

GMCA Board

Date: June 23

Subject: UKSPF E23: proposal for Hyper-Local Micro-Business Start-up and Development Support

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Steve Wilson
Portfolio Lead Chief Executive for Investment

Purpose of Report

The purpose of this report is to outline the background and proposition to use UKSPF Funding under E23 to resource a 20 month programme of support that maintains and extends support to start-up and develop micro businesses in the city-region, which is currently being delivered in partnership by GM Libraries, Local Authorities and other partners.

The UKSPF funding will enable this service to be expanded to cover all ten GM local authorities (Wigan and Rochdale do not currently offer this service). This will enable GM to continue support entrepreneurship and self-employment across the city-region at grass-roots level, invigorating GM's high streets and communities. The proposal contains a significant match-funding element which comprises c.60% of overall project costs. The current service has been successful at engaging with female entrepreneurs and entrepreneurs from minoritised communities.

Recommendations:

The GMCA is requested to:

1. Agree the recommendations of the GM UKSPF Local Partnership Board on the strategic fit and deliverability of the UKSPF proposal E23 for “*support for micro-business start-up and development*”
2. Delegate authority to the GMCA Treasurer in consultation with the Portfolio Lead for the Economy, Business and Inclusive Growth and Portfolio Lead for Resources and Investment to agree the allocation method and subsequent award of a grant to the value of £1,400,000.

Contact Officers

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Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment	A	
Consumption and Production		

Contribution to achieving the GM Carbon Neutral 2038 target

The material impact of the programme is unknown due to the wide variety of variables that will impact on the programme including types of business supported. The amber rating reflects that whilst an increase in businesses may negatively impact carbon, nature and the environment, the Build a Business programme will support businesses to adapt to environmental issues through the delivery model and will support entrepreneurs with sustainable business ideas. Previous delivery of the programme has identified that approximately 60% of people using the support service are interested in starting an environmentally friendly or social enterprise-based business (Democratising Entrepreneurship, ERS, 2019) The programme will offer a range of activity to support entrepreneurs to adapt to environmental issues such as sustainability themed workshops and alignment with leading sustainability and social enterprise organisations.

Further Assessment(s): Equalities Impact Assessment

G	Positive impacts overall, whether long or short term.	A	Mix of positive and negative impacts. Trade-offs to consider.	R	Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR	Negative impacts overall.
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Carbon Assessment

Overall Score		
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	

No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.
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Risk Management

There are no risk management considerations

Legal Considerations

There are no legal considerations.

Financial Consequences – Revenue

There are no revenue consequences for the GMCA

Financial Consequences – Capital

There are no capital consequences for the GMCA

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

GMCA Report – GM UKSPF Investment Plan July 2022

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

1.1. The UK Shared Prosperity Fund Investment Plan for Greater Manchester contains an allocation to deliver the UKSPF Supporting Local Business investment priority E23, which aims to: *'Strengthen local entrepreneurial ecosystems, and support businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.'*

1.2. The total funding available for E23 is £9.9m from April 2022 to March 2025. Allocations of this funding have been agreed as follows:

- £0.5m was ringfenced by UKSPF Partnership Board in April 2022 for April 2022 to March 2023 to provide support for Greater Manchester businesses dealing with the increased cost of doing business over winter 2022-23.
- £7.5m was allocated by UKSPF Partnership Board and GMCA in March 2023 to commission a core programme of business support for GM's diverse business base, running from May 2022 to March 2025.
- £1.4m is proposed to be allocated to fund hyper-local micro-business start-up and development support, similar to that already funded via ERDF.
- £0.5m is proposed to be allocated to fund experimental business support, enabling a test and learn approach around specific issues affecting Greater Manchester's businesses.

1.3. The purpose of this paper is to outline the background and proposal for allocating the £1.4m for hyper-local micro-business start-up and development support.

2. Strategic context for intervention E23 - Hyper-local micro-business start-up and development support

2.1 The Greater Manchester Strategy (GMS) commits GM to creating a greener, fairer and more prosperous Greater Manchester. It also embeds a vision for our economy that will enable Greater Manchester to lead local and UK economic recovery and development. This will be done by capitalising on Greater Manchester's assets and the opportunities for economic growth – through the regional centre, towns and our growth locations – recognising our city-region can, and needs to be, at the heart of driving social and economic innovation, and with a renewed focus on people and planet first.

2.2 The GMS includes the following shared commitments that are relevant to the UKSPF Supporting Local Business Investment Priority E23:

- We will drive investment into our growth locations and use that to create opportunities in adjacent town and local centres.
- We will realise the opportunities from our world-class growth and innovation assets, driven by our Places for Everyone Plan, Local Growth Plans and Industrial Strategy to open up opportunities in all parts of the city-region.
- We will support our businesses to grow sustainably and be as prosperous as they can be.
- We will support the creation of better jobs and good employment that has a purpose beyond growing shareholder value, utilising the opportunity to positively impact on our communities.
- We will ensure businesses are able to access the skills and talent they need, and people are able to realise their full potential – by provision of high-quality learning and wrapping support around individuals – with access to good work for those who can, support for those who could, and care for those who can't.

