

# Impact of COVID-19 on BAME Led Businesses, Organisations & Communities



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## ACRONYMS

SSP	Statutory Sick Pay
CJRS	Coronavirus Job Retention Scheme
SBRR	Small Business Rate Relief
SBGF	Small Business Grant Fund
RHLGF	Retail, Hospitality and Leisure Grant Fund
SISS	Self-employment Income Support Scheme
CBILS	Coronavirus Business Interruption Loan Scheme
CLBILS	Coronavirus Large Business Interruption Loan Scheme
CCFF	COVID-19 Corporate Financial Facility
VCSE	Voluntary & Community organisations and Social Enterprises
BAME	Black, Asian and Minority Ethnic

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# INTRODUCTION

## 1. Context Overview

Starting on the 23rd March 2020, in order to slow down and ultimately stop the spread of coronavirus (COVID-19), the UK government has given strict guidelines for businesses and communities to practice social distancing.

These include, but are not limited to:

- Home working for all staff whenever possible and Statutory Sick Pay (SSP) to be paid to any staff member presenting COVID-19 symptoms from the first day of their absence from work.
- Cancellation of all public events and ban of gatherings of more than two people outside one's household. This comes with the physical closure of all assembly and leisure venues; e.g. cinemas, gyms, museums, libraries, community centres, places of worship and even schools.
- Closure to the public of food and drink establishments such as restaurants, pubs, cafés and canteens. With the sole exception of food providers within specific public buildings such as hospitals and prisons, all other food industries are expected to remain operational **only** through home delivery and takeaway orders.
- Closure of all retail industries except for supermarkets, other food shops, pharmacies, petrol stations, hardware shops, agricultural suppliers, medical services, newsagents, banks, vehicle rentals, laundrettes, post offices, storage and distribution facilities.

Combined with the above-listed security measures, the government has announced a series of emergency economic support packages and schemes to sustain the UK economy throughout the crisis.

The most notable in relation to this research are the following:

- The **Coronavirus Job Retention Scheme** (CJRS) which enables employers to furlough their employees and consequently claim from the government up to 80% of the employees' monthly salary - with a cap of £2,500 - including the employer's national insurance contribution and the amount they would typically pay into their pension.
- In addition to the CJRS, Statutory Sick Pay paid to employees due to COVID-19 can also be claimed back from the government.
- In terms of tax deferrals/rates holidays:
  - Businesses unable to pay VAT due to COVID-19 related financial loss can defer payments due between 20 March and 30 June 2020 until the 31 March 2021.
  - People who are due to pay their self-assessment tax return in June this year can delay the payment until 31st January 2021.
  - Businesses within the retail, hospitality, leisure or nursery sectors are entitled to a business rate relief for the 2020 to 2021 tax year.
- Businesses that are eligible for the Small Business Rate Relief (SBRR) Scheme - i.e. businesses whose rateable value is up to and including £15,000 - may additionally be entitled to a grant of £10,000 from the **Small Business Grant Fund** (SBGF). Eligible recipients will receive one grant per property.
- Businesses in the retail, hospitality and leisure sectors with a rateable value of over £15,000 and less than £51,000 may be entitled to receive a grant of £25,000 from the **Retail, Hospitality and Leisure Grant Fund** (RHLCF). Once again, eligible recipients will be paid one grant for each of their properties.
- The **Self-employment Income Support Scheme** (SISS) allows self-employed individuals to claim from the government a taxable grant worth 80% of their trading profits up to £2,500 per month.
- The **Coronavirus Business Interruption Loan Scheme** (CBILS) facilitates small and medium businesses - i.e. with an annual turnover of up to £45 million - which have been affected by COVID-19 to access to finances of up to £5 million.
- The Coronavirus Large Business Interruption Loan Scheme (CLBILS) and the COVID-19 Corporate Financial Facility (CCFF) will not be covered in this report as they wouldn't apply to any of the businesses in our sample.
- On Wednesday 8 April, a **£750 million funding package** was announced for frontline charities to support them in their crucial work during the virus outbreak.
- Lastly, the coronavirus **Future Fund** scheme was designed to issue convertible loans between £125,000 to £5 million to innovative companies facing COVID-19 related difficulties.



## 2. Methodology

In light of the context set above, BSWN set out an emergency plan which aims to:

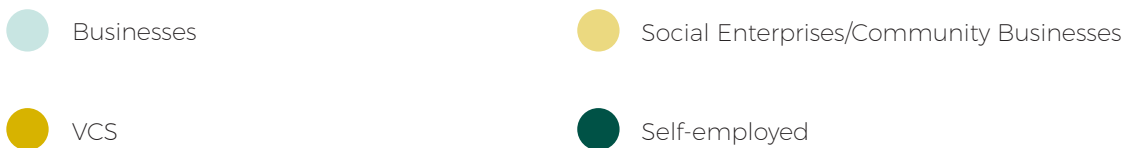
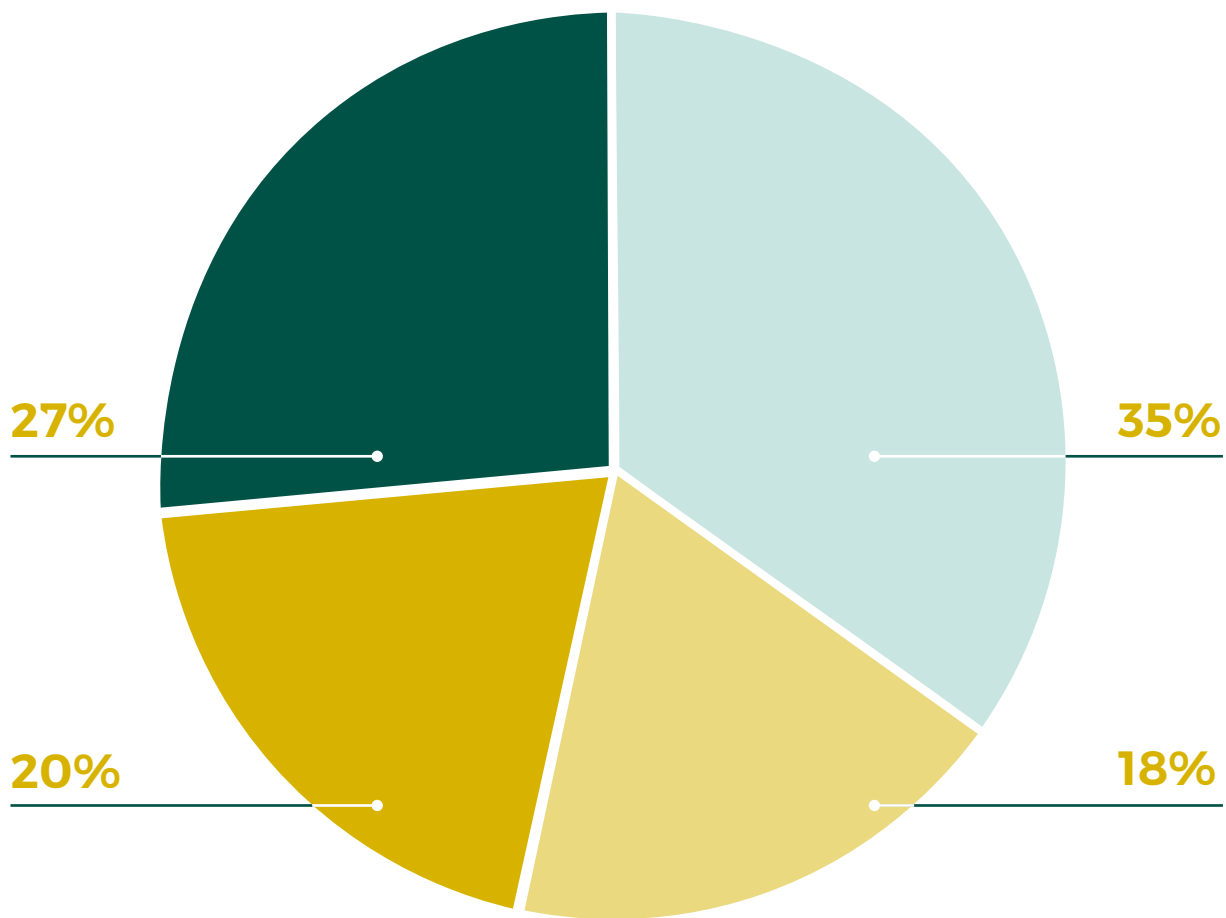
- 1 Provide immediate support to BAME led businesses, organisations and communities in Bristol to ensure they are equipped to overcome the crisis.
- 2 Collect data in real time to monitor and understand the impact of COVID-19 on these sectors and communities.
- 3 Identify any gaps in the current national support and elaborate recommendations for local authorities to address said gaps.

The qualitative and quantitative data processed in this report was collected through BSWN's short-term response, which included:

- The delivery of a series of **virtual information sessions** to ensure our targeted communities are accessing timely and accurate information on eligibility criteria and application processes to access national and local support.
  - The first video-session was held on the 1st April for the BAME led Voluntary & Community organisations and Social Enterprises sector (VCSE). Facilitated by the current BSWN's VCSE Network Chair, it allowed for 16 organisation representatives and social entrepreneurs to share their experiences and the impact that coronavirus is already having on their work and their beneficiaries.
  - The second video-session was held on the following day, Thursday 2nd April, for the BAME led cultural and heritage sector. Chaired by BSWN's Heritage Manager, it involved 11 people including a range of artists and representatives from key stakeholders within the cultural sector of Bristol.
  - The final video-session was aimed at business owners and self-employed people on Friday 3rd April. Approximately 25 participants have benefitted from the session, which provided specialised legal advice and practical support for identifying national and local financial support packages and understanding eligibility criteria and application processes.

- The launch of a survey immediately following the lockdown of the country on Monday 23rd March. The survey was designed to assess the impact that COVID-19 is having on BAME led businesses, social enterprises or community businesses, voluntary organisations and self-employed minority ethnic individuals.

**[FIGURE 1] ORGANISATIONAL PROPORTION WITHIN THE SAMPLE**



At the time of this report, the survey has gathered the experiences of 60 respondents; 21 (35%) of which are businesses, 11 (18%) are social enterprises or community businesses, 16 (27%) are self-employed workers and the remaining 12 (20%) are from the voluntary and community sector [See figure 1].

# ASSESSING COVID-19 IMPACT

## 3. Impact on BAME led Businesses

*“This pandemic is unlike anything that we have witnessed before, it’s unprecedented and it is having a massive effect on people’s businesses and it really is an existential threat to people’s livelihoods. Those individuals who are from BAME communities are disproportionately affected. There’s a lot of challenges around finances, but in terms of the hospitality sector, the retail sector, restaurants, takeaways, taxi drivers, people with small businesses are being affected to a greater length. They are having to make decisions about the reduction of staff or even closing down their businesses.”*

LOCAL AUTHORITY REPRESENTATIVE  
FROM THE BUSINESS VIDEO-SESSION

[FIGURE 2] IMPACT OF COVID-19 ON BAME LED BUSINESSES



Across the business sector, the biggest impact of COVID-19 has been identified in an immediate 'significant financial loss'. As shown in figure 2:

- **90% amongst all business owners who responded to the survey indicated that they have already lost a significant amount of income.**
- **67% have had to close their businesses due to COVID-19 direct impact.**
- **Almost half of the business sample is unable to deliver products.**

The only businesses who have not stated to have experienced a significant financial loss yet are within sectors where most of the services were delivered through online avenues before the hit of coronavirus, such as Digital Marketing or Information Technology. Consistently with BSWN's previous research (BSWN, Jacobs, M. and Lodi, C., 2018), digital and IT businesses seem to be underrepresented amongst Black, Asian and minority ethnic entrepreneurs, especially when compared to the considerable higher numbers of food industries and retail businesses; in fact, 10 out of 21 business respondents trade in food or retail.

***"Future projects have been put off and delayed so the knock-on impacts are still being realised in terms of work pipeline."***

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**IT BUSINESS OWNER FROM THE SURVEY**

As expected, the small sample of online-based businesses is mostly affected indirectly by COVID-19 due to the worsening effects on the general economic environment, e.g. delay of payments from clients and cancelling of side projects. In the case of these sectors, the financial loss is not immediate. However, it will still be present in the long-term planning.



