Paul Hamlyn
Foundation

Racial Justice Audit Analysis of Paul Hamlyn Foundation's UK Grant-making

2024/25

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Contents

Introduction 3

Background 4

- How does the racial justice audit work? 4
- Methodological changes 5
- Which grants does the audit cover? 6

Headline findings 8

PHF's racial justice funding over time 9

- Grants to benefit communities experiencing racial inequity 9
- Grants 'by and for' communities experiencing racial inequity 9

Open versus invitation-only funds 13

Portfolio-level insights 14

- Breakdown of PHF's 'by and for' funding by thematic portfolio 14
- Analysis of each thematic portfolio's funding 15

The applicant journey 20

- The number and proportion of applications made by 'led by' organisations 21
- Application approval rates for 'led by' organisations compared to 'non-led by' organisations 23

What do the results mean for our grant-making? 25

- Anti-racism, diversity, equity and inclusion at PHF 26

Introduction

This report outlines the findings of our fifth annual racial justice audit of Paul Hamlyn Foundation (PHF)'s UK grant-making for the year 2024/25. Using the toolkit provided by the Funders for Race Equality Alliance (FREA), we have been able to see the percentage of our funding on grants 'by and for' communities experiencing racial inequity each year since 2020/21.

In this report, we look at the results of the 2024/25 audit in the context of previous results, considering the changes that have been made in our grant making and opportunities for further improvement.

The publication of these results forms part of PHF's commitment as a member of FREA, as well as our organisational commitment to anti-racism and to centre diversity, equity and inclusion (DEI) across our grant-making.

Background

How does the racial justice audit work?

Completing the racial justice audit involves assessing individual grants according to three criteria. This then enables certain grants to be assigned as grants to benefit communities experiencing racial inequity, and some also to be assigned as grants 'by and for' communities experiencing racial inequity.

Table 1. Racial justice criteria

Criterion 1: Is the grant **intended to benefit** communities experiencing racial inequity?	Grants to **benefit communities** experiencing **racial inequity** meet criterion 1. Grants to organisations **'led by and for'** communities experiencing **racial inequity** meet criteria 1, 2 and 3.
Criterion 2: Is the funded organisation's **mission** and purpose to benefit people experiencing racial inequity?	
Criterion 3: Is the funded organisation **'led by'** communities experiencing racial inequity?	

Methodological changes

Defining 'led by' organisations

The definition for 'led by' organisations (criterion 3) has varied over time. The DEI Data Standard specifies that at least 75% of the Board and 50% of senior staff are from racialised communities. However, the FREA audit originally defined 'led by' organisations as those where at least 50% of the Board and 50% of senior staff came from communities experiencing racial inequity, but then raised the threshold to align with the DEI Data Standard. The FREA audit has now returned to its original majority definition again.

The figures for 'by and for' grants (those meeting all three criteria) in the charts below use the lower majority threshold for all years except 2022/23 and 2023/24 where the higher DEI Data Standard threshold is used. To enable comparison with the last two years, figures for 2024/25 'by and for' grants calculated using the higher DEI Data Standard threshold are reported in the text.

The section below on the applicant journey (which is additional analysis on data going back to 2022/23 and is not part of the FREA audit) consistently uses the higher DEI Data Standard threshold to define 'led by' organisations.

A narrower definition of 'experiencing racial inequity'

Previously, the FREA audit has taken an inclusive definition of those who experience racial inequity. This specifically included migrants, including those from EU countries, as people and communities that experience inequity, discrimination and disadvantage based on their race. However, the audit now takes a narrower definition which does not automatically include all those with experience of migration, instead asking a separate question about whether each grantholder's mission is primarily to benefit migrants. This means that some grants that would have been included as intended to benefit communities experiencing racial inequity in previous years are not this year.

A note on language: 'communities experiencing racial inequity' and 'racialised communities' are used interchangeably in this report.

Which grants does the audit cover?

In 2024/25, PHF made grants totalling £35.8m across various programmes of work as outlined in Table 2. This racial justice audit includes 80% of the total value of grants, and 71% of the total number of grants awarded.

Certain types of funding were excluded from the audit for different reasons. For instance, grants for regranting (e.g. the grant to the Helen Hamlyn Trust), grants to individuals (Nurturing Ideas and People portfolio) and grants abroad (India programme).

Table 2. PHF's grant-making in 2024/25

	Value	Percentage of value of grants	Number of grants	Percentage of number of grants
Total	**£35,756,273**	**100%**	**296**	**100%**
Total included in audit	**£28,579,344**	**80%**	**209**	**71%**
Arts portfolio	£6,500,000	18%	29	10%
Arts Education portfolio	£5,321,200	15%	35	12%
Migration portfolio	£5,510,364	15%	41	14%
Investing in Young People (IYP) portfolio	£6,980,000	20%	52	18%
Other	£4,267,780	12%	52	18%
Total excluded from audit	**£7,176,929**	**20%**	**87**	**29%**
India programme	£3,073,002	9%	39	13%
Major Grants	£761,428	2%	7	2%
Nurturing Ideas and People portfolio	£1,342,500	4%	40	14%
Helen Hamlyn Trust	£2,000,000	6%	1	0%

Of the £28.6m audited grants in 2024/25, 72% of audited funding was **open funding**, given through PHF's main funds, which are all open to unsolicited applications. Following a fund refresh for the Arts Fund and Migration Fund in 2023/24, this is the first audit that includes grants made through these re-launched funds.

The remaining 28% of audited funding was made up of **invitation-only funds**, which are awarded at the discretion of the board and staff, through invited applications or by recommendation. These include: Our Neighbourhood Fund; Development Fund; Backbone Fund; Evidence and Learning Fund; Youth Strategic Investment Fund and Youth Led Change grants.

Table 3. PHF's open funding by thematic portfolio and fund

Thematic portfolio	Open funds
Arts portfolio[1]	Arts Fund
Arts Education portfolio	Arts-based Learning Fund; Teacher Development Fund
Investing in Young People (IYP) portfolio[2]	Youth Fund
Migration portfolio	Migration Fund

1 Prior to the fund refresh and relaunch of the 'Arts Fund' in 2024 this was the Widening Access and Participation in the Arts portfolio.

2 Unlike the other thematic portfolios, the Investing in Young People (IYP) portfolio includes invitation-only funds. 47% of the total value of IYP grants analysed for the audit was open funding (Youth Fund) and 53% was invitation-only funding (Youth Fund Follow-On Funding, Youth Strategic Investment Fund, Youth Led Change grants).

Headline findings

Funding to benefit communities experiencing racial inequity

32% of PHF's audited funding went to grants seeking to benefit communities experiencing racial inequity; a decrease compared to previous years, perhaps at least partly reflecting the racial justice audit's new narrower definition of experience of racial inequity.

Funding on grants 'by and for' communities experiencing racial inequity

17% of funding went to grants to organisations 'led by and for' communities experiencing racial inequity using the majority definition of 'led by', which is largely comparable to previous years.

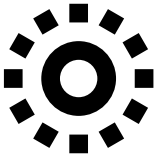
Grants 'by and for' racialised communities were of a similar average size and length to 'non-by and for' grants, closer than has previously been the case.

Applications

The number of applications to PHF open funds increased by 14% since last year but there was also a 65% increase in the number of applications from organisations 'led by' communities experiencing racial inequity, which comprised 15% of all applications received (up from 10% last year).

Approval rates

The overall approval rate for applications to PHF's open funds from organisations 'led by' communities experiencing racial inequity was again higher than for organisations not 'led by' communities experiencing racial inequity (19% compared to 13%).



