



Built on Trust, Starved of Resource

Insights from VCSE organisations across England on chronic underinvestment, operational fragility, and the gap between equity commitments and lived reality for BME VCSEs

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FOREWORD

There have been many reports that have looked at the changing nature of social infrastructure and community organisations. Not so many however that have considered the scope, size and impact of Black and minority community institutions.

Over several years we at Voice4Change England have had many requests for more profile information on BME charities, enterprises and community groups, without anyone putting in the resources to meet them. Indeed, it was V4CE who last mapped the numerical size of the entire voluntary sector way back in 2009.

This report does not look so much at numbers as it offers a qualitative snapshot of the day-to-day issues impacting BME organisations and the needs that populate our part of the non-profit world.

Specifically, this report draws on the experiences of more than 300 organisations led by and serving BME communities. It is direct in its findings and conclusions: we have followed the evidence and taken steps to minimise potential bias. We hope that, in time, the report will make a significant contribution to discussions with funders, foundations, grant-makers and investors about how best to help the sector thrive. Above all, it gives voice to the valuable contributions of people who are too often overlooked or taken for granted.

Finally, I'd like to thank our funders – for granting us the time and space to research this report and our Infrastructure Development Team, for providing the engagement with this project. But perhaps the most important praise needs to be given to the hundreds of organisations that opened up to us with their thoughts, comments and real-life experiences, ensuring we could complete this important survey of our sector.

Kunle Olulode MBE
Director, Voice4Change England

EXECUTIVE SUMMARY

Overview

This report provides a comprehensive analysis of the Black and Minority Ethnic (BME) Voluntary, Community, and Social Enterprise (VCSE) sector. With over 300 organisations contributing their reflections, insights and lived experience via interviews, focus groups and a sector wide survey, the findings reveal a landscape that is functionally essential yet systemically undervalued locally and regionally.

BME organisations demonstrate high levels of specialised expertise and community trust, yet they are operating in a space defined by chronic underfunding, capacity constraints, exclusion from decision-making, and asset poverty. The sector remains a lifeline for grassroots communities, however, the infrastructure designed to support these groups is often fragile and under-resourced. Post-COVID awareness of equity and justice has failed to translate into stability and instead, front-line organisations find themselves operating reactively to manage crisis rather than focusing on strategic growth.

The report brings together:

Reflections from over 300 organisations

Sector insights from infrastructure bodies, strategic partners and BME-led organisations

Local and regional challenges and successes

Practical recommendations for both funders and the sector

Key Data Insights

Capability and Asset Imbalance

While 53% of organisations rate their individual capabilities “Very Strong”, only 11% report strong physical or financial assets. This “knowledge-rich, asset-poor” state forces a highly skilled sector to solve systemic problems without the necessary tools, accelerating burnout and limiting scalable impact.

The Participation–Power Disparity

High engagement does not mean high influence. Despite 80% organisations engaging in advocacy, 81% of respondents find influencing strategic decisions difficult, citing tokenism and institutional resistance as primary barriers both locally and regionally, preventing civic participation from converting into actual policy influence.

Transition Gap for Mid-Sized Organisations

A critical support vacuum exists for mid-sized organisations. Most existing support is geared toward early-stage groups and there is a lack of tailored help for organisations transitioning into more the complex phases required for sustainability such as property ownership, larger staff teams, and earned income models.

Infrastructure Mismatch and Geographic Inequity

Generalist infrastructure support is not yet fully meeting sector-specific needs and could be strengthened to better respond to sector-specific needs. 48% of organisations rate current support as only “moderately useful”, with “sparse” infrastructure support available in rural areas. There is significant demand (82%) for culturally competent, “by and for” shared services in HR, IT, and legal compliance.

Using AI to Offset Under Resourcing

59% of organisations currently utilise AI tools in their work to help with capacity constraints. These tools are being used as a “shadow workforce” to streamline operations and mitigate persistent skill shortages.

Critical Risk Factors

Infrastructure Fragility

Many BME-led organisations operate as “one-man bands”, where the loss of a single leader or the termination of a short-term lease poses an existential threat.

Loss of Community Assets

Financial pressures on local authorities have led to the sale of community hubs and shortened leases, removing the physical “anchors” necessary for service delivery in the community.

Restricted Funding

Dependency on short-term project grants is high (74% from Trusts; 71% from Local Government), which precludes the development of unrestricted reserves and long-term financial planning. By restricting funds to immediate delivery, current funding models systemically prevent BME-led organisations from achieving the financial autonomy required for strategic expansion.

Strategic Recommendations

For Funders

- Transition from short, restrictive project cycles to 3–5 year core and flexible funding to enable sustainability and strategic growth.
- Focus on equity-led distribution by implementing ring-fenced and intentional funding streams and co-designed application processes to address systemic exclusion.

For Infrastructure & Strategic Partners

- Develop regional hubs for shared, culturally competent back-office functions to reduce the administrative burden on grassroots leaders.

- Provide specialised consultancy for mid-sized organisations attempting to scale into property ownership or complex earned-income models.

For Policy Makers & Regional Authorities

- Move beyond consultative engagement by establishing permanent, voting seats for BME-led infrastructure at strategic boards.
- Utilise the Civil Society Covenant to transition from equity awareness to accountability, with measurable, audited improvements in sector stability.

Conclusion

The BME VCSE sector remains a foundational pillar of social cohesion, yet it is currently constrained by a model of reactive crisis management and systemic underinvestment. BME organisations are highly connected to their communities but are severely weakened by a lack of physical and financial assets. To ensure the long-term survival of the BME VCSE sector, stakeholders must move beyond funding frontline delivery in isolation and prioritise strategic investment in infrastructure, income diversification support and community-led asset ownership to ensure a sustainable future.

INTRODUCTION

The BME VCSE sector plays a critical role in fostering social justice and community cohesion. Despite this, BME-led VCSE organisations face systemic challenges including underfunding and barriers to accessing support, while generic infrastructure bodies may lack cultural competence or outreach to marginalised groups. This report aims to map the availability, strengths, and gaps in infrastructure support for both BME and generic VCSE sectors, to inform more equitable and effective support strategies.

Objectives

- Map existing infrastructure support services accessed by BME and generic VCSE organisations.
- Identify gaps, unmet needs, and strengths within these support structures.
- Compare support models across BME-focused and mainstream infrastructure providers.
- Recommend strategic improvements to funders, policymakers, and support bodies to foster equity, sustainability, and impact.

Methodology

A mixed-methods approach was used to build a comprehensive understanding of infrastructure support landscapes, including:

- A sector-wide survey to obtain quantitative insights into access, experience, and gaps in infrastructure support for VCSE organisations, resulting in 301 respondents from VCSE organisations of various sizes across England.

