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***REVIEW OF MANCHESTER CITY COUNCIL'S BME FUND STRATEGY AND
IMPLEMENTATION PROCESS***

Final report prepared by

CLES Consulting

Presented to

Manchester City Council

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EXECUTIVE SUMMARY

Introduction

Manchester City Council (MCC) provides three year awards from its BME Fund to support projects that address the Fund's strategic priorities. Awards are made to projects that are clearly focused on addressing the identified needs of the City's ethnic minority communities and on filling gaps in mainstream service provision. The BME Fund (this year worth £508,000) is part of a wider fund available to other voluntary and community sector (VCS) organisations across the City. The total amount of funding available to all groups, not just BME organisations, was around £2.2 million.

Building on success so far

For the past 30 years, the Manchester City Council (MCC) Revenue Grants Programme has funded BME voluntary and community groups to provide support to BME communities. For the best part of these thirty years the fund has supported around 15 groups, to work with BME communities in the City, addressing need and inequality. In 2004, the Third Sector Team identified the need to move from the historical position of tying grant aid to a small number of BME VCS organisations, to that of a more open and accessible fund which supports specific services or projects developed by BME VCS groups.

The approach taken to the BME Fund, until recently, has meant that the organisations supported tended to be the same from year to year and the Fund had little capacity to support new communities residing within the City and new and different types of delivery activity. Similarly, there was no clear justification for funding existing groups and not others.

Recognising these limitations and the rapidly changing nature of the City's BME population, Third Sector Team realised that the Fund was not having as big an impact as they would like and was not serving the best interest of the City's BME communities. As such, the Third Sector Team instituted a review process, clearly illustrating the desire within the Third Sector Team to improve the way in which the Fund, and indeed the Strategy, operates. This research reports on this progress so far and provides recommendations for further improvements.

Aims and objectives of the review

The ongoing revisions to the Fund were designed to make it more open and accessible as well as better suited to the needs of the BME communities in Manchester. MCC and the Manchester BME Network commissioned CLES Consulting to undertake a review to assess progress made so far and explore further ways in which the Fund could be improved in the future. As such the Review is forward looking, but uses the preparation for the 2009 Fund as a basis for these recommendations.

In particular the review looks at the following areas:

- ❑ the criteria for the setting of key priority areas, including the rationale for these criteria;
- ❑ the effectiveness of fund marketing and communication processes;
- ❑ the support provided throughout the application process;
- ❑ the assessment and decision making process, including the communication of decisions to the community.

Rationale and objectives

The research identified a clear rationale for the deployment of a BME Fund in Manchester, given the specific needs of the City's various BME communities. In addition, the objectives or the priorities of the Fund were based on research commissioned by MCC that included consultation with communities. This is clearly good practice and should be continued in the future. However, this evidence base which sets out where the Fund's resources should be deployed, could still be improved. In particular, we felt that greater targeting or prioritisation of the issues would be beneficial.

The Fund's priorities or objectives

It is important that MCC narrow down the priorities of the Fund. Whilst the priorities should continue to flow from the evidence base, they need to be more focused in order to ensure that Fund has the greatest possible impact.

The Council should also look to build on the recently developed evidence base with new input from the BME community and knowledge of current provision, drawn from the Third Sector Team and other council departments and relevant external funding and delivery organisations. The reason for doing this would be to identify service level gaps that the Fund might fill. The overall purpose for doing this would be to ensure that the Fund is targeted on the area of issues where there is greatest need and areas in which it can have the greatest impact.

Funding outcomes

Although the Third Sector team is working with successful applicants to identify the outcomes flowing from their work, it would be beneficial if the Team were able to identify this at the start of the funding process. In particular, the Team could identify outcomes that it wished BME VCS organisations to deliver through their individual projects therefore inviting and appraising applications on this basis. The outcomes should be developed in light of the priorities that emerge from the evidence base and the Council's relevant strategic objectives.

Inputs and activities

Staffing

Many consultees paid testament to the commitment of the Team, commenting on the knowledge, experience and empathy they brought to managing the Fund.

Resourcing

In 2009, £508,240 was made available to eighteen organisations, eight of which (44%) had not previously been supported by the Fund. As only fifteen projects were supported through the previous funding round, progress is evident in terms of the Council's objective to widen the number of organisations it has been able to fund.

Fund structure

Given the Third Sector Team's desire to continue to increase the number of organisations that benefit from its support, there is a strong case to be made for setting a maximum funding cap above which grants will not be awarded. However, this should not be pitched too low, as it might risk losing some of the more ambitious projects that adopt a strategic focus across the three year lifetime of each funding round. In addition, the report also found that alongside setting a cap, it would be worthwhile providing more guidance on the type of projects likely to be successful in receiving different amounts of money.

There is value in continuing to deliver the Fund over a three year period, not least to encourage the type of strategic intervention discussed above. However, as part of this, the Third Sector Team should continue to offer signposting services for VCS groups to make them aware of other sources of support that may be available for projects outside of the three year timeframes and for projects that are not eligible for funding by the BME Fund. It would also be useful to work with the new infrastructure support provider for the City to do this.

Fund allocation by priority

A little over a third of the Fund went on projects focused on women, and slightly under a third to community cohesion projects (of which one award was the principal constituent element); smaller proportions were awarded to projects targeting newly arrived/rapidly expanding communities and those supporting young people.

One project, currently funded to deliver BME VCS infrastructure support around community cohesion, receives a quarter of the total value of the Fund. Whilst not decrying the value of this infrastructure support work, the link with Fund priorities is weak and there is no clear rationale for using the Fund to support this type of work. This is because infrastructure support is outside of the Fund's core remit and does not fit with the general ethos of the Fund, given its focus on service provision and direct support to communities. As such, in the future we would recommend that work in this area is not resourced through the BME Fund. Instead, the Council should consider how best it might fund this type of activity from other sources.

Processes and systems

Publicity and marketing

The publicity and marketing of the fund was generally considered to be effective, illustrated by the large number of applications received by the Third Sector Team.

A lot of applicants found out about the Fund by attending a BME Network meeting at which a Council Officer presented information about the Fund. This briefing was viewed as being of considerable value to those organisations attending the meeting; however not all BME organisations were aware of the meeting. By holding a more formalised and wider publicised meeting, the Council could improve understanding of the Fund, its purpose and how to apply.

Application processes

On the whole, applicants felt the application form was accessible and relatively easy to complete. However there would be benefit in restructuring the questions on the application form to ensure the Council gets all the information it needs and make the application easier to appraise.

As previously mentioned, the Third Sector Team is currently working with applicants to identify the outcomes their respective projects will create. However it would be beneficial if the Team adopted an outcomes driven approach from the start. This would mean that when the Team sets the priorities for the next funding round they also identify the outcomes it wishes to see projects contribute to. These outcomes should then be outlined at the open meetings and on the application form and individual applicants should set out their contribution on the application form.

Although we recognise that the Third Sector Team already provides applicants with pre-application support, this is a relatively informal service. In other areas and with other Funds, applicants have found this to be a very useful service, leading to improved applications. The Third Sector Team should consider how best a more formal and in depth service could be offered. It may be that this needs to be delivered in partnership with another organisation.

Appraisal and decision making processes

Given the unexpectedly high number of applications, the Third Sector Team had to revise the appraisal process to handle the increased demand. As reported in our consultations, this resulted in many organisations being confused about the process. These concerns fell broadly under two areas – the timeline and project visits made by Council Officers. Better and more timely communication between the Third Sector Team and applicants would resolve this.

As recognised by the Third Sector Team, there is a need to improve the appraisal process. Although the appraisal form was designed to track applications throughout their journey through the decision making process, in practice this has not happened and information about the later stages of the application process is not recorded, such as the project visits. Redesigning the appraisal form would help to address this.