PHF's racial justice funding over time

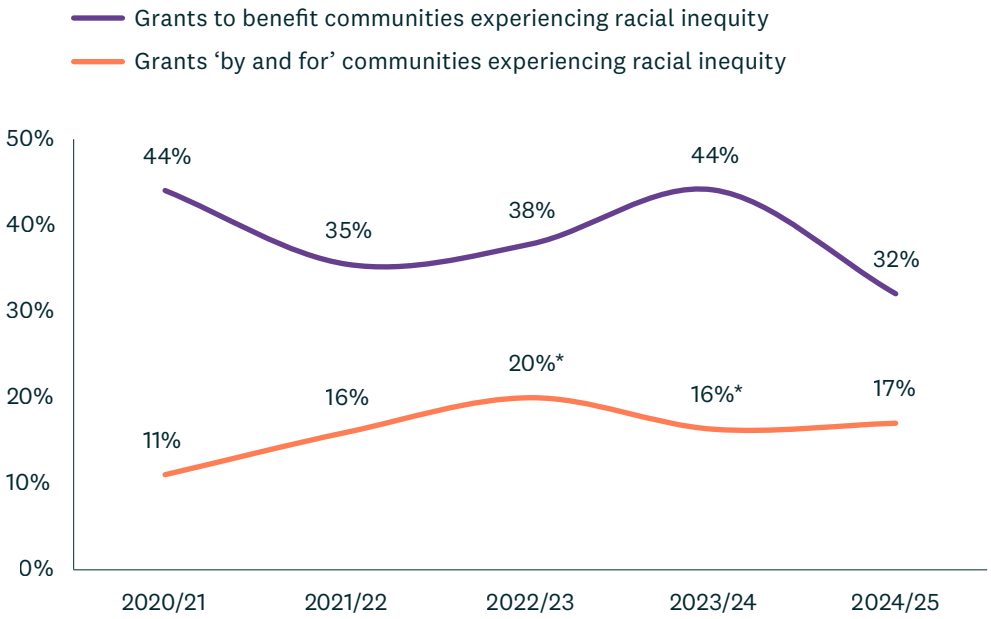
Grants to benefit communities experiencing racial inequity

Just under a third (32%) of the £28.6m value of grants audited in 2024/25 went on work to benefit communities experiencing racial inequity (Chart 1). This is lower than in previous years, likely reflecting the narrower definition of communities experiencing racial inequity which no longer automatically includes all those with experience of migration, as discussed above.

Grants 'by and for' communities experiencing racial inequity

Chart 1 also shows the level of funding over time spent on grants 'by and for' communities experiencing racial inequity. Using the majority definition of 'led by' organisations, the proportion of funding (17%) going to 'by and for' grants in 2024/25 was comparable to previous years, whilst with the higher threshold for 'led by' organisations consistent with the DEI Data Standard (see p5), it dropped to 13%.

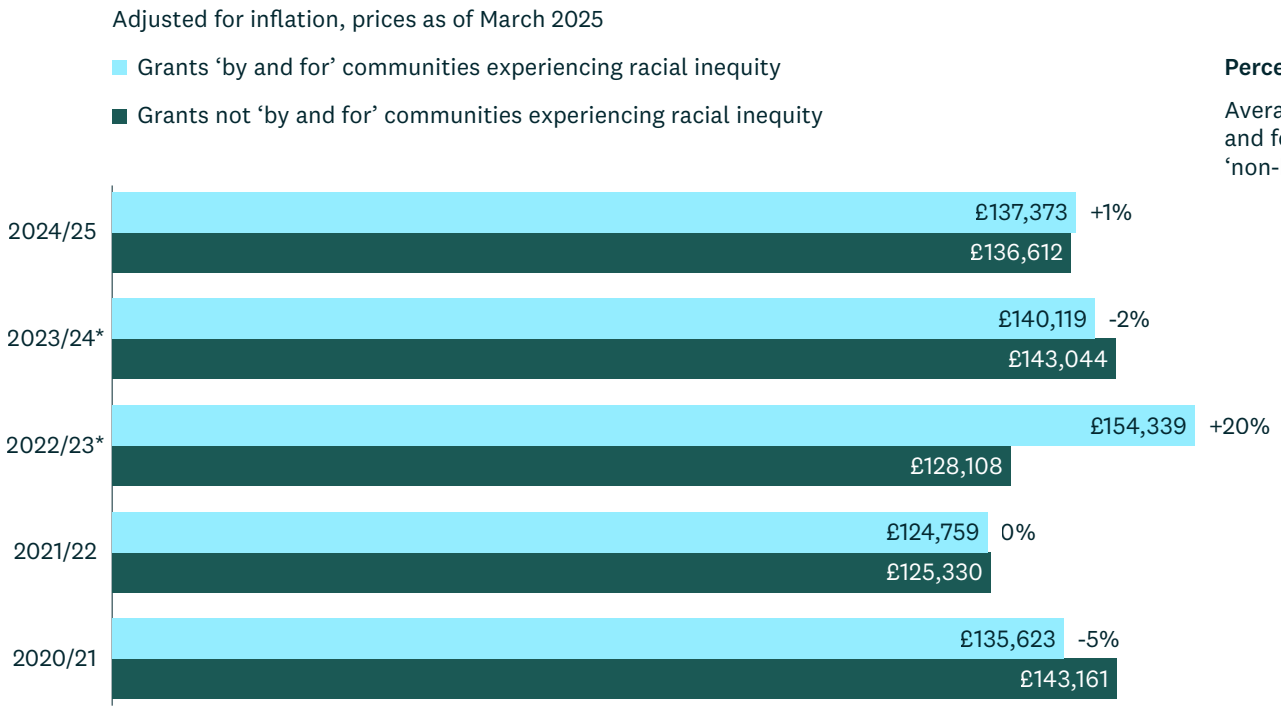
Chart 1. Percentage of the value (£) of all audited funding on grants to benefit communities experiencing racial inequity and grants 'by and for' communities experiencing racial inequity



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

In 2024/25 the average grant 'by and for' racialised communities was very similar in size and length to 'non-by and for' grants. Using figures adjusted for inflation prices, it was 1% higher in value than the average 'non-by and for' grant (Chart 2).

