than 5 years demonstrating longevity within the region. In addition, **5 in 10 BLNOs in the survey have significant experience (5yrs and above) of creating funding applications** (see Appendix 4.1, Figure 4.1.11)**. However, only 1 in 5 BLNOs who responded to the survey are often successful with their funding bids** (see Appendix 4.1, Figure 4.1.12)**.**

- On average among survey respondents:

  - There is strong consensus (4.54) that their organisation ensures to fully understand the funding criteria before applying to the funder (see Appendix 4.2, Table 4.2.1).

  - There is some consensus (4.46) that they are very confident that their organisation meets most of the criteria stipulated by the funder before applying (see Appendix 4.2, Table 4.2.1), and

  - There is some consensus (4.21) that they are confident in how well their organisation conveys how they meet the funding criteria in our application to the funder (see Appendix 4.2, Table 4.2.1).

- A 2015 Voice4Change England survey indicated that 26% of BLNOs considered their funding applications mostly successful (Voice4Change, 2015). Comparing this to the 17% reported in the current study highlights a potential growing disparity in funding success for BLNOs over time, underscoring the importance of this research.

6. Geographical and size disparity in funding success for non-profit organisations may be playing their part in the disparity being felt/experienced by LCR BLNOs.

- On average among survey respondents:

  - There is some consensus (4.5) the size of funds available to larger organisations are greater compared to the size available to smaller organisations (see Appendix 4.2, Table 4.2.4).

  - There is some consensus (4.05) there are better provisions in places like London than elsewhere in the country (see Appendix 4.2, Table 4.2.4).

- In addition, the sentiment around funding bias towards larger organisations expressed by the respondents in this research is supported by the **UK Civil Society Almanac 2023 report which stated that large (with £1m to £10m income level) and major (with £10m to £100m income level) organisations were the main beneficiary of the additional 6% funding provided by the government in 2020 to support charities** (Jayasuriya, 2023). The report also confirmed that **most of these organisations are based in London and the South of England** (Tabassum, 2023).

- The annual turnover figures of the respondents to this study's research survey (see Appendix 4.1, Figure 4.1.13) were comparable to national figures reported by Voice4Change (2015)*, providing some reassurance that the distribution within the sample of the survey somewhat mirrors the national figures, at least in terms of annual income. Nationally, 29.6% of BLNOs have an income of £0-10,000 (21% in this study), 32.4% have £10,000-100,000 (33% in this study), and 38% have £100,000 and above (42% in this study). **4 in 5 BLNOs who responded to the survey are small to medium in size based on income level** (see Appendix 4.1, Figure 4.1.13), and **just 4% can be described as large organisations, if these figures are reflective of the LCR BLNOs population fewer large organisations may add to the disparity experienced within the region.**

7. There may be a lack of awareness of funding and support opportunities for LCR BLNOs.

- On average:

- There is no consensus (3.38) that the organisations who responded to the survey make email/telephone/in-person enquiries to the specific funder before applying to them (see Appendix 4.2, Table 4.2.1).

- There is no consensus (2.79) that respondents to the survey seek the help of independent support/capacity building/infrastructure organisations whenever we want to make an application (see Appendix 4.2, Table 4.2.1).

- There is no consensus (2.96) that respondents to the survey are aware of support/capacity building organisations who provide <u>free</u> support/advice if needed (see Appendix 4.2, Table 4.2.5).

- There is no consensus (3.17) that respondents to the survey are aware of support/capacity building organisations who provide <u>paid</u> for support/advice if needed. (see Appendix 4.2, Table 4.2.5).

o This may be **in part be due to the channels relied on for hearing about opportunities.** The three most common ways of locating potential funders are; **word-of-mouth, CVS, and Internet searches**. Other reported ways include; approaches from private donors, donations, via Domestic Abuse national BME networks; UK AID, government; philanthropic giving, and social media (see Appendix 4.1, Figure 4.1.14).

o On average, there is also **no consensus (2.83) among the survey respondents that support/capacity building organisations are proactive about engaging with their communities to better understand our needs** (see Appendix 4.2, Table 4.2.5).

8. **And, some concern about the quality and diversity of the support available.**

o On average:

- There is no consensus (3.48) among survey respondents that the staff within the support/ capacity building organisations have extensive experience of the funding process (see Appendix 4.2, Table 4.2.5).

o And, on average:

- There is some consensus (4.04) that the quality of personalised service received from some support organisations offering free consultation are inadequate due to resource constraint (see Appendix 4.2, Table 4.2.5).

- There is some consensus (4.09) that the support/capacity building organisations are not racially diverse enough to facilitate fairness in their service provision (see Appendix 4.2, Table 4.2.5).

- There is some consensus (4.09) that there is not enough independent support /capacity building organisations for non-profits within the Liverpool City Region (see Appendix 4.2, Table 4.2.5).

9. Respondents to the survey feel funding is scarce, oversubscribed, and that there are not enough dedicated pots of funds targeting Black and Minoritised Ethnicities.

- o On average among survey respondents:

  - There is a strong consensus (4.55) that there are **not enough dedicated pots of funds** targeting Black and Minoritised Ethnicities (see Appendix 4.2, Table 4.2.4).

  - There is a strong consensus (4.30) that **funding tends to go to the same crop of organisations** making it difficult for others to compete for funds (see Appendix 4.2, Table 4.2.2).

  - There is some consensus (4.27) funding is **oversubscribed** with more demand than there is supply (see Appendix 4.2, Table 4.2.4), and

  - There is some consensus (4.09) funding is **scarce and diminishing**. (see Appendix 4.2, Table 4.2.4).

- o The sentiments expressed are not without evidence. According to a report by May (2020), charities faced £12.4bn shortfall in income in 2020. This sentiment was echoed within this study with respondents reporting that they have experienced diminished pots of fund.

Yet, turning to more positive findings for a moment. Respondents were asked to provide what they perceived as **critical success factors when applying for funds**. Seven were supplied (see Appendix 4.3, figure 4.3.1).

1. **Bid writing skills:** Having the knowledge of bid writing, ability to clearly express outputs, ability to express outcomes and impact, and the ability to prove how the funds and the project will impact the community.

2. **Fit with funding criteria:** there must be a specific fit between the proposal and the funder's output and outcome criteria, including the unstated criteria- "Fit the funder's Frame".

3. **Ability to evidence the need:** the ability to demonstrate a clear target audience, clarity in the aims and objectives, clarity in purpose, demonstration of passion for the work, and having a good story to tell.

4. **Track record of successful projects:** Records of managing Funds/Accountability/Governance, clear record of delivering projects, and demonstration of capacity to deliver.

5. **Rapport with funders:** The ability to build relationships with funders and engage in relationship based-funding.

6. **Dedicated personnel:** Having a person dedicated to funding applications, and having unlimited time and sufficient income to cover full-time work without earnings.

7. **Realistic budgets:** "having a clear plan and value for money realistic budget".

Respondents were asked for recommendations to funders to make their funding process more accessible and fairer for BLNOs and other RCLNOs, and to SIOs on the type of support or services BLNOs would like to be offered to improve their chances of funding success Seven were supplied (see Appendix 4.3, figure 4.3.2 and 4.3.3).

Recommendations for Funders	Recommendations for SIOs
Direct engagement with BLOs: reach out to notify them of your funding opportunities; visit them; work with local CVS to reach diverse groups; prioritise the geographical areas where Black-led organisations are based.	**Bid writing support**: writing a compelling narrative, alignment of proposal with funder priorities, communicating impact.
Make (core) funding application easier: reduce bureaucracy of the application process; paperwork is often full of constraints and addresses issues divorced from reality; Most Black-led organisations are small with little resources for writing bids; offering application materials in multiple languages can also help widen accessibility.	**Professional Advisory**: Business and Project Planning advisory, how to establish suitable company structure, marketing, funding strategies; mapping funders by geography and by causes they support (tailored funding streams), intermediary roles between organisations and funders, promoting organisations to funders.
Provide targeted application support opportunities: Support in understanding the ethos of the funding body; offer free support for new/emerging organisations; support webinars with videos that can be accessed at any time.	**Proof Reading/Editing/Feedback Services:** Someone to read and comment on draft or completed applications.
Lived Experience representation on the funding panel	**Training and Networking events**
Revise criteria based on needs/reality: explore specific needs of BLOs and re-adapt the funding criteria.	**Access to Suitable Funding sources/Network**

5.

Conclusions & Recommendations

5.1: **Conclusions**

- Black-Led organisations have unique qualities that could be utilised to help deliver change.

- However, this research finds that there are certain barriers to funding particularly for smaller organisations that are likely causing greater disparity for BLNOs due to their size. **BLNOs in LCR seem likely to have less people with responsibility for funding applications and therefore the time commitment of applying can be an issue**.

- In addition, there are **other factors causing barriers** such as

  - Funding criteria and procedures which are felt by BLNOs who took part in the research to be quite impersonal, difficult to understand, and inherently biased against low-asset, newer organisations.

  - A potential lack of understanding by funders of the unique challenges facing Black-Led organisations due to lack of reflection on their practices/procedures, a lack of diversity within their organisations, and funders' misperception of some BLNO practices resulting in frustrations for both sides. For example, funders mention BLNOs not having the governing structures they would expect, yet many BLNOs are small and often rely on family members and volunteers for support.

  - Geographical disparity with the perception being, and other research indicating (UK Civil Society Almanac report), that there are better provisions in places like London and the South then here in the North-West.

  - A lack of awareness of funding and support available to BLNOs and some concern about the quality of support available. Word of mouth and networks appear to be a key source of information about opportunities particularly for time poor organisations.

  - Scare, oversubscribed funding pots.

5.2: **Recommendations**

Each of these barriers require targeted interventions which includes but not limited to:

General Recommendations:

- Changing policy to offer specific protection to smaller, low-asset, newer organisations.

Funder Recommendations:

- Simplify the grant application process, especially for smaller grants.

- Review and where possible reduce the use of (excessive) jargon in the application and auditing process.

- Have regular events/workshops with BLNOs to better align funder requirements with the needs of RCs.

- The development of a continuous reflective practice (reporting) among funder and donor establishments on how equitable their funding processes is in terms of size, geographical location, and Race.

- Targeted application support opportunities

Support Organisation Recommendations:

- Lobbying the Charity Commission to review the current process of setting up a charity in consultation with RCs.

- Lobbying the government to ensure equitable allocation and distribution of funds in such as way that organisations are not disadvantaged along the lines of size, geographical location and Race.