Consultation with stakeholders and applicants also revealed a feeling that there should be greater community representation at the decision making stage and throughout (a feeling also shared by the Team). Our research with other grant giving organisations indicates that a single representative or a group of community representatives could be beneficial for both applicants and the Council.

As is currently the case, the decision making process should focus heavily on whether the proposed project will meet the objectives of the Fund, address service level gaps and is a service or project that is required. Whatever the final decision making process, it is important that the results are formally recorded (for example, by minuting a decision making meeting).

Once the successful projects have been funded, some applicants and stakeholders felt it would be helpful if information on the nature of the project being supported and the likely outcomes were published. In addition, although the Third Sector Team provided feedback to a number of unsuccessful applicant organisations who requested it, feedback processes are not formalised; thus we suggest this process is changed.

Monitoring and evaluation

Monitoring processes are seen by organisations in receipt of BME Funding as efficient – the forms were thought to be straight forward, yet sufficient to capture all relevant information. The projects' self evaluation also forms part of the monitoring process, which is recognised by successful applicants as being an efficient use of resources. However, greater focus on outcomes throughout the application process and beyond would be beneficial in terms of understanding the likely and actual impact on beneficiaries. There would also be benefit in completing, internally or externally, an evaluation of the impact of the Fund as a whole.

Evaluating the Fund would demonstrate the aggregate difference the Fund is making to BME communities across the City, and help to articulate the value for money generated, providing a useful evidence base to inform the ongoing development of the Council's BME Strategy.

The evaluation should take a three pronged approach: (i) looking at the extent to which projects have met their objectives; (ii) looking at the extent to which the project has contributed to the programme's objectives; and (iii) looking at the extent to which the Fund contributes towards to the City's strategic objectives.

Table 1: Recommendations

Moving Forward the Manchester BME Strategy and Fund: Recommendations for the future
Develop a robust and up to date evidence base
Identify the issues where the Fund can have the greatest impact
Adopt an outcomes focussed approach
Cap applications at £50,000
Do not fund infrastructure support using the BME Fund
Hold an open meeting to inform people about the Fund
Use the application form to provide information about the application process
Restructure the application form so that it follows a recognised project appraisal structure
Make provision for pre-application support for applicants
Improve the appraisal form
Involve the community in decision making
Publish the details of successful projects and offer feedback
Evaluate the Fund

1 INTRODUCTION

1.1 Background to the study and the brief

Manchester City Council (MCC) provides three year awards from its BME Fund to support projects that address the Fund's strategic priorities. Awards are made to projects that are clearly focused on addressing the identified needs of the City's ethnic minority communities and on filling gaps in mainstream service provision. In 2008, the BME Fund processes and priorities were significantly amended in order to encourage a wider range of applicants. There was an open application process in the autumn of 2008 with new funding agreements being in place from April 2009; however the applications received totalled over four times the value of the Fund. Subsequently, the extent to which the Fund priorities and processes are fit for purpose has been questioned by a number of interested parties. MCC is keen to learn from the experience of implementing this first year of the new Fund and has therefore commissioned a review.

1.2 Aims and objectives of the review

MCC and the Manchester BME Network now wish to embark on a review of how fund processes have worked, including exploring how the Fund was designed and administered. The purpose of this review is to explore whether any of the Funding Strategy or administration processes should be changed and, if so, to propose possible ways forward for future funding rounds. The review focused on the following areas:

- ❑ the criteria for the setting of key priority areas, including the rationale for these criteria;
- ❑ the effectiveness of fund marketing and communication processes;
- ❑ the support provided throughout the application process;
- ❑ the assessment and decision making process, including the communication of decisions to the community.

1.3 History of the BME Strategy and Fund

For the past 30 years, the Manchester City Council (MCC) Revenue Grants Programme has funded BME voluntary and community groups to provide support to BME communities. For the best part of these thirty years the fund has supported around 15 groups, to work with BME communities in the City, addressing need and inequality. The BME Fund (this year worth £508,000) is part of a wider fund available to other voluntary and community sector (VCS) organisations across the City. The total amount of funding available to all groups, not just BME organisations, was around £2.2 million.

The approach taken to the BME Fund, until recently, has meant that the groups that were supported tended to be the same groups from year to year and the Fund had little capacity to support new communities residing within the City and new and different types of delivery activity. Similarly, there was no clear justification for funding existing groups and not others. Recognising these issues, and the rapidly changing nature of the City's BME population, MCC set out to review the way the fund operated including developing a strategy to guide funding. This process was initiated in 2004, with the latest element of this process being the commissioning of this research report.

In 2004, the Manchester City Council review of BME VCS grant funding agreed that its focus should be on the needs of newly arrived/rapidly expanding communities and tackling race related issues of deprivation and social exclusion. As a result new 3-year grants were awarded in 2005, and some organisations lost their grants but were given tapered grant agreements in their place. These arrangements came to an end in March 2008. Prior to this MCCR was asked by the Third Sector Team to consult with the BME VCS about current priority BME needs in Manchester. Although, this took longer than expected, delaying the grant giving by a year, this information was used to influence the development and implementation of the new BME funding strategy. The Third Sector Team also identified the need to move from the historical position of tying grant aid to a small number of BME VCS organisations, to that of a more open and accessible fund, as well as one which supports services or projects developed by BME VCS groups rather than core funding or providing revenue for BME VCS organisations. This ongoing review process clearly indicates that there is a desire within the Third Sector Team to change the way in which the Fund operates and indeed the focus of the Strategy itself.

The extent to which the intentions of the Third Sector Team were fully realised by this review and whether or not the actions that were taken have been successful in creating a BME strategy and fund that meets the needs of the City's BME communities is the subject of this report. This will be looked at in following sections, in particular how it relates to the operation of the Fund and the overall success of the strategy in 2009. However, it should be noted upfront that the intention to change the way that the Fund operates and the desire to ensure that it has the maximum impact on the most needy of Manchester's BME communities, is clear from speaking with any representative of the Third Sector Team. Indeed, this report builds on this review process and presents recommendations for the Strategy and the Fund moving forward.

1.4 About the Strategy and Fund today

The funding priorities and the Strategy for the Council's BME Fund are based on identified community needs and service gaps, as highlighted in research undertaken by MCCR and MCC in June 2008. The Strategy and funding priorities are organised along two broad themes:

- 1) the needs of newly arrived/rapidly expanding communities;
- 2) issues of social exclusion where race is the main contributing factor.

Each theme focuses on specific problems and proposes types of activity that might be undertaken by the BME voluntary sector in Manchester. The second priority has three sub-priorities:

- 1) services for young people;
- 2) services for women;
- 3) community cohesion.

A wide variety of different types of BME VCS groups can be supported (although boundaries may be blurred, with organisations falling into more than one category, and changing focus as they develop):

- small voluntary groups;
- grant aided organisations;
- groups providing commissioned/contracted services;
- social enterprise groups;
- voluntary sector (BME) support agencies.

1.5 Our approach and the report structure

CLES Consulting followed a logic model approach to this review. This is based upon Green Book methodology¹, the approach recommended by central government for studies of this nature as it helps to ensure a robust and appropriate review of how public resources are allocated. The logic model approach allowed us to examine the rationale for the Fund, its objectives, as well as the implementation and administration processes. This basis then enabled us to explore how it might be improved in the future.

The tasks involved in the review were:

- background review** – the background review was used to gather information about the operation of the Fund, including exploring the Fund's strategic priorities and the evidence base upon which these are built. It was also used to look at application and appraisal documentation, as well as communication material;
- interviews with Fund staff and key stakeholders** – we undertook ten interviews with MCC staff members and stakeholders, such as elected members, representatives from other funding agencies and local authorities and members of the BME Network. The purpose of these interviews was to explore in detail the decision making process and the strategic fit of the Fund and the BME Strategy with other national and local policy and strategy. The interviews also sought to investigate best practice in the delivery of similar funds by other local authorities elsewhere in the country;

¹ *The Green Book: Appraisal and Evaluation in Central Government* (HM Treasury, 2003)

- ❑ **discussion groups with successful and unsuccessful applicants** – we held three discussion groups with applicants, one with those who have been successful and two with those who had not. The purpose of these discussion groups was to explore the Fund's strategy and priorities, approaches to marketing and communication, and the decision making process.