Chart 2. Average grant size



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

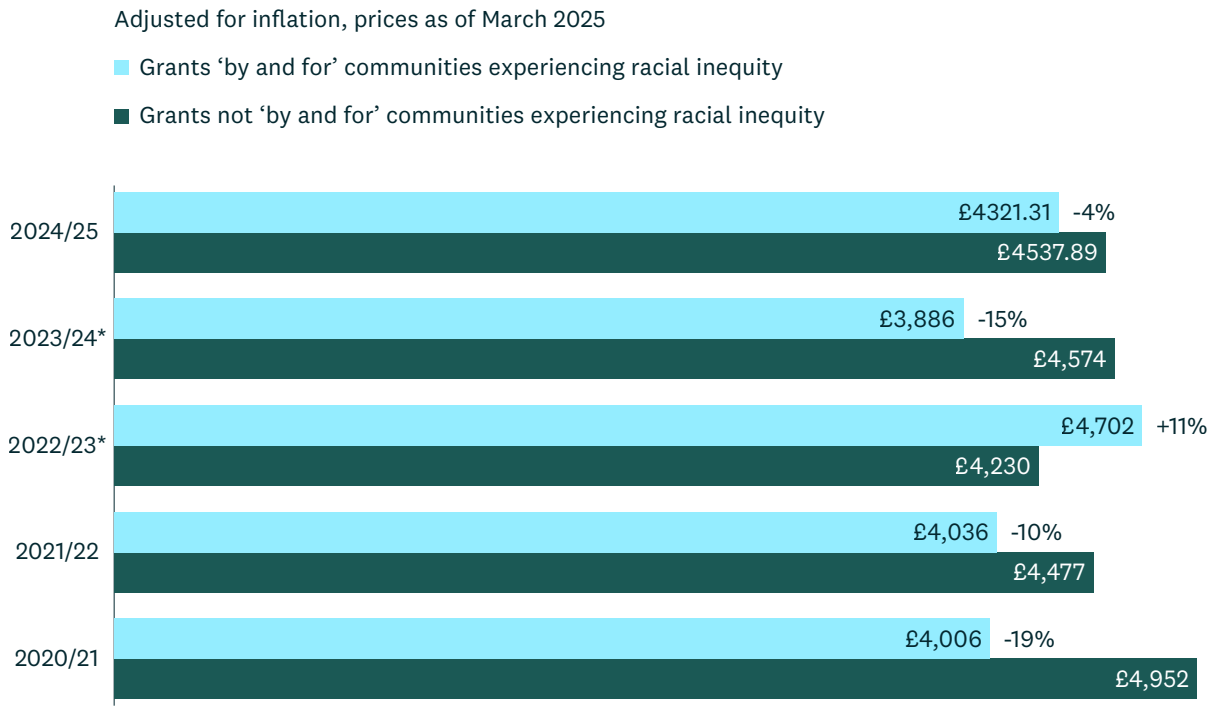
In 2024/25 'by and for' grants were on average 1% longer than 'non-by and for' grants, compared to the previous year when 'by and for' grants were on average 12% longer.

Chart 3. Average monthly grant duration (months)

*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

The average monthly grant size for 'by and for' grants was 4% lower than the average monthly grant size for 'non-by and for' grants.

Chart 4. Average monthly grant size



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

Open versus invitation-only funds

In 2024/25, 72% of the total value of PHF's UK grant-giving analysed for the audit was open funding, given through PHF's main funds, which are all open to unsolicited applications.

Invitation-only funding accounted for 28% of the total value of the audited grants. In terms of the number of grants, open funding accounted for 61% and invitation-only for 39% of grants audited.

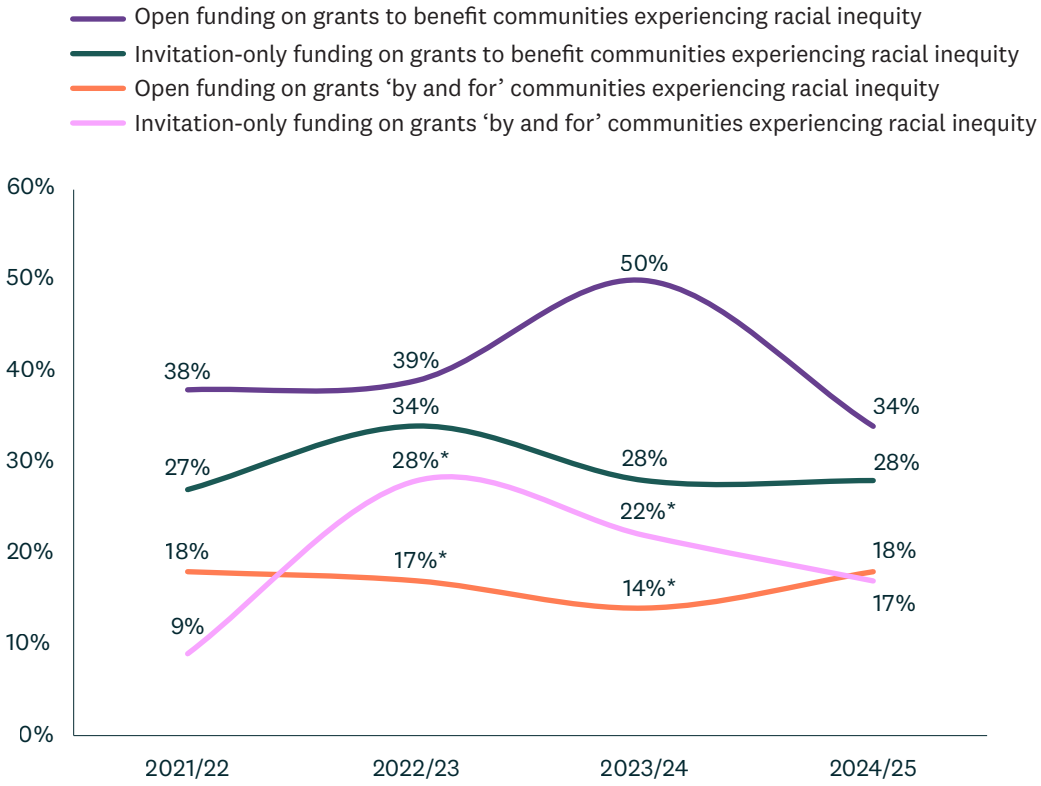
Comparing the findings over time (Chart 5) shows that the percentage of open funding awarded to grants to benefit racialised communities has fallen from 50% in 2023/24 to 34%, just below 39% in 2022/23 and 38% in 2021/22.

This drop may at least partly reflect the narrower definition of communities experiencing racial inequity which no longer automatically includes all those with experience of migration, as discussed previously.

It also indicates an apparently one-off marked increase in open funding to benefit racialised communities in 2023/24, as seen across the portfolios, particularly in Arts and Migration (see charts 7 and 9).

The percentage of invitation-only funding on grants to benefit racialised communities remained largely similar over time, at 28% in 2024/25 and 2023/24. Compared to previous years, a similar percentage of open and invitation-only funding (18% and 17% respectively) went on 'by and for' grants using the lower threshold definition of 'led by' organisations.

Chart 5. Percentage of the value (£) of open and invitation-only funding to benefit communities experiencing racial inequity and on grants 'by and for' communities experiencing racial inequity



