Does grant funding exclude those it is designed to help?

## January 2021

SPORTED

Sported has a network of over 2,600 community sport, and youth groups across the UK who are using sport to deliver social change in their local area. These groups and their leaders are at the heart of their communities, tackling the root causes of some of society's biggest problems to give young people the opportunities they deserve.

Sported provides capacity building support to these group leaders through an expert regional team and highly skilled volunteers. Through giving this support, Sported has a good understanding of the areas organisations need support with.
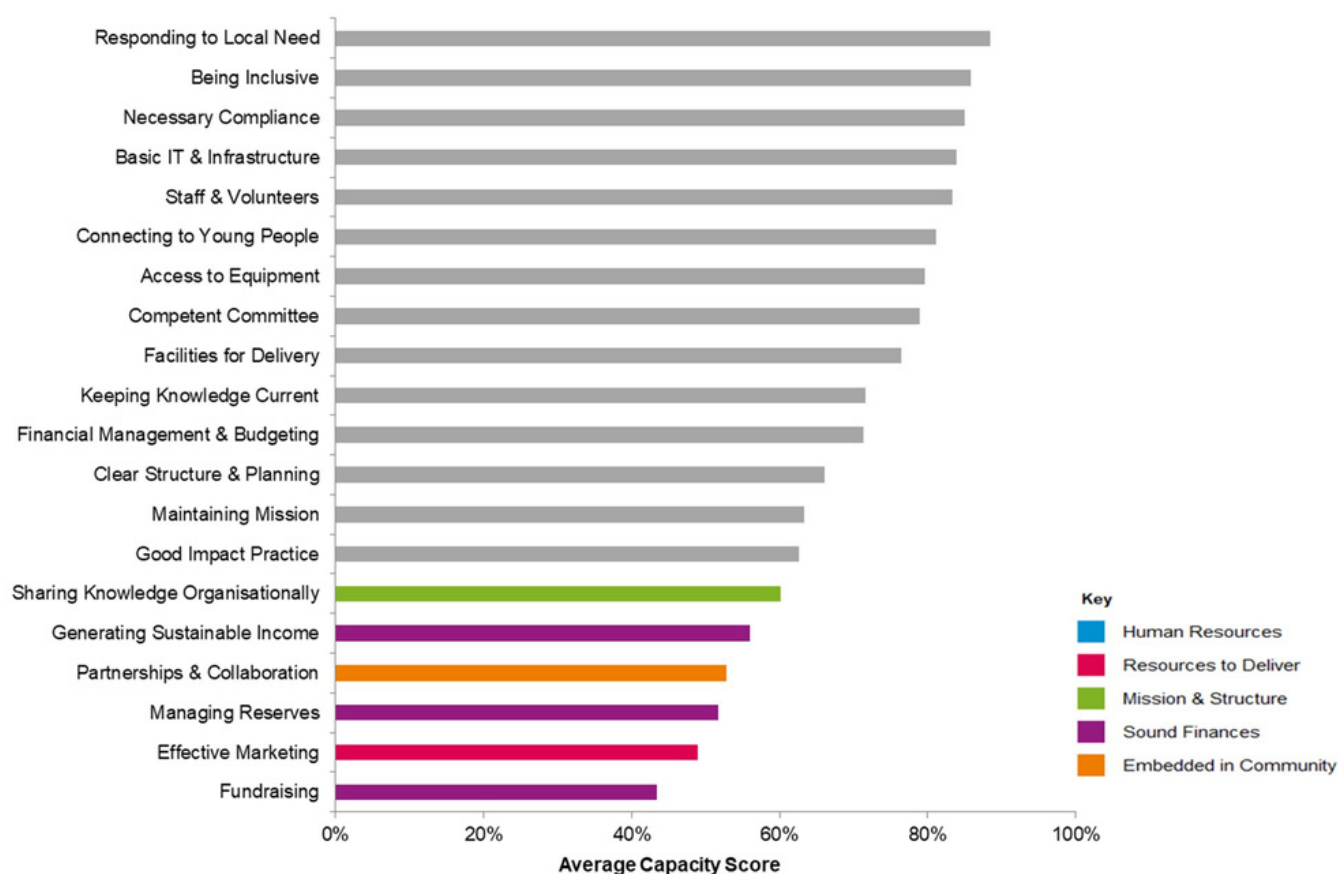
[Sample size = 243 Sported members who have completed the Sported Game Plan.]