The findings were then drawn together to form recommendations for the future operation of the Fund. These recommendations are presented throughout this report.

The remainder of this report is structured as follows:

Section 2: Rationale and objectives	Here, we outline the extent to which the BME Strategy has correctly identified the issues facing the BME community in Manchester, and whether there is a legitimate justification for intervention. We then discuss the priorities of the Strategy and Fund, considering their appropriateness in meeting the identified rationale.
Section 3: Inputs and activities	This section of the report looks at the nature of the funding allocated to the various projects it funds, as well as the nature of the activities and their fit with the Strategy's priorities.
Section 4: Processes	Here, we explore the operation of the Fund, in particular looking at the effectiveness of communication, application and appraisal processes, as well as monitoring and evaluation and management.
Section 5: Conclusions and recommendations	Here, the findings are brought together and used to inform the development of recommendations for the future operation of the BME Fund.

2 RATIONALE AND OBJECTIVES

This section of the report outlines the challenges facing BME communities in Manchester that the Strategy and Fund are trying to address. The rationale for intervention by the City Council's Third Sector Team is analysed in terms of the underlying need, with an assessment made of the extent to which there is a specific **rationale** for the City Council to address the identified issues, as opposed to other organisations at work within the County.

It then goes on to look at the **objectives** of the Fund and considers how appropriate they are in addressing the identified rationale. The strategic 'fit' of the objectives is explored, in order to assess the extent to which the BME strategy and Fund are focused on contributing to the wider local, regional and national ambitions.

2.1 Inequality and Manchester's BME population: Testing the rationale for the Fund

The *'State of the city – communities of interest'*² report, first published in the summer of 2009 (and subsequently annually by the Manchester Partnership), is one of a suite of three reports that provide an annual evidence base for decision making and priority setting across the City. The report aims to help the Manchester Partnership, the Local Strategic Partnership (LSP) for Manchester, to better understand its communities, in particular its equality groups. It provides detailed information on the specific issues facing the various communities in Manchester. Priority areas identified in the report include:

- ❑ **employment** – BME communities are more likely to experience unemployment not just related to the current economic climate. Evidence has shown that prior to the recession, BME communities were more likely to be unemployed than White majority populations. In 2006, the proportion of the BME population not employed was 56.4% (26,372 people), almost three-fifths of the BME population. This compared to 41.3% (85,121 people) of the White population of Manchester;
- ❑ **health** – BME communities are more likely to experience worse health outcomes than the majority population of Manchester. BME communities tend to experience many of the factors that impact negatively on health status, such as unemployment, being a lone parent, or experiencing child and/or fuel poverty. Research has demonstrated that BME communities tend to be at higher risk of contracting diseases that are limiting long term illnesses or major killers, such as diabetes, coronary heart disease, tuberculosis, and mental health issues. However, despite the health inequalities experienced by many BME communities, they are found to be more likely to consider their overall health as 'good' in self-reported health statistics;³
- ❑ **achievement** – in terms of the percentage of pupils achieving five or more GCSEs at grades A*–C, recent results in Manchester (for 2008) were encouraging for many ethnic groups, with Black Caribbean, Black Other, African and Indian pupils achieving considerably higher results than the previous year. The Black Somali group showed an exceptional increase to 2008 of 19.8%, substantially reducing the gap between Black Somali young people and the Manchester average. However, despite areas of inequality being addressed, such as the former poor achievement of African Caribbean boys at school, we know that African Caribbean boys still experience barriers to employment;⁴
- ❑ **crime and anti-social behaviour** – the Agenda 2010 Thematic Group for Crime and Disorder has developed priorities to respond directly to the issues and priorities raised through community engagement activities and roundtable discussions about crime and disorder. Initiatives such as Operation Xcalibre and Tackling Gangs Action Programme have provided the opportunity to focus on prevention activities. Residents from Black and Asian BME communities are more likely to perceive high levels of anti-social behaviour in their local area.

² Manchester Partnership (2009), The State of the City Report – Communities of Interest, Manchester. Available at: http://www.manchester.gov.uk/egov_downloads/Communities_of_Interest.pdf

³ Place Survey of 2008/09

⁴ Manchester City Council (2008), Policy & Performance, Children's Services

In addition, there are both similar and new needs developing amongst newly arriving BME communities. There is, however, a perception amongst some members of long established and settled communities that the arrival of new communities can shift resources away from the areas of inequality that they themselves face.

There is little doubt that significant challenges face BME communities in Manchester. There is little evidence to contest the assessment that the City's BME population does experience inequality and that more needs to be done to tackle this. However, these are also delivery areas for a range of other public, private and third sector delivery organisations; indeed many are also statutory service areas. The Agenda 2010 Partnership⁵ acknowledges this and is working to develop a framework to deliver improved race equality that is acknowledged and supported by Manchester residents. Agenda 2010 aims to bring about change in the operation of mainstream services, seeking to ensure that service delivery is appropriate to addressing the needs of all Manchester's communities and individual residents. It thereby reinforces the need for further activity, such as that supported by the Council's BME Fund, to address the inequalities faced by BME communities in Manchester.

Manchester City Council commissioned a BME infrastructure organisation to undertake a study to develop the evidence base for the Strategy. Despite the issues outlined in the strategy documents being largely correct, the evidence base is dated and often too heavily reliant on national or regional data. The evidence base contained within the *'State of the city – communities of interest'* report, given that it is updated annually, would, in future, be a good place to start when determining priorities for the Strategy.

2.2 Understanding need – the appropriateness of the Strategy's objectives

The evidence indicates that there is a clear rationale for the Council's BME Strategy and Fund, however when undertaking a review it is important to consider the extent to which the objectives of the Fund are appropriate for addressing the identified rationale.

The objectives of the BME Strategy and Fund are set out below. They are based on the following two core priorities:

- ❑ **Priority 1** – newly arrived/rapidly expanding communities;
- ❑ **Priority 2** – issues of social exclusion where race is the main contributing factor. Under Priority 2, there is a focus on the following sub-objectives:
 - funding priorities for young people from BME communities;
 - funding priorities for women from BME communities;
 - funding priorities for community cohesion.

The priorities of the Fund are broad, encompassing a wide range of issues and challenges facing BME communities in Manchester; this was welcomed by the applicants. They felt this allowed them the flexibility and freedom to identify needs and develop projects that helped address inequality and social exclusion. It was felt that other funds might not afford such flexibility and therefore certain projects would instantly be ruled out, despite being innovative and addressing need. In the 2009 round of funding, this breadth of stated priorities had resulted in MCC receiving a large number of eligible applications, which then needed to be filtered down by staff.

Although many applicants approved of the breadth of the objectives, this meant that the Fund was not sufficiently focused on the most critical issues or service gaps facing BME communities. By way of illustration, there are four core areas of focus for the Fund, expressed through two priorities, but each of these four areas of focus has several sub-priorities. Priority 1 (newly arrived/rapidly expanding communities) states that it is concerned with all of the following:

- ❑ volunteering, employment or training opportunities for newly arrived communities, where mainstream provision is not appropriate or accessible;
- ❑ improving access to mainstream services for newly arrived communities (e.g. provision of translated information in relevant community languages that are not available through mainstream translation services);

⁵ Manchester Partnership (2010) Agenda 2010. Available at: <http://www.manchesterpartnership.org.uk/3110/pages/agenda-2010.aspx>

- ❑ promoting cross-cultural understanding and community cohesion;
- ❑ culturally/linguistically specific homework support/clubs and outside school hours services for children;
- ❑ training for newly emerging community groups and organisations that will increase their skills and knowledge base with regards to mainstream provision;
- ❑ encouraging parental participation and involvement in the education of their children, and improving parents' capacity to support learning at school.