- Focus groups with frontline BME VCSEs, strategic partners and infrastructure providers, to gain insights into infrastructure needs and strengths, understand the direct impact of tailored mentoring and identify capacity, gaps, and cultural competence in supporting BME VCSEs.
- Key informant interviews with 2 membership bodies and umbrella organisations to gain expert perspectives on infrastructure support, systemic issues, and strategic opportunities.

Participants in focus groups and interviews were compensated for their time, with survey respondents given the option to enter a prize draw.

Methodological Rigour and Considerations

While this report provides a robust cross-section of the BME VCSE sector, we have proactively addressed several inherent methodological challenges to ensure data integrity.

We acknowledge that organisations who are already engaged with V4CE or have slightly more capacity would be more likely to respond. The very capacity constraints highlighted in our findings may have prevented critically under-resourced organisations from engaging fully with the research process. To mitigate this, we employed targeted outreach and interviews to ensure that the voices of grassroots groups were not excluded.

With 301 respondents across all of England there is a risk that the data is skewed geographically, in particular heavily representative of London. To ensure a balanced perspective, we conducted specific outreach in regions with lower initial engagement and analysed data through a regional lens to identify where "infrastructure deserts" (e.g., rural vs. urban) impacted the findings.

V4CE recognises that capacity ratings are self-reported and relative to the respondent's organisational context. To mitigate subjective bias, this report weights 'Very Strong' ratings against the organisation's size and annual turnover, ensuring that infrastructure support is interpreted through the lens of proportional need.

The BME sector is over-consulted and under-invested which can result in conversation fatigue. To demonstrate the value of their contribution we provided compensation for their time and expertise.

Capturing authentic lived experience requires navigating the risk of self-censorship, particularly regarding systemic failures or funding relationships. We mitigated this by utilising segmented focus groups to separate frontline delivery staff from strategic partners and infrastructure bodies as well as offering confidential 1-to-1 interviews for those in sensitive positions.

KEY THEMES ANALYSIS:

THE SECTOR LANDSCAPE

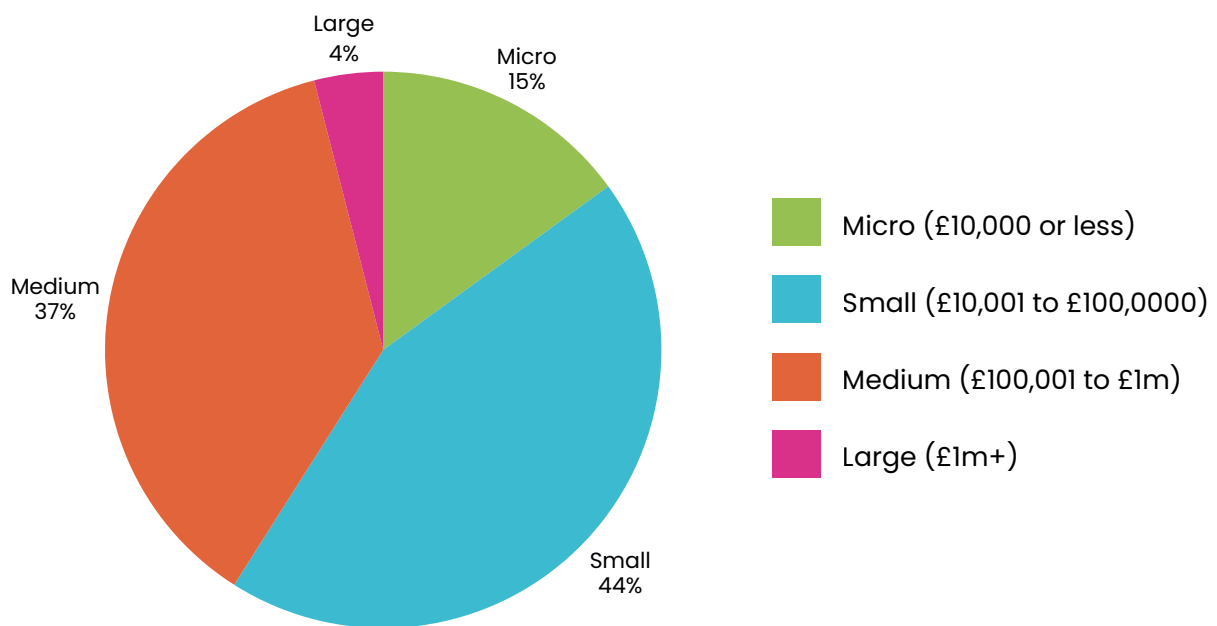
Sector Overview and Demographics

The BME is characterised by a high density of small-to-medium organisations primarily concentrated in urban hubs, with geographic location significantly dictating the level of support available. London is the primary hub, hosting 40% of respondent organisations. Other significant clusters include the West Midlands (11%) and East Midlands (11%), while representation in regions like Scotland (0%) and the North East (4%) is minimal. V4CE's reach in low participating areas is limited which may reflect the percentage of responses.

The sector is dominated by small organisations (44%). Only 4% of respondents are classified as "Large", defined by an income exceeding £1 million. The sector maintains a strong identity and operational backbone: 80% of respondents identify as BME-led, and there is an extremely high reliance on volunteers (96%). However, most organisations maintain a formal workforce, employing both part-time (91%) and full-time (76%) staff.

The sector serves a diverse range of ethnic groups, with the highest representation from "Black, Black British, Caribbean, or African" (239 organisations) and "Asian or Asian British" (221 organisations). Key beneficiary types include low-income individuals (251) and children/young people (192).

ORGANISATION SIZE



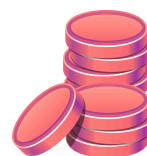
Capabilities and Assets

53% of organisations rate their "Individual Capacities" (such as cultural competencies and language skills) as "Very strong". In contrast, only 11% rate their "Physical and Financial Assets" as "Very strong," with nearly a third rating them as "Very weak" or "Weak". This data characterises the BME sector as knowledge-rich but asset-poor—possessing high levels of cultural expertise but lacking the material resources necessary to deploy that expertise at scale.

A 42-point gap between what the sector knows and what it owns.



Expertise, Cultural Competence, Language Skills, Community Trust



Premises, Reserves, IT, Core Funding

Core Services and Activities

BME organisations provide a broad spectrum of frontline services, with a strong focus on holistic wellbeing and community development. The most common activities are Health and Wellbeing Services (209 organisations), Community Development (192), and Advocacy/Campaigns (180). This distribution suggests a focus on addressing systemic inequalities through direct intervention and civic engagement.



People say these communities are 'hard to reach.' They are not hard to reach; the generic systems just don't have the right tools, the language, or the cultural competence to engage them. If you go in with a generic, rigid framework, people will just shut the door."

