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Review of Funding for Black and Minority Ethnic Groups in the Voluntary Sector

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SCOTTISH EXECUTIVE

Making it work together

Review of Funding for Black and Minority Ethnic Groups in the Voluntary Sector in Scotland

FINAL REPORT

January 2001



FOREWORD

We have a vision of a Scotland which is characterised by fairness and social justice – where there is opportunity for all. In short, a Scotland where everyone matters. As part of this commitment, we have pledged ourselves to building strong, inclusive communities: communities where everyone can play a full and active part and where there is equality of opportunity for all. A key priority therefore is to tackle racial discrimination and to strive to achieve race equality.

The Executive recognises that we cannot do these things in isolation. We look to the voluntary sector, as one of our key social partners, to work with us and we recognise the vital role that black and minority ethnic voluntary groups have to play in creating a fair and just society. We want to make sure that appropriate funding mechanisms are in place to support the black and minority ethnic voluntary sector and that is why I announced that a review would be carried out.

I said that the review would be open and accessible, and would involve the voluntary sector at every stage. To assist with this, we set up a Working Group in May 2000 to oversee the review process and I would like to thank the Working Group members for their valuable help.

To assist the Working Group in their role, we commissioned Reid-Howie Associates to undertake a review of the funding of the black and minority ethnic voluntary sector. That work has now been completed and their report forms the remainder of this publication.

The Executive's Compact with the voluntary sector enshrines our commitment to full consultation with the sector. We therefore invite comments and look forward to receiving your views on the consultant's report and its recommendations.

Jackie Baillie , MSP
Minister for Social Justice

March 2001

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EXECUTIVE SUMMARY

The Scottish Executive is working to develop a more strategic approach to the provision of funding to the voluntary sector in Scotland, and the review of funding for the voluntary sector is a Ministerial priority. Within this overall context, it has been recognised that there is a specific need to review the funding arrangements for black and minority ethnic voluntary sector organisations in Scotland, and to feed the information gathered into the overall strategic review.

In order to explore the funding issues for black and minority ethnic organisations in Scotland, this research was carried out by Reid - Howie Associates between October 2000 and January 2001. The research explored existing literature relating to funding for black and minority ethnic organisations and the key issues currently affecting the voluntary sector. Data was then collected in relation to current sources of funding and the disbursement of funding to black and minority ethnic organisations, and is presented in detail in Section 2 of the report. Detailed qualitative information in relation to experiences of funding provision and receipt were also sought from funding providers and black and minority ethnic organisations, and are presented in Section 3. The data raise a number of issues which are of relevance both specifically in relation to consideration of future funding for black and minority ethnic organisations and in relation to the overall strategic review. The report draws a number of conclusions and recommendations from the data, which are detailed in Section 4.

The issues which have emerged in the research can be considered to be largely consistent with the existing perceptions of those mostly closely involved in provision of funding or having contact with black and minority ethnic groups. Many key organisations were represented on the Research Advisory Group, and the findings

of the study largely confirmed many of their current concerns, providing up to date evidence of the situation and lending support to the need to ensure that a range of issues are taken into account in the identification of the way forward.

The report concludes that there are a number of existing problems in relation to the availability and provision of funding to black and minority ethnic groups in Scotland.

At a strategic level, the conclusions point to an overall focus, in public policy in Scotland, on promoting equality and tackling social exclusion which is not yet reflected in grant provision to black and minority ethnic groups. There is an overall lack of infrastructure for black and minority ethnic groups in the voluntary sector, and a lack of capacity building work with these groups, which, coupled with their experiences of racism and social exclusion, affect their access to grant funding. Paradoxically, however, some funders are keen to ensure that they provide funding to black and minority ethnic organisations and wish to encourage these. There is a more general lack of monitoring data on the disbursement of funding to black and minority ethnic groups. The effect of all of these factors has been an overall lack of a coherent strategic approach.

The actual pattern of provision of funding to voluntary sector organisations in Scotland is complex, with a wide range of organisations involved. Specific provision to black and minority ethnic groups is made by the Scottish Executive through the Ethnic Minority Grant Scheme, but there are few other specific sources of funding for these groups. Although there is an expressed focus upon mainstreaming, there appears currently to be limited access by black and minority ethnic groups to mainstream funding, and a number of issues have been identified which affect access to this funding, including the perceptions of

funders and some of the criteria which are applied to funding.

There are a number of identifiable gaps in the funding currently available, with not only a lack of access to mainstream provision for black and minority ethnic groups but also a lack of access more generally to secure longer term funding (including service level agreements and continuing core funding).

There is also a limited number of black and minority ethnic groups receiving funding of all types and a lack of provision of small-scale start up funding. Geographical gaps in provision are identified, as well as gaps in provision to address specific issues.

There are also anomalies with the Ethnic Minority Grant Scheme, which is seen to be inconsistent with the Scottish Executive's approach to funding. There are a number of more general concerns relating to the level of awareness amongst a range of funders of the needs of black and minority ethnic groups.

The actual process of securing funding for black and minority ethnic groups was also found to be complex, with a need to apply to a wide range of funding sources, with differing requirements and identifiable barriers for black and minority ethnic groups. These were found to include, for example, the dissemination of information about funding using means which may be less accessible to black and minority ethnic groups, the lack of access to advice and support to black and minority ethnic groups to help to develop funding applications, language barriers to participation and the existence of inappropriate conditions or criteria.

The report makes a number of recommendations to address these issues. It is suggested that the Scottish Executive should convene a group comprising representatives of

central and local government, other key funders, and black and minority ethnic groups. This group should develop a detailed action plan to address the recommendations made, identifying the timescale, responsibilities and reporting procedures for their implementation.

The main recommendations in the report focus upon the problems identified. At a strategic level, it is recommended that there is a need to incorporate these findings into the overall funding review and for the findings to be taken into account in the Charity Law Review which is expected to report in April 2001.

In relation to black and minority ethnic groups, there is seen to be a need to develop a coherent national and local structure for the provision of funding, within which the gaps should be addressed. Funders should identify responsibility for different types of funding at different stages in organisations' development and should work together in partnership to ensure an appropriate mix of provision. Information on the disbursement of funding to black and minority ethnic groups should be collected, with regular reporting and review.

There is seen to be a need for the provision of advice and training to funders in relation to mainstreaming and good practice in funding to black and minority ethnic groups, as well as training and guidance for those providing advice to voluntary sector organisations to ensure that they take account of the needs of black and minority ethnic groups. There is also seen to be a need for capacity building work (where groups identify a need for this, and in a way in which they consider appropriate). It is considered important to retain the Ethnic Minority Grant Scheme at present, but to reconsider the objectives of this and to revert to provision of the national infrastructure funding by the Scottish Executive in the future, with the retention of a small grants scheme for new local organisations.

In terms of the processes, the report recommends increased flexibility amongst funding providers in terms of the groups which can be supported and the types of work for which provision can be made, with the removal of unnecessary and exclusive criteria. A range of good practice suggestions are identified, all of which focus on the provision of a fair and transparent process, which does not compromise the need for quality in the work which is supported. There is seen to be a need to consider the means of provision, support and information to black and minority ethnic groups and to ensure that up to date details of

organisations are maintained, with the proactive dissemination of funding information to these groups.

The report concludes by suggesting that the implementation of the recommendations should encourage a more strategic approach to the development of funding to black and minority ethnic groups in Scotland. There is clearly a need to translate these recommendations into a detailed plan of action, including a range of organisations, in order to address existing inequalities in funding provision to black and minority ethnic groups.

CHAPTER 1
INTRODUCTION

1.1 This report presents the findings of research which was carried out for the Voluntary Issues Unit of the Scottish Executive between October 2000 and January 2001. The overall purpose of the work was to review the funding arrangements for black and minority ethnic voluntary sector organisations in Scotland, and to use the information gathered in the study to inform a strategic review of Scottish Executive funding for the wider voluntary sector.

1.2 The research involved a number of strands. These included carrying out a review of existing information relating to funding provision, as well as identifying potential sources of funding to voluntary sector organisations as a whole, and to black and minority ethnic groups. The study also considered issues relating to the current disbursement of funding and the level of provision to black and minority ethnic groups. In addition, the actual funding arrangements which are made by a range of providers of funding were explored, as were the detailed perceptions of the purposes and availability of funding among both providers and recipients. On the basis of the information collected, some of the perceived gaps in provision could then be highlighted and barriers to access to funding explored. The report does not address in detail issues relating to the actual operation of the black and minority ethnic voluntary sector, nor to individual organisations. These issues were outwith the scope of this research.

1.3 The study was undertaken using a number of methods, which included a survey of funding sources to identify the types of provision available, the development and circulation of a questionnaire to a number of key organisations providing funding, the exploration of the views of black and minority ethnic organisations through a postal questionnaire and a number of face to face discussions with key funding providers and organisations working with black and minority ethnic groups. Appendix 1 provides further details of the methodology¹.

1.4 The report is in a number of sections. This section reviews the current literature and information in relation to the issues facing black and minority ethnic voluntary organisations in identifying and accessing funding. Section 2 then provides an overview of the funding available and the experiences of black and minority ethnic groups of seeking funding. Section 3 then explores some of the emergent issues in more detail, based on the views of black and minority ethnic organisations which responded to the survey, discussions and interviews with key organisations. Finally, Section 4 draws together a series of conclusions and recommendations on the basis of all of the findings.

Background

1.5 The Scottish Executive is currently developing a more strategic approach to the

¹ It should be noted at the outset that this study refers throughout to provision to black and minority ethnic groups or organisations in the voluntary sector. In using the terms adopted, it is acknowledged that the black and minority ethnic voluntary sector is not a homogenous group. Similarly, it is recognised that not all groups are "organisations" in any formal sense. The terms are used interchangeably, however, to refer to any group operating in the voluntary sector and reflect the overall purpose of the work as being to identify general issues relating to patterns of funding to black and minority ethnic groups in Scotland. It should also be acknowledged that the term is not taken to refer exclusively to black-led organisations (in terms of having the majority of members of their governing bodies from black and minority ethnic communities), although it only includes those whose main focus is upon the needs of people from black and minority ethnic communities. Finally, it is recognised that organisations which have participated in the work may have different conceptions of what constitutes black and minority ethnic organisations. Again (given that the aim of the study is to identify general overall patterns of provision), although it is important to recognise this, it is not considered to be problematic.

provision of funding to the voluntary sector in general and is working with other funders to develop a stable funding environment. The review of funding for the voluntary sector is a Ministerial priority and the aim of the work is the development of a co-ordinated Scottish Executive funding strategy for the voluntary sector, within which there should be a rationalisation of schemes and procedures. It is also intended that the overall review of funding to the voluntary sector should address any current problems, such as, for example, issues relating to bureaucracy in the funding process or relating, more generally, to difficulties in accessing funding.

1.6 In this overall context, the need to carry out a review focusing specifically upon provision to black and minority ethnic voluntary organisations was announced by the Deputy Minister for Communities in October 1999. The press release issued at that time stressed the importance of black and minority ethnic voluntary organisations in creating a fair and just society, and emphasised the Scottish Executive's commitment to the promotion of equality. The need to review funding provision to the black and minority ethnic voluntary sector was, in this context, seen to be a recognition of the potential role of communities in working towards equality.

Equality issues

1.7 The Scottish Executive has also made a clear overall commitment to addressing inequality in Scotland and it is important to outline this briefly in order to establish the context within which this study took place.

1.8 Although the UK government retains responsibility for equality legislation, the

Scotland Act allows the promotion of equality, and the Parliament and Executive have taken a number of steps to ensure that this will be addressed. In the Programme for Government, published prior to the establishment of the Parliament, it was promised that there would be an Equality Unit within the Scottish Executive, and this was duly established in September 1999. The Parliament has four main principles, one of which is equal opportunities, and has set up an Equal Opportunities Committee as one of its eight standing committees. All of the bills which come before the Parliament must include a statement about their effect on equality of opportunity.

1.9 Within the government, the Minister for Social Justice (previously the Deputy Minister for Communities) has responsibility for equality issues, and a number of initiatives are currently underway both through the Parliament and Executive to work towards the elimination of racism and discrimination. An advisory body, the Race Equality Advisory Forum (REAF) was established in November 1999 to provide advice to the Minister in developing a race equality strategy and has been working since that date to identify future work which is required in a number of areas, including voluntary sector issues affecting black and minority ethnic groups. It is anticipated that REAF will develop an action plan in the near future, covering the work which is seen to be required.

1.10 An overall Equality Strategy² for the Scottish Executive has also been prepared, and was published in November 2000. The preparation of the strategy involved a process of consultation with relevant organisations, and a paper was circulated in January 2000³ to many interested groups and individuals

² "Working Together for Equality" The Scottish Executive (2000)

³ "Towards an Equality Strategy" The Scottish Executive (2000)

throughout Scotland. This paper identified the types of work which were seen to be required and the responses to this draft were published in June 2000⁴. Within these responses, contributors pointed (amongst other issues) to the need to establish partnership and dialogue with organisations, the need to engage in communication, the need for training and awareness raising, and the need for the development of action plans.

1.11 This focus on equality is shared at UK government level, as this example shows⁵ :

“this government is committed to creating one nation, a Britain where every member of our society is able to fulfil their potential, where racism is unacceptable and counteracted, where everyone is treated according to their needs and rights and where racial diversity is celebrated”.

1.12 A key piece of recent equalities legislation which should be noted here is the Race Relations (Amendment) Act 2000 which received Royal Assent in November 2000 and will come into force this year. The Commission for Racial Equality⁶ states that this Act :

“strengthens and extends the scope of the 1976 Race Relations Act ... in two major ways :

- ▶ it extends protection against racial discrimination by public authorities;
- ▶ it places a new, enforceable positive duty on public authorities.”

1.13 The CRE also suggests that the Act will mean that :

“anyone whose work involves functions of a public nature must not discriminate on racial grounds while carrying out these functions the Act will also apply to any private or voluntary agency carrying out any public functions all such activities must be free of racial discrimination”.

1.14 The provision of the new enforceable public duty is clearly a major development in addressing institutional racism, and will have implications for many of those involved in the provision of support to the voluntary sector.

1.15 It is clear from the focus of all of the above that the promotion of equality and the promotion of race equality specifically are key themes of central government, the Scottish Parliament and the Scottish Executive. This proposed integration of equality into all future work is clearly likely to make increasing demands on black and minority ethnic organisations in the voluntary sector, as well as providing opportunities for some of the current barriers to participation and inclusion which they currently face to be addressed. These developments also make it essential to ensure that any funding barriers which contribute to the issues which black and minority ethnic organisations face must be identified and addressed. It is also essential to identify how best to target resources.

Current literature and the key issues

1.16 There is only a limited amount of literature currently available relating to the provision of funding to the black and minority ethnic voluntary sector in Scotland (which, in part, prompted the need for review) although, increasingly, a number of

⁴ “A Report on Responses to the Consultation Paper : Towards an Equality Strategy” The Scottish Executive (2000)

⁵ “Connecting Communities : Race Equality Support Programme” Home Office (2000)

⁶ “Strengthening the Race Relations Act” Commission for Racial Equality (2000)

key issues have been raised in a range of settings, and these will be outlined later.

1.17 There is also some information available in relation to the overall role of the voluntary sector in Scotland, some of which also points to issues affecting black and minority ethnic organisations.

The overall role of voluntary sector funding

1.18 The Scottish Compact for the Voluntary Sector⁷ notes that Scotland has a large and diverse voluntary sector, with organisations working in a range of fields, including the provision of a variety of services and the provision of support to leisure and community development activities.

1.19 Voluntary sector organisations vary in their size and purpose, from single to multi-issue groups, from self-help groups to campaigning organisations and from those with no staff to those with a high number of staff supported by a complex organisational structure. The role of the voluntary sector in the delivery of services in Scotland has grown in recent years, and there are now voluntary organisations operating in almost every aspect of service provision. The role is recognised,⁸ for example, in a recent paper by COSLA⁸ which points to the need to recognise (amongst other issues) :

“the role independent voluntary action has in promoting the welfare and quality of life of their communities

and

..... the diversity of the sector and its funding needs”.

1.20 It is important to recognise this growth in the voluntary sector and its increasing involvement in the development and implementation of policy, and to identify the overall context within which this research has taken place. Much of the funding in the past 10 years has been government-led, with the result that many external changes (such as, for example, local government reorganisation and the move to unitary authorities, the contraction in local authority funding, political changes, the advent of the Scottish Parliament and a range of other changes) have shaped and affected the levels of funding available, the skills required of voluntary sector organisations and their changing relationships with funders. Although the detailed discussion of these issues is clearly outwith the remit of this report, it is important to recognise that the current funding issues described reflect these historical influences and the current stage of the development of the voluntary sector in Scotland⁹. It is also important to recognise the value of the current political commitment to addressing the issues which arise.

1.21 In terms of the current situation, the Scottish Executive now has links with the voluntary sector in a number of ways through all of its departments. The development of these links, voluntary sector policy and voluntary issues in general are co-ordinated through the Voluntary Issues Unit within the Development Department. The Unit also has, as part of its remit, responsibility for the development of a more strategic approach to funding. It also funds national voluntary sector infrastructure, including SCVO, Volunteer Development Scotland (VDS) Councils of Voluntary Service (CVS), Local Volunteer Development Agencies (LVDA) and the Active Communities Initiative¹⁰.

⁷ “The Scottish Compact” via internet

⁸ “Policy Guidance on Funding of Voluntary Organisations” COSLA

⁹ Further details of the changing role of the voluntary sector (until the late 1990s) are provided in “Head and Heart : The Report of the Commission on the Future of the Voluntary Sector in Scotland” SCVO (1997)

¹⁰ “A Guide to Scottish Executive Grants for the Voluntary Sector” (2000) via internet.

1.22 The “Scottish Compact” and related good practice guidance (covering all Scottish Executive departments) sets out a number of key principles which should govern the relationship between the government and voluntary sector in Scotland¹¹. The Compact is based on a policy paper outlining the Labour Party’s policies for partnership between the government and voluntary sector¹² and focuses on the principle of the government and voluntary sector working more closely together (where voluntary organisations want this). It also points to a likely growth in this type of working. The Compact suggests :

“the voluntary sector is an important force in society – in Scotland it comprises some 44,000 voluntary organisations, with an income of £2 billion per year which is 4% of the GDP”.

The COSLA policy guidance also notes that the voluntary sector in Scotland depends upon the public sector for 53% of its funding.

1.23 The close links between voluntary activity and citizenship are noted within the Compact, and it is stressed that the government, in encouraging such activity, will :

“recognise specific needs and special contributions made by groupings within the sector. The contribution of the black voluntary sector, the work of organisations of disabled people and the voluntary sector in rural areas are just three examples”.

1.24 The overall focus of the documents is also upon enabling the voluntary sector to have a stronger role in policy making (consistent

with the stronger role required to support the development of equalities work) as well as making policy more responsive to the voluntary sector.

1.25 Amongst the key issues stressed in the Compact (in terms of a shared commitment between the government and the voluntary sector to a number of basic values) is, again, equality of opportunity, expressed as opposition to discrimination and the promotion of participation and inclusion. The document states that this :

“maximises the opportunities for all people to contribute from their distinctive traditions, religions, cultures, values and abilities to the shared life of the wider community, as well as their own particular communities of need and interest”.

1.26 A series of commitments from both the government and the voluntary sector in order to achieve the shared values are then specified within the document. In relation to resources, this points to the need for the Scottish Executive to support umbrella bodies, and to target resources to the needs which are identified. One of the elements of this current review of provision to black and minority ethnic groups is clearly to explore the targeting of current resources.

1.27 In terms of other means of the identification of good practice, a number of other documents have been produced in recent years¹³. At a local level, as noted, COSLA has also prepared policy guidance for local authorities and this guidance focuses upon the development of a policy framework for

11 “The Scottish Compact” and “The Scottish Compact Good Practice Guides 1997-99” via internet.

12 “Building the Future Together – Labour’s Policies for Partnership between the Government and the Voluntary Sector” (1997) Policy Paper.

13 See, for example, “Positive Partnership” COSLA/SCVO (1995), “Code of Guidance on Funding External Bodies and Following the Public Pound” COSLA / Accounts Commission (1996)

provision to voluntary organisations, recognising the key role which authorities play in this process. The range of ways in which the voluntary sector provides support and assistance to councils is acknowledged, in terms, for example, of consultation to inform policy formulation, participation in objective setting, development of measures of performance and input to the improvement of services.

Black and minority ethnic groups in the voluntary sector

1.28 It is clear from all of these developments that there is likely to be an increasing role in the future for black and minority ethnic voluntary sector organisations in Scotland in the promotion of all of the work discussed, and it is useful, at this stage, to examine briefly some of the current issues which have been identified as facing these organisations.

1.29 The press release relating to the current Scottish Executive funding review noted that black and minority ethnic communities represent 1.3% of Scotland's population. A 1999 estimate by BEMIS¹⁴ suggested a similar estimate of 1.5% (around 75,000 people). The press release also suggested that many people from black and minority ethnic communities experience a range of barriers to full participation in Scotland, and particularly experience a range of forms of racial discrimination and social exclusion (such as poverty, unemployment, housing problems etc).

1.30 As noted earlier, the Race Equality Advisory Forum was established to provide

advice to the Minister on race equality issues (including these areas) as well as to advise upon the preparation of a strategy and action plans to eradicate institutional racism in each area of Scottish life. It should be noted that the definition of institutional racism which is in the report on the inquiry into the death of Stephen Lawrence is as follows :

“the collective failure of an organisation to provide an appropriate and professional service to people because of their colour, culture or ethnic origin. It can be seen or detected in processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness and racist stereotyping which disadvantage minority ethnic people”.

1.31 Previous work which has been carried out through the Equality Unit of the Scottish Executive, working with REAF, has explored these issues in some detail (as discussed earlier) and is currently developing initiatives to begin to address these. There is a clear relevance, however, of these issues facing black and minority ethnic groups in the context of this funding review.

1.32 In relation, more specifically, to the role of black and minority ethnic groups in the voluntary sector, and to the issues affecting these groups, the recent summary of a BEMIS report¹⁵ provides some insight into these issues and raises a number of questions. The aim of the BEMIS study was to :

“identify the needs of black organisations, especially in relation to funding, training and access to local and national government”.

¹⁴ “Listening to the Voice : Feasibility Study Report” BEMIS (1999)

¹⁵ “Listening to the Voice – Executive Summary” BEMIS (2000)

1.33 In presenting its findings, the report explores the development of the black and minority ethnic voluntary sector, noting that there has been activity by black and minority ethnic groups in the voluntary sector since the turn of the 20th century, with many organisations established initially to provide support to community members. It is also notes, however, that the growth in the black and minority ethnic population in Scotland has not been supported by a similar level of growth in the number of black and minority ethnic voluntary organisations (although there has been more significant growth of these in recent years). It also suggests that, where such organisations exist, they have often received little support from the statutory sector or from larger voluntary organisations.