- Work with funders to encourage them to review their (excessive) use of jargon.

- Improved capacity of infrastructure and other support services to deliver targeted support sessions for BLNOs

- Proof Reading/Editing/Feedback Services.

- Training and Networking events

- Bid writing and professional advisory support, for example business and project planning advise, how to establish suitable company structure, marketing, funding strategies; mapping funders by geography and by causes they support (tailored funding streams), intermediary roles between organisations and funders, promoting organisations to funders

Appendix 1:

Additional Detail - Phase 1 and 2 Approaches

1.1: **Additional Detail - Phase 1 Approach**

- **Recruitment of participants:** An expression of interest form was advertised via social media and shared via LCVS to contacts of funders, support organisations and Black-led non-profit organisations who operate within the Liverpool City Region.

- **Focus Groups:** Those who were BLNOs were invited to take part in a focus group session. Researchers from the Liverpool City Region Combined Authority conducted **three 90-minute focus group sessions** with a total of **8 BLNOs** in the Liverpool City Region.

- **Additional BLNO Interviews:** In addition, researchers from the Liverpool City Region Combined Authority had **two one-to-one interviews** with BLNOs who could not make the focus group sessions.

- **Funder/Support Organisation Interviewers:** Funders and support organisations were invited to take part in either face-to-face or online interviews conducted by LJMU. The average duration of each interview was **40 minutes.** Five of the seven respondents interviewed were either heads of department, managers, or directors with significant role in the funding process.

1.2: **Additional Detail - Phase 2 Approach**

- **Recruitment of participants:** We sent out an open call via LCVS and LCRCA communication channels.

- **Target Audience:** Black-led organisations operating within the Liverpool City Region.

- **Online Survey:** Respondents filled the questionnaire in on a self-select basis. They were asked their level of agreement/disagreement (on a Likert Scale of "Strongly Disagree" as 1, "Disagree" as 2, "Neutral" as 3, "Agree" as 4 and "Strongly Agree" as 5.) with statements on the following topics:

    o Preparation for Funding;

    o Funding Application Constraint;

- o Capacity Constraint and Challenges;

- o The Funding Landscape;

- o Support Infrastructure.

- **Level of Response:** There were 25 respondents in total. However, one of the 25 respondents did not meet the self-selection criteria of being Black-led. Therefore, the data from 24 respondents were analysed using statistics applicable to small sample size*

* The description of the sample size as small is uncertain as it is unclear what the population of BLNOs operating within LCR is in practice.

Appendix 2:

BLNOs Focus Group & Interview Findings

Research by Evidence, Research & Intelligence, LCRCA

The funding system is seen as "not fit for purpose"...

The overarching theme that emerged from the BLNO's focus groups and interviews was that the funding system is "not fit for purpose", or is "broken", and that the process is a "Russian Roulette".

| System is "not fit for purpose" | System is "broken" | Process is a "Russian Roulette" |
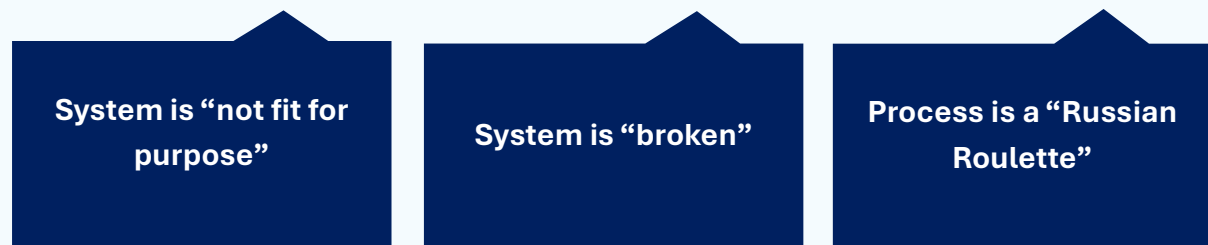
# ...because the process is perceived as overly bureaucratic and impersonal...

Interpersonal

Over time, the funding process has become **increasingly impersonal**.

There is a **lack of personal support**, including a reduction/disappearance of 'Relationship Managers', meaning there is less continued guidance.

Funders don't visit organisations in person to see their projects in action. It can be difficult to demonstrate the positive impacts projects have on communities on applications, particularly within a word limit on applications. The occasions that Funders do visit, it is often for "photo opportunities" for their own benefit.

There is also a **lack of useful feedback**. On most occasions no feedback is given at all or when feedback is given, this is often **"vague", "cold",** and **generic** (for example, 'unfortunately we had lots of applications').
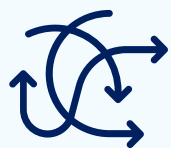
Bureaucratic

There are **multiple procedures and audit processes** making the process of accessing funding **complicated**. This **"hoop jumping"** takes time to manage and requires specific documentation, which smaller organisations may find harder or have less time to manage. This is a **"huge obstacle"**.

On the other hand, some Funders appear to participants to demonstrate favouritism, favouring awarding funding to established organisations that they've worked with before. **There is felt to be a need for a balance between bureaucracy and favouritism.**

Additionally, larger organisations are more likely to be awarded larger pots of funding. Whereas **smaller organisations are seen as more of a risk**. Funders **"don't give beginners a chance"** or are awarded smaller pots of funding and are **"grilled" more** about financial responsibility (particularly if they are not Incorporated).

...and time intensive and inaccessible.

Time Intensive

In order to create strong and successful applications, organisations **need time and the headspace to think creatively to "repackage" what they've got to meet the criteria.** Small organisations may not have capacity to hire bid writers or members of staff to do this.

The **burden of writing funding applications within smaller organisations, and thus funding success, is often reliant on one individual**. If unsuccessful they feel "frustrated" and they're "not good enough", which affects their confidence.

Organisations **must also commit time to networking** to stay in the loop about funding opportunities, **create an evidence base** to demonstrate impact of projects or need and, if successful, **managing audit processes**.

Small organisations have to weigh up the **time/benefit consideration** – how long will the funding last, Is it worth my time?

Inaccessible

Application **forms are very "wordy".** A page/pages of text may be **"off putting"** for less experienced organisations looking to bid for funds.

In order **to "beat the algorithm", you must use specifically terminology and "buzzwords"**. Larger organisations are more likely to have bid writers, and therefore are more likely to beat algorithm, whereas **smaller organisations may not know this "language"**.

In addition, some **requirements may be unattainable and unnecessary**. For example, a requirement to have a website or social media with a set number of followers (which takes time and capacity to run).

Majority of funding applications are also online, which may not be accessible to everyone. While alternative formats may be offered (i.e., paper) there is concern that these applications may not be marked fairly.

Difficulties with accessing funding creates a <u>negative cycle</u>, which may be trapping smaller organisations.

These difficulties throughout the funding process **adversely affects smaller organisations** and **traps them in a vicious cycle** which limits their growth, and thus the reach of their work/projects:
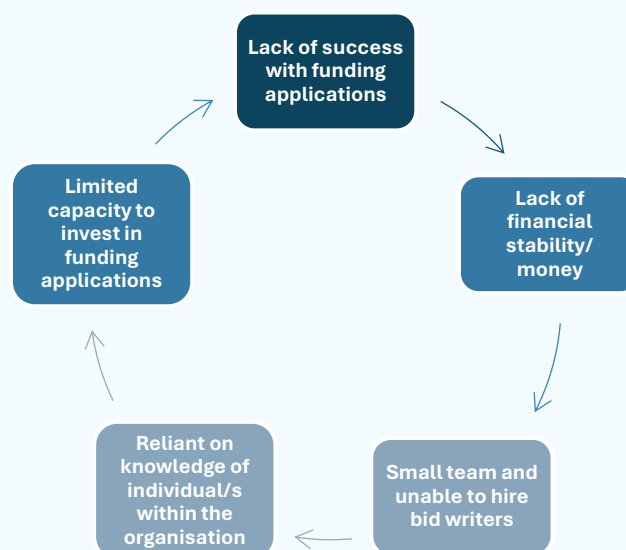
Scarcity of funding worsens this cycle.

- **Funding is seen as scarce and oversubscribed**.

- **Participants have observed a notable decrease in amount of funding available**, particularly since leaving the EU (the withdrawal of EU funding which hasn't been replaced) and the pandemic.

- Alongside this, participants note an increasing need for the services and support that non-profit organisations provide.

- Yet, it was **felt that funding is more likely to be awarded to projects when the situation they are addressing becomes too big to ignore** as a prevention measure rather than mitigation.

> *"you get used to living on a shoestring"*

On top of this, Black-led non-profit organisations face further barriers.

They tend to be smaller organisations

Black-led non-profit organisations tend to be smaller, meaning they **may more likely be trapped in a negative cycle** limiting their growth and reach.

Lack of diversity within funding organisations may negatively impact BLNOs

Those scoring bids **may not "understand the culture"** and the specific needs of the communities.

Potential discrimination

Persistent lack of success in funding applications by Black-led organisations has led some to question **"what's really going on here?"**. Some suggest that this is **"discrimination at its height"** or an **"internal bias"** against Black-led organisations.

This can have negative impacts on the organisations and the communities they represent.

Competition

Because **funding is "oversubscribed"**, organisations from within communities are **"competing for the same pot"**.

Competition for funding **may negatively affect relationships within networks**.

Wellbeing of Organisation

The **burden of applying for funding often falls on one individual** within organisations. **When unsuccessful, they feel "frustrated"** and they're **"not good enough"**, which affects their confidence.

Trust

When unsuccessful, the community may be disappointed when projects can't go ahead.

This may create feelings of distrust amongst the community with the organisations.

Wellbeing of Communities

"short term funding cycles equal no real change".

Short term funding cycles and a lack of consistency creates a system which has "reduced capacity for change".

Shrinking Sector

Small, Black-led organisations are **struggling to stay afloat** and "dropping like flies", and the sector is finding that they are **losing good people to larger institutions** (e.g. university, LCRCA).

Yet, Black-led organisations have unique qualities which should also be recognised and utilised.

"Cultural Competence"

"Lived experience" within the community provides knowledge of unmet needs. Language and "cultural competence".

Trust of Community

"no such thing as hard to reach"; participants feel funders are not necessarily utilising the right organisations to help them to reach people. **Black-led organisations have the trust of their communities, which improves engagement.**

<u>**Passion**</u>

Awareness of "unmet need" within the community spurs individuals on to take action and maintain **resilience when faced with barriers**.

