

Overcoming barriers to funding

A strategic partnership report

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Spot Project
Food distribution for
vulnerable people

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Executive summary

The Muslim Charities Forum (MCF) is the network of British Muslim-led charities, established in 2007, engaging 300 Muslim-led charities across the UK. 1 in 3 Black and Minority Ethnic people in the UK identify as Muslim (Census 2011) with Muslim-led groups serving a range of communities of all faiths and no faith.

The London Community Foundation (LCF) is the charity for London's communities and uses a donor-advised model of grant making to support community-led organisations focused on helping disadvantaged Londoners. In 2020-21 almost £22.6m was awarded through 1,321 grants.

Context

In March 2020 the Covid-19 pandemic began, claiming lives and placing huge strain on public and third sector services. Black people and communities experiencing racial injustice were disproportionately affected, suffering greatly in virus transmission, fatalities, mental and financial health. The pandemic highlighted a history of systemic racism and under-funding of the needs within these communities. The accompanying national lockdowns brought a ban on all face-to-face gathering including community fundraising activities, resulting in a sharp drop in individual giving for local and national groups.

MCF undertook a range of Covid-19 response measures to support Muslim-led grassroots groups and charitable organisations up and down the country. Through research to over 100 Muslim-led groups in the London area (300 nationally), it was established that Muslim-led grassroots groups were under enormous pressure and in urgent need of grant funding.

Partnership

In August 2020, MCF and LCF formed a strategic partnership to encourage and support more Muslim-led organisations to apply to the London Community Response (LCR). The LCR was established as a collaborative effort, coordinated by London Funders, of 67 London based funders in response to the emergency needs arising due to the Covid-19 pandemic, providing one application, and streamlined approach for distributing urgent funds. MCF and LCF worked together to develop a two-way learning process for community groups and funders, for Wave 4 (December 2020) and Wave 5 (January/February 2021) of the London Community Response.

Activities

The MCF and LCF partnership ran from August 2020 to February 2021. Partnership activities took the form of primary research, outreach work, information and Q&A webinars, roundtable discussions and free grant writing coaching to address the skills gap and lack of prior application experience. Roundtable discussions took place after the application deadlines with smaller groups to gather feedback and further learning on the barriers inhibiting Muslim-led organisations from engaging with funders and funding

opportunities.

Key results:

- 148 organisations engaged in the partnership during the time that both Wave 4 and Wave 5 of the London Community Response (LCR) were open.
- 39 organisations accessed free grant application support.
- 15 organisations with little to no prior experience in accessing grant funding were awarded over £150,000 of funds in Wave 4 and 5.

Key findings and points of learning from surveying Muslim-led organisations:

- 100% of surveyed organisations previously relied primarily on public donations.
- 79% believed that if they were not a Muslim-led organisation, receiving institutional funds would be easier.
- 83% reported the primary worry for the next 12 months was about funding for both project and core costs.

Barriers to Muslim-led organisations accessing funds:

- 1. Awareness of funding** – typically, Muslim-led organisations rely upon community fundraising/religious giving and many are not aware that grant funding exists.
- 2. Experience and time** – as a result of under-funding, some organisations subsequently lack sufficient time, capacity, and the specific experience required to apply for grants.
- 3. Funder understanding** – there can be a lack of understanding amongst funders of the needs of organisations led by both Muslim and Black people and communities experiencing racial injustice.
- 4. Trust in funders** – Muslim-led organisation's past experiences of unconscious bias and Islamophobia stereotyping has had an impact on their trust in funders.
- 5. Decision making** - funding track record and financial stability can often play a dominating role in the decision-making process for some funders. For small grassroots groups relying on community giving, this becomes an immediate barrier.
- 6. Hostile attitudes** – funders affected by the negative media targeting the Muslim community, could be hostile towards faith-based charities and in particular Muslim charities.
- 7. Anxiety about monitoring processes** – there is a concern that if successful in a funding bid the organisation will not be able to meet the monitoring requirements and so they count themselves out of the process.
- 8. Origin of funds** – due to religious requirements it is vital that Muslim-led organisations know the origin of the funding they are applying for, which is not always transparent.
- 9. Project vs. core costs** – short-term grants were available to address the immediate needs of communities during the pandemic, but this meant spending more time applying for repeat funding and less time delivering vital services.
- 10. Eligibility criteria** - there were high numbers of organisations not successful after applying to the LCR due to not meeting the eligibility criteria. The main

barriers were governance, safeguarding policy, and financial reasons.

11. Constructive feedback – a lack of constructive feedback is damaging to any organisation, as changes for future applications cannot be made and can often result in applicants losing confidence in the funding process.

To address each barrier, several practical recommendations have been suggested under the 'Recommendations and next steps' section. Each is vital to enable an equitable funding approach by organisations responsible for decision making and distributing grants.

The MCF and LCF strategic partnership has delivered an innovative collaborative approach to supporting groups typically stigmatised and under-funded. Through the engagement of over 140 London organisations, this partnership supported excluded groups to access grant funding, while opening the door for future learning and relationships with Muslim-led and organisations led by Black people and communities experiencing racial injustice.

MCF would like to thank the staff of The London Community Foundation for their efforts and genuine commitment to serving some of London's most disadvantaged people.

Fadi Itani

CEO Muslim Charities Forum

Keywords

As highlighted in Baobab's March 2021 'Digging Deeper Report'¹, **'acronyms like BAME oversimplify the different lived experiences of individual and groups that fall into this category, while potentially disregarding minority ethnic groups who may not identify as Black or Brown per se, such as Gypsy, Roma and Traveller communities.'** In recognition of this, MCF and LCF aim to use Baobab's terminology 'Black people and communities experiencing racial injustice' where possible. As we will be referencing previous work that used the terminology 'BAME', the two will be used interchangeably throughout the report.