Sources of funding

1.34 It is clear that there are currently a number of sources of funding for organisations in the voluntary sector generally in Scotland. Some of these sources provide funding which is generally available to organisations in the sector (and which may be relevant to black and minority ethnic groups or may be used specifically for projects by these groups) and others provide grants which are aimed specifically at black and minority ethnic groups.

1.35 Examples of key organisations providing funding to the voluntary sector in Scotland include the Scottish Executive, local authorities, other public bodies, the National Lottery, other government departments and other charitable sources. The Executive, for example provides funding for the Scottish Council of Voluntary Organisations (SCVO) race equality development unit, as well as promoting a specific Ethnic Minority Grant Scheme to tackle

discrimination and to promote equality. (The nature of the actual provision will be discussed in more detail in Section 2.)

1.36 At a national level, the Home Office has also expressed a commitment to tackling race equality and made a grant available from 2000 under the “Connecting Communities” initiative.

1.37 The Black Environment Network (BEN) in a recent policy paper¹⁶ also identifies the major sources of funding as including central government, local government, National Lottery, charitable trusts and foundations, the European Union and Regional Development Agencies’ provision.

1.38 All of the funding sources have different purposes, criteria, application processes, funding periods, terms and conditions and reporting mechanisms, with variations in the amount of grants which can be sought and the ways in which funding can be used. Similarly, there are differences in the level of use by black and minority ethnic groups and differences in groups’ experiences of contact with providers.

1.39 As suggested earlier, there is currently little comprehensive information in relation to these factors, and the findings presented in Sections 2 and 3 of this report will provide some further details. From the existing literature, however, a number of issues have increasingly emerged in relation to funding provision to black and minority ethnic groups.

Emergent issues

1.40 A number of issues have been raised by black and minority ethnic groups in a range of

¹⁶ “Funding Issues Affecting Ethnic Communities : A Discussion Paper for Policy Makers” BEN Networking Conference 2000, Policy Paper

settings, and the following concerns can be seen to emerge consistently. Many of these issues, for example, were raised at a recent grassroots consultation which was arranged by the Scottish Executive Equality Unit¹⁷ in order to consider the views of people from black and minority ethnic groups on the draft Equality Strategy. The purpose of the consultation was clearly much broader than a focus on funding, but many of the participants, on the day, pointed to the importance of funding in enabling black and minority ethnic groups to engage in consultation, communication and participation with statutory organisations and to play a full part in the economic and social structure of Scotland.

1.41 Similar issues have also been raised in recent papers and reports by key organisations, and point to a number of barriers.

Barriers to funding

1.42 During the Scottish Executive consultation highlighted above, some of the barriers to participation which were identified during the discussions included :

- ▶ the overall difficulties for black and minority ethnic groups in obtaining mainstream funding;
- ▶ the lack of mainstream core funding for projects and services to black and minority ethnic groups;
- ▶ the provision of short term and insecure funding to many black and minority ethnic groups;
- ▶ the provision of disproportionately small amounts of funding;

- ▶ the reliance on one-off and short term charitable sources;
- ▶ the difficulties in maintaining funding, with the “disappearance” of many black and minority ethnic organisations at the end of their funding period;
- ▶ the difficulties in obtaining information about funding sources;
- ▶ the operation of criteria and the use of procedures which disadvantage excluded groups;
- ▶ the lack of consideration of issues facing black and minority ethnic groups when budgets are set.

1.43 The issues relating to procedure were also raised in the BEN policy paper highlighted previously, which suggests that the application processes for access to funding are often too complex for many black and minority ethnic groups, which may lack the resources to complete application forms and to engage in the processes.

1.44 In addition, the time taken for access to funding was also seen to be too long to address the needs of groups which may require funding quickly, and there was seen to be little support provided by funders themselves (for example through the provision of development staff) to assist groups in overcoming some of the barriers identified. In the light of these difficulties, BEN suggests, access to funding is constrained, and some groups simply will not apply.

1.45 The issue of resourcing was also raised in a report of the responses to a consultation carried out by the Home Office prior to the establishment of their race equality grant

¹⁷ “Towards an Equality Strategy : Report of Grassroots Consultation with Ethnic Minorities” The Scottish Executive (forthcoming)

programmes. There was a perception of a lack of a collective voice amongst black and minority ethnic organisations. It was suggested again that black and minority ethnic voluntary organisations are often badly resourced and must compete with other groups for limited provision, and it is noted as follows¹⁸ :

“many minority ethnic groups are small and struggling and find it difficult to secure sustained and realistic funding for the work they want to carry out with and on behalf of their communities. Their isolation and perceived weakness can discourage potential funders and can also mean that they are ignored or marginalised by service providers. Groups cannot strengthen their organisation or have their voice heard because they lack the resources to grow.”

1.46 The issue of competition is also raised by BEN, with the paper suggesting that many of the organisations with which new black and minority ethnic groups must compete have considerable resources and experience of the processes. The criteria may also reflect the needs of established projects more than newer organisations, and the means of assessment may not reflect the identification of local need by local organisations. It is also suggested that funding providers may not recognise the “cultural and social significance of ethnic projects” and may have a general lack of interest in the issues facing black and minority ethnic groups.

1.47 A number of similar issues are raised in the BEMIS report, highlighted earlier, which suggests that black and minority ethnic voluntary organisations :

“may lack the resources and capacity to ensure their own sustainability, thus making their survival precarious. Furthermore,

black and minority ethnic voluntary organisations have not been perceived to be of sufficient strategic importance by both local authorities and government to merit appropriate long term support”.

1.48 This issue of sustainability is also raised in the BEN paper, in terms of the need for an exit strategy often being included as part of the conditions of a grant, or as evidence of the suitability of an organisation for support. It is argued that this is inappropriate, given the nature of the needs of many black and minority ethnic groups for early development of their work. The paper also highlights the problem of securing core (as distinct from project) funding, with the constant threat to the survival of the organisation which is posed by the lack of core provision.

1.49 The BEMIS report suggests that although black and minority ethnic groups make up around 1.25% of the voluntary sector, it is estimated that they receive only 0.6% of the income provided to the sector. SCVO has estimated that the annual income of the black and minority ethnic voluntary sector is around £12m (0.6% of a total of £2bn, although, as noted above, black and minority ethnic organisations constitute 1.25% of organisations).

1.50 On the basis of a survey of organisations (carried out by SCVO and reported by BEMIS), it is noted that many black and minority ethnic organisations operate without paid staff and rely on volunteers, with only around 500 black and minority ethnic staff identified overall (1.1% of the total). More than a quarter of black and minority ethnic organisations rely on membership fees and slightly under half rely on local authorities as the source of their core costs. Many rely on

¹⁸ “Connecting Communities : Race Equality Support Programme” Home Office (2000)

one funder and on the provision of annual funding. Many have no secure funding (echoing a point raised above during the consultation meetings). Organisations were found to be accessing support from mainstream sources in a “piecemeal” way, and pointed again to a lack of information about funding sources and to the perception that organisations do not address issues for the black and minority ethnic voluntary sector.

1.51 As BEMIS suggests, these factors clearly affect the ability of these organisations to undertake strategic planning and to carry out development work. 47% of the groups had an annual income of less than £25,000 and 84% less than £100,000. Around 90% of organisations stated that funding was a major problem and 80% of the organisations in the survey stated that they wanted support with funding, and the general pattern identified overall was one of poor funding (with the exception of the Racial Equality Councils).

1.52 The BEN policy paper also points to a number of issues relating to the relationship between black and minority ethnic groups receiving funding and providers. The paper, for example, highlights a perception that funders will often question the implementation and evaluation of projects by black and minority ethnic groups, as well as taking a different view of appropriate targets and the value of the work being carried out. Inappropriate conditions are seen to be imposed, in terms of the requirement for information prior to the release of funds, creating difficulties in cash flow, and the need for a high level of regular information provision is seen to detract from the ability of organisations to carry out their work. Finally, BEN points to an overall perception of a lack of trust and consultation between funders and black and minority ethnic groups.

1.53 In terms of overall issues to emerge from the work which has been undertaken to date, the BEMIS report summarises the findings from its own study as follows :

“respondents highlighted funding, institutional racism and low political priority as being key issues”,

and it seems from this overview that these concerns are shared by other key organisations. It is clear, therefore, from the issues which have been raised within the existing literature, that there is considerable consistency within the information which is available in suggesting that these areas of concern emerge repeatedly as the key issues.

Developments required

1.54 In terms of the developments which the existing literature suggests are seen to be required, amongst the potential developments highlighted by participants to the Scottish Executive consultation were the need for the following :

- ▶ funding for grassroots organisations to challenge racism;
- ▶ adequate funding for organisations providing services to black and minority ethnic groups;
- ▶ resources to allow capacity building in black and minority ethnic organisations to be more able to represent members and to allow participation;
- ▶ provision of support to black and minority ethnic organisations to access resources;
- ▶ development of new projects;
- ▶ equal distribution of resources to black and minority ethnic organisations.

1.55 The need for capacity building was also recognised by respondents to the Home Office consultation, emphasising the need for specific practical support to black and minority ethnic groups at a local level. It was noted that there is a need for assistance with the development of community networks (particularly in Scotland) and for work to increase overall representation of black and minority ethnic groups and their involvement in civic society.

1.56 Respondents to the Home Office study and at the BEN conference also pointed to the need to ensure good practice in procedures, including the development of greater clarity in the application process for funding and the need to provide clear guidance in relation to the expectations which are placed upon organisations as a consequence of the receipt of funding. The BEN policy paper suggests a general need to simplify both application forms and the application process (through, for example, the introduction of a two stage process, removing the requirement for completion of a detailed application at the first stage). It is also suggested that the information sought should relate clearly to the funding application (and should not involve general information-gathering about communities). There is also seen to be a need for consistency between funders in terms of the information which is sought.

1.57 With the introduction of a two stage process, BEN suggests there could (and should) then be more face to face work undertaken with black and minority ethnic organisations, including the provision of staff to assist, provision of information (through, for example, seminars) and the provision of support to develop projects by making development funding available (for example, for feasibility studies and for project development costs) and by providing access to translation and interpreting facilities.

1.58 In terms of addressing problems in the relationship between funders and black and minority ethnic groups, BEN also points to the need for funders to develop a continuing relationship with funded groups (with more frequent and regular meetings) and to consult with communities in the development of work, as well as paying groups in advance for work to be undertaken. It is suggested that monitoring should become less time consuming and the costs of this should be met by the funders. It is also suggested that those making funding decisions should reflect the diversity of the communities and should develop understanding of social and cultural issues affecting black and minority ethnic groups.

1.59 The BEN report suggests a need for the use of “different criteria, measures and outputs” for different types of projects, including the use of more qualitative measures and the use of more extensive consultation (as highlighted earlier). The need for funding provision to ensure that new organisations are not forced to compete with well-resourced existing organisations is also stressed, with the suggestion that funding targets should be set for provision to black and minority ethnic groups.

1.60 In terms of the nature of the funding provided, the Home Office consultation also pointed to the need to provide funding for longer periods than are often currently available (as the development of support organisations can take a long time) and the need to provide support to organisations to enable them to develop (as cited above by BEN). The need for core funding is stressed, along with the importance of funding providers exploring with black and minority ethnic groups the means of securing the longer term sustainability of the organisations. The need to make developmental funding available for new projects (which may not be fully established) is also highlighted. The BEN report points to the

need for allocation of specific funding for this purpose, as well as to the need for allocation to meet core costs of continuing organisations, along with the provision of support to organisations to allow them to meet the expectations of monitoring and evaluation of their work.

1.61 The BEMIS report also points again to the key need to enhance the capacity of black and minority ethnic voluntary sector organisations and to begin to address the issues which have been highlighted. The report suggests the development of a specific black-led agency to strengthen the capacity of the black and minority ethnic voluntary sector and to raise the profile of organisations, as well as providing support to allow organisations to develop their skills and raise “generic issues”.

1.62 All of these concerns are clearly important in any strategic consideration of funding issues generally, as well as in relation to provision to black and minority ethnic groups. It is recognised that some of the issues which are highlighted may be of wider relevance to other voluntary sector organisations, and this issue emerged during the discussions. As the BEN paper notes, however :

“in the case of ethnic communities with a predominance of small and under-resourced community groups and organisations, these issues are acute. This situation leads to large sections of already disadvantaged communities not having access to funds supposedly to be used for ALL sections of our communities.”

1.63 The overall patterns of availability and provision which were explored as part of the current study will assist in exploring further the issues which have been raised within this section, particularly when taken alongside the issues which have emerged from the face to face discussions. These will be explored in detail in the remainder of the report.

Overview

1.64 This section has explored the overall background against which the funding review was undertaken. The overall purpose of the research, in the light of the concerns which have been raised, was to provide information both on the availability of funding and on these key issues which have been identified. Having set the work in context, the findings of the review are presented in Sections 2 and 3.

CHAPTER 2
FUNDING **PROVISION** AND RECEIPT

2.1 Having explored some of the key current issues in existing literature, this section presents the findings from this research in relation to the actual provision of funding to the voluntary sector generally and to black and minority ethnic voluntary sector organisations in particular. Different forms of funding will be outlined, before identifying the involvement of a range of providers and the nature and extent of their provision¹⁹. The patterns of receipt of funding by black and minority ethnic voluntary sector organisations will then also be explored.

Types of funding

2.2 As suggested in the preceding section, there are a range of forms and sources of funding to the voluntary sector in Scotland, and the findings in relation to the patterns and availability of each will be explored within this section.

2.3 It should be noted, at the outset, that there are many forms of provision to voluntary sector organisations, not all of which involve a financial contribution. At this stage it is useful to outline these, and COSLA, in identifying good practice, provides a useful summary of types of funding, some of which are described briefly below.

Contracts, service level agreements, spot and block purchasing

2.4 As will become clear later in this section, there has been an increasing move towards the development of contracts and service level agreements between funding

organisations and organisations in the voluntary sector. Service level agreements generally relate to arrangements between statutory organisations (the Scottish Executive, local authorities etc) and other organisations, where the recipient undertakes to provide a specific service and is funded in order to do so, with a detailed specification of the expectations of both parties. (The use of the term contracts may be reserved for provision where there has been open competition.) Services may be bought on a one-off or block basis from voluntary sector organisations (with the latter seen to offer greater security).

2.5 This type of funding is generally provided to organisations which will require continuing funding and whose service provision has been recognised as a key component of the service provision by the statutory organisation, often replacing previous annual agreements. Service level agreements do not require to be subject to open competition through tendering, and will generally provide an income which will meet the core costs of an organisation in order to allow the provision of the services which have been agreed.

Grants

2.6 Provision is also made through many forms of grants to voluntary sector organisations. These can be sums of money paid by a range of providers to allow an organisation either to meet recurring costs or to undertake a specific piece of work.

2.7 In this context, there is often a distinction made between the provision of recurring grants and the provision of one-off

¹⁹ As will be clear from Appendix 1, information relating to provision has been gathered from a range of sources, including written information, verbal information and completion of pro forma. For this reason, the levels of detail vary, and some interpretation of the material has been required in some cases. While care has been taken to represent the information which is available accurately, and to verify details with funders wherever possible, it is acknowledged that there may be variations in the extent to which the descriptions reflect funders' own perceptions of the nature of their provision.

grants. Recurring grants (although these may require re-application) may meet the core costs of an organisation where there is a wish on the part of the funder to regularly fund core activities (or a part of the core activities). One-off funding is more likely to meet project costs (although these may also link directly to core activities, particularly where the “project” involves the establishment of a new organisation). For this reason, it is now well-recognised that the core / project distinction is unclear, and less valid in the light of this, but there is still a key issue for organisations and some providers in terms of meeting their core costs.

2.8 In addition, funding may be provided for more than one year, but may be non-recurring in the longer term, with a time limit for provision and receipt. (It should also be noted that while a grant may be one-off, the need for the funding may continue, with organisations requiring to identify further resources after the one-off grant expires.) It should also be noted that “core” funding does not necessarily involve the provision of all of the funding which is required for an organisation to continue to operate, but refers only to the provision of assistance which can contribute to meeting part, or all, of the core costs.

2.9 Grants may be provided to meet different costs (particularly revenue and capital) and combinations of forms of costs. Revenue funding normally meets expenses such as the general running costs / overheads of an organisation whereas capital funding relates to the provision of support for the purchase of equipment or property.

2.10 A range of funders are involved in the provision of a variety of forms of recurring and non-recurring grants, including both statutory organisations (central and local government sources), Non-Departmental Public Bodies (NDPBs) and charitable trusts.

Subscriptions and membership

2.11 Organisations (particularly statutory organisations) may wish to subscribe to a particular organisation, or to affiliate or join, and these relationships may involve a payment to the voluntary sector organisation. This type of provision has not, however, been examined in detail in this study.

Loans

2.12 It is possible for some organisations (such as local authorities) to make loans to organisations in the voluntary sector and COSLA cite the example of where an authority may offer a one off loan for property or equipment where they do not wish to provide grant aid. Again, this type of provision has not been examined in detail in this study, although a check has been made on the grant sources to ensure that they are not, in fact, loans.

Support in kind

2.13 A range of support in kind may be provided to voluntary sector organisations (often by statutory organisations). This can include, for example, support from a worker to assist an organisation in its development, the provision of property or assets to an organisation, secondments, training, and other professional or administrative support. As with the previous categories (subscriptions / memberships and loans), this type of provision has not been examined in detail in this study.

Overview

2.14 Although some of the distinctions between types of funding begin to blur in practice, it is useful to bear these general definitions in mind in the examination of provision described in this section. The study

has focused upon the provision of financial support to black and minority ethnic voluntary sector organisations, particularly through the provision of grant funding, but also including, in general terms, the development of service level agreements.

Funding providers / availability of funding

2.15 Having defined the types of funding, the actual providers and their roles should be identified. Section 1 pointed to some of the key organisations which are involved in the provision of support to voluntary sector organisations in Scotland. The role of some of these organisations, particularly in relation to provision to black and minority ethnic organisations was explored in detail.

The Scottish Executive

2.16 Firstly, the Scottish Executive is clearly a major source of public funding to the voluntary sector in Scotland and produces a booklet which provides details of a number of grant provisions made through various divisions.

2.17 The Voluntary Issues Unit of the Executive is responsible for voluntary sector infrastructure and has a co-ordination role in terms of the provision made through this, and other divisions, to the voluntary sector. The Executive provides direct support to national infrastructure organisations and what it describes as other direct funding through a range of divisions to voluntary sector organisations. (It should be stressed that the following outline of these grants represents the Scottish Executive funding to the wider voluntary sector, not the funding which is

provided to specific groups). This is provided through the following grants annually²⁰ :

- ▶ health grants (£1.692m);
- ▶ housing and homelessness grants (£2.337m);
- ▶ the rural challenge fund (£1.533m);
- ▶ local capital grants for community facilities (£1.166);
- ▶ education grants (£13.2m);
- ▶ millennium volunteers scheme (£0.727m);
- ▶ social welfare Section 10 grants (£6.572m);
- ▶ social work and social care Section 9 training grants (£0.943m);
- ▶ Ethnic Minority Grant Scheme (included in the direct funding, although administered through UVAF, as described below) (£0.275m).

2.18 In general terms, the objectives of these grant schemes are linked to the overall priorities of the divisions involved, although there are a number of common threads (for example, support for the overall social justice objectives of the Scottish Executive). With the exception of the EMGS (discussed below) none of the schemes have specific objectives relating to provision to black and minority ethnic groups.

2.19 It is stated in the funding booklet that funding is available from the Executive for the following²¹ :

- ▶ activities which promote Scottish Executive objectives;

²⁰ The figures below relate to 2000/2001

²¹ From "The Scottish Compact" and "The Scottish Compact Good Practice Guidelines 1997-1999"

- ▶ capacity building;
- ▶ infrastructure and local networks.

2.20 Where organisations deliver policy objectives, funding can be provided for core management, training and administrative costs and can be available on a three year basis, where this is compatible with priorities²². One-off and project grants are also made, and the Executive has also now developed a number of service level agreements / contracts with voluntary sector organisations. Although there are variations from scheme to scheme, direct Scottish Executive funding is moving increasingly towards a three year, contract related basis (with the exception of the local capital grants programme).

2.21 The Executive states that funding is only available on an exceptional basis for local service delivery organisations (as it is expected that these needs will be met through local authorities, local enterprise companies and health boards). Time limited funding can, however, be made available for innovative projects. It was also suggested that Ministers' priorities (such as to develop the social economy, to modernise the legal / financial framework and to address the infrastructure and the overall priority areas such as child poverty, dignity in old age, full employment and building strong and inclusive communities) should be reflected in the provision made.

2.22 The application processes for direct grants are all broadly similar, although there are slight variations (for example, in terms of deadline dates) between schemes. In virtually

all cases, standard application forms are used, but these are specific to the scheme concerned, with deadline dates usually in late summer or early autumn, for grants with a commencement date of April in the year following. Again, although there are some variations by scheme, most applications are initially assessed by the department concerned with a contribution, where relevant, from other departments before being recommended to the relevant Minister for approval. None of the schemes identified have an appeals process (although, informally, organisations could, if they wish, challenge any decision through the Minister). The point was made, however, by Scottish Executive officials that, by the time this was done, almost inevitably the funding would have been allocated, and would therefore be exhausted.

2.23 The Executive also provides indirect funding to the voluntary sector through a number of organisations, and indirect funding provision is identified as follows²³ :

- ▶ funding for training courses through the Central Council for Education and Training in Social Work;
- ▶ family fund to help families caring for children with disabilities through the Department of Health (UK) (£2.19m);
- ▶ provision for projects relating to sustainable development through Forward Scotland (£0.5m);
- ▶ community and cultural development in the Highlands and Islands through Highlands and Islands Enterprise (£2.631m);

²² Whilst it is recognised, as noted earlier, that the distinction between "core" and "project" funding is now somewhat artificial, this remains a key consideration for organisations, with core funding referring essentially to the funding which allows the basic operation of the organisation on a continuing basis, and funders were asked to identify the provision of such funding, as distinct from generally non-recurring project-related funding.

²³ Again, it is worth stressing that this funding is available to the voluntary sector more generally, rather than to any specific group.

- ▶ the Mental Illness Specific Grant through local authorities (£18.4m);
- ▶ Social Inclusion Partnerships through local authorities (£68m);
- ▶ arts grants through the Scottish Arts Council (£29.577m);
- ▶ grants to Housing Associations through Scottish Homes (£273m);
- ▶ natural heritage funding through Scottish Natural Heritage (£41.803m);
- ▶ sports grants through SportScotland (£3.1m);
- ▶ grants to develop opportunities for unemployed people through UVAF (£0.867m);
- ▶ support to victims of crime through Victim Support Scotland (£2.2m).

