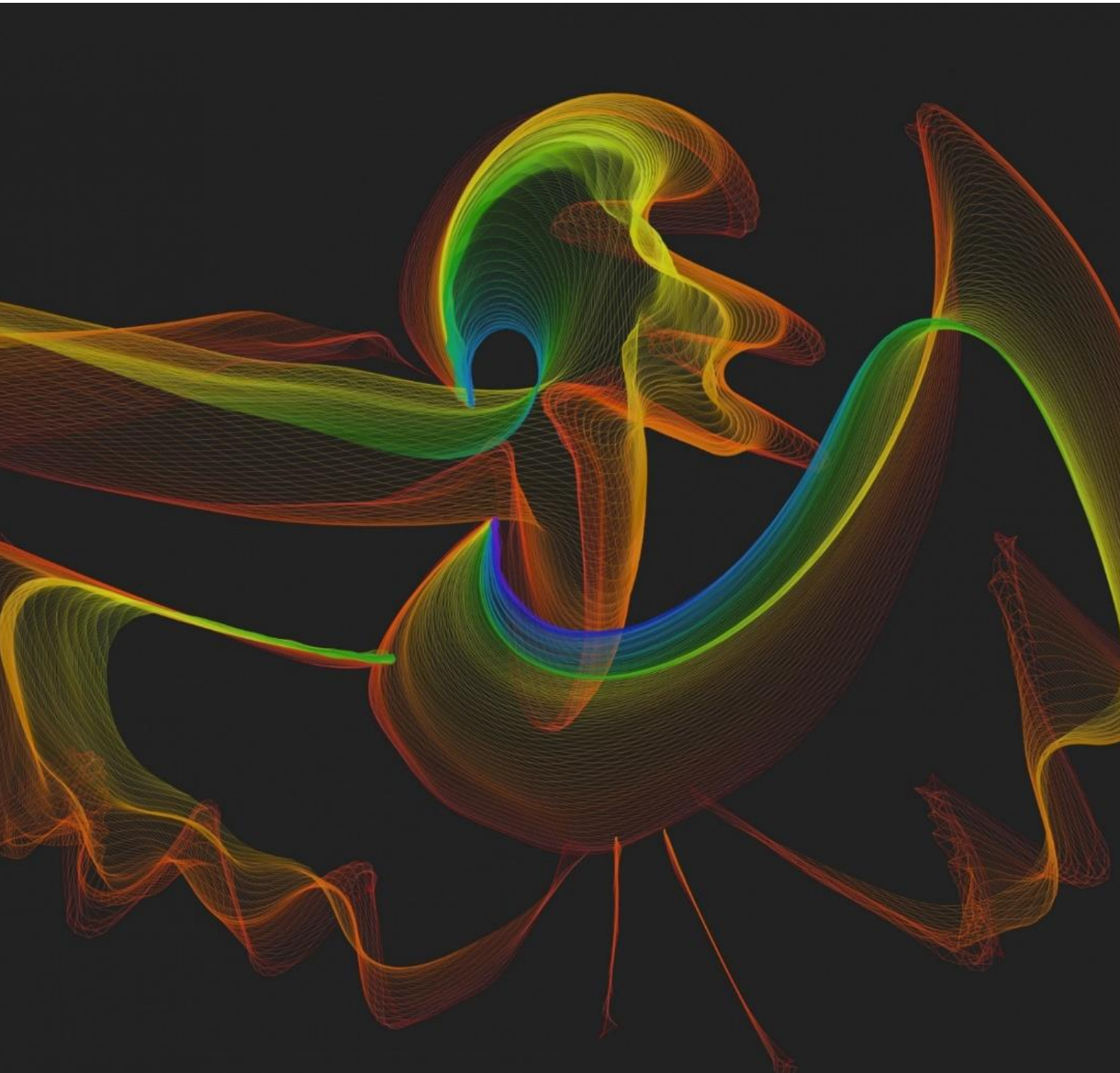


THE WAY OF THE WAY

REPORT ON YEAR ONE OF THE PHOENIX WAY



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INTRODUCTION

The Phoenix Way began as an end to a means, but quickly became a means to an end. Initially a group of actors within the Black and minoritized ethnic (BME) community came together to answer a call that was put out by Ubele to support BME frontline organisations in recognition of the ravages of the pandemic. The group quickly articulated what they had always known: that the pandemic was only a symptom of the relationship BME communities and organisations who support them face as a consequence of race discrimination within wider society.

brap was appointed as a learning partner to support Phoenix Partners to capture their journey. An interim report (March 2021) recorded the aspirations of Phoenix to be more than just an alternative source of funding for BME frontline groups, but to recognise and respond proactively to the barriers faced in securing funding and to address racial disparities. brap began to sculpt out what we described in that interim report as ‘The Phoenix Difference’. This captured how those engaged in Phoenix operationalised their fund distribution activities and how these actors quickly built the values and aspirations behind Phoenix, which has become known as ‘The Phoenix Way’.

This report looking at the first year of the Phoenix Fund attempts to build on that interim report’s building blocks by:

- historically positioning the experiences of BME voluntary organisations
- capturing further insights from partners
- undertaking follow-up interviews with grantholders

TERMINOLOGY

Just a quick note on terminology. Generally speaking, people involved in the Phoenix Fund referred to everyone else – from funder to grant recipient – as a ‘partner’. To make things clear in this report we use ‘partner’ to refer to those organisations taking part in steering group meetings, funding panels, etc. These are distinct from ‘funders’ (Global Fund for Children and the National Lottery Community Fund). We call grant recipients ‘grantholders’, which wasn’t really a term used by partners.

We use the term ‘BME’ to refer to Black and minoritized ethnic groups.

ETHICS

While we conducted formal interviews as part of the learning process, a lot of the observations in this report are based on informal conversations (particularly with partners) during or after meetings. We don’t think we are betraying confidences, but nevertheless we have made efforts to anonymise all comments.

THE HISTORICAL CONTEXT FOR BME FUNDING IN THE UK

In this section we wanted to briefly outline some of the barriers and issues BME groups have historically faced accessing funding. Hopefully this will help contextualise many of the conclusions we outline later in the report.

THE LONGER HISTORICAL VIEW OF BME FUNDING INEQUALITIES

Funding for Black, Asian & other minority ethnic communities: Bridging the gap in funding for the BME voluntary and community sector, research by Voice4Change England (2015)¹ identifies the following problems:

- a) Per head of population there are fewer BME-led charities than 'mainstream' charities (mainstream: 1 for every 343 white citizens; BME: 1 for every 550 BME citizens) – and in addition, this smaller base of charities is under-funded in comparison to others.
- b) With roots in the Windrush generation and the provision of welfare services specifically set up to meet the needs of early migrant and diaspora groups and help these new communities overcome the hostility, racism and discrimination they routinely faced, many BME-led VCOs have historically been small and reliant on precarious and minimal funding. V4CE suggests that they may also have been disproportionately reliant on local authority grant-funding² – and consequently were disproportionately heavily hit during the early years of austerity. For example:

During the period 2009/10 to 2011/12, funding for the VCS from statutory sources declined by 5%. But BME VCS organisations, according to a survey undertaken in West Yorkshire, lost between 25% and 28% of income from statutory sources.³ Research by CEMVO covering the same period indicated that when both statutory and independent sector funding sources were considered, BME organisations had lost 61% of funding. (The original source for this CEMVO research no longer seems extant and CEMVO went into liquidation in 2013, although CEMVO Scotland appears still to be operating.)

- c) The gradual shift amongst local authorities during the early-2000s from grant regimes to contracting and commissioning saw many grant-pots 'mainstreamed' (i.e. rolled up into local authorities' main purchasing budgets), with a disproportionate impact on the BME VCS as culturally- or ethnically-specific provision was either lost or 'opened up to

¹ *Funding for Black, Asian & other minority ethnic communities: Bridging the gap in funding for the BME voluntary and community sector*, Voice4Change England (July 2015): <https://baringfoundation.org.uk/wp-content/uploads/2015/07/Funding-for-BME-VCOs-Report-July-2015-V4CE-II.pdf>

² For example, research cited by V4CE suggests that in 2010 53% of BME VCOs relied on funding from statutory sources. See: <http://www.voice4change-england.co.uk/content/state-bme-sector-0>.

³ *West Yorkshire Public Sector Cuts: The impact on the BME voluntary & community sector*, Lachman R and Malik F (2012). JUST West Yorkshire, the Leeds Social Science Institute and Leeds University Business School: <https://bradscholars.brad.ac.uk/handle/10454/10097>.

competition' by mainstream VCS providers. Some BME VCOs were also disadvantaged by a lack of adequate 'contract-readiness' – ie they lacked the skills, confidence and sometimes the organisational capacity that would enable them to bid successfully for public sector contracts. Confidence and language barriers have often been cited as particular problems for smaller BME VCOs.⁴ (Some – as is the case for many small mainstream VCOs today – were also unable to meet the financial and other thresholds required by public sector contracting procedures.)

- d) Capacity-building and skills support for the BME VCS is needed – especially as regards bid-writing, contract-readiness, financial management – but even today this remains true and is probably equally true for many smaller and grassroots VCOs, irrespective of ethnicity, and is widely acknowledged to be true of the community sector. (Such targeted provision, after an absence of many years, is now happening again but specifically in the context of ability to bid successfully for Covid-19 grants. See 4.0.)
- e) There may also be a historic problem in the structuring of independent funders' grant programmes, with too much being applied to 'new project' costs at the expense of organisations' core costs. This affects BME VCOs disproportionately, according to V4CE, because they are likely to receive less 'unrestricted' income from other sources and generally have lower reserves. They are also more likely to struggle to attract resources from corporate giving, private sector partnerships, collaboration and/or sponsorship, especially if their causes are perceived as 'unpopular' (e.g. anti-discrimination work).⁵
- f) Umbrella and network organisations ensuring stronger BME voice and representation at the regional level were early casualties of austerity, thus reducing any unified voice that might have lobbied for reforms in independent grant-making practices and priorities.⁶ It is after all significant that it has taken a global pandemic to put BME inequalities back on the political agenda (not even Grenfell did this, despite the egregious and self-evident inequalities and disadvantage the tragedy revealed).

The report recommends that:

- Funders should ear-mark funds for BME communities.
- Funders should establish a 'Charter' for funders and the BME VCS.
- A brokerage body should be established to better connect funders and the BME VCS.
- Funders should share good practice regarding BME VCS funding.
- BME VCS organisations should collaborate more on joint bids.
- Funders should collaborate to support the BME VCS.
- There should be a funding focus on tackling race inequality for three years.

⁴ These concerns are to some degree reflected in an earlier literature review: *The Black and Minority Ethnic Voluntary and Community Sector: A Literature Review*, Reid M, Department of Urban Studies University of Glasgow/Ethnic Minority Foundation (2004): <http://www.cemvoscotland.org.uk/wp-content/uploads/bme-voluntary-and-community-sector-literature-review-1.pdf>.

