4 October 2022

**Equity requires action - Lloyds Bank Foundation pledges half of its core funding to charities led by Black, Asian and minority ethnic and disabled communities**

This week (3 October 2022), Lloyds Bank Foundation for England & Wales unveiled *'Building a Better Future*', a five-year strategy prioritising equity, diversity and inclusion, and committing to helping small charities become more resilient, communities to grow stronger, and people to overcome complex issues and barriers so they can transform their lives.

In *‘Building a Better Future’*, the Foundation acknowledges the barriers people face because of their gender, ethnicity, nationality, disability, which it says are worsened for people dealing with complex issues that don’t have simple solutions, such as homelessness or domestic abuse.

Building on learnings from its *Reaching Further* strategy, learning report published on its website, the Foundations 2022-26 plan will focus on small, local, and specialist charities with an income of £25,000 - £500,000. It states that because of their size and in-depth understanding of the communities they serve, these charities are best placed to reach, engage, and support people and where the Foundation's combination of unrestricted funding and capacity-building support will have the greatest impact.

By supporting these charities – which it argues are too often underfunded, under pressure and underrepresented – with flexible, unrestricted grants of £75,000 over three years, Lloyds Bank Foundation will provide charities with greater stability and freedom to use funds as they see best, particularly in the current climate.

Over the last two years, Lloyds Bank Foundation has worked to address racial inequity and it builds on this commitment by allocating at least 25 per cent of its core funding to charities led by and for Black, Asian and minority ethnic communities. Another 25 per cent will be committed to charities led by and for D/deaf and disabled people.The Foundation is working closely with charities led by and for these communities on developing these programmes ahead of launching next year.

Recognising the challenges facing small charities, people and communities, the Foundation will also increase its capacity development offer, which helps charities build and strengthen skills and knowledge so they can set and achieve their objectives and secure funding elsewhere. The capacity development program also maximises the Foundation’s partnership with Lloyds Banking Group, which brings together individuals and teams from the Group to offer volunteering opportunities, mentoring and skills sharing with charities the Foundation supports.

The Foundation will continue to work with organisations across civil society to influence policy and practice, focusing on seeking to secure change in three critical issues for people and charities: improving the availability of accommodation, the operation of the welfare system, and the support provided to refugees and asylum seekers.

To create more space and opportunities for charities to work together and with other partners at the local level, the Foundation will also launch a distinct funding and support programme encouraging impactful partnerships to help influence local systems, practices, and policy and improve people’s lives. Details of how to get involved in this work will be announced next year. The Foundation will continue [partnering with six communities across England and Wales](https://www.lloydsbankfoundation.org.uk/we-develop/transforming-and-strengthening-services/people-and-communities) to support long-term transformational change.

**Paul Streets, chief executive of Lloyds bank Foundation, said:** *"Small charities, who were on the frontline during the pandemic providing a lifeline for communities, now face rising costs, increased demand for support, insecure income and staff burnout. Yet, small charities are best placed to create lasting change because of their size, unique understanding of the community they support, and ability to adapt.*

*"To ensure we use our resources effectively, we're focusing on small, local and specialist charities, where our combination of funding, support and resources will help charities thrive, communities grow stronger, and people overcome complex issues and barriers so they can transform their lives."*

**Varsha Parmar, executive officer at Equality Action, a small charity funded by Lloyds, said:** *“It is thanks to funders like Lloyds that saw us through some of our toughest times and helped us to take stock again. Like many other charities and organisations, we get caught up in the delivery of day-to-day services needed by beneficiaries and overlook taking time to reflect on the organisation's internal workings. We know we need to strengthen our internal structures and review our long-term strategy, but charities do not have the funding to do this, as most funders only give restricted funding for specific projects. The funding from Lloyds has been a blessing for our charity with the two years unrestricted grant and the amazing consultancy support in kind.”*

The Foundation has been working closely with charities to develop its funding programmes. Further details will be announced with the application opening from November 2022. For more information visit [www.lloydsbankfoundation.org.uk/about-us/our-strategy](http://www.lloydsbankfoundation.org.uk/about-us/our-strategy)

To read more about the Foundations learnings, visit [www.lloydsbankfoundation.org.uk/we-influence/research/lessons-for-funder-practice](http://www.lloydsbankfoundation.org.uk/we-influence/research/lessons-for-funder-practice)

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For more information, including interviews and photos, please email sdaniells@lloydsbankfoundation.org.uk

Notes to editors:

**About Lloyds Bank Foundation**

We're an independent charitable foundation funded by Lloyds Banking Group. We work in partnership with small and local charities, people and communities, changing lives and working towards a more just and compassionate society. The needs and aspirations of people drive our work. We strengthen the small and local charities that support them and the communities they live in, and advocate for a better future.

Through unrestricted funding, support to develop and influencing policy and practice, we help small and local charities thrive, communities grow stronger, and people overcome complex issues and barriers so they can transform their lives.