2.24 Again, the objectives of this provision link to the overall work of the Executive. Some of the grant sources are clearly very specific in terms of their purposes, and were not explored in detail (such the MISG, social work training, family fund etc). Some of the major indirect sources, however, are discussed further later in this section.

2.25 There was no evidence of overall objectives here in relation to provision to black and minority ethnic groups (although there are, in a small number of cases, particular objectives within some of these sources of funding).

2.26 The funding is publicised largely through the booklet (which is also available via

the internet) with information sent directly to umbrella organisations in Scotland. Press releases are also provided, and information is disseminated via word of mouth. Although indirect sources are set out within the grants booklet, the organisations which administer the schemes will also make their own arrangements for publicity and dissemination. This issue is discussed in more detail later in this section.

2.27 Overall, the Scottish Executive provides £28.4m in direct funding and around £345m in indirect provision to the voluntary sector. The number of voluntary organisations supported through direct Scottish Executive funding for 2000/2001 was found to be 683 (including the Ethnic Minority Grant Scheme).

2.28 The number of black and minority ethnic organisations funded in 2000/2001 has not been monitored specifically, and the only means of identifying this (which is recognised as not being wholly satisfactory) was by the name of the organisation or through the knowledge of individual fund administrators. On this basis, 17 of the organisations receiving direct funding (2.5%) were black and minority ethnic groups.

2.29 In terms of mainstream funding, however, it was found that only 2 of the 17 funded black and minority ethnic organisations received this (12%), with the remainder receiving provision through the EMGS. This provision to black and minority ethnic groups represents 0.3% of all organisations funded through the mainstream sources²⁴.

2.30 In terms of actual resources, in 2000/2001, black and minority ethnic organisations received £355,862, which

²⁴ It is possible that there are other black and minority ethnic groups which are provided with funding which are not evident due to the fact that grants are not monitored in this way, although, in the view of the fund administrators, it is highly unlikely that there are many.

represents 1.3% of the total funding provided. Again, it should be noted that £262,990 of this provision was made through the EMGS, with only £92,872 provided through mainstream funding (as seen to only 2 organisations), again representing 0.3% of the total amount provided through mainstream provision²⁵.

2.31 It is clear from the above that there is little mainstream support to black and minority ethnic groups via the Scottish Executive, with a reliance on the EMGS which supports only a small number of organisations and has a limited budget (as will become clear below). It should be noted, for example, that, of the 15 organisations which received funding from the EMGS in 2000/2001, less than half (7) were new grants. The balance of funding provided second and third year grants to previous recipients.

The Ethnic Minority Grant Scheme

2.32 As seen above, the main source of direct funding to black and minority ethnic groups in Scotland is through the Ethnic Minority Grant Scheme.

2.33 This is aimed specifically at black and minority ethnic groups and is administered on behalf of the Scottish Executive by the Unemployed Voluntary Action Fund (UVAF). The fund was previously administered by The Scottish Office, but transferred in 1998, following a consultation exercise which identified the need to provide a higher level of support to grant applicants and recipients.

2.34 The consultation on the future of the Ethnic Minority Grant Scheme identified issues for funding black and minority ethnic

organisations which could be addressed through changes in the administration of the scheme. These are outlined below in the extract from the 1998 report from the Voluntary Issues Unit.

“The Government accepts that The Scottish Office should continue to have strategic control over the EMGS, which involves setting priorities and retaining responsibility for the decisions on awarding grants. It is however unusual for The Scottish Office to be involved at the operational level in schemes which are essentially local in focus. Experience of the scheme, supported by the views expressed by many organisations during the consultation, show that :

The quality of applications could be improved if more support was provided at the development stage. Extra support at this stage could improve the chance of success of black-led organisations in the assessment process and so direct more funds into this part of the voluntary sector. The Government recognises that the EMGS can have a double benefit through the work carried out by individual projects and also through helping to build the strength of black-led voluntary organisations. Nevertheless, an application must be able to demonstrate not only that there is a need to be addressed but that the project has a clear plan to meet the need in a way which makes a difference in the lives of ethnic minorities as a result of the project’s work. Whilst the Scottish Office can provide some support, it is not able to offer the sort of advice service which best promotes the interests of small, locally based minority ethnic groups in the competition for resources.

²⁵ It is possible that the actual amounts may be higher than this, as it has been noted that grants are not monitored by type of group / organisation. Some organisations may not be readily identifiable using the means currently available. It was also noted by some funders that there may be some provision by white-led organisations to black and minority ethnic communities which, similarly, may not be evident from this.

Projects, once they are funded, could be more effective, more quickly with additional support. The Scottish Office shares with ethnic minority communities the aim to ensure that EMGS projects make the impact which is promised in the applications. Experience again shows that the investment of time to get the project off to a good start and to be available to provide help through the project's duration, can influence its overall success. This is not however the role of central government."

2.35 On the basis of the consultation, and in order to address these issues, the administration of the scheme passed to UVAF. At this point, the amount of funding available was also increased.

2.36 The funding available through this scheme is approximately £0.275m per year, to provide support to new and existing groups. Funding can be provided for a two year period, and organisations can apply for third year funding (in competition with new groups). The maximum which is available to an organisation is £25,000 per year, and the typical level of provision is close to the top of this (although some awards are smaller).

2.37 UVAF specified that the overall objectives of this funding relate specifically to black and minority ethnic groups and :

"are to reduce racial discrimination and to promote racial equality by providing initial funding to foster new projects which will help support ethnic minorities in Scotland, by identifying and meeting specific needs and improving the access ethnic minority communities have to mainstream services".

2.38 There is a clear priority for black-led organisations, and it was suggested that it is hoped that the funding can be available to

groups which have a problem receiving funding, as well as those which may be national groups wishing to work in particular geographical areas in which they have identified a need. The funding is provided typically either for new developments or for the extension of current work to new geographical areas, and can meet both project costs and the core costs of an organisation where these relate to the project. One-off or capital costs (e.g. translation and interpreting) can also be met. The information about the scheme, however, specifies that party political campaigning activities and the replacement of existing funding are excluded. In addition, although the scheme does not exclude cultural activities, these must have a link to the primary aim relating to services (and it was suggested that this led to a range of ineligible applications in the first round of those assessed by UVAF).

2.39 The Ethnic Minority Grant Scheme is publicised within the Scottish Executive booklet described earlier, as well as through direct contact with organisations. There is an annual launch, with provision of information to local authorities and national voluntary organisations, as well as information through the media. The VDAs and CVS network also receive information and UVAF has also organised surgeries to make organisations aware of the scheme, which have taken place in different parts of Scotland.

2.40 The funding model for the Ethnic Minority Grant Scheme 1998-99 to 2000-2001 was outlined by UVAF as follows :

Annual Launch of scheme with distribution of fliers, application packs, press and information notices through national and local networks	April
Surgeries and telephone assistance for pre-application support Assessment of applications; gathering further information; contact with referees	June - July
Recommendations to Ministers and announcement of grants; feedback to unsuccessful applicants	August – October November – December
Pre-start induction visits to projects; resource pack from funder; support needs assessed and independent consultancy offered	January – March
Grant administration cycle encouraging planning and policy development	Ongoing
Training and support available to cover e.g. monitoring and evaluation, equal opportunities, future funding, managing change	Ongoing

2.41 In order to apply to this source, organisations require to have a constitution, rules or articles, but need not be registered charities. If a new group is making application, there is a need to provide a short report of recent activities. A written proposal (along with a short application form) is submitted, with a deadline of August (as seen from the above), and a decision made in November / December. A checklist is provided to assist with the written submission and this needs to include an action plan for the first twelve months. UVAF staff undertake a preliminary sift in relation to the criteria for the scheme. Assessments are made on each application to the Trustees, and the Trustees' recommendation passed to the Scottish Executive.

2.42 The information about the scheme also points to the need for financial record keeping and monitoring. UVAF maintains a list of all organisations which receive funding. It was noted during interview that UVAF tries to assist organisations following approval, and will provide support to funded groups in the early stages of their grant through consultancy support.

2.43 In terms of disbursement, as seen, there were 15 awards in 2000/2001, with 7 new awards. This was an overall increase of 2 from the 13 awards in 1999/2000, although the sum of money involved was slightly higher in 1999/2000. On 30th November 2000, the Minister for Social Justice announced 10 awards for 2001/2002, of which 7 were new and 3 were year 3 awards. In addition, 6 projects had already been allocated continuing second year funding, making a total of 16 awards in the year.

2.44 Data showing the allocation of funding by area from 1996 to 2001 indicates a concentration of funding in Edinburgh and the east of Scotland as well as (at least in earlier years) Glasgow and the west. (In recent years there was some reduction in projects from Glasgow and the west.) Of a total of 57 projects which have received support over the period, it was found that 16 were within Edinburgh and the east (as were 5 of the 7 new awards made in 2000, although only 2 of the 7 in 2001); 17 were in Glasgow and the west; 10 were Scotland wide; 5 were in Aberdeen and north east Scotland and 4 were in Fife (although 3 of these were to the same

organisation in Fife in different years); 2 in Dundee and 2 in central Scotland; 1 in the south of Scotland and none in north / north west Scotland.

2.45 It is clear that there are limitations to the number of groups and the extent of the resources which can be provided with support through this fund, but this is clearly currently a key national source of provision available specifically to black and minority ethnic groups.

Indirect funding

2.46 As seen above, in addition to the provision which is made directly, the Scottish Executive also makes some funding available by providing this through large national voluntary sector organisations and Non Departmental Public Bodies (NDPBs) for disbursement. Some of these sources were also investigated.

2.47 It was found that there were variations in the availability of this funding, both to voluntary sector organisations generally, and particularly to black and minority ethnic groups. As noted earlier, some of the very specific sources were not explored in detail here.

2.48 When this indirect funding was examined, however, it was found that a proportion is not made widely available for competitive application, but is provided instead to a central organisation which, effectively, disburses this to an existing network of organisations. These organisations then operate at a local level to carry out specific forms of work.

2.49 Victim Support Scotland, for example receives funding centrally which is used to support the network of victim support services in local areas. Volunteer Development Scotland administers, on behalf of the Scottish Executive, funding for Local Volunteering

Development Agencies. This mechanism provides core funding for these agencies, and this is disbursed to volunteer bureaux which operate in unitary authority areas. (VDS makes recommendations to the Scottish Executive in relation to the funding.)

2.50 In these cases, an existing network is in place, making this funding effectively unavailable more generally to organisations in the community. (The point was raised specifically during one interview that the current means of provision would not readily allow support to a black led organisation applying to provide a specific service in these areas, without negotiation with the pre-existing service providers, as funding is only allowed for one organisation of the type funded per unitary authority area.)

2.51 It was also found that VDS also operates two other sources of funding. These are the Primary Care Volunteering Grants Fund and the Millennium Volunteers in Scotland fund.

2.52 The Primary Care Volunteering Grants Fund is a new fund from the NHS Executive administered by VDS. This fund has the objective of encouraging new volunteering activities in areas of primary care by providing pump priming resources. There are no specific objectives relating to black and minority ethnic organisations. Most of this funding is to be geared towards NHS organisations or, where the fund is to be awarded to voluntary organisations, they must have an explicit partnership agreement with an NHS agency. The fund requires that projects are carried out in partnership with primary care organisations, which inevitably limits its wider applicability. It is publicised through primary care and volunteering organisations and is a project fund, with £200,000 for 2000/2001. No black and minority ethnic groups have received support through this to date.

2.53 The Millennium Volunteers programme was set up in 1998 to support the government's policy of involving young people in their communities. Grants of up to £20,000 per year were awarded to 'Placement Providers' (organisations creating opportunities for MVs) and up to £10,000 per year for matchmakers (agencies matching young people with volunteering opportunities). The programme is designed to support and encourage a sustained commitment to volunteering amongst young people, and aims to create new and better opportunities for young people aged between 16 and 25 to volunteer in their communities. Organisations applying for funding were asked to demonstrate how they would involve young people from groups who do not traditionally volunteer, although there were no specific objectives relating to black and minority ethnic groups. 998 young people have started on the programme in Scotland, of whom 7% are non-white.

2.54 A third type of grant is available for young people led projects, providing grants of up to £5000. This fund is publicised through the VDS newsletter, Third Force News, a website and the volunteer bureaux themselves.

2.55 VDS also has a black and minority ethnic volunteering forum, with a network of mainly black practitioners working in black and minority ethnic groups. It was noted during the course of this research that funding has been provided to VDS from the Scottish Executive to develop black and minority ethnic volunteering.

2.56 SCVO was also found to administer a Local Social Capital Fund which is sourced from ESF Article 6, with match funding provided by Scottish Enterprise and Scottish Homes. The objectives of this funding are to target community and voluntary organisations,

especially those without access to funding. The purpose of projects should be broadly to combat social exclusion and to address employability. Black and minority ethnic groups are identified as a specific priority within this overall objective. Funding is only available in 8 local areas within the West of Scotland.

2.57 The funding has been, in the view of SCVO difficult to publicise, although funding administered by SCVO is generally publicised in Third Force News and through direct mailings. SCVO has compiled a database of black and minority ethnic organisations, and publicity for the Local Social Capital fund has also been sought through LECs, local authorities and CVS.

2.58 SCVO has adopted a very simple application procedure for this funding, which involves, in the first instance, one A4 page supplemented by a short application form. Another aspect of this grant programme is that there are very few conditions attached to the funding, with support available at all stages (both before and after funding). The programme provides relatively small amounts of project funding (around £5000), usually on a one-off basis. From 1999-2001 the total fund available was £750,000, with 92 awards made to date. Of these awards, 2 have been to black and minority ethnic groups (2%) with a total of £7,700 provided to them (around 2% of the funding allocated).²⁶

2.59 SCVO also pointed out that advice is provided to groups in relation to funding sources, and SCVO has organised seminars to provide help and one to one advice to black and minority ethnic groups in relation to this. There is also a Race Equality Advisory Group which meets quarterly and a Race Equality Officer, located in Glasgow.

²⁶ SCVO also administers a scheme called com.com Holyrood, with resources from BT and the Millennium Commission, to bring communities on-line to allow them to participate in the democratic process by providing training and PCs. No monitoring information is kept by ethnic group, and the number of awards to black and minority ethnic groups was unknown.

2.60 UVAF (in addition to the EMGS) also has a mainstream large and small grants programme. The large grants programme is funded through the Scottish Executive and is designed to offer unemployed people an opportunity to develop their experience and skills through volunteering. The monies are only available to registered charities.

2.61 The current average award made by this programme is around £22,000 in a year, although the maximum allowable is £31,000. The funding can be available over 3 years, and is available for both revenue and capital costs. This programme is interesting in that it also demands some evidence of good practice in the composition and operation of management committees.

2.62 The total fund for 2000-2001 is around £800,000, with £250,000 of this specifically directed towards new projects (with the remainder being used to provide year 2 and 3 funding for continuing projects). In 1999-2000, 15 new grants were made, with 10 new grants being awarded to date in 2000-2001. Of these, in 1999-2000, 4 new grants were made to black and minority ethnic voluntary organisations (involving two organisations and totalling £45,315 for their first year of funding), while in 2000-2001, only one new grant (totalling £2329) was awarded to a voluntary organisation working with black and minority ethnic groups. In 1999-2000, this represented around 18% of the new funding awarded, while in 2000-2001, the proportion going to black and minority ethnic voluntary organisations was around 1%. (Clearly, both the total grant going to black and minority ethnic voluntary organisations and the proportion of the overall fund in any one year is likely to be considerably greater than the total represented only by new grants, as, as was noted earlier, organisations are typically funded over 3 years.)

2.63 The small grants programme is funded through the Scottish Executive and is available to projects working to combat exclusion, enhance skills and develop voluntary work in their preliminary stages, prior to the employment of any paid staff (involving volunteers, and specifically unemployed people). It is a condition of the programme that the money is not available for salaries. This source provides project funding, and the maximum is £5000 on a one off basis (as these are, in effect, starter grants). The size of the fund in 1999/2000 and 2000/2001 was £30,000. The fund makes around 6 awards in a year, and one award was identified in 1999/2000 as being made to a black and minority ethnic group (which received £3809). Although, proportionally, this represents 13% of the available fund in that year (and 23% of the total disbursed), only one group received this small grant.

2.64 In terms of the NDPBs, provision by Scottish Homes, Scottish Enterprise and Highlands and Islands Enterprise, the Scottish Arts Council and SportScotland was also explored. These organisations provide significant amounts of funding to voluntary sector organisations in a range of ways, some of which involve Scottish Executive funding (and some which is provided through other sources such as the National Lottery).

2.65 It should be noted, however, that some of this funding is for fairly specific purposes (e.g. much of Scottish Homes' funding is provided to support existing Housing Associations). One respondent to the postal survey made the point that, in their view, it is very difficult, for example, for a new Housing Association serving the needs of black and minority ethnic communities to access this funding.

2.66 The main Scottish Homes provision to voluntary organisations is through its external grants programme, and this funding is used to

support, for example, the development of housing associations, tenants' groups, training and development. There are no specific objectives relating to black and minority ethnic groups, and applicants must be housing associations or groups in the process of forming housing associations (either normally constituted or working towards this). The funding can support both core and project costs and is very specifically directed. Grants are reassessed annually, with a requirement for the provision of monitoring and evaluation information and reporting. The external grants programme for 2000-2001 totalled around £450,000 (although Scottish Homes indicated that this total will vary on a year to year basis). A total of 15 organisations received support. Of these, one black and minority ethnic voluntary organisation received support (totalling around £60,000), although, again, Scottish Homes stressed that the level of funding to individual organisations will change significantly from year to year.

2.67 Scottish Homes also provides some funding through Homepoint grants which support innovative projects which improve housing information and advice to clients. Again, this funding focuses specifically on housing associations (but also includes other voluntary bodies) and match funding must be provided. A total of £300,000 was provided by this means to 16 organisations in 2000-2001. The level of funding was found to vary very considerably between organisations, with one organisation receiving more than one third of all funding provided. Two black and minority ethnic voluntary organisations received funding totalling £35,000 in 2000-2001 (which represents nearly 12% of the overall fund). Again, as with the external grants programme, Scottish Homes stressed that the balance of the funding available through this scheme is likely to change considerably year on year.

2.68 SportScotland funding is provided for a range of sports activities both to individuals and groups, but this again is specific in its purpose. SportScotland distributes monies on behalf of both the Scottish Executive and the National Lottery. (SportScotland also participates in the Awards for All programme, and this will be described below.) During 2000-2001, 56 organisations were provided with core funding, and a further 80 – 90 will be provided with project funding. The total funding distributed by this means will be close to £3m. SportScotland was not able to provide details of distribution to black and minority ethnic voluntary organisations, however, it is likely that the beneficiaries of this funding (which, as seen, is used to develop sports provision) will include people from black and minority ethnic groups.

2.69 The Scottish Arts Council, as seen, also disburses £29.577m of funding from the Scottish Executive in a range of ways, along with National Lottery funding. The overall purpose of the funding is again specific, in terms of supporting the development of arts and crafts in Scotland, but there are a range of grants (some of which are to individuals, some to public authorities and some to voluntary organisations). There are also a variety of types of activities for which funding is provided, including writing, theatre, music, exhibitions and festivals. There are, however, objectives within funding streams which relate to multicultural and more specific events of relevance to black and minority ethnic groups.

2.70 Both core and project funding are provided, and for 1999/2000, a total of £47.8m was distributed (including £20.4m from the National Lottery). A total of 90 organisations were provided with core funding, and 1700 with project funding. Of these, none of the organisations provided with core funding were black and minority ethnic groups, while

37 (2%) of those provided with project funding were black and minority ethnic groups. The total actual funding to black and minority ethnic groups was £152,791, which represents 0.3% of the total funding disbursed.²⁷

2.71 Lastly, in terms of indirect funding, Scottish Enterprise and Local Enterprise Companies provide funding to voluntary organisations in two main ways. Firstly, many of the training providers which operate within the framework of Skillseekers, New Deal and Training for Work are themselves voluntary organisations. A number of LECs provided examples of specific capacity building funding being provided to these voluntary organisations. In a small number of cases, LECs also indicated that funding was channelled to voluntary organisations working towards Investors in People, again broadly for capacity building purposes.

2.72 The second main way in which Highlands and Islands Enterprise, Scottish Enterprise and LECs (in both areas) provide funding to voluntary organisations is through a number of means which are broadly targeted towards addressing both community development and social exclusion. In the lowland area (covered by Scottish Enterprise) there is one centrally managed fund (the New Futures Fund), but some LECs were also found to provide money on a project by project basis outwith this fund. In 1999/2000, a total of 5 black and minority ethnic organisations were provided with a total of £243,446 in funding from the New Futures Fund, with 8 groups in total being funded in 2000/2001 and receiving £784,610. There were no examples given of black and minority ethnic voluntary organisations being provided with funding directly by LECs in the Scottish Enterprise area.

In the highland area, the main means by which HIE and the LECs provide funding to voluntary organisations is through the Community Action Grants programme. This is delivered through two main strands, with HIE themselves distributing monies to pan-highland or strategic projects, while the LECs are responsible for distribution to local (although not always smaller) projects. A number of LECs also indicated that they also provided funding through their own delegated resources, for example, for capital or training projects. No black and minority ethnic voluntary organisations were identified as having received funding (although a number of LECs indicated specifically that, to their knowledge, there were no such organisations in their area).

2.73 None of these organisations identified any service level agreements with black and minority ethnic groups.

Central government

2.74 Some funding is also available from central government sources, and although it is impossible to explore all of these sources in detail here, it should be noted that a number are unavailable to Scotland.

2.75 It is, however, useful to note that there is one particular source of funding (the Race Equality Grant) which is aimed at provision to black and minority ethnic groups and is available to organisations in Scotland through the Home Office “Connecting Communities” initiative, mentioned in Section 1.

2.76 The purpose of this provision is identified as being to :

- ▶ create community networks;

²⁷ This represents the percentage of the total amount of funding awarded by the Scottish Arts Council, rather than only that awarded to voluntary organisations. The Scottish Arts Council also noted that mainstream arts companies (for example, Scottish Opera) may also provide productions, facilities or events geared towards the needs of minority ethnic groups.

- ▶ bring groups together for joint initiatives;
- ▶ give women access to opportunities;
- ▶ address the disaffection faced by young men because of racism;
- ▶ encourage employment in the public sector;
- ▶ support the government initiative on forced marriage;
- ▶ publicise and celebrate achievements.

2.77 Support is provided in four areas :

- ▶ community networks;
- ▶ opportunity schemes;
- ▶ towards more representative services;
- ▶ positive images.