Conclusions

- This report presents the findings from interviews and focus group sessions with Black-led non-profit organisations as the first stage of the wider research project.

- It suggests that the current funding system is "not fit for purpose". There are numerous barriers to accessing funding which creates a negative cycle, trapping smaller organisations. Time appears to be a key theme underlying these issues. For instance, accessing funding (i.e., applications, audit processes) taking time, and individuals within organisations having a lack of time. On top of this, lack-led organisations face further barriers, including discrimination and a lack of understanding within funding organisations of the needs of communities, further trapping them in the cycle.

- Black-led organisations, who tend to be smaller, have got used to "living on a shoestring", seemingly somewhat resilient to a lack of funding. They often rely on the commitment and knowledge of a handful of passionate individuals within the organisation and volunteers. However, persistent lack of funds has implications for the organisations and their communities.

Discussion Guide

<u>**Background & Introductions**</u> (5mins)

Facilitator and notetaker introductions

Brief background to the project & purpose of today's session

- Liverpool Charity and Voluntary Services (LCVS), in partnership with Liverpool City Region Combined Authority (LCRCA) and Liverpool John Moores University (LJMU), are undertaking research to explore the scale and nature of disparity, if any, for Black-Led Non-Profit Organisations operating in the Liverpool City Region.

- As part of this, we wish to better understand any barriers, but also any advantages or good practice in funding success, for Black-led Non-profit Organisations.

- So today we will take you through a discussion to explore these themes. There may be some of you in the room who have never applied to funding before but we'd be keen to also explore why this might be, and there will be some of you who have had successes and some who may not have yet at applying but we'd still be keen to explore and hear as much as we can to help our understand and research.

Ground rules for the session

- No right or wrong answers

- Respect each other's views

- Please keep your camera on if you can, but microphones off when not speaking

- Try not to speak over each other

- Free to use the chat facility at any point and we'll capture any information from there

- For timing we may have to ask you to move on at some points, but this does not mean we do not appreciate the input there is just quite a bit to cover, and we are happy for anyone to follow up via email with us afterwards if there is something you really wanted to say but may not have had the chance to.

Does anyone have any questions before we start?

Warm-up (5mins)

Participant introductions

- Name

- Organisation

- And, briefly what your organisation does

Activity 1 (5mins)

Thank you, it's great you could all make it today.

So we will start with an activity just to capture some initial thoughts.

In the chat box, in a moment I'd like to you to write 3 words but not to press send until I say so.

Is anyone unfamiliar with how to use the chat function? *If you would, prefer not to use it, if you have a pen or paper to hand, please write down your 3 words in front of you*.

The question is:

What are the first 3 words that come into mind when you think about funding applications?

Count to 10 in head and check that everyone has written something down. Then ask them to send it through. Then summarise what has been said.

Would anyone like to share and/or expand a little on what they have written?

- *Why those 3 words popped into your mind?*

Exploring the Funding Journey (20mins about 5mins each sub section)

We'd now like to explore further with you the funding journey. From your experience with searching for or being aware of funding opportunities, the decision to apply (or not to) and the process of applying, through to the outcome. If you have never applied for funding, we would still be interested to explore through this discussion why this might be.

Awareness of funding opportunities,

- **How do you become aware of funding opportunities?**

- Probe: *Are there any barriers at this stage that you have noticed in becoming aware of opportunities? Anything getting in the way (time, advertising, knowledge etc.)*

The decision to apply,

- **What, if anything impacts your decision to apply, or not apply, for specific opportunities?**

- *Probe (if needed);*
- *Are the specific ones you avoid or go after? Why?*
- *Other factors influencing decision e.g. resources, time, knowledge, skills, perceptions of likelihood of success.*

The process of applying

- **How do you go about the process of apply?** *This may be different for different funds.*

- *Probe (if needed); if done internally or if seek external support (if so from whom), impact on day-to-day work and the organisation*

Finding out the outcome

- **In general, how do you find out the outcome of a funding application you have made?**

- **Whether successful or unsuccessful is feedback provided?**

- Probe (if needed):

o *If so, how?*

o *Is it useful?*

o *Has it ever shaped what you do in future applications?*

o *If so, has a change of approach had any challenges.*

- **In general, when you have been <u>unsuccessful</u>, how have you felt about this?**

- **In general, when you have been <u>successful</u>, how have you felt about this?**

<u>Focusing in on a successful application</u> (10mins)

Having explored the funding journey and experience more generally, the next section focuses on experiences of successful funding applications. We'd like you to think specifically about your *most recent* successful funding application.

What do you think contributed to your successful funding application?

Did you take any steps or approaches to improve your chances of success?

Probe (if needed):

o *If so, please expand.*

o *Were there challenges to you taking these steps?*

<u>Focusing on unsuccessful applications</u> (10mins)

Now, on the other side, we'd like to focus on experiences of unsuccessful funding applications.

What factors do you think may have contributed to an unsuccessful application you may have had?

If you were to apply for funding again, is there anything you would do differently to improve your chances of success?

- *Would you approach things differently?*

- *Did you learn anything from last time? i.e., did you receive feedback you would action.*

<u>Barriers to funding</u> (15mins)

Turning our attention more broadly to barriers,

Are there any other barriers to funding that we have not already discussed?

As you are aware the focus of this research is to explore Black-Led Non-Profit organisations experiences with excessing funding.

If any, what unique challenges do you feel Black-led non-profit organisations face when applying for funding?

- o Probe: (if required)

- o Do you have an example that you are able to share?

If no unique challenges, what challenges do you feel are faced when applying for funding and who else do you feel faces them?

<u>Success factors to funding</u> (10mins)

On the flip-slip, what, if any unique factors do you feel Black-led non-profit organisations have when applying for funding, or should or do utilise when applying for funding?

E.g. unique qualities, skills, expertise.

<u>Activity 2</u> (5mins)

As with our first exercise, I'd like to you to write in the chat box but not to press send until I say so. The question this time is.

What would be the one piece of advice you would give another Black-Led Non-Profit organisation applying for funding to prioritise to help them to be successful in the funding bid?

Count to 10 in head. Check that everyone has written something down. Then ask them to send it through. Then summarise what has been said.

Would anyone share and/or like to expand a little on what they have written?

Close & Thanks (5mins)

So that was the last activity and discussion point of the session. We'd like to thank you very much for all your input today.

If you think of anything else, you would like to add please email us.

The findings from this focus group will be reflected upon and considered alongside the findings of the other groups and interviews to help inform a survey on this topic later in the project. Do keep an eye out for that survey, we'd love to get your input in that too and do encourage friends, family, or colleagues who may be interested to take part.

Are there any final questions before we sign off for today?

Appendix 3:

Funder Interview Findings

Research by LJMU

3.1: Funder's Perspective on Factors Creating Disparity for BLOs

Governance Issues

- **Lack of understanding of governance structure and the necessity for it:**

"…you know. Governance issues, which I've talked about, and I think that that might be a big challenge."

- **Ineffective boards: often due to inexperience, presence of relatives on boards, and sometimes overly ambitious.**

"And then the boards can often be quite weak and people aren't pulling the weight on the boards, so it's massively challenging and because people are quite passionate about what they do, they want to solve problems in their communities".

"Yeah, we do follow that. Erm, you know, we will decline if we're concerned about the governance"

- **Burdensome Monitoring: The scarcity of core funding means that BLO tend to rely on multiple small pots of funding and each funding require monitoring and evaluation which becomes burdensome as the number grows.**

"They want core funding… what you often find is they get a small pot here. Then there's another small pot and if they're all having to be evaluated. The spreadsheets are a nightmare. You get you don't get a spreadsheets, you get a book of spreadsheet and then behind all that, you've got to have some way of collecting all the information."

Unsuitable Legal structure

- **Lack of understanding of the right legal structures:**

"Now, if you're founding an organisation to solve a particular problem, if when I was eighteen I wouldn't even know what charity or community interest company was, and I would just set up either do the sole trader, or I'd set up as a company limited by shares and you know if it's delivering social good, but we don't have the mechanism (to fund that). We're tied to certain legal structures."

"a lot of you know … of the Black led organisations tend to be quite new ones and often the governance structures, maybe, put them at a disadvantage and I know this is an issue more widely, so a lot are not registered charities".

- **Non-compliance with charity status: The process of registering as a charity is challenging and so many BLOs do not go down that route.**

"I'm particularly flagging up is a lot of them are not registered charities, they're not going down the registered charities route because they're finding the process is just too difficult for them to".

Access Issues

- **Lack of awareness of support events:** BLOs don't attend workshops by chartered institute of fundraising, local authorities like their White counterpart

"it feels to me that's a lot of the black led groups haven't got access or not aware of those networks, so they're not getting that even basic support.".

"it's those organisations that we're just not aware of, that they're doing fantastic work, but they're not sort of obviously putting themselves out there for funding or attending events as much".

- **Poor engagement with support within Charity infrastructure and from funder organisations:**

"I don't think all Black-led organisations necessarily access traditional infrastructure. Organisations like CVSS and I speak from authority ... so I know that is the case."

- **Lack of awareness of the existence of some funders:**

"... Because these organisations aren't even finding out about our funding opportunities"

Low quality Application

- **Poor understanding of the requirements/criteria for funding**

"They don't have access to often the support they need to interpret what we do and find out what we're really asking for. What happens is they don't interpret the community led part of what we're asking, so they get knocked out because they're topped down".

- **Language barrier:**

"...it's not about having English as a second language, it's about vocabulary. So things we think are perfectly clear might not be perfectly clear to somebody else".

Capacity Issues

- **No dedicated bid writers**

"not many, you know, the smaller organisations will have the dedicated bid writers who can who can approach the funders that some of the larger, longer established charities will have".

"Applying for funding, it is a skill. Bid writing is a skill. A lot of the charities that I work with really struggle with that".

- **Constrained teams:**

"You know these, the organisations, they all have to and they're very tiny group.... You can outsource certain things, but you end up having a CEO who is doing everything and there's so much to do".

3.2: Funders-Related Factors Creating Disparity for BLOs

Lack of Diversity/Representation

- Lack of Diversity at all levels of the funding process: there is a lack of racial diversity in the workforce of funders, from those who review funding applications or provide support to those who make the final decision

- Lack of representation on decision making committees: only a few have considered this and have noted better success rates for BLNOs within their portfolio.

