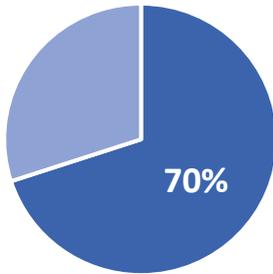


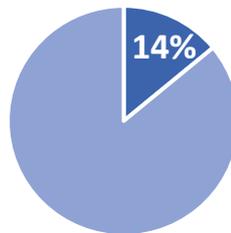
# Trust for London

## Race Equality Audit Summary – April 2021

70% of grant spend for projects that benefit BAME Communities



14% of our grant spend went to BAME Sector Organisations



Average grant size is smaller for BAME Sector organisations



Funders for Race Equality Alliance (FRE) set criteria and guidance for conducting an audit of a sample or all of a grant portfolio to enable funders to understand their funding in relation to the BAME sector and beneficiaries.

The Trust conducted the audit on 270 grants, active on the 1<sup>st</sup> June 2020. As a London funder tackling poverty and inequality, and where the population of London is 45% White British, it is unsurprising that a large number of our grants go to benefitting BAME communities. The audit shows:

- 70% of our grant spend goes to projects with BAME community beneficiaries.
- 14% of our grant spend goes to projects led by BAME sector organisations, where the leadership is BAME, and there is a ‘for and by’ ethos.
- 60% of grant spend on projects with BAME beneficiaries goes to ‘service provision’ including immigration and welfare advice, often through small ‘Connected Communities’ grants. For projects which don’t have BAME specified beneficiaries, or the proportion is unknown, the same figure is 36% with a higher proportion spent on campaigning and organisational capacity building.
- 59% of grant spend on projects with BAME beneficiaries goes to tackle symptoms of inequality and poverty, compared to 39% of the spend tackling root causes. For projects which don’t have BAME specified beneficiaries or an unknown proportion, 38% is spent on addressing symptoms, and 53% on root causes.

BAME Sector organisations have a smaller average grant size, compared to other organisation types. This is likely to reflect a combination of factors including (1) that the largest proportion of grants to BAME sector organisations are made through the ‘Connected Communities’ small grants programme, (2) that the BAME sector organisations in our sample are smaller (have a lower annual income), and, (3) they have received proportionately higher number of small emergency COVID-19 grants. This potentially highlights wider issues in the strength of the sector and in the types of applications the Trust receives.

The rest of the document contains more detailed breakdown and analysis.

## Beneficiaries

As a London funder tackling poverty and inequality, it is unsurprising that a large number of our grants go to benefit either by design or serendipity BAME communities. The population of London is 45% White British according to 2011 census. The majority of our funding (70%) goes to fund work that will benefit BAME communities, either by design or by serendipity.

| Does the grant benefit BAME communities | Total Grant Spend  | % Grant Spend | Number of Grants | % of Grants | Average Size of Grant |
|---|--------------------|---------------|------------------|-------------|-----------------------|
| No/unknown                              | £6,402,405         | 30%           | 75               | 28%         | £85,365               |
| Yes                                     | £14,710,872        | 70%           | 195              | 72%         | £75,440               |
| <i>by design</i>                        | £9,044,035         | 43%           | 124              | 46%         | £72,936               |
| <i>by serendipity</i>                   | £5,666,837         | 27%           | 71               | 26%         | £79,815               |
| <b>Grand Total</b>                      | <b>£21,113,277</b> | <b>100%</b>   | <b>270</b>       | <b>100%</b> | <b>£78,197</b>        |

There is a difference in mean grant here- the difference is explained by three exceptionally large grants (outliers) in a much smaller sample of grants. The median grant is £80k for both grants that benefit BAME communities and those that don't or the proportion is unknown.

## Grants to BAME Sector Organisations

The audit found that 21% of our grants went to BAME sector organisations, but only 14% of our funding. BAME sector organisations had a much lower grant size on average.

|                     | Total funds granted       | Number of Grants  | Mean Grant Size |
|---------------------|---------------------------|-------------------|-----------------|
| Other Organisations | £18,094,743 (86%)         | 213 (79%)         | £84,952         |
| BAME Sector         | £3,018,534 (14%)          | 57 (21%)          | £52,957         |
| <b>Grand Total</b>  | <b>£21,113,277 (100%)</b> | <b>270 (100%)</b> | <b>£78,197</b>  |

We've dug into this disparity and found that there were multiple factors that led to the variation.

- The sample included a number of very small COVID-19 emergency response grants, which were made in higher proportion to BAME sector organisations.
- There were some large 'outlier' grants that went to non-BAME sector organisations, which pulled up the average grant size there.
- BAME sector organisations had on average, much lower annual incomes than non BAME sector organisations (average annual income of £164k and the rest of the grants £4.5m). Generally, smaller organisations receive smaller grants.
- Nearly half of the grants awarded to BAME sector organisations were made through our small grants programme 'Connected Communities', which has a lower grant size limit. Within this programme, BAME sector organisations had a slightly larger average grant size.

