

MEETING: 09/12/2024

REF: 25065

ASSESSMENT CATEGORY: Anchor Programme: Round Two

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| The AVOCADO Foundation (formerly Money4You) | Adv: Lydia Parr |
| Amount Requested: £1,500,000 | Base: Barnet |
| Amount recommended: £1,500,000 | Benefit: London-wide |

Purpose of Grant Request:

The AVOCADO Foundation is requesting 10 years of core funding to equip Black, Asian, Multi-Ethnic and Refugee (BAMER) led non-profits in London with the resources, knowledge and networks necessary to dismantle economic inequality and build a brighter future for BAMER communities.

The Applicant

The AVOCADO Foundation (TAF), formerly Money4You is a registered charity (no.1157549) and infrastructure body. TAF's mission is to reduce economic disparities faced by youth, non-profits, and entrepreneurs. TAF provide a suite of financial education programmes as well as capacity building support and resource to individuals and organisations from underrepresented communities as a long-term solution to inequality and multi-dimensional poverty.

TAF offer capacity building support to BAMER-led Voluntary Community and Social Enterprise (VCSE) organisations in London via:

- AVOCADO+ Training: Grounded in research, the tailored programme focuses on the Charities Aid Foundation six key areas for resilience and sustainability: financial and operational fitness, purpose, impact, effective leadership, networking, and awareness.¹
- BAMER HUB: An online, user-led business and resilience space that provides digital tools, activities, events, and resources.

Background and Detail of Proposal

City Bridge Foundation (CBF) has previously funded TAF to run the Avocado Programme for BAMER organisations in London with the latest iteration of the programme being the AVOCADO+ Training programme. TAF has had contributions from CBF towards its Dragons' Den award scheme where BAMER-led organisations have the opportunity to pitch to grant makers, network and celebrate the work of the BAMER-led VCSE sector. Since the pilot of the AVOCADO+ programme in 2016 over 1,700 participants have taken part in the programme with 75% of alumni reporting a fourfold increase in successful funding bids. 42 strategic partnerships have been built and since 2019 over £300,000 in grants have been awarded.

£1,500,000 is requested over 10 years to contribute to the core costs of The AVOCADO Foundation to enable the organisation to support BAMER-led non-profits in London with the resources, knowledge and networks required to dismantle economic inequality. Funding will facilitate TAF's work to address historic underinvestment in BAMER-led VCSEs across London, share insights to drive

¹ <https://www.cafonline.org/insights/blog/six-characteristics-of-a-resilient-charity>

structural change and inform policy reform for the BAMER sector at a practical level. TAF aims to develop a dedicated 'Lab' function to explore innovative approaches in its work. Funding of TAF's core costs would include contributions to the essential roles of Centre Manager (1FTE), IT Manager (0.4FTE), Finance Officer (0.4FTE) and Marketing Officer (0.2-0.5FTE increasing contribution in years 1-3).

Funding would enable TAF to:

- Explore alternative income generation options such as social impact investments, strategic partnerships with corporations, and individual giving campaigns.
- Become more intentional in advocating for policy changes to promote long-term core funding and work collaboratively with policymakers and funders to dismantle discriminatory practices within funding structures and service delivery systems.
- Secure an affordable and accessible workspace.
- Work closely with leadership development providers to identify and nurture future talent passionate about working in BAMER-led organisations.
- Explore models of sharing human resources within the community.
- Leverage its expertise to design and support initiatives that promote wealth creation and access to capital within BAMER communities.
- Collaborate with partners to implement innovative solutions that provide affordable equipment and technology access for BAMER-led organisations, along with ongoing technical support.
- Foster stronger partnerships among BAMER-led organisations to maximise collective impact through regular co-creation and innovation hub events, aiming to include them as architects of their own change.