As the Fund is also relatively small, at around £500,000, in order to maximise its impact on inequality and need, it is vital for it to be more focussed towards meeting those unaddressed needs that are evident within BME communities in Manchester. Although the current evidence base goes some way to doing this, it is our opinion that the priorities of the Fund should be narrowed further, and be more targeted than is currently the case. By establishing very broad priorities, the Fund may be spread too thinly across too many issues, thus diluting its overall impact.

2.2.1 Addressing service gaps

To ensure the Strategy and Fund is targeted at the greatest need, there needs to be a good understanding of what services and projects are currently being delivered by mainstream and third sector providers. However, some consultees felt that although Manchester City Council had commissioned a review of provision, there was still little understanding shown in the Strategy of what was currently being delivered and hence the service gaps which needed addressing.

It was suggested that MCC might undertake a comprehensive mapping exercise to plot how and where specialist mainstream services are being delivered to BME communities to address their specific, identified needs. They felt this should inform the strategy development and priority setting process that underpins the Fund. Although programme officers felt this information is broadly held within the staff team, they acknowledged that it could be improved and the processes for collecting and collating this information could be formalised.

Taking into account the relatively small team that administer the BME Fund and the pressures on their time, we do not feel that a formalised mapping exercise is appropriate. However, more robust and standardised methods for capturing, sharing and using the resources of knowledge, information and experience held within the staff team should be considered, for example by holding regular meetings with other council departments or service providers.

2.2.2 Involving BME communities in strategy development

The nature of the Manchester BME Strategy and Fund means there is a clear need to involve the City's BME communities in strategy development and objective setting. Manchester City Council commissioned a BME infrastructure organisation to undertake a study to collect and assess the evidence base for the Strategy and to help develop the Fund's priorities. However, although this study was commissioned, only a minority of those consulted as part of the focus groups reported being engaged with the strategy development process or having been consulted on the priority needs. Focus group participants clearly felt they could have helped ensure areas were prioritised that the community felt needed action, and that greater community involvement would encourage ownership of the priorities and the development of projects that are more closely focused upon them.

Consultation with communities over the development of the Strategy and Fund priorities should form part of a wider community involvement strategy. This should start with consultation on the Strategy itself and finish with an evaluation of the impact of the Fund; evaluation evidence could then be used to underpin a new cycle by feeding into a reassessment of the Strategy and Fund priorities.

2.3 Understanding the strategic fit of the BME Strategy and Fund

In addition to considering the extent to which the objectives are appropriate for addressing the identified need, it is also important when undertaking a review to assess how well the objectives fit with wider strategic ambitions.

2.3.1 Wider Manchester strategies

The BME Strategy and Fund will contribute towards achieving the ambitions outlined in the Local Area Agreement. Manchester has identified a number of LAA targets that are relevant to the BME Strategy and Fund. These include:

- NI 3 – civic participation;
- NI 23 – perceptions that people in the area treat one another with respect and dignity;
- NI 140 – fair treatment by local services⁶.

The '*Manchester Way*'⁷, Manchester's Sustainable Community Strategy, sets out the Partnership's ambition that by 2015 Manchester will be:

'A City that meets and exceeds the needs of all residents, with particular regard to those residents who have been socially excluded... [and] ... a City of successful neighbourhoods which attract and retain successful people from diverse communities and in which people feel secure and supported.'

Agenda 2010 is a partnership between the public sector in Manchester, the VCS and BME organisations. In itself, the partnership demonstrates the widespread commitment towards addressing the challenges facing the City's BME communities. The BME Fund fits with a key priority of the Manchester Partnership, to address racial inequality and disadvantage. It is therefore appropriate to operate a grant scheme that funds the VCS sector to fill gaps in mainstream service provision. There is also a willingness amongst the VCS within the City to become involved in service delivery and governance (e.g. Agenda 2010); however there remain capacity issues within the sector and there is a need for infrastructure support services to work with VCS organisations to help address this. These capacity issues should not be overlooked, and should be taken into account when looking at the future of the Fund.

2.3.2 Sub-regional strategies

The BME Strategy and Fund will contribute towards achieving the ambitions outlined in the Greater Manchester Multi Area Agreement (MAA). The MAA target KPI 10 seeks to reduce the percentage of working age people on out of work benefits in worst performing neighbourhoods, which includes many BME communities. The Greater Manchester City Strategy Business Plan⁸ contains several ambitions which relate to the BME Strategy:

'Although our primary aim is to reduce the volume of residents claiming IB/SDA, JSA and lone parent IS benefits in the targeted wards, in order to deliver these reductions the specific barriers to employment faced by communities will also need to be addressed... BME Greater Manchester and the core of the conurbation in particular is a highly diverse and dynamic community. While there is a paucity of data on BME worklessness it is clear that employment rates are well below the national average. This is in part a reflection of low skill levels, particularly in English, and the discriminatory practices of some employers.'

⁶ Manchester Partnership (2008), Manchester's Local Area Agreement, 2008/9 – 2010/11. Available at: <http://www.manchesterpartnership.org.uk/includes/uploads/File/LAAToolkit/LAARefresh2009.pdf>

⁷ Manchester Partnership (2006), The Manchester Way - Manchester's Community Strategy 2006 – 2015. Available at: <http://www.manchesterpartnership.org.uk/includes/uploads/File/THE%20MANCHESTER%20WAY%20FINAL.pdf>

⁸ The Commission for the New Economy, Greater Manchester City Strategy Business Plan. Available at: <http://www.manchester-enterprises.com/documents/GM%20City%20Strategy%20Business%20Plan%20Full%20Version.pdf>

2.3.3 National policy on the BME and wider equalities agenda

The Government Equalities Office (GEO) vision is to achieve *'a fair and equal society for all'* by promoting equality and reducing discrimination and disadvantage⁹. The GEO is the lead department for the Government's Public Service Agreement target, PSA15¹⁰, which focuses on a range of areas in which discrimination needs to be addressed, including race and religion/belief.

It targets a number of ways in which discrimination is expressed, including inequalities in civic participation, discrimination in employment, and unfair treatment by public services. Linked to PSA15, the aim of PSA8 is to *'maximise employment opportunity for all.'*¹¹ One of the key foci under this overall aim is to narrow the gap between the overall employment rate and rates amongst ethnic minority groups.

The Equality Bill¹² was introduced to the House of Commons in April 2009 and should receive Royal Assent (and begin to be implemented) in spring 2010. It mirrors the GEO's vision and the aims of the two PSA targets, seeking to ensure that all UK citizens are treated fairly and equally. Of key importance to the context within which Manchester's BME Fund is delivered, the Equality Bill will strengthen the equality duty established in 2000 with a new single equality duty requiring public sector organisations to consider the needs of diverse groups in the community¹³, enabling people to enjoy fairer opportunities and better services regardless of their background. The Bill will also allow public bodies to take equality considerations into account when procuring goods and services and enable organisations and businesses to take positive action, both to ensure people enjoy the same employment opportunities and to make their workforce more diverse when selecting between two job candidates who are equally suitable.

2.3.4 Explicitly linking priorities to wider strategies

As illustrated, the BME Strategy and Fund will contribute to the achievement of wider city, sub-regional, and national ambitions; however, as recognised by the MCC Third Sector Team, there is a need to be more explicit when developing the objectives in identifying the linkages between the Fund and wider strategies.