Please note, this report will be discussing sensitive issues raised by the marginalised voices of London based Muslim groups during the partnership. We recognise that faith organisations including those of the Islamic faith covers a breadth of ethnicities, socioeconomic situations, and discriminatory experiences, and this report does not assume to cover all accounts of the experiences from people and communities facing racial and religious injustices. Further, we strive to take an intersectional approach to understanding system inequities and multiple disadvantages. This report will be covering broad barriers and issues Muslim groups face with funding.

¹ <https://www.baobabfoundation.org.uk/publications/diggingdeeper>

Introduction

The [Muslim Charities Forum \(MCF\)](#) is the network of British Muslim-led charities working for social good. Established in 2007, MCF works to connect Muslim-led charities and grassroots organisations with one another, resources, and mainstream bodies to meet the growing needs within the sector. MCF supports these charities through needs analysis research, strategic initiatives, best practice, training, and information.

Furthermore, MCF represents the needs and voice of the sector with public bodies and policy makers to share the value of Muslim-led charities and ensure equality and diversity. This includes as a member of the NET Equity Group, UK Community Foundations Equity Group, Charity Infrastructure Bodies Group, Voluntary Community Sector Emergency Partnership (VCSEP) and BAME Steering Group with the Minister for Civil Society. As a network of 300 charities, with over 100 based in London, MCF is well-placed to respond to the needs of the Muslim charity sector.

[The London Community Foundation \(LCF\)](#) is the charity for London's communities. Charities, social enterprises, and groups that spring from the communities they are trying to help often have a deep understanding of the gaps that need filling. They know what works, how to gain trust and build lasting relationships. LCF is an expert at directing funds to invest in these community-based organisations who often do not attract mass public support. By using a donor-advised model, LCF inspires the Capital's generosity by connecting corporate, philanthropists, government, councils, and other institutions, to fund innovative local initiatives. Subsequently, LCF has a unique window into how complex social problems are being tackled at local level.

Since 2000, £123m has been awarded in 14,247 grants to support London's grassroots tackling a range of issues. One example of an LCF donor-advised fund is the Mayor's Violence Against Women and Girls (VAWG) Grassroots Fund, read more about the fund launch [here](#). In 2020/21, LCF has responded to the Covid-19 pandemic, more detail is provided in the report below.

Context

In March 2020, the Covid-19 global pandemic began. With swift lockdown, the UK's population was plunged into challenging times that saw a sharp rise in the need for charitable aid as well as a dramatic drop in charitable donations. With a rapidly changing and uncertain situation and the cancellation of face-to-face events, many charities experienced a decline in community fundraising income.

Simultaneously, large numbers of people were placed on furlough, lost their jobs or income, leading to a dramatic rise in poverty. Black people and communities experiencing racial injustice were shown to be disproportionately affected by the Covid-19 pandemic in virus transmission, fatality rates and in financial and mental health

areas². Muslim-led charities were amongst the first to respond to these groups, with grassroots organisations from mosques and community groups delivering emergency aid in the form of foodbanks, mental health support and more³. The majority beneficiary audience of these charities were Muslim communities from a range of ethnic backgrounds including South Asian, Arab, North African, and Black heritage with a large number also serving refugee and asylum-seekers with No Recourse to Public Funds (NRPF).

MCF during the pandemic

From March 2020, MCF responded to the crisis by working for and with British Muslim-led charities, including grassroots and smaller charities working directly with Black people and communities experiencing racial injustice. As part of a Covid-19 response, MCF conducted research, gathering quantitative and qualitative data to establish the scale of need across the community.

This comprised of the following two primary research reports:

- **'Unmet Needs in the Community'** highlighted the individual and communal needs experienced by Muslim and BAME communities as a direct impact of the pandemic. This included urgent needs such as employment, benefits, food poverty, homelessness, mental health, and support for young people. Their un-met needs were particularly acute within communities struggling with racial inequality and intersectionality (April 2020).
- **'The Neighbours Next Door'** highlighted the scale of response of Muslim-led grassroots groups to the Covid-19 pandemic. Key findings included the lack of income, stretched resources, huge reliance on voluntary support, and the fall in community fundraising gathered through regular religious giving. Crucially, this report highlighted an urgent need within the sector to diversify income streams to not only continue upscaling aid to meet need but also to continue and survive. MCF's findings, gathered through a survey and telephone interviews of over 160 respondents, highlighted that only 16% of Muslim-led charities have been able to access mainstream funding since the Covid-19 pandemic began (July 2020).

These findings fed back into the core responsive work of MCF in developing strategic and practical support to help Muslim-led charities meet the needs of marginalised and disadvantaged groups across the UK.

LCF during the pandemic

On 25 March 2020, LCF's launched its Covid-19 response to rapidly mobilise funds to frontline organisations responding to the pandemic. LCF worked with a range of new and existing donors such as the National Emergencies Trust (NET), Grosvenor, MOPAC, Wimbledon Foundation, among many other supporters. LCF awarded over £13.4m

² UK Parliament Post Report, 19.10.2020, <https://post.parliament.uk/impact-of-covid-19-on-different-ethnic-minority-groups/>

³ MCF, 'The Neighbours Next Door', 27.07.2020, <https://www.muslimcharitiesforum.org.uk/covid-19-the-neighbours-next-door-report/>

through 1,019 grants to community organisations working on the frontline to help London cope with the crisis (39% went to BAME-led organisations). Working in partnership was a vital part of LCF's Covid-19 response, collaborating with 67 other London funders to support the London Community Response.