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

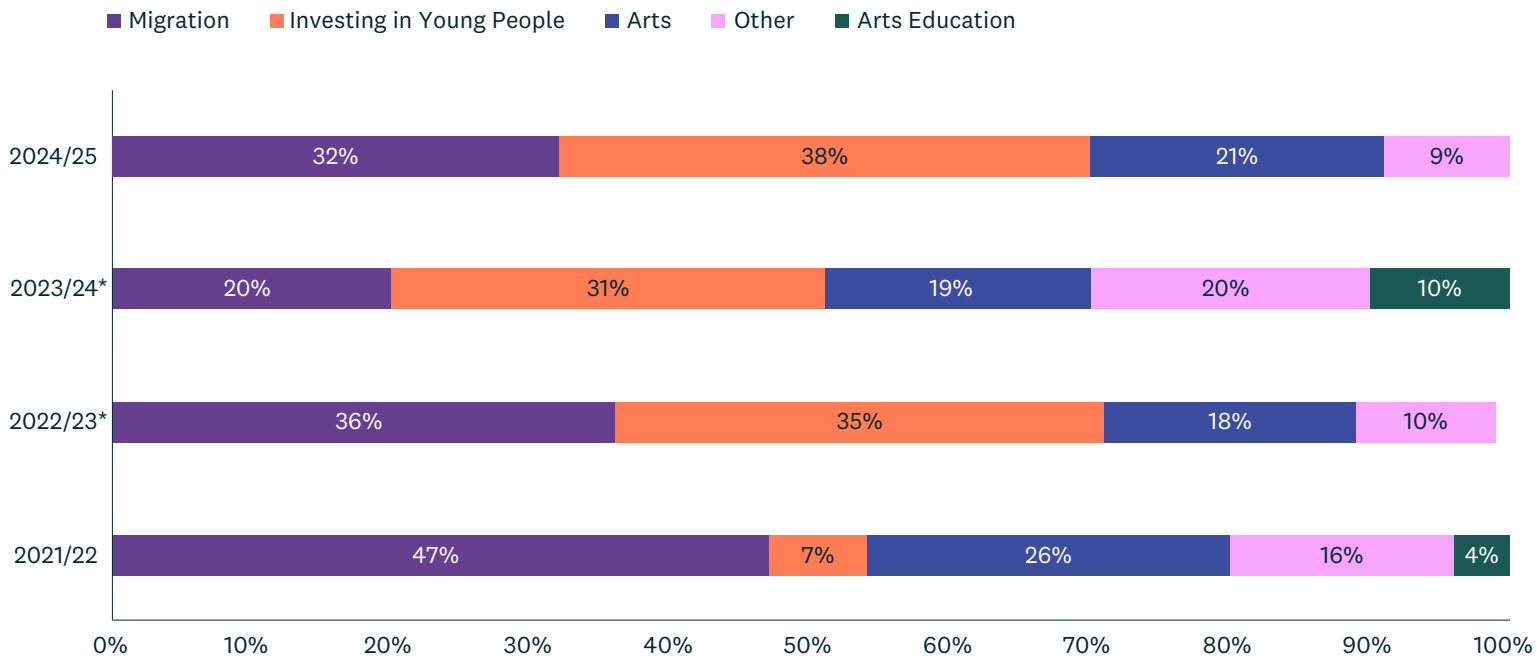
Portfolio-level insights

Breakdown of PHF's 'by and for' funding by thematic portfolio

As we have seen, 17% of PHF's audited funding (both open and invitation-only) went on 'by and for' grants in 2024/25 (Chart 1). Looking at how PHF's 'by and for' funding was split across thematic portfolios shows considerable change since 2021/22 (Chart 6).

In 2024/25, the distribution was most similar to 2022/23, with approximately 70% of 'by and for' funding split between the Migration and Investing in Young People portfolios in both years.

Chart 6. All PHF funding (open and invitation-only) on 'by and for' grants categorised by thematic portfolio[3]



3 'Other' refers to the funds outside the main portfolios, made up of the majority of PHF's invitation-only funds. The only other portfolio within the audited funding which includes a portion of invitation-only funding is the IYP portfolio.

*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

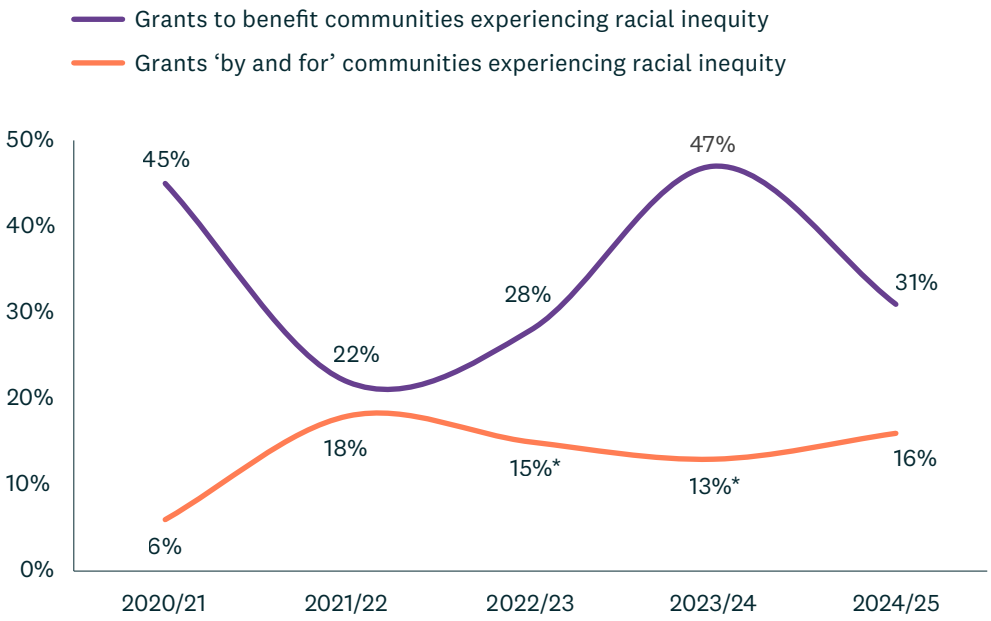
Analysis of each thematic portfolio's funding

Focusing on the percentage of each portfolio's funding awarded to grants 'by and for' racialised communities each year shows a varying picture across the portfolios.

The Arts portfolio (Chart 7), shows a considerable drop from 47% to 31% in the percentage of funding on grants to benefit communities experiencing racial inequity since last year. 16% of funding went on 'by and for' grants, or 7% using the higher DEI Data Standard threshold.

In 2024, the Arts Access and Participation Fund was relaunched as the Arts fund, which seeks to support organisations who are working at the intersection of art and social change.

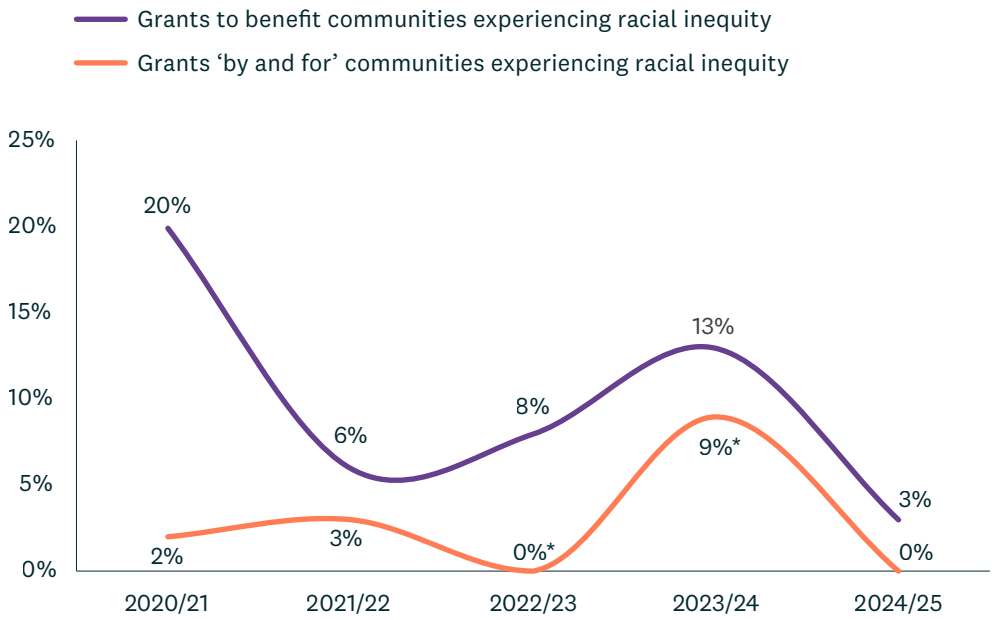
Chart 7. Percentage of Arts portfolio funding on grants to benefit communities experiencing racial inequity and grants 'by and for' communities experiencing racial inequity



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

The Arts Education portfolio (Chart 8) saw a drop in funding on grants to benefit communities experiencing racial inequity to one grant (3% of funding) and a drop to zero 'by and for' grants, after three were made last year. The small number of grants meeting the criteria in this fund mean that even very small changes in the number of grants may look dramatic in percentage terms.

