

## Greater Manchester Combined Authority

Date: 15 December 2023

Subject: UKSPF Proposal for Local Business Intervention E23

Report of: Councillor David Molyneux, Portfolio Lead for Resources and Investment and  
Councillor Nazia Rehman, Assistant Portfolio Lead for Resources and  
Investment and Steve Wilson, GMCA Treasurer

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### Purpose of Report

As part of the UK Shared Prosperity Fund programme in Greater Manchester, GMCA is looking 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.

The purpose of this paper is to outline the background and proposal for the ‘£0.5m experimental business support to directly tackle inequalities’ element of E23, including seeking the approval of the GMCA for the strategic fit and deliverability of the proposal.

### Recommendations:

The GMCA is requested to:

1. Discuss and comment on the proposal for the £0.5m experimental programme of business support to directly tackle inequalities.
2. Agree the proposal is a strategic fit with the GM UKSPF Investment Plan and is deliverable as set out in this report.
3. Delegate authority to the GMCA Treasurer in consultation with the Portfolio Lead for Economy and Inclusive Growth and Portfolio Lead for Resources and Investment to agree the procurement method and subsequent award of contract(s) worth up to £0.5m.

## Contact Officers

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## Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health		
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	The provision of business support may include support for businesses to become 'Greener' / more carbon neutral.	
<b>Further Assessment(s):</b> Equalities Impact Assessment		
<b>G</b>	Positive impacts overall, whether long or short term.	<b>A</b> Mix of positive and negative impacts. Trade-offs to consider.
<b>R</b>	Mostly negative, with at least one positive aspect. Trade-offs to consider.	<b>RR</b> Negative impacts overall.

Carbon Assessment		
Overall Score	<input type="text"/>	
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.

## 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**

None

### **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

## **UKSPF – Strengthening Local Entrepreneurial Ecosystems (E23)**

### **1. Introduction and purpose**

1.1 As part of the UK Shared Prosperity Fund programme in Greater Manchester, GMCA is looking 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.

1.3 The following allocations have been agreed by the Local Partnership Board and GMCA and commissioned:

- £0.5m was allocated 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 for a core programme of business support for GM's diverse business base, running from May 2023 to March 2025.
- £1.4m was allocated to fund hyper-local micro-business start-up and development support through the Build a Business programme

1.4 In line with the GMS priorities, tackling inequalities has been embedded into each of these programmes. However, as previously reported to the Board in March 2023, the final allocation of £0.5m of funding will be explicitly focused on funding experimental provision. The purpose of this paper is to outline the background and proposal for this £0.5m of funding.

1.5 The programme of activity for E23 will collectively deliver against the agreed output and outcome targets as agreed in the GM UKSPF Investment Plan as a minimum alongside local additions aligned with the overarching objectives of the Plan.

## **2. Strategic context for development of experimental business support to directly tackle inequalities**

### **2.1 The Greater Manchester Strategy and current delivery landscape**

2.1.1 The Greater Manchester Strategy commits to "to respond to all evidenced inequalities, recognising the individual identities that experience disproportionate discrimination, alongside the role of place and poverty." The commissioning of business support provision needs to reflect this challenge and ensure that support is provided in an equitable way across GM's diverse communities.

2.1.2 There is already evidence that elements of Greater Manchester business support are being more effective at engaging marginalised communities. Both the OPEN SME leadership and management programme and the Build a Business programme of localised business support show positive signs at reaching communities that have historically been

less likely to access business support. The E23 core programme will also employ a targeted approach to ensure engagement with a diverse cohort of users.

2.1.3 There does however remain a significant gap in the evidence base in relation to what works in addressing inequalities in business support. The findings of the evidence review undertaken as part of the development of the E23 core programme highlighted the sparse nature of evidence in relation to the delivery of impactful business support services. This becomes even more pronounced when considering how business support works for people from across Greater Manchester's diverse communities.

2.1.4 In order to address this evidence gap and better target future activity it was agreed to commission provision that maximises the learning about what is impactful in addressing inequalities in people's access to business support, their experience during support and resultant outcomes.

### **3. Developing the priorities and considerations for experimental business support to directly tackle inequalities**

#### **3.1 Call for Evidence**

3.1.1 As a first step in addressing this evidence gap, in September 2023 the GMCA issued a call for evidence to representative organisations and via the GMCA website to gather local evidence on the issues face by marginalised groups and potential solutions for delivering more equitable business support.