LCF's response has been flexible and responsive. Our funding priorities have been guided by insights from the [London Community Response \(LCR\)](#) partnership; feedback from an extensive number of community organisations with active LCF grants and funding data. This work was also guided by a series of Strategic Grant Principles, that LCF set at the start of the pandemic. They included putting grassroots community-led organisations at the heart of their response, directing funds to communities disproportionately affected by Covid-19 and recognising the need to support the infrastructure and capacity of organisations as well as direct delivery to support the long-term sustainability and diversity of the sector.

The partnership

Context

MCF's Covid-19 campaign of bringing charities together, mapping and understanding needs, sharing best practice, and providing guidance and support, identified the unprecedented circumstances and vast scale of support needed for the Muslim charity sector. The global crisis highlighted racial injustice alongside the killing of George Floyd and resurgence of the Black Lives Matter movement sparked a sobering awakening of systemic inequalities in the funding community.

In a blog published in summer 2020, LCF recognised the change needed and committed to supporting pro-active long-term change⁴. After reaching out to [UKCF](#) (the membership body for the UK's 46 accredited community foundations) and following discussions with LCF, in July 2020 MCF and LCF formed a strategic partnership to address the inequality of opportunity and systemic barriers, and support London-based Muslim organisations to access grant funding. It was essential to invest in and partner with an infrastructure organisation that had lived experience and trust with Muslim groups facing barriers to funding.

"This exciting new relationship was born from the needs arising during the ongoing Covid-19 pandemic and the first lockdown – small, grassroots charities were struggling to cope with increased demand and decreasing resources."

Fadi Itani, CEO, MCF

⁴ <https://londoncf.org.uk/blog/black-lives-matter>

Purpose

The partnership was initiated to provide more support for Muslim-led organisations to help access vital funding for their Covid-19 response and beyond, while also taking a proactive two-way learning approach by listening to voices from marginalised groups. This report outlines the achievements of the partnership as well as key findings and practical recommendations to help funders improve access to funding for Muslim-led organisations.

Aims

- To collect data and insights to increase understanding of the barriers faced by Muslim organisations to improve accessibility of funding opportunities.
- To raise awareness of grant funding as a viable income stream for Muslim organisations.
- To increase understanding of grant funding processes, eligibility criteria, grant spend and monitoring for Muslim organisations.
- To increase grant application skills and confidence in applying across the Muslim charity sector.
- To increase access for Muslim-led and organisations led by Black people and communities experiencing racial injustice to grant funders.
- To increase understanding of Muslim-led organisations structure and unique pressures.
- To highlight good practice and the value of Muslim led organisations serving disadvantaged people in London.

“MCF’s research shows how London’s Muslim organisations have been crucial to the Capital’s response to the pandemic despite the barriers to funding opportunities. This is an important strategic partnership for LCF and our mission to support the Capital’s communities. As a funder, we want to learn, be challenged, and create networks that both help other infrastructure organisations and grow mutual impact. We look forward to working with colleagues at MCF.”

Kate Markey, CEO, LCF

Structure

Through the London Communities Coronavirus Appeal and NET BME Fund, LCF invested £30,600 in MCF. The partnership used an Outreach Project Officer to find, engage, and organise webinars for Muslim groups in London; a Research Officer to collect data to highlight unmet needs and give appropriate recommendations; and an Application Support Consultant to work with charities to write high-quality funding applications. There was a lead contact from both LCF and MCF who liaised regularly throughout the entire period of the partnership.

Focus

The focus of the partnership between MCF and LCF was to direct and support Muslim-led organisations in making applications to the LCR in:

- **Wave 4: Navigating Crisis** (small grants up to £10,000 for food, essentials, mental health, advice, and meeting the immediate needs of beneficiaries, which closed for applications in December 2020)
- **Wave 5: Crisis** (again small grants up to £10,000 for crisis response work, which closed in January 2021)
- **Wave 5: Renewal** (larger 12-month project and core grants of up to £50,000 were available for groups addressing one of three London Recovery Board mission aims, which closed in February 2021).

While this did not necessarily result in LCF funding the organisations specifically, the partnership enabled greater opportunities for groups to access the LCR and receive funding from one or more of the 67 aligned funders.

Activities

The partnership involved practical activities to bridge the funding gap for MCF network members not familiar with funding, those lacking confidence in applying, or groups that would benefit from additional support.

1. Survey

A key element of the partnership was to collect primary research to build an understanding of the current challenges facing Muslim charities and how and where Muslim groups access funding. This took the form of an MCF-led survey which was conducted via email and telephone calls using the MCF database network and through identifying groups through social media.

The purpose of the survey was to establish the un-met needs of Muslim-led grassroots groups in response to the Covid-19 pandemic and in the long-term. This took the form of questions to establish the size, theme, location, and governance of the group before identifying the most urgent needs within the organisation and community they served. These questions also explored the barriers they faced accessing funds. Through telephone contact, it was possible to build relationships, ensuring a safe and open dialogue to discuss past experiences and challenges.

Methodology

Email and telephone contact (primary contact) with approximately 100 Muslim-led organisations operating in London. 32 were identified as new contacts.

Findings:

- 100% relied primarily on public donations.
- 79% believed if they were not a Muslim-led organisation, receiving institutional funds would be easier.

- 83% said funding was the primary worry for the organisation.
- 8% had not received institutional funding before.

Limitations

Due to the nature of the situation, many grassroots groups were delivering crisis support to communities and were primarily volunteer run. Workload and responsibilities for charity governance and finance is shared amongst multiple people or is a task given to a volunteer who is already dealing with multiple areas of delivery. This meant it was difficult at times to secure the right person to discuss with or speak at length. This report also recognizes that the number of organisations that took part in the survey provided indicative data but cannot be considered representative of all Muslim-led organisations.

