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Foundation

Racial Justice Audit Analysis of PHF's UK Grant-making 2020/21

Headline findings from applying the Funders for
Race Equality Alliance (FREAA) racial justice audit tool

Contents



Interactive document

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Note on language

The use of Black or minoritised replaces the acronym ‘BAME’ – which stands for Black, Asian and Minority Ethnic – throughout this report. While the original FREA audit tool uses ‘BAME’, FREA have since consciously moved away from using the acronym.

At PHF, we also want to do the same, recognising the problematic nature and limitations of language. It is worth noting that the audit tool – and this report – also includes white minoritised communities including Gypsy, Roma and Traveller groups in its definition.

Please see the [endnotes](#) for further information.

Key definitions:

- **A Black or minoritised sector organisation** is classed as an organisation that has both Black or minoritised majority (at least 50%) leadership and a mission and purpose to support Black or minoritised communities.
- **Projects by and for Black or minoritised communities** – or simply *by and for projects* – are those led by Black or minoritised sector organisations which are intended to benefit Black or minoritised communities by design.
- Projects that benefit Black or minoritised communities **by design** refer to grants that fund work specifically designed to benefit these communities.
- Projects that benefit Black or minoritised communities **by serendipity** refer to grants that fund work which have benefited these communities but were not specifically designed for this purpose.

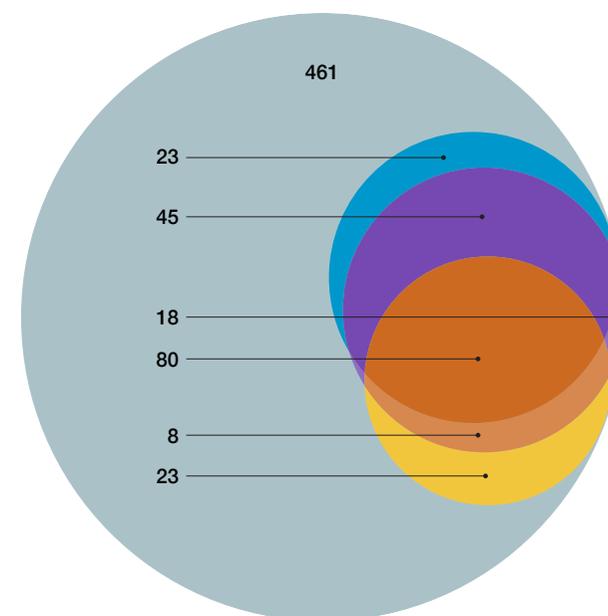
Introduction

Following on from the publication of the Funders for Race Equality Alliance's (FREAA) first racial justice audit of funders in April 2021,¹ PHF applied FREAA's audit tool to all our UK grant-making in 2020/21, spanning the Covid Response Fund and re-opened non-emergency funds.

The Covid Response Fund was a quick response opened in March 2020 that offered flexible funding to respond to the challenges of Covid-19. The non-emergency funds are the main funding streams that had temporarily closed for applications during the pandemic and re-opened in October 2020. We used the toolkit to analyse our portfolios in terms of the proportion of grants and funds awarded in support of Black or minoritised-led organisations and projects.²

The headline findings are set out overleaf. The rest of this document explains in more detail the proportion of grants and funding awarded to Black or minoritised sector organisations, to projects by and for Black or minoritised communities, and a comparison of PHF to the sub-set of the wider sector analysed by FREAA. Potential next steps are outlined at the end. For definitions of key terms, see previous page.

Venn diagram showing the number of grants by their FREAA audit tool classification



Grant classification key

- To organisations with a mission to support Black or minoritised communities
- To organisations with a mission to support Black or minoritised communities and work is intended to benefit Black or minoritised communities by design
- To organisations whose work is intended to benefit Black or minoritised communities by design
- To **Black or minoritised sector organisations** and **by and for projects** (with a mission to support Black or minoritised communities, work is intended to benefit Black or minoritised communities by design and with Black or minoritised leadership)
- To organisations with Black or minoritised leadership and work is intended to benefit Black or minoritised communities by design
- To organisations with Black or minoritised leadership
- Organisations that have neither Black or minoritised leadership nor mission, and work is not intended to benefit Black or minoritised communities by design

Headline findings

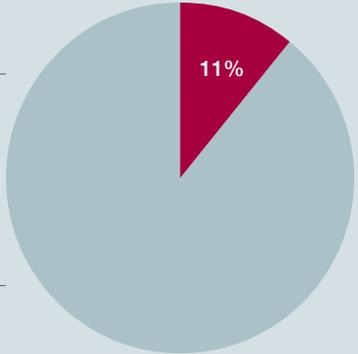
656 grants amounting to £30.5m were analysed through the audit.³



From PHF's grant-making in 2020/21, totalling £30.5m:

