

MEETING: 11/09/23

REF: 20310

ASSESSMENT CATEGORY: Bridging Divides - Anchor Programme

Muslim Charities Forum	Adv: Hannan Ali
Amount requested: £1,075,000	Base: Southwark
Amount recommended: £925,000	Benefit: London-wide

Purpose of grant request: Muslim Charities Forum (MCF) require core funding towards the continued development and launching of a strengthened governance support framework including recruiting a Governance Support Lead.

The Applicant

Muslim Charities Forum (MCF) is a registered charity (no. 1166149) established in May 2007. MCF is an infrastructure organisation supporting Muslim-led charities (MCs) based in the UK through roundtables, advocacy, training, and research. It promotes collaborative working and knowledge sharing amongst 16 member charities and 400 charities of which over 60% are based and/or serve the needs of communities in London. The charity has published guides and magazines on ethical excellence, partnership working, refugees' response, international insights, sector updates, Zakat information, and environmental action.

Through a strong network and partnerships with external bodies, funders, and policy makers, the charity helps organisations to strengthen charity governance, improve financial resilience, and develop sustainable practices. In 2021, it partnered with National Citizen Service (NCS) to develop a 'Future Leaders Programme'. MCF are a part of numerous national partnerships/movements, including the Vision for Volunteering and Voluntary Charity Sector Emergency Partnership (VCSEP).

Background and detail of proposal

MCF require £925,000 over ten years towards continuing development and launching a strengthened governance support framework comprising of: relevant resources; a bespoke health check; one-to-one support; programmes of events; and a network of professional service support providers. By growing its capacity through recruiting a Governance Support Lead (GSL), the charity will improve governance within the MC sector. The post holder will be responsible for leading advice and guidance to groups around to equip and inform MCs with necessary regulatory and legal information. The GSL will have experience and understanding of key charity legislation and impact for compliance and regulations in charity and community settings. Additionally, the GSL will advise and provide practical support for actions such as creating and modifying a constitution or restructuring a charity.

The bespoke charity health-check will be accessible through the charity's website. This will become a simplified tool groups with little to no capacity for training and development can use to improve their organisations. The resources produced will be digestible, appropriate, and relevant, and will cover a range of topics such as setting up a charity, language, and writing bids, financial management, data literacy, sustainable practices, etc. The one-to-one support will include monthly check-ins with the GSL; this will be included in the framework as it was a popular support tool previously. The GSL will also provide administration support and assist with

arrangements for events including webinars and roundtables with charities and stakeholders. Finally, the GSL will co-ordinate with a network of professionals and develop a directory of professionals and services that can provide specialist support in legal, financial, fundraising, and safeguarding areas. This would include pro bono offers to ensure accessibility for all charities.

MCF is entirely led by and for the communities it serves. The Board of Trustees comprises people from the Muslim faith communities and Communities experiencing racial inequity such as Asian, African, and Arab – all of whom have professional experience within the charity sector and have direct or indirect lived experience of the challenges. The charity's ambition is to become the nexus between charitable organisations and social and political powers that influence the mainstream third sector. It reaches out to its network to obtain feedback and input through events, engagements, reports, etc. All intelligence gathered informs the charity's strategy. Factors such as key engagement milestones, programme retainment and digital metrics will be monitored to ensure project success.

Due to established trust, shared religion, and culture, the charity is able to reach organisations supporting refugees, migrants, asylum seekers, other faith groups, those with health issues, people who are educationally socially or economically disadvantaged, and underfunded groups. It works with organisations working exclusively with these groups and more intersectionally. MCF has existing relationships with Tudor Trust, Barrow Cadbury Trust, London Community Foundation, Islamic Relief UK, Comic Relief, National Zakat Foundation, The Charities Commission, and The Fundraising Regulator. It recently held a successful roundtable discussion with 25 members and representatives of the community which investigated members funding awareness, skills, and access to grant funding. The postholder will leverage MCF's existing connections to develop an internal steering committee with external partners to ensure further collaboration collaborative working is retained, and potential duplication of support is avoided.