2. Roundtable discussions

Methodology

There were 4 roundtables held between December 2020 - January 2021, reaching 31 Muslim organisations from across London. Each session lasted between 60-90 minutes and was attended by between 5-13 organisations, noting a smaller number of Zoom attendees helped instigate more discussion. The sessions took the format of an informal focus group involving prompt questions to open the dialogue between LCF and Muslim groups about their experience of the wider funding sector.

The main themes discussed were:

- Main sources of funding (pre and during Covid-19).
- Experiences of Muslim-led organisations applying to funders (including trusts/foundations/local authority).
- Barriers Muslim-led organisations experienced when applying to funders.
- Recommendations of what may need to be put in place to enable more Muslim-led organisations to apply to funders.
- Muslim groups experience of the LCR process, which involved feedback on the LCR Wave 4 Fund which was communicated to London Funders to help make changes to the Wave 5 application form.

Findings:

- **Conversations:** there was an overwhelmingly positive response to creating a safe space for Muslim-led groups to engage with funders in honest and open conversations about their experiences. It was felt that opening a dialogue with funders is mutually beneficial for both the group and funder to help make funding more accessible.
- **Listening:** groups highlighted that there is a systemic power imbalance between funders and marginalised groups and listening can be a powerful tool for mutual and productive communication.
- **Understanding needs:** groups noted that funders cannot assume to understand the needs of the Muslim charity sector. More resources and funding should be made available to address imbalances.

“The webinars were really useful and the round table discussions are crucial to keep meaningful conversations and so funders can understand local needs.” Roundtable attendee

3. Webinars

Methodology

For each LCR funding wave the partnership was targeting, there was a live webinar and an additional session on Safeguarding Policy and Practice. In total there were 4 webinars hosted by MCF and LCF staff, and the additional webinar run by MCF and facilitated by a safeguarding specialist. Each webinar was fund specific, covering context, eligibility, application guidance, funding process and an opportunity for live Q&A. Webinars were advertised through MCF channels as the survey responses suggested a large proportion of groups had no previous experience of applying for grant funding and the roundtable feedback indicated one reason was due to the groups not accessing mainstream channels. 123 organisations engaged with the webinars in total.

Findings:

- Emphasising criteria for eligibility is crucial for groups to understand the process.
- Funding terminology was perceived to be ‘alien’ to groups without experience of institutional funding.
- The webinars were vital in building confidence for those people who have not applied for funds before or who had previously had a negative experience of funders.
- The webinars tackled misconceptions and stigmas Muslim-led charities perceived about the funders aligned to LCR and the emergency funding process.
- Proactive outreach such as the webinars is an important step in building trust.
- The webinars allowed MCF to signpost further available support to ensure continuity of support, such as the grant support calls.
- The webinars provided a safe space to introduce LCF as a funder and for groups to learn about its funding model and where to access further information on other funds, such as signing up to the LCF monthly e-bulletin.

“The webinar was really useful and allowed time to prepare materials needed for the application.” Webinar attendee

4. Grant support calls

Over the duration of Wave 4 and Wave 5, grant support calls were offered to organisations. These consisted of free grant application coaching to assist applicants in the process of applying to the LCR. The calls were an initial 15-minute conversation to charities and then supported by a further 30-minute call once the application was under way.

The 1:1 support call focused on capacity and confidence building for Muslim groups who may not have the resources to pay for professional fundraising consultants. The additional support allowed tailored capacity building to enhance the learning process. It

was important that rather than writing applications on behalf of the organisations, MCF used their experience and knowledge to help simplify the funding process, answer any specific questions, and encourage groups to make applications.

Across Wave 4 and Wave 5, 39 separate organisations took up the offer of grant support calls and were provided support through this, via 56 separate phone calls as well as email support.

“...the fact that we knew it was someone we could actually go to...[was] really good for grassroots [groups].”
Roundtable attendee

5. Resources

MCF and LCF produced resources to support applicants further. All webinar attendees received the webinar slides, the offline version of each respective LCR application form, grant fund criteria plus a general Grant Support Guide and Compliance Checklist produced by MCF.

“The application support provided a place to ask specific questions.” Roundtable attendee

Outcomes for organisations

The following outcomes were achieved following through the partnership.

Measurement	Outcome
Recorded engagements through the partnership	148
Attended a webinar(s)	123
Attended a roundtable	31
1:1 support call made by MCF	56
Number of organisations funded by Wave 4	11
Number of organisations funded by Wave 5 Crisis	2
Number of organisations funded by Wave 5 Renewal	2
Total number of MCF organisations who received LCR funding	15
Total amount of funding received by MCF contacts	£152,865.00

10 of the MCF organisations were funded directly by LCF and 5 were funded through another LCR aligned funder.

Findings and learning

The partnership offered a unique opportunity to create dialogue between a funder and Muslim groups, especially with organisations who have not traditionally applied to grant makers or who have experienced barriers when applying for funding. The aim was to make LCF a more inclusive funder, and to share a report with tangible recommendations for the wider funding community.

Qualitative outcomes below help provide a deeper understanding of the issues experienced by Muslim groups. Although initially unsure of engaging with the roundtable conversations, those who attended found the opportunity impactful. The 'Barriers to Muslim-led organisations accessing funds' section has been produced by MCF in response to the conversations and summarises key themes identified.