- Lack of ethnicity data collection to understand the scale of the disparity- this means funders don't know what the representation of BLNOs or other Racialised Communities (RC)-led Nonprofit Organisations are within their funding portfolio

- Little reflection of how equitable the funding process is.

  - Many respondents do not think about racial equity when reflecting on their funding procedure

Poor Engagement

- Poor engagement (marketing) with Black and other RCs-

- o There is no intentionality towards marketing specifically to BLOs or other racialized communities, a catch all approach to marketing is utilised.

- o Those willing to market to RCs do not know where to go

"the challenge is not having or being aware of what are the networks in within each of those areas for us to reach out to, to communicate and sort of, you know, promote our funding opportunities to those organisations."

- Poor engagement (support) with Black and other RCs- some funders do not provide support sessions, for those who do, the delivery is often not tailored to the specific challenges facing BLOs.

"and then there's a there's a whole thing about what is the training actually inclusive and accessible for those particular individuals."

Governance and Legal Requirements

- (Over)emphasis and restrictive definition of governance as a funding criteria

For many, the absence of a governance system or the presence of a 'poorly' set up one diminishes trust

"... some things just around governance around how a charity's managed and they (BLNOs) might not hit those markers. For example, you can't have people who are related or living at the same address as trustees. That's good practice for us and it's one of the things that we came across quite frequently that there were family members on the board of trustees."

- (Over)emphasis on charity status as a requirement for funding

For some, lack of charity status is grounds for automatic disqualification

"Obviously we want a charity number. We do make sure they're a registered charities"

Operational Issues

- Inflexibility in administering restricted funding:

While many funders are shifting towards unrestricted funding, some still exhibit inflexibility by not permitting funded organisations to reallocate funds, even if it won't affect the intended outcome.

- Capacity issues:

some funders are small with often no more than 3 people within the funding team. This means they often don't have the resources to provide additional support or outreach to targeted groups.

*"**The number of different funding programmes we have and the volume of applications coming through, we don't have that capacity to have that kind of outreach team where we can have that more conversation basis and go out and you know have more of those informal conversations"**.*

3.3: **Sector-wide factors:**

- **The funding landscape is becoming more competitive as:**
    - the size of funding pots is diminishing
    - larger organisations are also competing for smaller pots of funds
- **Location, Location, Location:**
    - Organisations in the south have access to a bigger pot of funds compared to Northwest.
    - Indices of Multiple Deprivation (IMD) may be an explanatory variable
- **Structural Issues**
    - Diminished number of dedicated (for BLOs and other RCs) support services
    - Access issues where mostly core groups get funded
    - The burden of legal requirements within Donor and Charity commission funding policies.
    - Lack of central data collection on ethnicity

3.4: **General Observations**

The above sections 3.1 - 3.2 presented the findings from interviews with funders to understand their perception of challenges facing BLNOs and how they ensure their funding process is equitable.

Below are some observations from the findings:

Some funders tend to have specific programmes targeting BLNOs. Perhaps for good reasons, but this may be masking the overall issue of inequity in their 'regular' funding programmes.

Dedicated funding for BLNOs may also be biased towards certain types of organisations such as social services, culture and recreation, and faith-based organisations. These represent organisations with the largest income (Tabassum 2021).

The use of online application by many funders have accessibility issues that needs to be addressed e.g language, clarity of requirements, neurodiversity challenges, alternative formats (paper) etc.

There is little evidence that funders are aware of their unconscious bias during the application review process.

The use of the same scoring systems that has systematically marginalised non-profit organisations led by RCs suggests that many funders are not reflecting on how equitable their funding procedure is.

Reasons for better BLNOs success rate within funders' portfolio includes funders' intentionality about equity, funders' specific focus on small organisations, funders proactively creating support sessions for BLNOs, having capacity to do these.

3.5: Interview Questions for Funders

Demographic Questions (Quick fire responses/ This can be sent to respondents in advance)

1. What is your role within the organisation?

2. Briefly describe your organisation.

    i.   What are you set up to do/What activity area(s)/ issues are your organisation trying to address?

    ii. Which geographical area do you cover with your service? (Local, regional (Merseyside), national)?

    iii. How long have your organisation been in operation?

    iv. What sort of funding do you typically provide? Short- or Long-term core funding?

<ol type="i" start="22">
What type of non-profit organisation do you normally fund? (Micro: <£10,000; Small: £10,000-£100,000; Medium: £100,000-£1million; Large: >£1million)

Funding

1. How do you ensure that your funding approval process is equitable for all non-profit organisations led by various ethnicities/races?

2. How would you describe the success rate of Black-led non-profit organisations with regards to funding from your organisation?

3. What reason would you give for the low/medium/high application success rate for Black-led non-profit organisations?

Challenges

1. From your organisation's experience of dealing with Black-led non-profit organisations, are there any resource challenges facing Black-led non-profit organisations, apart from financial, when applying for these funds?

2. To what extent do these challenges impact on their ability to compete for funds with your organisation?

3. Which do you consider the most problematic challenge(s) for Black-led organisations?

Barriers

1. Looking at the general landscape of access to funds within the non-profit sector, are there factors within the sector that restrict funding access for Black-led non-profit organisations?

   Follow-on if necessary: what are these factors?

2. Do these factors impact on the ability of Black-led organisations to compete for funds compared to other non-Black led organisations?

3. Which factors would you describe as having the most impact on their ability to compete for funds? Why?

Support

1. Looking at existing funding related support/capacity building services within the sector, how effective are these services in addressing the funding needs of Black-led organisations?

2. From a funder's perspective, are there any recommendations you would like to provide to existing or new support organisations to improve the success rate of Black-led organisations in funding applications?

Appendix 4:

Phase 2 Survey & Literature Review

Research by LJMU

4.1: **Respondents' Profile (Based on 24 respondents)**

Most respondents were CEOs (see figure 4.1.1), and **most of the responding organisations serve Liverpool** (please see Figure 4.1.2).
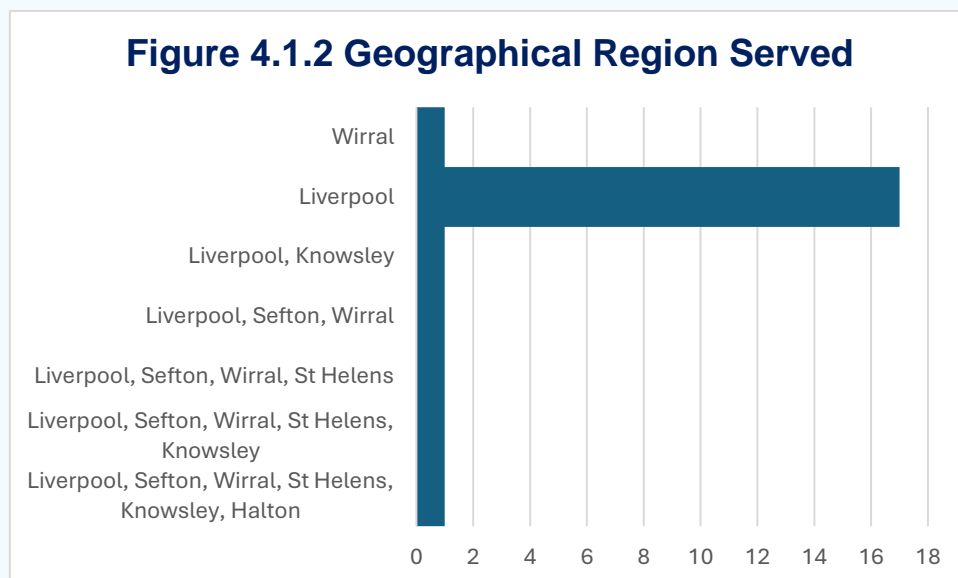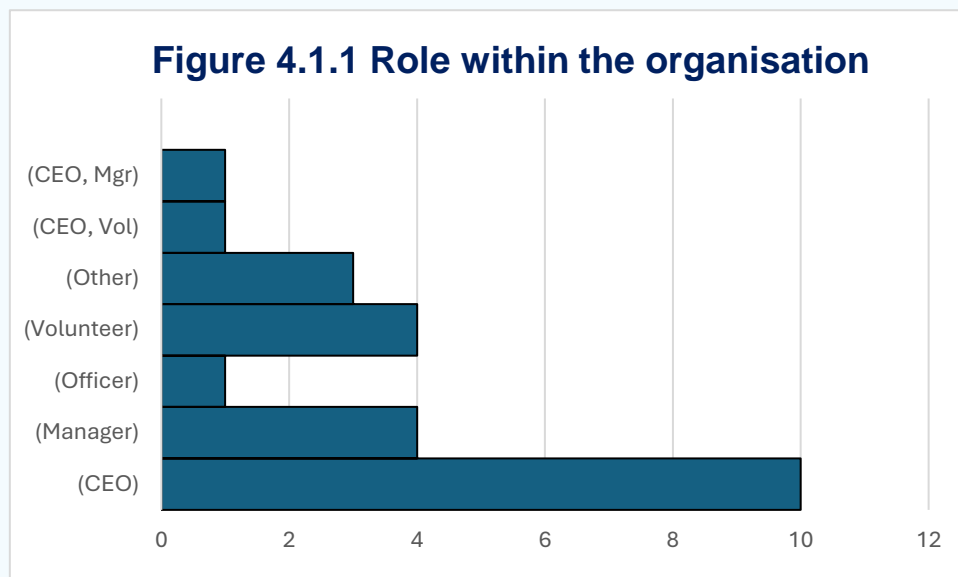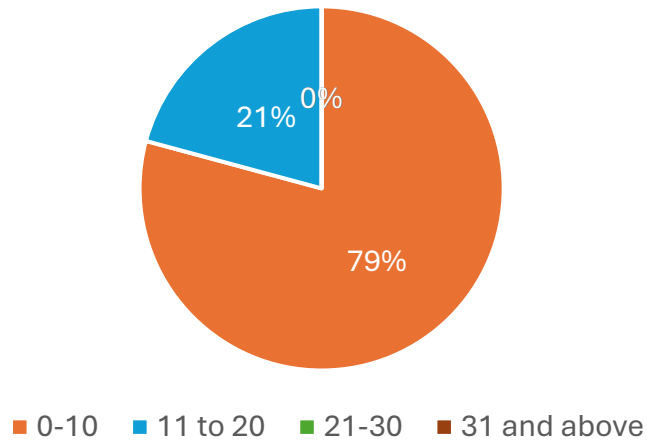
Figure 4.1.1 Role within the organisation