⁵ Also reasserted in V4CE's earlier report, *A shared vision for the future of the BME voluntary & community sector* (p.29), V4CE (Sept 2010): http://www.voice4change-england.co.uk/webfm_send/4.

⁶ See: <http://www.voice4change-england.co.uk/content/state-bme-sector-0#regional>.

- There should be major audit of the BME VCS (extent/geography of distribution, ethnicity, organisational types, income, staffing etc).
- Better promotion of funding streams.
- Measuring impact (with specific regard to impact of independent funders' grant-making on tackling racial disadvantage).

While the V4CE report argues for specific measures that enable funders to track, monitor and assess the distribution of resources to BME VCS groups, it also makes clear that in and of itself such an approach should not be considered adequate. It also argues for independent grant-makers to consider the underlying and systemic racism and discrimination BME communities face and says that funders should seek to measure the positive impact their resources make to addressing entrenched, structural inequalities. Inequalities in funding for BME VCOs, then, in the V4CE analysis, is not simply or solely an issue of 'distribution': it is also a failure on the part of funders to think through and identify how specific funding programmes can (and should) make a contribution to tackling BME disadvantage.

The Joseph Rowntree Foundation has previously funded significant work examining the relationship between inequalities in funding for the BME VCS. Some of this work is now rather dated but nonetheless still informative. For example a 2004 report commissioned by JRF and produced by the 1990 Trust highlights the double impact that inequalities in funding has on BME VCOs, affecting both their service delivery capacity and long-term sustainability but also having a much wider 'ripple effect' on their ability to undertake the BME VCS's historic role of BME civic, community and political engagement.⁷

Part of this report discusses the perception that exists of BME organisations being grant-dependent and lacking financial acumen and entrepreneurialism. A case study used to rebut these stereotypes is that of The Peepul Centre in Leicester, at that time a successful new-build community hub, arts and cultural venue and welfare centre. The Peepul Centre remains at the heart of community life in Leicester but with all of its facilities shut during lockdown earlier this year (2020) its future now looks extremely uncertain. Despite this, with financial support from DEFRA, the centre has prepared and distributed over 25,000 hot meals for families in need during the Covid-19 pandemic – a sort of repurposing that many VCOs were able to achieve during the pandemic, often against immense odds.⁸

THE LATE-1990S & EARLY-2000S

Concerns about inequitable distribution of and access to independent grant-funding *and* statutory funding are not new, of course: what has been given new urgency and prominence by the Covid-19 pandemic arguably had greater currency in the late-90s and early-2000s. The largely unprecedented policy emphasis New Labour gave to the role of the third sector

⁷ See: *Black voluntary and community sector funding, civic engagement and capacity-building*, Chouhan K and Lusane C, Joseph Rowntree Foundation (Feb 2004): <https://www.jrf.org.uk/report/black-voluntary-and-community-sector-funding-civic-engagement-and-capacity-building>.

⁸ See: *Leicestershire Live, Belgrave's Peepul Centre continues to support people in need despite uncertainty over its future 26/07/20*: <https://www.leicestermercury.co.uk/news/leicester-news/belgraves-peepul-centre-continues-support-4361569>.

in neighbourhood renewal, public service delivery and social inclusion during the years from 1997 to the Coalition Government of 2010 also helped create a specific focus on BME VCS funding inequalities. These were the years of Blair's Social Exclusion Unit, new frameworks and structures for tackling deprivation and disadvantage (Local Strategic Partnerships and the National Neighbourhood Renewal Strategy),⁹ and an increasingly prominent role in public policy for the voluntary and community sector, resulting in the Voluntary Sector Compact.

On the 20th November 2002 Third Sector Online reported that:

*Black and minority ethnic groups are fighting back against what they see as an unfair funding system. Black and minority ethnic (BME) voluntary and community organisations have little contact with the mainstream white-led sector, suffer from an unequal distribution of resources and are held back by racist attitudes and unresponsive funders.*¹⁰

The piece cites a report from the Local Government Information Unit [report no longer extant] which found that just 1.3% of successful initiatives funded by the £5.5m Single Regeneration Budget were led by BME groups. It also cites research by CEMVO which suggested that as little as 2% of independent trust funding found its way to BME VCOs. "It presents a disturbing picture," said CEMVO's then-CEO. "BME groups do not appear to be getting their fair share of funding, but the reasons are complex and you can't put it all at the door of simple racism." The piece identifies the following issues:

- Lacking intimate knowledge of BME communities, funders may not fully understand the project ideas that emanate from BME groups and how they relate to the funders' aims.
- Many BME groups are also changing rapidly and working on projects that may appear some distance from their original objectives.
- Funders themselves do not see BME organisations as able to deliver services tied to specific outcomes, and pigeonhole them as campaigning social justice organisations.
- BME organisations are seen as a bigger risk -- funders are wary about giving grants to BME organisations unless they are sure they have the financial systems in place to handle the money.

Some at least of these concerns remain current.

A DECADE OF AUSTERITY CREATES A NEW ENVIRONMENT

The decade of austerity commencing with the Coalition Government of 2010 and accelerated by subsequent Conservative Governments served to dismantle these gains (if indeed they were gains – the record is still being hotly debated)¹¹ and in the years following inequities in BME voluntary sector funding largely fell of the radar. The unequal impact that public sector spending cuts had on the BME VCS was the focus of some attention (roughly

⁹ This Guardian article explains the early roots of New Labour's neighbourhood renewal plans: Neighbourhood renewal: the issue explained, Matt Weaver, The Guardian (13/03/01): <https://www.theguardian.com/society/2001/mar/13/9>.

¹⁰ See: How much equality really exists in the third sector? Matthew Little, Third Sector Online (20/11/02): <https://www.thirdsector.co.uk/news-focus-equality-really-exists-third-sector/article/612538>.

¹¹ See for example: The politics of disadvantage: New Labour, social exclusion and post-crash Britain, McNeil C, IPPR/Lankelly Chase Foundation (n.d but probably 2012 or 2013): https://lankellychase.org.uk/wp-content/uploads/2016/05/IPPR_Report-Politics-of-Disadvantage-20121213.pdf.

speaking during the period 2009-2012 or so) but most organisations over the past six or seven years or so have either lacked resources to investigate this further or have been focused on the impact of austerity (and especially welfare ‘reforms’) on vulnerable client groups and other related issues.

CURRENT DEBATE – A NEW EMPHASIS

It has taken the gross health and other inequalities highlighted by the Covid-19 crisis to put this issue back on the agenda. But even allowing for this, the current debate has a new and different emphasis. What began all those years ago focused specifically on how (and perhaps whether) BME VCS organisations were disadvantaged or discriminated against in terms of the distribution of and access to statutory and independent trusts’ funding. There is now an increasing emphasis – largely as a result of Covid-19, the resurgence in Black Lives Matter activism locally, nationally and internationally and renewed efforts to ‘decolonialise’ cultural, social and economic history – on how BME communities and the organisations working to support them have experienced inequitable outcomes (in health, employment, funding, housing, education) as a result of entrenched, systemic inequalities, and the role that funders can and should take in ensuring that their considerable resources are utilised explicitly in pursuit of addressing racial inequality. The debate has become less a matter of access and distribution and more a matter of social justice.

FUNDERS – GOOD PRACTICE & REFORM?

It is extremely difficult to determine the degree to which independent funders and charitable trusts may have responded to inequalities in BME VCS funding either by reforming their own practices or working together to make collective and/or collaborative changes. If such change has happened then documentation relating to it is not generally speaking in the public domain.

For example, a potentially significant development in the region in recent years has been the relaunch (2014) of the WM Funders Network (WMFN). Originally established in 1975 and formerly known as Charitable Trusts West Midlands, this network (now incorporated as a CIO) brings together an estimated 50 independent grant-making trusts and other funders active in the West Midlands.¹² But neither the group’s most recent programme of events (2018)¹³ nor other materials on its website makes it possible to determine whether inequities in BME VCS funding has been an issue of particular focus for WMFN. Nonetheless, access to such a significant cluster of independent funders in the West Midlands should offer a focal point for exploring this and related issues.

¹² See <http://wmfn.org.uk>.

¹³ See <http://wmfn.org.uk/wp-content/uploads/2014/05/WMFN-Leaflet-Programme-of-events-2018v3-2.3.18.pdf>.

COVID-19 DOMINATES THE LANDSCAPE

What reform and good practice is identifiable would seem to suggest that the problem of inequitable funding for BME community organisations exists only in the context of Covid-19. Necessary as this may be, it does reinforce the view that little that was 'pre-Covid-19' now has any enduring currency or recognition. For example:

- a) UK Community Foundations (UKCF): To date, around 12% of National Emergencies Trust (NET) Coronavirus Appeal funds distributed via UKCF and its network of Community Foundations UK-wide has gone to BME-led organisations. To help increase successful take-up by BME VCOs, UKCF has established a new £1m fund aimed at BME infrastructure support organisations who can help BME-led groups on the ground. Applications closed on the 05/09/20.¹⁴ The National Emergencies Trust has also partnered with Comic Relief to create a £3.4m fund for BME-led organisations.¹⁵ (The Anti-Tribalism Movement is also a distribution partner in this fund.)¹⁶
- b) Salford. Greater Manchester BME Network, supported by GMCVO, launched an emergency grants programme to support small (income under £10,000) GM BME-led VCSE organisations and communities affected by the COVID-19 pandemic. Between July and December 2020 GM BME Network gave a total of £225,000 in grants.¹⁷
- c) Power to Change, Locality, The Ubele Initiative and Social Investment Business on behalf of the National Lottery Community Fund. A £9.5 million Covid-19 Community-Led Organisations Recovery Scheme offering grants up to £100,000 to community organisations in England who are facing financial difficulties caused by Covid-19. The scheme is aimed at organisations delivering services in their local community to support people who are at high risk from Covid-19, with an emphasis on Black, Asian and Minority Ethnic (BME)-led or BME-supporting businesses.¹⁸
- d) South Yorkshire's Community Foundation: A detailed statement (and one perhaps that should be regarded as offering an example of what good practice should look like) says that it increasingly clear that the Covid-19 pandemic has had a disproportionate impact on BME communities. The reasons for this are complex, but include long-standing inequalities and structural injustice. The National Emergencies Trust (NET) and UK Community Foundations, as a grant distribution partner, have recently come under some scrutiny regarding how this issue is being handled through the NET Emergency Coronavirus Appeal. Therefore, they committed to the following actions to support BME and other similarly marginalised communities, who are affected by Covid-19 right now and to improve our processes and practices over the longer term:
 - BME community organisations affected by the Covid-19 crisis can apply for grants of up to £5,000.

¹⁴ See: <https://www.ukcommunityfoundations.org/news-article/BME-infra-fund>.

¹⁵ See: <https://www.comicrelief.com/news/comic-relief-delivers-3-4-million-fund-for-BME-led%20projects/>.

¹⁶ See: https://theatm.org/what_we_do/atm-covid-19-resilience-grant/.

¹⁷ See: <https://www.salfordcvs.co.uk/grants-support-BME-led-organisations-affected-covid-19>.