2.78 The overall purpose of this funding is to create change at a grassroots level, and to provide greater access to policy makers and service providers, as well as enhancing welfare, education and employment. Funding of £12m is available over 3 years.

2.79 When the successful bids (allocated in autumn 2000) were examined, it was found that a total of 5 awards were made in Scotland, totalling £922,782 (four of which were very large, and one less than £20,000). This represents 7% of the total awards made and 8% of the total funding.

2.80 It is clear, however, that this initiative supports only a small number of black and minority ethnic groups in Scotland.

2.81 The other main central government funding which is of relevance here is provided

through the Commission for Racial Equality in Scotland (£300,000 – £400,000 per year) under Section 44 of the Race Relations Act, with match funding from local government. The purpose of this is to fund local racial equality work and it is disbursed to Racial Equality Councils in six areas to enable them to do this through public education, community development, case work and policy development.

2.82 Racial Equality Councils receive much of their funding from local authorities and the Commission for Racial Equality. A review of race equality work, initiated by the Commission, is currently being undertaken.

Local authorities

2.83 Local authorities also have a role in the provision of funding and responses were analysed for around two thirds of Scotland's local authorities. In addition, a number of examples of individual grant sources (80) were identified from a telephone survey of all local authorities. The telephone survey focused specifically upon corporate provision, social work and education, although some housing and other grants were also included. It was not intended that this exploration would be comprehensive, but it provided an indication of some of the key issues in relation to local authority funding.

2.84 In the postal survey, it was found that most respondent authorities (85%) recognised that they provided core funding to organisations in the voluntary sector. Within these authorities, a wide range of departments were represented, although the most common were Chief Executive's / Corporate Policy and Social Work. Generally, there was substantial variation in provision by local authorities. Although this is not, in itself, unexpected (given the variations in size, local population etc)

there were a number of issues which emerged here when the data were explored further. The apparent differences in local authorities' perceptions of the significance of issues affecting black and minority ethnic groups which is implied from some of this data, and the generally low level of provision of funding to recognise their needs are perhaps the key issues in relation to this area.

2.85 Amongst local authorities providing core funding, it was found that the range varied considerably from small numbers to 500+²⁸. The amount of funding of this type provided also ranged widely, with the largest sum identified at around £8m. It was clear that some authorities found it difficult to separate out core and project funding and any estimate of the number of organisations provided with core funding is likely to be an understatement. The total number of black and minority ethnic organisations provided with core funding across respondents was reported as only 17. It is also important to note that only around a third of these authorities reported undertaking monitoring by ethnic group (and this figure may, therefore, be higher).

2.86 Examples drawn from the data suggest that the overall percentage of those organisations provided with core funding represented by black and minority ethnic organisations varied considerably across authorities (as might be expected given the wide variations in the number of such organisations across Scotland). In one authority, 5 out of 40 organisations provided with core funding were from the black and minority ethnic voluntary sector (12.5%), while in other cases, however, only 3 out of an authority total of 300 (1%), and 1 out of an authority total of 26 (4%) were supported in this way. In a

number of cases, the authority reported that no black and minority ethnic voluntary organisations were provided with core funding.

2.87 In terms of project funding, again, the number of organisations supported overall varied considerably. Departments providing this included, for example, Chief Executive's / Corporate Services, Social Work, Housing, Community Services and Leisure. Only four local authorities indicated that they had specific policies in relation to providing support to black and minority ethnic organisations. In 1999/2000, 65 black and minority ethnic organisations were identified as being provided with project funding from these authorities, of a total of around 2100 identified, and these were concentrated in a small number of authorities (with 3 authorities accounting for more than half the black and minority ethnic voluntary organisations supported). Two authorities stated specifically that they fund no black and minority ethnic voluntary organisations, both indicating that there were none in their areas. Three authorities, however, indicated that they provided core funding to a total of 6 national black and minority ethnic organisations. There is again clearly considerable variation in the level of provision. It is again worth noting that only around a third of authorities indicated that they undertook any monitoring on the basis of ethnic group.

2.88 From the telephone survey, it became clear that the individual grant sources varied widely in the type of provision which they made, in their application processes, the times of application, the decision processes and the terms and conditions applied. Whilst a small number of authorities had streamlined their grant processes into a single application and

²⁸ Some authorities reported that they found it difficult to compile an accurate composite response on behalf of all departments. The consequence of this may be that, in some cases, the numbers and value of their contributions to voluntary sector organisations in their area may be understated.

point of contact for all grants (and some had developed one application process but a number of contacts), many others still required a large number of telephone calls to individual departments. Often the initial respondent to an enquiry was unable to provide information about the appropriate contact point, and many departments were unable to refer to other sources. There were many different processes within and between authorities in terms of the times of application, the amounts provided and the forms required. A number of councils, during discussion, stated that they were currently reviewing their grants processes with the aim of simplifying these.

2.89 The provision of Section 10 funding by social work services was found to be common, as was provision by education services, but individual authorities also made provision in areas such as transport, environmental issues, nature, sports, community capital (halls), childcare, festivals, tenants' groups etc. While some authorities provided the information in a concise booklet, others required a more complex search, and required a fairly well-developed knowledge both of local authority structures and potential types of provision in order to identify the funding sources. The information was often complex and diffuse.

2.90 Only 3 of the 80 individual local authority grants programmes were identified which were aimed specifically at addressing equalities issues and none were targeted only at black and minority ethnic groups. There were two examples of a mainstream fund "ring fencing" a proportion of funding for black and minority ethnic groups.

2.91 In terms of the "mainstream" grants provided (which encompassed the remainder of provision) from the remaining sources only 13 examples were found of individual funds making awards to black and minority ethnic

voluntary organisations in 1999/2000. Information was provided on the total number of awards from 41 sources which indicated that out of just under 2500 awards, only around 44 (1.8%) had gone to identifiable black and minority ethnic groups. (Again the issue of monitoring may also be relevant here, but many respondents stated specifically that they were aware that there had been no provision through a fund to black and minority ethnic groups.) It is clear from this data that there is both limited availability of specific funding from local authorities to black and minority ethnic groups and a lack of provision of mainstream funding. A number of respondents, during the telephone survey, pointed to their perception that there was a lack of applications from black and minority ethnic groups.

2.92 Many authorities, in discussing their grants provision, also stated that they are moving increasingly to the use of service level agreements for provision to voluntary sector organisations for which recurring core funding is provided. One authority, during interview, identified entering such arrangements with two black and minority ethnic groups. The only recurring example of this type of provision, however, was to Racial Equality Councils, and it was pointed out that some of these organisations also often have to seek supplementary funding from a range of other sources.

Social Inclusion Partnerships

2.93 Social Inclusion Partnerships (SIPs) also provide, in some, but by no means all cases, funding to voluntary sector organisations. Details were gathered from a sample of 21 the 47 SIPs, including the two thematic SIPs (in Fife and Glasgow) focusing on race equality. Other thematic SIPs (such as mental health and carers' projects etc) were excluded in the selection.

2.94 Funding distributed by the SIPs was generally found to have been provided by the Scottish Executive and most of their objectives were broadly related to promoting social inclusion (although some added details such as to improve the quality of life, or to build community capacity etc). Some of the SIPs identified specific objectives relating to black and minority ethnic groups, for example identifying these as communities of interest (although several did not, and some specifically suggested that there were no black and minority ethnic groups in their area).

2.95 The funding available through those SIPs which provide support to voluntary organisations can often be fairly large, making this an increasingly important source of provision to the voluntary sector. However, the way in which the funding is provided was found to be more complex than may be the case with, for example, a local authority grants programme. In some cases, for example, the SIP was found to have chosen not to distribute funding but to use it to, in effect, develop projects in its own right. In other cases, SIPs were found to have taken a more traditional “urban programme” route to providing a mix of capital and revenue funding to local voluntary organisations. 19 of the SIPs (90%) were found to make some level of project funding available to voluntary organisations, with 13 (62%) providing core funding and 15 (71%) capital funding.

2.96 Only 16 of the SIPs were able to provide a breakdown of the funding which they had distributed. For 2000-2001, a total of more than £21m was distributed by these SIPs. 11 SIPs were able to indicate how many voluntary organisations had received this funding. The total funding of £11.3m which had been distributed by these SIPs was found to have been provided to 245 voluntary organisations. Of these, only 3 were identified

as being black or minority ethnic voluntary organisations. The level of resources provided to these projects was only available in two cases, totalling £19,200 for 2000-2001.

2.97 One of the thematic SIPs (Frae Fife) provided the only example of a specific grant for black and minority ethnic groups through the SIPs, the purpose of which was to enable capacity building amongst black and minority ethnic communities, attracting new members, developing projects and events. The funding covers a range of activities and is available to non profit organisations in Fife, with a constitution or rules. The provision is new in 2000/2001, and has a small fund of project resources (£10,000). It is expected that the typical award will be around £2000. Core funding is not provided, and capital costs are excluded.

2.98 All of the groups in Fife have been notified of this funding, and development workers in local areas have application forms. Known black and minority ethnic groups are also being visited and a questionnaire completed, in order to raise awareness of the funding provision. The publicity material and application forms are available in a range of languages and the decisions will be made by a group of community organisation representatives. At the time of the research, no awards had been made, but this will clearly make provision to black and minority ethnic groups.

2.99 The other thematic SIP (the Glasgow Anti Racist Alliance) has chosen not to specifically distribute funds in this way, but is working through a number of specific projects which are delivered by voluntary and statutory organisations.

Health boards

2.100 Contact was made with all of the health boards in Scotland, by telephone and in the

postal survey. 12 of the Health Boards (80%) responded to the questionnaire, although only 8 (slightly more than half) were able to provide details of their overall provision to the voluntary sector.

2.101 In terms of provision to organisations in the voluntary sector generally, among those which were found to provide some form of funding, the actual departments providing support within the boards varied widely (e.g. Health Gain Division, Nursing Division, Health Promotion), depending on the structure of the board. Seven (47%) were found to provide core funding to voluntary sector organisations, and when the priorities for this were explored, it became clear that, in each case, these were related to voluntary organisations providing services in line with a health board's own strategy, and working in areas which complement the core provision made by the boards and trusts.

2.102 Amongst the boards which had provided core funding (7, or 47%), the number of organisations supported in this way varied widely (between 3 and 27). The total amount of core funding (for 1999-2000) identified was £1.84m (which is clearly an underestimate of the actual total as some boards were unable to provide relevant figures). In 1999/2000, the total number of voluntary sector organisations identified as receiving core funding was 105. No black and minority ethnic group was identified amongst these.

2.103 One health board indicated that, from 2000/2001, it had a service level agreement with a black and minority ethnic organisation.

2.104 Nearly two thirds of the respondent boards (60%) provided project funding to the voluntary sector. One health board noted that it had only recently established a small projects fund and had not yet made any awards.

Amongst the other boards, the number of projects supported was described as "small" in 2 cases, with between 10 and 25 being supported by the others. The total amount of funding allocated by this means varied widely between health boards, from £10,000 in one case, to nearly £600,000 in another. The total sum identified for 1999-2000 as having been provided in this way was £1.12m. None of this funding was identified as being provided to black and minority ethnic groups.

2.105 Three boards noted specifically that they would fund projects jointly with their local authority. Only one board indicated that it had any policies in relation to black and minority ethnic groups, and this board was similarly the only example of a respondent which monitored their funding by ethnic group. Ironically, this monitoring established that this health board had provided no funding to black and minority ethnic groups in either 1999/2000 or 2000/2001.

The National Lottery

2.106 The National Lottery is a major source of provision to the voluntary sector and has a number of sources of funding, through the National Lottery Charities Board (NLCB), Awards for All, New Opportunities Fund and, as seen, other organisations such as SportScotland and the Scottish Arts Council.

2.107 In terms of the NLCB, firstly, provision is made through two programmes: "poverty and disadvantage" and "community involvement", which will merge in April 2001, as the distinction between them is sometimes an artificial one. From then, the main grants programme will be a single one, tackling disadvantage or improving quality of life in the community.

2.108 A medium grants programme for the same funding theme will also be introduced, with a shorter form and simpler assessment

processes, and will fund projects costing up to £60,000. (This programme will be piloted in Scotland from April 2001.)

2.109 The objectives of the current funding are to improve the quality of life for communities disadvantaged because of poverty, or risk of poverty, and to allow capacity building to help to promote the involvement of individuals in social welfare projects. Black and minority ethnic groups were identified as a specific priority in relation to the poverty and exclusion strand.

2.110 In order to apply for the funding, organisations require a constitution (although they do not require to be a registered charity) and a bank or building society account. An application form is completed and submitted to a grant officer for assessment against set criteria. The decisions are made by the Scotland Committee. (It was noted that the large volume of this funding does not allow the development of a close relationship with organisations in order to provide support.)

2.111 The NLCB's grants programmes in Scotland have 13 local authority areas which are priorities, although grants are made in all areas of Scotland. The poverty and disadvantage programme funds projects such as childcare, healthcare, fuel poverty, facilities for isolated and vulnerable people. The community involvement strand funds the setting up and improvement of community groups, as well as other means of involving people in community activities. Both aspects of this funding are clearly relevant to black and minority ethnic groups and both will provide core and project funding during the period of the award (which can be for 3 years with a further 3 years, with a development re-application). Although it was noted that NLCB funding is not described as core funding, it was

recognised that an organisation itself is sometimes the project.

2.112 The funding is publicised in a range of ways, including the use of the internet and brochures, as well as the development of outreach and information meetings. Information is disseminated by other organisations (for example, through a monthly column in *Third Force News*). Publicity material has been made available in other formats, with application forms available in Arabic, Bengali, Chinese, Gujarati, Punjabi, Somali, Swahili and Urdu. The NLCB also has a leaflet which is targeted specifically at black and minority ethnic groups.

2.113 Monitoring information by ethnic group is collected and published in the Annual Report. During 1999/2000 there was a total of £38.5m in funding provided across the two programmes, with 292 awards made. A total of 5 awards (1.7% of all awards made), totalling £1.1m (2.9% of the funding provided) were made to black and minority ethnic groups through these programmes.

2.114 Additional information was provided by the NLCB to suggest that UK research had been completed which had identified that many organisations had been disappointed with the input of support received, and would like more support when planning projects and developing applications for funding. This issue had also been raised at a recent conference held in Scotland exploring funding issues affecting black and minority ethnic groups, where it was suggested that there was a need for the provision of support at all stages in the process. Although the NLCB in Scotland, however, has a policy of visiting black and minority ethnic groups which apply for funding, it was recognised that there was a high level of need for advice. The conference report²⁹ also points to a range of issues in relation to users'

²⁹ "Taken for Granted? Racial Equality in Grant Making" NLCB Scotland (2000)

perceptions of the process of application for funding which were raised, many of which are also reflected in the findings of this report. The same report notes that an advisory panel in the Board has developed a plan which :

“involves ensuring internal practice is focussed on race equality issues, developing strategic links at national level to help the Board access appropriate networks and continuing to try to fund capacity building projects in the black and minority ethnic sector”.

The report also points to the forthcoming developments in funding, noted earlier.

2.115 Awards for All is a small grants programme run jointly by the National Lottery Charities Board, the Scottish Arts Council, SportScotland and the Heritage Lottery Fund³⁰. Its overall purpose is described as being to bring people in the community together in order to enjoy community activities. This project fund is for non-profit making, non-constituted groups with a gross income of less than £15,000, and funds work such as, for example, developing neighbourhood services, encouraging access to the arts, sports, access to local wildlife and community support. Exclusions are grants for religious purposes, foreign trips, feasibility studies and various core costs. Application is via a simple form which is assessed by an awards officer, with a recommendation to a Committee comprising the four contributing partners. The maximum award is £5000 in any 12 month period.

2.116 In 1999-2000, a total of £6.063m was distributed by Awards for All in Scotland, to a total of 2409 recipients. Of these, 29 recipients were identified as being black and minority ethnic voluntary organisations (1.2%). These

organisations received more than £99,000 (1.6% of the funding distributed). The proportion of the fund going to black and minority ethnic voluntary organisations in 2000-2001 to date is very similar (representing 1.3% of recipients and 1.4% of the total fund). It is interesting to note that over the period from 1st April 1999 to the end of November 2000, only one black and minority ethnic voluntary organisation received support from the SportScotland strand, while none received support from the Heritage Lottery Fund strand.

2.117 Finally, in terms of National Lottery funding, the New Opportunities Fund in Scotland provides support for a disparate range of purposes, including health projects, out of school childcare, education, training and environmental projects. This fund is open to statutory, as well as voluntary organisations. The total fund for Scotland is approximately £53m per annum, and most awards are typically quite large. Only a small amount of the overall funding is directed towards voluntary organisations.

Other charitable trusts and foundations

2.118 A number of other charitable trusts and foundations were also identified, and the main larger sources here were found to be Comic Relief, BBC Children in Need and the Lloyds TSB Foundation for Scotland. Although it was clearly impossible to explore all of the available charitable sources in this report, provision by these main organisations was explored in more detail.

2.119 Comic Relief, a national charitable source provides funding (through small and large grants) to assist disadvantaged

³⁰ The Millennium Commission were members of Awards for All from June 1999 to July 2000.

communities. The funding is available not only in the UK but also in Africa. The next Red Nose Day (the source of the funding) will be in March 2001, and the fund is currently closed until after that date.

2.120 In terms of the previous distribution of the fund which is now closed, for the small fund, support up to £3000 was available, with up to £25,000 per annum for the larger projects. There were specific objectives for black and minority ethnic groups, who had been identified as facing injustice and inequality. Comic Relief also specifically targeted projects which found it difficult to attract funding from other sources and welcomed grassroots projects. Application was on a standard form and a shortlist was prepared from which Trustees approved the successful bids. Funding had to be paid through a registered charity.

2.121 In Scotland, in 1998 (the most recent year for which detailed information is available), a total of £174,207 was distributed to 33 organisations. As with some of the other sources, the only means of identifying disbursement by ethnic group was by the name of the project, and it appears that one black and minority ethnic group (3% of all awards) received £5000 (2.9% of the funding). Although the total disbursement for 1999/2000 is not yet available, it is known that 2 black and minority ethnic groups received support, totalling £78,000.

2.122 BBC Children in Need is a further funding source from a national charitable appeal. The overall objective is to assist projects which work with children other than through mainstream statutory services. There are no specific objectives relating to black and minority ethnic groups, but the fund welcomes applications from projects which are “inclusive”. Although this is primarily a project fund, again core costs may in effect be provided, as the

project may involve the establishment of an organisation. In the case of Children in Need, applications are only accepted from not for profit organisations, but there is no specific requirement to be a registered charity. Application is made using a form with subsequent contact from an assessor and the decision is made by an Advisory Committee.

2.123 UK wide, the fund is £10-£20m (depending on the success of the appeal). The maximum support which can be provided by the fund is £75,000 over three years. Where the application is for capital projects, seasonal projects, equipment and welfare funds, only one year of funding can be provided. Information has been compiled by Children in Need in relation to the disbursement of this by ethnic group but this was not available at the time of this report.

2.124 The Lloyds TSB Foundation for Scotland is part of a national charitable trust which receives 1% of the bank’s pre-tax profits, a set percentage of which is allocated to each of England, Wales and Scotland annually. This provides support to enable people to become more active members of society and to improve their quality of life. It is provided in three main strands : social and community needs, education and training and scientific, medical and social research. The Foundation identifies that it is particularly keen to encourage applications from black and minority ethnic groups.

2.125 The funding is open to groups with charitable status, although it is noted that a range of excluded purposes may disqualify otherwise eligible organisations. These include environmental, animal welfare or conservation projects, statutory purposes, support for appeals and religious purposes. A wide range of types of project and organisations can, however, be funded through this source.

2.126 The size of the fund in 1999/2000 was £6m, with 600 awards. Although, again, the number of awards to black and minority ethnic groups had to be calculated from the names of projects, it appears that five of the awards (1%) were made to black and minority ethnic groups, with £108,300 (1.8%) provided.

2.127 It is worth stressing that the publicity material for each of these major national sources emphasises the fact that applicant organisations can receive informal advice and assistance in both developing their project and completing the application form.

2.128 These cover the main sources identified by organisations themselves as providing funding. The Barings Foundation was also mentioned by a small number of respondents, but it was identified that this source is currently only available in a number of priority areas of England.

2.129 In addition to these main sources, a brief exploration of other trusts was also undertaken through the use of Funderfinder and Grantseeker (accessed at SCVO). It was not intended that the disbursement of these funds would be examined in detail, but the search was undertaken in order to identify some of the range of other sources which are available.

2.130 This software provides details of in excess of 4000 sources of funding, and can be accessed through much of the CVS network (which itself does not cover all areas of Scotland). A search was carried out for funding on the basis of “minority ethnic” organisations and on the basis of “race equality”. Although this was not a detailed nor sophisticated search, a total of 69 matches were found, which reduced to 21 when these were examined further (with, for example, some only available to some parts of the UK, some

which no longer made provision and some which were only available to some types of organisations, such as universities).

2.131 Those that remained included large trusts (such as Comic Relief and the Barrow Cadbury Trust) and smaller trusts (such as individual bequests). Although a Scottish-based black and minority ethnic group could apply to these sources, and a number made specific reference to minority ethnic organisations as being a particular priority, there was only one (a small trust) which was particularly directed to Scottish organisations, all others being primarily UK wide. There were wide variations in the terms and conditions of the funding, in the application processes and in the amounts for which application could be made. Some of the individual funds were also found to be very diverse in terms of what they would, and would not, accept.

2.132 It is recognised that there are likely to be additional sources which may also have relevant criteria, but even this basic exploration made it clear that seeking, identifying and applying to many different trusts is a time consuming process, which may ultimately yield only a small amount of funding (if any).

European funding

2.133 European funds are currently in a period of transition. At the beginning of 2000, there were substantial changes made both to the nature of the funds and to the areas which are eligible. The most significant change was in relation to the downgrading of the Highlands and Islands from Objective 1 status, but there were also a range of changes affecting other parts of Scotland, including the Scottish Borders and Dumfries and Galloway becoming eligible for mainstream Objective 2 funding. As a consequence of the delays in approving the various programmes, as yet, there have been

no awards made under the new 2000-2006 programmes in Scotland, and, therefore, the information which is available is limited at this stage.

2.134 European funding in relation to voluntary organisations is available currently from four main programmes. Within the Highlands and Islands, a so-called “special programme” has been developed to ease the transition from Objective 1. This programme includes a greater degree of provision for community based projects than any of the other programmes.

2.135 Objective 2 funding is available in a number of areas in both east and west Scotland, as well as (as noted earlier) Dumfries and Galloway and the Scottish Borders. The new Objective 2 programme has a greater focus on support for communities and community development than had the previous 1994-1999 programme, but it is worth noting that the overwhelming majority of the funding available under Objective 2 will go to local authorities and LECs (although, a possible use for this money could be to provide schemes of assistance to voluntary organisations).

