





The Economic Downturn and the Black, Asian and minority ethnic (BAME) third sector

An evidence-based report looking at challenges and responses to the recession by London's BAME and equality third sector

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Executive Summary

This report presents the findings of a research study that was carried out between February and May 2009 by **MiNet** and supported by **HEAR**, the two regional networks based at **Race on the Agenda** (ROTA). **ROTA** is one of Britain's leading social policy think-tanks focusing exclusively on issues that affect Black, Asian and minority ethnic (BAME) communities. Originally set up in 1984, **ROTA** aims to increase the capacity of BAME organisations and strengthen the voice of BAME communities through increased civic engagement and participation in society.

The report aims to complement similar studies that are being carried out in the third sector and beyond by focusing on the following three areas:

- BAME and equality third sector
- London
- Impact of the recession and recommendations for policy making and action.

As localised community groups serve the most disadvantaged members of the community, the BAME and equality third sector is affected by the present recession in different ways that need to be documented and shared with the relevant London strategic partners. Action needs to be taken and best practice highlighted. The contribution of the sector to the economy also needs to be highlighted and existing and additional challenges need to be taken into account when setting up local, regional and national resilience plans.

Key Findings:

FUNDING CUTS AS A RESULT OF THE RECESSION ARE IMPACTING ON BAME THIRD SECTOR SERVICES AND CONSEQUENTLY ON BAME COMMUNITIES

- Funding cuts have been widespread across the third sector as a result of the recession and have impacted significantly on London's specialist services. In some cases this has resulted in losses up to 1/5th of a BAME charity's annual income. The BAME communities that are served by the third sector especially BAME young people, refugee and migrant communities have an increased need for services due to the recession; and at present, this is not being adequately met.
- BAME third sector organisations are seeing an increase in demand for services in areas such as hate crime, job seeking, interpreting, volunteering opportunities, CV writing and benefits advice. BAME organisations working with the elderly reported increased levels of poverty resulting in service users being unable to buy food and cover basic living costs such electricity and water.

BAME THIRD SECTOR ORGANISATIONS ARE HAVING TO INTRODUCE NEW AREAS OF WORK TO KEEP UP WITH THE DEMANDS OF THEIR SERVICE USERS

 Despite experiencing cuts in statutory and public funding, the BAME third sector is experiencing high increases in need for its services. In addition,

- organisations are having to introduce new areas of work such as unemployment counselling and jobs skills training.
- Specialist BAME groups are receiving an influx of referrals from generic mainstream organisations are also struggling to meet the demands and needs of BAME individuals in a difficult economic climate.
- Unlike generic third sector organisations, the BAME third sector has little recognised and/or adequate support from many local authorities and as a result organisations are signposting members of BAME communities to other local generic agencies for help during the recession. These are not always able to provide a specialised service.

BAME THIRD SECTOR ORGANISATION'S ABILITY TO DIVERSIFY THEIR INCOME STREAMS ARE BEING HINDERED BY THE ECONOMIC DOWNTURN

 Over 50% of the London BAME third sector organisations that took part in the survey reported a substantial reduction in the level of income they generated through other services since the recession (e.g. through hot-desking or renting office space).

THERE IS A FEAR IN THE BAME THIRD SECTOR THAT GOVERNMENT HELP DURING THE RECESSION WILL NOT REACH ORGANISATIONS CATERING TO THE NEEDS OF THE MOST MARGINALISED BAME COMMUNITIES

- There is a major concern that Government aid pumped in to help the third sector to buffer the impact of the recession risks not reaching the BAME third sector in London as a result of bureaucracy, lack of support, information and without using organisations with a BAME knowledge base there is little recognition of the unique needs of BAME communities.
- There is widespread concern that even if funding is maintained for the third sector it will not reach local BAME groups and will be received by larger organisations that are not connected with the needs of London's BAME communities.