Qualitative outcomes

Importantly, the partnership was an opportunity to amplify the voices of marginalised groups. Through conversations between Muslim groups and LCF, the following points were raised:

- The LCR model championed a quick and simple application process, which alongside London Funders' "We stand with the sector" statement⁵, was perceived as a **'positive experience as funders signed to the London Funders pledge of flexibility, which gave breathing space. We now have a buffer and can also take advantage of grants being offered for short-term services'**.
- There was perceived to be **'a genuine desire from funders to help the process... however, you still need to be established to apply for funding. Small BAME organisations who are not established have faced barriers to applying – need prior investment, a lot of the smaller organisations don't have an office or the capacity'**.
- Emergency funding through LCR was a lifeline for some groups and **'plugged a predicted income deficit'**. However, often groups could **'only access project funding and struggle accessing core funding... [that consequently] limits capacity building'**. It should be widely understood how **'core funding [is] needed for long-term resilience while services are rapidly expanding due to increased demand'**. While this is accepted by some funders, groups still believed that **'funders [were] more likely to support project funding to see tangible results'**, and several LCR Wave 5 applicants **'did not trust that core funding application would be successful'** and **'struggled to make sense of their core funding application'**.
- Mosques have played a central role in responding to the needs of vulnerable people during Covid-19, and many **'have had huge drop in income despite continuing to support community, the actual building is expensive to run... and is considered by funders as a big asset and therefore often not considered to fund'**.
- The LCR Wave 5 income pipeline and organisational budget template did not consider the diversity of income used by Muslim groups. Feedback from applicants felt their income only fitted the 'other' column and were therefore excluded based on their predominant income source.
- Time pressures are a big issue for small groups focusing on frontline delivery. Respondents could **'not approach funders due to capacity issues'**. With limited staff: **'work is often determined by grants; short-term grants means more time applying for repeat projects and spending less**

⁵ <https://londonfunders.org.uk/about/covid-19-0/our-blog/we-stand-sector-funder-response-covid-19>

time focusing on the issue – it would be more helpful to have long-term funding. Community groups often struggle with capacity, so the two issues come hand in hand and make for a difficult situation’. ‘It is a catch22 - the time it takes applying for funding when capacity is an issue’.

- It was felt that **‘announcing a funding stream is not enough and can waste resource without supporting the real community organisations on the ground who may not have resources to submit applications’**. This is especially difficult when in general each fund has its own individual criteria as it **‘takes a while to fully understand and can be confusing’**.
- Groups that have limited exposure to the funding process find it difficult to navigate, as often **‘the wording of application forms and guidelines can be intimidating’**. The issue can often be with vocabulary used in funding guidelines or application forms. Application support is helpful as **‘barriers to BAME-led groups as the forms are not for the fainthearted – you need a high level of understanding, which often puts people off applying’**. Staff were currently working for free to continue supporting beneficiaries without available funding, so can find the process overwhelming but cannot afford grant consultants. Funded grant writing courses were seen as an opportunity to **‘empower and upskill more grassroots organisations’**.
- As a wider issue, it was felt that the funding community was now **‘addressing race but not faith... Muslims make up 5% of the population and vary in ethnic origins’**. The respondent personally experienced barriers from trusts because of working for a religious organisation, often having **‘the door closed on [their] face’** and there was agreement that **‘there is unconscious bias about Muslim-led or Islamic services. So much so that personal names registered on Charity Commission might change to sound less Muslim’**. A respondent explained that **‘due to experience [they] no longer reference ‘Islamic’ in funding applications, despite most service users (90%) being Muslim, due to poor feedback from funders’**.
- One recipient explained that after spending time developing a relationship with one funder and receiving funding, this suddenly opened access to more funding opportunities from well-known funders, which is an **‘emphasis on track record’**. From experience **‘track record is very important, and small organisations without track records have experienced barriers.’**
- Cultural insensitivity from funders who **‘generally do not understand cultural aspects to their work – [funders] should try harder to engage with community leaders on the ground’**.

- Engagement is lacking to reach new groups as too often **'it seems to be the same organisations receiving repeat funding, when we should be reaching deep grassroots – they are losing out'**.
- Many Muslim groups have become **'self-sufficient'** and worked hard to establish themselves with support from community donations. Although increasingly, despite philanthropy being a central part of the Islamic faith, there has been a **'sharp drop in income from community due to Covid-19, and it is likely...other Muslim-led groups will start looking elsewhere for funding like trusts or foundations'**. **'Especially as the Muslim community generally has been disproportionately affected by COVID-19, both in terms of the illness itself and the financial ramifications of it'**. Equally more openness about financial sources is needed to address ethical concerns of certain funders to increase accessibility. **'Covid-19 impacts charities in general as there is less disposable income, and they are unable to plug the shortfall'**.
- The power dynamic between funders and groups is evident and **'there is a fundamental problem for small Muslim BAME organisations as there is a lack of partnership regarding how funding is discussed, negotiated, and agreed. Effective partnership working there needs to [have] more dialogue between funders and the voluntary sector to understand what works. Engage with organisations. Invest in helping the smaller groups, more capacity support.'**
- Trust was a central issue as one respondent explained how **'there is a huge gap between service users and funders, and a lot of the time, funders will not trust the applicant about information... on an issue.'** Using Muslim groups trusted sources has encouraged groups to make their first funding applications, as one respondent explained **'MCF endorsing LCF and LCR gave confidence to apply for funding'**. Further, **'apprehension remains within the community... [around whether they are merely] meeting the pro quota'**. The negative press around funding power dynamics has highlighted this issue and created more **'stigma'** around funders. To address this **'there needs to be systematic change'**. Listening is an important first step although it was agreed it is equally vital that **'the funder listens and incorporates [feedback] to improve the process'**.

