

**Voice4Change England**

c/o BTEG 2<sup>ND</sup> Floor Lancaster House  
31-33 Islington High Street London N1 9LH

T 020 7843 6130

F 020 7833 1723

[www.voice4change-england.co.uk](http://www.voice4change-england.co.uk)



**The Rt Hon Jeremy Hunt MP**

Secretary of State,  
Culture, Olympics, Media and Sport  
Department for Culture, Media and Sport

20 August 2010

*Sent via email to [lottery@culture.gsi.gov.uk](mailto:lottery@culture.gsi.gov.uk)*

Dear Secretary of State,

**Subject: Voice4Change England's response to the National Lottery Shares consultation**

I am writing to you on behalf of Voice4Change England (V4CE) in response to your invitation to inform the Department for Culture, Media and Sport (DCMS) review of the current National Lottery Shares arrangements.

V4CE is a national support organisation for the Black and Minority Ethnic Voluntary, Community and Social Enterprise Sector (BME VCS). We are a Strategic Partner funded by the Office for Civil Society. We are a leading voice to inform the formulation of public policy and to influence practice that has a direct effect on the development, delivery and impact of BME Voluntary, Community organisations and social enterprises (VCOs). We support the sector to build its capacity and secure resources so it can increase its ability to meet the needs of disadvantaged communities.

By engaging and consulting with a wide range of organisations at the national, regional and local level, we provide an informed, authentic voice of the BME VCS. We use e-newsletters, online questionnaires, events and online resources among the methods we use to connect with the BME VCS. We aim to continue developing this mutual understanding between the BME-led VCS and government to ensure policies are responsive to BME communities' needs and aspirations.

We welcome the opportunity to providing comment on the main changes proposed as follows:

**In restoring the National Lottery to its original purpose, we welcome the government's commitment to protect the levels of grant available to the voluntary and community sector.** The two-staged approach in achieving this change to 2012 is welcomed as gradual shift in resources may reduce the impact of this change.

However, we are concerned that the proposals outlined in the consultation and the draft Appointment Order issued by DCMS in May this year will adversely affect many BME VCOs across the country being supported by the Lottery funding, in particular by the Big Lottery Fund (BIG). This may result in many people from BME and other disadvantaged backgrounds not having their basic needs met.

- BME VCOs are led by and work for BME communities. Despite improvements in outcomes for some ethnic minorities in areas such as housing, education and employment, BME communities still face high levels of deprivation and discrimination.
- BME VCOs provide a range of roles and carry out a range of functions including: advocacy; health provision; cultural, social and economic support; and supplementary schools. However BME communities are not homogenous - race cuts across all identities with different organisations responding in different ways to meet different needs. Our research shows that these organisations have an average annual income of £150,000 with more than half having incomes below £10,000 and 13% above £501,000.<sup>1</sup>
- The BME VCS is historically under-funded compared to the generic VCS and continues to face funding challenges including: a reduction in government grant funding; exclusion through commissioning and procurement, marginalisation as there is a shift towards mainstreaming and all this is further exacerbated by the impact of the recession.

**Statutory funding by local authorities is the main source of income for the BME VCOs and BIG remains as the second most significant source of funding for BME VCOs at a local level.**<sup>2</sup> Since 2005 BIG aimed at supporting priority groups including organisations with projects to help people from BME backgrounds in particular.<sup>3</sup> Grant making charitable trusts has also historically been supportive of the BME VCS with targeted programmes on social justice and race equality. **Therefore changes to the allocation of the National Lottery Shares for BIG will have significant implications for the work that is being supported and delivered by BME VCS.**

The current allocation for BIG from the Lottery shares will reduce from 50% to 40% by 2012. The policy aims at increasing the Lottery shares for sport, heritage and the arts from 16% to 20% each by 2012. To protect funding for the voluntary and community sector, the government also proposes to allocate 100% of BIG funding (of the 40%) to supporting the VCS which may amount to the Sector receiving more funds from BIG which currently allocates 60-70% to the Sector.

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<sup>1</sup> Taylor, M. and Hoyle, I., 2003, 'Finding the funds: the results of a survey investigating the experiences of black and minority ethnic (BME) voluntary and community organisations in their search for funds', Active Communities Unit.

<sup>2</sup> 'Mind the Gap: What is known about the BME Third Sector' (2007) Voice4Change England (unpublished report with published findings available at [www.voice4change-england.co.uk](http://www.voice4change-england.co.uk)).

<sup>3</sup> Big Lottery, 'Big Lottery Community Fund Annual Report and Accounts for the financial year ended 31 March 2005', Big Lottery, 2005.

We believe that **reducing the shares for BIG will leave the BME VCS worse off** for reasons outline below:

- **A large number of BME VCOs deliver services in areas of health, social care, community development, provision of information, advice, guidance, adult and supplementary education, and advocacy for racial justice.<sup>4</sup> These services are mostly targeted at women, older and young people, disabled and asylum seekers and refugees with BME backgrounds.<sup>5</sup> Whilst arts, heritage and sport related activities have also been undertaken by BME VCOs, these by far remain smaller in number compared to service provision in areas listed above.<sup>6</sup> The proposed shift will reduce shares for the projects in health and education which will significantly reduce support that BIG could provide to BME VCOs. **We therefore view the redistribution of funds as a serious matter of concern which is not adequately reflected in the Impact Assessment that accompanies the consultation documents.****
- **We note the governments concern that past projects funded by BIG in health and education should have been funded by statutory funds<sup>7</sup> however this does not detract from the need** especially as there has been a sharp increase in demand for services in health, advice and guidance that BME communities have sought from BME VCOs in the aftermath of the recession and the subsequent spending cuts.<sup>8</sup> Given this we would like BIG to retain its ability to fund such projects in the future.
- We are also extremely concerned to read in the Impact Assessment that the £100m a year funding from BIG to local authorities will be gradually phased out. As stated above, local authority grants are the largest source of funds for BME VCOs and it is likely that coupled with the proposed changes the impact on all organisations providing support to BME and other disadvantaged communities. **Given this we would urge DCMS to assess the impact of the proposed policy with reference to the statutory Equalities Duties.**

On the basis of concerns outlined above, we would like to suggest that **any proposed shift in the National Lottery Shares must ensure that the those at greatest need and most marginalised communities are prioritized.** If these needs sit in areas of health and education more so than in the areas of arts, heritage and sport then these should be recognized and supported without restriction on what BIG can fund.

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<sup>4</sup> 'Mind the Gap: What is known about the BME Third Sector' (2007) Voice4Change England (unpublished report with published findings available at [www.voice4change-england.co.uk](http://www.voice4change-england.co.uk)).

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> DCMS 'The Apportionment of Money in the National Lottery Distribution Fund Order 2010 – Impact Assessment, IA No DCMS 002', May 2010.

<sup>8</sup> Various research studies undertaken by London Voluntary Services Council (LVSC), Race on the Agenda (ROTA), MiNET (regional BME network for London), and V4CE itself with a case study publication titled 'Stories of Resilience: BME Third Sector finding solutions to the recession' (Oct 2009) available at [www.voice4change-england.co.uk](http://www.voice4change-england.co.uk).

We will be responding In October this year, to the DCMS on the BIG Lottery Fund Policy Direction consultation. We will also seek to hold dialogue with BIG to inform its decisions on the future allocation of its share of funds for VCS and in particular for grants that are or addressing the needs of BME and other disadvantaged communities.

We would be happy to discuss our response further with the DCMS and look forward to the results of the Statutory Equality Duties impact assessment of the proposed policy.

Yours faithfully,



**Vandna Gohil**

Director

Voice4Change England