



BAME Business Owners
Black, Asian & Minority Ethnic Business Owners

All Party Parliamentary Group for BAME Business Owners

BAME Business Owners COVID-19 RESPONSE



Voice from the Grassroots Consultation Findings Summary Report

Written by Diana Chrouh

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Dedicated to Iceline Chrouh

Visionary, selfless trailblazer and hard worker – like all the mothers and fathers of the Windrush generation



The All Party Parliamentary Group for BAME Business Owners engaged widely with BAME businesses and trade associations in order to ensure we heard primary source evidence from BAME business owners across as many groups, regions and industry sectors as possible.

This was a 'listening exercise' with a methodology that unlocked unique insights into the challenges faced by BAME owned business during the COVID pandemic. The intention was to compile a qualitative report with evidence that policy makers might use in introducing new policy and calibrating existing policy.

BAME owned businesses were disproportionately affected especially in terms of the numbers of deaths and devastating financial impact. They have been very much on the frontline throughout the pandemic.

This report has discovered structural inequalities in the small business eco system that the COVID pandemic exacerbated. Ultimately the impact of these inequalities meant that there were gaps in the government's measures to adequately address the emergency needs of BAME business owners during this period. These issues need to be urgently addressed if we are "to level up and build back better".

This report was compiled against the background of the global impact of the "Black Lives Matter" campaign.

The Consultation reveals the following responses to the government's COVID-19 Emergency Measures:

- **HEALTH AND SAFETY** - BAME owned businesses felt there was no tailored health and safety guidance to address elevated risks of death or serious health implications for themselves, their families and communities. This is despite the fact that BAME led businesses are disproportionately represented in sectors that could not work from home and where multi-generational households increase the risk of exposure to coronavirus.
- **FINANCIAL SUPPORT** - BAME business enterprises suffered disproportionate financial difficulties as a result of an inability to access government finance measures. Two thirds of the consultation's respondents reported that they encountered barriers and were unable to access financial assistance. The crisis amplified long standing systemic challenges engaging with key financial and state institutions that were central to the gov-ernment's mechanisms for delivering financial support.
- **COMMUNICATION GAP** - Two thirds of respondents reported that they did not find government messaging clear enough. They also reported issues with the 'one size' monoculture which created cultural and practical barriers including language and IT problems. The existing communication channels did not fully engage, reach and meet the needs of diverse BAME business communities.

Executive Summary

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- **BUSINESS SUPPORT** – BAME business owners report that there was a general lack of targeted guidance about what resources were available for BAME business owners and there was not enough practical help to access government support for those that needed it. Moreover they reported that traditional business support organisations do not offer culturally responsive services to help address the challenges they face.
- **DATA AND MONITORING** - anxieties were raised about a lack of granular data about BAME owned businesses. This lack of disaggregated data about BAME business owners including mortality rates, business failures, size, sectors and location has inhibited evidence led policy responses especially during the COVID pandemic.
- **TRUST & CONFIDENCE** – BAME business owners report being wary of accessing assistance as a result of perceived bias and the legacy of policies such as the “hostile environment.” They also report a lack of confidence as a result of no tailored service provision by organisations such as banks and business support organisations.
- **SECTOR AND REGIONS** – the centralised emergency strategy did not adequately address structural and systemic issues that BAME business owners face on a sector or local and regional basis.

Looking Forward

BAME business owners broadly welcomed the government’s pandemic emergency measures. The speedy response was impressive, and where support was accessed, it was helpful. However, this report provides evidence of the many underlying challenges that need to be addressed in order for acceptable levels of the BAME business community to be able to access the full range of support.

- **OPPORTUNITY** - BAME owned businesses are potential key players for the next phase of the UK economy with the potential to help rebuild post COVID and develop international trade in a post Brexit environment.
- **INVESTMENT** in BAME business is urgently required to enable them to scale up and to overcome long standing barriers to finance which continue to be a major challenge. Current financial architecture remains restricted to traditional



criteria that are not flexible enough to meet multi-ethnic business models.

- **POLICY RESOURCE** - a system of data collection and monitoring needs to be developed to fully empower policy makers to maximise the scale up potential of this group. Data would enable stronger policy making based on a better understanding of multi-dimensional, multi-ethnic business communities. It would also avoid conflicting their diverse needs under a ‘catch-all’ term like BAME.
- **MAXIMISE SOCIAL VALUE** – there is a need to index and maximise the major impact of social value to the economy from BAME owned businesses. They provide a disproportionate level of added Social Value in their communities which has not been recognised.