¹⁸ See: <https://www.powertochange.org.uk/get-support/programmes/covid-19-community-led-organisations-recovery-scheme/>.

- We will continue to step up our efforts to publicise the funding we have available, which will include specific webinars for BME and similarly marginalised community organisations, explaining the application process and offering additional support.
 - An audit of our Covid-19 Response grants to date, using a tool developed by the Funders for Race Equality Alliance, has already been carried out. This identified that, so far, over 19% of our funding has supported BME communities, of which about 12% has gone directly to BME-community organisations. Further audits of our funding will be conducted at regular intervals.
 - We will continue to keep our recruitment policies for Trustees, staff and Grant Panels under regular review and work to ensure that the people who make decisions in South Yorkshire's Community Foundation reflect the diverse South Yorkshire communities which we aim to serve.
 - We will seek to work with partners to resource and improve the infrastructure support for BME and similarly marginalised community organisations across South Yorkshire.
 - As we move from the Response Phase into the Recovery and Resilience Phase, we will continue to prioritise BME and similarly marginalised communities, alongside older people, people with underlying health conditions, and others, who have been disproportionately affected by the Covid-19 pandemic.¹⁹
- e) Health and Wellbeing Fund – new £3.3m fund to give babies from deprived areas or BME backgrounds the best start in life. Charities were encouraged to apply (2020 to 2021) for a share of the Health and Wellbeing Fund to develop schemes themed around 'starting well'. The fund helped community projects improve learning and development, perinatal mental health and prevent obesity. Third round of the Health and Wellbeing Fund is part of the government's aim to level up communities and promote equality.²⁰

IN SUMMARY...

So, what does this brutally short, whistle-stop tour of the BME funding landscape tell us? It is clear that BME groups have always faced barriers to accessing funding but there has been little recognition of this until relatively recently. In particular, BME groups have found themselves without access to core funding, which has hampered sustainability. Sparse resources have mostly been engaged in frontline activity, meaning back office support and space for reflective planning and thinking have been limited. There has also been little core funding, nor have BME led organisations been positioned to support mainstream programmes, which attract management costs, which can also help to underpin infrastructure costs. Crucially, we can also see that the reasons for limited resourcing of BME groups have tended to focus on the capacity of BME groups themselves – looking at their bid writing or business planning skills, for instance – rather than focusing on funders and their decisions. Finally, we can see that where BME funding has been made available to community groups it is generally from specific pots and programmes. It is therefore seen as a substitute for mainstream funding.

¹⁹ See: South Yorkshire's Community Fund: <https://www.sycf.org.uk/sycf-statement-on-covid-19-funding-support-for-BME-communities/>.

²⁰ See: <https://www.gov.uk/government/news/new-33-million-fund-to-give-babies-from-deprived-areas-or-BME-backgrounds-the-best-start-in-life>.

One of the grantholders spoken to as part of this learning process told us they'd approached a couple of funders but been told the funders 'had already funded other BME groups'. This historical overview hopefully shows that the attitude displayed by these funders is not new or a one-off. Instead, it's part of the problem that has led to the ongoing fragility of BME organisations.

FEEDBACK FROM GRANTHOLDERS

In this section, we relay some of the experiences grantholders had of accessing the Fund and deploying its resources. Underpinning many of the conversations we had with grantholders was the question: ‘what support do you need to make the impact you want?’. As can be seen, there isn’t a clear cut answer to this, but if there is a common theme it is the support organisations want to make tackle racial disparities and make them more visible to the public.

How were groups hit by the pandemic?

Lack of face-to-face delivery

Commonly, community groups found themselves severely hampered by their inability to work face-to-face with their beneficiaries. Those groups who could move to online support – those offering educational opportunities, for example – were faced with the challenge of training staff on new software and, in some cases, buying new equipment where this was needed. For some groups the lack of face-to-face delivery meant contracts that were due to start were put on hold, which had a knock-on impact on their finances. The issue of commissioners pausing contracts was a significant concern for a number of groups, with others finding the cancellation of events challenging: ‘events which were organised or booked for the period of the lockdown and protracted social distancing have been either cancelled or indefinitely postponed, leading to a significant loss of income for all of our members’, relayed one organisation.

Increased demand

Many organisations reported an increased demand for their services.

Reconfiguring services

Connected with the above, many organisations had to adapt how they delivered services. Precisely what this meant depended on the organisation’s standard activities. As noted above some organisations – especially those providing befriending or education/development opportunities – had to learn to how adapt face-to-face delivery methods to an online platform. Other organisations, however, with a more general mission to support local communities found themselves having to deliver a new type of service completely. Although we weren’t able to speak to them directly, Lancashire-based Aawaz may be one of the best examples of this. They wrote in their application form:

Aawaz works with women and families (Pakistani, Indian, Gujrati, Mirpuri, Kashmiri, Iraqi, Afghani, Somalian heritage) in Hyndburn...In these unprecedented times Aawaz has had to adapt the way we provide support quickly, with resulting increase in demand. However, community needs are essential, therefore, extraordinary challenges, we have been able to respond with new services and activities. Our newly developed Digital support service is helping people to reach out, engage, share information and offer a life line to many people. Aawaz has organised and

delivered food parcels, face coverings and information interpreted and translated to help communities understand how to safeguard themselves.

Delivering food parcels in particular was a common activity many community groups had to quickly adapt to (with many trying to deliver 'culturally appropriate food parcels').

Volunteer base

Many organisations reported losing their volunteer base. Even when lockdown restrictions were eased in June and December 2020, many people were still wary of completing reengaging with their local community, and local groups found it difficult to re-connect with the volunteers who had made it possible for them to deliver their services. Subsequent conversations with grantholders in August 2021 suggests the situation has returned somewhat to normal, although many organisations have fundamentally changed the way they deliver services (so they need fewer volunteers) so it is difficult to say how 'normal' things really are.

Greater lobbying and influencing work

For some organisations, the early part of the pandemic was spent engaging with local public bodies, especially local authorities and local healthcare trusts. There was a great deal of interest in how BME communities were responding to, and coping with, the pandemic, and many grantholders were engaged as representatives of their local communities. For some organisations, this represented a large proportion of their work as they were unable to deliver their regular services (as such, the balance shifted as the pandemic went on and community groups learnt how to adapt). Many of the groups engaged with in this way expressed frustration at the process they were involved with: for many it was sterile, box-ticking, and ultimately without product. When asked what they had advised, grantholders generally said they impressed upon local authorities the need to fund local BME groups such as themselves. Few grantholders suggested they needed to develop their skills in this areas. A lot, obviously, have been engaging with local agencies as a matter of course for years. A small number, however, wondered if they could benefit from support around how to engage with other stakeholders so that relationships last and are meaningful.

Building new relationships

Some community groups talked about how they developed new strategic links in their area in order to provide BME communities the services they needed. Most commonly, groups talked about making connections with local foodbanks, but some are now working closely with statutory agencies (eg, 'As a member of the Fareshare community we continue to distribute food parcels and have now developed a partnership with the Job Centre supporting those most in need.').

Sustainability

The pandemic left many organisations surviving on a month-to-month basis. This obviously made long-term planning difficult and made groups hesitant about advertising programmes of events (such as their usual coffee mornings or physical activities) or developing development courses. However, internally, it also meant groups were left constantly writing applications for funding. This revealed a skills deficit to many who had previously relied on one or two large funders. In addition, some organisations found their existing approach and business plan was not fit for a post-covid world with new priorities. As one group put it:

'before Covid -19 there were various grants that we had applied to, to help us expand our work. We were successful in reaching the final stage of these grants but because of Covid-19 the funders changed their funding priorities which meant that we were no longer eligible for the funding'.

Business skills development

The pandemic was a double-edged sword for some community groups, with the pause created by lockdowns providing an opportunity for them to reflect, strategize, and develop new skills (particularly around bid writing). As one group said on their application form: 'One silver lining is that Covid-19 has also given us time to reflect and develop new programmes that can be impactful in young people's lives under this new normal. We have also been able to innovate our thinking and operational possibilities'.

What support did organisations need to respond to these challenges?

In their application forms, applicants were asked how emergency funding would help them respond to the challenges outlined above. Most commonly and, perhaps unsurprisingly, grantholders talked about the need to pay staff and volunteers to deliver services they were then unable to fund. It may be useful, however, to distinguish between those services that would have happened before the pandemic (the usual services organisations provided, such as sports activities, coffee mornings, and so on), and new services organisations wanted to fund in response to the pandemic (such as counselling support for young people or 'friending' for older people who may have been experiencing isolation).

In addition, applicants asked for resources to:

- employ more personnel: many applicants wanted to recruit administrators, social media/marketing support, and, to a lesser extent, bid writers
- invest in business sustainability: connected with the above, some organisations wanted to invest in consultancy support to help them reflect on their plans and develop growth strategies
- develop their websites: many felt this was important to improve visibility during the pandemic
- pay rent
- invest in hygiene measures, such as plexiglass barriers and PPE equipment for staff
- invest in online software to make their services deliverable online
- purchase food
- maintain equipment that was not being used (particularly sports equipment, such as bicycles)
- invest in technology to keep connected (for example, one applicant wanted to purchase smart phones they could distribute to older people in the community so they could stay in touch with friends and family)

How did grantholders actually use their funding?

Follow-up conversations with grantholders revealed they used their funding in two main ways:

- developing their websites – by far the most common investment organisations made was in their online presence. This was also true for organisations who had not cited this as a need on their applications
- service delivery – in line with what was suggested above, grantholders used some of their funding to pay staff/volunteers to deliver their usual services. Commonly, this was at a reduced frequency than was normal given the size of the Phoenix grants and grantholders' inability to supplement this with funding from elsewhere

In addition, some grantholders used their funding to work with professional bid writers. Where we were able to follow this up, grantholders told us the support was generally not worthwhile.

We did not speak to any grantholders who invested in some of the other activities outlined above.

What does racism look like in local communities?

Throughout the course of the year, we had a number of discussions with grantholders and partners about how racism shows up in modern society. Most of these conversations arose naturally as we discussed the purpose and mission community groups had (in fact, when we asked grantholders about this issue directly, we tended not to get the same, thoughtful responses). Generally, community groups talked about lack of access to different domains of life that are important to people: access to employment, for example, or a responsive education system, or the natural world. This is a thread running throughout the Phoenix programme and probably won't be news to most the people reading this paper. What may be of interest, however, are some of the broader trends and patterns grantholders and partners told us about:

Personal experience of racial discrimination

- Some people described their personal experiences of racial discrimination within their locality. These instances of racism were sometime described as combined with other forms of discrimination along the lines of disability, sexual orientation, and gender. Some partners and grantholders talked about 'new' or 'sharper' forms of discrimination against some groups such as Chinese and Vietnamese people (mirroring rhetoric at the time about coronavirus being the 'China virus'). In this respect, many people – Black, Asian, and Chinese – felt highly visible in shops, at bus stops, and on the street.

