

English

The impact of the spending cuts on refugee community organisations

October 2010

About the research

In September 2010, the Refugee Council conducted research to assess the impact of the current spending cuts policy as it affects refugee community organisations (RCOs) across England. The research elicited both quantitative and qualitative evidence from RCOs.

The research utilised a literature review and an online survey of RCOs across England. Questionnaires were sent out to 668 known and established RCOs¹ operating throughout England in order to obtain a geographical overview of how the cuts are affecting them.

A total of 42 RCOs responded to our online survey. This sample provides a solid geographical overview of how RCOs' services are being impacted with powerful qualitative² data which captures many RCOs' funding dilemmas and proposals for ways forward. The relatively low response rate undoubtedly reflects in large part the pressures under which RCOs are operating at the moment.

Key findings

- 52% of RCOs surveyed reported providing services to five hundred or more clients per year
- 24% of RCO respondents have more than twenty active volunteers
- 30% of RCOs are funded by local government/local councils
- 39% of RCOs surveyed reported a decrease in their funding during the last financial year and 58% predicted a decrease in funding over the next twelve months.
- 77% of RCOs surveyed are concerned that their capacity to deliver services will worsen during the next financial year.
- Some RCOs are resorting to small contributions from clients to save most needed services
- RCOs are concerned that local government funding cuts will have a drastic impact on their communities - some of the most vulnerable in UK society.
- RCOs are concerned that with the current funding cuts, RCOs and other small voluntary organisations risk being viewed as a means to fill in gaps that are caused by funding cuts.

¹ Refugee Council and Refugee Action, Refugee Community Organisations in England – Realising Potential, July 2007

² See page 3-5 for diverse qualitative responses from RCOs on the impact of the funding cuts.

Background: funding challenges for RCOs

The current Government funding cuts should be seen within the context of other threats to income sources relied upon by RCOs. The last few years have seen a shift from grant giving to commissioning of services triggered by the Singh report, the Commission on Integration and Cohesion³, which proposed a move away from funding 'single identity' groups.

The trend away from funding organisations working with 'single identity' groups towards those working with 'all communities', has also affected RCOs. While some RCOs do have a multinational membership, many others choose to maintain a specific national or ethnic identity. This approach makes RCOs distinctive from mainstream providers and allows them to provide services in a culturally and linguistically appropriate way to people who are often extremely vulnerable and who would otherwise remain isolated.

The trend in local authorities towards commissioning services has also negatively impacted on the funding available to many RCOs, who have struggled to compete in the commissioning environment. Reports from our Basis Project⁴ Organisational Development Officers across England suggest a variety of reasons for this: their relatively small size compared to the 'bulk' contracts on offer, their inexperience in commercial contracting, and difficulties accessing the influencing processes that set local priorities to the services that are commissioned. Their reach into 'hard to reach' communities however remains unique.

However for those RCOs, who do not have the loud campaigning voice of larger charities, there is concern that those in government are not acknowledging the uniqueness of RCOs' work, or listening to them. Kaveh Kalantari from the Iranian Association is deeply concerned about the fate of 23 charities, including his own, that are currently facing eviction from Palingswick House⁵. Hammersmith and Fulham Council is planning to sell Palingswick House which has been used for charitable purposes since 1880. If charities such as the Iranian Association have nowhere to run their services, how will those vulnerable individuals that they support receive the vital support they need?

The imminent Government funding cuts could mean that we are at risk of losing some of the most innovative organisations, like RCOs, that support the most vulnerable members of our society, and which save the British taxpayer money by dealing with some of the more complex root causes of society's social challenges.

As part of the London Councils' review of its London Boroughs Grants Scheme this year, a Grants Committee Meeting on 14 July proposed 'repatriating' over 60%⁶ of the budget to boroughs, leaving a small regional and small sub-regional pot. For many voluntary organisations including RCOs, although it is reflecting the financial pressure on local authorities, "the 'repatriation' of 60% of their highly valued London-wide grants programme can in fact be considered to be a cut as there is no guarantee that each local authority will allocate that 'repatriated' money through the voluntary and community sector to meet the needs of some of the most disadvantaged Londoners."⁷ The Refugee Council is extremely concerned that although London hosts more RCOs than other regions combined⁸ - serving a high proportion of the UK refugee population - the proposed 'repatriation' may mean that RCOs and other small voluntary organisation will be excluded from accessing the funding.

