

## **APPENDIX 1**

### **The Growth Company - Response to Time To Change Report**

#### **Business Support Business Finance (BSBF)**

**October 2022**

---

Following the release of the Time to Change report commissioned and developed by the Centre for Research in Ethnic Minority Entrepreneurship (CREME) at Aston University, The Growth Company (GC) has reviewed its progress against issues raised. Whilst the report is broad, our focus is on support for businesses in particular access to finance. A summary of the key actions GC is taking to improve its engagement with ethnic minorities, aligned to the 10 recommendations in the report, is set out at the end of this Appendix.

#### **Partners/Suppliers**

GC has reviewed its own policies and procedures to identify ways to create a more diverse range of suppliers for the services it procures and has released an Inclusive Procurement plan in March 2022. GC is also improving the information on our supply chain via the completion of a supplier survey. The survey has been tested with a small group of suppliers and partners to ensure it meets our objective, with the full roll out of the survey to all suppliers in March 2023. The findings of this survey will be made available in Q1 2023/24 and will be used as a benchmark to report on the diversity of our supply chain on an annual basis.

GC is working with the Greater Manchester Combined Authority (GMCA) and representative members of both the SME and VCSE community to host several roundtable discussions on improving opportunities within GM through improved procurement activity. These discussions include how anchor institutions can better engage and support a diverse supply chain and look at the response to the recently submitted procurement bill.

Our partnership work with the Black United Representation Network (BURN) has seen an increase in collaboration on business provision and events, sharing of middle/senior management vacancies within our own organisation as well as consulting with our internal EDI steering group on policy and impact. In addition, we continue to work with and obtain advice and guidance from organisations such as, but not limited to, Asian Business Leaders, Trafford Hong Kongers, the Centre for Ageing Better, LGBT Foundation, Disability Confident and others.

#### **Business Productivity Innovation and Inclusive Growth (BPIIG) Programme Delivery**

Through BPIIG we made delivery changes to ensure that underrepresented groups are more clearly targeted to improve the levels of engagement and to change perceptions. This has included adding new data fields on April 2022 to our CRM system to capture information more consistently around diversity characteristics to improve reporting and identify reach and outcome improvements.

Our CRM data (Table 1) tells us that we are reaching diverse communities, but we have not yet analysed the comparative outcomes, and this will be undertaken March 2023

To help build on successful engagement levels with minority-led businesses and entrepreneurs, in 2021/22 the Growth Hub:

1. Introduced support specifically tailored for minority-led businesses which included delivery by minority-led partners. This includes Upturn Enterprise CiC, BURN and Flourish

Together CiC (ethnic minority and female led respectively). This has improved our reach for example Flourish Together CiC delivers from a community well-being hub in Clayton, North Manchester, which is within the 10% of most deprived wards in the country. Flourish utilises the hub to engage with residents and female change-makers to offer business, mentoring, investment and peer support.

2. Reviewed our engagement and existing business support offering to understand barriers to accessing our services using feedback from businesses and individual users.
3. Instituted a programme of learning and development for all colleagues on equality, diversity and inclusion, which is now mandatory induction. We have also increased our own colleague diversity: Table 5.

**Table 1: Change in Business Growth Hub clients Oct 2019 – Nov 2022**

Ethnicity minority-led businesses	Year 1 (Nov – Oct 19/20)	Year 2 (Nov - Oct 20/21)	Year 3 (Nov – Nov 21/22)	National business ownership profile	% GM Population
White British	83.6%	87%			79.84%
All Black & Minority Ethnic Groups (incl. White Other)	16.4%	12%			20.16%
White	(new methods of data capture introduced in year 3)		77.2%	6%	83.8%
Asian			11.7%		10.1%
Black			5.6%		2.8%
Mixed/Multiple Ethnic background			4.6%		2.3%
Other Ethnic Groups			0.9		1%

The latest independent evaluation report for BPIIG (October 2022) for the period April 2018 to March 2022 highlighted that for the 5,518 beneficiaries:

- For businesses with a single owner, most businesses (56%) are aged between 26 and 50 years. 19% of businesses have multiple owners of different ages.
- 13% of business owners are from an ethnic minority background, which compares favourably to the national profile (6%). Source: National Small Business Survey 2020.
- 28% of business owners are female, exceeding the national average (16%). Source: National Small Business Survey 2020.
- 3% of business owners have a disability.

Tables 2 – 5 below provide a summary of some of the key activities delivered and engagement levels compared to GM populations and the national profile of business ownership (ONS Census data 2011 and the UK Small Business Survey 2021).

## GC Business Finance

GC Business Finance has also been supporting individuals with start-up loans as a British Business Bank delivery partner since 2012 as well as access to loan/angel investment funding where mainstream banks are unable to support.