Using the funding to deliver systemic change, by supporting organisation tackling the causes of systemic inequality and injustice, especially for Muslims, MCF envisage a more resilient Muslim charity sector in 10 years' time having restored, repaired, and re-energised service users. The broader impact in the charity sector will include improved integration and representation and leveraging more funding towards MCs. The work proposed is part of the charity's core functions and is aligned to its 'Engagement' and 'Advocacy and Research' priorities. 'Engagement's' objective is to inspire excellence in practice through relevant and tailored capacity building, and 'Advocacy and Research' aims to maintain and enhance engagement with the relevant institutions and partners to strategically advocate for MCs. MCF meet the Anchor funding criteria as it is a second-tier support organisation which is user-led, intersectional in its approach, embraces complexity, constantly learns, works at various levels concurrently, makes effective interventions, and understands agency, power, and responsibility.

London's Faith sector

The report 'What a difference faith makes' by New Philanthropy Capital (NPC) (2016)¹ to which MCF contributed, emphasised that faith-based charities (FBC) have huge potential to create impact for their beneficiaries and for society and are a valuable part of the voluntary sector, yet outside of the faith community, many people were unaware of the contribution and potential. The lack of knowledge about FBC makes it harder to understand the challenges and benefits that being a FBC might present. Conflicting views on the role of faith in society, a high public awareness of a small number of negative events, and diminishing financial support, has at times resulted in a suspicious and hostile attitude towards religion, particularly those of the Islamic faith. NPC figures showed other faith charities received a higher proportion of the faith-based sector income compared to their representation, whilst MCs received a lower proportion compared to their representation.

The University of Sheffield report 'Faith responds to modern slavery'² found that there was an evident discomfort where FBC working on modern slavery would de-emphasise their faith origins because they felt being overtly religious could limit funding opportunities. Dame Sara Thornton, the independent anti-slavery commissioner, stated that "*that many faith-based organisations have very strong positions on non-proselytisation.*" The Bloom Review (2023)³ one of the largest public calls for evidence was conducted over three years, also recognised, and affirmed the contribution that faith, people of faith, and places of worship make to society. FBC contribute hugely to the effectiveness of government when it attempts to tackle pressing social challenges and make up around 27% of charities in England and Wales. Nevertheless, the review concluded that "*Faith literacy is woefully inadequate, particularly among civic leaders and policy makers.*" The review found that the terms 'faith, belief, religion,' and other basic tenets and principles are often poorly understood. One of the recommendations stated that "*Government should learn from the effective faith engagement programmes initiated during the pandemic and hold regular roundtables... all groups having the right to speak and be heard at appropriate levels.*" MCF's proposed work is seeking to address these findings by supporting affected groups."

Since 2020, MCF has continued to uncover the concerns that restrict MCs' progress in embedding best practice, building resilience or upscaling to reach further marginalised communities. From correspondence with the Charity Commission regarding the number of MCs who have faced investigation for failure to comply with regulations (18% of those for whom a statement was published, 2018-2023) as well as further research conducted with funders and partners (including a UK wide mapping exercise with Barrow Cadbury Trust), governance issues are some of the most pressing systemic issues. These issues are compounded further by a lack of engagement both with and from the mainstream sector. This has resulted in MCs serving multiple marginalised groups, Muslim and non-Muslim, but are siloed. The closure of the Small Charities Coalition (SCC) and The Foundation for Social Improvement (FSI) has further removed vital second-tier support.