Feeling heard

- Partners and grantholders expressed a desire to do more to tackle structural racism. Many also wanted to tackle the often slight and subtle way racism plays out in modern society. However, many felt they – and the people they serve – were often led to second guess their thoughts and perceptions of their treatment as a result of the questioning they received from funders, the media, wider society, etc. Many felt their experiences of racism were not seen as legitimate and discussions about racism 'looks like' were taken off the table. This changed a bit after the murder of George Floyd and the subsequent Black Lives Matters movement, but many partners and grantholders still feel we have not got to grips with racism

Racism in largely White British areas

- Connected with the above, grantholders in predominantly White British areas suggested they were encouraged to make less noise about racism and things like Black Lives Matters for fear of 'dividing' the local community. For example, one organisation expressed exasperation after trying to talk to local organisations and communities about the disproportional incidence of covid on BME people.

Stereotyping and homogeneity

- Grantholders and partners were particularly frustrated at the approach local agencies took to understanding covid disparities and the methods employed to disseminate information to BME communities. Many areas took what was seen as an old-fashioned approach which relied on engaging 'community leaders' or speaking to faith institutions. Many grantholders found this patronising. There was also some consternation at the way BME communities were often stereotyped as, for example, anti-vaxers. Partners felt there are much more sophisticated models of engagement that can be used (with the Phoenix Fund being a good example).

Division within communities

- Finally, some people felt that issues around 'cohesion' or 'inclusion' have dropped of the agenda in recent years, but are in some ways more important than ever. In particular, some groups working with new arrivals or refugees suggested there are still tensions between them and local communities that need to be managed.

How do grantholders respond to these issues?

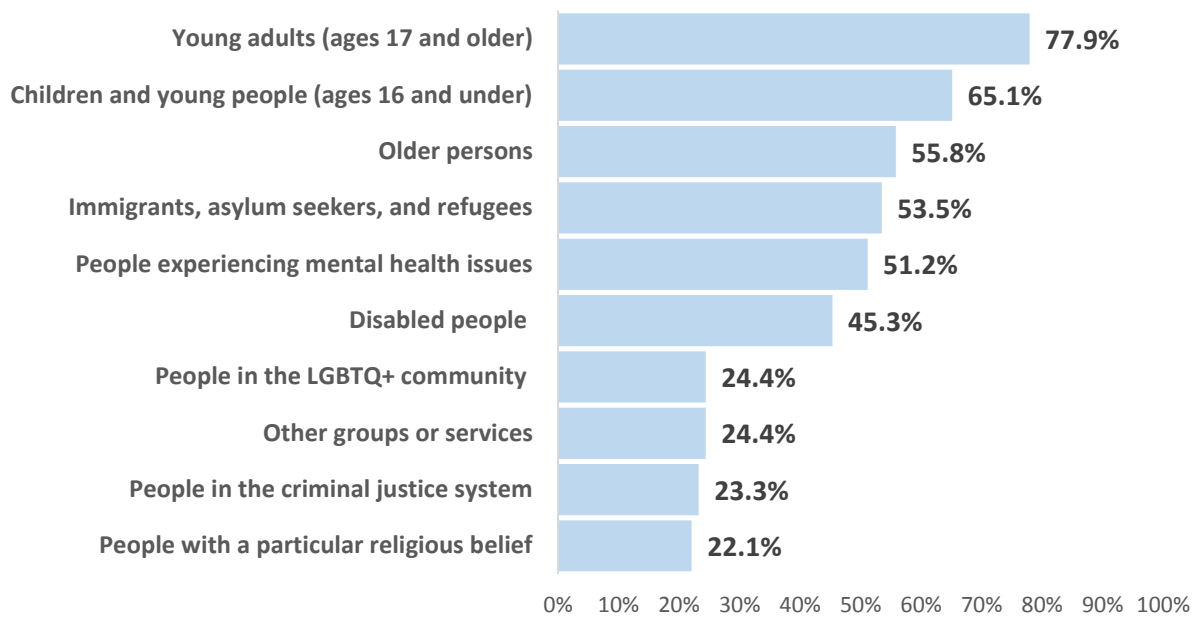
Grantholders conduct a range of activities to respond to the issues identified above.

Examples include:

- projects with young people (eg providing additional support to BME young people in education)
- projects to support new migrant communities (eg work to help asylum seekers access local statutory agencies)
- holistic services for BME communities (eg providing coffee mornings and then food parcels during the pandemic)
- working in partnership with faith groups
- changing perceptions of and within BME communities (eg work supporting LGBTQ+ BME people)

Fig 1 below shows the proportion of applicants who said they worked with a particular demographic. As can be seen, most organisations support 'young adults' (which we learnt from interviews most applicants took to mean the general population). Just over half of applicants support asylum seekers, refugees, and other new communities.

Fig 1: groups organisations work with (second round grantholders)



More widely, though, what are the things grantholders do to tackle racism? What behaviours or design features do they feel *work* when promoting inclusion and reducing disparities in relation to things like health, education, and employment. Grantholders talked to us about the following issues:

Understanding the history of the ‘place’ as well as understanding the needs of people

One of the benefits of a locally based project (over, say, a national government initiative) is the understanding local organisations have of the history of how BME communities have been marginalised. Rekindle in south Manchester might be a good example of this. A supplementary school led by young people, Rekindle was set up to respond to some of the inequalities BME and under-privileged young people face in education: curricula that don’t reflect their histories, teaching that doesn’t take into account their deprived backgrounds, aspirations that aren’t ambitious enough for them. Running through all this is an understanding of how poverty and deprivation can interact with these factors to determine outcomes. In an educational context, for example, hunger can affect young people’s ability to concentrate and participate in the classroom. In response, Rekindle, as well as offering homework support and pastoral care, also provides each service user with a free, freshly cooked hot meal and care packages to make sure that their nutrient and hygiene needs are met.

Focusing on race

Feedback from grantholders suggests it’s important to be clear about the equality-related nature of a programme or initiative right from the start. Services which are more general in approach can fail to identify racism (in all its forms) as significant cause of the issues the initiative seeks to address.

Long term and well-resourced

As identified above, a significant issue identified by BME organisations was the short-term nature of the funding they receive. This prevents planning and the ability to work with people

over the long term. This is particularly an issue when tackling racism as the types of issue organisation want to address – educational exclusion, structural inequality in the labour market – require precisely this sort of long-term, sustained engagement. Most the grantholders we spoke to pointed out the amount of funding Phoenix allocates isn't enough to help the work more strategically.

Recognising the right type of expertise

Grantholders felt expertise gained from experienced is often side-lined in favour of academic or technical insight. Whilst thorough research is obviously important, grantholders felt their direct contact with communities offered a shortcut to recognising some of the issues local people face. This was particularly important during the pandemic as it brought to light issues (such as loneliness amongst older people or understanding precisely who was facing food poverty) much more quickly than traditional research could.

Influencing wider society

The need to work strategically with statutory agencies and other stakeholders is well-known and has been discussed in countless other reports. Some of the experiences of grantholders, however, highlighted the importance of particular skills. Black2Nature, for example, has done a lot to increase BME communities' access to green spaces. Not only is this through the nature camps it delivers, but because its founder (19-year old Mya-Rose Craig) was able to communicate her passion for wildlife and nature online – through blogs and social media – and then through national TV broadcasts and newspaper interviews. In this respect, her communication and storytelling skills are vital. Equally, Neema Women Community Services in the Midlands are speaking out about the experiences of women in particular marginalised communities. In doing so, they are drawing on their cultural knowledge and understanding of how religious and social conservatism plays out within different BME groups.

Responsive agencies

As important as it is for community groups to be skilled communicators, it is clear some organisations are working in areas where statutory agencies are open and willing to listen to local stakeholders.

Evaluation

Grantholders expressed a desire for evaluation that reflected the complexity of the impact they aimed to have.

What support are grantholders asking for?

Despite relaying overwhelmingly positive experiences of applying to Phoenix (see below), some grantholders did express a feeling of being isolated and 'disconnected' from both GfC and NLCF. In particular, grantholders suggested they'd welcome more conversations with their funders so they can learn together what the challenges are facing local communities and what activities are needed to respond to this systematically. Grantholders felt this 'partnership' approach would allow them to tell their stories more organically and help funders see the importance of what they do. This appears particularly important to Phoenix grantholders as for many GfC/NLCF are the first funders they are engaging with and there is a natural excitement and enthusiasm they want to share. This point is also picked up below.

More specifically, grantholders suggested they would welcome support or conversations around:

- bid/grant writing and fundraising
grantholders were aware that the Phoenix application was exceptionally light-touch. Some felt daunted by the prospect of applying to other funders. Some grantholders said they would be happy if they could just be referred to reputable grant writing support as many of the consultants they have engaged have been poor. Some grantholders noted the support they have received from other funders on this issue and outlined some of what they found most useful. This included: a) developing a greater understanding of how to communicate ideas and link proposed activities/project aims more clearly to the problems facing their communities; and b) challenging assumptions about what might work (ie helping people develop a more realistic understanding of what it's possible to do).
- lobbying/communication skill
there appears a growing recognition amongst community groups that sustainable requires a range of stakeholders – public agencies, media – to change. Most grantholders said they would welcome more support to become better at telling their stories and engaging statutory agencies

In addition, grantholders outlined some skills they wanted funders to develop:

- knowledge of structural inequality (grantholders have found it difficult to explain to funders why particular services/projects are important responses to particular issues affecting BME communities)

Finally, as noted above, grantholders were clear that the amount of funding Phoenix allocates – a maximum of £20,000 for the people we spoke to – didn't allow them to plan more than a few months ahead. To really tackle disadvantage at a structural level, grantholders felt they needed greater certainty than funding was available on a multi-year basis.

What was grantholders overall experience of the application process?

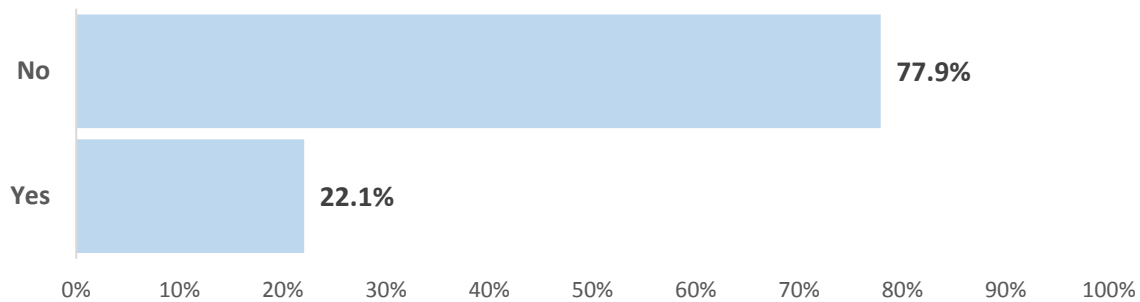
Grantholders' experience of applying for Phoenix funding was overwhelmingly positive.