**Table 2: GC Business Finance Clients**

Ethnicity	Year 1 (Apr – Mar 19/20)	Year 2 (April – Mar 20/21)	Year 3 (Apr – Apr 21/22)	National business ownership profile	GM comparison
White British	66.87%	71%	66.86%		79.84%
White Other	9.60%	8%	8.80%		3.97%
Ethnic minority*	21.98%	20%	22.29%	6%	16.19%
Prefer not to say	1.55%	1%	2.05%		

**Table 3: Skills for Growth Clients**

Ethnicity	Year 1 (Nov – Oct 20/21)	Year 2 (Nov - Nov 21/22)	National business ownership profile	GM comparison
White / Other White	90%	86.4%		83.8%
Asian / Asian British / Other Asian	5%	6.7%	6%	10.1%
Black / African / Caribbean / Black British	2.5%	3.4%		2.8%
Mixed / Multiple ethnic group	1.7%	2.6%		2.3%
Other ethnic group	0.8	0.9%		1%

**Table 4: Enterprising You Clients**

Ethnicity	Year 1 (Mar – Mar 20/21)	Year 2 (Mar – Mar 21/22)	Year 3 (Mar – Nov 22)	National business ownership profile	GM comparison
White / Other White	76%	73%	72%		83.8%
Asian / Asian British / Other Asian	8%	11%	11%	6%	10.1%
Black / African / Caribbean / Black British	8%	9%	10%		2.8%
Mixed / Multiple ethnic group	5%	4%	4%		2.3%
Other ethnic group	3%	3%	3%		1%

**Table 5: Business Support Business Finance Workforce Ethnicity from November 2022**

Ethnicity		GM Comparison
White / Other white	82.2%	83.8%
Asian / Asian British / Other Asian	11%	10.1%
Mixed / Multiple ethnic group	2.3	2.3%
Other ethnic group	0.3	1%

## Time To Change Recommendations

	Recommendation	How GC is Affecting Change
1	Tackle perceptions of unequal treatment to increase ethnic minorities engagement with bank finance	<ul style="list-style-type: none"> <li>GC Business Finance and GC Angels are supporting businesses unable to access finance through mainstream sources to start and grow</li> <li>Working with GMCA to ensure underrepresented groups are aware of the funding support available</li> <li>Data capture key to build an evidence base of how ethnic minority businesses are progressing through investment processes to identify/ make improvements</li> </ul>
2	Monitor engagement with diverse suppliers to facilitate ethnic minority business access to procurement opportunities	<ul style="list-style-type: none"> <li>Survey being issued to GC's current supplier database to capture ethnic minority data to create a baseline upon which to build</li> </ul>
3	Develop more sustainable and quality business support to help ethnic minority businesses realise their growth potential	<ul style="list-style-type: none"> <li>GC BGH services/programmes being targeted at ethnic minorities working with specialist providers/networks (Flourish Together CiC/BURN/Upturn Enterprise CiC)</li> <li>Employing a more diverse workforce to build confidence with the communities we are trying to engage with</li> </ul>
4	Improve access to business support by establishing trust-based relationships with ethnic minority communities	<ul style="list-style-type: none"> <li>Case studies of ethnic minority businesses using the services</li> <li>Ensure provider procurement encourages a more diverse supplier base, reflective of the diverse communities we are working in</li> <li>Engaging with communities to understand how we can better deliver support to meet their needs</li> <li>staff development and awareness in areas of social value, equality, diversity and inclusivity</li> </ul>
5	Foster local networks of support through partnership working to strengthen support for ethnic minority businesses	<ul style="list-style-type: none"> <li>Working with appropriate representative/community groups to build relationships such as the Black United Representation Network (BURN CiC) and the Black Asian &amp; Minority Ethnic Social Entrepreneurs Network - BASE</li> </ul>
6	Include ethnic minority communities in the policy formulation process to enhance the relevance of support	<ul style="list-style-type: none"> <li>Working with GMCA/LEP to ensure the GM Independent Equalities Commission recommendations are embedded in the development of services</li> <li>Feedback from businesses engaging in programmes to improve services and how they are delivered</li> </ul>
7	Create local community hubs to better engage with ethnic minority businesses and ease their access to finance and business support	<ul style="list-style-type: none"> <li>Delivering in places, using community hubs to build confidence</li> <li>Place based account managers</li> </ul>
8	Develop a UK-wide policy on inclusive entrepreneurship to set out a clear vision for achieving inclusive growth	<ul style="list-style-type: none"> <li>Working with GMCA/LEP to ensure the GM Independent Equalities Commission recommendations are embedded in the development of services and provide feedback on what works/does not work to inform future plans</li> </ul>
9	Create a UK-wide mechanism for promoting and supporting ethnic minority businesses to provide long-term leadership on this agenda	<ul style="list-style-type: none"> <li>Working with GMCA/LEP to ensure the GM Independent Equalities Commission recommendations are embedded in the development of services</li> </ul>
10	Gather better data on entrepreneurial diversity to foster evidence-based policymaking	<ul style="list-style-type: none"> <li>Data fields identified and captured for all services consistently from 2022/23 aligned to ONS</li> </ul>