In the figure above, bars at the bottom of the chart, which are coloured, are the areas our members have lowest capacity and need most support.

Hypothesis

Sported has upskilled numerous group leaders and helped them make their organisations more sustainable. After ten years of providing this support to groups, Sported has a good understanding of the effectiveness of capacity building. In some areas, groups can be upskilled and progress, however in other areas, no matter how much 'capacity building' is delivered, groups within Sported's network often feel the 'system' (community sport / third sector) is not designed for them. Many groups in the Sported network would say it feels like the 'system' is working against them. The area they are most often talking about is the process of receiving grant funding. This is exacerbated by the fact that 'Fundraising' is at the bottom of the chart, the area in which groups need most support.

We have explored the hypothesis that grant funding is designed in such a way that excludes the groups it is aimed at.

Scope

The report focuses on England, but does not exclude evidence from other nations. We have focused on grant funding aimed at reducing inequalities for:

- 'less well-off' participants. These are often defined as participants who are in lower socio-economic (employment) groups (LSEG), or in absence of this information, those in areas of high deprivation (bottom 20% IMD)
- 'ethnically diverse' participants. These are often defined as those who are Black, Asian or Minority Ethnic (BAME)

Who are those 'less well-off' audiences?

The definitions of 'less well-off' audiences used by funders are very unambiguous, entirely determined by occupation or postcode. However, 'disadvantage' is affected by so many different social factors. The additional barriers faced by these audiences are also faced by many others who may not 'tick' the box, such as carers, young parents, single parents, and those experiencing a variety of other complex situations.

Using postcode data to categorise groups can also be problematic, as groups may operate from a venue outside of an area of multiple deprivation, but serve participants from within that area.

Who are those 'ethnically diverse' audiences?

The term BAME (Black, Asian and minority ethnic) is such a broad term and covers so many different ethnicities and cultures. These may have very different experiences of sport, and the reasons participation rates may be lower amongst these groups may be driven by a variety of different factors so would need very different approaches to overcome any additional barriers. It is also considered a blanket term, and may not cover other 'minoritised' communities such as eastern European, gypsy or traveller etc. In addition, the term generally covers those who are considered a minority nationally, rather than consider who might be 'minoritised' in a more localised area.

What are the characteristics of organisations who work with these particpants?

From Sported's experience we have drawn together some of the common characteristics of Sported members that work with these audiences.

NEED
Community groups are driven by local need. They often develop organically in response to a specific, complex, localised social need. For example, a group of mums getting together develops into a support network, and then evolves into an association. This allows them to be well targeted at addressing local social issues.

> 90% of Sported members report they are 'actively addressing' local challenges

They are often driven by lived experience, meaning they have a very good understanding of the local social issues and how they potentially might be overcome. This is also likely to mean a higher level of trust from participants, particularly those whose negative experiences mean they might not trust other figures of authority.

Since they are driven by this local need and informed by lived experience, they are deeply rooted in their communities. Everyone in their local community knows them, knows what they do, and respects them.

For 'BAME' groups, the local need as described above is often addressed by a local migrant or immigrant, or their descendants. Many of Sported's members are extensions of local cultural centres or language support organisations, which are supporting a specific migrant population, for example the African French Speaking Community Centre, or a Russian Cultural centre.

These help people navigate the British system, for example from translation support, to understanding information from their local council.

RESOURCES

Community groups deliver a variety of services with limited resources; financially they are run on a shoestring budget. Since they are addressing social issues and deprivation, it is likely their participants are from low-income families. They provide activity to those who otherwise would not be able to afford it.

> 43% of Sported members have annual turnover of under £10,000

As they are driven so much by passion and cannot charge much for their services, they are often volunteer led. They are kept afloat by the dedication of one or two very committed people.

> 52% of Sported members are entirely led by volunteers

> "Well, I've been everything from cleaner, to temporary chair-person"
> - Sported member

> 89% of Sported members say they are dependent on one or two key people

Additionally, some of those working with 'ethnically diverse' audiences, with 'ethnically diverse' leaders, may be less likely to have English as a first language.