The sector's strength lies in its proximity to the communities it serves; a significant 63% of organisations rate their connections as "Strong" or "Very strong". Similarly, 54% report high proficiency ("Strong/Very strong") in integrating cultural heritage and identity into their services. 71% of respondents feel "Strong" or "Very strong" about their partnerships and external networks, suggesting a highly collaborative ecosystem that may be acting as a buffer against financial scarcity.

While organisations are confident in their ability to deliver and connect, they face hurdles in external influence and systemic change. Civic Participation and Leadership received the lowest "Very strong" rating at only 5%, despite a combined 68% rating themselves as "Moderate" or "Strong". This suggests a "glass ceiling" effect where organisations are active but lack top-tier influence in local decision-making.

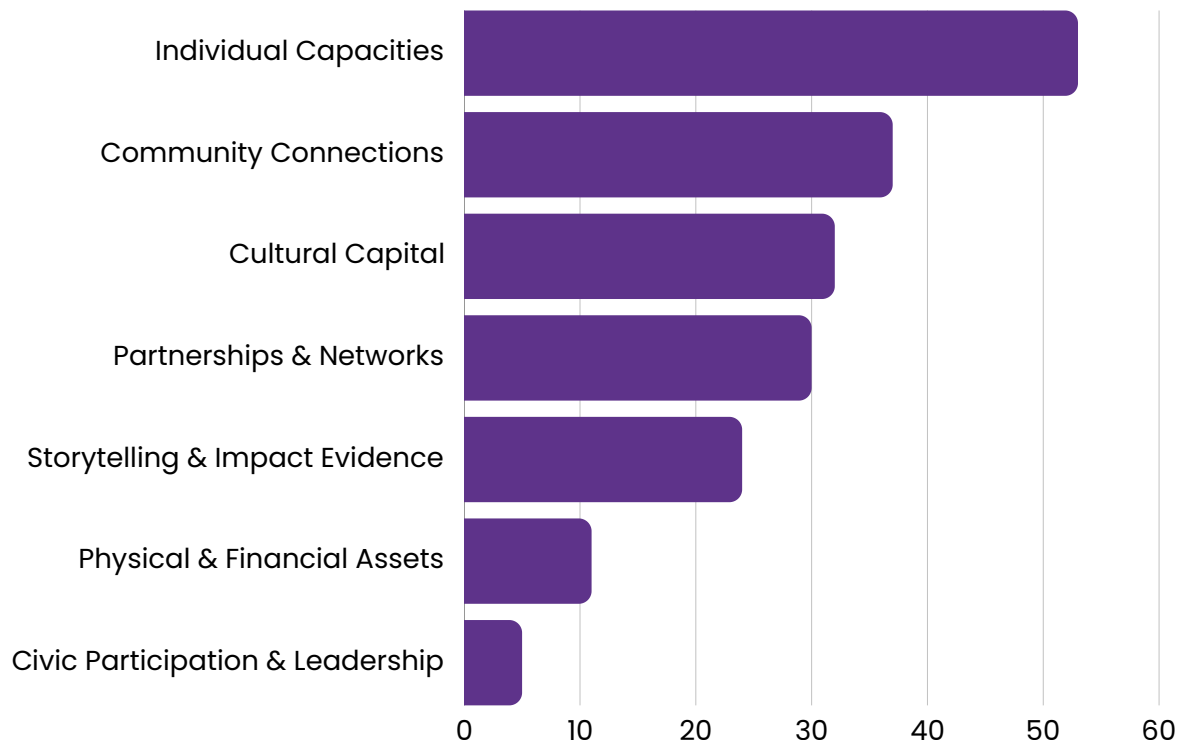
While 0% of organisations rate their storytelling as "Very weak," over 17% still acknowledge "Weak" capacity in this area. This gap between narrative ability and impact evidence (e.g., case studies and impact reports) could be a contributing factor to the difficulties in securing core funding and high-level civic influence.

Self-Assessed Skills and Assets

How would you rate your organisation in each of the following areas? Please rate each category on a scale of 1 to 5.	Individual Capacities (skills, talents and knowledge, e.g., cultural competencies, language skills.)	Community Connections (strengths of relationships with local communities/networks e.g., multilingual outreach, community feedback mechanisms.)	Cultural Capital (understanding and integration of cultural heritage and identity e.g., celebrates cultural events, uses culturally relevant services/language.)	Physical and Financial Assets (facilities, funding sources, digital tools, e.g., office space, tech access, core funding.)	Partnerships and External Networks (collaboration with other orgs, funders, councils, e.g., MoUs, joint initiatives, active coalition membership.)	Storytelling and Impact Evidence (ability to tell stories and show results, e.g., testimonials, case studies, impact reports)	Civic Participation and Leadership (influence in local decision making, policy advocacy, e.g., sit on boards, civic leadership roles, consultation inputs.)
1 = Very weak	0%	7%	1%	11%	1%	0%	6%
2 = Weak	9%	15%	19%	21%	5%	17%	22%
3 = Moderate	13%	16%	26%	21%	23%	27%	28%
4 = Strong	25%	26%	22%	37%	41%	32%	40%
5 = Very strong	53%	37%	32%	11%	30%	24%	5%



We are spending more time filling out spreadsheets and ticking boxes to prove what we've done than actually working with the groups who need us."



The Self-Assessed Capability Heatmap: Strongest where it costs nothing (skills, relationships) weakest where the system gatekeeps (assets, power).

INFLUENCE VS IMPACT

Strategic Influence and Advocacy

While the sector is highly active in local policy work, there is a profound disconnect between participation and actual influence. Data indicates that 80% of organisations engage in local decision-making or advocacy, however 67% describe influencing strategic decisions as "Difficult," and 14% find it "Very difficult". This suggests that while BME organisations have a "seat at the table," their voices are not resulting in substantive policy changes, a phenomenon some respondents attributed to "institutional resistance" and "racism".

The perceived effectiveness of engagement is further undermined by structural barriers and tokenism. New layers of governance, such as the North East Combined Authority (NECA), are often viewed as barriers rather than bridges, making it nearly "impossible" for BME voices to reach strategic levels. Consequently, local authority engagement is frequently dismissed as performative—inviting groups into a space without establishing genuine, sustained relationships. To counter this, there is a clear demand for infrastructure bodies to adopt a stronger advocacy role, representing grassroots needs and holding "purse strings" accountable.

To move forward, the sector requires a shift from service delivery toward systemic influence. There is a noted gap in support for "making system change," specifically in helping organisations develop the analytical skills needed to influence the broader ecosystem. Successful models do exist, however; the "Phoenix Way" pilot in Tyne & Wear is highlighted as a benchmark for equity. In this instance, the entire funding process was co-designed by local organisations, demonstrating that strategic influence is possible when equity is embedded into the design of the system itself.