2.3 Under these high level ambitions, the GMS include a series of priorities to be delivered through partnerships and investment. Priority 4 - a thriving and productive economy - is directly aligned with the proposed use E23 as it commits GM to: 'Increased business start-ups and inward investment, and improved business performance', with a target of at least 5,000 more business start-ups per annum compared to 2015 levels, and an increase from 90 start-ups per 10,000 Greater Manchester working-age residents to 117 or more. Furthermore, strategic commitment to investing in capacity for start-ups comes from the Greater Manchester Work and Skills Strategy and the Greater Manchester Local Industrial Strategy, which set out the ambition for Greater Manchester to be recognised as one of the best places in the UK to start up, develop and grow a business.

2.4 The Greater Manchester UKSPF Investment Plan, recognises that within the GMS a focus on our frontier and tradeable sectors has the potential to drive local and UK growth, create the jobs of the future, as well as address some of society's biggest challenges including achieving net zero carbon emissions and meeting the challenges of an ageing population. The GM Investment plan also outlines the need to also develop the foundational economy in supporting the creation of higher paid and better jobs. The foundational economy makes up a large proportion of the jobs and businesses in Greater Manchester and the value of these economies will be essential to the recovery of our town centres, cities and high streets, not least the significant foundational jobs in the night time economy, and hospitality specifically, which needs our support to grow back better, stronger and fairer.

3. Developing the priorities and considerations for supporting micro-business start-up and development support through E23

3.1 GM has a mature and extensive business support environment funded through a mixture of local and national sources, much of which will come to the end of its funding cycle during 23-25. Part of this environment is Greater Manchester's successful Business Growth Hub that provides sign-posting and a first point of contact for businesses in the city-region looking for advice and guidance, including start-up advice for people looking to set up businesses that will scale or spin-outs from research or technology investments for example. Another component of this landscape – which works with the GM Growth Hub on signposting and referrals - is the '*Build-a-Business in GM Libraries*' programme, which is funded by ERDF until end of June 2023.

3.2 *Build-a-Business in GM Libraries* (Build a Business) assists people from diverse backgrounds to turn their business idea into a reality and improve their chances of success by offering a programme of accessible, tailored business support. It provides a practical 'grass roots' approach to business support, breaking down barriers to entrepreneurship and giving people the skills, information, confidence and connections, they need to make their enterprises viable, competitive and successful. Build a Business helps participants view entrepreneurship as an attractive economic prospect and provides the appropriate support to help more people become prosperous business owners. The project achieves this by harnessing the unique specialist collections, resources, support and expertise of the public library network, by working in a hub-and-spoke model with GM boroughs to create a 'joined-up' business support offer. The project also uses the skills and expertise of local entrepreneurs and business experts. Through the support gained via this suite of tailored, customisable options, early-stage entrepreneurs are given the tools to develop a sound business plan and the foundations for creating and sustaining new business.

3.3 Between September 2021 - March 2023 the ERDF-funded Build A Business model delivered:

- Over 1800 registered interest
- Over 1000 individuals have attended at least one of the four workshops.
- Forecast 400+ to have completed 12 hours by end of project.
- A significant number have attended more than 30 hours support through the additional one to one, networking, events and other activities available.

3.4 Build A Business has been successful at attracting traditionally hard to reach or excluded groups:

- 60% of attendees are women (Build A Business management system, 2021-23). This compares with the national average of only 22% of businesses led by women (BEIS Small Business Survey 2017).
- 36% are from minoritised communities. Only 5% of businesses are led by people of black, Asian and minority ethnic origin (BEIS Small Business Survey 2017).

4. Proposition for allocating funding through UKSPF E23

4.1 This proposal is to use E23 funding to ensure the mature ecosystem of business support in Greater Manchester is maintained post ERDF, and via this specific allocation of £1.4m UKSPF funding, that this includes maintaining and expanding the support for people to set up and grow micro-businesses, including social enterprises (with the potential to link to the allocation of E26, growing the local social economy).

4.2 The UKSPF funding will enable the Build A Business service to continue to March 2025, and will also enable the service to be extended to all 10 local authority areas in the city-region – Wigan and Rochdale are not currently operating the service. The overall project cost is £3.449m, and the UKSPF funding will cover £1.401m, with match funding equating to £2.039m (60% of total project costs). Overall project costs are set out in Annex 2.

4.3 All Local authorities committed to the project will provide designated officer time to ensure successful delivery (NB. Rochdale and Wigan officers are being confirmed).

4.4 Libraries will also match fund with significant Added Value, including:

- High street locations at the centre of communities with extensive opening hours inc weekends/evenings. The combined opening hours of the main library sites across the project totals 460 hours a week. However, activities will be promoted through all library sites and staff, with some delivery taking place in different locations. The combined opening hours across all 8 library authorities totals 4,574 hours a week.
- Complementary space for activities, e.g. hiring the Performance Space in Manchester Central Library has a commercial cost of £150.00 per hour +VAT. Cost per workshop would be approx £450 based on 3 hours.
- Welcoming, safe & inclusive spaces with meeting rooms/co-working spaces; trained staff & digital support.
- Database subscriptions totalling almost £100,000 p.a.