3.1.2 Sixteen responses were received from a range of public bodies, representative organisations and other organisations with experience of addressing inequalities. A full list of respondents is provided as Annex 1. Key findings from the evidence review can be summarised as follows:

- **Confidence and Trust:** Respondents identified a lack of confidence and trust in formal business support resulting in part from experiences of discrimination. There is a perception that business support organisations only engage inclusively to meet funding requirements. As a result, local communities become the most trusted source of support
- **Language and Skills:** The use of specialist terms in business support can be discouraging. There are also skills barriers for some individuals in their English language skills, digital literacy, and other basic skills

- **Location of Support:** There are issues in travelling to where business support is provided, related to costs or lack of transport links, or personal responsibilities such as employment or caring.
- **Finance:** Direct costs of business support, and indirect costs (travel, digital resources, time) also present a barrier. Racial and gender biases in investment and religious beliefs around paying interest can also acts as barriers to engagement.
- **Personalised Needs and Goals:** The evidence identified the difficulty of targeting provision at marginalised groups as a whole due to intersectionality of needs. Goals are personal to individual business meaning pre-specified outputs of business support programmes can be unhelpful.

Respondents also suggested prospective ideas for models of delivery. These included:

- Co-design of services with marginalised communities or representative organisations
- The use of a long term approach
- Diverse representation (from trainers, mentors, networks etc.)
- Use of simple language and a slower increase in the technicality of support
- Local outreach services and virtual support
- The use of grants to help build trust
- In-built flexibility such as individually bespoke support

3.1.3 To further corroborate the findings of the evidence review, engagement was undertaken with the Growth Hub, the Greater Manchester Business Board (through the Board's equalities lead Vimla Appadoo), the Build a Business programme, and other partners.

## 3.2 Evaluation Approach

3.2.1 In order for a test and learn approach to be effective it needs to be accompanied by an evaluation method that ensures the most robust evidence possible is gathered. In order to facilitate this, GMCA successfully secured support from a Department for Levelling Up, Housing and Communities (DLUHC) UKSPF evaluation programme to develop a randomised control trial attached to the provision.

3.2.2 Randomised Control Trials (RCTs) are considered to provide the highest standard of evaluation evidence but require careful development to be effective. Most importantly they require a clear articulation of a control and a treatment group to compare and a method of randomising which participants fall into each group. The GMCA Research and Economy teams are working with DLUHC's appointed partners Frontier Economics and BMG to explore the development of an RCT.

3.2.3 RCTs requires careful attention and adherence to implementation protocols so that randomisation is ensured, outcomes are proportionately monitored, and ethical issues are appropriately handled. The support from research and evaluators Frontier Economics and BMG will be instrumental in addressing these issues as well as providing the necessary resources to design and deliver any primary research required to collect data and carry out subsequent analysis.

#### **4. Suggested Approaches to Experimental Provision Through E23**

Building on the findings of the call for evidence, additional consultation and early engagement with Frontier Economics and BMG, two policy approaches have been identified. These aim to align with evidence findings and the requirements of the RCT. Each of these is considered in turn below.

##### **4.1 Focussing support on neighbourhoods with higher prevalence of inequality**

4.1.1 Responses to the evidence review provided insights that cut across equalities groups to highlight issues that were relevant for a range of communities. Taking this alongside the challenge of intersectionality (i.e. where individuals might have needs identified across a range of groups or communities) makes the development of a proposition focused on a particular set of characteristics challenging.

4.1.2 To address this, it is proposed to develop an intervention focussed intensively on some specific GM neighbourhoods where inequality is likely to be more prevalent. This might include, for example, areas with high levels of deprivation, high representation of racially minoritised communities, or high numbers of older residents. It is likely that the intervention will focus on at least two neighbourhoods, each in a different GM local authority area. However, given the experimental nature of the intervention, the limited pot



of funding available, and to ensure the availability of a robust control group, it will not be deployed across all ten local authority areas.