Financial Landscape and Sustainability Barriers

Funding is the most significant challenge facing the sector, cited overwhelmingly as the primary concern. Organisations rely heavily on Trusts and Foundations (74%) and Local Government funding (71%) resulting in dependence on short-term, project-specific grants. This makes it nearly impossible to build unrestricted reserves or cover essential overheads like rent and core administrative salaries. Furthermore, a significant disconnect exists between funder mandates and organisational goals, with 57% of respondents reporting that current funding priorities only "somewhat" align with their core mission.



Everything is so short-term, and it changes so quickly. You build a team, you train them up, you embed them in a community, and then the funding finishes... We spend half our time looking for the next pot of money to survive, rather than doing the actual work."

Composition of BME Organisation Funding

74% Trusts and Foundations (project-restricted)

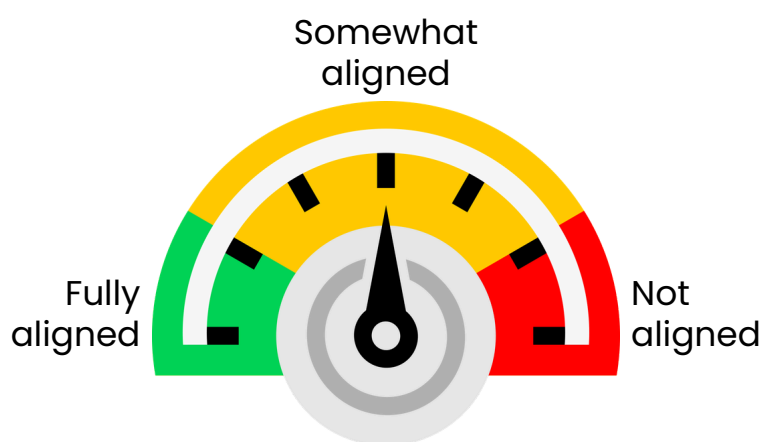
71% Local Government (project-restricted)

Unrestricted core funding

Two streams full. One reservoir empty.

Organisations perceive a shrinking and increasingly exclusive funding environment characterised by "invite-only" gatekeeping and a mismatch between funder priorities and sector needs. Dedicated support for BME groups is almost entirely dependent on ring-fenced, specialist funding, with generalist infrastructure providers often lacking the core funding to meet BME-specific needs.

Barriers to sustainability vary significantly based on organisational size and structure. BME groups frequently operate as small, grassroots "one-man bands" or Community Interest Companies, which can make them ineligible for traditional funding due to a lack of formal governance structures. Micro and small-sized organisations struggle most with measuring social impact (24%) and competition with mainstream groups (34%), whilst for medium-sized organisations the primary barrier is the lack of support for moving into complex operations like property ownership or managing larger staff teams. External factors like inflation, the cost of living, and systemic barriers such as "institutional resistance" or racism further hinder long-term viability.



57% of BME organisations say funder priorities only 'somewhat' match their mission.

A critical loss of community assets is currently hampering service delivery. As local authorities face financial difficulties, organisations are seeing shortened leases, rent increases, and the sale of community buildings which severely hampers their ability to engage with residents and deliver services. Tensions are further exacerbated when council-backed new structures receive substantial investment – such as the £1million UKSPF funding in Sunderland – while established sector-led organisations are left under-resourced.



We are seeing significant challenges around community premises. [This] has definitely been more precarious recently as local authorities worry about finances; rents are rising, leases are being shortened, and buildings are being sold and taken out of community use. This whittles away the stable neighbourhood infrastructure needed to deliver this important work."

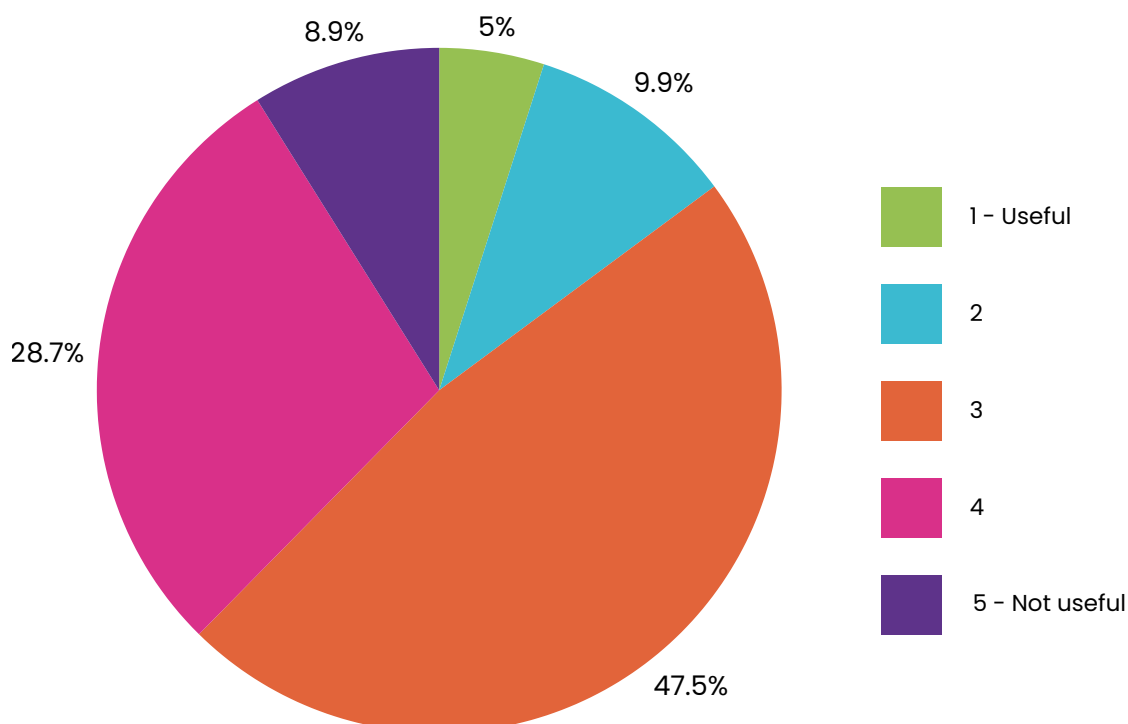
OPERATIONAL STRAIN AND INFRASTRUCTURE GAPS

Assessment of Infrastructure Support

There is a notable difference between the support currently available and what BME organisations require with only 5% of organisations rating existing infrastructure support "useful".

While some organisations find their local CVS "amazing" or "very good," others describe existing systems as "fractured" or "geared towards supporting smaller groups" without the depth to help larger, transitioning organisations. Some noted that they have to "fight for every pound" even when working with funded community centres.