As has been noted elsewhere, a large number of applicants hadn't applied to a fund before applying to Phoenix. Similarly, fig 2 shows the proportion of second round applicants who had received emergency funding from other sources – as can be seen, over three quarters (78%) had not. Of those who had, the most common sources of funding were:

- local community foundations (this was by far the most common source of support)²¹
- the government's discretionary grant fund
- various emergency funds set up by funders such as the Arts Council, Heritage Lottery, and Sport England
- emergency funds by various local authorities
- funders such as Tesco, Enterprise Nation, and Forever Manchester

²¹ See www.ukcommunityfoundations.org for more information

Fig 2: proportion of grantholders who had received emergency funding from elsewhere



Why did people apply to the Fund?

- the most common reason was that Phoenix was branded as a BME fund. This led grant holders to feel they were in with a chance of winning funding, which they quite often don't think is the case
- people heard about Phoenix from colleagues or friends in the sector (such as the Impact Hubs). These contacts tended to act as enthusiasts for the Fund and encouraged people to apply
- people soon saw there were few restrictions on how funding could be used. This was really important to many of the grantholders, as they simply didn't know if their activities were going to continue in the same way

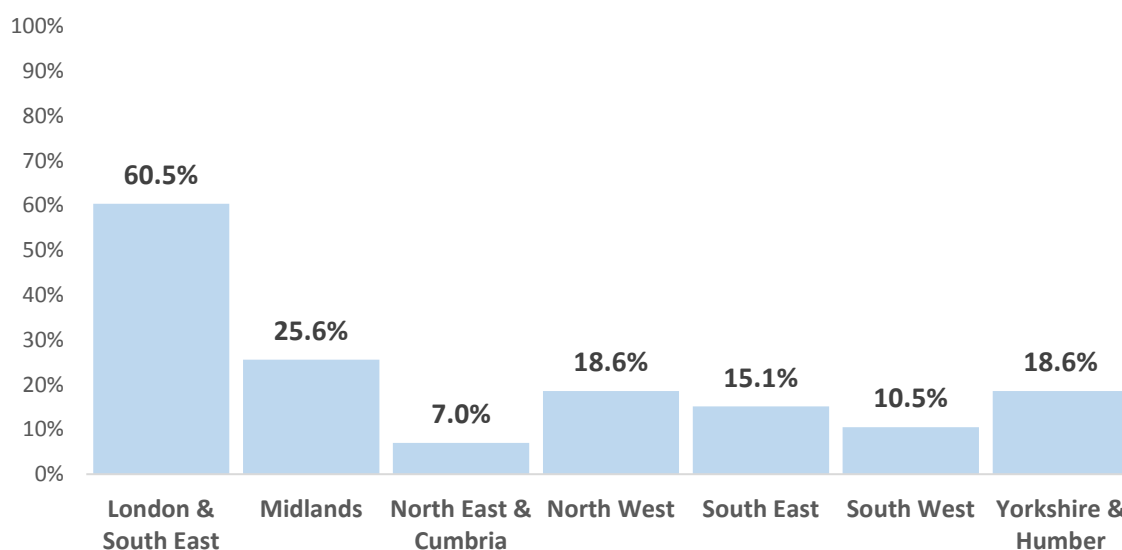
Unsurprisingly, the application process was seen as a big selling point for the fund. Grant holders said the streamlined process gave them the confidence to apply. One participant said: 'The first question – is the organisation BME led? – that was nice. It's symbolic. It was at the start... not just an equalities question at the end. It allowed us to relax, and after that we just answered from the heart'.

Knowledge of the Fund

Most participants heard about Phoenix through word-of-mouth. Local infrastructure bodies in different parts of the country also appeared to advertise the funding. As such, people's awareness of the fund depended on how connected they are with other groups in their area via things like WhatsApp. This may go some way to explain the regional disparities in where grantholders come from (as fig 3 shows, over 60% of second round applicants came from London and the South East). When pressed on why this might be, grantholders made two suggestions:

- first, organisations outside of London tended to talk about how they felt less connected to the groups working in their area. Compared to groups in London, they much less likely to talk about being in contact with their local infrastructure organisations and much less likely to say they were in contact with other BME groups
- second, some suggested there just are fewer BME groups in regions such as the North East or Yorkshire, and this could explain why there were fewer applications from these areas.

Fig 3: regions organisations work in (second round grantholders)



Experiences of liaising with Phoenix partners

Grantholders did not report any issues liaising with GfC (or NLCF). In fact, some grantholders were initially concerned about having a funder located in a different country, but they invariably found this wasn't a problem: 'all our emails were responded to really quickly,' said one grantholder, 'always within 24 hours'. GfC staff were unanimously referred to as friendly and helpful.

When pressed, grantholders raised the following issues:

- some grantholders experienced a 'gap' between being told they were successful and funding being released, but most said this was 'ok' or 'not too long'
- a small number said the form GfC used to finalise banking and funding details was a little complicated because it appeared set up for the American system
- a couple of grantholders said it wasn't absolutely clear what they could use the funding for until they'd completed this form, and they would have welcomed more clarity about this beforehand
- a couple of grantholders expressed some regret that communication with GfC had to be conducted primarily through email. One grantholder said, 'rightly or wrongly, I was worried about just picking up the phone to speak them because of the time difference. It isn't a big issue, but I would have liked to talk and chat with them, rather than email. It makes things a bit more formal. Especially as this was the biggest funding we have received'. Similarly, another grantholder said: 'I know its difficult because of the pandemic, but it would have been great to have met with someone from Phoenix in person. Even if it's not going to lead to funding, it would be nice to meet people and talk about our ambitions. There's no substitute for being in the same room'

FEEDBACK FROM PARTNERS

In this section, we've outlined some of the key issues partners raised with us over the course of the last year and a half, some of which have already been relayed in the interim report.

How did partners experience the formation of the Fund?

There were some initial challenges around administration, eg ensuring everyone had access to papers beforehand, ensuring ideas and comments were captured, and ensuring relevant partners received meeting invites. Whilst on reflection most partners suggested these were natural teething problems, at the time they caused some tension, especially as many people already felt on the backfoot (see below). Sometimes people felt their views weren't taken on board during these initial stages.

More pressingly, however, we were particularly interested in the features of Phoenix that allowed partners to develop a shared understanding of the problems communities face and form a collective vision of what needed to be done. The following are some of the principles that were identified.

Trust

Partners were honest about experiencing some discomfort – and even anxiety – during initial meetings about the Fund. It is not clear, but based on conversations and observations, we'd suggest some of this uncomfortableness stemmed from:

- a perceived knowledge imbalance: some community organisations felt they didn't know enough about funding, and were worried about making decisions that might inadvertently exclude some of the very community groups the Fund was established to help
- a perceived credibility gap: it seems like different partners were self-conscious about different gaps in their expertise – some were worried about not knowing enough about BME communities, others were worried about appearing professional in front of the larger organisations. People clearly felt on the backfoot and anxious about how they would be perceived
- a perceived power imbalance between the funding and non-funding organisations. This is all the more important to note, as both the funders, consciously, sought to impose themselves as little as possible on the process

It appears a lot of the anxiousness (community) partners felt was connected to their experience of the wider funding world. People discussed how their past experience of funders has been of white, middle class, university educated people (or 'posh people who seem to know everyone', as one participant put it). In such a world, it's difficult to feel legitimacy, particularly when partners claimed they are usually only consulted with to voice how difficult things are for BME communities. They are rarely trusted to make decisions about how resources are allocated. In such circumstances, sharing a table with two large funders was naturally daunting.

It appears that partners managed to get past these tensions through a variety of means, including:

- a lot of personal connections and relationships have developed outside the scope of formal meetings, and these have been crucial in building trust and goodwill
- partners were prepared to put aside particular assumptions they had (such as assumptions about who can and can't do race equality, for example)
- the funding partners built trust by not imposing themselves on the process and allowing community partners genuine freedom to make decisions
- all the founding partners made themselves open to criticism. This sense of accountability was new to many community partners
- the fact that GfC were relatively unknown in this country also helped as they were less tainted by a history of poor funding relations

Both funding partners saw, at different points, ways things could be done differently. As noted, they held back from suggesting these ideas to allow community partners more autonomy.

Voice

Partners relayed a mixed picture when asked if they felt they had a genuine voice. Most people said they felt comfortable expressing their views – particularly in steering groups – but they weren't always sure their views were taken on board. This tended to be about strategic issues – for example, an issue people aren't sure they've had genuine input into is the future direction of fund. Not everyone feels this way, but some participants clearly feel the Lottery will take whatever next steps it feels most appropriate. This is partly because they, as the main funder, have ultimate responsibility for this, but participants also suggested people tended to follow Shane's lead (as much as he tried to take a back seat) because he was seen as the convenor of the Fund and just has the kind of personality that brings people on board with him.

Discussions in triage groups were generally frank, open, and polite. Participants said they could speak authentically but felt some of the discussions lacked the strong, inclusive facilitation that the steering group meetings had. Just as a personal observation, it seemed like some of the partners were competing to show who was the most authentic representative of local communities, and some claims of not being heard may stem from this.

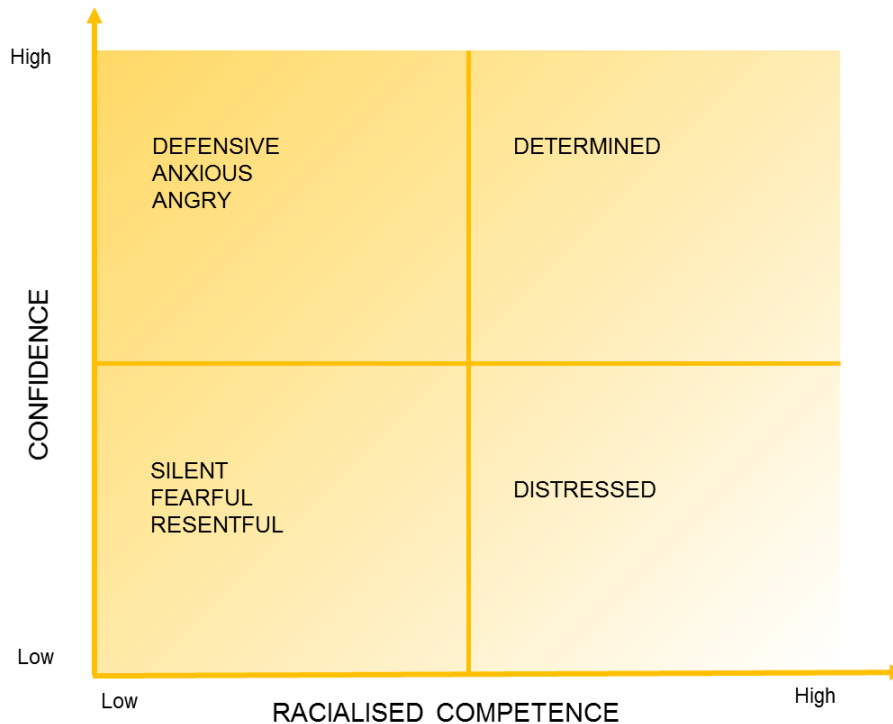
Partners felt ownership of the Fund – the fact that they were included right from the beginning and had the capacity to shape the aims, scope, audience, processes, etc all gave them a sense of real power.