SECTIONS OF THE BAME THIRD SECTOR ARE WORKING IN SILO FROM THE BIGGER MAINSTREAM PROVIDERS AND FEEL ISOLATED AS A RESULT

Sections of London's BAME third sector feel isolated from the workings of large mainstream third sector networks and organisations especially those with a regional remit. Subsequently, these organisations feel that mainstream organisations are not well placed to act on their behalf with regards to how the recession is impacting on their services and users.

MANY INFRASTRUCTURE ORGANISATIONS ARE FAILING TO MEET THE NEEDS OF FRONTLINE BAME AND OTHER EQUALITY THIRD SECTOR ORGANISATIONS DURING THE RECESSION

 Smaller BAME groups feel isolated because of inadequate infrastructure and think that regional bodies should be engaging with local sub regional BAME networks that will address their needs and support the BAME third sector.

Key Recommendations:

THERE IS A NEED FOR A MORE CO-ORDINATED, JOINED UP APPROACH TO WORKING IN THE SPECIALIST THIRD SECTOR

- The BAME third sector needs to adopt a more strategic and sustained approach to co-operative working to ensure that it continues to provide specialised and adequate services to BAME communities.
- Infrastructure support to the BAME sector needs to be improved by being more creative and focused. Groups called for direct support for the core running of their work such as internal and financial administration, through shared and coordinated resources and staff, rather than training days that were viewed of having little constructive use and they themselves didn't have the capacity to attend or put into practice.

THERE IS A NEED FOR INCREASED FUNDING IN THE BAME THIRD SECTOR.

 Due to the increased need for BAME and specialist third sector services with capacity to deliver, funding should not only be maintained but increased for the BAME third sector.

NATIONALLY, ROTA NEEDS TO PROVIDE A FORUM THROUGH WHICH FUNDERS AND THE BAME THIRD SECTOR CAN EFFECTIVELY COMMUNICATE AND SHARE INFORMATION

As an organisation with a national remit, evidence from this London focused study suggests that there is a need for ROTA to ensure that there are effective forums through which funders and specialist third sector organisations can have open dialogue. This should be done at a national level with a view to building up mutual trust and better understanding of the needs of the BAME and equality third sector.

REGIONALLY, THERE IS A NEED FOR INFRASTRUCTURE NETWORKS SUCH AS MINET AND HEAR AND EQUALITIES NETWORKS TO ASSIST BAME NETWORKS TO EXTEND THEIR REACH

- As regional networks, there is a need for MiNet and HEAR to explore helping London-based BAME sub-regional and local networks to forge necessary external links that would build up the infrastructure of the BAME and equality third sector, for instance, through partnership working and volunteering.
- More work needs to be done by infrastructure organisations and networks to work directly with, and offer appropriate support to, BAME service delivery organisations. Infrastructure organisations need to facilitate more partnership working within the sector, whilst also illustrating to funders that such partnerships require funding to allow the work of organisations to continue. Partnership working should not mean reduced funding to an organisation's ability to provide services.

MINET NEEDS TO BE MADE SUSTAINABLE TO ENSURE IT IS ABLE TO PROVIDE A VOICE FOR LONDON'S BAME THIRD SECTOR

It was highlighted that MiNet as regional specialist network needs to be strengthened so that it continues serving as the voice of London's BAME third sector. It must be accountable to the BAME third sector organisations that it serves and be fully transparent.

FURTHER RESEARCH IN THIS AREA SHOULD CONTINUE AND GUIDANCE AND BEST PRACTICE BE DISSEMINATED TO THE SECTOR AND BEYOND

London BAME third sector welcomed this research as a good starting point as it provided them with an opportunity to discuss, share and inform respective London stakeholders about the impact of the recession on the sector. However, the organisations involved emphasised the need for the research to continue further and go on to advocate for much needed support and resources to sustain the sector and inform the BAME third sector of plans and potential collaborative approaches to tackle the economic downturn.

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