2.136 The third main strand currently is Objective 3, which provides support for training and lifelong learning as well as some aspects of equalities work. Objective 3 funding is available Scotland-wide. Voluntary organisations have similar access to this funding, to, for example, local authorities, LECs and colleges. As with the other funds, as yet, no awards have been made, and it is not possible to assess the extent to which voluntary organisations generally, and specifically black and minority ethnic organisations, will be successful in obtaining support.

2.137 The final strand of European funding is

not related to the main structural funds described above. The main source of non-structural funds is through community programmes, such as Equal and Integra. These funds tend to be quite restrictive in terms of the activities which are eligible and often require that organisations within Scotland undertake projects in partnership with organisations in other regions of the European Union.

2.138 A further source of non-structural funds is through Europe-wide programmes, developed to support specific activities set out within the Treaty of Rome. An example of the use of these funds in Scotland currently is the Local Social Capital programme administered by SCVO and described earlier which was supported under Article 6.

2.139 In relation to European provision in the coming years, it was also noted by the CRE in discussion that, for the first time, the Commission has also drawn a priority for race equality work under Article 13 of the Treaty of Amsterdam, to combat discrimination. Through an Action Programme from 2001-2006, funding will be allocated to fund practical action by member states to promote racial equality in the areas of the Employment Directive and the Race Directive. A leaflet produced when the package was under consideration in 2000 suggested that :

“the Action Programme will provide a welcome opportunity for many agencies involved in combating discrimination to develop and participate in projects to change public attitudes to diversity and to promote racial equality....it is safe to say that there will be opportunities for a variety of agencies to participate in the programme”.

2.140 It was noted by the CRE, however, that organisations in Scotland have little access to

such funding. This is often as a result of lack of awareness of provision, but also, more generally, although the EU is keen for voluntary organisations to apply for both structural and non-structural funds, the administrative capacity required by an applicant for any European funds is considerable and this has meant that relatively few voluntary organisations have historically applied for European funding in their own right.

Other issues in funding provision

2.141 A number of further aspects of the individual grant sources were explored and this identified some additional issues. Information relating to a total of 182 individual grant sources was gathered for this report. These grants were provided by, or through, the Scottish Executive, VDS, SCVO, NDPBs, local authorities (as seen), LECs, health boards, SIPs and some national charities.

2.142 The overall objectives of the specific fund generally related to the overall work of the organisation (or department within an organisation) providing it (e.g. health, economic development, arts, leisure, social welfare etc). Local authority grants often specified the overall goals of the authority (e.g. community safety, social inclusion, equality) as well as the individual objectives of the grant, as did those provided by the Scottish Executive. It is interesting to note that there is often a clear complementarity of the corporate goals of a public sector organisation and the needs of black and minority ethnic groups in terms of addressing racism and exclusion. In addition, it was noted that in over a fifth of cases (22%) there were found to be specific objectives within the grants which related to black and minority ethnic groups. In most cases, these were very general and related to the fact that black and minority ethnic groups were regarded as a priority through having been

identified as a group experiencing social exclusion. Nonetheless, these findings serve to highlight further the irony of the low level of provision to black and minority ethnic groups through mainstream sources.

2.143 There were very few examples of objectives relating to specific funds which were “external” to the funding organisation (e.g. where a grant would be designed to improve the overall capacity of organisations within the voluntary sector without necessarily addressing a specific service objective of the funder). Perhaps the best examples of this are the Community Action grants available through LECs within the HIE area and the Capacity Building grants available from the Frae Fife SIP.

2.144 The ambiguity in the distinction between core and project funding has already been noted, and clearly some of the information relating to this depends on respondents’ perceptions of each of these types, but it was interesting to note that 152 (84%) of the grants would meet project costs, while only 91 (50%) would provide support to core costs for an organisation (and even these often involved relatively small maximum sums).

2.145 In 136 cases (75%) equipment costs could be met and in 98 cases (54%) other capital costs could be met. It was found that 132 (73%) would meet some staff costs (often sessional) and 135 (74%) would meet the costs of overheads. Around two thirds of the grants could not offer multi-annual funding (65%), the main exceptions being the Scottish Executive (direct and indirect provision) and charities. (A number of these organisations identified that their funding was “typically” two or three years.) In most cases (80%), however, organisations could reapply for funding (although not necessarily in the same financial year or where an existing grant was still current). It was clear from the information

received that it was very rare for funding to be offered on a loan or repayable grant basis. Where repayment was indicated, this was generally where the grant was not being used for the specified purpose (but, in fact, this is probably the case for all of the provision). In a very small number of cases (including part of the Scottish Executive) it was noted that either repayment of the grant or a transfer of any assets purchased using the grant would be enforced on a discretionary basis if the project (or the recipient organisation) ceased operation.

2.146 Exclusions were specified in more than two thirds of cases (127 grants or 70% of the total). Although there were a number of types of exclusion, the commonest (in addition to the specific exclusion of core funding) were political activity and religious purposes. In a number of cases, the specific exclusion of groups described as having a “closed” membership, or existing solely for the benefit of members, was noted.

Publicity

2.147 In terms of the means of publicising the grants, most respondents to the individual grants survey indicated that, where funding is advertised, this is done through traditional sources, such as booklets and leaflets, press advertising and, for example, posters in local offices. A number of examples were also identified of organisations using Third Force News as a means of publicising funding. A small number of local authorities, the Scottish Executive and all of the major charities now carry information on websites. The EMGS, Lloyds TSB Foundation for Scotland and the National Lottery Charities Board have also held outreach surgeries, as noted earlier, and funding is being promoted in, for example, Fife to black and minority ethnic groups through local workers.

2.148 A significant number of organisations stated that they notify known groups as a means of publicising their provision, using, for example, existing mailing lists of previous recipients or through community workers notifying the groups with which they have contact. In a small number of cases, applications were found to be only accepted from organisations which have been funded before. Word of mouth was also seen to be a common means of distributing information about funding. One local authority indicated that it does not advertise any of its funding currently, as this is already accounted for and “any new organisations would know where to come”. This point was reinforced by a number of other local authorities, who indicated that they did not advertise as a means of saving money, given that their grant funding could be fully committed through applications from groups already known to, or working with, the council.

2.149 Information for only 7 of the grant sources (4%) covering 4 organisations was available in languages other than English.

Conditions and procedures

2.150 Almost all of the grants (76%) required application forms. In terms of the way in which decisions were taken, the commonest pattern identified was that small grant approvals could be made by staff members using delegated authority, while applications for larger grants would require consideration by a committee, advisory group or board. Some of the larger charities and local authorities had staff who would undertake assessment of applications, but, as noted earlier, there was little evidence of pre-application support being provided.

2.151 In less than a third of the cases (28%), the disbursement of grants was on a one-off basis, at a specified time, usually on a date in

the autumn of the year prior to that in which the funding was required (although the actual months varied). A small number of local authorities indicated that, if their funds were not exhausted by this process, they could, at their discretion, have a second round of applications. Only one organisation indicated that it maintained a contingency fund for worthwhile applications received outwith the one-off process. Among the organisations indicating that they operated a multi-round or continuous process, a number of local authorities suggested that applications were only accepted up to the point at which the fund was exhausted for the year (with one authority indicating that this was sometimes before the official start of the financial year). A small number of funds indicated that they did not accept applications as such, but rather invited bids for resources following discussion with, for example, local authority contacts.

2.152 Around a quarter of funds specified that they had an appeals process, although the point was also stressed by a number of respondents that a successful appeal would not necessarily mean that an organisation could receive funding where a budget had been previously committed. It was also noted, however, particularly in local authorities, that organisations which had close contact with their elected members and were aware of the process for raising issues through these members would, in effect, appeal in this way.

2.153 It was found that conditions were applied to the receipt of almost all of the grants, although the nature of these varied. The main conditions identified from the highest number of sources were as follows :

- ▶ bank account (often with 2 signatories);
- ▶ audited accounts;

- ▶ evidence of expenditure (through, for example, submission of receipts);
- ▶ the right of access for funders' audit staff to the accounts;
- ▶ performance monitoring and reports to the funder;
- ▶ final evaluation within a specified period.

2.154 Only a small number of funders indicated that they would require to be represented on the Management Committee of an organisation as a condition of their support, although a number of others indicated that they would expect the organisation to liaise with a nominated link officer.

2.155 It was interesting to note that even sources of small amounts of funding often applied contractually binding conditions.

2.156 Funds were found to be monitored by ethnic group (in some way) in only a quarter of cases, but even within these, there was little evidence of systematic use being made of the information gathered. One council also pointed out that, if this type of monitoring is to be meaningful, it must be separated from any link to meeting the criteria or conditions of an award, in order to avoid groups believing that they must indicate provision to black and minority ethnic groups in order to enhance their chances of success. Fourteen funding sources were found to provide a report back to members or trustees about their disbursement (within local authorities, typically to an equalities group).

Overall patterns of disbursement of funding

2.157 Following this detailed presentation of the operation of some of the key funding

sources to the voluntary sector in Scotland, and specifically to black and minority ethnic organisations in the voluntary sector, some issues clearly begin to arise.

2.158 The first is the complexity of the funding situation facing the voluntary sector in general, with direct and indirect provision from the Scottish Executive (and the Ethnic Minority Grant Scheme, classed as direct, but effectively indirect in its operation); substantial provision by local authorities; some provision by other public bodies (such as LECs and health boards); European provision; a key role for large national charitable sources and a vast number of other charitable trusts / foundations which have some funding to disburse.

2.159 Within these sources, there may also be a complex pattern of provision (for example in the Scottish Executive and local authorities) and considerable variation in application processes, timescales and conditions. There is also considerable variation in the extent to which the public sector is making core funding available to voluntary sector organisations.

2.160 Within this overall structure, in terms of black and minority ethnic groups, perhaps the most apparent issue relates to the small number of black and minority ethnic groups which appear to secure funding. Only a small number of sources of funding which is aimed specifically at black and minority ethnic groups has been identified, with one national source, a very small number of local authorities and one SIP having this available.

2.161 Despite the lack of specific funding, however, in terms of mainstream funding, whilst there is little monitoring information kept by many organisations, there is also little evidence of a consistent and appropriate level of provision to black and minority ethnic groups across funders. There is substantial

variation amongst local authorities (with some providing none, and not recognising the issue) while some provide to a number of black and minority ethnic groups. Even, however, where funding organisations are distributing a number of awards or an amount of funding which is proportional to the estimated population, the actual number of awards and coverage of this provision is very low. There was also some anecdotal evidence that black and minority ethnic organisations were sometimes directed towards specific funds which were viewed by a department or organisation as more relevant than the mainstream (e.g. black and minority ethnic organisations approaching the Scottish Executive being directed away from Section 10 funding and towards the EMGS, even although this is a relatively small fund). There appears, in general terms, to be a perception amongst funders that there are few applications from black and minority ethnic groups to mainstream sources.

2.162 Overall, a very small number of black and minority ethnic groups have access to what has been termed “core” funding to meet their basic operational costs. In addition, however, only a small number appear to have access to project funding.

2.163 Service level agreements from public sector organisations were seen to be provided to organisations which were well-established and permanent, with paid workers, and few of these were seen to be black and minority ethnic groups.

2.164 There also appear to be a number of gaps in the availability of particular types of funding (and other means of support), which will be explored further later in the report.

2.165 A number of issues have also become apparent in relation to the overall operation and processes of the funding sources which will

again be explored further in the following sections.

2.166 In terms of awareness of all of these issues, there is, however, some evidence that the larger charitable sources and a few local authorities (e.g. Dundee and Fife) are aware of the need to ensure that their provision addresses the current issues faced by black and minority ethnic groups, and have taken some steps to address these. There remain, however, many organisations for which there is little evidence of provision.

Funders' general perceptions

2.167 The above details provide an indication of some of the issues relating to funding for black and minority ethnic groups, all of which will be developed further later, on the basis of the supplementary qualitative information which was gathered.

2.168 Some of the specific issues which emerged from the funders during the face to face interviews are also particularly relevant here and are discussed below (although the majority of issues raised are presented in Section 3).

2.169 Funders pointed to a number of specific concerns in relation to the provision of funding to black and minority ethnic groups, with all organisations interviewed pointing to areas of concern.

2.170 There was a general perception amongst funders that they are aware of the problems in funding for black and minority ethnic groups, and a view (amongst the charitable sources particularly and highlighted above) that there is a desire to provide more funding to these groups.

2.171 Although there appeared to be some awareness that this was an important area of

work, however, there was a lack of clarity about how to take this forward and to generate more applications from black and minority ethnic groups.

2.172 There was also a concern in relation to the current capacity of some of the organisations to meet the needs of the application process and the conditions of the subsequent provision of funding. There were seen to be few black and minority ethnic groups with a “track record” in funding receipt, and these themes will be discussed further later in the report.

2.173 As will become clear in the following section, a range of additional concerns were expressed in the overall context of the interviews and discussions, and a range of developments which were seen to be required were identified.

Patterns of receipt of funding

2.174 Having explored the funders' perceptions of disbursement, experiences of receipt of funding were also explored in a number of ways.

2.175 During interviews, participants were asked to identify their perceptions of the key sources of funding for the voluntary sector in Scotland, and it was found that these accorded with the sources highlighted earlier in this section. The sources which were mentioned most commonly were the Scottish Executive and local authorities, both of which were highlighted by almost all of the interview respondents. Ten interviewees also mentioned the involvement of charities and trusts (highlighting specifically the National Lottery, Children in Need, the Lloyds / TSB Foundation for Scotland and Comic Relief). Only two respondents, however, mentioned the role of Local Enterprise Companies, Social Inclusion

Partnerships or other NDPBs. Only one mentioned SCVO and one VDS. (One suggested that, although European funding is available, it is virtually impossible, as suggested earlier, for black and minority ethnic groups to access this.)

2.176 In addition to this information, a total of 70 black and minority ethnic groups in the voluntary sector provided information about their actual experiences of funding, and the patterns were analysed.

2.177 In terms of the nature of the respondents, these organisations were found to vary in their size and purposes, and 10 (14%) of the respondent organisations were found to operate on a Scotland-wide basis. A further 13 (19%) were found to operate on a regional (e.g. East or West of Scotland) basis, while the remainder operated at the level of individual cities or towns, or areas within these. It was interesting to note that only 6 (9%) of the organisations had been in existence for less than three years. The respondents were, therefore, largely well-established organisations. A total of 41 (59%) had staff, ranging from 1 to a maximum of almost 50, although almost all of the organisations also involved volunteers in their operation.

2.178 These findings were not surprising, as it had always been considered likely that the respondents to the questionnaire would largely be those with a longer history of operation and those which had received funding, as many newer or poorly funded organisations would be likely to lack the resources to participate in the survey.

2.179 It can therefore be assumed that many of the organisations in the survey had a wide knowledge and experience of the issues facing black and minority ethnic groups in securing

funding as well as being aware of the difficulties facing other organisations.

2.180 Despite the fact that almost all of the organisations had been in existence from some time, it was found that not all had received funding (although the majority had). A total of 44 organisations (63%) had received funding in either 1999 or 2000, leaving a third of even these well-established organisations without such resources. Virtually all of the 41 organisations with staff were included amongst those who had received funding. There were, however, 4 organisations with staff which had not received funding (but, given the nature of the organisations, it may be that the staff were employed on the basis either of member donations, or by another organisation to provide a staff service to the respondent organisation).

2.181 The funded organisations had received a total of 178 individual pieces of funding, and 14 of these (32%) had received funding from 5 or more sources. One organisation had received funding from 25 separate funding sources.

2.182 The amounts involved (for the 44 funded organisations) ranged from around £200 to around half a million pounds. A total of 29 (66%) of the organisations had received over £25,000 (although in some cases this covered provision for more than one year). Again this largely represents the group of staffed and established organisations within the sample. It was interesting to note, however, that even amongst the better funded organisations, many required funding from a range of sources and had received a number of separate forms of provision from a variety of providers.

2.183 It was found that, of the 178 individual pieces of funding provided to the funded

organisations, the commonest (46%) were described as one-off grants. Only around one third (31%) were to meet core costs, and only 25 (36%) of the respondent organisations and slightly over half of the funded organisations stated that they received any core funding, leaving almost half of even funded organisations without core funding. The remainder pointed to other forms of funding such as donations, subscriptions, membership fees and “trading” income (such as money given in the form of consultancy fees for feasibility work). In terms of service level agreements, only two of the respondent organisations identified having such an agreement. It is possible, however, that the actual number is slightly higher than this, as evidence from elsewhere in the research suggests that some of the core funding may have been provided on this basis, although not annotated as such on the form. Nonetheless, the proportion of organisations with this type of funding is clearly low.

2.184 The survey also identified the sources of funding provision to the organisations which had received this. The single largest provider of funds (in terms of number of awards) was found to be the local authorities (including Social Inclusion Partnerships), confirming the role identified for authorities in provision to voluntary sector organisations. 72 (40%) of the 178 individual awards were made by local authorities.

2.185 The other major provider to the respondents, involving a total of 60 awards (34%), were charitable trusts, amongst which the most common source was the National Lottery through the various distributors. The other major charitable sources were Comic Relief, BBC Children in Need, Camelot and Lloyds TSB Foundation for Scotland. The remainder were less well known charitable trusts (of which only 15 were identified, in each case making a grant to only one organisation and in most cases making a small one-off

payment). There were 5 examples of one-off grants of over £100,000, all of which were from the National Lottery and all of which involved the establishment of services to black and minority ethnic groups. This clearly raises the question of the source of continuing funding at the end of the period, if the need for the provision remains. Of the 10 largest one-off grants, 9 were from the National Lottery (with the remaining grant from Comic Relief).

2.186 A total of 13 of the funded organisations (30%) received support provided by the Scottish Executive, Home Office or NDPBs. A total of 18 awards (10%) were made by these sources (including the Scottish Executive, Home Office, Scottish Enterprise / HIE and Scottish Homes).

2.187 Finally, amongst other sources of funding were amounts of project funding provided by other larger voluntary organisations (e.g. Age Concern or Oxfam) and there was one instance of funding by a Chamber of Commerce.

2.188 In terms of the types of funding, 30% of the organisations in the survey (21 in total) and almost half of the funded organisations received some level of funding for core costs from their local authority, although the amounts ranged from £500 to £130,000. It is clear that for many organisations, even the receipt of what they describe as “core” funding may only be assistance with a proportion of their actual core costs, and it does not mean that this would cover all of the operating costs of the group, nor that it would be sufficient to allow them to operate. Even the identification of core costs may require support from a number of separate sources. A total of 5 of the 21 organisations (24%) which stated that they received core funding from their local authority had received awards of less than £10,000, suggesting that even the

receipt of this type of support does not provide financial security to organisations.

2.189 Although the local authority was the main provider of core funding, a total of 10 organisations also stated that they received additional core funding from other sources. These were the Home Office (2), the Scottish Executive and NDPBs (5) and charitable trusts (3). It is clear that some of these organisations (particularly those reliant on charitable trusts) will require to seek other sources of their core funding at the end of a time limited funding period.

2.190 A total of £1.9m in core funding was found to have been provided to 25 organisations.

2.191 Most of the charitable provision was in the form of one-off project grants, although these sometimes covered more than one year and sometimes covered what might be termed the “core” costs of the project, which, as seen in Section 2, might be the core costs of an organisation, where its only purpose is to operate the project. Local authorities also provided organisations with one-off project related funding. A total of 17 organisations were assisted in this way. The funding awards ranged from £225 (to support a touring theatre troupe) to £40,000 (to support care costs in relation to a new project). The total amount of this funding received by the respondents was around £130,000.

2.192 One off funding had also been provided via the EMGS and via Scottish Homes (for one organisation to undertake a housing project). One organisation received one-off payments from a LEC and the European Social Fund for a training project.

2.193 The total provision in one off grants from all sources was around £2.0m to 36 organisations.

2.194 In terms of unmet need (discussed more fully in Section 3), it is also worth noting here that a total of 24 of the respondent organisations (34%) made unsuccessful funding applications in 1999 or 2000. A total of 4 of the respondent organisations which made unsuccessful bids in 1999 or 2000 for funding were, in effect, left with no funding at all. The remaining 20 organisations which also made unsuccessful applications received other funding from elsewhere.

2.195 A total of 22 (31%) of the respondent organisations made no funding applications in 1999 or 2000, suggesting that a significant number of black and minority voluntary sector organisations do not engage in the funding process at all.

2.196 A total of 56 (80%) of the respondent organisations believed that they had outstanding funding needs. Of these organisations, 17 received no funding at all in 1999 or 2000. It can, therefore, be inferred that the remainder did not believe that they received sufficient funding.

2.197 All of these patterns provide further details of the overall nature and extent of provision to black and minority ethnic organisations in the voluntary sector in terms of their own experiences, and will be discussed further in the concluding section of the report.

Overview

2.198 This section has focused primarily on the identification of the current funding situation in relation to provision to black and minority ethnic groups in Scotland. From this data, it is clear that there are a number of issues relating both to the availability and nature of the funding and to the disbursement and monitoring of this. There is evidence to support some of the issues which have been

raised in Section 1, and an overall picture is emerging of patchy and uncoordinated provision which may not address, in a coherent manner, the needs of black and minority ethnic groups in the voluntary sector (in some cases, either in terms of the nature of the funding or processes).

2.199 The findings from the exploration of funding sources have raised a number of

questions, many of which were addressed further in the collection of qualitative information, which provides further insight into the main issues.

2.200 The additional findings from the postal survey, interviews and discussions will be presented in Section 3, before drawing the findings together into a series of conclusions and recommendations.

CHAPTER 3
KEY **ISSUES** IN FUNDING

3.1 In addition to the data collected in the previous section, a large amount of qualitative information was also gathered from the postal survey of black and minority ethnic groups, as well as from discussions and face to face interviews with funding providers and organisations working with black and minority ethnic groups (although some of the findings of this were presented in the previous section).

3.2 This information assisted in the identification of detailed perceptions of a number of key issues facing those involved in both the provision and receipt of funding. The findings of these parts of the work are discussed in this section of the report.

3.3 It became clear that the potential contribution to the development of black and minority ethnic groups in the voluntary sector of the funding sources outlined in the previous section was substantial. Respondents, during interview (and particularly those with responsibility for the provision of funding and equalities work), pointed to a range of ways in which funding could play a key role in the strategic development of an organisation. These included, for example, the development of independence, confidence and capacity building, the development of new work and the continuation of ongoing work by the organisation. It was also suggested that the development of black and minority ethnic voluntary sector organisations could ensure that statutory organisations are more responsive to the needs of black and minority ethnic groups and provide a range of more general benefits to the community as a whole.