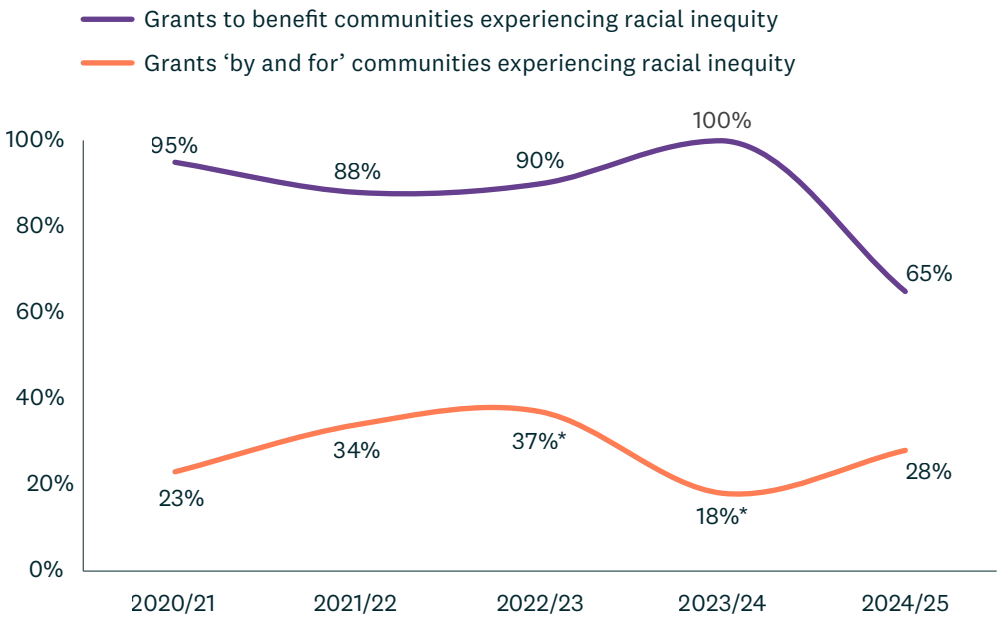
Chart 8. Percentage of Arts Education portfolio funding on grants to benefit communities experiencing racial inequity and grants 'by and for' communities experiencing racial inequity



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

Just under two thirds (65%) of Migration portfolio grants were intended to benefit communities experiencing racial inequity (Chart 9), reflecting the narrower definition of racial inequity which no longer automatically includes all those with experience of migration. However, the percentage of funding on 'by and for' grants increased from 18% to 28%, or 16% with the higher DEI Data Standard threshold.

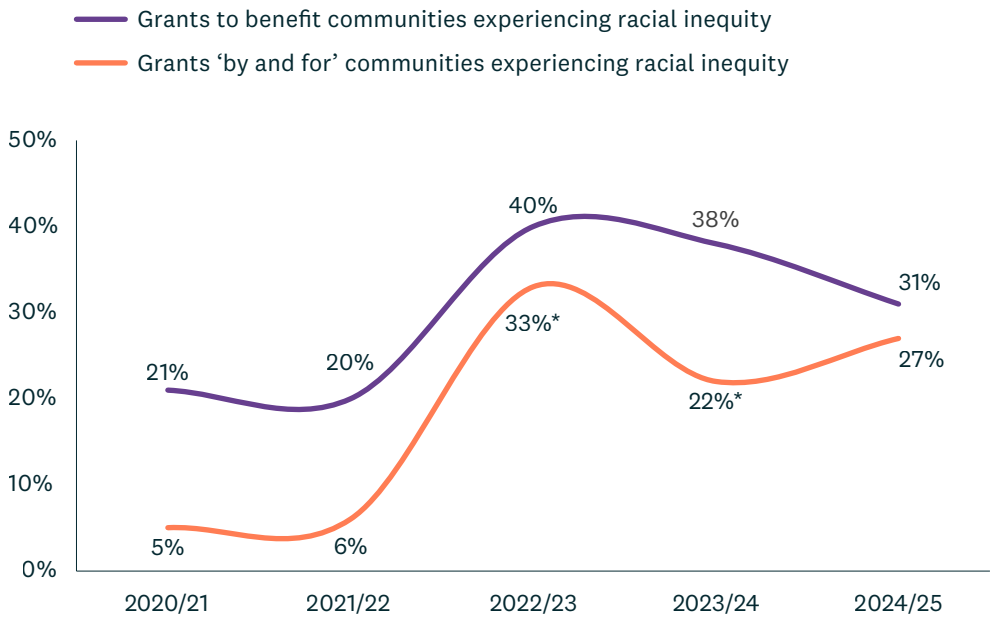
Chart 9. Percentage of Migration portfolio funding on grants to benefit communities experiencing racial inequity and grants 'by and for' communities experiencing racial inequity



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

Chart 10 shows that 31% of funding from the Investing in Young People (IYP) portfolio went on grants to benefit communities experiencing racial inequity, a smaller decline than the other portfolios have seen compared to last year. As with the arts and migration portfolios, the proportion of funding on 'by and for' grants increased slightly to 27%, and was the same whichever definition of 'led by' is applied.

Chart 10. Percentage of Investing in Young People funding on grants to benefit communities experiencing racial inequity and grants 'by and for' communities experiencing racial inequity