³ Communities and Local Government, *Cohesion guidance for funders*, Consultation, February 2008

⁴ [The Basis Project](#) is an England-wide partnership project led by Refugee Council and Refugee Action. Basis is the only national specialist project to support refugee community organisations (RCOs) in all the English regions

⁵ See Third Sector Online, by Kaye Wiggins, 5 May 2010, www.thirdsector.co.uk/news/Article/1001427/Palingswick-House-charities-face-eviction-Hammersmith---Fulham-council/

⁶ Grants Committee Meeting Paper, Future role and scope of London Boroughs Grants Scheme, 14 July 2010

⁷ LVSC Press release, July 2010, www.lvsc.org.uk/files/103199/FileName/140710LVSCcallsonLondonCouncilsforgreatertransparency.pdf

⁸ Refugee Council and Refugee Action, "Refugee Community Organisations in England: Realising Potential", July 2007

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What can RCOs offer UK society?

“Refugee community organisations (RCOs) are organisations set up or led by refugees to provide services to refugees and asylum seekers. They are rooted within the communities they serve, to act as bridges to mainstream services and other groups. Refugees are involved in the management of these organisations through representing their community group or as service user.⁹”

Examples of projects delivered by RCOs include: supplementary school classes, ESOL classes, advice and information on welfare benefits and entitlements, employment and training projects, IT projects, health and sports projects, interpreting and translation services as well as campaigning and advocacy work. They also play a crucial role in creating bridges between their own community and the host community.

Responding to a wide range of needs in areas where there is a gap in unmet public services, they carry out extremely valuable work which is fundamental to the refugee integration process. RCOs and other frontline refugee organisations, including the Refugee Council, help achieve outcomes associated with government strategies and agendas¹⁰ including community cohesion, community empowerment, migration and integration. RCOs also run development activities to deliver government departments’ outcomes in the areas of employment, education and training, health, and the alleviation of poverty.

RCOs face challenges similar to those of other voluntary and community organisations, but RCOs’ key uniqueness is in the focus of their work, which is to support refugees and asylum seekers. Refugees and asylum seekers often come from conflict regions and may have specific needs (i.e. mental health support due to torture, rape, and so on) as a consequence of forced exile. RCOs also face a unique set of challenges as their clients, staff and volunteers are constantly emotionally and economically affected by ongoing conflicts and human rights abuses in their country of origin. This can have a variety of effects on the organisation for example, a change in focus, increased stress levels and frequent turnover of staff.

RCO case study: Iranian Association, London

Impact and reach of their services during 2009-10

- Number of clients supported into employment: **150**
- Number of English language classes provided: **2** Entry level ESOL Classes
- Number of clients/organisations supported with interpreting and translation:
 - **20** organisations including Job Centre Plus, social services, housing agencies, schools, the Department of Education, the Home Office, GPs, hospitals, the police, courts, and solicitors
- Number of clients provided with immigration and welfare benefits advice: **600**
- Number of clients successfully helped to become literate:
 - **65** students achieving C&G Literacy Level 1/2 certificates
 - **90** learners gaining C&G Numeracy qualifications and 20 achieving NVOs in IT

⁹ The Basis Project's (www.thebasisproject.org.uk) definition of a refugee community organisation.

¹⁰ www.idea.gov.uk/idk/core/page.do?pageId=8799519

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Survey results¹¹

1.1 Funding issues

Our research has found that forty per cent of RCOs who were surveyed consider themselves as organisations that deliver services within their local authority area. However, notwithstanding the great importance played by these services at a local level, the survey suggests that many RCOs are facing challenges due to continuous scarcity of funding resulting from the global financial crisis. The current government funding cuts only serve to compound the financial plight of RCOs.

The key findings of our research include:

Whereas fifty two per cent of RCOs surveyed reported providing services to five hundred or more clients per year; the prospects of accessing funding for these services has plummeted. Thirty nine per cent of RCOs surveyed reported a decrease in their funding during the last financial year and fifty eight per cent are anticipating a decrease in their funding over the next twelve months. Furthermore, seventy seven per cent of RCOs surveyed are concerned that their capacity to deliver services will worsen during the next financial year.

The survey found that RCOs struggle with very limited resources in response to high service demand and some of them resort to encouraging small financial contributions from clients in order to avoid complete closure of much needed services.

1.2. Qualitative responses

1.2.1. The survey shows that current funding streams are also severely affecting RCOs:

Following public funding cuts to Hammersmith & Fulham Council, the Hammersmith & Fulham Refugee Forum (HFRF) saw their recent bid for £66,990 rejected by the council. Other RCOs who did not receive funding from Hammersmith & Fulham Council this year include: the Afghan Council UK, Horn of Africa, the Iranian Association, and Bosnia & Herzegovina Community Advice.