USEFULNESS OF INFRASTRUCTURE SUPPORT FOR BME VCSES



The most common infrastructure services used are access to funding opportunities, resources, support and training, and networking and collaboration. Other reasons to engage with infrastructure services included conflict resolution, service coordination and project support.

WHY DO YOU ENGAGE WITH INFRASTRUCTURE SERVICES?



While some respondents find infrastructure support "moderately useful" or "beneficial" for networking and training, a recurring theme for small organisations (often with only 1-2 staff members) is that they lack the capacity to attend training sessions, expressing uncertainty about whether available training is a "good use of our time/resources". There is also a noted preference for "proactive support," where advisors attend community meetings rather than requiring groups to travel to them.



...with the voluntary black BME community sector... they are actually too busy on the ground trying to meet a need for our communities that actually the infrastructure stuff, the governance stuff, the business planning, the organisational capability stuff gets left behind."

Infrastructure providers (like local CVS branches) report that they have very limited support when their own expertise falls short and often have to pay for private sector specialists. They also noted a gap in connecting with smaller BME organisations who may not be aware of available support as well as internal divisions and fragmentation within the BME VCSE sector leading to "infighting," forcing infrastructure organisations to act as "courts" rather than support providers. There is a strong emphasis on the need for collaboration between national and local infrastructure bodies to avoid duplication and complement existing work.

There is an acknowledged lack of internal expertise and cultural diversity training within mainstream infrastructure teams, which impacts the quality of support delivered to BME communities. As a result, mainstream infrastructure is often described as lacking "cultural competence" and there is a noted lack of support addressing intersectional identities, such as "intersectional disability and racial equity infrastructure". Respondents noted specific gaps in support for Somali-specific infrastructure, BME youth, and BME-specialist women's services. There is a clear demand for "By and For" infrastructure—support systems rooted in BME lived experience to ensure visions are not "whitewashed".

Geography further complicates the landscape.



On a national level, much of the available support is geared toward early-stage organisations and there is a lack of tailored help for those transitioning into complex phases involving property, staffing, and earned income. Support is often structured around crisis response rather than long-term pro-active capacity building, leaving organisations unable to plan beyond a one-year cycle.



Generic infrastructure bodies often look at the sector through a very white, middle-class lens. They don't understand the nuances of how grassroots community groups operate, or the deep-seated mistrust that exists because of historic marginalisation."

Support in rural areas is consistently described as "sparse" and "minimal" compared to urban centres, with a critical need for "mobile outreach infrastructure" specifically for rural VCSEs.

The lack of tailored BME support is exacerbated by a general shortage of refugee services and youth-specific arts or employment programmes. Even where support exists, it is often described as "fragmented" or "adequate but limited" in scope.

Organisations in London benefit from strong London-based networks, but this is balanced by high competition. Even within this dense environment, BME-specific infrastructure is often cited as insufficient to meet high demand. Many specialist BME infrastructure providers operate with minimal staff, often just one or two individuals, making continuous relationship-building and advocacy difficult.



Local infrastructure organisations themselves don't have enough capacity to hold hands. We are stretched to the limit, and when a small group needs intense, step-by-step guidance on governance or a lease, we just don't have the man-hours."

Data from Greater Manchester suggests a strong reliance on the CVS network across different patches (e.g., Bolton, Oldham). Organisations here often utilize these for funding advice and understanding the sector, though they still report gaps in strategic planning support.

Smaller or more specialised organisations (such as those for the Gypsy, Roma, and Traveller communities) often bypass local infrastructure entirely, preferring national or umbrella bodies like NCVO, NAVCA, or specialist regional networks like Ubele.

Region/ Location	Key Organisations & Services	Key Strengths	Noted Gaps & Challenges
London	Borough-level VCSE forums (e.g., One Westminster, Together Barnet, Hackney CVS, Lewisham Local, HCVS, EHCVS).	High density of borough-level networks and access to nation bodies.	BME-specific support is “overstretched”; “high competition” for funds; lack of depth in advocacy and capital projects.
North West (Greater Manchester)	MACC, Bolton CVS, Action Together, VCFA.	Strong presence of local infrastructure across boroughs; useful for “understanding the sector”.	Gaps in strategic planning; “fragmented” services; lack of superfast connectivity in some GM areas.
South West (Bristol/ Gloucester/ Somerset)	Voscur, Black South West Network (BSWN), Gloucestershire Rural Community Council. SPARK Somerset.	Presence of specialised BME networks; useful signposting. Explicitly described as a “great infrastructure organisation”	Internal capacity issues prevent organisations from utilising resources; limited intersectional BME focus. Issues with accessibility and sparse provision in rural areas.
South East (Sussex/ Surrey/ Reading/ Hampshire)	Community Works, Hastings Voluntary Action, V4CE, Bridge Renewal Trust. Reading Voluntary Action (RVA), ACRE, Connect Reading.	Community Works and V4CE described as “amazing”. Strong links to local council and University research projects.	Uncertainty due to NHS/ LGR re-organisations; no specific funding to support BME-led infrastructure in Hastings. Noted gaps in long-term funding and tailored BME resources.

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	Network of local infrastructure across Hampshire, including borough/ county councils.	Collaborative quarterly VCSE forums and strong health/ council links.	Difficulty connecting with smaller BME organisations; limited resources for face-to-face outreach.
East Midlands (Leicester)	Voluntary Action Leicestershire (VAL), Leicester City Council VCSE Engagement Programme.	Active council engagement and specialist guidance through VAL and Lloyds Bank Foundation.	Persistent gaps in specialised services tailored to BAME needs despite active programs.
East of England	Support Cambridgeshire, Thurrock CVS.	Thurrock CVS noted as “improving” due to better BME representation on its board.	Specialised advice for minoritised ethnic groups (like CECF) is lacking.
North East	Sunderland BME Network, Phoenix Way (North East and Cumbria)	Active regional BME-specific networks.	“Huge gaps” in regular funding and action.
West Midlands	BVSC (Birmingham Voluntary Service Council), Black Country Together, WVCA (Wolverhampton Voluntary & Community Action) and other borough/county level groups.	Established presence of community hubs, centres, and networks Training programmes, and mentorship are widely available Current services are beneficial for early-stage capacity building	Existing services are overstretched and underfunded Generic services lack relevancy and reach for BME groups Some groups are unaware that any local infrastructure support exists

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Yorkshire and The Humber	Race Equality Network (REN), Rotherham Ethnic Minority Alliance (REMA), Humber All Nations Alliance (HANA), West Yorkshire's , South Yorkshire Migration and Asylum Action Group (SYMAAG) Strategic Race Equality Network	Established sector networks Active links with local businesses that volunteer their services, alongside support from local councils	There is limited Somali-specific infrastructure, a lack of BME migrant support, and a general deficiency in culturally tailored wellbeing services Accessibility and communication barriers due to language barriers and neurodivergence Irregular funding with much of the existing support perceived to go mainly to creatives and statutory services
Rural Areas (General)	Various small-scale community hubs and informal networks.	Stronger informal peer and faith-based support.	Infrastructure provision is "sparse," "minimal," and "limited."