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Executive Summary

The Key Recommendations are:

- **REPRESENTATION AT THE HIGHEST LEVEL OF GOVERNMENT** to ensure that BAME business interests are at the heart of the “levelling up” strategy and included in resilience planning for the UK.
- **HEALTH & SAFETY** – urgently provide tailored health and safety guidance to minimise the risk and enable COVID-secure business operations for BAME business owners. The development of health strategies to include, data collection, risk assessments and monitoring for BAME business owners as well as workers.
- **NATIONAL SYSTEM OF DATA COLLECTION** - using the resources of the ONS in monitoring and reporting on BAME businesses to inform government. This would provide the critical data analytics required to enable more effective policy making. It would also enable a more inclusive economic strategy and aid allocating resources such as business support and finance.
- **FUNDING** - provide ring fenced finance for BAME enterprises linked to start up and scale up targets. Require transparent monitoring and reporting on investment, loans and grants. A step away from the ‘business as usual’ approach to financial services and open up decentralised, accessible pathways to funding via alternative institutions and proactive support programmes that target, upskill and finance BAME led enterprises. Provide signposting to local and regional providers.
- **TAILORED BUSINESS SUPPORT SERVICE** - create a national accreditation standard for business support for BAME led businesses to enable the delivery of tailored relevant support and business development. Require business support advisors and organisations to meet a national standard in order to be a recognised provider. Provide clear sign posting to a network of partners with accredited business support services. Provide accessible pathways to funding bursaries to BAME business owners as part of accelerator/training/mentoring programmes to build skills and confidence as well as encouraging the take up of business support services.
- **COMMUNICATION** – develop a coherent public information strategy to enable the deployment via a network of partners to ensure that critical messages are quickly disseminated to key local communities. Move away from a ‘one size fits all’ approach and enable tailored messaging to meet the needs of diverse cultures, sectors and regions. Embed two way consultation into communication strategies through the development of a consultation framework that works to deliver important data, ideas and feedback to ensure that policy makers are kept up to date about opportunities, trends, ideas or risks and critically, the impact of their policies.
- **SOCIAL VALUE** – build fairer access routes for BAME business owners to markets by ensuring diversity and social value is part of the public procurement architecture. We want to see ambitious strategies for engaging ethnic minority businesses in public sector procurement supply chains. This must include measurement and reporting of ethnic minority business on-boarding onto public sector frameworks and contracts. Build capacity by providing culturally appropriate pathway programmes via network partners of accredited trainers/advisors for BAME business owners.

IMPACT OF COVID-19 ON BAME BUSINESSES

IMPACT ON HEALTH & SAFETY	IMPACT ON FINANCE	IMPACT ON INFORMATION & COMMS	IMPACT ON BUSINESS SUPPORT	IMPACT ON SECTORS & REGIONS
DISPROPORTIONATE DEATHS – anxiety about higher rates of death	68% Could Not Access Financial Support - 32% Could Access Support	65% Did not find public information clear 35% Found public information clear	DISPROPORTIONATE LACK OF ACCESS TO EMERGENCY BUSINESS SUPPORT	SECTORS disproportionate impact on frontline sectors due to 'one size fits all' approach not address needs
LACK OF TAILORED HEALTH PROVISION – poor or no access to tailored physical or mental health provision to meet needs	HISTORICAL STRUCTURAL & SYSTEMATIC BARRIERS to accessing finance through banks	'ONE SIZE FITS ALL' Approach to public messaging	LACK OF TAILORED ADVICE to meet cultural and business needs	REGIONS disproportionate impact of centralised strategy which did not meet local needs experiencing disadvantage
ELEVATED RISK – BAME business profile have higher levels in 'front line' sectors/can't work from home/employ family	CONFUSION & LACK OF CLARITY about options due to need for greater sign posting & guidance	NOT CULTURALLY ADAPTED to meet diverse language or cultural needs	LACK OF SIGNPOSTING community referrals to business support services	INABILITY TO ACCESS information and support tailored to meet local needs
DATA - Urgent need for monitoring and data. Need transparency about impact of COVID-19 to improve understanding & enable policy	PRACTICAL & QUALIFICATION BARRIERS including access to IT & language issues	LACK OF REACH due to need for diverse communication channels via local & ethnic media/community & networks	LACK OF CONFIDENCE in organisations without inclusive leadership & membership networks leading to historic disconnect	INTERSECTIONALITY Need to take account of intersection between ethnicity and other identity factors and multiple levels of disadvantage
NEED TO MITIGATE RISK – concern about lack of tailored risk assessments and H&S guidance to mitigate elevated risk	CULTURAL NORMS – need for culturally appropriate products & trusted pathways to financial support	PRACTICAL BARRIERS due to accessing information via internet, language	LACK OF RECOGNISABLE NATIONAL PROFESSIONAL STANDARD for business support for BAME led businesses	BAME BUSINESS WOMEN DISPROPORTIONATELY IMPACTED - due to inability to access/qualify for financial measures & exacerbation of other historic disadvantages
ADDITIONAL COST Need for additional funding and support to help with additional costs of social distancing & lockdown measures	LACK OF TRUST & CONFIDENCE leading to demotivation in applying for finance	LACK OF TAILORED HEALTH INFORMATION – poor or no access to tailored physical/mental health information to meet needs of BAME people	LACK OF ADDITIONAL GUIDANCE OR SUPPORT for those who needed extra help	BAME YOUNG PEOPLE Disproportionate impact exacerbated by historic disadvantage and lack of opportunities. Increased poverty and affecting mental health
BETTER INFORMATION & SIGNPOSTING to provide more accessible information in a wider range of formats and languages	LACK OF TRANSPARENCY – about funding and services provided to BAME enterprises	NO ACCESS TO EMERGENCY PLANNING FORUMS to ensure that BAME business owners needs are met	NEED FOR LOCAL COMMUNITY OUTREACH partnerships to build inclusion	THIRD SECTOR - disproportionate impact due to historic underfunding & restrictive funding criteria. Added disadvantage on communities that rely on them