On the contrary;

- **All food industries and retailers have stated to have experienced an immediate massive financial loss.**
- **Moreover, 9 out of 10 have had to close down their business.**

The main reasons they have provided for it are as follows:



**Closure of business premises with inability to adapt products/ services to home delivery.**

According to the government guidelines, food industries are to be closed to the public but still allowed to prepare and sell food through takeaway and home delivery orders.

However, since the population is being encouraged to remain home as much as possible, takeaway orders have reduced to an almost non-existent trade and home delivery presumes that businesses will have sufficient IT knowledge, an online presence and an online network of habitual customers. This is not true for all businesses in the sample.

***“We feel we can work better and in more innovative ways such as online, but we do not have the knowledge to do so.”***

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**FOOD SHOP OWNER FROM THE SURVEY**

For entrepreneurs who are attempting to start a home delivery service now, the monetary investment into buying additional supplies to adapt their products to delivery could turn out to be extremely risky in this economic climate.

Moreover, entrepreneurs who do not own their own business premises and are renting a space from co-working facilities, community venues or similar spaces do not have current access to their kitchen amenities due to the forced closure of all assembly facilities, and therefore are completely unable to prepare food.

***“The centre is closed, we can’t open the kitchen.”***

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**FOOD BUSINESS OWNER FROM THE SURVEY**

2

### **Drop in sales related to the loss of customers and sometimes staffs due to the recommended isolation.**

Retailers selling essential items are allowed to keep their premises open to the public, although with due adaptation to the social distancing norms. However, the recommendation to spend limited amount of time outside translates into customers preferring to head to supermarkets and big retailers that will offer a variety of products in the same place rather than buying from different smaller shops distributed across the road. Therefore, small businesses are extremely affected by the massive loss of customers and consequent drop in sales.

*"Due to COVID-19, I lost 70% of trade. People aren't coming out."*

RETAILER FROM THE SURVEY

*"We had a surge in consumers and now we have had a week of empty shops, our staff are not coming to work and expecting a pay-out. We will manage a few weeks, but with Ramadan approaching it's not going to be long before we give in and close. We need a grant to keep us going, to pay staff, pay the bills and pay suppliers over the odds to supply. Our utility bills are the same as before but the turnover is 50% of normal. It's not a sustainable model. We need help."*

FOOD SHOP OWNER FROM THE SURVEY

3

### **Suppliers closing down or raising their prices above affordability.**

Another reason for great financial loss frequently mentioned by food providers and retailers is the striking rise of supplies prices or the inability to procure supplies in the first place due to the closure of supply businesses.

*"Can't get the supplies, prices have gone up on many items, forced to close."*

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RESTAURANT OWNER FROM THE SURVEY

*“We can’t open during the day, we have lost all our customers that live and work in the local area. It has taken 6 years to build this business and now we can’t pay the bills or rent as we have a lease. We have lost our income. Our suppliers, who we have used since we have opened which are also local businesses, have tripled and in one case have quadrupled their prices in our 2 big main sellers. We are trying to open in the evening for deliveries to bring in some money but we are losing every day”*

*“Drop in supplies, increase in prices due to multiple issues, such as staff and demand in stock.”*

FOOD SHOP OWNER FROM THE SURVEY

CAFÉ OWNER FROM THE SURVEY

**Liquidity and cashflow-related issues** are also frequently mentioned in the responses given by other sectors’ representatives of the business sample; i.e. consultancy, arts & heritage, transport and cleaning services. Across all these, the difficulties in maintaining the business afloat when the usual corporate clients have closed down and in adapting services to social distancing norms seem to be a common pattern.

To the question ‘What type of support does your business need to overcome COVID-19 related challenges?’, the business sample responded as follows:

- **90% of all businesses have requested for financial support.**
- **Almost 50% have stated they need support to apply to financial schemes.**
- **A little over 30% have stated they need better access to information.**

During the virtual information session for businesses, many participants have raised their concern about the potential lack of accessibility to the national financial support schemes especially for the BAME small businesses in the city.

Some of the gaps raised are as follows:

1

Utilising the business rate system to identify the businesses that will be eligible for financial support both in terms of SBRR **and** grants funding automatically excludes a massive number of entrepreneurs that operate from rented spaces owned by larger landlords such as co-working spaces or public venues.

*“If you are not liable yourself to business rates because you rent shared space in like a warehouse or something, and your landlord pays business rates for the building overall, unfortunately you don’t get any grant support, even if your unit had it been separately rateable would have qualified, and this is a key sort of gap in the business rates grant support mechanism [...] and it’s quite common in our region, that people are using shared work spaces or are entirely virtual online or from home businesses and they don’t actually have any premises at all. So, the grant support by tagging it to the business rates system actually misses a whole bunch of businesses that do need the help, are worthy of the support but because they don’t have a liability themselves, they fall outside the scheme.”*

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**LOCAL SUPPORT EXPERT  
FROM THE BUSINESS VIDEO-SESSION**



2

Even when businesses are deemed eligible for the SBGF and/or RHLGF grants, the method chosen to communicate this opportunity is via post through a physical letter. Concern has been raised about the possibility of the letter not reaching businesses since most of the premises are now closed. Additional barriers are to be taken into consideration for communities whose first language is not English or for people who are not IT literate. In the case of these groups, extra support should be provided to ensure that the grant opportunity is communicated effectively.

*“For BAME businesses, I would like to mention there might be an additional barrier of languages. Especially for those who have come to this country recently, they might not necessarily understand how to apply and also may I raise the point that because they are not allowed to open their businesses, unless they are one of those several businesses that are actually permitted to, chances are that they are not getting that information and also they are disproportionately unlikely to have access to other mechanisms such as online portals, those are some of the systemic challenges facing recent BAME businesses”*

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LOCAL AUTHORITY REPRESENTATIVE  
FROM THE BUSINESS VIDEO-SESSION

3

In regard to loan schemes such as CBILS and Future Fund, we know that is a common pattern for small businesses and particularly small businesses owned by BAME individuals to be reluctant to the idea of taking loans. This hesitancy has only increased since the start of the COVID-19 crisis due to the worsening of the economic environment and the uncertainty around what the recovery phase will look like for each business sector.