Current issues in funding provision

3.4 Despite these clear benefits, however, it is evident from the preceding section that there are issues relating to the availability and nature of funding for black and minority ethnic groups

in the voluntary sector. A range of issues were identified which currently constrain access to support for voluntary organisations and particularly black and minority ethnic groups. Many of the participants, both in the discussions and interviews, whilst recognising the importance of funding, identified a number of current issues and concerns.

Experience of problems

3.5 As seen in the previous section, there are issues relating to the availability and provision of funding to many black and minority ethnic groups. A number of organisations identified that they had experienced a range of issues in both seeking and obtaining funding which were also explored in more detail.

3.6 In terms of the 70 organisations which provided questionnaire responses (as discussed in Section 2), it was found that two thirds (67%) had experienced problems with some aspect of their funding. The most common problem identified was in terms of identifying sources of funding (mentioned by 72% of those who experienced a problem and 49% of organisations overall). Among the other issues identified by those who had experienced problems, a further three were mentioned by more than half of those organisations. These were : the amount of funding provided (66%), the conditions applied to the funding (55%) and the application process (60%). It is also worth noting that many organisations (38, or 54% overall) identified more than one problem.

3.7 More generally, more than two thirds of respondent organisations (67%) believed that there are particular barriers for black and minority ethnic organisations in getting access to funding, and all of these issues are discussed in more detail later in this section.

3.8 In addition to these survey findings, almost all of the interviewees believed that there were barriers to funding for black and minority ethnic groups (the only exception being one local authority respondent with little contact with black and minority ethnic groups). Similarly, all but two of the interviewees (who had little direct contact with black and minority ethnic groups) were aware of funding concerns amongst groups. All but two of the funding organisations and all of the organisations working with black and minority ethnic groups believed that there are currently gaps in funding to these groups.

3.9 It should be noted here that one respondent suggested that the concerns of black and minority ethnic groups would mirror those of other groups in the voluntary sector, with the problems highlighted relating, more generally, to voluntary sector funding as a whole. The suggestion that many (although not all) of the issues raised in the discussions could apply to other voluntary sector organisations was also recognised by other respondents. Most, however, whilst acknowledging that there are many general concerns which affect voluntary sector organisations in relation to funding, also recognised that these would affect black and minority ethnic groups in different ways and would have a differential impact, as a result of the perceived needs of the sector, the current stage of development and groups' experiences of racism and social exclusion. Although, therefore, many of the issues may not be unique, the impact of these is seen to be disproportionate.

3.10 All of the interview respondents stated that they do not believe that funding currently meets the needs of black and minority ethnic groups, a finding which is supported by the actual experiences of many of the groups. The constraints and barriers identified are highlighted in more detail below.

The changing nature of provision

3.11 Firstly, it is clear from the above that local authorities are perceived to have a key role in the provision of funding to the voluntary sector in general and to black and minority ethnic voluntary sector organisations, but there were concerns in relation to the nature of this funding.

3.12 A number of respondents pointed out at interview that, generally, it is becoming increasingly difficult for statutory organisations (and particularly local authorities) to provide funding to voluntary organisations overall, and to black and minority ethnic organisations, as the level of resources available for this purpose is reducing. One postal survey respondent suggested that the consequence of this is that:

“local authorities tend to state that they have no money – they always direct ethnic minority organisations to lottery funding or to other funders”.

3.13 A further major issue was seen to be the increasing move by statutory organisations (and particularly local authorities) to the development of service level agreements and contracts as the main means of provision of support to community organisations, and this was raised during the group discussion as a major area of concern. The organisations which raised this issue themselves received funding from their local authorities, but suggested that service level agreements (described in Section 2) created difficulties for voluntary sector organisations. Two interviewees in the statutory sector also suggested that the move to service level agreements had made the existing situation worse in terms of access to support.

3.14 Not only was it seen to be difficult for new organisations to develop these agreements

with authorities and statutory organisations, but those with such arrangements in place believed that there was a danger that their independence would be compromised by the closeness of their links to the funding organisation, making it difficult to challenge funders. It was also suggested that the staff employed by organisations under such arrangements will effectively be working for the statutory organisation, without the beneficial terms and conditions of other staff. Although it was recognised that there is seen to be an increasing focus on “partnership” working, this was seen to be an unequal partnership.

3.15 The fear was also expressed at the discussion meeting that individual sources of funding from statutory organisations (and particularly Section 10 funding) would eventually disappear altogether, in favour of specific formalised arrangements.

3.16 It was also suggested that the increasing preference by statutory organisations for provision through service level agreements and contracts imposed a constraint upon the development of the black and minority ethnic voluntary sector more generally, as much of their work centred upon the provision of services to fill gaps which it was suggested that statutory service providers themselves should address. These gaps related to the development of local and national services which were relevant to, and met the needs of, black and minority ethnic groups, but which were often not currently provided. In the absence of such provision, there was seen to be a need for the types of work being undertaken by black and minority ethnic groups (which was seen to “let authorities off the hook” whilst constraining the initiatives which could be developed). It was also suggested that the provision of services through this type of arrangement meant that

such services were seen to be a privilege, rather than a right.

3.17 These issues also related to the overall view that the increasing focus on the “mainstreaming” of funding would reduce further the availability of specific sources, without a corresponding improvement in access to other funding for black and minority ethnic groups. It has become clear that there are few specific sources of funding for black and minority ethnic groups, and that these provide support to relatively few organisations. It has also become clear that there is a relatively low level of mainstream provision (discussed again later in terms of types of funding). It was suggested in the postal survey that this is worsened by racism within mainstream funding sources and the need to compete with white organisations. There was a concern that mainstreaming would become “a mantra, like social inclusion” without the corresponding changes to practice required, and one interviewee suggested that the black and minority ethnic voluntary sector was being “swept downstream rather than being mainstreamed”.

3.18 It was also noted that funders may fail to recognise the importance of specific provision through their resources. As one respondent to the postal survey noted, for example :

“funding is often not given as the ethnic group is expected to join mainstream activities. However, this is not always possible due to language barriers, lack of confidence etc.”

3.19 In addition, it was suggested that some funding organisations (in their interpretation of the implications of “mainstreaming”) now view equality in terms of “open door” provision which is available to all groups, and, on this

basis, refuse funding for provision to meet the specific needs of black and minority ethnic groups by suggesting that they are, for example “excluding white people” or, if focusing on a particular minority ethnic group, “excluding other groups”. This misinterpretation of the concept of mainstreaming and the basic principles of equality was seen to be a retrograde step in terms of the level of understanding of the concept of positive action. Some respondents pointed to the perception that there had been a focus on the implementation of the concept of mainstreaming without the corresponding provision of training to ensure that such misinterpretation was avoided.

3.20 One local authority respondent, during interview, suggested that mainstream sources of funding are “seriously underused” by black and minority ethnic groups, a perception reiterated by a number of other interviewees, both funders and other organisations. The lack of access to mainstream funding was highlighted by a number of funders at interview, and this is clearly borne out by the findings presented in the previous section, in terms of the level of provision which has been identified as being made through mainstream funding sources.

3.21 The greater focus on such provision, however, was seen to constrain further the opportunities for black and minority ethnic groups.

Meeting the needs of funders

3.22 A further issue which emerged in relation to the provision of funding (particularly by statutory providers) was the perceived need for black and minority ethnic groups to work increasingly to the priorities of the funders. This was seen to be a trend similar to that which was highlighted in relation to service

level agreements, as organisations were seen increasingly to require to address the objectives of the funders rather than vice versa. This was raised both in the discussion and during interview as a further constraint.

3.23 It was suggested during the discussion and during the interviews that groups have to learn to make their applications “fit” with the current priorities of funders, which may not reflect the actual work which they believe to be required. Although it was recognised that there is clearly a need for funding to be provided to address the needs of funders, as well as organisations themselves, it was suggested that there is a current lack of flexibility in the interpretation of criteria by funders, and a lack of understanding by them of the ways in which applications may relate to these. For these reasons, organisations have to “spell out” to the funders the ways in which their proposals are appropriate. It was suggested that funders often have a constrained range of “triggers” which will convince them of the relevance of work, and one of the participants in the discussion suggested that there is a need to “drop key words into your application, like social inclusion and deprivation and make as many references as you can to the criteria”. (This is supported by the finding in the previous section of the preponderance of conditions which relate to fitting with the objectives of the funding organisation.)

3.24 This issue also arose in the postal survey findings, where a number of organisations suggested that their application had been refused because they did not “fit” with the criteria or objectives of the funder. A number of the postal respondents also suggested that the inability to meet criteria was one of the major barriers to funding for black and minority ethnic groups. This was summarised by one respondent to the postal

survey, who stated that :

“in simple terms, the agenda for projects is imposed by funders on black groups”.

3.25 It was suggested that some organisations develop expertise in developing applications to suit funding criteria, and one funding organisation suggested that :

“white groups have learned to shoehorn the system”.

This can, however, disadvantage many black and minority ethnic groups, which do not recognise the need for this approach, nor have the resources to undertake this.

3.26 Even where organisations develop the relevant expertise, this was seen to put an additional strain on groups, and to be an unnecessary constraint. One of the participants in the discussion suggested that this altered the focus of groups, which in the past, might have been to identify community needs and to approach funders on this basis, but which now required to operate “the other way round”.

3.27 It was also suggested that this has meant that some groups cannot be funded, as the activities which they undertake are not seen to fit readily with the objectives of funders. Anti-racist work (which some organisations may have a remit to undertake) was identified particularly by organisations working with black and minority ethnic groups as being difficult to fund (including work to promote advocacy and tackle harassment). It was suggested in responses to the postal survey that, for example :

“the issues facing ethnic minorities are not always understood or accepted, often being regarded as political, when issues like racism are usually reality for visible minorities”.

3.28 It was also suggested that few charitable trusts have race equality amongst their priorities.

3.29 As one postal survey respondent summarised :

“funding is based on the funders’ objectives, rather than the needs of the group. Funding may be made available for work which is perceived as being in areas of interest to the public, but which may not be necessary for a small group or ethnic minority whose priorities might be quite different”.

One participant suggested that these changes were altering the entire nature of the voluntary sector, which was becoming ever more like a statutory service provider.

Gaps in funding

3.30 In addition to these areas of concern, there were seen to be a number of particular gaps in the provision and availability of funding to black and minority ethnic groups.

Geographical

3.31 Respondents pointed to gaps in the geographical provision of funding, an issue which arose in the discussion with black and minority ethnic voluntary organisations and in the postal responses.

3.32 Firstly, it was suggested that UK funding often makes relatively little provision available to Scotland, with a number of postal respondents pointing to a lack of success with the Connecting Communities funding provided by the Home Office, due to the high level of application to this.

3.33 It was also suggested that the provision of funding and the development of black and minority ethnic groups in Scotland has been concentrated largely within the urban central

belt. This was reflected in the experience of one of the funding organisations covering a rural area in the north of Scotland, where the very small number of black and minority ethnic groups was noted.

3.34 Organisations in the north of Scotland also pointed to problems created by their remoteness from other organisations, as well as to the diversity of the communities and their needs and the difficulties in obtaining funding to address these needs. This was echoed by a representative from a Glasgow-based organisation who identified the needs of members of his minority ethnic group in the North, which were unable to be met currently, as there were insufficient numbers to develop their own provision. This was compounded by the fact that the funding provided to the central organisation was from a specific local authority, which would not allow the provision of the service in another area. As one postal survey respondent summarised :

“our main problem is that we are funded to serve a geographical area, but our ethnic minority users are not restricted geographically. It is absolutely essential that funders recognise ‘communities of interest’ if this type of work is to develop”.

3.35 The difficulties of identifying and applying to each relevant local authority for small amounts of funding to support individuals in the area were highlighted, along with the absence of national provision which could meet such as need on a sustained basis. As one respondent suggested at interview :

“I couldn’t see an organisation seeking to support unemployed black and minority ethnic people in a remote rural area”,

suggesting the link between the likelihood of provision of funding and the number of

potential recipients. Two respondents to the postal questionnaire made the specific point that their service has to be provided Scotland-wide, even although they are only resourced by a proportion of local authorities.

3.36 This situation was seen to have worsened since local government reorganisation, when the number of authorities involved in provision to a relatively small area (and to which application may have to be made) had increased.

3.37 For all of these reasons, it was recognised that black and minority ethnic groups in rural areas and in areas outwith the central belt will have very different experiences of funding to other groups and may, again, face specific additional problems in seeking and obtaining funding. This was seen to be compounded for particular groups within isolated black and minority ethnic communities (such as, for example, black women outwith the central belt).

Timescale

3.38 A related issue which was raised during the discussion focused upon the short term nature of much of the funding which was provided. One participant in the discussion, for example, pointed to the fact that many black and minority ethnic voluntary organisations had been set up in the first instance to address a specific service need, with the expectation that statutory organisations would assume responsibility for this at a later stage. As this had not been the case, the need for the organisation may remain, but the participant noted that much of the funding which is available assumes this time-limited model of need for provision, which was seen currently to be unrealistic.

Types of funding

3.39 There were also seen to be gaps in the types of funding available, and, as noted, organisations believed that it was increasingly difficult to secure service level agreements.

3.40 There were perceived to be overall problems in gaining access to mainstream funding, with some funding organisations seen to direct black and minority ethnic groups to specific sources, which may not always be appropriate. (This issue was also raised in the previous section.) In addition, as seen, there are relatively few specific sources aimed at black and minority ethnic groups. It was noted that when the reasons for unsuccessful applications were explored in the postal survey, the main reason provided by the specific funding sources was that there were too many applications competing for the limited funding. This issue, coupled with the increasing focus on mainstreaming highlighted earlier (and the under-representation of black and minority ethnic groups in access to this type of mainstream funding), leaves an identifiable gap in provision.

3.41 A number of respondents to the postal survey suggested that this is exacerbated by the lack of awareness amongst mainstream funders of the needs of black and minority ethnic groups.

3.42 Even where organisations managed to secure arrangements such as service level agreements, it was noted that there may be gaps in their funding relating to the provision of types of service which were outwith those covered by the agreement (for example, where an organisation was contracted to provide day care, but also wanted to provide one to one support). In order to fill these gaps, it was noted that organisations may then have to apply to time-limited sources and undertake a range of other fundraising activities.

3.43 It was also suggested during the discussion that, beyond service level agreements (which may also be insecure, as recipients both at the discussion and at interview noted), there are few sources of funding which recognise the continuing need for the existence of an organisation. Black and minority ethnic groups pointed, during discussion, to the difficulties in securing long term core funding from any source, and highlighted this as a major gap in provision (bearing out the suggestion made in the previous section). This issue also arose in the postal survey as a major barrier for black and minority ethnic groups, and was reiterated by several interviewees, with examples given of groups which had been unable to continue as a result of this, despite the continuing perception of the need for provision. It was suggested that much of the provision which is currently made is in the form of one-off grants, while others may be for a specified period, such as one year, and may require re-application even where they can be continued. These issues were also apparent from the outline of actual experiences of black and minority ethnic groups in the postal survey, presented in the previous section.

3.44 Even in those cases where provision is made for a three year period, respondents in the group discussion suggested that, at the end of this time, organisations generally “have to re-invent themselves or go under”. Two respondents, during interview, also pointed out that many organisations are set up and fail as a result of the inconsistency in provision. It was argued that much of the provision which is now made to the voluntary sector has no basis in the current reality of their operation. The effect of this was seen to be that even many established organisations face a constant battle to identify and apply for continuation funding from a range of sources to meet their core costs.

3.45 It was not only secure, multi-annual core funding which was seen to be problematic, however. There were seen to be gaps in current provision for groups of all sizes and at all stages. Most of the interviewees stated that all of the forms of funding are difficult (albeit in different ways) for black and minority ethnic organisations to access.

3.46 It was noted, for example, in the group discussion and at interview that there are almost no sources of funding which will provide a small amount of money to allow groups to develop to the stage at which they are able to make a funding application (given the increasing complexity of the process), and that where such funding is provided, it often carries conditions which are disproportionate to the amount of resources provided. There was seen to be variation between funding streams in terms of how easily they could be accessed, but small, easily accessible sources of funding were highlighted as being hard to find (and, as interviewees pointed out, are a key part of the type of support which is required).

3.47 Where organisations have developed, but require a small amount of funding on an annual basis, there was seen to be a large number of organisations which could potentially compete for funding and a lack of sources of this provision. One of the respondents at interview suggested that decisions are often taken on the basis of “numbers”, making it difficult for many smaller organisations to make a case for provision.

3.48 It was also suggested in the group discussion that funders are increasingly unwilling to take risks on new organisations which cannot demonstrate a history or “credit rating”. Against this, paradoxically, it was noted that many funders require projects to be “new” or “innovative” in order to provide support.

3.49 Where organisations required staff provision, there was also seen to be an overall lack of secure funding to support these staff and the preponderance of “project” funding which was identified during interview (and in the previous section) was seen to cause basic difficulties for organisations in meeting what were often small, but recurring, core costs.

3.50 One interviewee also pointed to a perception that funders may not see black and minority ethnic organisations as competent to handle larger sums of money (often despite the professional experience of many of the members). Again, paradoxically, as noted previously, two of the funding organisations stressed again that there is a perception that many funders want to encourage applications from, and distribution of funding to, black and minority ethnic voluntary sector organisations.

The Ethnic Minority Grant Scheme

3.51 Finally, in this context, the nature of the Ethnic Minority Grant Scheme (discussed in Section 2) was also seen by some respondents to contribute to the gaps in funding, and this should be noted here. As this was highlighted in the previous section as a key current source of funding to black and minority ethnic groups, a number of participants also commented on this. A range of issues were raised in relation to the scheme.

3.52 It was suggested at the discussion that there was a perception that this had been developed as a result of the lack of Section 11 funding in Scotland, in the absence of national provision. A number of respondents, however, suggested that the funding is not currently “strategic” and lacks overall direction in terms of the needs which it is seeking to address. This issue was also raised during the interviews, with a perception that the grant took a piecemeal approach to provision.

3.53 It was also recognised that, although a small amount of consultancy support is made available to funded organisations, UVAF does not currently have resources to provide pre-application support. This has been identified as required by black and minority ethnic groups, and was part of the reason for the transfer of administration to UVAF.

3.54 The objectives of the funding were outlined in the previous section, but clearly can be open to broad interpretation. It was noted that the scheme has changed during the course of its administration by UVAF, with the staff suggesting at interview that it was becoming progressively more localised, as there was a previous requirement for organisations to cover a local authority area, which is not now applied. (It was also pointed out, however, that, in practice, all but two of the current projects have covered at least one local authority area, and that the work is designed for wider dissemination.) The opportunity to compete for third year funding was also added.

3.55 Some respondents, at interview, suggested that the way in which this grant is provided is also seen to be inconsistent with the overall approach taken by the Scottish Executive (and specified within the Compact) in terms of providing support to national organisations and those addressing infrastructure issues. It was also suggested that the provision of support to local organisations by the Scottish Executive served to “let other funders off the hook”. These issues perhaps reflect the lack of clarity of the purpose of the funding.

3.56 It was also suggested at interview that the grant is too small and marginalised to tackle the service needs of black and minority ethnic groups, particularly in relation to the development of the infrastructure work. The limit of £25,000 per year is seen to be too small an amount to impact upon the

development of strategic work, making it more suited to funding smaller organisations. Against this, however, some of these smaller organisations, for reasons outlined elsewhere in the report, will be unable to undertake the application process.

3.57 One of the interviewees suggested that the EMGS is difficult for many organisations to access, in terms of the level of development which is required prior to application (although this view was not shared by those responsible for the scheme, who pointed to the lack of an application form to outline the proposal, whilst recognising, nonetheless, the need for quality applications). UVAF also pointed to the use of surgeries to provide advice to organisations, although one of the other respondents at interview suggested that this did not address the development needs of organisations. The low level of attendance at some of the sessions was also highlighted by two interviewees, although there was a perception by UVAF that the take-up of this provision, and the quality of applications, had increased more recently.

3.58 There was also seen to be a difficulty in providing funding to sufficient new organisations, and only around 7 new organisations per year are funded. The overall number of organisations which receive the support is also low (with 13 organisations supported in 1999/2000; 15 in 2000/2001 and 16 in 2001/2002). As one respondent suggested :

“as far as I know, there is only a small pot of money for minority ethnic organisations. Again there is a diverse range of needs both within the ethnic minority community and within organisations. This is not properly understood by funders, so there is not a lot of money for minority ethnic organisations, and what there is, all organisations have to go for. Some, therefore, lose out.”

3.59 Issues were also raised in terms of the geographical disbursement of the funding (outlined in the previous section). There was also seen to be a difficulty for funded organisations of securing continuing funding at the end of the EMGS funding period. These issues were also recognised by those directly involved with the scheme.

3.60 It is clear that many organisations had concerns about the role of the EMGS in the overall funding picture, and, although recognising that individual organisations might benefit, were uncertain about the current overall value of the provision on a wider scale. It should be noted here, however, that these issues relate to the scheme itself and to the resources available, rather than to the nature of the administration, which has, in itself, experienced these constraints.

Range of sources

3.61 A further consequence of the constant search for funding which was suggested at the review group meeting was that organisations may require to approach a wide range of different sources, each of which would have different application processes, different assessment processes, different timescales and different requirements in terms of monitoring and evaluation. Again, this bears out the data in the previous section.

3.62 One of the interviewees pointed to the frustration inherent in this process, while another pointed to the :

“ongoing problem of endless effort and uncertainty”

involved in the process.

3.63 It was suggested that this can lead to organisations spending a disproportionate

amount of time in the completion of applications and on follow-up work which is required, detracting from the initiative(s) for which the funding was first sought, for example, as one postal survey respondent noted :

“many minority ethnic groups are struggling and are perpetually looking for funding. This shifts the focus from service provision to fundraising. There should be longer term funding for minority projects, to allow projects to grow. There must be flexibility in conditions placed on funding, because most groups are picking up on things nobody wants. Our organisation started as a support group, but now seems to do almost everything for the community e.g. referrals, counselling, credit union, race awareness, cultural events, domestic violence, employment, tribunals, bereavements, ceremonies etc”.

3.64 In addition, one of the interviewees suggested that some organisations may finally abandon the search for funding, and fold.

Additional barriers to funding

3.65 In addition to the gaps in funding which have already been identified, there were seen to be additional barriers to access to, and receipt of, existing sources of funding for black and minority ethnic voluntary sector groups, taking a range of forms.

Information

3.66 There were seen to be some difficulties in identifying information in relation to relevant sources of funding for black and minority ethnic groups and how to access this. Twelve of the organisations in the postal survey, for example, raised the lack of knowledge of sources and processes as a

specific barrier to black and minority ethnic groups, for example :

“there is no collective source of funding information available locally, regionally or nationally covering local authority grants, the Scottish Executive, local trusts etc.”