They are also appreciated the flexibility they had around allocating funding. Allowing panellists to 'read between the lines' and select organisations who were perhaps not particularly adept at writing applications but nevertheless delivered important work was seen as pioneering.

Having reflected on the meetings and the feedback from partners, we thought the following model might be a useful way of expressing some of the dynamics in play. The diagram

below shows the different emotions that can be present in discussions about racism when participants are measured against two factors: a) how confident or comfortable they are talking about race, and b) how much they understand about race and racism. While other issues are obviously important, these are two factors that in our experience can really help shape the feelings participants have in these sorts of discussions (and so in turn affect the conversation's outcomes).

During Phoenix meetings, we tended not to see people occupy the bottom right quadrant – people who felt distressed because they felt they knew a lot about racial issues but found these issues challenging to discuss.



Also rare – but not entirely absent – were people occupying the top right quadrant: that is, participants getting defensive or displaying anxiety. When this occurred it was largely because a participant's understanding of racism – the needs of particular community, for example, or the best way to tackle a structural inequality – was in conflict with another participants'. Situations like this tended to be quickly resolved, however, as participants were able to have constructive dialogues. These dialogues was underpinned by three key factors:

- trust – participants believed that other partners genuinely had the best interests of communities at heart, and that any disagreement was a genuine disagreement about the best way to support them
- communication of expertise – discussions about how best to resolve issues were discussed in terms of 'race competence', and partners were generally very good at explaining, for example, the systemic issues facing a particular group
- respect – given the nature of the Fund, disagreements often came down to who was best placed to know the problems and issues facing a particular place. Partners respected the local knowledge other partners had

In addition, some partners on occasion occupied the bottom left quadrant. What are the conditions for moving a person from here to the top right? The nature of the discussions held by partners suggests:

- strong facilitation that makes it clear people can make mistakes and ask questions. Participants in the discussion making it clear to people in this quadrant that it is ok not to be an expert, but there is nevertheless an expectation they will participate (it's not acceptable, for example, to distance yourself from the conversation by saying you 'want to listen'). This addresses levels of confidence and comfort
- participants in the discussion being able to identify knowledge gaps in people's understanding and responding to these directly. This addresses competence

We can't overstate the importance of being able to talk opening about race and racism and to be able to use this understanding to improve decision making. The assumptions that often face racialised frontline groups were more than often missing from these decision-making conversations and this led to a transparency of decision making which is unparalleled.

Did panellists make funding decisions differently to how a mainstream funder would have?

Our answer – and the response from other partners – is 'yes'. It's worth noting, though, that some partners found it difficult not to replicate some of the thinking and behaviours of traditional funders. At the start of the process, for example, many discussions were had about the need for applicants to demonstrate the social impact of their work, which perhaps isn't in line with the Phoenix ethos. Some partners felt their colleagues were taking the same risk averse approach as more traditional funders and had to be shaken out of this mentality. A lot of the discussion in early panel groups were about this, with some panellists talking about the need to act quickly and trust communities, while others wanted to talk about applicants' sustainability, track record, etc. There was open discussion about the merits of the candidates and a willingness to find reasons to fund – rather than reasons not to fund.

Partners who wanted to read between the lines and trust applicants more ultimately won out. Partly this was because this was the message coming from funding partners (so people felt they had permission to take a risk). It's worth considering how people can be supported, though, so they can don't naturally fall into established ways of thinking.

How do partners want the fund to evolve?

There is a debate amongst partners as to what the Fund is for and what its long term aims should be. This debate centres around two key questions:

Is emergency funding enough?

Some partners see the Fund rooted firmly in the circumstances of its creation – that is, as a response to the pandemic and the need this created to channel funding to BME organisations as quickly as possible. By not focusing directly on 'strategic' goals (such as reducing race-based health inequalities, for example) these partners feel the Fund was able to operate with a streamlined process and not demand too much of applicants. Furthermore, some partners clearly believe this situation won't change in the near future (in fact, with continued lockdowns, they see the social and economic problems associated with the pandemic growing worse), and therefore think it is even more important the Fund provides

responsive support to BME groups. As one person put it: “in the real world, organisations will need something like Phoenix to help them deal with the tidal wave that’s coming”. In addition, some partners claim, we’re beginning to see other funders start to develop race inequality programmes, which means there is a unique role for the Phoenix Fund to help those smaller groups which are often excluded from such streams.

Against this, there is a clear appetite amongst many other partners for the Fund to start tackling racial inequalities more directly. (It’s worth noting that nearly everyone sees the Fund as tackling race inequalities, the question is more whether applicants are judged by the extent to which they do this.) Partners of this view are interested in exploring:

- how grant recipients transform society vs how they respond to the symptoms of structural racism
- whether Fund partners understand what anti-racism means and whether the Phoenix Fund can create a shared vision for an anti-racist society
- what kinds of activities best tackle racism and promote understanding across communities

Should BME organisations be expected to tackle racism?

While many partners feel grant recipients will tackle racism, a small number question whether this is something we should expect (or demand) of them. Some partners have suggested that evaluating the extent to which grant recipients reduce racial inequalities is itself a form of structural racism – after all, non-BME, mainstream organisations are generally only judged by the quality of the services they provide. There is obviously some connection with the previous point about whether providing BME organisations with emergency funding is sufficient. Some partners see this as a question of trust and clearly believe we should have confidence in BME organisations to deliver good, responsive services, which will naturally improve the lives of BME people. There was also the controversial question of why we expect BME organisations to only be able to deliver to BME communities. This often meant that coupled with short term and very specialist funding sources, BME organisations were often not able to build credibility in offering mainstream support. This is a form of racism which limits the ‘lot’ of BME organisations by reinforcing the boundaries in which they can operate.

Finally, some partners argued that reducing structural inequalities is too long term a goal to expect grant recipients to respond to.

SO WHAT DOES ALL THIS MEAN?

So what does all this mean for the future direction Phoenix should take? And what does it say about the approach Phoenix should adopt?

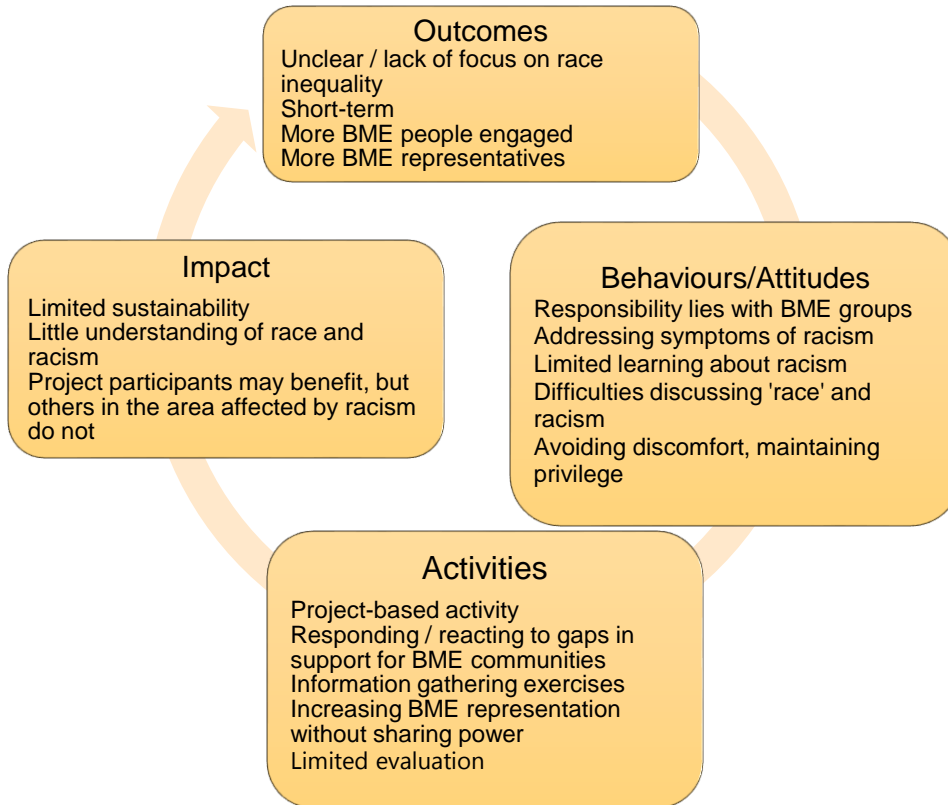
What emerges from the observations outlined in this report is a picture of the funding landscape that has traditionally faced BME community groups. It's a landscape in which race equality is seen as an add-on, a nice thing to do to show solidarity with marginalised groups but which isn't really at the heart of a lot of society's problems. It's a landscape in which the onus is constantly on BME organisations to highlight the issues facing local communities and explain these to funders (but not in a way that causes embarrassment or uncomfortableness). Perhaps worst of all, it's a landscape in which BME groups are provided limited resources to tackle huge issues, and then have their lack of progress used as evidence that their impact is limited.

Hopefully, though, what also emerges from the observations and suggestions from partners is another approach. A way of doing things that is more inclusive and has greater potential to make lasting change.

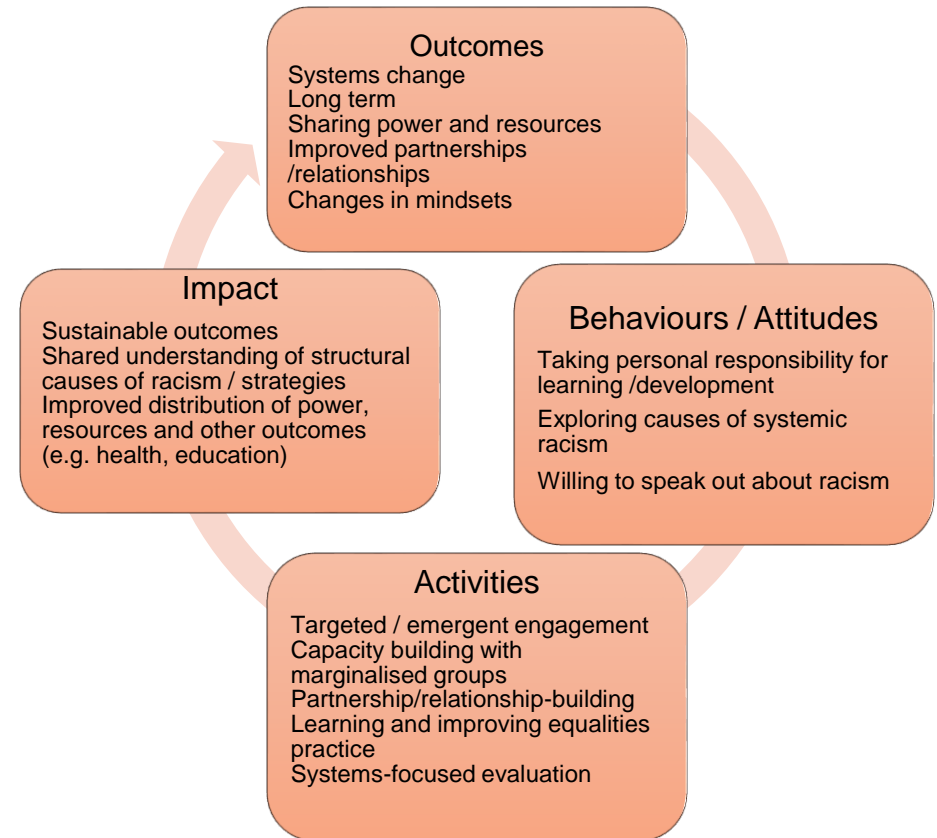
Fig 4 below summarises these two approaches by looking at how we can think and act differently in relation to the outcomes we expect to see, the behaviours and attitudes we exhibit, the activities we support, and the impact we aim for.²²

²² This diagram is based on a similar model we devised in *Promoting inclusion and tackling discrimination through place-based action* (2021)

HOW WE'VE HISTORICALLY DONE THINGS



HOW WE COULD DO THINGS



MOVING TO A SOCIAL JUSTICE MODEL

As outlined in our interim paper, fundamental to shifting our thinking is the need for the sector to move beyond the ‘race equality’ approaches it used in the past. This is the only way we’ll deal with the issues outlined in the preceding pages. There was some debate and differing views about what should replace it, but the following is hopefully an accurate summing up of the model outlined by partners.