TAF has been providing second tier support to London based BAMER-led organisations since 2016. TAF's intersectional approach reflects its commitment to prioritising work primarily supporting those who are marginalised because of their race or identity, immigration status, and those compounded by their socio-economic status. TAF's leadership team is 100% representative of the local communities it supports, ensuring a deep understanding of the challenges and opportunities faced by frontline organisations, entrepreneurs and B. TAF further strives for representation throughout the organisation, with approximately 75% of staff, associates, and volunteers reflecting the communities it serves. Beyond internal representation, TAF also actively engages with diverse communities through the BAMER HUB Co-Creators Club. This volunteer network acts as a critical partner, providing regular feedback on its services, interventions, and the online platform.

TAF collaborate with community members and fellow social justice organisations and is well connected with Voice4Change England/Pathway Fund, Do it Now Now, The Ubele Initiative, and Uncharitable. Race on the Agenda, another sister organisation, hosted TAF in its early years.² This allows TAF to share best practice, avoid duplication of effort, and amplify collective voice. Through collaboration and empowerment, TAF is building a more inclusive financial landscape for London's diverse communities.

² The Ubele Initiative, Do it Now Now and Race on the Agenda are Anchor programme applicants.

TAF meets the priorities of the Anchor Programme as a user-led organisation working in an intersectional way to bring about systems change to redress the disproportionate economic disparities BAMER-led organisations face. TAF works in an equitable way involving members in the design and delivery of services and will continue further co-design projects to tackle fundamental issues in the BAMER-led sector.

A great example of TAF enacting change at a systems change level is its work on #OperationTransparency. Launching in January 2022 the project called on the Charity Commission (CC) to make diversity and equalities data part of the Register of Charities. Alongside campaigning on the issue, TAF spent two years researching various aspects of discrimination in the sector, with a particular focus on racism after finding no data in the CC's Register of Charities on the diversity of individual charity records. TAF sent an open letter to the CC urging it to monitor the diversity of charity trustees and senior executives across a range of protected characteristics. Public access to this data would enable better interventions to improve diversity and build trust and accountability in the sector. TAF received a formal response from the CC, acknowledging the severity of the issue and committing to take the proposal into consideration.

Through a programme of events, research, and campaigning toolkits, TAF provided resources to sustain the debate about diversity transparency in the charity sector. The #OperationTransparency report³ launched in November 2023 at the House of Lords. The report covered representation and transparency around diversity in the CC's workforce and senior leadership, funding parity for organisations led by people of colour, the inclusion of lived experience in senior leadership at the UK's largest and most influential charities, and the regulation and enforcement of equality duties. The report called on the CC to collect and report on diversity data in the charity sector, and to make a public commitment to antiracism and antiracist practices. TAF also asked the CC to publish a review of diversity and inclusion in appointments to the post of Chair and requested for charities to be asked to describe and explain the level of lived experience in their leadership structures in annual reports. Over the last 10 years TAF have provided training, support sessions, and funding opportunities to over 90 BAMER-led non-profits. These efforts have enhanced sustainability, leadership, and operational capabilities within these organisations, ensuring they can continue to serve their communities effectively

London's BAMER-led sector

London's BAMER communities face a complex web of interconnected challenges that hinder their ability to thrive. These systemic issues create a vicious cycle that weakens the effectiveness of second-tier organisations:

- **Chronic Financial Strain:** Historical under funding and reliance on short-term funding has created chronic financial instability. This restricts long-term planning and investment in essential resources needed for growth and/or sustainability. Limited resources also constrain the ability to offer competitive salaries, leading to difficulties in attracting and retaining talent.
- **The Widening Digital Divide:** The increasing importance of technology for fundraising, data management, and program delivery exposes a widening

³ <https://www.money4you.org/wp-content/uploads/Money4YOU-OperationTransparency-Report-.pdf>

digital divide. Lack of access to technology and training in nonprofit technology integration and data security leaves many BAMER-led organisations vulnerable. This hinders their ability to leverage technology effectively, impacting their reach, impact, and ultimately, their ability to compete for funding.

- Institutional Inequity Persists: Discriminatory practices embedded within funding structures and service delivery systems continue to disadvantage BAMER-led organisations. Limited access to networks and opportunities makes securing funding and retaining donors a constant challenge, perpetuating financial instability.