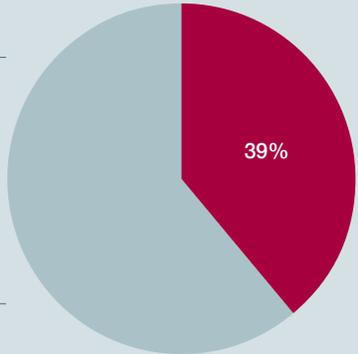
11%

of funding went to Black or minoritised sector organisations



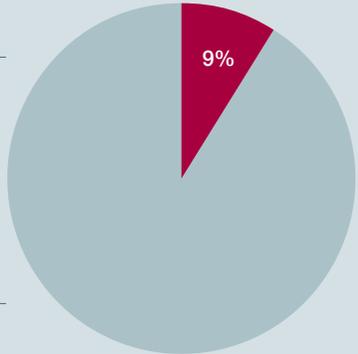
39%

of funding went to projects that benefit Black or minoritised communities



9%

of funding went to projects by and for Black or minoritised communities



Headline findings



Grants to Black or minoritised sector organisations were smaller than grants to non-Black or minoritised organisations⁴

3%

smaller for '£20k and under' Covid Response Fund grants⁵

15%

smaller for Covid Response Fund grants over £20k

30%

smaller for all non-emergency grants



Grants to Black or minoritised sector organisations were up to three times shorter than grants to non-Black or minoritised organisations⁶

9%

shorter for non-emergency grants using the mean

12%

shorter for Covid Response Fund grants over £20k using the mean

300%

shorter for non-emergency grants using the median

...but were

11% longer for '£20k and under' Covid Response Fund grants using the mean

Grants to Black or minoritised sector organisations

Black or minoritised sector organisations are classed by the tool as those with both a mission to support Black or minoritised communities and at least 50% of their leadership from a Black or minoritised background.

In 2020/21, Black or minoritised sector organisations received:

11% of all UK funding in 2020/21 (13% of grants)

10% of Covid Response funding (12% of grants)

12% of non-emergency funding (15% of grants)

Overall, organisations with a Black or minoritised leadership, mission, or both, received **a higher proportion of non-emergency funding**, compared to Covid Response funding. Comparing the mean average monthly grant amount shows that Black or minoritised sector organisations received **smaller** grants than non-Black or minoritised counterparts (Table 1).

At the same time, comparing the average length or duration of grants in terms of months shows that Black or minoritised sector organisations received (Table 2):

11% longer grants in '£20k and under' Covid Response funding

12% shorter grants in 'over £20k' Covid Response funding

9% shorter grants in non-emergency funding

Notably, when considering the median average grant duration for non-emergency funding, Black or minoritised sector organisation grants were three times shorter than non-Black or minoritised counterparts, lasting 12 months and 36 months respectively.

Table 1. Mean average monthly grant amount by organisation type (£)

Organisation feature	Covid Response Fund ⁵		UK non-emergency funding
	£20k and under	Over £20k	
Black or minoritised sector organisation	5,163	8,993	2,373
Non Black or minoritised sector org	5,343	10,579	3,411
% difference	-3	-15	-30

Table 2. Mean average grant duration by organisation type (months)

Organisation feature	Covid Response Fund		UK non-emergency funding
	£20k and under	Over £20k	
Black or minoritised sector organisation	4.5	7	21
Non Black or minoritised sector org	4	8	23
% difference	+11	-12	-9

Grants to projects by and for Black or minoritised communities

Projects by and for Black or minoritised communities – or simply *by and for projects* – are those led by Black or minoritised sector organisations with the intention of benefitting Black or minoritised communities by design.

In 2020/21, *by and for projects* received:

9% of all UK funding in 2020/21
(12% of grants)

10% of Covid Response funding
(11% of grants)

9% of non-emergency funding
(14% of grants)

Across both Covid Response and non-emergency funding, *by and for projects* received a comparative **lack of core/general funding**. Comparing *by and for project* types with overall Covid Response grants highlights a concentration in activity around service provision, capacity building of individuals and research/policy work, with a comparative **lack of core/general support** for *by and for projects* (Table 3).

Table 3. Project type – Covid Response Fund (%)

Project type	% of all grants	% of <i>by and for</i> grants	% of all funding	% of <i>by and for</i> funding
Service provision	27	38	25	38
Core/general	55	26	64	30
Capacity building of individuals	2	14	2	12
Research/policy	1	8	2	10

Table 4. Project type – Non-emergency funding (%)

Project type	% of all grants	% of <i>by and for</i> grants	% of all funding	% of <i>by and for</i> funding
Core/general	30	26	40	32
Service provision	13	23	8	9
Capacity building of individuals	15	23	7	5
Capacity building of organisations	22	17	28	24
Campaigning/influencing	7	7	7	21

Grants to projects by and for Black or minoritised communities

The most common project themes across all Covid Response Fund and non-emergency grants largely reflect PHF's grant-making priorities.⁷ Meanwhile, *by and for* Covid Response Fund grants are particularly concentrated under themes of Migration, Crisis services, and Community, with non-emergency *by and for* grants over-represented in the themes of Work and occupation, Community engagement, Human rights and justice, and Gender, sex and sexual orientation (Table 5).