⁹ See <http://www.equalities.gov.uk/>

¹⁰ *PSA Delivery Agreement 15: Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief* (HM Treasury, 2009)

¹¹ *PSA Delivery Agreement 8: Maximise employment opportunity for all* (HM Treasury, 2008)

¹² *Framework for a Fairer Future – The Equality Bill* (Government Equalities Office, 2008)

¹³ In addition to race, the other 'equalities areas' covered by the Bill include gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment

3 INPUTS AND ACTIVITIES

This section of the evaluation report provides details regarding the resourcing of the Fund, the staffing levels within the Third Sector Team as well as the number of projects funded and the nature of the activities supported. It also provides commentary on how this element of the Fund may be improved in the future.

3.1 Staffing

The MCC staff team responsible for the BME Fund comprises one full-time programme officer (occupied by two part time members of staff), a programme manager and a strategy leader. However, The BME Fund is just a small element within their overall workload and responsibilities. Many consultees paid testament to the commitment of the Team, commenting on the knowledge, experience and empathy they brought to managing the Fund.

3.2 Resourcing

The total value of the BME Fund in 2009 was £508,240. However, recent positive changes to the BME Fund Strategy and Fund have meant that the number of groups MCC has been able to fund increased in the last funding round. Although the total fund size is relatively small in comparison to mainstream services, equality underpins all the work the City Council undertakes and in particular the Third Sector Team. The size of the Fund does however mean that it is important that the money is spent carefully in a focused way in order to achieve maximum impact.

3.3 Increasing the number of organisations funded

Overall, £508,240 was made available to eighteen organisations in 2009, eight of which (44%) had not previously been supported by the Fund. As only fifteen projects were supported through the previous funding round, progress is evident in terms of the Council's objective to widen the number of organisations it has been able to fund.

In 2009, previously unfunded organisations received a total of £158,240 (31%) from the BME Fund, with £350,000 (69%) going to previously funded organisations. Although the Council has been successful in widening the number of organisations that has been funded, the average sum awarded to new organisations was lower than average for those groups that had already benefited from Fund support. Whilst this is to be expected because more established groups are more likely to bid for more ambitious projects, and possibly being better equipped to put in strong bids, the Council might explore how the average sums awarded to new and previously funded organisations could be evened out.

Of the fifteen organisations that had been successful under the previous funding round, eight were refunded in 2009 (53%), and seven (47%) were unsuccessful.

3.4 Fund structure

The average size of grants awarded in 2009 was £28,236, but the average amount originally applied for by these successful applicants was £77,769. Among unsuccessful applicants, the average amount applied for was £43,830 – still significantly more than the average amount awarded. This points towards the need to provide clearer guidance on the amount organisations should apply for, and suggests there is value in setting bands or caps on the amount that can be awarded for a single project.

In addition to the actual grant awarded, some projects used their BME Fund resources to attract match funding, bringing in additional resources to address the need of their target communities.

The smallest bid received in 2009 was for £1,390 and the largest for £195,648. There were 28 applications over £50,000, 36 between £20,000 and £50,000, 14 between £20,000 and £10,000 and seven less than 10,000. The fact that so many large applications were received and that the smaller applications were competing with the larger ones points to the need for a funding cap, or guidance on the maximum amount that can be or is likely to be funded.

Moving forwards, one option would be to adopt different funding bands, so that smaller or larger applications are only judged against similar scale applications. This might help encourage organisations to submit applications for smaller, more innovative projects that are addressing a particular niche or outstanding need, rather than encouraging organisations to think that bigger is better. Indeed, we feel that the Fund should encourage smaller scale, creative projects, particularly if they are testing or piloting a particular delivery method or engagement approach that is aimed at addressing a challenging or unmet need within the BME community in Manchester. The rationale for setting a funding cap is linked to the desire to support interventions rooted in their local community/community of interest. It was broadly felt that smaller projects would be more likely to address service level gaps at the local level.

Most people consulted agreed that the three year funding cycle was appropriate, enabling organisations to plan over the longer term. However, some consultees felt the current three year funding cycle was not responsive enough to deal with new and emerging issues affecting the BME community in Manchester. Although consultees discussed the possibility of making the Fund a three year rolling programme, with a proportion of the total funding pot distributed each year, others felt it was unlikely that more immediate issues that might emerge would be within its scope of the Fund. The Fund was not felt to be designed to deal with emergencies or issues that would suddenly emerge within the three years of the funding cycle; rather, it is designed to assist communities in filling identified gaps in mainstream services.

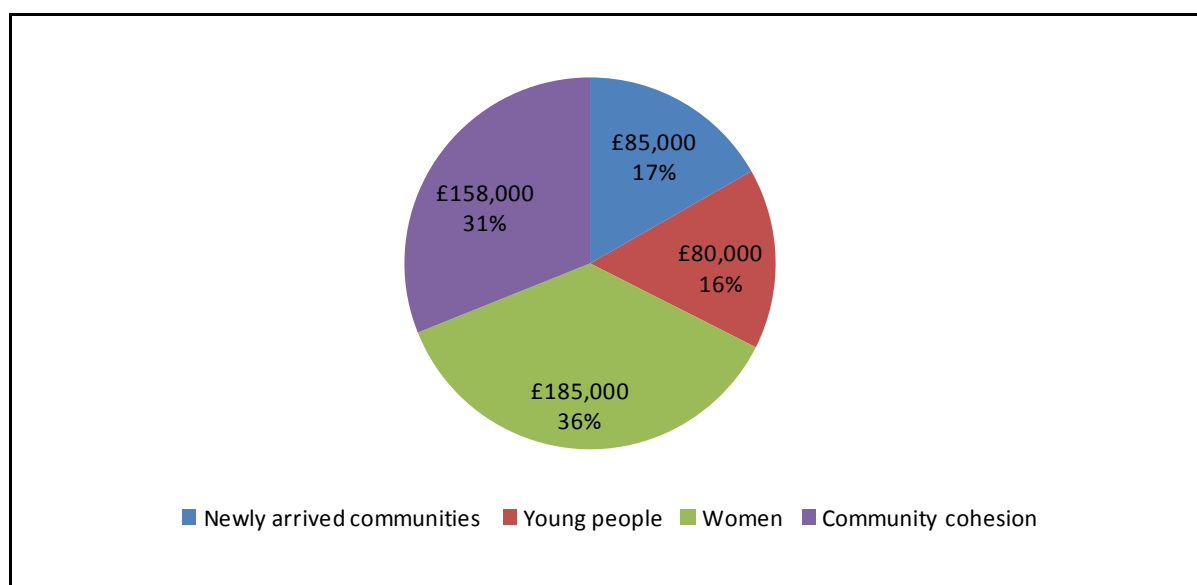
Instead of becoming a rolling programme, raising significant capacity issues for the Third Sector Team, it was felt that groups looking for funding after the Fund application deadline should be signposted to funding elsewhere. Whilst it was acknowledged that this does currently happen, it was felt that more formalised mechanisms should be in place, including better links with other departments.

Although we recommend that the Fund remain a three year programme, there is a strong rationale for funding smaller scale one or two year projects, which demonstrate a particularly innovative approach.

3.5 Fund allocation by priority

In terms of the type of project that was funded in 2009, a total of £508,000 can be broken down according to the priorities being addressed, as illustrated in Figure 1.¹⁴ A little over a third of the Fund went on projects focused on women, and slightly under a third to community cohesion projects (of which one award was the principal constituent element); smaller proportions were awarded to projects targeting newly arrived/rapidly expanding communities and those supporting young people.