These challenges are further compounded by limited wealth accumulation and access to capital within BAMER communities. This lack of financial security often leads to a lack of opportunities and outcomes when compared to white communities. Additionally, the lack of assets and property ownership creates a further barrier, as they miss out on potential income generation and cost reduction opportunities. TAF's activities will work to address the above challenges BAMER-led organisations face.

Financial Information

No costs have been duplicated between this proposal and TAF's existing grant ref.20365. Forecast income figures do not include Anchor Funding.

Although slightly under target in YE Dec 2023 the organisation is forecasting to have improved its free reserves position considerably by YE Dec 2024 continuing the upward trend in reserves position to YE December 2025. As confirmed via email, in FY2024, 88.3% of income is currently confirmed with TAF actively working on securing the additional funding to close the remaining gap. The applicant is in a stable financial position with just over 52% of income confirmed for YE December 2025. Even though the FY2023 accounts show the organisation's free unrestricted reserves were under target, the subsequent years show much improvement. The organisation continues to implement a fundraising strategy actively pursuing multiple avenues to secure funding e.g. developing corporate partnerships by approaching organisations with a strong focus on community development and finances e.g. Lloyds, Barclays, PWC. TAF are working to diversify income streams and grow its consultancy services to increase unrestricted funds into the organisation with the long-term goal of building free unrestricted reserves to 6 months of operating costs.

| Year end as at 31 December | 2023 Signed Accounts £ | 2024 Forecast £ | 2025 Budget £ |
|-----------------------------------|------------------------------|-----------------------|---------------------|
| Income & expenditure: | | | |
| Income | 406,230 | 657,273 | 669,000 |
| Expenditure | (351,776) | (540,000) | (595,000) |
| Surplus/(deficit) | 54,454 | 117,273 | 74,000 |
| Reserves: | | | |
| Total restricted | 95,360 | 95,360 | 100,860 |
| Total unrestricted | 60,482 | 177,755 | 246,255 |
| Total reserves | 155,842 | 273,115 | 347,115 |
| Of which: free unrestricted | 60,482 | 177,755 | 246,255 |
| Reserves policy target | 87,944 | 135,000 | 148,750 |
| Free reserves over/(under) target | (27,462) | 42,755 | 97,505 |

Funding History

| ID | Type | Meeting Date | Decision |
|--------|--------------------------------|--------------|---|
| 24887 | Anchor Round 2 EOI | 03/06/2024 | Invited to apply for second stage. |
| 21234 | Strategic Initiatives | 01/09/2023 | £100,000 towards Money4You's 2022 Dragons' Den award scheme. |
| 20493 | Anchor Round 1 | 07/07/2023 | Rejected. |
| 20365 | Bridging Divides | 04/05/2023 | £552,700 over five years (£100,000; £105,000; £110,300; £115,800; £121,600) towards Money4You's AVOCADO programme for BAMER organisations in London. |
| IPP175 | Inflationary Pressures Payment | 11/11/2022 | £5,000 to support increased costs. |
| 19581 | Strategic Initiatives | 20/07/2022 | £100,000 towards Money4You's 2022 Dragons' Den award scheme, with funding restricted to groups delivering work of benefit to Londoners and constituted as registered charities or Community Interest Companies. 10% of the awarded funds to cover Money4You's delivery costs and oversight. |
| 17867 | LCRF W3 | 02/09/2020 | Rejected. |
| 16614 | LCRF W2 | 06/05/2020 | £12,500 towards 3 months of expenditure, as outlined in your application. |
| 15945 | Bridging Divides | 13/01/2020 | £150,000 over three years (3 x £50,000) towards Money4Youth's Avocado fundraising capability and financial sustainability programme for BAMER organisations in London. |
| 15414 | Bridging Divides | 17/04/2019 | Withdrawn. |

The Recommendation

With its established connections and growing momentum, TAF are well-placed to carry its ambitious vision forward and create real systems change. Funding is recommended as follows:

£1,500,000 over 10 years (£150,000; £150,000; £150,000; £150,000; £150,000; £150,000; £150,000; £150,000; £150,000; £150,000) towards core costs to enable TAF to equip BAMER led non-profits in London with the resources, knowledge and networks to dismantle economic inequality.