

MEETING: 11/09/2023

REF: 20481

**ASSESSMENT CATEGORY: Bridging Divides - Anchor Programme**

<b>Action for Race Equality</b>	<b>Adv: Lorna Chung</b>
<b>Amount requested: £1,491,000</b>	<b>Base: Islington</b>
<b>Amount recommended: £1,491,000</b>	<b>Benefit: London-wide</b>

**Purpose of grant request:** core funding is requested towards four salaries, consultant fees, evaluation, and overhead costs to enable ARE to continue to support London's BME-led voluntary sector.

**The Applicant**

Action for Race Equality (ARE) - previously known as BTEG (Black Training and Enterprise Group) - is a registered charity (no. 1056043) established in 1996. ARE works across London boroughs (and nationally) to end race inequality for Black, Asian, and Mixed Heritage communities. ARE works with organisations, groups and individuals in the public, community, voluntary and private sectors on a range of programmes and projects that directly address barriers to racial inequalities through improving outcomes and opportunities for young people who are affected by the inequalities in education, training, and the criminal justice system. Around 80% of ARE's work is with the London voluntary sector. It delivers its mission through a range of programmes, educational work, training, consultancy, policy, and research. ARE seeks to address the causes and consequences of racial inequality. Well regarded by policy makers, ARE has acted in an advisory capacity to several government departments.

**Background and detail of proposal**

ARE currently holds a Strategic Initiative grant with City Bridge Trust (£400k over three years), with funds resourcing the pan-funder Windrush Justice Programme. The charity is closely involved with the "Moving on Up" project, which City Bridge Trust and Trust for London are supporting to increase employment rates amongst young black men in London. ARE has historically held City Bridge Trust grants for its work in building capacity in the Black, Asian and Mixed Heritage sector under our primary programmes – most recently funding the 'BAME Connectivity Programme' which focused on collaboration, organisational development, and strategic leadership.

Under the Anchor Programme, ARE seeks core funding over ten years to increase the capacity of its second-tier functions. Contributions are requested towards consultant fees, external evaluation, and overhead costs. Salary contributions also are requested towards four positions: CEO (0.3FTE), Head of Policy (0.3FTE), UPLIFT Programme Manager (0.6FTE) and Project Support Officer (0.2FTE). Funds requested towards the Programme Manager salary, Project Support Officer salary and consultant fees will enable ARE to introduce an additional organisational development programme to increasing its capacity building support to London's Black, Asian and Mixed Heritage sector. UPLIFT (programme name to be finalised) will be aimed at 'uplifting' organisations and their leaders through tailored one to one

support, whilst empowering them to raise awareness of the issues they are facing in mainstream spaces. It aims to support around 250 organisations through the programme, significantly increasing its capacity to provide organisational support to the sector. The model will be based on successful elements of its other capacity building programmes which have been developed and refined. Past capacity building programmes have been co-designed with Black, Asian and Mixed Heritage organisations at various stages. For instance, its pathways to employment programme (funded by JP Morgan Chase and London Community Foundation) was co-designed from its inception with six organisations from the Black, Asian and Mixed Heritage sector. In addition, it regularly sources input from the organisations on its programmes. ARE works collaboratively recognising that engagements and insights from specialist grassroots organisations are crucial to understanding the geopolitical and socioeconomic factors affecting the different communities it works with – especially in the current fast changing environment.

Within UPLIFT, consultants will carry out an initial assessment before advising on the best method of support – this can range from intensive help on one specific project to a broader look at systems and processes. All organisations will be based in London and not currently in receipt of ARE support. Funds are also requested towards external evaluators who will work with UPLIFT participants – performing baseline tests and developing KPIs to measure the impact of support. The outcome of this is not only a robust evidence base that organisations can use to demonstrate their impact, but also evaluation of the effectiveness of the overall programme (which can be refined over the course of the grant). A lack of capacity to evidence impact is a key challenge of the Black, Asian and Mixed Heritage sector and funding is requested to address this.

Though a relatively small organisation, ARE is well positioned and connected with national and regional governments (particularly in London). It acts as an advisor and critical friend to public and private sector actors such as the Ministry of Justice, Department for Education, Greater London Authority, and the Metropolitan Police. ARE establishes systemic change is achieved through addressing the causes rather than the symptoms of racism, and that it is the policies of many UK institutions that foster racist inequalities. It therefore influences decision-makers to be more inclusive and anti-racist. It uses its expertise to advise on racial justice issues such as stop and search, use of force, the gangs violence matrix and the racial gap between educational and employment outcomes – where appropriate connecting frontline organisations to institutions directly. At present, ARE is working with the Work and Pensions Minister to implement a target figure for employment amongst young Black men in relation to that of young white men. Funding is sought for ARE's policy work via a contribution towards its Head of Policy salary. Short-term funding has meant that retaining staff to this position has been challenging, an issue that the funding via this grant will seek to mitigate.

ARE meets the Anchor Programme criteria. It provides second-tier support, supporting over 1,200 organisations in some capacity over the past 20 years. ARE is user-led, run by and for Black, Asian and Mixed Heritage people. It has additional mechanisms to ensure that the voices of young people are integrated into decision

making processes. These include the creation of an advisory board made up of young Black men, and the presence of an ex-service user on its trustee board. ARE takes an intersectional approach to its work, highlighting that across Black, Asian and Mixed Heritage communities there is a range of diversity, and that race intersects with gender, disability and social class. Where ARE doesn't have representation of certain protected characteristics, it draws on its established networks for input as necessary.

Additionally, ARE meets the Anchor Programme criteria by taking a systems change approach to its long-term goal of eradicating racial inequalities. This approach is outlined in its theory of change strategy. This framework outlines the organisations ways of working towards evidence-led change to bring about improved policy making, legislation and compliance. It also outlines how it will work with stakeholders and partners to build collective voice for change, so that people who live with racial inequality have equal and equitable access to opportunities and outcomes.