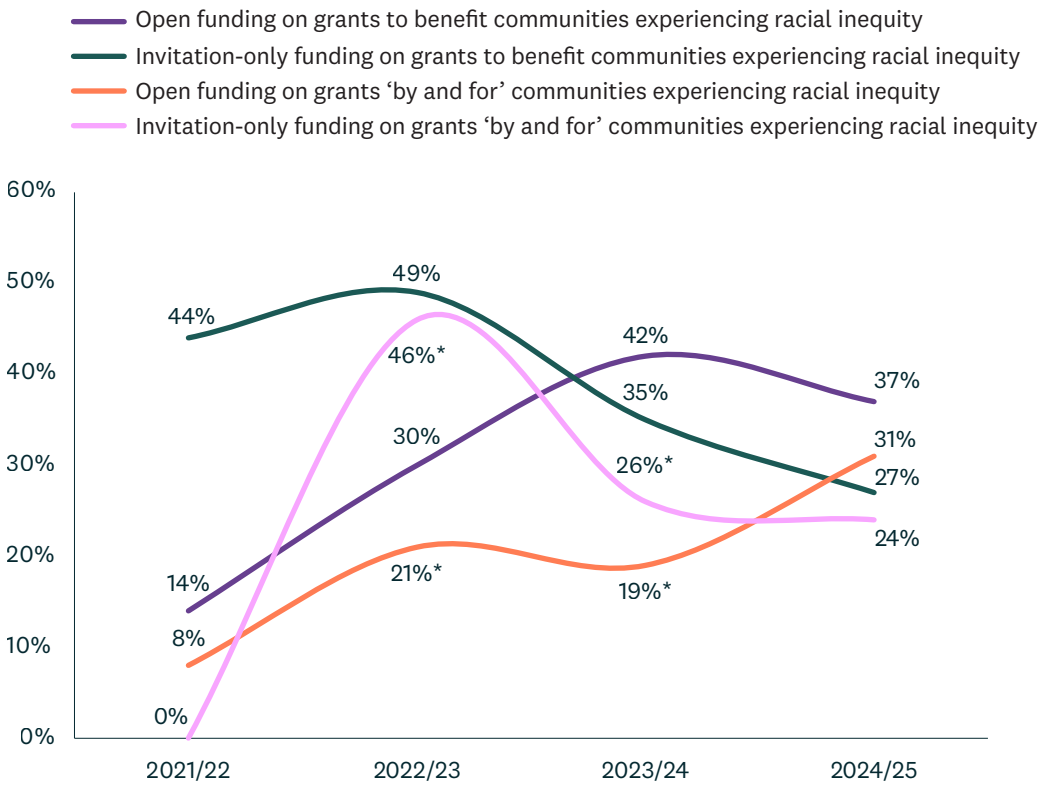


*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

In contrast to the other portfolios, the IYP portfolio includes both open funding (47%) and invitation-only funding (53%). This year, there was a decline compared to last year for both open and invitation-only funding to benefit racialised communities (reflecting the narrower definition). However, open funding on 'by and for' grants increased from 19% to 31%, accounting for the 5% increase in 'by and for' funding in the youth portfolio overall (Chart 10).

Contrary to previous years, Chart 11 shows that IYP's open funding was more likely than its invitation-only funding to go to grants to benefit racialised communities or on 'by and for' grants. The proportion of open funding going to 'by and for' grants increased to 31%, which was the same whether the majority or higher threshold definition of 'led by' was used.

Chart 11. Percentage of open and invitation-only Investing in Young People portfolio funding on grants to benefit communities experiencing racial inequity and grants 'by and for' communities experiencing racial inequity



*Figures calculated using the higher DEI Data Standard threshold to define 'led by'; all other years use the majority definition

The applicant journey

The earlier sections looked at all funded organisations. This section focuses on applications (both successful and unsuccessful) to our open funding.

In 2024/25, decisions were made on 885 applications to our open funds (up from 778 applications in 2023/24). This resulted in 128 grants (117 grants in 2023/24). Applications that were still pending at the end of the financial year are excluded from this analysis.

The analysis below focuses on whether applicant organisations are 'led by' those from communities experiencing racial inequity. For consistency with previous years, charts in this section use the higher threshold DEI Data Standard definition of an organisation being 'led by' racialised communities (at least 75% of the Board and 50% of senior staff are from communities experiencing racial inequity).

The number and proportion of applications made by 'led by' organisations

Chart 12 shows that overall, PHF open funds received 107 more applications in 2024/25 compared to 2023/24 (an increase of 14%). Notably, there was a significantly greater increase in applications from organisations 'led by' racialised communities in 2024/25; a 65% increase compared with the previous year, versus a 3% increase in applications from organisations 'led by' racialised communities the year prior. In total, there were 129 applications from organisations 'led by' racialised communities in 2024/25.

Chart 12. Number of applications by fund and applicant organisation type

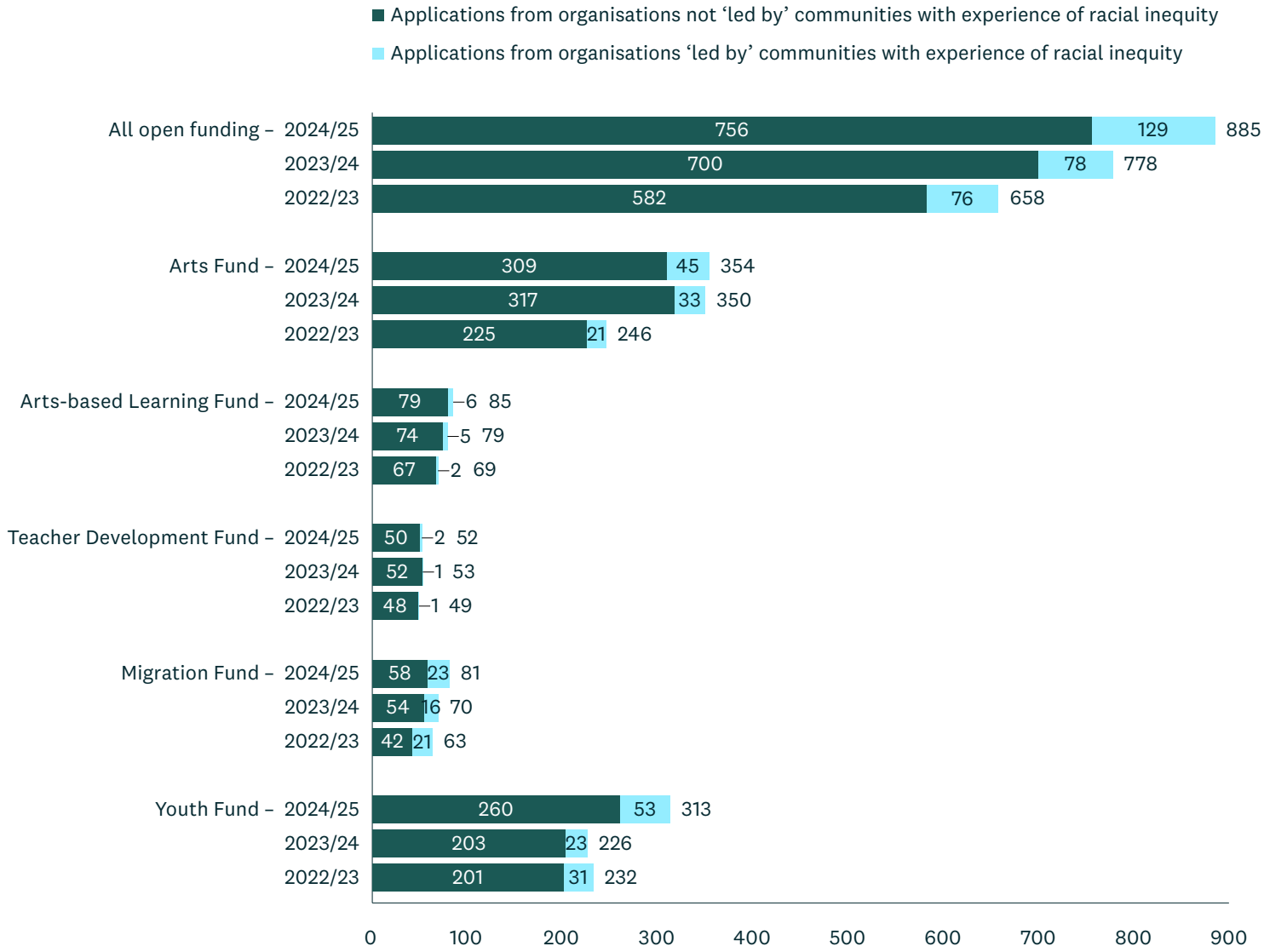
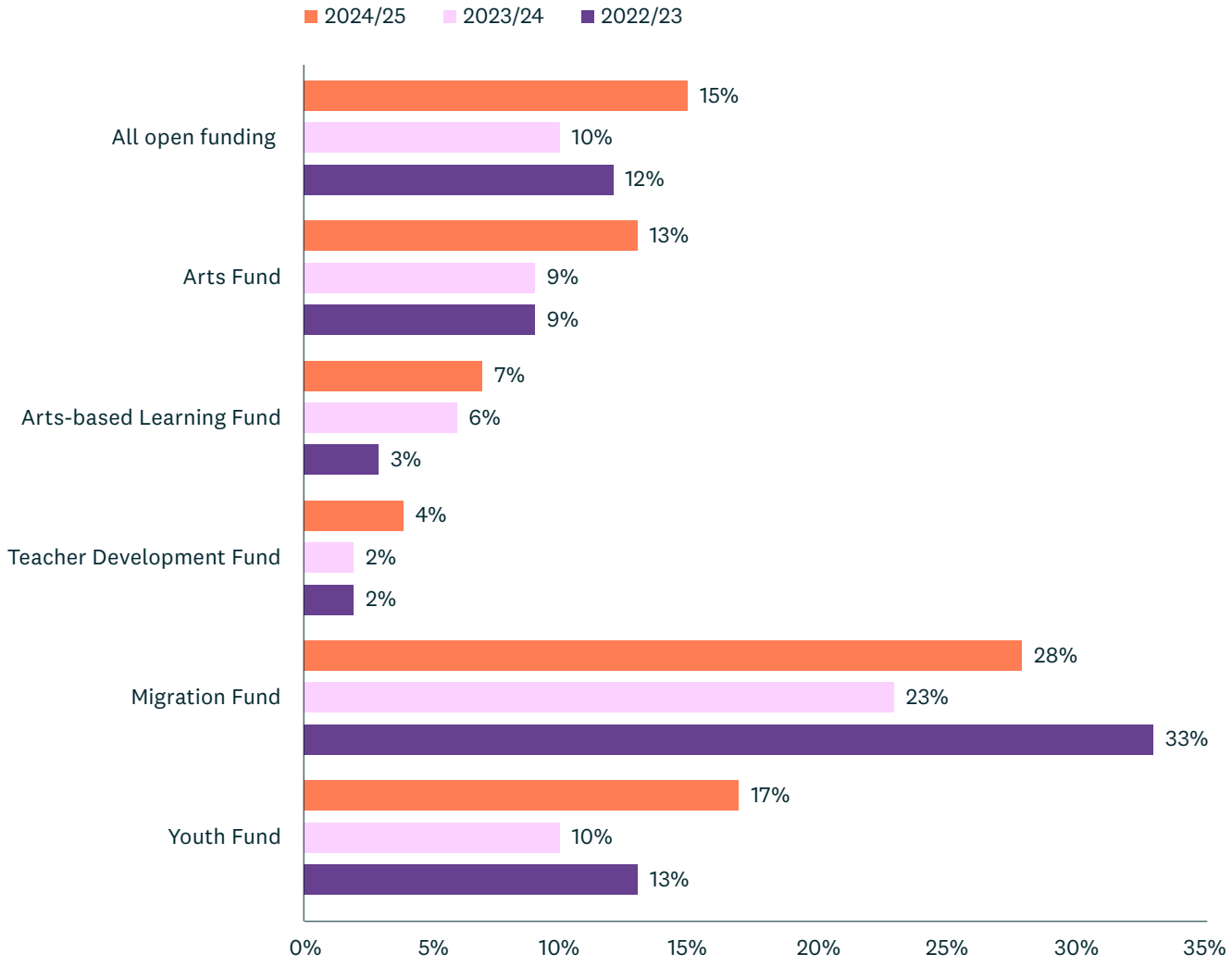