RACE EQUALITY APPROACH		RACIAL JUSTICE APPROACH
Is aware of disparities in outcomes for different groups and funds activities to alleviate these	→	Funders work with a restorative justice model, and aim to respond to structural inequalities
Finds ways to include BME voices in decision-making	→	Actively empowers BME communities to make decisions affecting marginalised groups (shared leadership)
Works with community groups to devise impact measures that are in line with their mission	→	Makes grantholders and partners accountable to communities, rather than funders
Collects the lived experience of marginalised groups to understand what action needs to be taken	→	Understands that action is key. Trusts partners have racialized competence and moves forward on this basis. Doesn’t waste time with research where none is needed

Here is how Phoenix did things differently in relation to some of the key areas identified by partners and grantholders:

JUSTICE

There are a number of beliefs and attitudes that underpin our traditional approach to funding. Often the relationship is clouded with mistrust. There’s mistrust that BME community groups don’t have the competence to receive and allocate funding responsibly (and that’s where funders’ ‘expertise’ comes in). On the flip side, working on racial justice can be daunting, especially if you’re from a White background. Being open to challenge, to being vulnerable, to having uncomfortable conversations about race is a rare quality.

Part of the magic of Phoenix was that all partners put aside these assumptions and decided to trust that people were engaged with the Fund in good faith. Fundamental to the Phoenix Fund was a passion to get this right for BME groups in recognition of their experiences of inequality. Community partners were willing to give up the idea they were representing ‘their’ ethnicity or region. Funding partners were willing to hear how they had got things wrong in the past. And everyone was willing to experience the discomfort that comes from this.

INSIGHT

Funders are sometimes removed from the realities of what happens in communities – not only what they need, but who is best-placed to transform them and how. The knowledge and insight community partners brought to the table provided a shortcut that allowed Phoenix funding to reach those who needed it in an emergency situation.

To call this 'lived experience' is missing the point. The knowledge White people sitting on the boards of charitable foundations have isn't called 'lived experience'. Living in the UK, it's difficult to understand ethnic minorities are racialized (by society, by funders): that their experiences are othered and seen as peculiar problems that need specialist solutions. Phoenix partners, however, understood the problems facing BME communities as structural issues that need sustained responses. This level of competence – which we have termed racialised competence, is the skill is being able to use your 'lived experience' to see the similarities in the issues a range of communities face, to see the systemic , and so fund activity that tackles the root of inequality.

STRUCTURE

The Phoenix Fund started with an empty space and was built piece-by-piece by all its members. Its core aims, scope, constituency, and processes were all decided on by community partners. Partners were given genuine power to decide who should receive funding and why. We often think processes are essential to ensuring fairness, but the flipside can be true: relying on processes that have been devised beforehand is an easy way of excluding people and ideas we find difficult to deal with. Of course, starting with a blank sheet of paper can be difficult; it requires participants who are prepared to live with some messiness in order to achieve a shared vision they believe in.

The Phoenix process was iterative, so the fund developed organically as community partners learnt from each other. This didn't happen naturally, though. Partners spent a lot of time promoting the kind of trust that allows individuals to make collective decisions. Structures were created to facilitate decision-making. People were given the flexibility to collaborate in a way that suited them. And underpinning all of this was the way in which meetings were facilitated to include everybody's views and manage conflict effectively.

In the remainder of this section we wanted to suggest ways this approach could be spelt out in relation to:

- implementing the design features of successful projects into Phoenix decision making
- supporting new and existing partners to tackle discrimination and continue the Phoenix ethos

Implementing the design features of successful projects into Phoenix decision making

Section 3 outlines some of the features grantholders felt were particularly successful in helping them support local communities and tackle racial inequalities. Many of these factors have also been suggested, to varying degrees and at different times, by different partners. Given that some of the key learning appears to be that EDI issues need to be considered early in the design of funding programmes, it might be useful for Phoenix 2.0 to consider how it identifies and supports the following in its application process:

Address the cause, not the symptoms...

Some of the best examples of Phoenix-funded activity we saw were projects which addressed the root causes of inequality; that is, the structural issues underlying them (the example we gave in section 3 was the Kindle School in Manchester). Fundamental to this are projects which set out from the start to tackle race equality (whether that's in relation to education, employment, or access to digital technology).

Long term and well-resourced....

This won't be news to many people reading this report, but having long term funding is vital to helping community groups respond to the issues in their area in a suitable way. Coupled with this, grantholders would appreciate earlier clarity on how they can use their funding and how flexible spending restrictions are.

Evaluating change...

Grantholders appreciate Phoenix's stance on evaluation. If the Fund does want to start measuring impact more systematically (perhaps in recognition of the greater amount of funding it will be releasing) it should build the capacity of grantholders to understand and analyse different types of evidence about inequality. The kind of change grantholders feel is important range from:

- explicit structural changes such as changes in local policies, laws or how resources are distributed to address issues of racial inequality
- changes in relationships, connections and power dynamics between different communities and partners in a place (such as parents having more say over a school's curriculum or BME people feeling less disconnected from the green spaces around them)
- changes and transformations in how we think about issues of 'race' and racism in a local area (for example, helping people understand there is an issue around domestic abuse in a particular BME community)

As such, it would be great if any future evaluation approaches monitor changes in attitudes, capacity, agency and behaviour of *all* the actors in a local area.

In addition there are a range of actions Phoenix could enact that would support grantholders in their local area. These actions recognise the power and leverage Phoenix has as a funder with significant resource. Most of these actions are things that would help create the conditions that would allow grantholders to have more impact or are things grantholders would like to do if they had Phoenix's size and resources.

Building a narrative for an area

Most Phoenix partners had in their minds a narrative or vision for their local area. This was how they intuitively knew what to fund. Going forward, it would be good for regional hubs to have a clear and explicit narrative for different local areas: a clear statement of the structural issues an area faces based on sound evidence (which, as we have said, can be the voices of community groups themselves). Having such a narrative will not only help applicants position themselves more strategically and connect more than they are at the moment, but it will hopefully create a vision other stakeholders can get behind.

Using our influence

On that note, it is clear grantholders need greater support around lobbying and communication with a view to changing thinking and behaviours more strategically. Whilst any support Phoenix 2.0 could provide would undoubtedly be welcome, the Fund could also use its weight to engage other local partners and facilitate discussions about what needs to change.

Supporting new and existing partners to tackle discrimination and continue the Phoenix ethos

A key theme that has emerged through this review is the limited impact of previous initiatives to support BME organisations and tackle racial inequalities. Based on feedback from partners and our own observations, it appears if the Phoenix Fund has managed to do things differently it is because there was a change in the thinking and assumptions of those setting up the programme. This is what was unique about Phoenix. And it suggests if we want to start dealing with the inequalities outlined in section 2 we need to focus on those designing funding programmes (and not those receiving the funding). As Phoenix expands this will include new partners who will have new responsibilities for distributing funding to local regions.

The feedback from grantholders and the experiences of partners outlined in sections 3 and 4 respectively suggest some of the key competencies these new and existing Phoenix partners need to develop.

Understanding systemic issues...

...even if can't always fund the projects working on systemic issues, it is important those making funding decisions understand the root causes of structural discrimination. In part this will involve understanding *why* people need what they need. Partners need a firm grasp of what different forms 'data' or 'evidence' can take and use all these different forms to build a rounded picture of an area

Respecting 'equalities competence'...

Grantholders felt expertise gained from experienced is often side-lined in favour of academic or technical insight. Going forward, Phoenix partners need to have the skills to understand the extent to which applicants have the pulse of local communities, are able to develop initiatives in response, and can work at multiple levels (with individuals, communities, and statutory agencies) to affect change.

Supporting diversity, working with conflict...

Key to Phoenix making effective decisions was the capacity of partners to have critical but constructive conversations. Discussions were evidence-based, reflected a firm understanding of the problems BME groups face, and avoided the pitfalls we often see when decision- and policy-makers talk about racial issues. As such, going forward all partners should have an awareness of biases and stereotyping (and the dangers of thinking a community group can speak for *all* of a community). Partners, particularly those leading discussions, should be able to judge levels of inclusion in decision-making spaces and work to counter power dynamics. Finally, if new partners understand that Phoenix is not a conflict-free zone (but instead uses 'conflict' to hear uncomfortable views), the next iteration will be able to keep the honesty Phoenix 1.0 discussions had.