Barriers to Muslim-led organisations accessing funds

After collating feedback from MCF's outreach work (survey, webinars, grant support calls and roundtables), the following themes were highlighted as common barriers that need to be addressed.

- 1. Awareness of funding** – typically, Muslim-led organisations rely upon community fundraising/religious giving and many are not aware that grant funding exists. There is also a misunderstanding of grants, some Muslim-led organisations without previous grant experience confused grants with loans that would need to be paid back once work had been completed.
- 2. Experience and time** – as a result of under-funding, some organisations subsequently lack sufficient time, capacity, and the specific experience required to apply for grants. This skills-gap is partly due to limited staff or being entirely volunteer-run and therefore not having capacity to engage with training or to seek fundraising support. Furthermore, there is a pressure on their time because most staff and volunteers are working on the frontline alongside other personal and work responsibilities, leaving them unable to devote the time to research funding opportunities and apply.
- 3. Funder understanding** – there can be a lack of understanding amongst funders of the needs of both Muslim and Black people and communities experiencing racial injustice led organisations. Further, there was a concern that mainstream funders would not award funding to faith-based organisations or that there would be discrimination or stereotyping. It was also highlighted that funders are not aware of the scale, value and scope of the work being carried out by Muslim-led groups within London in responding to the pandemic.
- 4. Trust in funders** – Muslim-led organisation's past experiences of unconscious bias and Islamophobic stereotyping has had an impact on their trust in funders.
- 5. Decision making** - 100% of 100 surveyed groups rely on public donations as their main source of income. Considering that often funding track record and financial stability can play a dominating role for some funders during their decision-making process, for small grassroots groups relying on community giving, this becomes an immediate barrier.
- 6. Hostile attitudes** – individuals and funders, affected by the negative media targeting the Muslim community, could be hostile towards faith-based charities and in particular Muslim charities.
- 7. Anxiety about monitoring processes** – some Muslim organisations expressed concerns about the depth and level of monitoring that would take place both in the application process and post-award. This scrutiny was off-putting to smaller grassroots groups who are volunteer run who were worried about how time-consuming the impact monitoring requirements would be. Further, organisations completely new to the funding process were concerned about

revealing information about vulnerable beneficiaries and did not understand the need for data collection.

- 8. Origin of funds** – due to religious requirements, it is vital that Muslim-led organisations know the origin of the funding they are applying for, which is not always transparent. Concerns around banking, gambling or other origins were off-putting.
- 9. Project vs. core costs** – many Muslim-led organisations have been severely affected by the pandemic with community fundraising and closure of mosques which provided regular donation streams. Grassroots groups who have responded swiftly are now struggling to survive and continue services. Short-term grants were widely available to address the immediate needs of communities impacted by the pandemic, although for organisations this meant spending more time applying for repeat funding for the same project, which meant less time delivering vital services. Many of the Muslim-led organisations who engaged with MCF and LCF through the partnership emphasised the need for core cost funding as a priority and were unable to consider project funding without this first being addressed.
- 10. Eligibility criteria** - a high number of organisations surveyed were not successful in their application to LCR because they did not meet the eligibility criteria. The main areas included 1) governance, for example not having the required minimum of three management committee members; 2) safeguarding, for example, the policy not meeting the minimum requirement; 3) finances, for example their most recent statutory accounts showed two consecutive years net current liabilities. This report recognises that the historical disinvestment of the Muslim charity sector has led to many groups now being in a precarious financial position which then makes them ineligible to apply for funding.
- 11. Constructive feedback** - unsuccessful funding applications and the subsequent lack of constructive feedback is damaging to any organisation, as it cannot make improvements for future applications and can often result in applicants losing confidence in the funding process.

Recommendations and next steps

Recommendations for funders

Through the MCF and LCF strategic partnership, the following recommendations have been identified for organisations responsible for decision making and distributing funding:

1. Barrier: Awareness of funding

Recommendations:

- Disseminate grant funding information to organisations trusted by minoritised groups to instigate awareness-raising. For example, Muslim Council of Britain, MCF, All Ways Network (AWN) and mosques.
- Publish more case studies highlighting Muslim groups who have successfully received grant funding to influence others to apply to trusts and foundations.
- Use social media to share opportunities, particularly when shared by Muslim groups to other Muslim groups not accessing mainstream advertising accounts.
- Increase and strengthen engagement with Muslim-led charities through strategic listening and feedback activities such as steering groups.

2. Barrier: Experience and time

Recommendations:

- Ensure sufficient time during the application period to make funding more accessible.
- Support practical activities such as bid application training.
- Provide free outreach and open communication about funding opportunities for Muslim-led charities to increase their confidence in applying for grant funds. Such as 1:1 support to answer specific queries; and community sessions such as capacity support to help explain application process to organisations.
- Invest in Muslim-led infrastructure groups and those led by Black people and communities experiencing racial injustice who are well positioned to support marginalised groups.
- Simplify the funding process for applicants. For example, like the LCR model.
- Make specific fund webinars common practice as written guidelines may not be accessible to everyone. These should be recorded and accessible online, as not everyone can attend a live event due to other commitments.

- Application forms should include examples of inputted information to help applicants new to the funding process.

3. Barrier: Funder understanding

Recommendations:

- Improve funder transparency with regards to fund origins and ethical concerns.
- Involve senior management and decision makers in the conversation with Muslim groups to create a direct line of feedback with decision-makers.
- Progress from using the 'BAME' label when discussing marginalised groups as it encompasses diverse communities facing different types of discrimination.
- Listen to feedback and implement changes to make funding more accessible and equitable.

