



All Party Parliamentary Group for Ethnic Minority Business Owners

Meeting with Secretary of State for Business and Trade Kemi Badenoch

Date: 20/04/22, 10am

Where: Virtual (Via Zoom)

1. Introductions

Sarah Olney MP introduced the meeting and thanked the Minister for attending. Sarah detailed the way the APPG has been moving towards addressing the issue of access to finance for ethnic minority communities, and that the APPG has met with Companies House to see if they would consider adding an 'ethnicity field' to their annual registration process.

Sarah detailed the known political difficulties that this can entail, however stated that she was glad to see the Government shares the commitment to better collect data on ethnic minority businesses (EMB), as shown in Action 55 of the Inclusive Britain Report.

2. Access to Finance

Diana Chrouch then detailed how the APPG began, and how the continuing goal of the APPG is to support growth of ethnic minority businesses.

She then detailed the APPG's October 2020 [report](#), that aimed to shed light on the issues ethnic minorities business owners faced during the COVID 19 pandemic, in addition to the subsequent ONS [report](#), which recommended Companies House as the best means of collecting ethnicity data for ethnic minority business owners.

Responding to a question from **Minister Badenoch** as to why EMBs struggled more during the pandemic to access financial support, Diana described how many EMBs rely on a younger generation of family to assist with paperwork, something that was not possible during lockdown. Further, Diana detailed other issues such as lack of internet, digital skills, language barriers, and mistrust of Government which compounded the problem.

Diana then praised Action 55, and argued that this data would be particularly important to ensuring banks in particular, did not have algorithms which discriminated against ethnic minorities invertedly. Diana also mentioned her work with the Federation of Small Businesses (FSB), and how they are also aware of the problem.

Kemi then responds by suggesting that the British Business Bank (BBB) may have done some work on this, and this should be investigated.

Further, she details that although data collection is important, the key should be to ensure we collect *enough* data to address the problem, and do not begin to collect data simply for the purpose of doing so. She then asks Diana to put on a scale 1-10 where we are at with this problem, and **Diana** says it is impossible to answer because we do not have enough data available.

Sarah then quickly intervenes to mention that the banks would like to try and address this problem, however they simply lack the data to do so. Sarah mentions a previous APPG meeting with many high-street banks, where they detailed how keen they were to resolve the problems, but they simply did not have the data to know why their algorithms could be discriminatory.

3. Actions

In response to this, **Kemi** asks that the APPG do the following:

- Provide a checklist of everything that the APPG wishes to see in the pilot on ethnicity collection that BEIS/Equalities Team develop.
- Provide a selection of examples of examples where ethnic minorities who applied for finance, were not granted it, despite having a seemingly good application.

She also argues that the best plan is to work with the existing pilot on data collection, rather than attempt anything new. However, she does ask the APPG to further following:

- Provide a full briefing on the problem of ethnic minority businesses accessing finance.
- Provide the ONS Report which recommended Companies House as the best means of collecting this data.
- Provide the letter written by the APPG to Michael Gove to ask what provisions will be included in the 'Levelling Up' agenda for EMBs.

Concludes.

Attendees

Sarah Olney MP – Co-Chair of the APPG

Diana Chrouch – Special Advisor to the APPG

Kemi Badenoch MP – Minister for Equalities

Daniel El-Gamry – Levelling Up

Dominic Smales – Racial Disparity Unit – Cabinet Office