Figure 1: Allocation of the 2009 BME Fund across thematic priorities



¹⁴ Projects addressing multiple priorities have been weighted equally across those priorities

Generally, successful applicants to the BME Fund have developed projects that link strongly to the overall objectives or priorities of the Fund. However, one project, currently funded to deliver BME VCS infrastructure support around community cohesion, receives a quarter of the total value of the Fund. Whilst not decrying the value of this infrastructure support work, the link with Fund priorities is weak and there is no clear rationale for using the Fund to support this type of work. This is because infrastructure support is outside of the Fund's core remit and does not fit with the general ethos of the Fund, given its focus on service provision and direct support to communities. As such, in the future we would recommend that work in this area is not resourced through the BME Fund. Instead, the Council should consider how best it might fund this type of activity from other sources.

4 PROCESSES AND SYSTEMS

The operation of the Fund is discussed in this section of the report. Marketing and publicity, application, appraisal and decision making, communication with applicants and monitoring and evaluation are all considered.

4.1 Marketing and publicity

Eighty-four organisations applied for funding compared 17 in the previous round. A variety of methods were employed to make people aware of the Fund's availability, with the predominant vehicle being sector networks (membership networks, BME Network, MCCR), alongside existing funders such as the MCC Regeneration Team. Knowledge was also carried over from the previous funding round, and through letters/emails from the Third Sector Team to BME organisations that had previously bid into the Fund.

A significant proportion of the applicants consulted for our study found out about the Fund through a BME Network meeting at which a Council representative clarified the purpose of the Fund along with suggesting approaches that might be adopted by applicant organisations in order to maximise their chances of receiving funding. This was seen as being of considerable value to those organisations attending the meeting; however not all BME organisations were aware of the meeting, and efforts to enhance awareness might have been worthwhile in order to ensure an equal playing field for all applicants.

In the future, the Third Sector Team may wish to consider hosting this type of open meeting themselves, either at the Town Hall or at other council or community venues around the City, and perhaps in collaboration with the Area Regeneration Teams or the Ward Co-ordinators as well as the BME Network.

The BME Fund is open to all third sector groups or organisations delivering to Manchester's BME communities. MCC's definition of BME communities has been developed from the broader definition used by central government:

'Groups who may share a common identity by way of culture, values, patterns of behaviour, language, ancestry or history. Groups include people of mixed heritage, Asian, Chinese, Black or other ethnicities, including Romany Gypsies, Irish/Scottish Travellers and people from Eastern Europe.'¹⁵

The Fund received very few applications from organisations targeting Romany Gypsies, Irish/Scottish Travellers or people from Eastern Europe. Although there are relatively few organisations in the City working with these groups, the Third Sector Team may wish to consider working with the Area Regeneration Teams or the Ward Co-ordinators to encourage applications from such organisations as well as other organisations that have little communication with BME infrastructure organisations in the City.

4.2 Application form

Applicants described the application forms as being well designed and appropriately tailored towards those organisations likely to be interested in the Fund, rather than being a burden to complete. This was in comparison to other application forms which the applicants had experience of completing.

However in future, there is likely to be benefit in combining the two separate forms into one, perhaps with two sections, as this would be easier for applicants and could still be anonymised as part of the final decision making process if necessary.

In addition to providing more detail on the Fund's priorities, many consultees felt that the application form should provide more guidance on how to demonstrate that their project would address the priorities.

¹⁵ Manchester Partnership (2009), The State of the City Report – Communities of Interest, Manchester. Available at: http://www.manchester.gov.uk/egov_downloads/Communities_of_Interest.pdf

There would be benefit in restructuring the application form to follow the stages of the Green Book model, as set out in table below. The Green Book outlines Government guidance on how to undertake appraisals, and following its recommendations would enable a structured approach to application assessment. The questions in the table are presented to illustrate the type of information required rather than examples of questions to be used in the application form.

Rationale/need	Please evidence the need for your project/service.
Objectives	What are the objectives or your project/service and how does it address the identified need?
Resources/funding	What is the cost of the project/service? How much are you applying for? Will there be matched funding? What staff, volunteers, equipment will be needed for the project?
Activities	What activities are you proposing and how will they achieve the identified objectives? When will these activities be delivered?
Outputs	What will be the direct results of the activities (e.g. number of people finish training course)? When will the outputs be delivered?
Outcomes	What are the expected consequences of the outputs (e.g. up-skilled community)? What are the likely timescales to achieve the outcomes?

As with the current Phase 1 application form, initial questions on a newly designed form would focus on basic organisational and contact details, including evidence (and supporting documentation) on the group's constitution and governance, capacity, accountability and sustainability. An additional question early in the form might ask for a brief summary of the project, laying the ground for more structured questions that follow. As with the current form, a further question should ask whether the applicant organisation already receives funding for the delivery of similar services.

Part of the Phase 1 application could be to provide evidence of the groups having had a health check with the newly commissioned infrastructure support body. A certificate of health could be produced and this could be provided as evidence with the application form. This would help the Programme Officers in the appraisal processes, as discussed later.

The application form should provide brief guidance on what each answer should include as this would help applicants to fill it out to the best of their ability and again would help Programme Officers with the appraisal process.

4.3 Application process

The application form tells potential applicants to telephone or email the Third Sector Team if more information is required pre-application. However, the form notes that the Council 'cannot help write your bid or offer advice on the likelihood of success for your application'. However, the current reconfiguration of infrastructure support in the City means there is the option for infrastructure providers, or another contracted organisation, to offer a pre-application support service. In other areas and with other funds, applicants have found this a very useful service leading to improved applications. Whether or not an application support service is engaged, it is important that MCC provides basic guidance on the application form itself, how to fill in the form, and what information a potential applicant should include under each question.

4.4 Appraisal, decision making and selection process

Given the unexpectedly high number of applications, the Third Sector Team had to revise the appraisal process to handle the increased demand. As reported by applicants, this resulted in many organisations being confused about the process. These concerns fell broadly under two areas – the timeline and project visits made by Council Officers.

In addition to outlining the application/appraisal process at engagement events, it is recommended that the process is explained in detail on the application form. This would give details of when applicants are likely to receive a decision from the Council and would explain the procedure for project visits. If the process timescales unavoidably change, all applicants should be informed by email, post, or telephone.

The appraisal forms used to assess BME Fund applications identify the applicant's priority focus (according to the Fund criteria), summarise the project, and indicate key issues and the initial response of the Appraisal Officer. It is acknowledged by the Third Sector Team that the appraisal forms are not fit for purpose. The appraisal forms do not follow the same structure as the application forms and some information assessed on the appraisal form (e.g. whether or the not the organisation is representative of target users) is not requested on the application form.

The form would be improved by aligning it more closely with the various stages of the decision making process, perhaps with different (expanded) sections relating to each stage. As with the application form, it would also be beneficial to structure the appraisal form around the stages of the Green Book logic flow. From discussions with the Third Sector Team, we are aware that each application was reviewed by three Appraisal Officers (unless the applications were clearly ineligible for support from the outset), something that would be beneficial to record formally within the appraisal form. A redesigned form should ensure that the appraisal process is more transparent.

Currently it is not clear how the initial appraisals informed the later decision making process. For example, on occasion, appraisals that were initially appraised negatively ultimately achieved funding (and vice-versa). It is also unclear how applications which met the funding criteria were assessed in relation to each other. The Third Sector Team reported that the need to ensure a range of issues are addressed by the portfolio of successful projects/services; and the need to avoid duplication of projects/services funded through other sources, influenced the decision making process. In the future, it is crucial that the appraisal form has space to record this information. This would make the decision making process more transparent indicating clearly why a project has been either successful or unsuccessful.

An issue arising from our focus group consultation was confusion over where the ultimate responsibility lay for decision making. This is an issue which could be alleviated in the future by clarifying the position in the application documentation.

The flow chart (Appendix 2) of the processes developed for this study could be simplified and included within the application form to help guide applicants and staff, thus overcoming some of these issues.