Chart 13 shows that the percentage of all applications received that were from 'led by' organisations increased from 10% to 15%.

The Youth Fund experienced both a 38% increase in the number of applications received (Chart 12), and an increase in the percentage of applications from 'led by' organisations (from 10% to 17%) (Chart 13).

Chart 13. Percentage of applications received from organisations 'led by' communities experiencing racial inequity



Application approval rates for 'led by' organisations compared with 'non-led by' organisations

Chart 14 compares the application approval rates by the applicant organisation's leadership over time. As in previous years, the approval rate in 2024/25 for applicants from organisations 'led by' racialised communities was considerably higher (19% compared to 13%) than for 'non-led by' organisations.

There is evidence of a slight trend towards lower approval rates across all categories over time, which likely reflects the increase in the number of applications versus the available budget over these years.

Chart 14. Application approval rates by organisation leadership over time

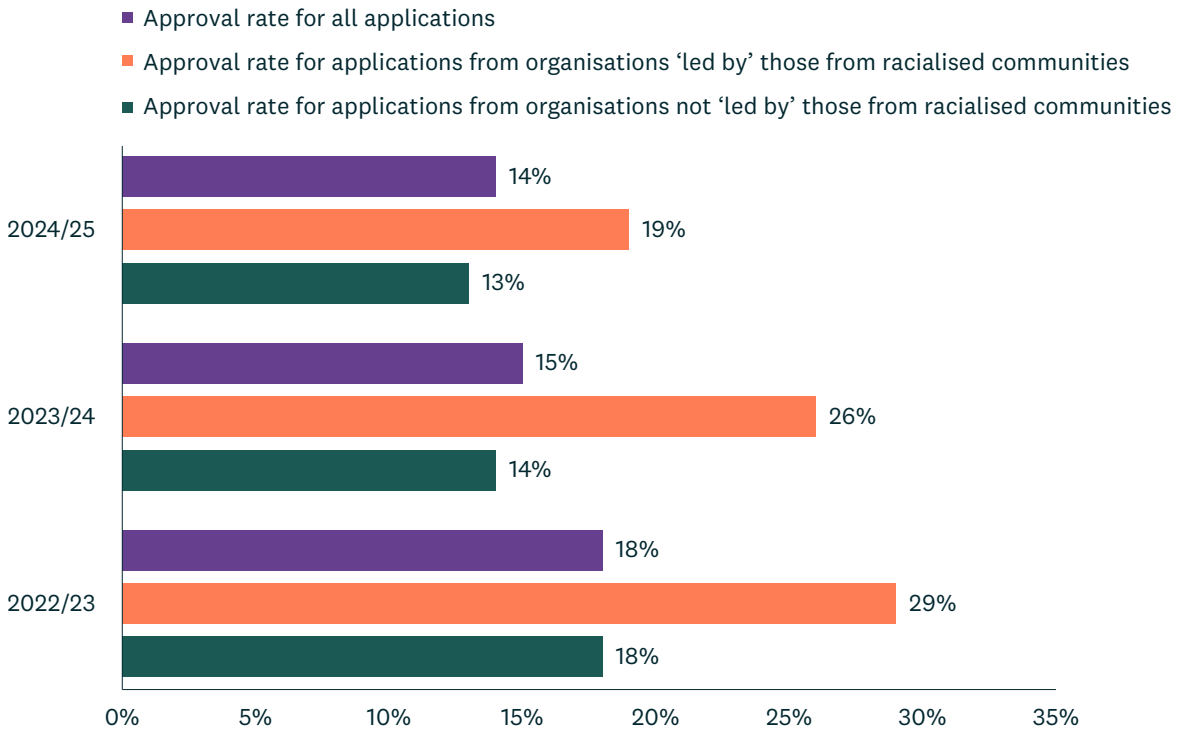
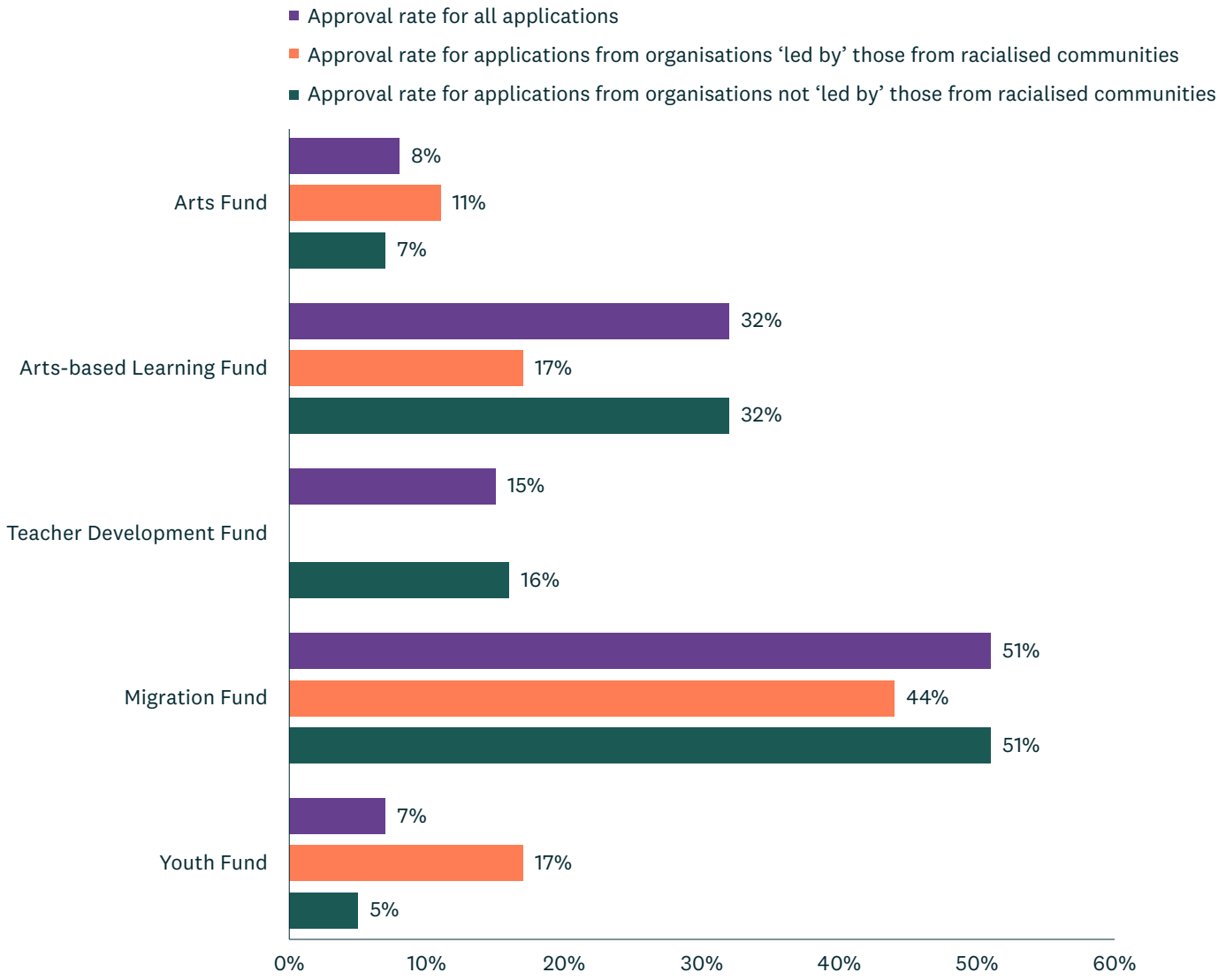