- Access to existing partnerships and networks: local, regional & national including The British Library, Intellectual Property Office, GC Growth Hub, The Prince's Trust, FSB, YES Manchester and other local enterprise agencies as well as smaller, targeted networks such as The Women's Organisation, Trafford Women In Business, & Precious Online.
- Community reach, including via extensive library membership.

4.5 The project will engage with over 1,000 early stage entrepreneurs, and deliver at a minimum the following UKSPF outputs and outcomes:

Outputs	<ul style="list-style-type: none"> • Number of enterprises receiving non-financial support: 120 • Number of potential entrepreneurs assisted to be enterprise ready: 550
Outcomes	<ul style="list-style-type: none"> • Jobs created: 28 • Number of enterprises adopting new to the firm technologies or processes: 50 • Number of new enterprises created as a result of support: 90 • Number of people attending training sessions: 100

5. Delivery Model

5.1 The Build a Business programme will be delivered through a partnership model, led by Manchester City Council, which builds on significant experience of collaborative working across Greater Manchester libraries.

5.2 The project will be centrally coordinated by a core Project Management Team, based at Manchester Central Library, who will oversee all aspects of project delivery and compliance. This team sits within the Information & Digital Team in Manchester Libraries, who have experience of successfully delivering GM-wide enterprise projects (currently Build A Business, previously Enterprising Libraries: Start-Up Engines; Big Ideas Generators).

5.3 The project activity will be delivered through a network of all GM library authorities who will act as Delivery Partners within the project. Each library authority will promote the service, manage delivery at local level, work with local partners and provide local knowledge to support the project's development. A network of SME Champions will be based in each Local Authority area offering one-to-one help for entrepreneurs.

5.4 The Project Team will be as follows:

Core Team:	Project Officer Compliance Officer Outreach & Engagement Officer
Full delivery Team:	SME Champion Bury SME Champion Bolton SME Champion Manchester SME Champion Oldham SME Champion Salford SME Champion Stockport SME Champion Tameside SME Champion Trafford SME Champion Rochdale SME Champion Wigan

5.5 As stated above, the UKSPF funding will extend the Build-a-Business service to Rochdale and Wigan, Local Authority areas that were not able to take part in the ERDF-funded activity ending in June. As these areas are new to the project, and demand for the service will need to be tested and built up, it is proposed that the SME Champion posts in those authorities are profiled at 0.5 FTE initially. There will be wrap around support from other SME champions.

5.6 The full service model is set out in the UKSPF Proposal Documentation attached separately as Annex 1, but in summary, the key elements of the service will be:

- Modular support programme for new businesses
- SME Champion in every authority offering 1-2-1 help
- Day-to-day provision of business information resources and support (including intellectual property)
- Local workshops, events & networking

- Co-working space

5.7 A Build A Business project board currently operates and will continue for future delivery. This board will meet on a quarterly basis to oversee the operational delivery and strategic development of the project. The project board currently includes:

- Neil MacInnes – Head of Libraries, Galleries and Culture, Manchester City Council
- Mike Cunliffe - Work and Skills Lead, Manchester City Council
- Jonathan Ebbs, Service Development Specialist Libraries/Manager of BIPC Manchester
- Ryan Tracey, Service Development Specialist Work and Skills – represents operations and services delivery
- Sue Parkinson, Principal Resources and Programmes Officer & GM 2014-20 ESIF Technical Assistance Team
- Project Manager – To be recruited
- Subnum Hariff-Khan – Head of Heritage, Libraries & Arts, Oldham Council
- Chris Farey – Head of Salford Libraries

6. Next Steps

6.1 Subject to confirmation of the necessary allocation route, it is proposed to enter into a grant funding agreement with the lead partner in the Build-a-Business consortium - Manchester City Council - to commence the new delivery model as set out above, and to work closely with the other delivery partners to deliver the programme of support and UKSPF outcomes and outputs. The GMCA will follow its updated corporate Grant Award Process to ensure that the GMCA's proposed award of £1,400,000 to Manchester City Council for the grant purpose of the delivery of the GM Hyper-Local Micro-Business Start-up and Development Support Programme complies with the requirements of the Subsidy Control Act 2022.

6.2 Manchester City Council will subsequently enter into Service Level Agreement with all participating GM authorities, underpinned by a Memorandum of Understanding covering the operating model, outputs and outcomes.

Annex 1: Full UKSPF Proposal (see attachment)

Annex 2: Cost Breakdown

Cost line	Year 1 Total (23/24)	Year 2 Total (24/25)	Total
1. Total staff costs	£412,091	£572,636	£984,727
2. Total accommodation costs	£0	£0	£0
3. Total ICT costs	£50,000	£50,000	£100,000
4. Total Subcontractor costs	£0	£0	£0
5. Total other operating costs	£80,000	£95,000	£175,000
6. Total consultancy costs	£0	£0	£0
7. Total corporate overheads costs	£59,564	£82,596	£142,160
8. Total other corporate costs	£0	£0	£0
Total costs	£601,655	£800,232	£1,401,887