***“Businesses are quite reluctant to take conditional debt that they’ll have to repay, they are quite worried about their ability to repay those loans in the recovery phase. And the problem with those loans is you have to have turned a profit before the coronavirus pandemic hit, which in many cases for starting businesses is not gonna be the case.”***

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LOCAL SUPPORT EXPERT  
FROM THE BUSINESS VIDEO-SESSION

4

Finally, start-ups and new businesses are particularly vulnerable in this economic climate and very unlikely to be able to access any loans or investment since they are unlikely to have generated any profit before the hit of the crisis.

***“Just started the business one month before the COVID-19 to help supporting my family and all of the sudden everything came to an end.”***

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BUSINESS OWNER FROM THE SURVEY

## 4. Impact on BAME led VCSE Sector

***“The impact so far is quite significant, because there have been significant losses of income, we’re under pressure to deliver in new ways and at the same time we’re finding that a lot of increased support is required [by communities]. Our capacity isn’t always enough to deliver it. That is a position across the board, but it’s compounding in terms of BAME led organisations who are still trying to recover from austerity.”***

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**VCSES BUSINESS AND MANAGEMENT CONSULTANT  
FROM THE VCSE VIDEO-SESSION**

In 2018, BSWN conducted a research into the BAME led voluntary & community organisations and social enterprises sector in Bristol to assess opportunities and obstacles for its greater financial sustainability (BSWN, Jablonowski, K. Serwah, J. 2018).

The findings from said research highlighted how the legacy of austerity – i.e. the persistent severe underinvestment – and the lack of equity in funding and procurement streams had left the sector in a state of mere survival. For instance, 30% of the organisations surveyed stated to operate on an annual budget below £5,000, and an additional 18% operated on below £25,000. Another clear indicator of the extreme fragility of the sector was that 42% of the organisations sample had no paid staff at all and fully relied on volunteers to deliver their activities and services.

Funded by Power to Change, BSWN has responded to the sector’s challenges with an intensive business development programme aimed to build overall capacity, connectivity and ultimately sustainability within the sector, and particularly amongst 6 key anchor-organisations to allow them to lead the wider sector and its beneficiaries out of the struggling phase.

After two years of communal efforts towards growth and sustainability, the COVID-19 crisis threatens to halt and possibly erase any improvement, risking once again the collapse of the sector.

In fact, a major challenge identified in both the video-sessions and the survey is the maintaining of **cashflow and liquidity** to cover core expenses. The suddenly worsened economic environment has aggravated the already existing financial barriers and hindered access to revenue sources.

***“The banks have agreed this charge of £5 per day if you go into overdraft and that will cripple us if it happens. The biggest challenge is to pay our bills and pay our staff.”***

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**COMMUNITY ORGANISATION REPRESENTATIVE  
FROM THE VCSE VIDEO-SESSION**



*“Cashflow has started to reduce, which will have an impact on the staff we employ and covering core costs.”*

VC ORGANISATION  
REPRESENTATIVE FROM  
THE SURVEY

*“The major thing is the loss in sales revenues from advertisement. This is a big loss in terms of expected revenue so that will have a major impact on our cashflow as well.”*

COMMUNITY ORGANISATION REPRESENTATIVE  
FROM THE VCSE VIDEO-SESSION

Directly connected and interconnected with the financial issue is the **inability to deliver services.**

- **83% of voluntary and community organisations have stated they are currently unable to deliver services to their communities.**
- **64% of social enterprises are also unable to deliver products and/or services to their recipients.**

The same point was reiterated multiple times in the answers to the survey open questions, making it one of the most recurrent themes:

*“We are unable to deliver our contracts as a result of the prevailing circumstances.”*

*“We are unable to deliver our services to our membership. Unable to continue our partnership programmes.”*

VC ORGANISATION  
REPRESENTATIVES  
FROM THE SURVEY



**“We are unable to run projects for young people and adults due to Covid-19.”**

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**SOCIAL ENTERPRISE REPRESENTATIVE  
FROM THE SURVEY**

This sudden inability is due to various COVID-19 related obstacles:



The first and most immediate one is given by the application of social distancing norms that forced the **closure of assembly venues** such as community centres. Organisations with their own assets are now facing the massive challenge of having to pay for building costs with no income coming in from the usual sources; e.g. renting spaces for events and programmes, paid parking and tenants unable to pay their rent.

*“Many of our tenants have already said that they won’t be able to pay their rent from this month, so we have created a support package for them, which we’re looking for funding for, which allows us to get a bit of cashflow going.”*

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**COMMUNITY ORGANISATION  
REPRESENTATIVE FROM THE  
VCSE VIDEO-SESSION**

*“We have users of the centre who are no longer using it, so lots of events are cancelled. We have tenants who are still paying their rents as they did before, but events are one of the things that boost our income as well as our newly paid car park so that’s a massive loss of income there, so we’re currently in our overdraft.”*

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**COMMUNITY ORGANISATION  
REPRESENTATIVE FROM THE VCSE  
VIDEO-SESSION**

*“[Organisation’s name] is shut. They’ve stopped everything, but I think the big challenge for them is not having any income and not having any revenue but still having the costs for the building. That’s huge, cashflow and liquidity of organisations. The same thing for [organisation’s name], it was the same for all organisations.”*

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**PARTICIPANT TO THE VCSE VIDEO-SESSION**

2

Even for organisations that are not tied to specific buildings, the delivery of services is difficult since the standard modus operandi with their target audiences is **face-to-face engagement**. This is particularly relevant for groups such as elders and ethnic minorities with higher health risks and therefore higher probability of contracting the virus with life-threatening symptoms (Race Equality Foundation, 2020). Whilst being the groups that should be isolating the most due to the characteristics of the virus, these are also the communities who need the highest level of face-to-face support in terms of physical and mental health.