This points to useful areas for action.

## Type of Work

Overall, our funding is predominantly in 'service provision' (58%), reflecting our commitment to advice services, followed by campaigning/influencing (25%). When it comes to BAME sector organisations, the percentage spent on the different activities was broadly similar, however there were considerable differences when it came to BAME beneficiaries.

More funding that specifically benefit BAME communities was spent on service provision, and less on other activities. This is partly accounted for by pan-London or national research, policy and campaigning work where precise beneficiary demographics are unknown.

## BAME Organisations

|  | Percentage of spend |             |
|--|---------------------|-------------|
|  | Not BAME Sector     | BAME Sector |
| <b>Campaigning/influencing</b>           | 30%                 | 30%         |
| <b>Capacity building - organisations</b> | 11%                 | 8%          |
| <b>Community cohesion/understanding</b>  | 3%                  | 0%          |
| <b>Research/policy</b>                   | 4%                  | 2%          |
| <b>Service provision</b>                 | 51%                 | 60%         |
| <b>Grand Total</b>                       | 100%                | 100%        |

## BAME Beneficiaries

|  | Percentage of spend            |                    |
|--|--------------------------------|--------------------|
|  | Not BAME or unknown proportion | BAME Beneficiaries |
| <b>Service provision</b>                 | 36%                            | 59%                |
| <b>Campaigning/influencing</b>           | 36%                            | 28%                |
| <b>Capacity building – organisations</b> | 17%                            | 8%                 |
| <b>Research/policy</b>                   | 9%                             | 2%                 |
| <b>Community cohesion/understanding</b>  | 2%                             | 3%                 |
| <b>Grand Total</b>                       | 100%                           | 100%               |

## Root Causes, Symptoms or Neither

Overall, our grants are split fairly evenly between projects tackling the root causes of poverty and inequality (43%), and treating the symptoms (53%). This broadly maps to a split between service provision, and campaigning, research and policy as activities. However, we fund more work tackling symptoms for both BAME sector organisations (+10%) and BAME beneficiaries (+21%).

We think this reflects that the largest proportion of our funded BAME sector organisations are funded for advice work through the 'Connected Communities' programme, which are grants that tackle symptoms. This is also a factor for BAME beneficiaries, which is increased due to our funding of immigration advice, and other advice services which account for the high numbers of BAME beneficiaries.

## BAME Sector Organisations

|                    | Grant Award Amount as % |             |
|--------------------|-------------------------|-------------|
|                    | Not BAME Sector         | BAME Sector |
| Symptoms           | 51%                     | 61%         |
| Root cause         | 44%                     | 39%         |
| Neither            | 5%                      | 0%          |
| <b>Grand Total</b> | <b>100%</b>             | <b>100%</b> |

## BAME Beneficiaries

|                    | Grant Award Amount as %        |                    |
|--------------------|--------------------------------|--------------------|
|                    | Not BAME or unknown proportion | BAME Beneficiaries |
| Symptoms           | 38%                            | 59%                |
| Root cause         | 53%                            | 39%                |
| Neither            | 10%                            | 2%                 |
| <b>Grand Total</b> | <b>100%</b>                    | <b>100%</b>        |

### About the Audit

The Funders for Race Equality Alliance (FRE) developed the audit as a tool to help foundations identify how much of their UK funding is:

- (1) Going to BAME-led organisations;
- (2) Contributing towards race equality outcomes.

The audit is structured around four questions. Each one is scored independently, i.e. any combination of the four areas is possible.

1. Is the grant going to a BAME sector organisation?
2. Will the funding benefit BAME communities?
3. What type of work is the grant supporting?
4. Is the project addressing root causes of inequality, symptoms or neither?

Whether the funding benefits BAME communities is further broken down by whether it benefits them by design, or whether it benefits them by 'serendipity' e.g. through location within a specific area. A link to a presentation on the tool is available here, and includes definitions used: [https://www.acf.org.uk/downloads/Presentation\\_for\\_DEI\\_webinar.pptx](https://www.acf.org.uk/downloads/Presentation_for_DEI_webinar.pptx)

### Trust for London and the FRE Audit Process

At the Trust we already classify grants, to record and understand our grant-making in ways that mapped, somewhat imperfectly, to the FRE Audit four areas. These were used initially, and then manually checked against the FRE criteria. We don't assess and classify grants as to whether they address the root causes, symptoms or neither, so we did this manually for the sample. We applied this for all grants in the sample, to be able to compare.

In the analysis, we included all grants awarded within our current 2018 – 2022 funding strategy that were active as of the 1<sup>st</sup> June 2020. This excludes a small number of grants:

- Discretionary one-off small grants (up to £7,500) made directly by Trustees. These don't remain active so don't meet the criteria.

- A small number of 3 year grants awarded at the end of 2017, or earlier with delayed start dates that are still active. However, these aren't classified in the same way making it labour intensive to include and are unlikely to impact insights drawn from the data.

This meant we included 270 grants in the Audit at a combined grant value of £21m.