ORGANISATIONAL CHALLENGES **AND SUPPORT NEEDS**



Workforce Instability

The sector is currently navigating significant operational challenges shaped by "skilled staff shortages" and "emotional burnout." Among existing staff—particularly in youth and mental health services—there is a documented rise in "vicarious trauma" and heavy workloads driven by high service demand. Due to uncompetitive salaries compared to larger entities, organisations struggle to attract and retain qualified or specialised personnel, creating a significant barrier to growth. This has led to a heavy reliance on a volunteer base that is increasingly experiencing fatigue and a lack of the reliability necessary for core operations.



Governance Hurdles

Governance remains a persistent challenge, particularly as organisations attempt to transition from early-stage groups into more complex operational phases. While most existing sector support is geared toward startups, there is a distinct lack of tailored assistance for mature organisations managing property ownership, larger teams, and earned income models. Finding trustees with specialised expertise in finance, legal compliance, or digital strategy is a recurring hurdle for 7% of organisations. Furthermore, boards frequently struggle with a lack of diversity and lived experience, highlighting a need for better representation from BME communities.

Complex governance regulations, shifting policy landscapes (particularly regarding immigration), and high reporting requirements create administrative burdens.

Small teams frequently struggle with changing legal structures and complex financial management; however, external market providers for these services are often "incredibly expensive," leaving many organisations under-resourced.



Infrastructure Deficits and Shared Services

Operational efficiency is severely hampered by a fundamental lack of permanent infrastructure and back-office systems. Many organisations report the absence of stable office space or community hubs, with some experiencing displacement from long-term venues. There is a high cost associated with digital capacity, cybersecurity, and modern IT infrastructure, which limits the ability of small teams to manage data or measure impact effectively. 82% of organisations indicate that a system of shared, culturally competent back-office support (covering HR, IT, and accounting) would be "valuable" or "very valuable." Centralising these core functions would allow organisations to scale more effectively by reducing the individual administrative load.



Financial Stability and Strategic Development

The demand for financial reform centres on a shift from restrictive, project-specific grants to multi-year core funding that covers essential costs like utilities and rent.



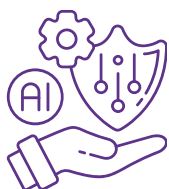
Funders want to buy projects, they want to buy shiny new things. They don't want to pay for the rent, the electricity, or the chief executive's salary. But without that infrastructure, you can't deliver the projects."

Organisations are increasingly seeking to move away from grant dependency through income diversification, corporate partnerships, and social enterprise models. However, the path to sustainability is blocked by a capacity shortage and the high cost of external market providers for financial management. While 1-to-1 mentoring from V4CE has served as a "lifeline" for strategic planning and fundraising success, there remains an urgent need for widespread training in bid-writing, business development, and impact monitoring tools, such as the Theory of Change. This is essential for BME organisations that are often forced to prioritise frontline community needs at the expense of vital organisational infrastructure.



External Pressures and the Hostile Operating Environment

The broader operating environment is becoming increasingly "hostile" with by rising service demands that frequently exceed delivery thresholds. External stressors—including immigration rule changes, local government changes, and anti-migrant sentiment—directly impact both staff wellbeing and service user security. Furthermore, localised issues such as "rural isolation," "inter-community tensions," and the ongoing "stigma around mental health" complicate outreach efforts. To navigate these pressures, organisations require enhanced network-building and policy advocacy support to influence strategy and establish formal partnerships with the NHS, local authorities, and schools.



Digital Transformation and AI Adoption

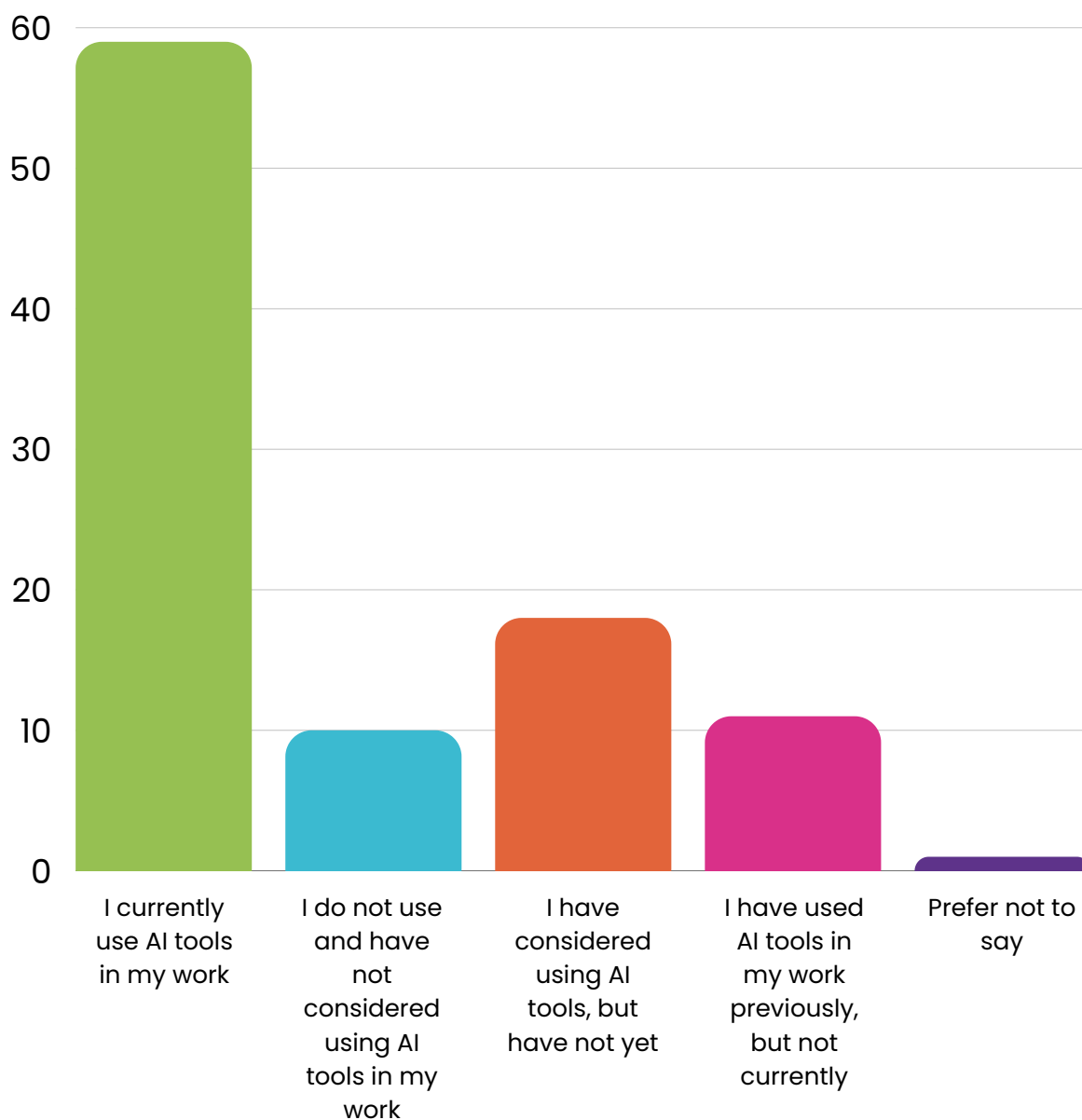
The data provided in the chart below highlights a significant shift toward AI adoption within the professional landscape, with a clear majority of organisations (59%) already integrating these tools into their workflows.