Role	Count
(CEO, Mgr)	1
(CEO, Vol)	1
(Other)	3
(Volunteer)	4
(Officer)	1
(Manager)	4
(CEO)	10

Figure 4.1.2 Geographical Region Served

Region	Count
Wirral	1
Liverpool	17
Liverpool, Knowsley	0
Liverpool, Sefton, Wirral	0
Liverpool, Sefton, Wirral, St Helens	0
Liverpool, Sefton, Wirral, St Helens, Knowsley	0
Liverpool, Sefton, Wirral, St Helens, Knowsley, Halton	1

Figure 4.1.3 Number of employees

- 0-10
- 11 to 20
- 21-30
- 31 and above

0%
21%
79%

Figure 4.1.4 Number of people with Responsibility for Funding Application

- Zero
- 1
- 2
- 3

4%
12%
42%
42%
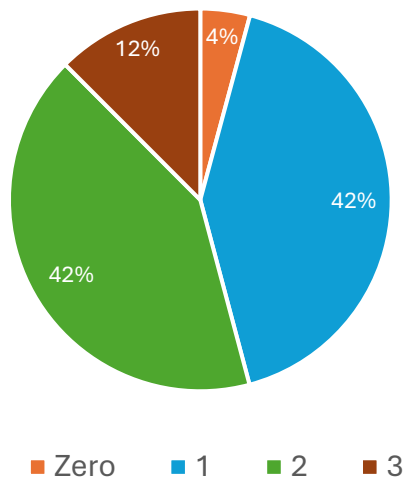
Figure 4.1.5 Proportion of Volunteer Staff

- 0-10%
- 11-20%
- 21-40%
- 41-80%
- 81-100%

21%
42%
17%
8%
12%
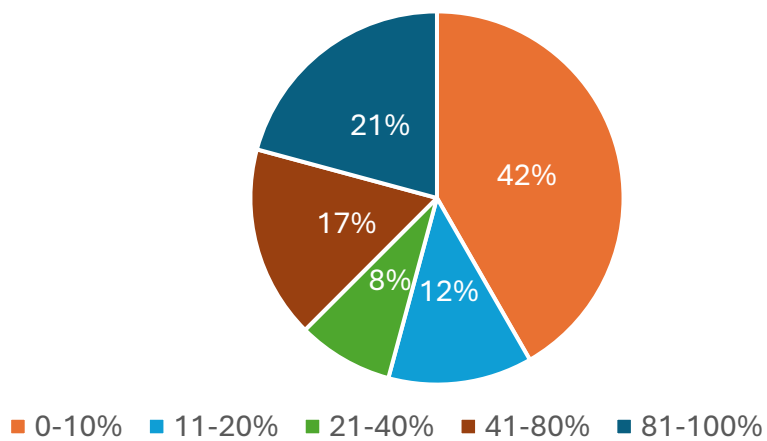
Figure 4.1.6 Existence of a Governing Board?

8%

92%

■ Yes ■ No
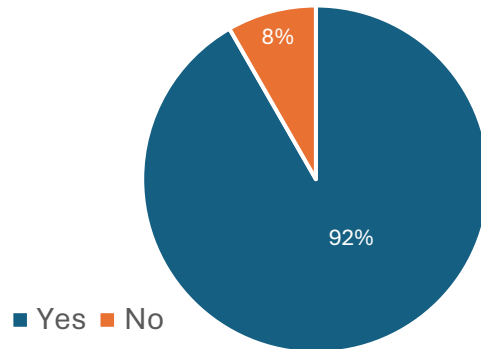
Figure 4.1.7 Composition of Governing Board

37%

63%

■ Solely professionals
■ Mix of professionals and non-professionals
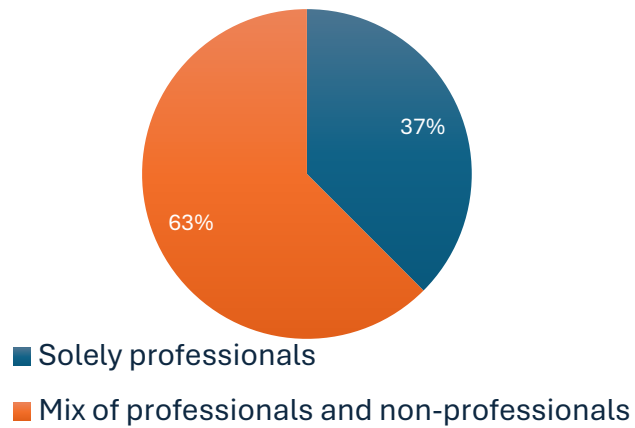
Figure 4.1.8 Experience Level of the Governing Board

8%

21%

54%

17%

■ Little sector experience (less than 2 years)
■ Moderate sector experience (2-4 years)

■ Great sector experience (5-10 years)
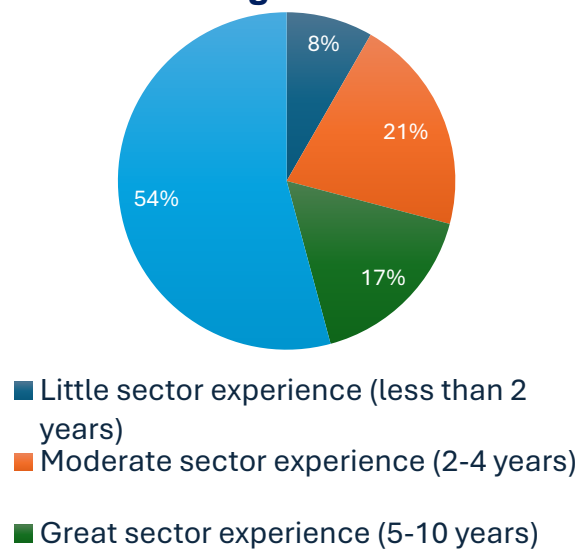
Figure 4.1.9 Legal Structure

- Registered Charity
- Community interest company limited by guarantee
- Community benefit society
- Community interest

Registered Charity: 58%
Community interest company limited by guarantee: 25%
Community benefit society: 13%
Community interest: 4%
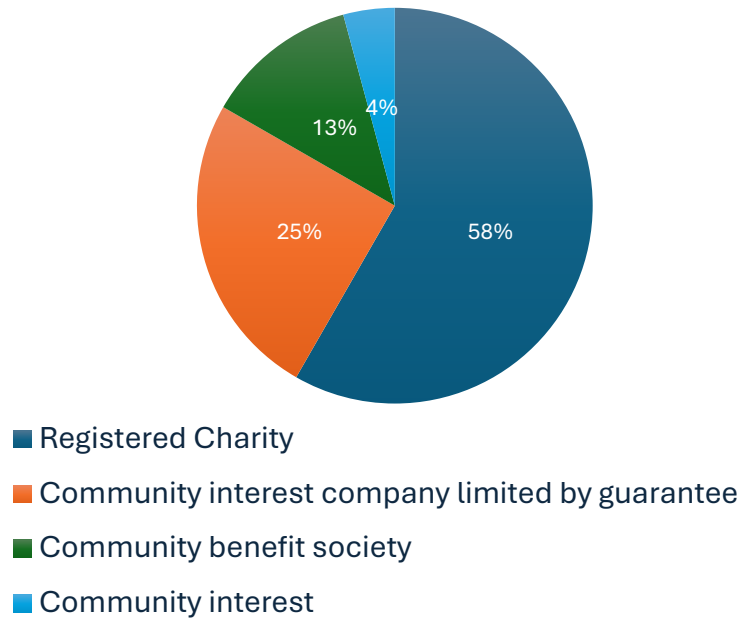
Figure 4.1.10 Years of Operation

- 0-1 yr.
- 2-5 yrs.
- 5-10 yrs.
- 11-15 yrs.
- 16 yrs. and above

0-1 yr.: 8%
2-5 yrs.: 17%
5-10 yrs.: 17%
11-15 yrs.: 21%
16 yrs. and above: 37%
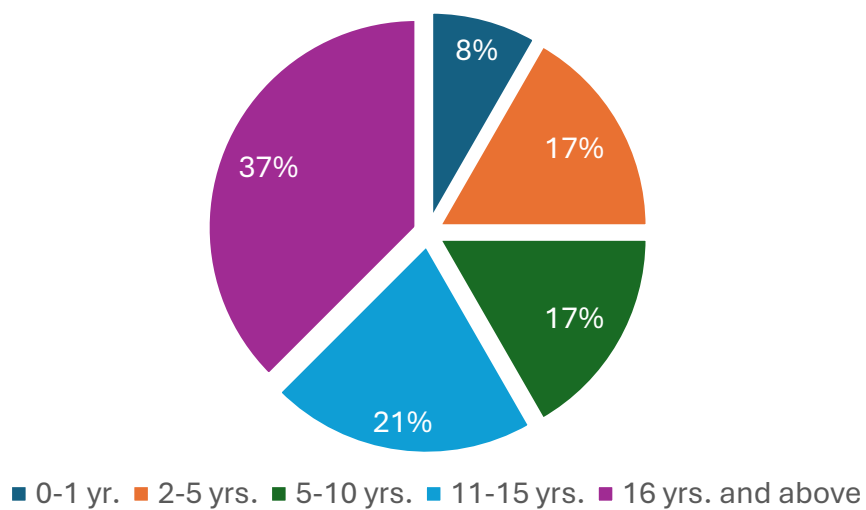
Figure 4.1.11 Experience of the Funding Application Team

- No experience
- Little experience (less than 2 years)
- Moderate experience (2-4 years)
- Great deal of experience (5-10 years)
- Highly experienced (>10years)

4%
13%
29%
21%
33%
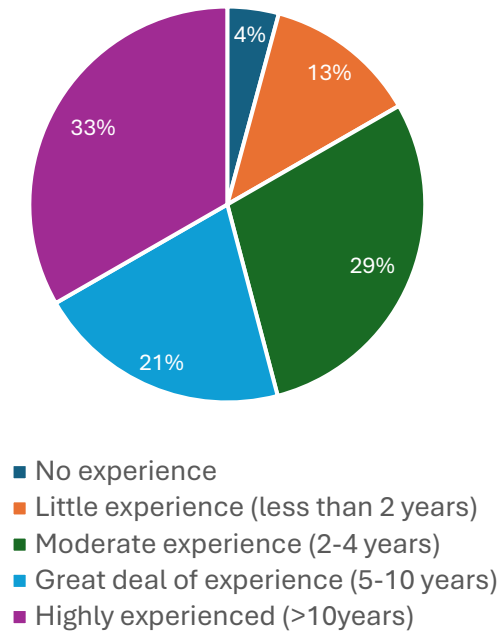
Figure 4.1.12 Funding Success Rate