*“People feel very house-bound and restricted in what they can get out and do and the normal pattern for older people is face-to-face work. That is not a viable module at the moment.”*

VCSES BUSINESS AND MANAGEMENT  
CONSULTANT FROM THE VCSE  
VIDEO-SESSION

*“We work with young people and we do outreach so now the main issue we have is we cannot see young people regularly. So, we set up a WhatsApp group to communicate with young people. They communicate the issues they have through the WhatsApp group and some of them have issues around mental health and feeling stressed, and they are currently not going to school so for some of them there’s no facility available when they are at home”*

VC ORGANISATION REPRESENTATIVE  
FROM THE VCSE VIDEO-SESSION

*“We are a social organisation meeting weekly on Wednesday; the members are aged 60 years and older. They will feel socially isolated and lonely, although they are in contact by phone with family and friends. The active therapy sessions cannot be replaced.”*

VC ORGANISATION REPRESENTATIVE FROM THE SURVEY

3

The VCSE sample has also been the most vocal about **IT barriers** and the need of support with adapting their services to online platforms. More specifically, the VCSE sector is requesting for bigger access to technological know-how and investment to procure the digital resources and equipment they need for themselves and the communities they serve.

*“There’s lot of pressure for many of us to be online more and more and that is not a standard for our sector. One of the big challenges is to get people online and equipped. As we’re trying to do today, we need to make that happen.”*

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VCSES BUSINESS AND MANAGEMENT CONSULTANT  
FROM THE VCSE VIDEO-SESSION

*“Biggest barrier is lack of digital resources or know how.”*

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VC ORGANISATION FROM THE SURVEY

4

Social distancing norms and the ban on gatherings have completely halted the **charity events sector**. Organisations whose first source of income is fundraising and managing charity or cultural events are unable to do so and the long-term planning is crippled by the uncertainty of the situation.

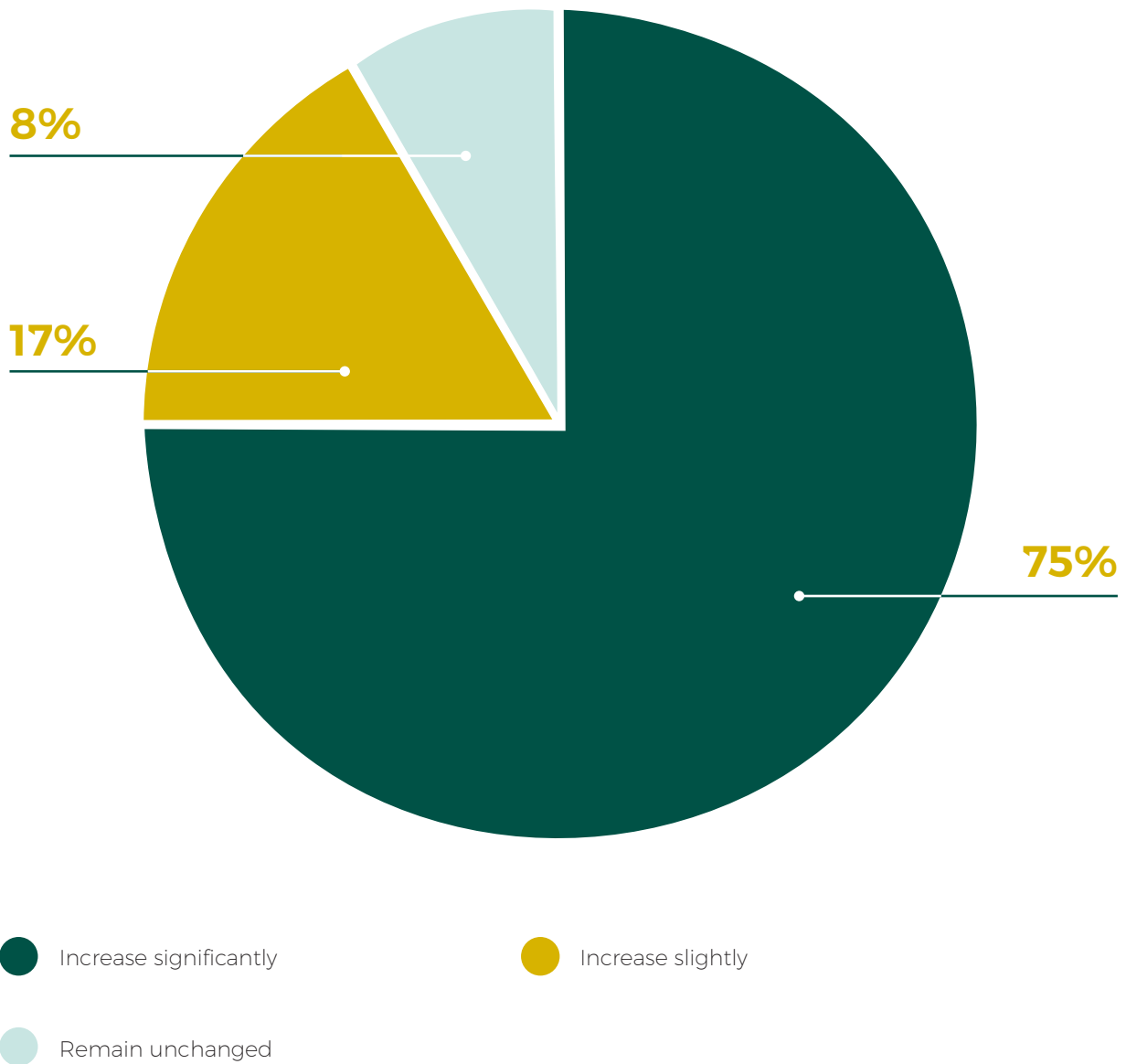
*“The event is not taking place this year so we will lose revenue from our traders, from being able to fundraise against the actual event itself, because that’s what sponsors and funders are interested in being a part of, so my main concerns are that the budget was not being able to hit the fundraising target this year, and my concern is that the fundraising environment is going to be very difficult for us.”*

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VC ORGANISATION REPRESENTATIVE  
FROM THE VCSE VIDEO-SESSION

The inability to deliver services paints an even more worrying picture when matched with the percentage of expected increase of community needs.

[FIGURE 3] EXPECTED INCREASE OF COMMUNITY NEEDS DUE TO COVID-19



As shown in figure 3;

- **92% of voluntary and community organisations have responded to the survey that they expect the community needs they serve to increase due to COVID-19.**
  - Out of this sample, 75% expects them to 'increase significantly'.
  - And 17% expects them to 'increase slightly'.

- Only the remaining 8% believes that they will remain unchanged.
- Nobody responded that they expect them to decrease.
- 64% of social enterprises are also unable to deliver products and/or services to their recipients.