Chart 15 shows application approval rates by organisational leadership for 2024/25 by fund, revealing some variation between them.

As with applications overall, for the Arts Fund and Youth Fund, the approval rate for applicants from organisations 'led by' racialised communities was considerably higher than for those from 'non-led by' organisations. In contrast, for the Arts-based Learning Fund the approval rate for 'led by' organisations was 17% compared to almost twice this (32%) for 'non-led by' organisations, whilst the Teacher Development Fund had an approval rate of 0% for 'led by' organisations. However, these two funds received just six and two applications respectively from 'led by' organisations. The low number of applications from 'led by' organisations to these funds is likely to reflect the fact that there are relatively low numbers of 'led by' schools and arts organisations that work in schools.

Chart 15. Application approval rates by fund and organisation leadership, 2024/25



What do the results mean for our grant-making?

We have now completed a racial justice audit of our grant-making five times. Each year, we continue to learn new insights about the extent to which our grant-making is or isn't reaching communities experiencing racial inequity that were not immediately obvious to us without the wider overview and distance provided by reflecting on this data.

Over this period, both we and FREA have sought to improve the reliability and robustness of the racial justice audit through various methodological changes in how the data is collected, analysed and reported on. Last year at PHF, we refined the sampling to ensure that we are comparing like with like each year, and consistently auditing the same type of grants (for instance we analyse DEI data relating to our grants for individuals elsewhere).

This year, FREA's decision to define communities experiencing racial inequity more narrowly, and to separate out experience of migration, seems a sensible approach to increasing the accuracy of our understanding of the extent of funding intended to benefit racialised communities. In the short-term, however, this change makes it difficult to ascertain to what extent the drop from 44% to 32% we recorded in our audited funding going to grants to benefit racialised communities reflects an actual drop, and to what extent it reflects the narrower definition.

The definition of 'by and for' organisations is likely to be largely unaffected by this change since it refers only to the narrower subset of organisations also 'led by' those with experience of racial inequity. Using the higher DEI Data Standard definition of 'led by', the proportion of 'by and for' funding dropped slightly, whilst using FREA's majority 'led by' definition there was a similar proportion of funding going to grants 'by and for' communities experiencing racial inequity this year compared to previous years.

Reporting on two definitions of 'led by' organisations may seem overly complicated, however it is a good reminder that being 'led by' is not an objectively agreed status. Some organisations may self-define as 'led by' despite not meeting a particular threshold, whilst others may be unaware that they meet the threshold. Meeting particular criteria also does not in itself entail that an organisation has an anti-racist approach or culture. Including data for both definitions of 'led by' is therefore useful for enabling a more nuanced understanding of the extent of funding going to racialised communities.

Like many funders, we have received rising numbers of applications to our open funds showing consistent evidence of increased need and a lack of available funding in areas that we work in. The number of applications to our open funds increased by 18% between 2022/23 and 2023/24, and by 14% from 2023/24 to 2024/25.

Over this period, we have made efforts to improve the accessibility and clarity of intent in our funding – for example, through our new website and branding, and in the design of our new Migration and Arts funds. We have also sought to ensure that applicants are clear about their eligibility before completing a full application, for instance by having enquiry calls as part of the application process for the Migration Fund and having an eligibility quiz for the Arts-based Learning Fund.

Positively for our efforts to increase funding to 'led by' organisations, there has been a significant increase (from 10% to 15%) in the percentage of applications we have received from organisations 'led by' communities experiencing racial inequity. The overall approval rate for applications to PHF's open funds from organisations 'led by' communities experiencing racial inequity was again higher than for organisations not 'led by' communities experiencing racial inequity (19% compared to 13%). Our funds with the lowest approval rates overall have comparatively higher approval rates for 'led by' organisations.

We will continue to analyse our audit results and wider relevant data to determine how we can further action changes across our funds and our grant-making practices in line with our commitment to being an anti-racist funder.

Anti-racism, diversity, equity and inclusion at PHF

At PHF, we are committed to centring diversity, equity and inclusion (DEI) across our grant-making and our organisation, along with our commitment to being an anti-racist funder. Read more about our approach.

We welcome feedback on our approach and on this report. You can get in touch with us at dei@phf.org.uk or complete this anonymous survey.

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