During the BME Network meeting, at which the Third Sector Team raised awareness of the Fund, the Council indicated that in future rounds of funding they would look to include community representation in the decision-making process. However, it was reported that it could not be factored into this round as there were too many other new factors being introduced to allow the Team to manage such a process. Our consultation with applicants suggested that they agreed that there should be greater community representation, if possible by means of a cross sector decision making panel.

Our research with other grant giving organisations indicates that a single representative or group of community representatives could be beneficial for both applicants and the Council. However, if the Council wishes to go down this route, it will be crucial that the community members are supported and trained to undertake this role. The light touch and fund specific training to panel members should focus both on the objectives of the Fund and on the decision making process. If a panel is used, there will be a need for the City Council staff to chair meetings and service panel members; MCC will also need to consider remuneration for panel members. It is likely that this should only be in the form of expenses and that the role should be voluntary. Where possible, the panel should broadly reflect the profile of the City's communities as well as including elected members and Third Sector Team representation. Together the panel should decide on the organisations to be funded.

4.5 Post-decision communication

The Third Sector Team published the list of successful applicant organisations. This was the first time such as list had been made widely available. However, the list only presented the name of the successful organisations and the theme of their application; therefore we suggest in future more information is given such as the projects objectives, activities, and likely outcomes. Although this should still be kept fairly brief.

Council Appraisal Officers provided feedback to a number of unsuccessful applicant organisations who contacted them to request it. There would be value in offering individual feedback to all applicant groups, thereby sharing learning and building capacity for future applications, cementing relationships between the Council and BME organisations bidding into the Fund. This could also be undertaken in collaboration with the new infrastructure organisation.

4.6 Monitoring and evaluation

Monitoring processes are seen by organisations in receipt of BME Fund as efficient – the forms are considered simple to fill in, yet sufficient to capture all the relevant information. The projects' self evaluation will also form a part of the monitoring process which is recognised by successful applicants as being an efficient use of resources. Successful applicants we consulted were overwhelmingly positive with the Council's monitoring processes¹⁶; however a greater focus on outcomes throughout the application process and subsequently would be beneficial. There would also be benefit in undertaking an evaluation of the impact of the Fund as a whole, perhaps towards the end of the three year funding round. This would demonstrate:

- ❑ the aggregate difference it is making to BME communities across the City;
- ❑ help to articulate the value for money generated;
- ❑ provide a useful evidence base to inform the ongoing development of the Council's BME Strategy;
- ❑ identify in which priority areas Fund resources should be targeted in the future.

¹⁶ Note that due to delays in agreeing funding arrangements, monitoring processes have been put back for the majority of successful applicants we spoke to. The groups commended the council for their flexibility in allowing for this.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Rationale and objectives – identifying the need for the Fund, and its fit with other policies and strategies

There is a clear rationale for the deployment of a BME Fund in Manchester, given the specific needs of the City's various BME communities that are identified in the '*State of the cities – communities of interest*' report, and in the MCC/MCCR research that underpinned the targeting of the Fund itself. However, the evidence base on where best the Fund's resources should be deployed is less clear, both in terms of where demand for BME specific services is fully justified, and where it is apparent that provision by mainstream providers and other agencies is failing to meet this demand.

5.1.1 The evidence base

In order to more tightly focus the rationale underlying the Fund and identify new priorities based upon this rationale, the Council should look to build on the currently available evidence base with new input from the BME community. Consultation with community organisations and representatives should explore areas of BME specific need, but be careful to distinguish the (objective) identification of need from (more subjective) statements of desire. Evidence on demand for the BME Fund should be set alongside knowledge of current provision, drawn from the Third Sector Team but also involving other council departments and relevant external funding and delivery organisations, in order to identify service level gaps that the Fund might fill.

Recommendation 1: Develop a robust and up to date evidence base

The Council should build on the existing research commissioned by MCC to inform the development of BME Fund priorities by drawing on other sources of evidence at the local level (e.g. the annual '*State of the cities – communities of interest*' report). In addition, further consultation with BME community organisations and representatives would help to identify specific areas of need that are not currently being addressed by mainstream providers – these gaps should be prioritised for support under the BME Fund.

5.1.2 The focus of the Fund

Although mainstream service providers, including MCC and partners, provide services for Manchester's BME communities, there are inevitably unmet needs. It is therefore particularly important for the Fund to target these priority needs/issues to ensure the Fund can have the greatest impact.

Recommendation 2: Identify the issues where the Fund can have the greatest impact

Currently, the BME Fund's priorities are too broad. There would be value in narrowing them to focus on those areas where support from the Fund can add maximum value. In awarding grants to projects focused on too wide a range of thematic areas and communities of interest, there is a danger that resources will be spread too thinly, leading to reduced overall impact. Decisions over which areas to prioritise should be based on an analysis of the evidence base, but we would anticipate that the needs of newly arrived/rapidly expanding communities will be a key focus.

Given the availability of funding from other sources, there is also a strong argument against funding community cohesion initiatives, not least because this is a wider cross cutting issue that other departments with larger budgets focus on.

5.1.3 Funding and outcomes

Although the Third Sector Team is working with successful applicants to identify the outcomes flowing from their work, it would be beneficial if the Team were able to identify this at the start of the funding process.

Recommendation 3: Adopt an outcomes focused approach

When setting the priorities for the next funding round, the Council should be clear what outcomes it is aiming to achieve and how these will impact on the identified rationale/need.

Related to this, at the individual project level there should be clarity on how the project is contributing to common outcomes and to the Council's relevant strategic objectives.

5.2 Inputs and activities – the Fund's resources and the projects it finances**5.2.1 The size of the monies awarded**

Given the relatively limited overall size of the BME Fund, and the desire to increase the number of organisations that benefit from its support, there is a strong case to be made for setting a maximum funding cap above which grants will not be awarded. However, this should not be pitched too low, as it might risk losing some of the more ambitious projects that adopt a strategic focus across the three year lifetime of each funding round.

Recommendation 4: Cap applications at £50,000

If a cap of £50,000 was imposed on grants awarded from the BME Fund, this would help to ensure that applicant projects were of an appropriate scale and contribute to the Council's objectives to increase the number of organisations benefiting from fund support.

Alongside setting a cap, it would be worthwhile providing guidance on the type of projects likely to be successful in receiving different amounts of money. Organisations planning strategic projects to be delivered over a three year timescale might be encouraged to bid nearer the top end of available funding, whereas smaller scale or pilot projects, potentially delivered over a shorter timescale, could be advised to bid for smaller amounts. If required, this advice could be formalised by outlining funding bands with linked criteria for groups to consider when formulating their proposed projects.

5.3 The three year funding cycles and further support

There is value in continuing to deliver the Fund over a three year period, not least to encourage the type of strategic intervention discussed above. However, in doing so, projects targeting the emerging needs of newly arrived or rapidly expanding communities at a midway point through the three years will not have the opportunity to bid for potentially urgently needed funding.

One project is currently funded through the BME Fund to deliver community cohesion activity, receiving around a quarter of the total value of the Fund. Rather than supporting project based activity, the core focus of the Fund is on using the resources to provide infrastructure support to BME VCS organisations across the City. Whilst not decrying the value of this infrastructure support work, the link with fund priorities is weak and there is no clear rationale for using the Fund to support this type of work.

Recommendation 5: Do not fund infrastructure support using the BME Fund

Infrastructure support activity currently supported by the BME Fund is outside of the Fund's core remit and does not fit with the general tone and ethos of the Fund, given its focus on service provision and direct support to communities. We would recommend that work in this area should not be resourced through the Fund in the future; instead the Council should consider how best it might fund this type of activity from other sources.

5.4 Processes – how the Fund is administered and managed

As part of the evaluation we explored the operation of the Fund, consulting with staff, stakeholders and applicants with regards to the processes and systems used by the Council.