*“There are other issues emerging because of coronavirus. Community is extremely vulnerable. We need to be able to help those who are self-isolating, the elderly, those with mental health problems and women with children who might need help due to other reasons.”*

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VC ORGANISATION REPRESENTATIVE FROM THE SURVEY

A further obstacle was created by the **reduction of internal capacity** given by the difficulties in paying staff, personnel presenting symptoms and having to self-isolate, or the higher than average probability of staff themselves being part of vulnerable groups.

*“Another unit holder is concerning as the key holder is asthmatic.”*

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VC ORGANISATION REPRESENTATIVE  
FROM THE SURVEY

*“Three of our core are under quarantine, one of them being me and we only have two staff members and one of them has got asthma.”*

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VC ORGANISATION REPRESENTATIVE  
FROM THE VCSE VIDEO-SESSION

*“Reduced capacity to meet increasing demand for our service due to coronavirus.”*

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VC ORGANISATION REPRESENTATIVE  
FROM THE SURVEY



Although it has been stated by the government that charities are eligible for most national support schemes, it is evident that these schemes were not designed with voluntary organisations in mind. For instance, the furloughing mechanism of the **CJRS** is often not an option for small charities run by a small core of staff and highly relying on volunteers to deliver their programmes. Furloughing core staff would automatically bring the organisation to a complete halt of any activity and no financial support is given to cover volunteers' expenses. A mechanism that allows access to wage subsidies instead of furloughing would be more appropriate for small voluntary organisations' structures.

In addition, since units owned by larger landlords who pay rates are not eligible for the **SMRR**, the community venues, incubators and co-working spaces where voluntary organisations and social enterprises normally operate in are not likely to get any rate relief support nor access to any grants.

This is particularly relevant for BAME social enterprises and self-employed individuals that are fairly represented - and were expected to grow - in the arts, cultural and creative sectors (BSWN, Jacobs, M. and Lodi, C. 2018). Combined with the closure of entertainment venues, schools and all major cultural stakeholders - which has translated into the instant loss of access to clients - these sectors have seen their primary source of income disappear due to the inability to deliver community-cohesion and education services to public audiences.

*"I'm not able to carry out my DJing commitments."*

SELF-EMPLOYED IN THE ENTERTAINMENT SECTOR FROM THE SURVEY

*"Currently unable to deliver face-to-face training, attend public events such as delivering workshops, readings, panels etc. Unable to carry out community oral history recordings."*

SELF-EMPLOYED IN THE CULTURAL SECTOR FROM THE SURVEY

*"We expected to tour while promoting the business and generating sales."*

**“Will not be able to pay the regular expenses as all the community event, festival and organisation we work for are closed.”**

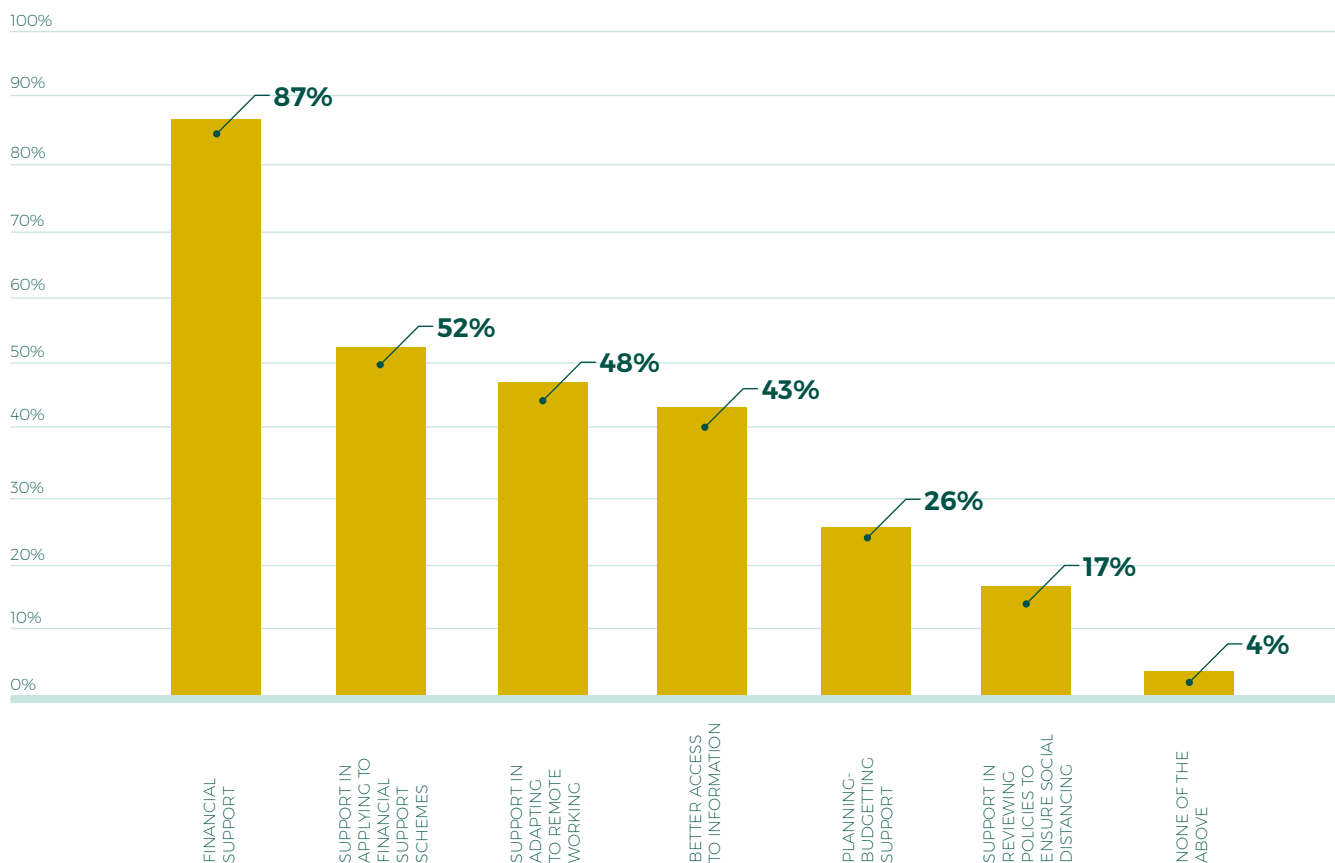
SOCIAL ENTERPRISE IN THE EDUCATION  
SECTOR FROM THE SURVEY

**“Normally, I would be seeking meetings with school leaders, teachers, researchers and prospective funders. However, the research/networking opportunities are limited with schools closed and everything out of work.”**

SOCIAL ENTERPRISE IN THE EDUCATION  
SECTOR FROM THE SURVEY

When it comes to artists and performers, who generally work more than one part-time job to earn enough to sustain themselves, the **SISS** mechanism creates disadvantages. It’s unlikely that these groups will have generated enough profits for the 80% of it to be enough for their livelihoods. More on this will be explored in the self-employment section.

