

Challenge Poverty Week

Corra's Learning and Commitments
October 2022

This year's Challenge Poverty week comes in the context of a cost-of-living crisis. **The crisis is deepening existing poverty and tipping others into poverty.** Those worst affected will include many of the people and communities supported by Corra; disabled people, children and young people, Black Asian and Minority Ethnic communities, unpaid carers, and people who are homeless. More people will need the help that charities and community groups provide, yet they will find it harder to support them as inflation increases their own costs and erodes the value of reserves and donations.

This paper outlines what we are learning from the organisations and communities we work alongside. It talks about the impacts and concerns of the cost-of-living crisis as well as Corra's commitments to continue to challenge poverty.

- People and organisations are facing multiple crises; their resilience is low and the impact on mental health and social connection is high.
- Rising living costs will continue to exacerbate existing inequality and push others into poverty.
- Immediate human rights-based action for those in need is required, with a focus on resourcing dignified community support.
- We need to harness the expertise within communities to inform the long term systemic needed to tackle persistent poverty.

What we're hearing and learning

"Two years of the pandemic have affected the community with serious implications for mental health and social needs which has [been] worsened by the rising costs and inflation" Corra Community Co-ordinator

Concerns about rising levels of inequality and the impact this will have on families is increasingly evident across our work at Corra. Insights from Corra's work alongside communities and those with lived expertise illustrates the complexity of poverty. This includes multiple adversities some people experience, the impacts of [poverty related stigma](#) and the toll poverty takes on mental health. Tackling poverty means understanding the impact on people's day-to-day lives, wellbeing and the barriers they face accessing support.

Community Co-ordinators [working alongside communities](#) are reporting increased uncertainty amongst families about rising costs. This includes rising demand for food banks

and pantries, including amongst people who have never needed used these services before. Food banks and pantries are also reporting a significant drop in donations.

“There are signs that the cost of living is beginning to affect people significantly as the food pantry attendance has doubled” Corra Community Co-ordinator

The following examples highlight what current grant holders are telling us about the concerns and challenges of the cost-of-living crisis.

Amma Birth Companions received a Shift the Power Comic Relief Grant in 2021. They support women, primarily those in the asylum process, with neonatal and postnatal support across Glasgow. They highlighted to us the disproportionate effect the cost-of-living crisis has on asylum seekers. As asylum seekers receive fixed allowances for food, clothing and toiletries, the rise in costs reduces what can be bought for the fixed amount.

Living Rent, a tenant union, received a Shift the Power Comic Relief Scotland grant in 2021 to bring tenants together and raise awareness of housing rights to help prevent evictions and homelessness. They have told us that tenants they work alongside are experiencing increasing challenges due to rising energy bills and high level of rents.

The Well Multi Cultural Resource Centre are working with Black, Asian and Ethnic Minority communities in and around Govanhill in Glasgow. In 2020 they received a multi-year Henry Duncan Grant to support their advice service. This includes help with energy bills, benefits and referrals to food banks. The Well Multi Cultural Resource Centre supports people to overcome language barriers to ensure they receive the support they are entitled to. The organisation continues to observe an increased demand for support and advice as concerns grow about the impact of rising costs.

In late 2021 and early 2022 Corra administered the Scottish Government Winter Support Small Grants Fund. The fund provided small grants to charities and community groups to distribute cash or vouchers directly to families in need. 174 grants totalling over £694,000 were made to groups working across Scotland to support low-income families. Insights from grant holders highlight that the simple application process and quick turnaround meant they were able to get funds quickly to those who needed it. However, some grant holders reflected that the funding did not go far enough in addressing the immediate needs within communities and it was challenging for groups to decide who is most in need.

African Women’s Group received funding through the Winter Support Fund. They highlighted challenges in dealing with increased demand with more people contacting them for help with food, bills, and other essentials. While the cash-first approach has been helpful, the groups reported a gap between the available money and needs, describing it as difficult having to give someone only £100 towards an energy bill that was £160. African Women’s Group volunteers and staff told us about the challenges of deciding whose need was greatest and deciding who to support when everyone who reaches them is in need.

The impact on the third sector

“We are just emerging from Covid and struggling to manage the impact of the Ukrainian crisis on our service and now we have the added burden of the cost-of-living crisis to manage and respond to.” Bikes for Refugees

Not only will rising costs continue to impact people across Scotland, charities and community groups are also grappling with the increased uncertainty. Many vital services will see an increase in demand whilst they also try to manage their own delivery and staff costs. This presents a significant challenge for the third sector and communities that are still experiencing the repercussions of the pandemic.

“The heating is timed to go on before these clubs, but the cost is going up so much, the feasibility of continuing to heat the building is uncertain” Corra Community Co-ordinator

The important role of community spaces in enabling people to come together, has been well evidenced across the communities Corra works alongside. For communities that are fortunate to have a space for local groups to meet, there are concerns that rising bills will hinder their efforts to bring people together, promote wellbeing and combat isolation.

Music Broth received a Shift the Power Comic Relief grant in 2021. They maintain a musical instrument and equipment library and offer creative music workshops for women and non-binary people. They told us that they offer a pay as you go approach or no fees to ensure that their activities are accessible to everyone. Rising costs also have an impact on how much they can deliver, as costs have increased since they put in their funding application.

Developing Potential SCIO, received an unrestricted Henry Duncan Grant of £16,000 in 2021, are based in Oban and working with adults experiencing mental health difficulties. As a result of the pandemic, they have already seen greater numbers of people seeking support for mental health. Now they highlight that the rise in the cost of living has become a challenge. *“We commenced this work against a background of covid, and now we are seeing a crisis in costs of fuel, energy and food prices.”*

Our Commitments

Uplifts to Henry Duncan Grants

Corra recognises that many organisations will be concerned about managing increasing costs and that the value of multi-year grants will reduce as inflation soars. The value of a grant made in 2021 will be considerably less in 2022. In response to the exceptional financial circumstances, **Corra’s Trustees have agreed to a 10% uplift on Henry Duncan Grant instalments** scheduled to be paid between 26 September 2022 and 25 September 2023.