5.4.1 Marketing and publicity

Marketing and publicity of the Fund was generally considered to be good. A lot of applicants found out about the Fund by attending a BME Network meeting at which a Council Officer presented information about the Fund. This was seen as being of considerable value to those organisations attending the meeting; however not all BME organisations were aware of the meeting. By holding a more formalised and more widely publicised meeting the Council could improve understanding of the Fund, its purpose and how to apply. This would also help to reduce any confusion over these matters on the part of applicants.

Recommendation 6: Hold an open meeting to inform people about the Fund

The Third Sector Team should hold an open meeting to inform people of the existence of the Fund and communicate key details about it, including: broad timescales; the amount of funding; the objectives of the fund; how to apply; the sort of projects and outcomes MCC is looking to fund; and broad guidance on the application form; as well as where to get further support. If possible, the meeting should be held at a community venue or other accessible council owned facility. The meeting should be held in collaboration with the BME Network but should not be a network meeting. It is important that the Council arranges the meeting themselves; however they may wish to work with the Network to invite relevant organisations and individuals, including previous applicants.

5.4.2 The application process

On the whole, applicants felt the application form was accessible and relatively easy to complete; however there are a number of ways in which we feel the form could be improved to ensure that the Council gets the information it needs and is easier to appraise.

Recommendation 7: Use the application form to provide information about the application process

The application form should provide more guidance on what applicants should include in their answers in order to demonstrate how they propose to address them. It should provide a brief statement on the timescales and process involved in the application process, and a very brief statement on what will happen after the application form has been submitted (e.g. the purpose of the project visits).

The application form should continue to be easy to read and use plain English.

Recommendation 8: Restructure the application form so that it follows a recognised project appraisal structure (Green Book model)

This would provide a recognised structure for the application form, and should help applicants to clearly set out the need for their project as well as how it relates to the Fund's objectives. Most importantly, it will help applicants to demonstrate the added value of their projects – that is, what additional benefit the project will bring over and above what would have happened in any case, and how it will address gaps in the provision that is already available.

5.4.3 Pre-application support

Although the Third Sector Team already provides informal ad hoc pre-application support, the research found that a more structured, consistent approach would facilitate improved applications.

Recommendation 9: Make provision for pre-application support for applicants

This could be offered by the new infrastructure support providers or by a third party (in the form of a contracted service). This would help applicants to ensure they provide all the relevant information in their applications and improve the quality of the applications received by the Council, thereby making the appraisal process easier.

5.4.4 Appraisal, decision making and selection

The way in which the appraisal process was communicated to applicants was felt to be confusing. This confusion fell broadly into three areas – the timeline, the project visits made by Council Officers, and the delegated decision making process. Clearer and timelier communication between the Council and applicants would resolve this.

As recognised by the Third Sector Team, there is a need to improve the appraisal process. In general, the appraisal forms have not been completed in full. Although the appraisal form was designed to track applications throughout their journey through the decision making process, in practice this has not happened in sufficient detail.

Recommendation 10: Improve the appraisal form

Improve the appraisal form to reflect more closely the various stages of the decision making process, perhaps with different (expanded) sections relating to each stage. A redesigned form should ensure that value is added at all stages of the appraisal process, and that the process and decisions are clearly evidenced. As with the application form, it would also be beneficial to structure the appraisal form around the stages of the Green Book logic flow. Keep the number of pages in the appraisal form to a minimum (2-3 pages), recording any useful information on the form, such as that gathered from the project visits and wider research into need.

All decision making should also be recorded, which could take the form of minutes or other written notes. These notes could be used at a later date to provide feedback to applicants, whether successful or unsuccessful.

The Third Sector Team indicated that in future rounds of the Fund they would look at involving community representatives in the decision-making process. Consultation with stakeholders and applicants indicated that they agreed that there should be greater community representation on the decision making panel. Our research with other grant giving organisations indicates that a single representative or a group of community representatives could be beneficial for both applicants and the Council.

Recommendation 11: Involve the community in decision making

Ensure that community representatives are involved in the development and operation of the Strategy and Fund from start to finish. As part of this, consider developing a decision making panel with community representation. The panel could be the second part of the decision making process, with representatives meeting to discuss the submissions, which will have already been appraised. Ensure that community members are supported and trained to undertake this role, with the training focusing on the objectives of the Fund and decision-making process. We also recommend that community members are reimbursed for their expenses.

Although the decision making process already focuses on whether the proposed project will meet the objectives of the Fund, there needs to be greater emphasis on whether it will also address service level gaps and is a project that is required by the communities it intends to work with. The panel should also look at the extent to which the proposed project will be likely to result in the outcomes that the Fund desires. We would suggest a panel of no more than eight people, including at least two community representatives. To ensure that the Council is operating within the spirit of the COMPACT and show transparency, the local third sector should be involved in the decision making process, highlighting that it has a voice and that the Fund is truly developed and allocated in partnership.

5.4.5 Communication with applicants – post application

Clearer timescales for the decision making process at the outset would have been beneficial for both applicants and the Council; applicants would have been better able to plan for the future, including looking for alternative funding in the event that their application to the BME Fund was unsuccessful, and it is likely that the Council would have received fewer enquiries from organisations keen to find out how their application was progressing.

5.4.6 Communication with applicants – post decision making

Once the successful projects had been funded, some applicants and stakeholders felt it would be both transparent and informative if the Third Sector Team released information not only on the name of the organisation but also the nature of the funded activity. Given the Fund's intention to focus on delivery outputs/outcomes, rather than the organisation itself, it would also be beneficial to provide more information on the nature of the outcomes likely to result from funded activities.

Furthermore, although the Third Sector Team currently provides feedback to those unsuccessful applicants who contacted them to request it, feedback processes are not formalised. The research found that there would benefit in doing so.

Recommendation 12: Publish the details of successful projects and offer feedback

The information should include brief details of the nature of the project and the outcomes likely to result from the project. In addition, the Third Sector Team should ensure all applicants are made aware that they can request written or verbal feedback following decision making and that they are signposted to available sources of capacity building support and, where appropriate, other funds.

5.4.7 Monitoring and evaluation

Monitoring processes are seen by organisations in receipt of BME funding as efficient – the forms were thought to be straight forward yet sufficient to capture all relevant information. The projects' self evaluation also forms part of the monitoring process which is recognised by successful applicants as being an efficient use of resources. However, greater focus on outcomes throughout the application process and beyond would be beneficial in terms of understanding the likely and actual impact on beneficiaries. There would also be benefit in completing, internally or externally, an evaluation of the impact of the Fund as a whole.

Recommendation 13: Evaluate the Fund

The evaluation should take a three pronged approach: (i) looking at the extent to which projects have met their objectives; (ii) looking at the extent to which the project has contributed to the programme's objectives; and (iii) looking at the extent to which the Fund contributes towards to the City's strategic objectives.

Evaluating the Fund would demonstrate the aggregate difference the Fund is making to BME communities across the City and help to articulate the value for money generated, providing a useful evidence base to inform the ongoing development of the Council's BME Strategy.

APPENDIX 1

Consultees

The following people were consulted for the study. CLES Consulting is grateful to all those who assisted with the research process, and would like to thank them for giving freely of their time and views.

Name	Role	Organisation
Stephen Higgins	Programme Manager	Manchester City Council
Maria Boylan	Strategy Leader	Manchester City Council
Jolanta Shields	Senior Programme Officer	Manchester City Council
Madeleine Rose	Senior Programme Officer	Manchester City Council
Samiya Butt	Programme Manager	Manchester City Council
Atiha Chaudry	Board Member	BME Network
Mark Nesbitt	Board Member	BME Network
Cllr Val Stephens	Councillor	Manchester City Council
Rob Maylan	Programme Manager	Community Foundation
Kate Millington	Community Initiatives Team	Wolverhampton County Council
Successful applicants	X 6	
Unsuccessful applicants	X 12	

APPENDIX 2

BME Fund process flowchart