3.67 It was also suggested at interview that there may be a lack of knowledge amongst black and minority ethnic groups that funding sources are appropriate to them. There was also seen to be a lack of referral of black and minority ethnic groups to other sources of funding which were seen to be appropriate.

3.68 It was also suggested at interview that information about application for funding will be shared via word of mouth amongst black and minority ethnic groups, and where one organisation has had a poor experience of applying for funding, this information will become known to other groups, and may discourage them from becoming involved in the process. It should be noted that responses to the postal survey highlighted 15 cases in which no feedback was given relating to unsuccessful applications (in some cases despite repeated requests for this).

3.69 Respondents pointed to the lack of provision of information through relevant media, and the lack of information available to organisations which do not have direct contact (or which are not known to) a member of staff of funding providers. This was seen to be a particular issue in relation to statutory funding sources. As seen in the previous section, the types of publicity undertaken tended to rely upon a relatively narrow range of channels which could be seen to serve to exclude black and minority ethnic groups.

3.70 It was also noted at interview that there is often a lack of availability of material in languages other than English, as well as the lack

of cultural awareness which has been highlighted.

3.71 Some funding sources, conversely, were concerned that they were unable to publicise their funding widely, as there were insufficient resources to address the demand which greater awareness of availability might create.

Capacity and other resources

3.72 In addition to the lack of information, black and minority ethnic groups pointed to the general lack of resources in many of the organisations to allow them to compete effectively for funding. There was a general perception that many black and minority ethnic groups are at a relatively early stage in their development, with little experience of the completion of funding applications. A point made by three organisations in the postal survey reinforced this, suggesting that volunteers have neither the time, nor the experience to do this, for example :

“the application process is lengthy and very complicated, especially for voluntary organisations as these are community organisations run by volunteers who maybe do not have the knowledge of submitting applications”.

3.73 This was also identified as a major barrier to funding by 18 organisations in the postal survey (26% of all of those who responded). It was suggested, for example, that:

“a lot of black voluntary sector organisations tend to be small and underfunded and therefore perhaps lacking in time to put together high quality applications”.

3.74 A number of funders suggested that there was a need, in many cases, for support

to improve the quality of applications and the project planning process, and this lack of support available to assist in the development of applications for funding and the complex demands of the processes emerged repeatedly. A small number of organisations responding to the postal survey pointed to having been unsuccessful in their applications because their organisation was not sufficiently developed (in terms of charitable status or constitution), and others noted that their application had not been sufficiently detailed.

3.75 Black and minority ethnic groups at an early stage in development, however, were seen to require to compete for funding with groups with considerable experience, and it was suggested that many would benefit from specific support with this. A number of local authority respondents, however, suggested that there is little work of this type being done by staff working in the community (who may be unaware of the needs of black and minority ethnic groups, and of the funding issues which they face).

3.76 Two major funding sources also pointed out that funding providers may not have the resources to develop the close relationship which is required, particularly at the pre-application stage (although some will have closer contact following provision of funding).

3.77 Although there was a widely recognised need for the provision of this type of support, many of the funding organisations were unclear about which organisation or individual would be most appropriate for such provision. It was suggested in the discussion, for example, that there are variations in the level of knowledge of organisations (such as local CVS) in terms of the needs of black and minority ethnic groups, and variations in the ability of these organisations currently to identify their needs and provide support in relation to funding.

3.78 It was also argued, during the discussion, that there is a lack of overall black and minority ethnic voluntary sector infrastructure in Scotland at present. There was seen to be a diverse population and little networking, with some duplication of provision and little overall co-ordination.

Processes

3.79 In terms of the actual processes involved in applying for funding, some of the issues relating to the need to address funders' criteria have been outlined earlier. In addition, however, black and minority ethnic groups pointed to other constraints at various stages within the process. The process of application for funding generally was seen to favour the stronger, more articulate groups, for a number of reasons, many of which have been outlined above. It was also suggested that such groups may be more familiar with pursuing means which might increase their chances of success (such as enlisting the support of their local elected member in the case of local authority funding). One of the interviewees suggested that black and minority ethnic groups, generally, are less aware of the "systems and processes". All of these issues were seen to disadvantage small, unstructured (or emerging) local grassroots organisations (an issue also raised by a number of respondents at interview).

3.80 It was suggested, for example, that there are often complex requirements from funding sources, in terms of the need for policy documents and other procedures, which Management Committees are not equipped to develop. Three organisations in the postal survey provided detailed information about difficulties caused for them by the extent of monitoring and reporting required by funders, for example :

“monitoring and reporting back is very demanding and time consuming. Monitoring is often looking for quantity, not quality of work.”

3.81 As one respondent suggested, the conditions imposed upon organisations making application for funding often assume that groups have capacity similar to departments within statutory organisations and thus should be subject to the same (or stricter) conditions. (One respondent also noted that funded organisations have much stricter requirements in terms of monitoring and accountability than is the case for the funding organisations themselves.) It was also suggested that there is often little distinction between the provision of different levels of funding in terms of the formal requirements and conditions imposed.

3.82 There were also difficulties for organisations based in one area and wishing to provide services to another area in terms of conditions imposed, and this was also raised at the discussion meeting. One respondent pointed out, for example, that a centrally based organisation applying for funding to provide services to an outlying area may need to demonstrate an office base or presence in the local area as a condition of the funding. A second respondent also pointed to the fact that, in their view, their organisation was systematically underfunded by some, and ignored by other authorities, even though a service would have to be provided in that area.

3.83 In terms of the decision making processes, it was suggested that the lack of understanding by funders in relation to the nature of provision by black and minority ethnic groups added an additional barrier to receipt of funding. This relates to the point made earlier in terms of the lack of flexibility in

interpretation of criteria, and the perceived limited level of awareness of funders of the purpose and nature of provision by some groups.

3.84 It was also suggested at interview that some funding organisations wish to be represented within the management of organisations to which funding is provided, and this can also cause difficulties. This issue was raised previously in relation to the effects on independence of dependence on specific funding sources, and it was suggested that organisations may be reluctant to raise their concerns, or to criticise those providing their funding, as a result of worries about the effect of this on their continued receipt of support.

Strategic issues

3.85 Many of the issues which have been raised in this section have implications at an overall strategic level, and these will not be reiterated here. A number of additional strategic considerations were also raised specifically, however, and should also be noted.

3.86 There was seen to be an overall lack of a strategic approach to funding for black and minority ethnic voluntary sector organisations, an issue which was raised both in the discussions and during interviews with key organisations. Although there are some identifiable funding sources, the wide range of organisations which might potentially become involved has already been highlighted, and there is seen to be a lack of a coherent approach to ensure that the needs of organisations at all stages in their development are met.

3.87 Interviewees pointed to the lack of overall infrastructure for black and minority ethnic voluntary sector groups. It was suggested that there is considerable diversity

within the sector (and, as seen, that there is currently no coherent sector). The difficulties in creating such an infrastructure were raised, but interviewees suggested that this would have a crucial role to play both in the overall strategic development of funding provision and in the assessment and identification of needs of black and minority ethnic groups.

3.88 There was seen to be a lack of joint working between funding providers, and a lack of clarity about the types of work which different providers should (and would) become involved in funding.

3.89 It was suggested during the discussion that few individual funders have a strategy for the provision of funding to black and minority ethnic voluntary sector organisations, and that there was little clarity for many organisations. One local authority respondent, during interview, also suggested that (although they may specify objectives for a funding source), organisations are generally unclear about their objectives in providing support.

3.90 It was also noted that many of the problems faced by black and minority ethnic organisations are compounded by the lack of service provision to meet their needs by statutory organisations. This point was highlighted earlier in relation to some of the constraints which are faced, and there was seen to be a broader issue in terms of the need for the overall development of work to address social exclusion, in terms of reducing the need for service provision by black and minority ethnic groups.

3.91 A related issue was noted during interview, in terms of the prevalence of

institutional racism throughout Scotland, which was seen by some of the respondents to underpin many of the constraints to access to provision which have been identified.

Key current needs of black and minority ethnic groups

3.92 It was noted in Section 2 that a high proportion (80%) of organisations which responded to the postal survey believed that they had outstanding funding needs³¹.

3.93 There were found to be three main areas in which black and minority ethnic voluntary organisations which responded to the postal survey had outstanding needs. The largest single group (16 individual organisations) identified a need for resources to support the development of basic service provision. A further 12 groups identified the fact that some aspect of their service required improvement. The other main group of responses centred on the need for what can broadly be termed “core” funding, usually relating to the administration or management of the organisation, but also to resources for service development and evaluation. Nine respondents identified a need for capital, in order (in most cases) to provide a base for the services of that organisation. Five organisations noted that they had been unable to secure start up funding :

“we need funding for our project to start, in order to provide some services, but we are hampered by the fact that there is only a set amount of money allocated to minority ethnic organisations, and at present we do not know if we were successful or not. This then leads to exciting and innovative ideas being left on the shelf and a lack of service provision”.

³¹ It is recognised that this report has focused upon the needs of black and minority ethnic groups in terms of the groups’ identification of needs and that no distinction is made between needs and wants. It would be inappropriate, however, to comment here upon the expressed needs of individual groups, and this must be an issue for funders and groups themselves (ideally in collaboration). There remains a need for good practice in the allocation and use of funding, and this is stressed and detailed in the recommendations of this report. In more general terms, however, it is suggested that black and minority ethnic groups’ own perceptions must be the means by which the cross cutting issues and broad areas of need are identified.

One organisation simply noted that its outstanding need was for money for its own survival.

3.94 It is interesting to note that, in terms of the types of services being delivered by organisations with outstanding funding needs, the largest number, by some margin, were providing “social welfare” services, usually (but not always) to a single minority ethnic group. Seventeen of the organisations with outstanding funding needs were identified as providing community or representational services to a single minority ethnic group. It was found in this survey (supporting views provided by respondents at interview) that virtually all of the organisations undertaking anti-racism work had additional funding needs.

3.95 In terms of specific areas of work which were highlighted, individual interview respondents also pointed to work with women, work with young people and work with older people as requiring additional provision. There was also seen to be a need for further specific provision to continue to address perceived gaps in current statutory services (in areas such as, for example, social welfare and mental health provision).

3.96 In terms of the developments required in the future, respondents to the postal survey and at interview were also asked to summarise their perceptions of these, in the light of all of the issues raised in the preceding discussion.

3.97 Almost all of the interview respondents suggested that the needs of black and minority ethnic voluntary sector groups differed from other voluntary organisations, and those who did not (3) also suggested that, although their needs may be the same as other voluntary organisations at a similar stage in development, these were compounded by the existence of racism, social exclusion and other barriers

(noted earlier in relation to the experience of some similar problems by other groups, but with a differential impact upon black and minority ethnic groups).

3.98 In terms of the ways in which the needs of black and minority ethnic groups were seen by the interview respondents to differ from other organisations, a number of issues were highlighted. These included, for example, a lower level of awareness of the sources of funding and standard routes (along with a perception, in some cases, that funding is “not for them”), the existence of additional barriers, the lack of relevance of some of the funding criteria to their stage of development and the actual work which black and minority ethnic groups consider to be necessary. There was also seen to be an absence of networking and support outwith the main population areas, as well as barriers such as the dimensions of language and culture in the application processes and the fact that many sources of funding do not currently have a focus upon race equality.

3.99 Interviewees pointed to a range of concerns and consequences of the funding problems, which included frustration, bewilderment, concerns about bureaucracy and the constant worry of having to seek funding. It was suggested that there is a perception of a lack of equity as a result of all of these constraints, and a general feeling that black and minority ethnic groups want to move forward, but are unable to do so.

Developments required

3.100 A wide range of specific needs and developments were highlighted from the postal survey, during interview and discussion (many of which reflect the issues which have been discussed), and which included the need to address all of these existing barriers.

3.101 The issue cited most frequently at interview (by more than half of the respondents) and in the discussion was the need for the development of infrastructure work and the need for overall representation of black and minority ethnic voluntary sector organisations. It was suggested by some that there is a pressing need for greater consistency, collaboration and consultation amongst existing groups.

3.102 Alongside this, there was seen by respondents in all parts of the work to be the need for the development of a coherent approach by funding providers, working together to address the range of needs of black and minority ethnic groups at all stages. In terms of the actual funding provision, there was also seen (by postal respondents, interviewees and in discussion) to be a need for better general access to funding and to the development of specific types of funding to fill existing gaps (with immediate short term funding for start ups and longer term, secure, mainstream provision identified specifically, but also including the need to address the additional gaps raised earlier). It was also noted here by a respondent to the postal survey that:

“funders should not hide behind the numbers game.”

3.103 Respondents suggested that there is a need for a more strategic approach overall, with current funding “scrappy and uncoordinated”. Respondents to the postal survey also pointed to additional improvements, with a number suggesting that there should be specific “ring-fenced” funds for black and minority ethnic groups. A small number of organisations also indicated that funders should be more flexible in providing support to black and minority ethnic groups to pursue objectives which are specific to local

needs, rather than to the narrow objectives of the funder. It was also suggested, in terms of the geographical issues noted earlier, that:

“it should be recognised that there are ethnic minority communities in this area who require urgent financial assistance. We are struggling to obtain basic necessities, yet groups in the central belt are able to get funding for projects which are less crucial”.

3.104 Finally, in this context, two respondents to the postal survey made the point that they would wish to see provision for projects on an ongoing basis. They also wished to see the removal of the requirement for innovation (which exists in a number of forms of funding):

“funders should remove the need to show that a project is new, or innovative. Many of the issues black and ethnic voluntary organisations are dealing with will not be fixed in the two to three years – they are long term problems that need long term solutions.”

3.105 It was also suggested that there should be means to assist those organisations which are based in one local area but which require to deliver services or address needs in other parts of Scotland.

3.106 In terms of the process and procedures, there was seen to be a need for the development of a simple and straightforward process of application and assessment which did not interfere with the disbursement of funding, along with an attempt to match the requirements of the process to the size of the funding. The onus was seen to be firmly upon funding organisations to consider ways in which they could make their provision more accessible to black and minority ethnic groups.

3.107 It was also stressed at interview and in the survey that the current void for black and minority ethnic voluntary sector organisations was seen to be much larger than cash alone, with the need (again identified earlier) for capacity building and development support (including training, skills development, support to plan and manage groups, referral on to other organisations, provision of help to undertake needs analyses and committee skills). There was a particular emphasis upon the provision of pre-application support to help with completing forms and to improve the quality of applications, with organisations working through applications with a worker, and the provision of assistance to develop good ideas further. As one postal survey respondent stated, for example :

“funders should provide more support and advice on funding applications, and provide one-off grants to help ethnic minorities gain training and build structures suitable to allow them to look toward larger grant applications”.

3.108 Interviewees and postal survey respondents also pointed to a need for the provision of knowledge and information to allow organisations to identify sources of funding and to assist in working through funding processes. This was seen to require a visible and proactive commitment by funding organisations and a rethink of the methods and format of publicity used, cutting jargon and ensuring that a range of media are used for dissemination. Postal survey respondents pointed to the need for an overall improvement to lines of communication between funders and black and minority ethnic organisations. Examples of how this could be achieved included additional workshops and seminars, better, more personalised feedback on applications and a general consultative process, in order that funding organisations become more aware of both the needs of, and

constraints on black and minority ethnic groups in the voluntary sector.

3.109 Respondents to all parts of the research also pointed to the need for provision of such information by staff who understand issues relating to black and minority ethnic groups and the nature and effects of racism. It was noted that there is a key role for local staff as gatekeepers to knowledge and processes. There was seen to be a need for staff training to develop understanding and, in this context, two postal survey respondents also mentioned the benefits which could be gained from the employment of black project assessors. (An example was also provided of one funding organisation which allows applicants to participate in decisions about the disbursement of funding.)

3.110 It was noted that there was a need for the development of greater understanding overall amongst white organisations, which did not imply any lowering of criteria or quality required of applications, but recognised the value of some of the work which is not always currently seen to be relevant. There was also seen to be a greater need, in this context, for greater openness and transparency in the decision making processes.

3.111 Most of the funding providers also agreed that there was a need for monitoring information to be collected, both in relation to mainstream funding and specific sources of relevance to black and minority ethnic groups. It was noted, however, that the means of carrying this out should be carefully identified, in order that this did not become another means of forcing organisations to demonstrate their fit with a particular priority. It was also recognised that it was important to ensure that this was carried out consistently, and using categories which would be meaningful to black and minority ethnic organisations.

3.112 The issue of mainstreaming was also highlighted specifically at interview, in the survey and during discussion, both in terms of funders recognising the need to respond to the needs of black and minority ethnic groups rather than expecting that they should meet funders' priorities, and in terms of the provision of their own mainstream services. Finally, it was also suggested that there could be greater identification and provision of help in kind to groups.

Overview

3.113 All of these detailed qualitative findings and the issues which have been

raised point to a number of existing problems in relation to the availability and provision of funding to black and minority ethnic groups in Scotland. These provide additional details to support the issues identified from the literature in Section 1 and the findings in Section 2 in relation to the actual provision of funding.

3.114 The issues which have been raised throughout this report point to a range of conclusions and recommendations which can help to inform both future provision to black and minority ethnic groups and the overall review of voluntary sector funding, and these will be outlined in the final part of the report.

CHAPTER 4
CONCLUSIONS AND RECOMMENDATIONS

4.1 On the basis of the information which has been presented in Sections 2 and 3, it is clear that this report has provided information relating to a number of key questions which help to inform the strategic consideration of issues affecting black and minority ethnic voluntary sector organisations. Before identifying some of the implications of the findings, it is perhaps useful, at this stage, to summarise the main issues which have been identified in the course of the research.

Conclusions

4.2 A number of conclusions can be drawn from the research, as follows :

Strategic issues

4.3 In terms of the strategic issues, the following conclusions can be drawn :

- ▶ There is a current focus in Scotland, in the Scottish Executive and Parliament, on promoting equality and tackling social exclusion. Within this, there is a specific focus on race equality which is also consistent with the overall objectives of many local authorities. This does not yet appear, however, to be reflected in the pattern of grant provision evident from the findings of this research;
- ▶ The current strategic review of funding to the voluntary sector provides an opportunity to explore specific issues facing black and minority ethnic groups in funding;
- ▶ There are a number of broad issues which affect the experiences of black and minority ethnic groups in relation to this;
- ▶ There has been a lack of strategic overview of national and local funding issues affecting black and minority ethnic groups and there

is seen to be a need to address these issues in a coherent way;

- ▶ There is seen to be an overall lack of infrastructure for black and minority ethnic groups in the voluntary sector;
- ▶ It is clear that the need for funding is only one part of an overall need for the strategic development of a black and minority ethnic voluntary sector;
- ▶ There is a lack of capacity building work with black and minority ethnic groups and a perceived need for this;
- ▶ The wider issues of racism and social exclusion which affect black and minority ethnic groups have an impact upon their access to funding.

Current patterns and sources of funding

4.4 In terms of the current patterns and sources of funding, the following conclusions can be drawn :

- ▶ There are a number of organisations involved in the provision of funding support to organisations in the voluntary sector, with a complex pattern of types of funding and means of support, with the Scottish Executive, local authorities and large charitable sources identified as having a key role in this;
- ▶ The Scottish Executive views its role as addressing national developments and infrastructure for the voluntary sector, and to promote innovation in areas such as service delivery, with the expectation that other organisations will fund local work;
- ▶ There are exceptions to this pattern, one of which is the EMGS;

- ▶ The Ethnic Minority Grant Scheme (and the Connecting Communities funding) are two forms of government provision aimed at addressing some of the evident gaps in provision, but the report has identified a number of issues relating to the EMGS;
- ▶ The number of new groups receiving funding from any source each year is low, and most black and minority ethnic groups, where they receive funding, rely on local authorities and charitable trusts for this;
- ▶ There is substantial variation between local authorities, both in their level of provision to black and minority ethnic groups and their apparent recognition of the issues;
- ▶ Some Social Inclusion Partnerships have funding which can be made available to organisations in the voluntary sector, but there are few which appear to focus to any extent on the needs of black and minority ethnic groups, and there was a perception that SIPs do not always recognise issues facing black and minority ethnic groups, despite the evident links to social inclusion work;
- ▶ Some respondents also perceived that SIPs were not always well understood by black and minority ethnic groups (or voluntary sector organisations generally) and the observation that there is such variation even in the basic issue of whether or not SIPs (even within area-based SIPs) are themselves distributors of funds, may contribute to this;
- ▶ Only a small number of black and minority ethnic organisations appear to have access to other mainstream sources of funding from government;
- ▶ Charitable trusts (particularly the NLCB) also have a role in provision, although there are few with a specific focus upon the needs of black and minority ethnic groups;
- ▶ Paradoxically, some funding organisations do appear to demonstrate some good practice (e.g. some of the larger charities), are keen to ensure that they provide funding to black and minority organisations and wish to encourage more applications of a high quality from these groups, but are currently unaware of the best means of doing so;
- ▶ There is a general lack of monitoring data on the disbursement of funding to black and minority ethnic groups, and although there were examples of some organisations undertaking this, there is an overall lack of monitoring of disbursement of mainstream funding to black and minority ethnic groups, making it difficult to scrutinise grant making and to identify changes to access over time;
- ▶ Some funding providers, in some areas of Scotland, believe that the provision of funding to black and minority ethnic groups is not relevant to them, as there are seen to be few black and minority ethnic groups in their area.