The Iranian Association stands to lose 90% of its statutory funding in 2010-11. And 40% of Action for Refugees in Lewisham's supplementary schools' budget is under threat.

It was highlighted by Santé Refugee Mental Health Access Project (London) that: "without support there will be increased suicides, increased ignorance about health choices, more family breakdowns. Cutting our financial support will result in more people sleeping rough, becoming sick, mentally deteriorating and harder to recover. Human rights are eroded in doing so. Hospitals will be forced to admit more casualties and schools will be left to deal with children from dysfunctional families."

Furthermore, from 14 October 2010, Greater Manchester Immigration Aid Unit (GMIAU), specialists in representing torture survivors in the North West of England, will have their funds cut by 70% leaving it unable to provide new legal support to the number of people it currently supports.

1.2.2. The general impact of the government funding cuts on RCOs' services.

London:

Significant numbers of RCOs may have to close, particularly those that receive funding from statutory bodies. With few resources with which to make their voices heard RCOs are an easy target for public service savings. Following public funding cuts, **Haringey Somali Community & Cultural Association** reported that: "Our organisation is at risk of closing down. We just had 50% reduction in our Supporting People Project in Haringey and may also lose our legal advice project funded through the London Councils in March 2011. Services that will be affected include our supporting

¹¹ Refugee Council, "How are the government spending cuts affecting your RCO", September 2010
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people services that work with vulnerable Somali adults and a legal advice project that provides advice and support on welfare rights, housing, debt and so on.”

RCOs are concerned about the impact of budget cuts on their clients because many of their services are under threat. The **French African Welfare Association (South East London)** has experienced a reduction in staff: “the organisation has been affected by the economic downturn. We have lost two part-time staff as a result of it, we are not able to provide the after school homework [class] to our children who often don’t get help from their parents because English is not their first language.”

In some organisations, lack of funding is leading to organisations requesting contributions from their clients for services. **West London Refugee Women’s Forum (West London)** highlighted: “RCOs can’t charge their clients for their services because many of them are either on income support or low income but small numbers of our clients are now making small financial contributions for our unfunded community services such as interpreting and translation of documents. These unfunded community services can’t be delivered unless we have sufficient funds to run our core services including training courses, and advice services”.

Reading:

The susceptibility of the refugee sector to political initiatives increases the risk factor for survival. Some RCOs are aware that changing political environments affect the fluctuations in funding. **Reading Refugee Support Group (Reading)** reported: “We were providing the RIES (Refugee Integration & Employment Service) for clients in the Reading area, but because of 50% cuts, our sub-contract with Refugee Action was broken.”

Bedfordshire (Luton):

RCOs are concerned about the impact of budget cuts on their clients because many of their services are under threat.

Bedfordshire African Community Centre (Luton) illustrated: “We have reduced the number of full-time workers and also we have reduced the number of part-time workers. We cannot provide good quality of services as we have shortage of personnel. Numbers of training courses to provide to our service-users have been cut by 50%. We cannot also organise social activities for socially excluded families.”

Oxford:

Another related interpretation of our research findings is that RCOs are experiencing increased workloads, often exacerbated by reduced staff levels. **Refugee Resource (Oxford)** is now finding it hard to meet the demand for its services. Evidence from this organisation included: “We have lost two counsellors and all of us have had a pay freeze this year. Our asylum seeking clients are increasingly destitute and unable to claim benefits or work, and recently have also reported not being allowed to make appointments with GPs. We used to have a 2 month wait for counselling. It is now running at 8 months.”

What the "Big Society" means for RCOs in practice

The idea promoted by the Prime Minister, David Cameron, of a ‘Big Society’ gives welcome recognition to the role that community organisations play in the lives of individuals in society¹². However, the Refugee Council is concerned that the spending cuts may decimate the very sector that Cameron aspired to support through championing the ‘Big Society’. While voluntary organisations and volunteers play an important role in delivering services, they should not be viewed as a means to fill in gaps that are caused by funding cuts; volunteers should not be used as a cheap and easy solution to service delivery and a way of reducing budgets.

¹² www.number10.gov.uk/news/speeches-and-transcripts/2010/07/big-society-speech-53572

An increasing reliance on volunteers providing frontline services will mean that volunteering becomes more 'professional' with higher expectations about existing skills and, potentially, a longer term commitment being asked of volunteers in return for training to 'professional' levels. If this is the case the Refugee Council is concerned that this has the potential to exclude people who may find it difficult to meet certain competencies (e.g. with language) or who are unable to make a long-term commitment due to a lack of control over their own circumstances. We are concerned that this has the potential to particularly exclude refugees and asylum seekers from such opportunities.