Recommendations

The government's swift emergency support for business was broadly welcomed, however we discovered structural inequalities which were highlighted by the pandemic, so we have included more general recommendations as well as in response to the pandemic.

REPRESENTATION AT THE HIGHEST LEVEL OF GOVERNMENT

To ensure that BAME business interests are at the heart of the "levelling up" strategy and included in resilience planning for the UK.

HEALTH & SAFETY

Urgently provide tailored health and safety guidance to minimise the risk and enable COVID-secure business operations for BAME business owners. The development of health strategies to include, data collection, risk assessments and monitoring for BAME business owners as well as workers.

NATIONAL SYSTEM OF DATA COLLECTION

Using the resources of the ONS in monitoring and reporting on BAME businesses to inform government. This would provide the critical data analytics required to enable more effective policy making. It would also enable a more inclusive economic strategy and aid allocating resources such as business support and finance.

FUNDING

Provide ring fenced finance for BAME enterprises linked to start up and scale up targets. Require transparent monitoring and reporting on investment, loans and grants. A step away from the 'business as usual' approach to financial services and open up decentralised, accessible pathways to funding via alternative institutions and proactive support programmes that target, upskill and finance BAME led enterprises. Provide signposting to local and regional providers.

TAILORED BUSINESS SUPPORT SERVICE

Create a national accreditation standard for business support for BAME led businesses to enable the delivery of tailored relevant support and business development. Require business support advisors and organisations to meet a national standard in order to be a recognised provider. Provide clear sign posting to a network of partners with accredited business support services. Provide accessible pathways to funding bursaries to BAME business owners as part of accelerator/training/mentoring programmes to build skills and confidence as well as encouraging the take up of business support services.

COMMUNICATION

Develop a coherent public information strategy to enable the deployment via a network of partners to ensure that critical messages are quickly disseminated to key local communities. Move away from a 'one size fits all' approach and enable tailored messaging to meet the needs of diverse cultures, sectors and regions. Embed two way consultation into communication strategies through the development of a consultation framework that works to deliver important data, ideas and feedback to ensure that policy makers are kept up to date about opportunities, trends, ideas or risks and critically, the impact of their policies.

SOCIAL VALUE

Build fairer access routes for BAME business owners to markets by ensuring diversity and social value is part of the public procurement architecture. We want to see ambitious strategies for engaging ethnic minority businesses in public sector procurement supply chains. This must include measurement and reporting of ethnic minority business on-boarding onto public sector frameworks and contracts. Build capacity by providing culturally appropriate pathway programmes via network partners of accredited trainers/advisors for BAME business owners.

Credits

This report was written by Diana Chrouh - Special Advisor to the APPG for BAME Business Owners & Chair of National Policy for BAME Business for the Federation of Small Businesses (FSB)

With grateful thanks to:

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