4. Barrier: Trust in funders

Recommendations:

- Understand that building trust will take time as these issues are systemic and therefore deep-rooted. Communication is the first step.
- Encourage more support especially for first-time applicants by ensuring the funding model is accessible to grassroots initiatives such as [LCF and MOPAC's VAWG Grassroots Fund](#).

5. Barrier: Decision making

Recommendations:

- Involve marginalised and representative groups when discussing, negotiating, and making funding decisions and creating eligibility criteria.
- Reviewing internal policies and procedures that exclude marginalised groups to make decision making equitable.
- Ensure everyone in the organisation is aware of the barriers marginalised groups face in accessing funding.

6. Barrier: Hostile attitudes

Recommendations:

- Take a proactive stance on Equity, Diversity, and Inclusion.
- Create open and transparent discussion and engagement with funders about the unique pressures and scope of Muslim-led organisations.
- When creating effective partnerships ensure there is open and honest dialogue between both sides. Vulnerability is necessary to progress learning.
- Commit to future networking and collaboration as roundtables can be useful for networking, sharing ideas, and discussing feedback.

7. Barrier: Anxiety about monitoring processes

Recommendations:

- Use proportionate and less burden-some impact monitoring.
- Make more accessible information available to help writing impact monitoring. Being clear and offering further support will help with performance and compliance.
- Clarify the monitoring process and expectations to alleviate fears around data collection of vulnerable beneficiaries.

8. Barrier: Origin of funds

Recommendations:

- Clarity in the fund description about the origins of the fund.
- Create an eligibility quiz that is required before the applicant progresses to the application stage, which includes questions around the fund origin.

9. Barrier: Project vs. core costs

Recommendations:

- Increase core cost funding opportunities for Muslim-led organisations and those led by Black people and communities experiencing racial injustice to help build resilience.
- Be specific that core costs opportunities for funding include faith-based organisations.
- Improve the accessibility of core funding opportunities that require an income pipeline and organisational budget for groups reliant on community donations, which are a less certain income source.
- Make assurances that core funding applications will be considered equally if not more important than traditional project funding.

10. Barrier: Eligibility criteria

Recommendations:

- Create more support around governance, finance, and safeguarding eligibility criteria.
- Further partnership work with Muslim-led charities and infrastructure groups for Muslim-led charities voices, and this needs to be represented in funder priorities and criteria.
- Greater criteria flexibility and an understanding that 'one size fits all' is not an effective approach. Funders should include as more standard practice: unregistered or newly registered organisations, faith-based organisations including those which may have evolved from faith community activities such as mosques or religious schools.
- Prioritise investing in Muslim-led organisations and those led by Black people and communities experiencing racial injustice to counteract historical disinvestment.

11. Barrier: Constructive feedback

Recommendations:

- Ensure accountability with decision making by being clear why a funding application was not successful. Involving constructive feedback that can help small groups make positive changes.
- Be more transparent by communicating grant funders' priorities and decisions.

Reflections

MCF reflections

For MCF, the partnership with LCF represented a new avenue of strategic and practical support and an exciting and positive experience. Through this partnership, the profile of MCF was raised both within the Muslim-led charity community and beyond as London-based contacts increased by approximately 30 organisations.

Engaging with LCF through a mutually beneficial partnership represented the recognition and connection that Muslim-led charities need and seek with mainstream organisations. The collaborative nature of the work ensured that MCF was able to contribute to potential future change with LCF, London's funding space, and crucially to empower Muslim-led grassroots groups to feel confident in applying for funding. The immense benefit to those groups who were successful in securing funding, for the sake of the beneficiaries they serve, cannot be underestimated. For the organisations who were not successful, the support of the MCF and LCF partnership afforded opportunity for learning which can be taken forward in future applications. The work of LCF in supporting MCF through this process was integral to its success and MCF would like to express thanks to all the staff involved.

As the partnership comes to a close, MCF would like to see further collaboration with LCF and other funders in engaging Muslim groups and ensuring a flexible partnership with two-way learning and support.

MCF continues to respond to the Covid-19 pandemic through future funding opportunities and partnerships to address unmet needs within the community and better representation. Most recently, MCF has been selected as an Intermediary Partner with Comic Relief, to distribute funds and support Muslim-led organisations.

MCF look forward to future collaboration with LCF and other key stakeholders in the funding arena to continue to raise the profile of grant funding and community foundations with our network.

"...you have kept your ear on the ground from April and been ahead of the game in terms of other funders. Please keep doing that as the landscape is going to keep changing and we need you to support us in being there for vulnerable people." Roundtable attendee

LCF reflections

LCF has a long history of investing in London's grassroots, including groups led by Black people and communities experiencing racial injustice. However, as a funder we are now more than ever acutely aware of the power imbalance between funders and beneficiary groups, and the inequality of opportunities within the charity sector. Partnering with MCF has been a vital first step in investing in infrastructure organisations to support London's diverse communities. To overcome systemic barriers to funding we must continue to collaborate with representative organisations trusted by marginalised voices, while committing to transparency and accountability in the decision-making and funding process; creating more training and capacity support opportunities for small groups; and simplifying and improving the accessibility of all our funds.

LCF's involvement with the LCR and funders pledge has been a positive step and the ethos and prioritisation of funding groups led by Black people and communities experiencing racial injustice needs to continue.

Next steps for LCF

LCF believes it is important to spread awareness of the issues raised in this report by ensuring the findings and recommendations are shared externally to provide a collective voice to funding and donor partners about the needs of London's communities, particularly following the disproportionate impact of Covid-19 on Black people and communities experiencing racial injustice. LCF is now working to ensure existing processes do not act as a barrier for Muslim-led groups accessing our funds, and alongside our recent pledge to the #FlexibleFunders campaign led by Institute For Voluntary Action Research and London Funders⁶, we understand that more work is needed to make flexible core funding accessible to Black people and communities experiencing racial injustice to reflect the needs of organisations post-Covid-19.