When combined with the 11% who have used them previously, it shows that 70% of the surveyed group has had direct professional experience with AI.

This suggests that AI is no longer a future technology but a present-day staple in a sector that is proactively seeking digital shortcuts to overcome human resource shortages.

It is interesting to note that some responses to open questions on the survey were identical for several respondents, indicating the use of AI.

USE OF AI AT WORK



THE VISION FOR “IDEAL”

SUPPORT: A FRAMEWORK

The following sections outline the core requirements for an effective infrastructure, transitioning from a reactive model to a proactive, culturally competent, and sustainable support system for BME VCSE organisations.



Critical Need for Tailored and Culturally Competent Support

A dominant theme across the sector is the urgent request for support tailored to the nuances of specific minority communities. Respondents frequently highlighted that mainstream support often lacks the cultural depth required to be truly effective. To address this, there is a call for specialist, multilingual advisors and culturally competent training programmes capable of navigating the unique barriers faced by BME groups.

Furthermore, many organisations expressed a clear preference for "By and For" infrastructure, such as Black-led support systems or a dedicated BME-specific CVS. This model ensures that organizational visions are not "whitewashed" or diluted by mainstream perspectives. Central to this vision is a system "rooted in lived experience," ensuring that decision-makers from within BME communities are positioned at the heart of the support structure.

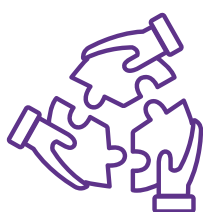


Sustainable Funding and Strategic Capacity Building

Funding remains the most cited gap and the primary requirement for an ideal system. Respondents emphasized a shift away from "short-term project cycles" toward core, multi-year funding to allow for genuine strategic planning.

To level the playing field, there is a recurring request for dedicated funding streams that allow BME organisations to compete fairly with larger, mainstream entities. An ideal infrastructure would also simplify the path to sustainability by providing unrestricted funding options and hands-on support during the initial stages of grant applications.

Beyond immediate financial aid, organisations seek the tools necessary for long-term health. Many leaders prefer ongoing mentorship and 1-to-1 support with experienced peers over one-off workshops. High value is placed on training for governance, compliance, and budget management, as these are seen as the foundations for sustainability. Additionally, there is a growing demand for specialized expertise in digital marketing, social media, and impact measurement to help organisations communicate their value effectively.



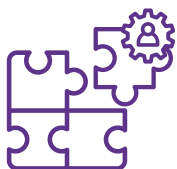
Collaboration, Advocacy, and Resource Sharing

Infrastructure is viewed as a vital bridge between isolated grassroots groups and larger policy-making bodies. An ideal system would function as a centralised resource hub, facilitating the sharing of best practices and providing shared back-office services, such as HR and safeguarding, to reduce administrative burdens.



We need to stop competing for the same tiny pots of money and start thinking about how we can map our strengths. If one organization is great at legal compliance and another has deep community trust, we should be pairing up, not fighting."

There is also a significant demand for infrastructure bodies to play a stronger advocacy role. This involves representing grassroots needs to local authorities and "holding the purse strings" accountable to ensure equitable resource distribution. On an interpersonal level, networking opportunities and peer groups for Chief Executives are seen as essential for reducing the professional isolation often felt by BME leaders.



Addressing Geographic and Intersectional Gaps

To be truly inclusive, support must reach beyond urban centers and address the specific barriers of identity and location. Respondents in rural areas highlighted a major provision gap, calling for "mobile outreach infrastructure" specifically designed for rural VCSEs.

Furthermore, the "ideal" support system must acknowledge intersectional identities, such as the specific needs of those navigating both disability and racial equity. Finally, the lack of physical infrastructure remains a critical hurdle; there is a significant need for accessible and affordable community hubs that provide the physical space required to run essential services and engage with the community.

RECOMMENDATIONS

V4CE calls for a fundamental shift in how the BME VCSE sector is resourced, urging funders and policymakers to pivot toward systems change and commit investing in the underlying structures of leadership, governance, and long-term sustainability.



FOR FUNDERS

- **MOVE AWAY FROM SHORT-TERM GRANT CYCLES:** Funders should prioritize multi-year (3–5 year) core funding to provide organisations with the "breathing space" needed for strategic growth.
- **DEDICATED FUNDING STREAMS:** Establish specific rings-fenced funds for BME-led organisations to level the playing field against larger mainstream organisations with more bid-writing capacity.
- **ADOPT CO-DESIGN PRINCIPLES:** Replicate models like the "Phoenix Way" to ensure funding processes are designed with the participation of BME organisations from the outset.
- **SIMPLIFY APPLICATION PROCESSES:** Reduce the administrative burden for small teams by offering unrestricted options and support during the initial stages of grant applications.



FOR INFRASTRUCTURE BODIES

- **IMPLEMENT CULTURALLY COMPETENT SUPPORT:** Transition from "one-size-fits-all" mainstream support to "By and For" infrastructure led by individuals with lived experience to ensure community visions are not "whitewashed".
- **DEVELOP SHARED BACK-OFFICE FUNCTIONS:** Create regional hubs for shared HR, IT, and legal expertise to support small organisations with compliance and reporting. Centralising these functions would free up grassroots leaders to focus on frontline delivery.
- **ESTABLISH A REFERRAL AND CONSULTANCY NETWORK:** Curate a list of trusted accountants and consultants who understand the unique barriers and cultural contexts of BME VCSEs.
- **EXPLORE SOCIAL INVESTMENT AND TRADING:** Support organisations to develop income-generating models to reduce total reliance on grant funding.
- **DIGITAL AND REMOTE ACCESSIBILITY:** Because of severe capacity issues, providing online resources and templates is more effective for small groups than requiring attendance at live sessions.