DELIVERY

These community groups know their audience well and know what will, or will not work, to get people involved. For those who have not grown up with sport and activity as a regular part of their lives, they may be intimidated by a traditional sports setting. Therefore, these community groups tend to deliver less intense, informal activity in an informal setting.

These characteristics result in a well-targeted, well-informed community group. However, they are also likely to mean the group is disadvantaged when applying for funding.

Do these characteristics mean they experience greater barriers when applying for funds? If so, how?

NEED

Being driven by local need and deeply rooted in their communities, groups often have no need for an online presence. Word-of-mouth has been all that is needed for new participants to know what is on offer, and for groups to market their services. However, this may disadvantage them if grant assessors look at an organisation's website or online presence to inform their view.

> "When we asked for feedback, the lady dealing with the application stated that we did not seem to be a real group!" - Sported Member

Being informed by lived experience and driven by passion means that community leaders are highly motivated and have local connections, but their background may mean that their wider networks are restricted. They may not have access to affluent or influential connections, or those who could help on the business side of their organisations. Connections in local councils to generous givers or skilled volunteers are things that an affluent individual might take for granted and would likely rely upon when applying for funds on behalf of organisation.

Working through cultural or language centres is an effective way of engaging ethnically diverse audiences, however their cultural differences may cause additional barriers. Those who are not educated in the UK, or not been brought up in the UK have not been able to absorb all the nuances of navigating the UK 'system'. They may have different approaches to how committees should function, how to approach a volunteer, or different experiences of filling in forms.

Understanding how these things work in the UK might be something that someone with a middle-class background and UK education might take for granted.

> "My background is from Germany, so you know we are very straightforward, straight to the point. When we ask for feedback the funder thinks we are challenging them" - Sported Member

RESOURCES

Being so driven by local need means that local community figures end up propelled into leadership roles. They have probably proved themselves to be an effective community leader but end up in the position of running an organisation although they may lack the necessary admin and organisational skills or capacity. In a funding application there is an implicit assumption that the group will have a formal project or business plan with a Theory of Change. The group may have their idea and aims very well thought through, but not necessarily formally written down.

If they are someone with lived experience of a social issue or from an area of deprivation, they may be lacking the educational background that would help with project planning, writing applications and understanding terminology. Community leaders do what they do because they believe it, and they feel it. It has not generally been a priority of theirs to collect evidence. The terminology of a funding application is a completely different frame of reference than what they are used to, particularly the terminology around needs and outcomes.

Running an organisation on such a restricted budget means the group probably had to be very efficient in their spending, however this means they may appear unrealistically frugal, or are 'too small' to fund. They may not have had a need for detailed financial management systems, meaning it's hard for funders to have enough information to make decisions.

> "We were told you're too small, your legal structures are too weak. This makes us feel more bad than when we started applying! We feel guilty for applying, you know?" - Sported Member

They are more likely to have limited reserves, meaning that they will not fit certain criteria.

> 30% of Sported members do not have enough reserves to cover three months expenditure

Those who have managed their limited resources very well and have not previously needed grant support, now have a disadvantage because they are unknown to the funder. This has been found particularly with constituted clubs, who have been largely financially self-sufficient.

> "We've always been so careful with our limited resources. Now with the pandemic, we had to close - we needed some emergency funding, but we didn't get it. Yet we see other groups receiving grant after grant. We felt like we deserved it, we've only asked for one grant before" - Sported Member

Those who provide activity to low-income families will always struggle to be financially sustainable. Their ability to charge for their services is limited, by design this income stream will be limited, so they need longer-term support and longer-term grants. However, the six to twelve months grants they can access encourage short-termism, and they remain stuck in the same cycle.

Being led by volunteers brings many benefits to a group, but when it comes to accessing funding this characteristic brings several disadvantages. Although the dedication of volunteers is incredible, having no paid position responsible for fundraising means that they are always fitting it in amongst other things; when it's done on volunteer time it's difficult to give it the time and dedication required. Voluntary group leaders need to find this time from somewhere yet, given their dedication to their cause, they are reluctant to shave it off delivery time. If they manage to find the time, it is usually by foregoing 'family' or 'career' time to get an application done.