- Never successful
- Seldom successful
- Sometimes successful
- Often successful

4% 0%
17%
79%

Figure 4.1.13 Annual Turnover

- Micro: <£10k
- Small: £10k - £100k
- Medium: £100k -£1Million
- Large: >£1Millon
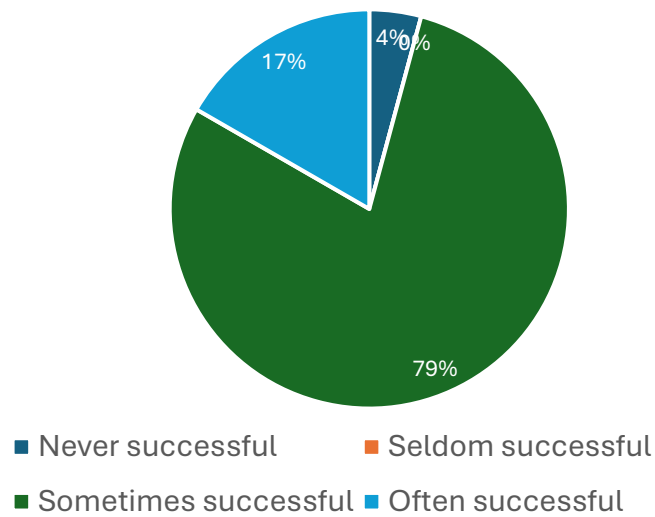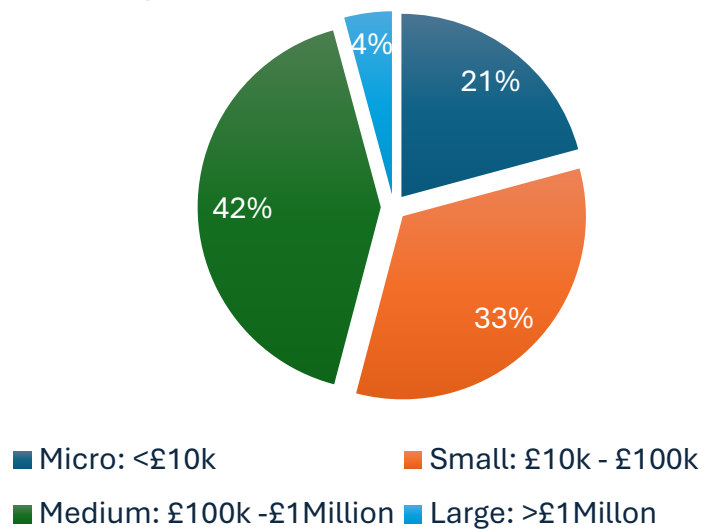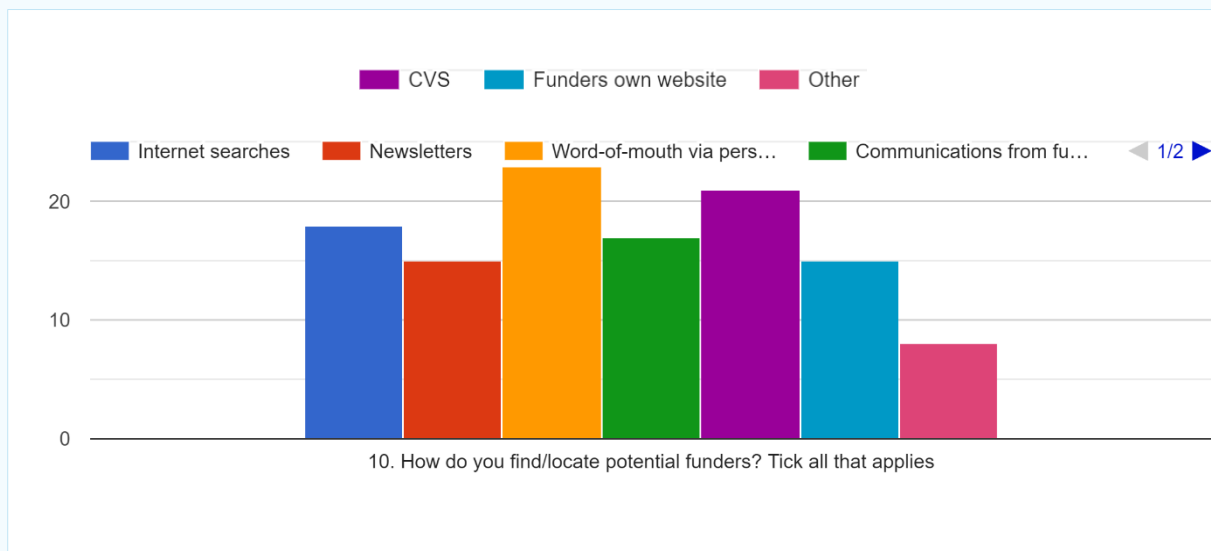
Figure 4.1.14 How Organisations locate potential funders?

The three most common ways of locating potential funders are

1. Word-of-mouth;

2. CVS; and

3. Internet searches.

Other reported ways include approaches from private donors; donations; via Domestic Abuse national BME networks; UK AID, government; Philanthropic giving, Social media.

4.2: **Consensus Overview**

Consensus is defined in this study as the extent of agreement or disagreement between multiple parties on a particular subject. The following rules have been applied to gauge and interpret consensus among the respondents:

- There is 'strong consensus of acceptance' on an issue if the mean score for the statement/question is between 4.51 - 5.

- There is 'consensus of acceptance' on an issue if the mean score for the statement/question is between 3.51 - 4.5

- There is 'no consensus' on an issue if the mean score for the statement/question is between 2.51 – 3.5.

- There is 'consensus of rejection' on an issue if the mean score for the statement/question is between 1.51 – 2.5.

- There is 'strong consensus of rejection' on an issue if the mean score for the statement/question is between 1.0 – 1.5.

The critical success factor that has been confirmed via statistical analysis of the survey data is 'the experience level of the funding application team'. This could be due to the improvement in bid writing skills that comes with experience. This makes sense as the most popular critical success factors mentioned by the respondents is 'Bid writing skills', and the most popular recommendation to support infrastructure organisations such as LCVS was bid writing support.

The subsequent section interrogates the consensus among the 24 respondents.

4.2.1 Consensus on 'Preparation for Funding'

Table 4.2.1 Questions on preparation for funding

Questions	Mean
Q1: My organisation ensures to fully understand the funding criteria before applying to the funder	4.54
Q2: I am very confident that my organisation meets most of the criteria stipulated by the funder before applying	4.46
Q3: I am very confident in how well my organisation conveys how we meet the funding criteria in our application to the funder	4.21
Q4: My organisation makes email/telephone/in-person enquiries to the specific funder before applying to them	3.38
Q5: My organisation seeks the help of independent support/capacity building/infrastructure organisations whenever we want to make an application	2.79

From Table 4.2.1, there was strong consensus of acceptance that respondents often try to understand the funding criteria (mean score of 4.54) before applying to funders. There was consensus of acceptance among respondents that they ensure that they meet the funding criteria (4.46) and can confidently convey how well they meet said criteria (4.21) before applying to the funder.

With regards to seeking external help/support there was no consensus among the respondents. There was no consensus among respondents that they make enquiries to funders before applying (3.38) and there was no consensus among respondents (2.79) with regards to seeking help from independent support infrastructure organisations (SIOs) before applying to funders.

An interesting observation is that BLNOs appear confident in themselves in putting together a convincing application but diverge on the need to seek help from funders or SIOs. This warrants further exploration.

4.2.2 Consensus on 'Funding Application Constraint'

Table 4.2.2 Questions on funding application constraints

Questions	Mean
1.Over time, the funding process has grown more impersonal, worsening the divide between Black-led Organisations and funders.	4.04
2.Funding tends to go to the same crop of organisations making it difficult for others to compete for funds.	4.30
3.Many funders are critically unaware of their shortcomings in serving racially minoritized communities	4.43
4.Funding application criteria are inherently biased against low-asset, newer organisations	3.91
5.Most funding bodies suffer from a lack of racial diversity across all levels, making it difficult to achieve a fairer funding approval process.	4.30
6.Feedback from funders after an application has been unsuccessful are sparse and unhelpful.	4.00
7.I believe that many funders do not sufficiently recognize the unique challenges facing Black-led organisations.	4.48
8.Funders do not take enough initiative to actively engage racially minoritized communities in understanding their unmet needs.	3.43

From Table 4.2.2, there was consensus of acceptance between respondents that the funding process has grown impersonal (4.04); that funding tends to go to the same crop of organisations (4.30); that many funders are unaware of their shortcomings in serving Racialised Communities (RCs) (4.43); that many funders lack racial diversity at all levels of the organisation making a fair funding approval process difficult to achieve (4.30); that feedback after unsuccessful application is sparse and unhelpful (4.00);

That funders do not fully sufficiently recognise the unique challenges of BLOs (4.48); and that funding application criteria are inherently biased against low-asset, newer organisation (3.91). These are sentiments echoed in other studies. However, there was no consensus on the opinion that funders do not take the initiative to engage RCs to understand their unmet needs (3.43).

These questions are related to issues that funders can change. Therefore, funders need to review the following issues: their current effectiveness in supporting RCs and their

needs; their funding data to ensure equity of opportunities is being afforded to RCLNOs; their funding criteria to reflect some of the challenges facing RCs; and the need to provide useful feedback to unsuccessful applicants.

4.2.3 Consensus on 'Capacity Constraint and Challenges'

Table 4.2.3 Questions on capacity constraint and challenges

Questions	Mean
1.It is sometimes difficult to convey the impact of projects on beneficiaries in an application, therefore visits from funders could be useful.	4.08
2.It is time consuming "repackaging" what we have got to meet the funding criteria.	4.25
3.Funding criteria can be difficult to understand due to the use of jargon.	3.54
4.The timeline for completing applications is too short.	3.38
5.My organisation often has to forgo funding opportunities because the time and effort required significantly outweighs the potential benefit.	4.33
6.My organisation has access to information that is made available about each funder	3.13

From Table 4.2.3, there was consensus of acceptance among the respondents that visits could be useful to convey the impact of project on beneficiaries to funders better than written words (4.08); that repackaging existing content to meet funding criteria is time consuming (4.25); that they have forgone applications because the amount of time and effort invested outweighs the potential benefit (4.33); and that the use of jargons in the funding criteria makes it difficult to understand (3.54).