As part of the partnership reflection process, MCF facilitated a learning session for the LCF staff team in March 2021, who went on to identify 34 tangible methods to address the barriers discussed.

The next steps for LCF will be to:

- Assess and commit to the recommendations from this report at senior level;
- Continue amplifying marginalised voices by supporting MCF to share the report's findings across the funding community;
- Ensure more work is done around tackling racial injustice and inequalities within funding;
- Create similar partnerships with other infrastructure organisations to engage different minoritised groups.

Finally, we would like to thank MCF and all the Muslim groups who engaged with the partnership. Your honesty and willingness to share past and present experiences is greatly appreciated and will be used as a tool to influence long-term change.

⁶ <https://www.ivar.org.uk/flexible-funders/>

Annexes

1. Strategic partnership structure devised by MCF and LCF:

Activity	Outputs and outcomes	Notes
Virtual roundtables with LCF and MCF contacts	4 roundtables reaching a minimum of 31 organisations	i) Reflecting on experiences from Muslim-led organisations to help shape future funding practices
Promoting LCRF (and LCF) to members and networks of contacts in London	Focusing on LCR Wave 4 and 5 funding rounds. 57 organisations were supported through 1:1 support. 15 received funding (9 of which received 1:1 support).	i) Help build pipeline of MCF contacts to the LCR portal by sharing information about funds available ii) Also encouraging organisations to apply
Exchange insights and intelligence on sector / funding environment	An overall partnership report that will use an MCF-led survey alongside findings from the various partnership activities.	The report analyses the needs, challenges, and barriers to funding, that Muslim-led organisations in London are facing.
Practical Virtual Sessions - Applying to LCR Portal (or applying to LCF where appropriate):	4 Zoom Webinars and an additional Safeguarding session. 123 organisations attended the sessions.	Led in partnership between LCF and MCF. i) Explaining the funding process ii) Applying to LCR Portal iii) Practical eligibility and guidance iv) Q&A and signposting for further MCF support
Ongoing consultation between MCF and LCF to help shape longer-term funding priorities	Weekly and biweekly meetings throughout July 2020 – March 2021.	Share insights to continue to improve our mutual impact. Provide a collective voice to funding and donor partners about the needs of London's communities.

2. Case studies from funded organisations

Step Up 2 Fitness (SU2F)

Website: www.SU2F.co.uk

SU2F is a non-profit grassroots community organisation promoting sport, health, and wellbeing initiatives to diverse and under-represented communities in the Paddington area. SU2F are women, and user-led, emerging from the needs of the local community - focused on providing support to Muslim women to improve their health, support emerging sports talent, promote an active lifestyle, and improve access to sport for all.

“We applied for Wave 4 and were successful. Previous attempts were unsuccessful as due to the constant underfunding in capacity funding for grass roots organisations has caused a lack of confidence in the funding process, needs of communities not met by priorities which are favouring bigger size charities which themselves need to find community activators and grass roots organisations who have the expertise knowledge and trust of their service users.

The webinars, support calls and application form guidance were a game-changer in our success to secure this type of funding. It would be very productive to continue the conversation in this type of platform with the funders so that we are all in tune and make meaningful changes with sustainable solutions.”



Image credit: Step Up 2 Fitness

Al-Isharah

Website: www.alisharah.com

Based in the London Borough of Tower Hamlets and established in 2008, Al-Isharah are a deaf services provider whose focus is to provide education, overall inclusion, and equality through a number of faith-based services. These include youth work, employment support services, social activities, deaf awareness and BSL training. The main beneficiaries of the organisation are socially excluded, disabled Black people and communities experiencing racial injustice who are less likely to be financially independent, be in isolation and are more likely to develop mental health problems. Al-Isharah's vision is to ensure that this is not a continuing trend through the generations, by working to provide support and empowerment to the marginalised Deaf community.

"MCF were highly proactive in informing us of the grant funding support that is available. As a Muslim charity that provides services to Deaf people, we are sometimes discouraged to make applications for grants. Grant funders often will relay that they do not support causes that are faith-based, although our work supports people of all backgrounds without promotion of faith.

We were encouraged by MCF to make an application to the London Community Response Fund, who had reached out to us via email and on the phone. We were able to source the grant, view the materials available to support us in the application process and seek further advice from the MCF Grants Consultant at very short notice. MCF were informative, friendly, and very knowledgeable about the process, which gave us great confidence.

Our interactions with the MCF has taught us that mainstream grants can be equally accessible to Muslim organisations, and we should persevere to look after one another in a fairer society."



Eritrean Muslim Community Association UK (EMCA)

Website: www.emca.org.uk

EMCA is a registered charity founded in 1989 to meet the social, welfare and cultural/religious needs of the growing number of Eritrean immigrants to the United Kingdom. Based in the London Borough of Lambeth, EMCA provide a number of services to combat poverty, hardship and work to improve the mental health and wellbeing of disadvantaged and vulnerable groups including women, children and the elderly.

"We have never applied for grant funding before, having been reliant on community fundraising. We were encouraged by MCF to apply to Wave 4 of the London Community Response Fund and attended the webinars. We also accessed the grant support via phone and email. In December 2020 we found out we were successful and have been awarded vital funds to help us continue our services in response to Covid19. The support provided by LCF and MCF was extremely useful for our organisation. We found it all very supportive in guiding our organisation in a better way of working, and improving the provisions for the people we serve."



Image credit: EMCA



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