Table 5. Project theme by grant type

All Covid Response Fund grants	<i>By and for</i> Covid Response Fund grants
Children, family and young people (45%)	Migration (54%)
Culture, heritage and arts (35%)	Crisis services (37%)
Community (21%)	Community (30%)
Crisis services (21%)	Children, family and young people (20%)
Migration (20%)	Human rights and justice (18%)
	Gender, sex and sexual orientation (18%)
All UK non-emergency grants	<i>By and for</i> non-emergency grants
Children, family and young people (29%)	Work and occupation (32%)
Culture, heritage and arts (11%)	Community engagement (32%)
Human rights and justice (11%)	Human rights and justice (26%)
Migration (9%)	Gender, sex and sexual orientation (26%)

PHF and the broader sector

A sample from PHF’s grant-making was included in a collective audit of data from 13 participating funders by FREA in April 2021.¹ The figures from this collective audit are presented in Table 6.

A higher percentage of PHF’s funding from 2020/21 went to support Black or minoritised sector organisations than was the case for the broader pool of funding included in FREA’s April audit, but a lower percentage went to support Black or minoritised communities.

In November 2021, FREA published new findings from a second collective audit of £271m of grants from 20 participating funders. The results from this audit can be found on the Equally Ours website.¹

In the November audit, FREA applied a revised methodology that aligns with the new DEI Data Standard⁸ so the threshold for a Black and minoritised-led organisation is now “75% of the board and 50% of senior leadership are from a Black and minoritised community”. For this reason, we have not compared PHF’s data with the updated figures.

Table 6. PHF funding and the wider sector (%)

Funding to	PHF UK funding 2020/21	FREA collective audit April 2021	Difference
Black or minoritised sector organisations	11	6	+5
Organisations with a mission to support Black or minoritised communities	26	14	+12
Benefit Black or minoritised communities by design	21	23	-2
Benefit Black or minoritised communities by serendipity	18	19	-1

Next steps

The audit tool provides a comprehensive mechanism for analysing grants, revealing gaps and trends in PHF’s support for Black or minoritised sector organisations and projects by and for Black or minoritised communities.

As part of taking forward this work we are exploring the following:

- How best to capture data about the organisations that we fund in terms of the diversity and characteristics of their leadership and mission. This draws on collaborative work with other funders, and our wider ambitions around diversity, equity, and inclusion.
- How to maintain and use this analysis of our grant-making to hold a mirror up to our funding behaviours and drive shifts in practice.

We remain committed to undertaking and publishing analysis of our grant-making using the FREA audit tool, or equivalent approaches on an annual basis. We welcome feedback on our approach and opportunities to work with others in developing our practice. To find out more about the wider context of this work and how we found using the tool, read our [blog](#).

We would like to thank the team at FREA – particularly Tracey Agyeman and Saphia Youssef – who supported us in the audit process and gave invaluable feedback for this report’s publication.

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Endnotes

1 www.equallyours.org.uk/resources/funding-audit-current-practice-in-racial-justice-funding/

2 We show these proportions as percentages for each category of grant analysis. Proportion of grants refers to the number of grants per category (n) as a % of the total number of grants made in 2020/21. Proportion of funding refers to the volume of money (£) awarded per category as a % of the total amount of funding awarded in 2020/21. These % are shown side by side to make it easier to see the differences between proportion of grants versus funding. For example, if a category has received a much higher proportion of grants (n) than proportion of funding (£), this would suggest that the grants are higher in number but smaller in value. Similarly, a grant category with a higher proportion of funding but a lower proportion of grants would suggest a smaller number of grants at a higher value.

3 This figure excludes five large grants for re-granting which were removed as outliers, and 113 Awards for Artists amounting to £1.12m which were also excluded from the audit.

4 **Note on language:** The use of Black and minoritised replaces the acronym 'BAME' – which stands for Black, Asian and Minority Ethnic – throughout this report. While the original FREA audit tool uses 'BAME', FREA have since consciously moved away from using the acronym. At PHF, we also want to do the same, recognising the problematic nature and limitations of language. It is worth noting that the audit tool – and this report – also includes white minoritised communities including Gypsy, Roma and Traveller groups in its definition.

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5 Unlike PHF's non-emergency grant-making, Covid Response Fund grants were split into two processing streams: applications for £20k and under were assessed by staff, and applications for over £20k were scrutinised at board level through the Covid Response Fund committee.

6 The mean average is calculated by dividing the total grant amount by number of grants while the median is calculated by finding the 'middle' amount when all grant amounts are sorted in ascending order. In general, the mean is the most frequently used measure of central tendency, however we also used the median to account for the grant types which had outliers, a few particularly high grants which could distort the calculations.

7 Up to four project themes were assigned to each Covid Response Fund grant (including **adaptation** in response to the pandemic). Up to three themes were assigned to each non-emergency grant. These themes were taken from FREA's [quantitative analysis](#) published in March 2021, pp.29-30.

8 <https://www.funderscollaborativehub.org.uk/dei-data-standard>

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