[FIGURE 4] SUPPORT REQUESTED BY BAME LED VCSE SECTOR



Consequent to the cashflow and liquidity issues, the inability to deliver services and the lack of access to national financial support, the VCSE sector has immediately deemed emergency 'financial support' as the priority type of support needed to overcome COVID-19 related obstacles and the overall economic crisis.

As evident from figure 4;

- **87% out of all VCSEs have requested for financial support.**
  - More precisely, all social enterprises/community businesses have requested for financial support.
  - Out of the voluntary and community organisations, 9 out of 12 are requesting for financial support.
- **The remaining 3 work entirely on a volunteer basis and generally won't apply for funding.**
- **52% of the VCSE sample needs support in applying to financial support schemes locally and nationally.**
- **Almost half of the sample has requested for additional support in adapting to remote working.**
- **43% is struggling to access timely and accurate information on how to access local and national supporting packages.**

These figures are consistent with the systemic barriers identified in the previous BSWN's research into the BAME VCSE sector and BAME led businesses. The lack of access to equitable funding and investment, the exclusionary nature of mainstream networks in the city-region and the consequent lack of access to information and opportunities have been hindering minority ethnic organisations, enterprises and social enterprises' development capacity previous to COVID-19. These barriers are now being exacerbated by the virus and the crippling economic environment it has created.

Whilst an emergency financial support package of £750 million has been announced by the government for funding frontline charities, Black, Asian and minority ethnic community representatives have already stated their concern around the lack of accessibility of this funding for BAME led grassroots organisations. Historically, mainstream funding has rarely reached these organisations and there is little hope that this will change now (Olulode, K., 2020).

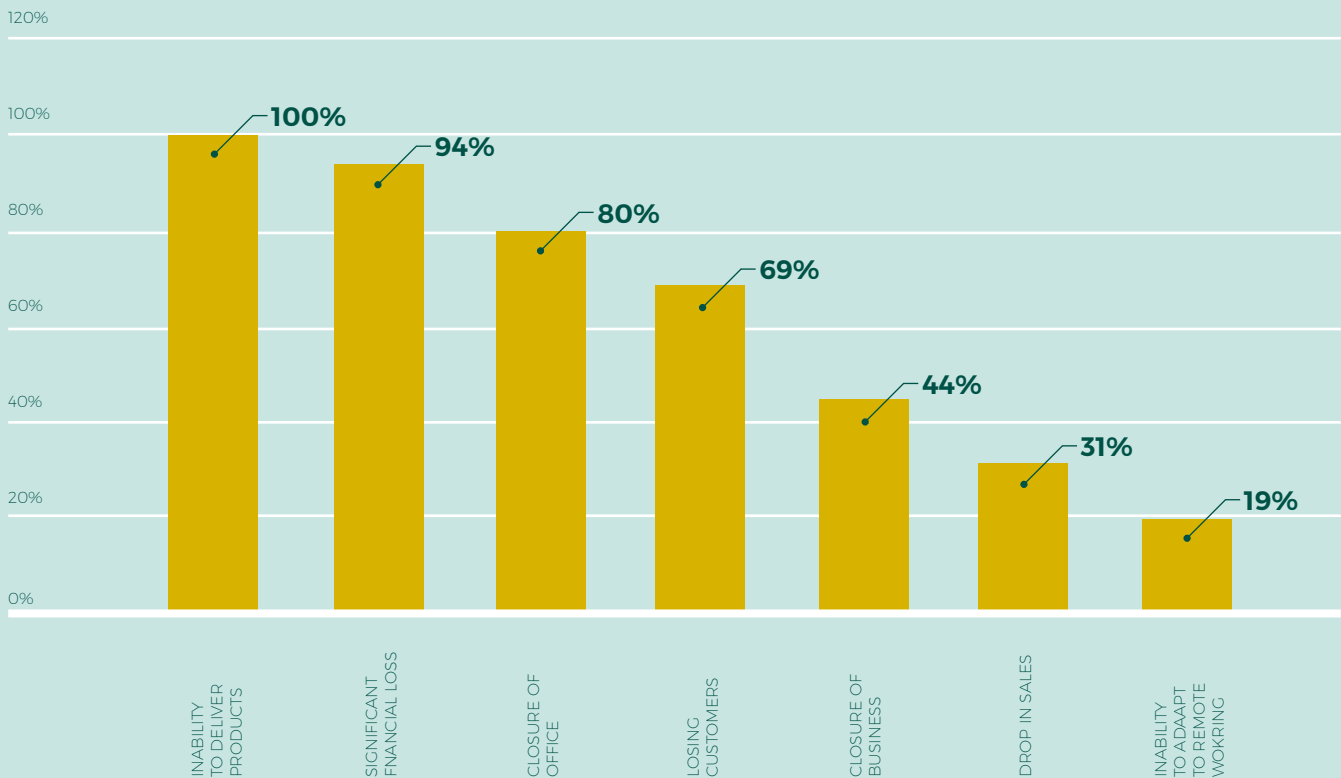
## 5. Impact on BAME Self-employed Individuals

*“Sitting home for last two weeks, no work left, no income at all.”*

### SELF-EMPLOYED INDIVIDUAL FROM THE SURVEY

In the case of self-employed individuals, it needs to be taken into consideration that BAME individuals are overly represented in low-income self-employment, especially across sectors that have been directly hit by the social distancing rules such as taxi drivers, Uber drivers, restaurant takeaways and so on. A big sample of respondents to the survey is coming from these sectors.