“This was a very welcome email to get this morning. We are heartened by your support, and funding, but probably most heartened to be working with a funder who sees us and is proactive in making a difference.” Broke not Broken, Henry Duncan Grant recipient

We will also work with projects funded through Partnership Drugs Initiative to understand how rising costs are impacting directly on funded activities. Where necessary we will offer uplifts to support the additional costs associated with the project delivery, for instance venue, travel and utility costs.

Supporting the sector and communities

Listening and learning from those we work alongside will continue to underpin how Corra responds and supports the sector. We understand that organisations and community groups are moving from one crisis to another. Learning from across Corra's grant making highlights that organisations used considerable resources to weather the pandemic, with staff and volunteers 'running on empty' from the challenges of the last two years. Managing running costs whilst also trying to replenish depleting reserves will continue to be a challenge for many organisations.¹

Organisations in receipt of funding from Corra are encouraged to reach out to their Grants Advisor to discuss any challenges, how the work is being impacted or flexibility that would help.

Corra along with other [Scottish Funders have come together to share commitments](#) in response to the challenges facing the sector. These also align with [IVAR's eight open and trusting grantmaking commitments](#), approaches that underpin Corra's approach and progress towards being a flexible funder:

- **Trust communities and offer flexibility** – the pandemic saw a shift to far greater trust and flexibility so that communities could shape their responses, based on their expertise. Funders will seek to build on this so that money is used when, how and where it is needed.
- **Listen to and advocate with the sector** – funders will listen to and learn from communities and third sector groups and help to amplify their voices. Listening will also help funders to improve their approaches and their contribution to bringing about positive change.
- **Take a supportive approach** – funders will encourage grant holders to reach out if they need support, information, or advice, including to discuss the impact of the cost-of-living crisis on their work and budgets.
- **Act with urgency** – where possible funders will act with urgency, particularly for small grants and work to ensure funding is distributed to groups quickly. Funders will also ensure application and reporting requirements are proportionate.

What needs to happen

Further strengthen Human Rights Based Approaches to poverty that prioritise dignity.

¹ [External-Briefing-Insights-from-Communities-and-Charities-2.pdf \(corra.scot\)](#)

Recent policy developments such as the commitment to fully incorporate the UNCRC into Scots Law, along with the planned Human Rights Bill and doubling the Scottish Child Payment mark significant progress. Human rights approaches are not *nice to haves* but should create the foundation to which all policy developments start from. Responses to poverty should centre on protecting and fulfilling people's human rights; focussing on dignity and choice such as cash-first or voucher options.

Apply an equalities lens to poverty, listen and build an understanding of the impact on, and experience of, different groups, especially those who are most marginalised.

Poverty is an intersectional issue and requires a multifaceted response. Many people face multiple adversities and responses to poverty need to understand the different barriers that lock them in poverty. This includes understanding the impact of [poverty related stigma](#), the experiences of refugees and asylum seekers, disabled people, women and single parents and the impacts on children and young people. This also requires a commitment to create opportunities for people with lived expertise to be heard and be part of the solutions for poverty.

Ensure people are shaping the change they need, supported by the resources they need to do this.

Communities were at the heart of the coronavirus pandemic response; local groups demonstrated their agility to respond to the needs of people around them and funding was directed to them with trust and efficiency. Community groups are already supporting people to cope with the impacts of poverty and will continue to be at the frontline of the cost-of-living crisis. But communities need resources and power to create meaningful change. Corra supports the Poverty Alliance's calls for increased investment in participatory budgeting, and we reiterate [our recommendations on engaging local people in local planning](#).

Community-led and participatory grant-making programmes support people and communities at the heart of designing and deciding how funds should be spent. This includes [The Equity Programme](#); a funding programme working alongside Black, Asian and Minority Ethnic communities in Scotland affected by the impact of the pandemic. This is an approach that is built on mutual trust, flexibility and relationships. Principles that are fundamental to shifting the power, amplifying voices and being an [open and trusting grant maker](#).

Provide the third sector with as much certainty and flexibility as possible in funding.

Maintaining the flexibility, simple application processes and quick payments that was delivered during the pandemic and the Winter Support Fund as a consistent approach to offering small grants. Longer term unrestricted funding will support third sector organisations to deliver their important services whilst also building their financial sustainability. There is growing recognition of the need for funders to be flexible, transparent and proportionate as they work alongside communities and the third sector. Over 100 Grantmakers have signed up to [IVAR's open and trusting grant making commitments](#).

Trust communities and get alongside them.

“What creates a strong community, it’s the people and having the space for people to come together” Community member

By getting alongside local people and partners place-based approaches provide a powerful insight into what matters to local people and what they need to make a difference. The strength and agility of communities was evident in the responses to the pandemic, where local collaboration accelerated, mutual trust increased and there was a razor-sharp focus on ensuring dignified support for those who needed it most. It’s important to harness the expertise within communities to inform long term change as well as ensuring there are accessible community spaces for local people to come together, organise and campaign for the change they want to see.

About Corra Foundation

Corra Foundation exists to make a difference to the lives of people and communities. It works with others to encourage positive change, opportunity, fairness and growth of aspirations which improve quality of life. Corra wants to see a society in which people create positive change and enjoy fulfilling lives.

In 2020 Corra launched a ten-year strategy. It is long term because making a difference on the big challenges will take time. At its heart is the strong belief that when people find their voice, they unlock the power to make change happen.

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