FOR LOCAL AND REGIONAL AUTHORITIES

- **STRUCTURED MENTORSHIP:** Prioritize 1-to-1 mentorship with experienced leaders over one-off workshops to build long-term organisational leadership and governance capacity
- **CREATE MEANINGFUL PATHWAYS TO POWER:** Regional authorities must move beyond tokenistic engagement and establish permanent seats for BME-led infrastructure at strategic tables.
- **ADVOCATE FOR SECTOR-LED MODELS:** Local authorities should prioritize supporting and resourcing established, independent sector organisations rather than creating competing, council-led structures.
- **ACCOUNTABILITY THROUGH THE CIVIL SOCIETY COVENANT:** While there is enthusiasm for the covenant, stakeholders emphasize that it must include accountability mechanisms to ensure it makes working within the sector more stable and certain.

EQUITABLE INFRASTRUCTURE

CHECKLIST

This checklist that acts as a framework for equitable infrastructure. Rather than measuring strength through a generic lens, it shifts the focus toward how well a system supports marginalised or grassroots organisations specifically within the BME sector.

As a Funding and Commissioning Tool

Grant-makers and local authorities can use this to audit their own support offerings. If a funder claims to support capacity building, they can use these points to see if their model is truly accessible or if it inadvertently favours larger, mainstream charities.

As a Strategic 'Gap Analysis' for Infrastructure Bodies

Organisations that provide second-tier support can use this to identify what they are missing. For example, they might realize they offer great webinars but lack the proactive engagement needed to reach isolated groups.

Cultural Competence & Representation

- ☐ **"BY AND FOR" LEADERSHIP:** Is the support provided by leaders with lived experience of the communities they serve?
- ☐ **SPECIALIST ADVISORS:** Are multilingual advisors and culturally specific training modules available?
- ☐ **AUTHENTIC VISION:** Does the infrastructure protect the community's vision from being "whitewashed" by mainstream requirements?

Financial Sustainability

- ☐ **MULTI-YEAR COMMITMENT:** Does the funding model move beyond 12-month cycles to allow for strategic growth?
- ☐ **DEDICATED BME STREAMS:** Are there ring-fenced funds to ensure BME groups aren't disproportionately losing out to larger mainstream charities?
- ☐ **UNRESTRICTED CORE COSTS:** Is there provision for unrestricted funding to cover rent, utilities, and essential staffing?

Capacity & Strategic Growth

- ☐ **1-TO-1 MENTORSHIP:** Is there a shift from passive webinars to active, one-on-one leadership mentoring?
- ☐ **BACK-OFFICE SUPPORT:** Does the infrastructure offer shared services for HR, safeguarding, or budget management?
- ☐ **DIGITAL & IMPACT TOOLS:** Are there resources to help small groups measure their impact and manage digital marketing?

Accessibility & Outreach

- ☐ **PROACTIVE ENGAGEMENT:** Do advisors attend existing community meetings rather than requiring groups to travel to them?
- ☐ **GEOGRAPHIC EQUITY:** Is there a "mobile outreach" plan for rural organisations or those outside major urban hubs?
- ☐ **INTERSECTIONAL FOCUS:** Does the support specifically address the overlap of disability, gender, and racial equity?

Power Dynamics & Governance

- ☐ **CO-DESIGN OF SOLUTIONS:** Were the support programmes designed with the BME groups, or were they designed by the infrastructure body and offered as a finished product?
- ☐ **ACCOUNTABILITY MECHANISMS:** Is there a formal process for grassroots groups to give anonymous feedback on the infrastructure provider without risking future funding?
- ☐ **DECISION-MAKING POWER:** Do BME leaders have seats on the boards or investment committees that dictate how infrastructure funds are distributed?

Data Sovereignty & Intellectual Property

- ☐ **DATA OWNERSHIP:** Do the groups own the data collected about their communities, or is it held exclusively by the infrastructure body or funder?
- ☐ **NARRATIVE CONTROL:** Are groups empowered to tell their own “impact story”, or are they forced to fit their successes into rigid Key Performance Indicators (KPIs)?
- ☐ **IP PROTECTION:** Is the specialised cultural knowledge shared by these groups protected from being co-opted by larger mainstream organisation?

Crisis Resilience & Exit Strategies

- ☐ **EMERGENCY RESPONSE:** Does the infrastructure include a “rapid response” mechanism (financial or advisory) for groups facing sudden political or social shifts?
- ☐ **SUCCESSIONAL PLANNING:** Is there a specific support for leadership transition to ensure the organisation doesn’t collapse when a founder moves on?



RESOURCE TRANSFER: Is there a clear plan for the infrastructure body to eventually transfer assets or “know-how” directly to the grassroots groups?

ACKNOWLEDGEMENTS

V4CE extends its sincere thanks to everyone who generously shared their time, experiences and perspectives through our national survey, focus groups and key informant conversations.

Your valuable contributions have helped us better understand the priorities, experiences and needs of BME communities, the BME VCSE sector and the wider infrastructure sector. We are truly grateful for your time, openness and support, and for the important role you have played in informing this work.

FURTHER READING

While this report focuses on mapping the scope and needs of the BME VCSE sector, it is important to recognise the impact and achievements already being delivered by organisations within it. The reports below offer a selection of positive stories and evidenced outcomes from recent years, illustrating the value that Black and minoritised-led organisations continue to bring to their communities.

- [V4CE COVID Impact Report 2020-21](#)
- [Pargiter Trust Fund End of Project Report](#)
- [Building Power, Strengthening Communities: Comic Relief funded Race Equality & Infrastructure Flexible Fund \(REIFF\) Impact Report](#)
- [Together in Motion: Sport England fund Together Fund Impact Report](#)

This report sits alongside a number of other mapping and infrastructure exercises carried out across the sector. Rather than duplicate this work, we point readers towards it here, and would encourage further reading to build a fuller picture of the BME VCSE landscape beyond what is covered in this report.

- [Equity and Justice Infrastructure Mapping – London Funders](#)
- [Local VCSE Infrastructure: What does good look like? – NAVCA](#)
- [The State of London’s Voluntary Sector Infrastructure – London Plus](#)
- [A System at Risk: London’s Voluntary Sector Infrastructure – London Plus](#)
- [‘The best funding’: How multi-year unrestricted grants enable small and medium-sized local charities to support people facing complex issues – IVAR](#)
- [What ‘really’ works for Black and Asian organisations: National Capacity Building Conference Report – ARE, V4CE, The Ubele Initiative and Olmec](#)