Taking and welcoming responsibility

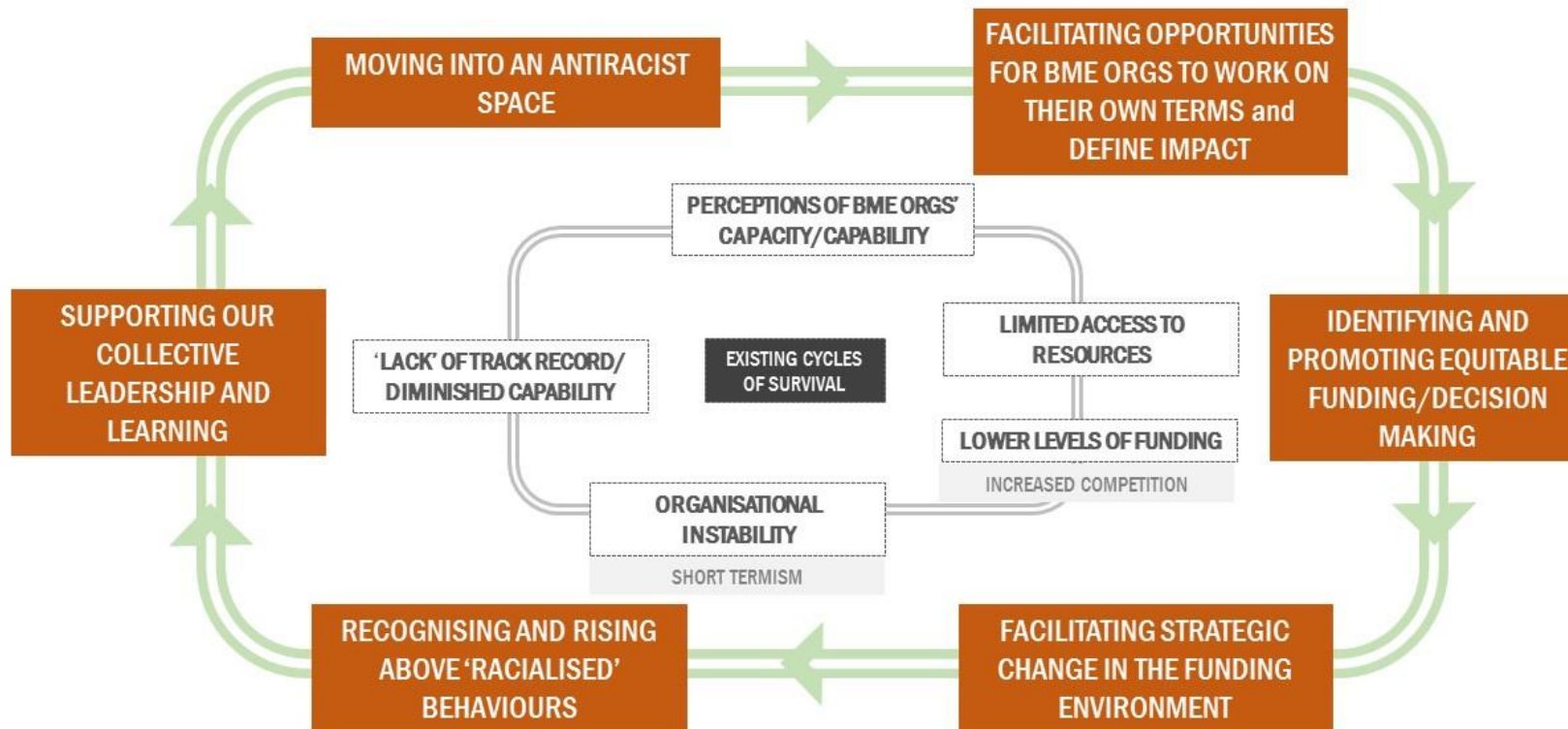
It is important partners feel comfortable with the power they have and are willing to use that power to take risks. For example, partners funded a number of groups who are doing great work but didn't have a track record and, on paper, did not necessarily look sustainable. Partners were willing to fund them, however, because they understand the difficulties smaller BME organisations can face starting up and when trying to access funding. Coupled with this willingness to take risks, then, was an *ability* to explain why these 'risks' had been taken, rooted in a firm understanding of the historical context facing BME groups and the barriers they face. Going forward, if there is a backlash to the anti-racist/Black Lives Matter movement, it will be all the more important partners have the capacity to talk about 'race' confidently.

Enacting and bringing all this to life will require funders and other partners to display a range of new behaviours. We've tried to outline in the Appendix what we think some of these might be based on what we've observed. The new behaviours are outlined against five themes:

- vision and purpose
- governance
- trust and process
- accountability
- connection

and could form the basis of the Phoenix Way.

Finally, we've tried to capture what this change might look like with the diagram on the following page. The internal circle shows the existing barriers facing BME organisations, while the outer coloured boxes show the kinds of things that can disrupt the thinking and behaviour that lead to these barriers. Hopefully we have shown that these are also the kind of factors that have made the Phoenix Fund so unique.



THE PHOENIX WAY - RECOGNISING AND DISRUPTING LEARNT BEHAVIOURS

MOVING FORWARD WITH PHOENIX 2.0

One year and a bit on, we can begin to evidence how the Phoenix Fund is positioning itself to build on year one successes and address some of its more fundamental ambitions. There are however a series of ‘tensions’ (or, at the very least, questions) Phoenix must confront in order to move forward. These tensions arise from a number of factors, not least the competing priorities of partners (who are not always vocal in expressing their concerns). We have summarised them here as five questions.

1. *Funding more strategically based on need to address causes of racism vs what communities see as more immediate needs*

There is some discussion amongst partners and grantholders about the need to respond to some of the immediate aftermath of the pandemic – loneliness, employment, young people missing a year of education – and the need to address the causes of racism more systematically (for example, as outlined above, some grantholders are really keen on accessing funding that will allow them to engage in lobbying or awareness raising work). The beginning of the Phoenix Fund lie in need to address some acute, critical issues, and that is where many partners still see its future.

2. *Supporting organisations in the here and now vs changing the funding the environment so organisations can access funding in the future*

There is a question of Phoenix can learn while moving – at the moment it is focused on supporting community groups who desperately need resourcing. However, there is a question about how it can affect change in the wider funding environment, based on an iterative and innovative approach. How does Phoenix improve the conditions for BME groups going forward? Put simply, how can we ensure Phoenix doesn’t get tied up in the machinery or becomes the new normal?

3. *Widening the partner base vs maintaining a cohesive vision*

At the core of Phoenix are partners who have been involved with the programme from the start and as such understand its journey and evolution. They have first-hand knowledge of why the fund operates the way it does and have been acclimatised into its culture (after all, it’s a culture they helped create). How can new people be brought on board in a way that doesn’t compromise the Phoenix vision – a way of working and a set of ideals that developed organically? And what might Phoenix risk if it attempts to operationalise a process which tries to be inclusive of all?

4. *Prioritising race vs addressing intersectionality*

As we’ve tried to stress, there are a group of partners who feel it is important Phoenix maintains its focus on race. This is important for its branding, important as a symbol to the sector, and important as it gives those allocating funding ‘permission’ to address a clear objective around reducing racial inequalities. However, other partners want the Fund to expand its remit and address issues around race and gender, disability, and sexual orientation. We have suggested that this is, in many ways, a false dichotomy, but it is a tension that needs to be addressed amongst partners.

5. *Keeping agile and innovative vs the need to be more transparent*

As Phoenix operationalises more money, most partners see and appreciate the need to adhere to tighter measures of accountability. As there will be more scrutiny of the Fund going forward partners are already talking about how they can be transparent in their decision making. However, some partners are worried that the standard way of promoting transparency – devising policies and processes people must adhere to, making grantholders more open about how they use their funding – may create tensions in how funds are used. They also worry that new levels of accountability may translate into new levels of bureaucracy, which will inevitably make the fund less responsive and more risk averse than it has been.

It is clear the wider system sees Phoenix as a bright star (which it rightly should). But being in the spotlight can detract from purpose and increase expectations. It is clear that the Phoenix model has worked so far. Going forward, however, there is a need for the Fund to be as iterative and accommodating of new ideas and perspectives as it was at its start. This responsiveness will be crucial to keeping organisations connected.

APPENDIX: THE PHOENIX WAY (A SUGGESTED MODEL)

Enacting and bringing to life this social justice model will require funders and other partners to display a range of new behaviours. We've tried to outline below what we think some of these might be based on what we've observed. The new behaviours are outlined against five themes:

- vision and purpose
- governance
- trust and process
- accountability
- connection

VISION AND PURPOSE

It is important to understand that just doing work on race equality won't be enough for people to engage with you. You must battle with the legacy of the past: with a history of bias and indifference. Funders need to show they are willing to learn about race inequality – and not react defensively when confronted with our lack of progress on including BME groups

- THE STANDARD WAY: *It's safer to just allocate funding to BME groups. Engaging with them more strategically is too challenging and if I say the wrong thing I may be called a racist.*
- THE STANDARD WAY: *Engaging one or two key BME people is fine. Real engagement is risky and exposing.*
- THE PHOENIX WAY: I will learn from BME organisations about their experiences of race inequality, and be prepared to do some hard listen amend and adjust what we do so it is fit for purpose

GOVERNANCE

Start with an empty space: let partners imagine the kind of society they want to see. Don't over engineer things, but instead allow aims, structures, and processes to develop organically. Build in spaces for learning and reflection.

- THE STANDARD WAY: *It is important the programme has a clear start and finish point. We need clear objectives so people know what they are signing up for.*
- THE PHOENIX WAY: I will allow partners the time to decide on their own objectives. I will facilitate opportunities to create objectives that make a difference

- THE STANDARD WAY: *Partners need to recognise there is a wider context in which decisions are made (to do with legislative requirements, organisational procedures, existing best practice). Sometimes decisions will have to be taken without them. There isn't always time for consultation.*
- THE PHOENIX WAY: We will ensure it is clear what forum decisions are made in. People will always explain why a decision was made, and the evidence/information this decision was based on. We will ensure transparency

TRUST AND PROCESS

We need to find ways to streamline decision-making. Involving community partners in the decision making process will allow those with an understanding of key issues to develop a shared vision of how to respond. Funders should allow this to evolve organically.

- THE PHOENIX WAY:
 - Personal connections and relationships will develop outside the scope of formal meetings. These will be crucial in building trust and goodwill
 - Put aside your assumptions (about what is 'professional', for example). Encourage partners to put aside theirs (such as assumptions about who can and can't do race equality, for example)
 - Built trust by not imposing yourself on the process. Make yourself open to criticism. This sense of accountability was new to many community partners
 - Don't be afraid of conflict.

ACCOUNTABILITY

Funders need to use their power to empower communities. This is crucial. We can't get daunted by teething problems. Things can get messy. Encourage people through rough patches by reminding them of the bigger picture. Having a motivating vision everyone can get behind is crucial.

- THE STANDARD WAY: *Accountability ultimately rests with me, so I need to ensure decisions are made appropriately.*
- THE PHOENIX WAY: Partners are accountable to each other for the impact of the Fund
- THE STANDARD WAY: *Our organisation has policies and processes in place which make it hard to allocate funding quickly. We have a responsibility to monitor impact to ensure resources are being spent appropriately.*
- THE PHOENIX WAY: I will use my authority and position to ensure processes meet the outcomes partners devise. I will make the case for change and take responsibility for actions that are taken to get funding to communities more quickly.

CONNECTION

Funders should acknowledge that partners have been brought on board because of their knowledge of local groups and the issues facing local communities. Allow them to utilise this

knowledge when making when making funding decisions. Don't expect applicants to prove their worth on paper. Show you value the information and data partners have by adequately compensating them for their time. Use accessible and inclusive language. What this is will vary from situation to situation: don't be swayed by what is politically correct

- THE STANDARD WAY: *While we should make our advertising as accessible as possible, organisations will apply to us if they need funding.*
- THE PHOENIX WAY: It is important to use language that is as inclusive as possible. This means explicitly using terms like 'Black' or 'BME'. We'll work with our partners to identify the most appropriate terms based on the needs of local communities.