## **4.2 Personal budgets for business support**

4.2.1 The evidence review suggested the provision of grants was a potential means of addressing the lack of trust in business support services experienced by marginalised communities. The evidence did not identify a particular model of support that was effective for addressing the needs of these groups, instead highlighting the need for the personalisation of support. Building on these findings it is proposed that a model is developed where businesses are allocated with a budget and are empowered to choose how this is deployed to best support them in developing their business. This aims to build trust amongst participant businesses and help them to address their most acute needs.

## **5. Delivery Mechanisms and Routes to Market**

5.1 In order to provide reach into neighbourhoods, it is proposed that the provision will act as an additional element of delivery to existing Build a Business provision. Build a Business helps businesses from diverse backgrounds realise their business potential by combining the expertise of the local public library network and specialist local knowledge to provide a suite of tailored business support to small businesses and early-stage entrepreneurs. Activities include one-to-one support, networking and events delivered on-site at local libraries. The programme is currently running across all 10 local authorities of Greater Manchester with activity focussed in main town centre libraries. Outreach activity is also delivered in a range of community libraries.

5.2 The provision to be trialled would mean that a small number of community-based libraries currently hosting Build a Business services would offer a model of enhanced support whilst the remainder (including the main town centre libraries) would continue with existing delivery. This would provide 'treatment' and 'control' cohorts whose outcomes would be compared in the evaluation. The community-based libraries offering the enhanced support would be selected based on data from the Build a Business programme about the diversity of the communities served by individual libraries.

5.3 Libraries offering the enhanced support would be able to offer businesses/individuals a budget with a defined monetary value and allow them to choose which support services they wanted to buy. This might include more typical business support activity (help with accounting, marketing skills etc) or support that might not typically be thought of as business support – e.g. English for Speakers of Other Languages (ESOL) courses. A catalogue of prospective support will be developed that businesses choose from. This could include options for support provided by districts, libraries or local community groups or potentially allow businesses to identify additional support outside of the catalogue. The evaluation would examine the outcomes of those receiving this approach compared to those receiving the standard Build a Business support.

5.4 It is anticipated that a delivery partner will be required to populate the catalogue of options for businesses and undertake the procurement and administration of businesses chosen options. Work is currently underway to explore routes to market for a provider of this support.

## **6. Outputs, outcomes and Key Learning**

6.1 Whilst overall business engagement volumes will be higher, as a minimum, the project will deliver the following UKSPF outputs:

- Number of enterprises receiving non-financial support: 30
- Number of potential entrepreneurs provided assistance to be business ready: 15

It will also deliver the following UKSPF outcomes:

- Number of new businesses created: 5

6.2 The programme will be designed to learn whether business support delivered locally can enhance the trust and confidence of businesses by providing support using a personalised budget approach. Additionally, it will aim to establish whether the approach is able to better tailor provision to the individual needs and goals of business owners. It would also aim to identify which groups and this method of support was most effective at supporting and the nature of the support they chose. Finally, it will explore whether the approach enhances participant's access to business support and their resultant experience and outcomes compared to the standard provision.

## **7. Timelines**

7.1 If the GMCA agrees to the recommendations in this paper, the current draft timelines for the development of the provisions are as follows (final dates are subject to some flexibility):

- Early January – Commission goes live for applications (pending further work on routes to market)
- End March– Contract awarded
- April – Contract Live

7.2 Delivery will take place from April 2024 to March 2025.

## **8. Informing Future Delivery**

8.1 The results of the evaluation will be used to inform future commissioning of business support programmes including through any successor programme to UKSPF, and/or the Single Settlement agreed in the Devolution Deal. The findings will be used to ensure these services are better designed to increase the likelihood of meaningful and impactful engagement with marginalised communities. This might include scaling up the experimental provision in its current form or applying some of the lessons learned from the trial to create principles on which wider programmes of business support can be based.

### **Annex 1: Organisations that submitted responses to the E23 Inequalities call for evidence**

- The Growth Company & Black United Representation Network
- The GMCVO and GM BAME Network
- Trafford Council
- Manchester City Council
- Bolton Council
- Wigan Council
- Proud 2 B Parents
- An Independent Business Consultant
- Midlife Runners CIC
- Refugees and Mentors CIC
- Know Africa CIO

- Oldham Enterprise Trust CIO
- Manchester Craft and Design Centre
- The Business Group
- A Member of the Race Equality Panel Greater Manchester
- Cooperatives UK