However, there was no consensus on the issue of timeline being too short to complete applications (3.38) and on the issue that their organisation have access to information made available by each funder (3.13).

4.2.4 Consensus on 'The Funding Landscape

Table 4.2.4 Questions on the current funding landscape

Questions	Mean
1.Funding is oversubscribed: there is more demand than there is supply	4.27
2.Funding is scarce: the funding pots are diminishing.	4.09
3.There are not enough dedicated pots of funds targeting Black and Minoritised Ethnicities.	4.55
4.The size of funds available to larger organisations are greater compared to the size available to smaller organisations.	4.50
5.Specific funds are tied to specific legal structures which discriminates against small or grassroot organisations.	4.32
6.Location is a big factor: there are better provisions in places like London than elsewhere in the country.	4.05

From Table 4.2.4, there was strong consensus of acceptance among the respondents that there are not enough dedicated pots of funds targeting BLNOs (4.55). There was consensus of acceptance of the fact that funding is oversubscribed (4.27); that funding is scarce and diminishing (4.09); that share of funds available to larger organisations are more than share available to smaller organisations (4.5); that specific funds are tied to specific legal structures which discriminates against small or grassroot organisations (4.32); and that better funding provisions are available to London than anywhere else in the country (4.05).

The sentiments expressed are not without evidence. According to a report by May (2020), charities faced £12.4bn shortfall in income in 2020. This sentiment was echoed within this study with respondents reporting that they have experienced diminished pots of fund.

The sentiment around funding bias towards larger organisations expressed by respondents is also supported by the UK Civil Society Almanac 2023 report which stated that large (with £1m to £10m income) and major (with £10m to £100m) organisations were the main beneficiary of an additional 6% funding provided by the government in 2020 to support charities (Jayasuriya, 2023).

The report also confirmed that most of these organisations are based in London and the South of England, further confirming the geographical disparity in funding success for non-profit organisations based in the Northwest (Tabassum, 2023).

4.2.5 Consensus on 'The Support Infrastructure Landscape

Table 4.2.5 Questions on the current support infrastructure landscape

Questions	Mean
1.There are not enough independent support /capacity building organisation for non-profits within the Liverpool City Region	4.09
2.The staff within the support/ capacity building organisations have extensive experience of the funding process.	3.48
3.The support/capacity building organisations are not racially diverse enough to facilitate fairness in their service provision.	4.09
4.The support/capacity building organisations are proactive about engaging with our communities to better understand our needs.	2.83
5.The quality of personalised service received from some support organisations offering free consultation are inadequate due to resource constraint.	4.04
6.We are aware of support/capacity building organisations who provide free support/advice if needed..	2.96
7.We are aware of support/capacity building organisations who provide paid for support/advice if needed.	3.17

From Table 4.2.5, there was consensus of acceptance among the respondents that there are not enough independent support or capacity building organisations in LCR (4.09); that the existing support/capacity building organisations are not racially diverse enough to facilitate fairness in their service provision (4.09); and that the quality of personalized service is inadequate due to resource constraint (4.04).

There is, however, no consensus on the following notions, that staff within SIOs have extensive experience of the funding process (3.48); that SIOs are not proactive enough about engaging with RCs to better understand their needs (2.83); that they are aware of

SIOs who provide free support or advice if needed (2.96); and that they are aware of SIOs who provide support or advise for a fee if needed (3.17).

4.2.6 Misconceptions of Funders

We evaluated some of the funders' comments against the survey results and found that there is a misalignment between what funders perceive to be challenges facing BLNOs and the reality.

These misconceptions on the part of funders may be reinforcing biases that are unfounded, resulting in a 'horn effect' that disadvantages BLNOs within funders' decision-making process.

This could potentially be one of the reasons for the disparity in funding success experienced by BLNOs.

Below are some of the misconceptions found:

Funder's perception of BLNOs' Characteristic contributing to disparity	Quotes from Funders	Evidence from the Survey Results that refutes these arguments
Lack of understanding of the need for governance structure.	"...you know. Governance issues, which I've talked about, and I think that that might be a big challenge."	The findings from the survey refutes this perception of funders as 9 in 10 have governing boards in place and 7 in 10 of BLNOs have governing boards that have over 5 years sector experience.
Ineffective boards	"And then the boards can often be quite weak, and people aren't pulling the weight on the boards, so it's massively challenging and because people are quite passionate about what they do, they want to solve problems in their communities". "Yeah, we do follow that. Erm, you know, we will decline if	The findings from the survey suggests this perception of funders towards BLNOs may be inaccurate as 3 in 5 BLNOs have a mix of professional and non-professionals sitting on the governing board and 2 in 5 have solely professionals sitting on the governing board. In addition, 7 in 10 of BLNOs have governing boards that have over 5 years sector experience.

	we're concerned about the governance."	
Lack of understanding of the right legal structures	"a lot of you know … of the Black led organisations <u>tend to be quite new ones</u> and often the governance structures, maybe, put them at a disadvantage…"	There could be a misalignment in the definition of 'new'. The survey shows that 4 in 5 BLNOs have been in operation for more than 5 years. Therefore, at first glance, this might be an unfounded perception as five years of operating presence is significant. However, the believe that BLNOs tend to be new might be an attempt by funders to say that BLNOs are often not one would consider a legacy institution with a long history. This perception reinforces funding bias towards longer serving organisations, which perpetuates the cycle of 'the rich getting richer'.
Non-compliance with charity status	"I'm particularly flagging up is a lot of them are not registered charities, they're not going down the registered charities route because they're finding the process is just too difficult for them to" "…and I know this is an issue more widely, so a lot are not registered charities."	The survey confirms the perception of funders as correct. About 58% of BLNOs-respondents have Charity status while there was consensus of acceptance (with a mean score of 4.32 out of 5) on the statement: "Specific funds are tied to specific legal structures which discriminates against small or grassroot organisations." Therefore, there should be a better awareness campaign for newer BLNOs on the importance of having charity status and any barriers to achieving this must be investigated and addressed.

4.2.7 Recommendations to Funders

Based on the survey analysis in this section the following recommendations to funders are necessary to reduce disparity of funding success for BLNOs:

- Review and improve their level of engagement with RCs.

- Review and improve their current effectiveness in supporting RCs and their needs.

- Review their funding data to ensure equity of opportunities is being afforded to RCLNOs.

- Review and change their funding criteria to reflect some of the challenges facing RCs. This can be done in consultation with RCs.

- Review their current feedback policy to provide better feedback to unsuccessful applicants.

- Engage in more site visits.

- Simplify the application process, especially for small grants.

- Review their (excessive) use of jargon.

4.2.8 Recommendations to SIOs

According to the findings from this section of the survey, SIOs need to review the following to help reduce disparity in funding success for BLNOs:

- Investigate the reasons some BLNOs do not engage or seek help from SIOs when there is clearly a need for it.

- Improve racial diversity at all levels of the organisation, especially customer facing roles.

- Lobbying the government to ensure equitable allocation and distribution of funds in such as way that organisations are not disadvantaged along the lines of size, geographical location and Race. These are three clear areas of disadvantage.

- Lobbying the Charity Commission to review the current process of setting up a charity in consultation with RCs.
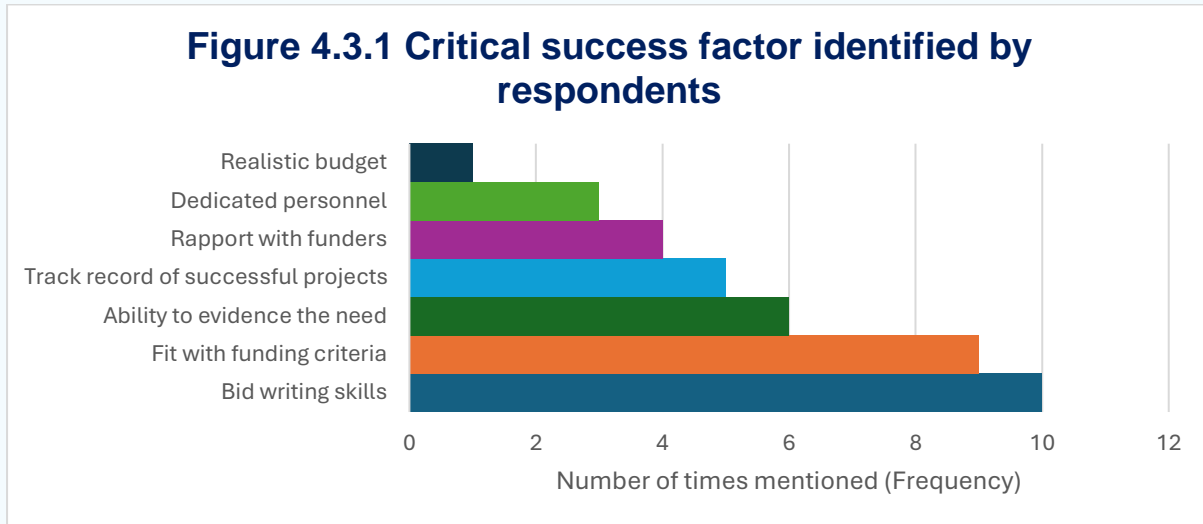
4.2.9 Recommendations to the Charity Commission

The Charity Commissions need to review the following issues:

- improve their level of awareness of issues facing BLNOs

- Provide better support to RCLNOs with application process for charity status.

4.3.1 Perception of Critical Success Factors to Funding Success

**Figure 4.3.1 Critical success factor identified by respondents**

The respondents were asked to provide what they perceived as critical success factors when applying for funds. Seven factors were identified and the number of times (frequency) each unique factor was mentioned was recorded as shown in Figure 4.3.1. The greater the frequency, the more popular the factor. For reporting purposes, the frequency of each factor was expressed as a fraction of the total number of respondents and normalized to 10. The definitions provided for each item are direct texts from the respondents.

In order of popularity, based on Figure 4.3.1:

- About 4 in 10 BLNOs consider '**Bid writing skills**' as a critical success factor. This was defined by the respondents as having the knowledge of bid writing, ability to clearly express outputs, ability to express outcomes and impact; ability to prove how the funds and the project will impact the community

- About 4 in 10 BLNOs also consider '**Fit with funding criteria**' as a critical success factor. According to the respondents, there must be a specific fit between the proposal and the funder's output and outcome criteria, including the unstated criteria- "Fit the funder's Frame".