Gaps in funding

4.5 In terms of gaps in funding, the following conclusions can be drawn :

- ▶ There are a number of gaps in funding for black and minority ethnic groups, with an overall pattern of insecurity and constraints to access to support;
- ▶ There are concerns relating to the overall contraction of funding support and to the increasing provision of support at a local level through service level agreements and

contracts, to which black and minority ethnic groups have limited access and which are seen to potentially compromise the independence of organisations;

- ▶ There are substantial areas of funding which are effectively “ring fenced” for existing organisations, to which black and minority ethnic groups do not have access in practical terms;
- ▶ There appears to be a lack of specific funding which is aimed at black and minority ethnic groups, with few local authority sources and few other sources identified for such provision;
- ▶ The EMGS and Home Office Connecting Communities funding are provided to only a small number of groups;
- ▶ The current EMGS is not consistent with the approach of the Scottish Executive to funding, in terms of the provision of funding to local areas and the time period covered by the grant, with the requirement for application for third year funding;
- ▶ There is no doubt that the EMGS, in providing funding which is specifically available to black and minority ethnic groups, is currently making resources available which are not readily available elsewhere (in the absence of access to other funds). It is questionable, however, whether the provision of small amounts of funding to local groups in this way is an appropriate and strategic use of Scottish Executive funding and there are a number of problems with the scheme (none of which, it should be stressed, relate to the administration of the scheme);
- ▶ There are few sources of funding for black and minority ethnic groups within local

authorities and these generally provide smaller amounts of short term provision;

- ▶ There is a current overall focus on mainstreaming (which may further constrain the availability of specific funding for black and minority ethnic groups) but there appears to be little provision of mainstream funding to black and minority ethnic groups;
- ▶ There is a concern that organisations are working increasingly to funders’ objectives (often providing services which should be available through mainstream provision) in order to survive, leaving gaps in provision in terms of work which is considered relevant to address the priorities of black and minority ethnic groups;
- ▶ There is seen to be a lack of awareness of the issues which are important to black and minority ethnic groups, and some forms of work are considered to be particularly difficult to obtain funding to undertake;
- ▶ Some organisations require to approach a high number of funding providers in order to operate, each requiring separate application, re-application, monitoring and conditions;
- ▶ There are geographical gaps in access to funding for black and minority ethnic groups, with an identified lack of provision to those outside the main population centres (potentially creating difficulties in addressing the needs of people from black and minority ethnic communities who are isolated in other areas of Scotland) and a recent lack of provision by the EMGS to areas outwith Edinburgh;
- ▶ There are also perceived gaps in provision of funding to specific groups (such as

women, young people, older people and organisations providing some types of service);

- ▶ There is an overall lack of provision of core and longer term funding for black and minority ethnic groups, but there is also a limited number of groups receiving one-off and project funding;
- ▶ There appear to be few black and minority ethnic groups which receive multi-annual funding;
- ▶ There are also difficulties for black and minority ethnic groups in securing access to small sources of funding (to allow them to develop towards gaining access to other funding sources) particularly to small amounts of funding which do not have a high level of organisational requirements in order to access these;
- ▶ Even where organisations receive funding for a period, there are issues relating to the longer term sustainability of this and to the identification of other sources of funding at the end of the period of provision;
- ▶ Many black and minority ethnic organisations (even those which have been operating for a considerable period of time) receive no funding;
- ▶ There are gaps in funding of all types for black and minority ethnic groups and variations amongst funders in the level of provision made. Even, however, where the proportion of awards and / or resources is broadly similar to the estimated black and minority ethnic population, this generally involves a very small number of groups, which might in fact be assumed to have a higher level of requirement than the population estimates indicate, as a result of

identified issues such as racism and social exclusion.

Barriers to funding

4.6 In terms of barriers to funding, the following conclusions can be drawn :

- ▶ The study identified a number of specific barriers to funding for black and minority ethnic groups in the voluntary sector which appear to further constrain their access to support;
- ▶ Given the pattern of funding provision and receipt identified, the process of securing funding is often complex, involving a wide range of funding sources with differing requirements;
- ▶ It may be difficult, in the first instance, to identify appropriate and relevant sources of funding, particularly given the range of funding sources, and groups point to the lack of knowledge of these as a major barrier;
- ▶ Information may not be provided and sources of funding may not be publicised in a way which is relevant and accessible to black and minority ethnic groups, with a tendency to focus upon mainstream routes for dissemination of information (press, Third Force News, known groups) and little proactive work (with a few exceptions) to make information available to black and minority ethnic groups;
- ▶ There is little evidence (again with a few exceptions) of translated material relating to funding being made available;
- ▶ Those organisations which provide support with access to funding may not currently always be considered to be relevant and

accessible to black and minority ethnic groups;

- ▶ There are geographical gaps in advice provision, with a few examples of seminars and surgeries, but often a concentration of these in a few areas;
 - ▶ The process of identification of, and application to, an individual funding source may be complex, and this may be compounded by the need to apply to a number of different sources, which may vary in their provision of assistance and ease of application process, may require different documentation (even across departments of the same authority) and may apply different conditions to receipt;
 - ▶ There may be language barriers to the completion of application forms and participation in the application process;
 - ▶ Some small sources of funding may apply conditions which are seen to be disproportionate to the level of provision;
 - ▶ Some of the criteria which are applied, along with the interpretation of criteria, may serve to exclude some black and minority ethnic groups. Specific examples include the exclusion of religious groups from some funding, the interpretation of “political” activity, the need for work to be “open to all” and the demand for innovation;
 - ▶ Many black and minority ethnic groups do not have the time, resources nor “track record” to participate in this process, nor to compete on an equal basis with well-resourced groups;
- ▶ There is limited support available to black and minority ethnic groups to enable them to seek funding and complete funding applications and some of the key potential sources of funding to black and minority ethnic organisations (such as NLCEB) are unable to provide this;
 - ▶ There is seen to be a lack of cultural awareness amongst some funding providers which is seen to limit the types of work which are funded.

Recommendations

4.7 On the basis of these conclusions, a number of recommendations are suggested, as follows³²:

Strategic issues

4.8 The recommendations in relation to strategic issues are as follows :

- a. There is a need for an overall strategic approach to the provision of funding to black and minority ethnic groups, with political direction from the Scottish Executive and supported by other funding organisations at a staff, board (or equivalent) and/or political level. While it is recognised that the achievement of this will take some time, an approach to this is suggested below;
- b. There is a need for a strategic overview of funding, as is currently taking place, using the findings of this study to help to ensure that funding is made to black and minority ethnic groups with a range of needs at a range of stages in their development;

³² For ease of reference, recommendations are identified by letter. This does not imply a priority order, nor do the letters relate to specific paragraphs elsewhere within the text.

- c. The review of funding to the voluntary sector should take account of the specific issues which have been identified as facing black and minority ethnic organisations and should identify recommendations in relation to the overall provision of funding which address these, wherever possible;
- d. There is a need for a coherent national and local structure for funding to black and minority ethnic voluntary organisations, with the Scottish Executive providing funding for national organisations and the development of infrastructure work (consistent with their focus and priorities);
- e. There appears to be a need for the development of black and minority ethnic voluntary sector infrastructure and networking, in order to take the strategic developments forward and to provide advice and support to organisations at all stages, although it is recognised that the diversity of black and minority ethnic groups makes this difficult;
- f. Consideration should be given to the provision of advice by the black and minority ethnic voluntary sector to existing CVS, to ensure the provision of consistent and appropriate advice and training to (and by) workers in these organisations;
- g. There is a need to provide an appropriate “mix” of funding of a range of types, including long term funding and a variety of forms of developmental funding, both to recognise the importance of sustaining existing provision for which there is an identifiable long term need as well as encouraging the development of new work and the provision of support to one-off projects;
- h. Although there is a clear need for “mainstreaming” and for access to mainstream funding, there is also a need to recognise that this is not inconsistent with the need for positive action with black and minority ethnic groups. The Scottish Executive should provide clarification to funders of the nature and implications of mainstreaming, in terms of the issues raised for different types of application, in order to ensure appropriate interpretation, consistent with the Scottish Executive’s equality strategy;
- i. There is a need to ensure that funders do not apply or interpret conditions in ways which can exclude black and minority ethnic groups, such as the blanket exclusion of religious groups, “political” groups and projects focusing on anti-racist work or on the needs of individual groups. Similarly the constraints of the imposition of a requirement for innovation should be recognised and addressed;
- j. There is a need for specific funding provision to continue to address the needs of black and minority ethnic groups, at least until there is evidence that mainstreaming is becoming a reality in their access to funding;
- k. In the short term, however, consideration should be given to using the EMGS more strategically, with clear and focused objectives in the context of an overall approach to funding provision, to support organisations which are directly involved in the development of black and minority ethnic infrastructure improvements, or the pursuit of the developments suggested in these recommendations;
- l. Some of the resources used in the EMGS should be provided by the Scottish Executive to national infrastructure developments and initiatives. Where funding

is provided to local organisations, this should be linked clearly to overall national strategic work;

- m. Consideration should be given to administering the funding for strategic work through the Scottish Executive, with perhaps the retention of a small grants scheme for new organisations by UVAF;
- n. Consideration should be given to the provision of resources to allow support to be given pre-application to new organisations;
- o. In the longer term, the EMGS should be used to provide additional support to national developments, alongside the identification of a clear locus of responsibility for funding to local organisations;
- p. The funding could also be used to enable the development of strategic services to black and minority ethnic communities through, for example, enabling the development of multi-regional work, including provision in isolated areas;
- q. While it is not expected that all groups would receive long term funding, local authorities and other local public organisations should examine their current support to organisations undertaking key local work and should ensure that they identify and support, through the provision of secure funding arrangements, those organisations providing the key services which are required by black and minority ethnic communities. This work can form a part of their overall response to the Race Relations Amendment Act and their work to combat exclusion, and should accord with the good practice guidance identified by COSLA;
- r. Local authorities and other sources of funding (such as charitable sources) should fund specific projects and new developments and should ensure that there are small, easily accessible funds available to new groups;
- s. Funders and those responsible for mainstream grants and service level agreements should undertake “equality proofing” of their provision, should recognise the needs of black and minority ethnic groups and should recognise the relevance of these needs to their work, rather than expect organisations to fit with their priorities;
- t. Service providers should address the needs of black and minority ethnic groups as part of their mainstream provision, and part of broader work relating to “modernising government”. There should be a recognition of the relevance of black and minority ethnic groups to key areas of local authority policy and practice, such as community safety, social inclusion and specific service provision;
- u. Local authorities should provide culturally sensitive services and should tackle the broader issues of social exclusion and institutional racism. This, in turn, should thus reduce the need for direct service provision by black and minority ethnic groups;
- v. Funding providers should undertake training in race equality and anti-racist work;
- w. Providers of mainstream and specific funding, including central and local government and other providers, should monitor, using appropriate, meaningful and consistent categories and methods, the disbursement of grants to voluntary sector

organisations (disaggregated to include black and minority ethnic groups) and should provide this information on an annual basis to the Scottish Executive;

- x. The Scottish Executive should review annually the spend on racial equality work and should prepare a report identifying the level of funding and trends in the provision of support of different types;
- y. There is a need for funders to undertake work in partnership, not only with black and minority ethnic voluntary sector organisations, but with each other, to identify gaps and avoid duplication. There is a need for increased dialogue and the identification of common goals. A joint group, comprising representatives of central and local government and other key providers should be developed and should meet regularly to oversee these issues and report back to their own networks;
- z. The Charity Law Review, which has been commissioned by Scottish Ministers, is expected to report in April. Its remit is to review the law relating to charities in Scotland and to make recommendations on any reforms it considers necessary. We recommend that it takes into account how the current arrangements for charities impact upon the whole sector, including black and minority ethnic organisations and their funding.

Funding processes

4.9 The recommendations in relation to funding processes are as follows :

- a. There is a need for funders to have greater flexibility, in their provision, in terms of the groups which can be supported and the types of work for which provision can be made;

- b. There is a need for good, simple, application processes, avoiding jargon;
- c. Funders should consider moving towards the streamlining of applications through a common approach which helps to avoid duplication;
- d. The Scottish Executive should provide guidance to other agencies (based on the experiences of black and minority ethnic groups) in relation to the provision of funding to black and minority ethnic groups and the development of good practice;
- e. Practice should be consistent with good practice in the Compact and in the COSLA guidance to local authorities, including the following :
 - ▶ well-publicised funding using a range of media and networks and the review of publicity to ensure there is not discrimination against socially excluded groups;
 - ▶ information on the range of grants provided should recognise the diversity of the voluntary sector;
 - ▶ organisations should be able to find out easily what council priorities are and how to apply for funding or to be included on lists, as well as how applications will be processed and the timescales;
 - ▶ appropriate conditions should be attached to funding, which are achievable by organisations of the type which it is expected will apply;
 - ▶ criteria should be clear and transparent;
 - ▶ standardised forms should be used, if possible;

- ▶ deadlines and arrangements should be specified clearly;
- ▶ there should be feedback provided for unsuccessful applications, and explanation of the reasons, as well as explanation of any appeals process;
- ▶ monitoring should be agreed at the start and should not become a burden;
- ▶ there should be transparent and consistent review.

f. In addition, the decision making process should be clear and transparent, with the involvement of decision makers with the appropriate expertise;

g. Organisations should consider the translation of material;

h. Funders should consider their publicity and information and disseminate this through media which will reach black and minority ethnic groups;

i. The range of barriers which have been identified throughout this report should be addressed and considered in any new funding developments and reviews;

j. Specific good practice guidelines, incorporating a model of support, should be developed for funding to black and minority ethnic voluntary sector organisations;

k. Those taking funding decisions should, as far as possible, reflect the diversity of communities.

Support, information and advice

4.10 The recommendations in relation to support, information and advice are as follows :

- a. The strategic developments outlined point to the need for specific advice provision by a black and minority ethnic voluntary sector organisation;
- b. There is also a need for organisations currently providing information, advice and support at a national, regional and local level (such as local CVS, LVDA's and local authorities) to identify and address the needs of black and minority ethnic voluntary sector organisations;
- c. There is a need to develop and maintain up to date mapping information in relation to black and minority ethnic voluntary sector groups, in order to inform the strategic developments;
- d. Other sources of advice (for example those developed as part of the community planning process) should be encouraged to provide funding information in appropriate ways to black and minority ethnic groups;
- e. Local authority community development staff should recognise the issues outlined in this report and should undertake capacity building and empowerment in a way which reflects and recognises the priorities and needs of black and minority ethnic groups themselves. This should begin with an assumption of existing relevant skills and should allow black and minority ethnic groups to identify their own development needs. There should be identifiable staff with a remit for this work;
- f. Organisations should adopt a proactive approach (based on the notion of equal partnership working) to the development of work with black and minority ethnic groups;
- g. Pre application support should be provided, as required, in order to develop good

funding applications and to enable more equal competition;

- h. All of those providing advice should ensure that they are aware of other sources of funding provision to which they can refer groups, as required;
- i. Consideration should be given to the development of specific information (e.g. in the form of an information booklet or directory) directed to black and minority ethnic groups in relation to funding and detailing sources of support and their procedures, as well as providing more general advice and information;
- j. There should be proactive dissemination of funding information to black and minority ethnic groups (including events throughout the country and the provision of resources to allow organisations to travel to centralised events);
- k. Providers of mainstream funding should recognise and address the needs of black and minority ethnic groups;
- l. Funding providers should identify means of providing follow up support to organisations after the receipt of funding, to assist in compliance with the requirements of the provision and should develop a continuing relationship with these groups;
- m. Staff training should be undertaken with those providing support, information and advice.

Taking the actions forward

4.11 It is clearly vital that these recommendations are translated into practical actions to address the issues which have been raised. It is suggested that, in order to take

these recommendations forward, the following developments are required :

- a. Consideration should be given to the use of a small group of representatives of the Scottish Executive, other key funders and members of black and minority ethnic groups, to oversee the development of the strategic approach, either through an existing group or a new group convened by the Scottish Executive for this purpose;
- b. Following consultation with black and minority ethnic groups in relation to this report, the group should establish the short, medium and long term priorities and translate these into the action plan, which should form the basis of the future work, including a timescale for the actions and the clear identification of responsibility for their implementation;
- c. The role and responsibilities of the Scottish Executive, local authorities, other statutory funders and charitable funding organisations in taking the recommendations forward and the reporting and review arrangements should be detailed clearly, with target dates for each element of the work;
- d. Although the detailed plan should be determined by the group, it is suggested that, in the short term, for example, funders should review current provision, criteria and procedures, to identify the actions which they will take to address gaps and barriers and to report back to the group. The best means of taking forward the development of the black and minority ethnic infrastructure should be developed, and the means of encouraging networking should be identified. The group should consider the need to revise the short term operation of the EMGS to move towards the recommendations made;

- e. The group should also consider the preparation and production of information and training to advice-giving organisations, good practice guidance to funders and information to black and minority ethnic organisations. The group should develop advice in relation to monitoring provision. The Scottish Executive should produce and disseminate clear information in relation to the practical implementation of mainstreaming;
- f. In the medium term there should be a requirement for funders to monitor the disbursement of funding and report back to the group on an annual basis. Progress, new developments and good practice should be highlighted and a report prepared and disseminated. The Scottish Executive should assume responsibility for the national infrastructure provision through the EMGS and reconsider its objectives in the light of these findings;

In the longer term, there is a need to develop a coherent national structure for black and minority ethnic organisations and to continue to monitor developments in funding and report back to the Scottish Executive. Up to date information in relation to black and minority

ethnic organisations will need to be collected and maintained and further recommendations and actions should continue to be identified as areas of need are identified.

Overview

4.12 As suggested earlier, the above recommendations encourage a more strategic approach to the development of funding support to black and minority ethnic groups in Scotland. It is recognised that this will not be achieved immediately, but it is considered to be an important aspect both of the overall work which is being undertaken to address anomalies in provision to the voluntary sector generally and broader equalities work which is taking place.

4.13 It is considered essential that the focus should now be upon the identification of the responsibilities of specific organisations, working within an agreed timescale, to take this work forward, as outlined. It will also be essential to continue to review the progress made in relation to the implementation of the recommendations, and to ensure that the identification of the issues within this report leads to a clear and measurable change in practice.

APPENDIX 1
METHODOLOGY

A range of methods were used in order to gather the information for this study, and these are detailed below.

Review of existing information

Firstly, a review of existing information was carried out and forms the basis of Section 1 of the report. There is currently limited literature relating to the black and minority ethnic voluntary sector in Scotland, although the work of BEMIS in this area, and the compilation of information by PAH is recognised.

In addition, some of the literature relating to the more general issues facing excluded groups and the voluntary sector more generally was examined, as this provided an indication of some of the funding difficulties which may be experienced. The responses to the draft Equality Strategy, for example, provided an indication of some of these issues and the consequent barriers to the participation of excluded groups which are seen to be created as a result. The Strategy itself, published during the completion of this research, was also taken into account in the review.

The identification of funding patterns and sources

The next stage of the work involved the identification of the relevant sources of funding to which black and minority ethnic groups can apply. There are clearly many sources of funding for voluntary sector organisations in Scotland, and these were explored through telephone contact with potential sources of funding to the voluntary sector (the Scottish Executive, SCVO, local authorities, National Lottery and a wide range of other organisations). Written information in relation to the funding sources was then sought and compiled and, from this, a list of potential funding sources which was available.

Local authorities, SCVO, Volunteer Development Scotland, the Scottish Executive, LECs, Health Boards and NDPBs were asked to complete a general pro forma in relation to the provision of mainstream funding to black and minority ethnic voluntary sector organisations. A further pro forma was then developed for individual funds, and details inserted from written information and by telephone. This included a request for basic details of funding (geographical area, eligibility criteria, targeting to specific groups where applicable, priority types of work, restrictions on availability, amounts provided, application process, assessment process, length of funding period etc). Information was also sought from each individual grant source in relation to whether monitoring information on the disbursement of the funding to black and minority ethnic groups could be provided.

From all of these sources, a database was developed, providing a clear indication of the availability of funding and, where possible, the means of disbursement of this and the level of provision to black and minority ethnic groups.

It was considered important to gather any data available in relation to the level of provision to black and minority ethnic groups, but it was also recognised that many organisations would not maintain such information. Where this was not available, however, the overall relevance of the funding, however, and the ways in which provision was made were seen to provide useful information in relation to accessibility more general.

It was also recognised that the purpose of this study was not to assess the actual success rate of black and minority ethnic groups in terms of information from funders, as this would be effectively impossible to do in any meaningful way, given the fact that many organisations do not undertake the level of monitoring

necessary to demonstrate this. The issues relating to the reasons for the patterns of provision identified were considered to be more appropriately measured through the views of black and minority ethnic organisations themselves and the qualitative information from the interviews with providers and key community organisations, as described below.

The identification of strategic issues

It was recognised from the start that it was vital not only to identify the actual provision which could be made available, but also to explore the views of key organisations in relation to the current funding issues which a strategic review should address. This was carried out in a number of ways.

Survey of organisations

A short survey of a sample of black and minority ethnic organisations in the community was carried out. This explored a number of key issues, including, for example : whether organisations had received funding, the source of the funding, the nature of the project(s) for which funding has been received, their views of the process of applying for funding, any difficulties which they experienced in applying for funding and their views overall of the issues affecting black and minority ethnic groups in making such applications. Organisations were identified from the list available from PAH, and a total of 70 of these completed detailed postal questionnaires, providing a large amount of data which is presented in Sections 2 and 3.

Face to face interviews

In addition to the postal survey, a number of qualitative interviews were conducted, in order to explore a range of issues in more detail. Some interviews were carried out with funding

providers, and some with community organisations and those working with black and minority ethnic groups.

In terms of funding providers, the issues explored included the ways in which their sources of funding were seen to be relevant to black and minority ethnic organisations, perceptions of the needs of black and minority ethnic organisations in the voluntary sector, their funding priorities and the links to black and minority ethnic voluntary sector groups, any barriers or gaps which they are aware of in their provision and any ways in which they believe their funding provision could develop in the future to address the needs of black and minority ethnic groups. These organisations included representatives from the Scottish Executive (Voluntary Issues Unit), the National Lottery Charities Board, a sample of local authorities (Fife, Dundee, Glasgow, Highland and Falkirk), COSLA, SCVO, VDS and UVAF.

For community organisations and those working with black and minority ethnic groups, the issues explored included their perceptions of the types of funding which are needed by black and minority ethnic organisations, perceptions of the priorities for the black and minority ethnic voluntary sector, perceptions of difficulties in accessing sources of funding, implications of the difficulties for social exclusion and equality, improvements which are seen to be required and the practical ways in which the provision of funding should be structured.

These interviews were held with organisations working to promote equality and with black and minority ethnic organisations. As this part of the work sought an overview of the issues, the focus was primarily on large organisations which were considered likely to have contact with black and minority ethnic organisations in the voluntary sector. These were the

Commission for Racial Equality, representatives of Racial Equality Councils (where possible where these existed in the council areas explored), a representative of the Equality Unit of the Scottish Executive, and equalities staff in the local authorities.

Workshop

The views of smaller, community-based organisations were obtained through the postal survey and supplemented with the organisation of a workshop discussion, to explore with the organisations the issues which they faced in seeking or obtaining funding. Potential participants were identified through the postal survey and invited to participate. Only a small number, however, took part in this (although a number of those which had registered and then did not participate sent written information by post or made contact for telephone discussions).

Feedback provided suggested that organisations had been involved in considerable research and consultation in recent months. It was also acknowledged that the timing of this meeting would be difficult for some participants (as this took place in December during the day), but this was constrained by the project timescale. The very substantial amount of information collected via the postal survey, however, meant that this was not a problem in terms of the availability of information.

Overview

This combination of methods enabled the study to address the issues which were identified within the research brief, and provided the information required both in relation to the availability of funding and the identification of the broader issues facing black and minority ethnic organisations in the voluntary sector which are detailed within the report.

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d disability

q quality

b building relationships

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