¹ NPC 2016 [What a difference a faith makes](#)

² Civil Society Media 2020 [Faith-based charities uncomfortable being 'overtly religious', finds report](#)

³ The Bloom Review 2023 [Does government 'do God?' An independent review into how government engages with faith](#)

In 2021, MCF partnered with The London Community Foundation to support Waves 4 and 5 of the London Community Response Fund during the Covid19 pandemic. This focused on London-based charities, investigating their awareness, skills, and access to grant funding. The common barriers discovered and reported⁴ included lack of awareness and skills in applying for grant funding, lack of trust in funders due to unconscious bias and Islamophobic stereotyping, anxiety about monitoring practice, and ineligibility due to a lack of funder due diligence awareness. MCF is currently working with VCSEP National Emergencies and Members Engagement Programme, which was designed to assist and facilitate the integration of MCs in local emergency responses. A trend noted included less funding available leading to more competition between charities to obtain funds, which meant when less funds were awarded, downsizing occurred. A common challenge was small teams with limited resources were taking on larger roles to support their communities, which was leading to burnout. The charity's impact over the last six months has seen direct contact with over 100 MCs delivering services to a range of communities.

Financial Information

Year end as at 31 March	2022	2023	2024
	Signed Accounts £	Draft Accounts £	Forecast £
Income & expenditure:			
Income	346,793	454,582	384,745
Expenditure	(503,815)	(463,692)	(394,704)
Surplus/(deficit)	(157,022)	(9,110)	(9,959)
Reserves:			
Total restricted	59,789	113,248	116,551
Total unrestricted	169,717	107,148	93,886
Total reserves	229,506	220,396	210,437
Of which: free unrestricted	169,612	107,043	93,781
Reserves policy target	125,954	98,676	70,292
Free reserves over/(under) target	43,658	8,367	23,489

MCF's membership income increased slightly from £114k in 20/21 to £131k in 21/22 and to avoid reliance on this income strand, the charity generated funds from donations, projects, and grants. MCF were selected as an intermediary partner for the Global Majority Fund and awarded £250k in February 2021. It brought forward restricted funds from the Fund in 20/21 to 21/22 and distributed £230k to 22 organisations. General charitable expenditure in 21/22 remained similar to the previous year 20/21. The charity's reserves policy is to hold three months administrative expenditure, or a minimum of £30k (an increase is currently being discussed by the trustees) for closure of the charity; for the basis of this assessment, the three-month range was used, therefore in 21/22 it held sufficient funds and is in a healthy financial position overall. The budget and forecast figures above do not include recently awarded Infrastructure funding and Anchor funding figures.

Funding History

ID	Type	Amount	Meeting Date	Decision
20061	Bridging Divides (BD)	£245,500	31/07/2023 CFD DA	£245,500 (£72,500, £82,000, £91,000) to deliver policy development and advocacy, to strengthen representation of the London
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⁴ London Community Foundation 2021 [Overcoming barriers to funding](#)

	Infrastructure funding			Muslim-led charity sector and build capacity for minority communities.
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The BD funding to deliver policy development and advocacy is not a duplication of works proposed under the Anchor Programme, although both compliments each other. The Policy and Advocacy Lead will focus particularly on stakeholder engagement, whereas the Governance Support Lead will focus on working with charities delivering support and training.

The Recommendation

MCF will work to ensure that Muslim communities and their grassroots charities are more resilient and robust through implementation of a strengthened and expanded comprehensive governance framework and aim to have FBC better represented at decision-making levels. Governance support is a core part of MCF's mission and one of its four pillars, therefore the funding supporting this element of its work will support its overall vision. The need for the support proposed to create systemic change has been evidenced over the recent years, and due to a lack of understanding of the intersectionality of Muslim-led charities in civil society, barriers to funding have been amplified. It is best placed to act as the driving force behind this change, and over the next decade expects improved understanding and cohesion within the sector. The GSL will have experience and understanding of key charity legislation and impact for compliance and regulations in charity and community settings. The variance between the original and revised request was due to initial forecasting and budgeting error.

£925,000 over ten years (£96,000, £84,000, £84,000, £86,000, £95,000, £91,000, £93,000, £95,000, £99,000, £102,000) towards the continued development and launching of a strengthened governance support framework comprising of: relevant resources; one-to-one support; a bespoke health check; programme of events; and a network of professional service support providers. The grant includes the recruitment of a new Governance Support Lead role.