### **London's Racial Justice sector**

Specialised funding to Black, Asian and Mixed Heritage-led infrastructure organisations ended in 2011. In 2010 there were over 50 Black, Asian and Mixed Heritage-led infrastructure organisations in England, but funding cuts led to the closure of 17 of the largest organisations (and many smaller-sized ones). These closures left gaps in the reach during the pandemic with many funders struggling to reach the communities most in need of support. ARE was able to bridge some of these gaps and scaled up its grant-making due to its ability to reach Black, Asian and Mixed Heritage-led organisations across the sector. It continues to distribute grants, for example through the £1.3m Windrush Justice Fund (in part funded by City Bridge Trust) and the Stronger Futures (SF) programme. SF is funded by the Mayor's Violence Reduction Unit and is aimed at enabling community-led groups to support vulnerable young Londoners after school hours. ARE has well-established networks including voluntary organisations, statutory bodies, funders, and private sector organisations. It is a champion of collaboration – collaborating itself with peer organisations in the sector (e.g. through the Alliance for Racial Justice) whilst also encouraging collaboration amongst the organisations it supports to build collective voice.

ARE's services are increasingly vital in the context of a declining number of Black, Asian and Mixed Heritage infrastructure organisations. The effects of this are compounded by the challenges of the pandemic and the cost-of-living crisis. Black, Asian and Mixed Heritage organisations have been disproportionately affected by these challenges, resulting in a lack of capacity, funding, and growth at a time when the needs of communities are growing. The result, in line with wider voluntary sector trends, is reduced capacity and higher demand.

### **Financial Information**

Most of its income is generated through grants from foundations and local authorities. It experienced significant growth over the pandemic period, with income rising from £430k in 2019/20 to £807k in 2020/21. Much of this growth is due to its increased grant making activities over this period, as the organisation is well

positioned to reach organisations in the BME sector. Income growth is sustained and is set to rise to £1.1 million in 2022/23 and £1.2 million in 2023/24. Forecasts include ARE's Windrush Justice strategic initiative, but do not include Anchor Programme funding.

ARE aims to hold six months core expenditure in free reserves. In 2021/22 the organisation held over its target with £507k in unrestricted reserves. A small unrestricted surplus in 2022/23 increases free reserves to £559k, bringing them further over target level. Though the organisation holds reserves over target level, trustees plan to raise ARE's reserves target to £500k. This decision will be discussed at its next board meeting. The £500k target includes funds needed for new staff positions following a strategic review (which is to be finalised). It realises some posts created through the review will need to be partially or fully funded from reserves whilst it seeks grant funding for these positions. Holding reserves at this level is therefore appropriate.

Year end as at 31st March	2022	2023	2024
	Signed Accounts	Management Accounts	Budget
	£	£	£
<b>Income &amp; expenditure:</b>			
Income	946,822	1,122,382	1,197,809
Expenditure	(819,713)	(903,126)	(1,197,809)
<b>Surplus/(deficit)</b>	<b>127,109</b>	<b>219,256</b>	<b>0</b>
<b>Reserves:</b>			
Total restricted	96,853	264,343	264,343
Total unrestricted	507,117	558,883	558,883
<b>Total reserves</b>	<b>603,970</b>	<b>823,226</b>	<b>823,226</b>
Of which: free unrestricted	507,116	558,882	558,882
Reserves policy target	304,000	355,000	407,000
Free reserves over/(under) target	203,116	203,882	151,882

## Funding History

ID	Type	Meeting Date	Decision
19453	Strategic Initiatives	20/06/2022	£400,000 over three years (£160,000; £160,000; £80,000) towards the pan-funder Windrush Justice programme. Funding is restricted to the small grants, capacity building, and convening elements of work, with all monies restricted for the benefit of Londoners.
16138	COVID19 Emergency Support Funding	13/05/2020	A one-off, unrestricted grant of £13,750, equivalent to one regular quarterly payment for the organisation's current grant. COVID19
14540	Investing in Londoners	02/05/2018	£110,000 over two years (2 x £55,000) for the "BAME Connectivity Programme" with funding to cover the costs of a part-time (0.7 FTE) Project Manager and support costs.
12410	Investing in Londoners	27/11/2014	£165,000 over three years (3 x £55,000) for the Valuing Volunteers Project?? with funding to cover the costs of a part-time (0.7 FTE) project manager and support costs.
10529	Working with Londoners	17/02/2011	£110,000 over two years (2 x £55,000) towards a programme of bespoke personal and organisational development for BME organisations across London.

## The Recommendation

ARE is an established and reputable second-tier organisation, with a mission to eradicate systemic racial inequality in education, training, and the criminal justice

system. It's second-tier support is increasingly vital against the backdrop of a declining number of Black, Asian and Mixed Heritage infrastructure organisations. This proposal meets the priorities of the Anchor Programme.

ARE has confirmed that inflationary increases will be allocated from reserves over the course of the grant. This will be reviewed on an annual basis and if required the organisation will source additional funds (from grants etc.). This is a sustainable proposal– it currently holds healthy levels of unrestricted reserves.

Funding is therefore recommended in full and as follows:

***£1,491,000 over ten years (£149,000; £149,000; £148,000; £149,500; £149,000; £149,500; £149,000; £149,000; £149,000; £150,000) towards core costs to enable Action for Race Equality to continue to support London's BME-led voluntary sector including contributions towards CEO (0.3FTE), Head of Policy (0.3FTE), UPLIFT Programme Manager (0.6FTE) and Project Support Officer (0.2FTE) salaries.***