- 3 in 10 BLNOs consider '**Ability to evidence the need**' as critical to successful funding application. This was expressed as ability to demonstrate a clear target audience; clarity in the aims and objectives; clarity in purpose; demonstration of passion for the work; having a good story to tell.

- 2 in 10 identified '**Track record of successful project**' as a critical success factor. This was expressed as record of managing Funds/Accountability/Governance; clear record of delivering projects; demonstration of capacity to deliver.

- About 2 in 10 identified '**Rapport with funders**' as critical. This was defined in terms of the ability to build relationship with funders and engage in relationship based-funding.

- 1 in 10 identified '**Dedicated personnel**' as critical and this was defined as having a person dedicated to just applications, having unlimited time and sufficient income to cover full-time work without earnings.

- Only one respondent mentioned 'Realistic budget' as a critical success factor. They commented, "having a clear plan and value for money realistic budget".

4.3.2 BLNOs' Recommendations to Funders
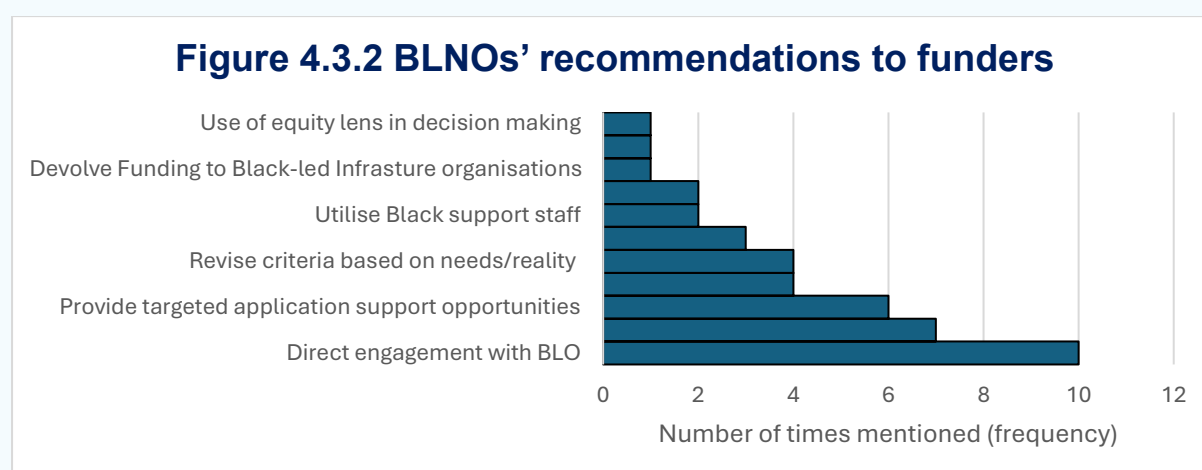
Figure 4.3.2 BLNOs' recommendations to funders

The respondents were asked to provide recommendations to funders to make their funding process more accessible and fairer for BLNOs and other RCLNOs. 11 clear recommendations were identified and the number of times (frequency) each unique recommendation was mentioned was recorded. This can be seen in Figure 4.3.2.

The greater the frequency, the more popular the recommendation. For reporting purposes, the frequency of each factor was expressed as a fraction of the total number of respondents and normalized to 10. The definitions provided for each item are direct texts from the respondents.

The top three recommendations were:

1. **Direct engagement with BLOs (4 in 10 BLNOs)**: reach out to organisations and communities to notify them of your funding opportunities; visit organisations

when they apply for funding; work with local CVS to reach diverse groups in Black communities; Prioritise the geographical areas where Black-led organisations are based.

2. **Make (core) funding application easier (3 in 10 BLNOs)**: Reduce the bureaucracy of the application process; others aren't used to the application process and may find the forms intimidating; paperwork is often full of constraints and addresses issues divorced from reality; Most Black-led organisations are small with little resources for writing bids; offering application materials in multiple languages can also help widen accessibility.

3. **Provide targeted application support opportunities (3 in 10 BLNOs)**: Support in understanding the ethos of the funding body; offer free support for new/emerging organisations; support webinars with videos that can be accessed at any time.

The other notable recommendations include:

- **Lived Experience representation on the funding panel (2 in 10 BLNOs)**: People on the assessment panels having lived experience of issues the fund in trying to address; there may be unconscious bias in decision making due to lack of knowledge or awareness of how Black organisations operate or the services they deliver

- **Revise criteria based on needs/reality (2 in 10 BLNOs)**: explore specific needs of BLOs and re-adapt the funding criteria; funders should not just look at the paperwork, which itself is often full of constraints and addresses issues divorced from reality; evaluating how funding impacts the organisation's goals without disproportionately favouring organisations with more resources or visibility.

4.3.3 BLNOs' Recommendations to SIOs

Figure 4.3.3 BLNOs' recommendations to SIOs
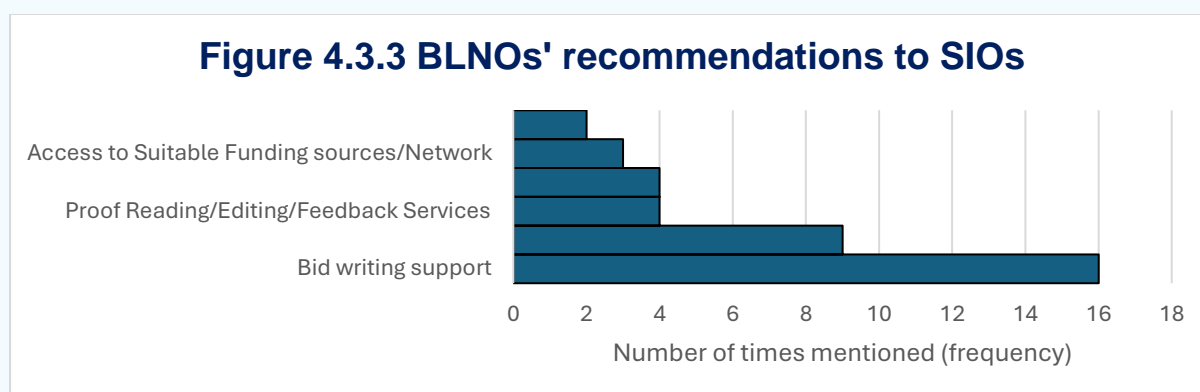
The respondents were asked to provide recommendations to SIOs on the type of support or services BLNOs would like to be offered to improve their chances of funding success. Six clear recommendations were identified and the number of times (frequency) each

unique recommendation was mentioned was recorded. This can be seen in Figure 4.3.3. The greater the frequency, the more popular the recommendation. For reporting purposes, the frequency of each factor was expressed as a fraction of the total number of respondents and normalized to 10. The definitions provided for each item are direct texts from the respondents.

The top two recommendations were:

1. **Bid writing support (7 in 10 BLNOs)**: writing a compelling narrative, alignment of proposal with funder priorities, communicating impact.
2. **Professional Advisory (4 in 10 BLNOs)**: Business and Project Planning advisory, how to establish suitable company structure, marketing, funding strategies; mapping funders by geography and by causes they support (tailored funding streams), intermediary roles between organisations and funders, promoting organisations to funders.

The other notable recommendations include:

- **Proof Reading/Editing/Feedback Services (2 in 10 BLNOs):** Someone to read and comment on draft or completed applications.

- **Training and Networking events (2 in 10 BLNOs):**

    - **Training-** Support webinars on writing a compelling narrative, alignment of proposal with funder priorities, communicating impact, creating compelling budgets, capacity building, project management, financial management.

    - **Networking:** partnership building, shared resources, collaborative projects.

- **Access to Suitable Funding sources/Network (1 in 10 BLNOs)**: Access to Positive-Action Funders/Donors list, share information on available fundings.

Survey Summary & Conclusion

Summary

The responses of 24 BLNOs were analysed to gain insight into their characteristics, challenges they currently face in funding application success and their perception of critical success factors and any recommendations they have for funders and SIOs to reduce the disparity in funding success compared to WLNOs.

- The only major organisational characteristics with a strong, positive and significant correlation with funding success was '*how experienced the team responsible for grant/application is*' (at 0.019 < p=0.05)*. The other organisational characteristics such as 'the length of years in operation'; 'the geographical region served', 'the size of the organisation', 'the legal structure of the organisation', 'the presence of a governing board within the organisation'; 'the number people with sole responsibility for grant/funding application within the organisations' had no correlation with how successful the organisation is when it comes to funding application.

- Based on the analysis of the organisational characteristics of the respondents to the survey, a profile of BLNOs within LCR was created.

It should be noted that the sample size in this study was small for any generalisable conclusions to be drawn.

LCR BLNOs' Profile

1. BLNOs have insufficient number of people with responsibility for funding application.

2. 1 in 5 BLNOs likely to have over 80% of volunteer staff.

3. BLNOs in LCR are more likely to have significant experience of the sector.

4. BLNOs in LCR are more likely to be small to medium scale based on annual income.

5. The low number of large BLNOs in LCR means the region is less likely to benefit from increased government contribution to the sector.

6. 4 in 5 BLNOs have been in operation for more than 5 years.

7. 5 in 10 BLNOs have significant experience (5yrs and above) of funding application

8. 1 in 5 BLNOs are often successful in their funding bid.

9. 9 in 10 BLNOs have a governing board in place.

10. 3 in 5 have a mix of professional and non-professionals sitting on the governing board.

11. 7 in 10 of BLNOs have governing boards that have over 5 years sector experience.

12. 6 in 10 BLNOs have Charity status.

13. In the region, _Word-of-mouth_ is the most popular way of locating funders followed by _CVS_ and _internet searches._

Summary continued:

- Some recommendations were made based on the analysing the consensus data in section 4.3. These included recommendations to funder (see section 4.3.6), SIOs (see section 4.3.7), and The Charity Commission (see section 4.3.8)

- Seven critical success factors were reported by the respondents. The most popular one was **Bid writing skills** and **Fit with funding criteria**.

- Eleven recommendations to Funders were reported by the respondents. The most popular one was **Funders should directly engage with Black-led Organisations and communities.**

- Six recommendations to SIOs were reported by the respondents. The most popular one was **Having Bid writing support.**   .

- These represent very clear areas of support based on the reported needs of BLNOs. Any future interventions in the region or sector should be based on these.

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