When writing about what is delivered and with what resources, voluntary organisations often end up under-valuing the contribution of their volunteers. Firstly, when it is volunteer time, people are less likely to keep an accurate record compared to if it was paid hours. They may even be reluctant to admit how much voluntary time they spend, so are likely to under-report it. Secondly, even when voluntary hours are counted, there isn't a robust way of recognising voluntary hours when value for money is considered, so voluntary contributions don't get the recognition and credit they deserve.

As community groups end up relying on the dedication of one or two people, and the short-term nature of funding, community leaders end up 'fire-fighting' and thinking about the immediate problems of next week, rather than thinking ahead.

Those who don't have English as a first language may speak English fluently, but still struggle with formal written English, particularly in application forms. Some funders are expanding and welcoming video applications, however community groups currently see this as secondary option and do not believe it is treated in the same regard. Particularly, since there is limited guidance for alternative (video) applications, anyone using these alternative methods will be disadvantaged.

DELIVERY

Groups that are delivering non-traditional, informal activity may be attracting exactly the intended audience but may struggle to find appropriate funding pots, since their activities are not recognised as a proper sport. In addition, they may think it should be 'sport' funding that they should be applying for, but since sport/activity is the means to an end, perhaps it should be education, justice or social care budget pots that are more suitable.

Summary

In summary, the marginalised groups that funders often intend to reach are broad and diverse, yet the terminology used to define them is very restrictive. Groups wich work with these audiences have several common characteristics which means they are very good at delivering to these marginalised audiences. However, these same characteristics means they are disadvantaged when it comes to applying for funds.

Being driven by local need, informed by lived experience, and deeply rooted in their community means they have had little need for an online presence, and their networks may be restricted. Local community leaders are often propelled into leadership positions, without the necessary admin experience. Being led by volunteers, and often one or two key people, means they have limited resources and aren't able to commit the necessary time to write applications. They are likely to underestimate the contribution of their volunteers, for being unsure of how to account for them in a robust way.

Running an organisation on a shoestring budget means they may lack the necessary financial requirements and governance and may appear unrealistically frugal. Delivering to low-income families mean their potential income from participant subs will always be restricted. Those who are small, local organisations are disadvantaged if they are unknown to funders.

Being driven by a migrant or immigrant population means they may have different cultural refence points compared to those who write funding strategies. If they are educated outside of the UK and have English as a second language, formal written English is harder. Delivering informal and accessible activity means they may struggle to find funding pots that are a good fit for what they do.

Recommendations

Key recommendations from Sported to funders are:

- Continue with clear explanations of terminology, help groups to 'decode' an application form.
- Make application form guidance also available via video, so that both verbal and written guidance can be accessed.
- If a video application is an option, make it clear that this isn't a secondary / soft option. Ensure there is the same level of guidance for a video application as there is for a written application, and information about how it will be assessed.
- Make funds exclusionary and set parameters, so groups find it easier to know if they fit the criteria or not.
- Assess groups based on what they can deliver and with what resources, rather than how well they can write about need and outcomes.
- Give constructive, actionable feedback.
- Fund professional support alongside grants, so that groups can improve necessary compliance and improve their application skills.
- Think also about how funds are presented, for example those that were labelled as 'Black money' (such as Pheonix Fund, African Health Policy Network). Groups felt more affinity to those and were more committed to these applications. The 'image' of a fund is important, even if the money ultimate comes from a large national funder. Consider how some groups may be uncomfortable with certain types of funding, e.g. some Muslim groups may not apply for National Lottery funding due to the connection with gambling.
- Invest in professional support networks (Sported volunteers often find their support is most successful when they are challenging and constructive, but this only works if they know the group and have developed a relationship).
- Distribute funds through a local network or trusted national partner that knows groups and can distribute to those who are 'too small.'

"Funds should be distributed like this, by trickling money down through network organisations who are best placed to have local knowledge / experience of the clubs applying / aware of local gaps in service and therefore where the money should be targeted. Grants should be based on 'who can deliver' not 'who fills in the best form"- Sported Member

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