[FIGURE 5] IMPACT OF COVID-19 ON BAME SELF-EMPLOYED INDIVIDUALS



The survey informs us that;

- **100% of self-employed individuals responded that they are unable to deliver their products or services.**
- **94% stated to have already experienced a significant financial loss.**
- **80% have seen their office premises close.**
- **Almost 70% have indicated to have lost customers.**

In the case of self-employed respondents, the most recurring theme is the **complete loss of income.**

*“As taxi driver specially as Hackney driver, I lost 100% of my income.”*

SELF-EMPLOYED INDIVIDUAL  
FROM THE SURVEY

*“Complete loss of earning.”*

SELF-EMPLOYED INDIVIDUAL FROM  
THE SURVEY

*“No income due to temporary closure.”*

SELF-EMPLOYED INDIVIDUAL FROM THE SURVEY

*“Unable to pay HP on my taxi with zero income coming in.”*

SELF-EMPLOYED INDIVIDUAL  
FROM THE SURVEY

The main reasons given are the following:



**Loss of customers.**

*"No customers due to no people out. Loss off 100% earning the last 2 weeks."*

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SELF-EMPLOYED INDIVIDUAL  
FROM THE SURVEY

*"No work, no income."*

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SELF-EMPLOYED  
INDIVIDUAL FROM THE  
SURVEY

*"No customers due to coronavirus epidemic."*

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SELF-EMPLOYED INDIVIDUAL  
FROM THE SURVEY

*"As everything is closed, no public out no work. As a self-employed taxi driver my work is totally stopped."*

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SELF-EMPLOYED INDIVIDUAL  
FROM THE SURVEY

*"No work, no money."*

---

SELF-EMPLOYED INDIVIDUAL  
FROM THE SURVEY





## Health and safety issues.

***“I am a taxi driver, can’t go out to work to earn to pay bills.”***

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SELF-EMPLOYED INDIVIDUAL FROM THE SURVEY

***“Unable to work due to risk of infection.”***

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SELF-EMPLOYED INDIVIDUAL FROM THE SURVEY

***“My income is gone to totally 0. This is because I have a young family and don’t want to put them in any risk. As a taxi driver, you may pick someone who is a coronavirus carrier. Since we meet many people, we don’t want to impact their health. We also take full responsibility in helping our NHS.”***

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SELF-EMPLOYED INDIVIDUAL FROM THE SURVEY

The BAME self-employed sample is possibly the one in the most worrying condition. Being based on tax returns and profits, the SISS will likely not be of any support for the many low-income ethnic minority individuals working on zero hours contracts across precarious job sectors.

***“What we get is lots of communications in from members of the Muslim community, many of who are self-employed in a range of different sectors, including taxis, takeaways restaurants and so on. One of the key things is that as a self-employed person you may be entitled to something in June. Not many of them have got much to live by until possibly a sum in June. Even then that sum is not a guarantee or a given that is was based on your tax returns for the last year and for many of the BAME community members that we have spoken to, their tax return won’t show very much because they don’t make very much or they don’t necessarily make a profit, all they do is make an income for themselves and it doesn’t necessarily show as a profit, so one of the key things that I wanted to raise in this forum and to add to your list is this issue with self-employed who are not making a profit and so therefore they may not be entitled to anything come June and that’s a big fear.”***

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**VC ORGANISATION REPRESENTATIVE  
FROM THE VCSE VIDEO-  
SESSION**

The only other option to access national financial support for these groups is Universal Credit. However, other barriers have been mentioned such as the time required for the process to be completed and the online portal being the only way to apply. In most cases, it will take weeks before any monetary support reaches the household.

# CONCLUSIONS

In the previous chapters, it was explored how Black, Asian and minority ethnic individuals are overrepresented in the sectors that have been hit the hardest by the COVID-19 impact; i.e. food industries and retailers, the arts, cultural and creative sectors, taxi drivers and other low-income jobs amongst the self-employed, and the rental spaces and charity events sector for the voluntary sector and social enterprises.

This by itself is enough to create a considerable structural disadvantage, and it adds layers to an already existing unequal ground in terms of health and housing quality (Race Equality Foundation, 2020). COVID-19 is already bringing significant loss not only financially but also on a human level. The need to act is more urgent than ever.

***“When we talk about the economic impact, often we’re not even touching the health implications. People are dying, people are scared, people are ill.”***

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PARTICIPANT TO THE BUSINESS VIDEO-SESSION

# RECOMMENDATIONS

In view of the disproportionate economic impact of COVID-19 on Black, Asian and minority ethnic communities, the following recommendations address both issues of ethos & approach, alongside practical interventions.



## **Commitment to a Proportionate Long-term Response & Our Early Involvement in Designing Solutions**

All sectors and public institutions need to acknowledge the unprecedented socio-economic impact of COVID-19 on the economic status of BAME communities and build in short, medium and longer term proportionate policy and investment proposals, given that the impact of coronavirus has widened and deepened existing patterns of racial inequality.

Economic interventions and solutions should be designed with the earliest engagement and dialogue with Black, Asian and minority ethnic voices, to bring their broad and close understanding of being at the sharpest end of COVID-19 to what can work at a practical level to remove barriers and revive economic activity.

2

### Targeted Support for BAME led Organisations and Businesses

Invest in a targeted programme of support across all BAME sectors that provides advice and support in applying for financial assistance from the available schemes and regular and up-to-date information as the situation changes.

3

### Funding & Investment

Contribute to economic recovery by creating an inclusive matrix of support, including grants, wage subsidy and micro-loans, for those small BAME led charities and voluntary organisations, start-ups and new businesses that fall out of the current eligibility criteria and definitions for public sector loans and social investment.

4

### Digital Capability

Rapid investment be made into dedicated IT and Tech support for the BAME led VCSE Sector and BAME led businesses to re-orientate to online modes of service delivery, including one-stop shops via online portals for small businesses and VCS organisations.

5

### Local Economy

Broaden the understanding of how local economies **really** work, beyond the limited lens of the Business Rate System, by including all sectors, including homeworkers, night time economy, responses to local transport needs and the retail sector, to provide a realistic 3D picture of local businesses and economic activity, so that support mechanisms can be in place to foster sector diversity, good practice in sustainability, and inter-dependence in the process of economic recovery.

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