The current reality of service delivery by the refugee sector is a burden of responsibility, accountability, statutory compliance, personnel management and governance. These organisations are delivering vital services but very often on extremely limited and as we have seen reducing resources. They do require support and encouragement. We urge the Government to think hard about how effective support for the more vulnerable members of our society can be delivered without adequately funded, effective support for such organisations. We need a robust strategy to ensure that this country does not lose its invaluable resource of refugee community organisations (RCOs).

Yet also and more than ever before, RCOs need to clearly demonstrate and communicate the impact that their contribution is already having on society, and what more they could do if given the appropriate support. And support organisations such as the Refugee Council need to be more effective in promoting the value of RCOs to our society.

With the potential loss of RCOs across the country, the responsibility to reach out to some of the so-called 'hard to reach' in our community will increasingly fall on the shoulders of already over-stretched local authorities. This cannot be the answer. It is clear that central and local government, refugee supporting agencies and RCOs themselves need to rise to the challenges ahead to preserve the vital contribution made by RCOs as they are uniquely placed to support some of the most vulnerable people in our society.

Recommendations

- The surveyed RCOs call for government at national, regional and local level to take a fair approach to cuts, including identifying the valuable work done by RCOs working with refugee communities and identifying specific needs.
- Following a shift towards commissioning services and the struggle that smaller charities like RCOs face in competing for contracts, the Refugee Council urges the Government to do all it can to protect small grant funding at a local level to ensure that small voluntary groups can flourish and engage effectively in local community action.
- The Refugee Council urges local authorities to engage with their local RCOs fairly and effectively, ensuring that RCOs are involved in any consultations and local decision making that might affect the communities they serve.
- The Refugee Council urges London Councils to conduct a full impact review before repatriating any of its regional grants budget to local boroughs, and to ensure that funding is made available for RCOs working across boroughs and also smaller RCOs working at a grassroots level.
- The Refugee Council can collaborate with local authorities and other funders to ensure that there is consistent understanding and awareness of the uniqueness of RCOs, their services, the challenging environment in which they operate, and the diverse ways in which they contribute to the Coalition Government's concept of the 'big society'. This collaborative work will help to demonstrate what new and existing communities have in common, including an increased recognition of the value of diversity.
- The Refugee Council reiterates its call for the Government to include refugees and asylum seekers as vulnerable groups in the next review of National Performance Indicators (NPIs) for 2011. These indicators should become part of the Local Strategic Plan (LSP) for designing services for refugees and asylum seekers according to their needs in the area, and these

indicators would be part of the Local Area Agreement (LAA)¹³. As the Government reviews both LSPs and LAAs, it is vital that refugees and asylum seekers are considered as a vulnerable group in any new strategic development.

- The Refugee Council reiterates its support for the development of a “best practice guide”, to ensure that local authorities engage with local RCOs fairly and effectively, to ensure that RCOs are involved in consultation and local decision making.
- The Refugee Council urges the Government to acknowledge that the creation of new volunteering programmes should build on existing structures, such as RCOs, which are already able to respond effectively to local priorities and build effective partnerships with other local organisations and communities.
- As funding pressures pose huge challenges, there is an even greater need for infrastructure organisations, such as the Refugee Council and other frontline support organisations, to explore diverse and effective sources of funding for RCOs, such as social enterprise and capacity building schemes to generate sustainable income.
- RCOs need to clearly demonstrate and communicate the impact that their contribution is already having for our society, and what more they could do if given the appropriate support.
- The Refugee Council and other frontline infrastructure support organisations need to support RCOs and help them to achieve the following:
 - To take a lead role in partnership/collaborative working and build community resilience by avoiding duplication of services wherever possible.
 - To campaign and gather popular support at the grassroots level, in order to influence decision makers for significant and lasting change in refugees’ lives.
 - To set standards, monitor performance, make improvements in all aspects of operation, and to measure the impact of their work on the lives and wellbeing of the refugee communities they serve, which will enable them to improve the quality of their services and compete for funding.

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¹³ Joint statement for communication with stakeholders, following a meeting on 4 February 2009 between Donna Covey (Chief Executive of Refugee Council), Sandy Buchan (Chief Executive of Refugee Action), and Fazil Kawani (Head of Development Section Refugee Council) and Sadiq Khan (Minister for Communities and Local Government), and his officials from DCLG. British Refugee Council, (commonly called the Refugee Council) is a company limited by guarantee registered in England and Wales, [No 2727514] and a registered charity, [No 1014576]. Registered office: 240-250 Ferndale Road, London SW9 8BB, United Kingdom VAT reg no: 936 519 988