



Report to:	Business, Economy and Innovation Committee			
Date:	29 March 2023			
Subject:	Equality, Diversity and Inclusion in Business Support			
Director:	Phil Witcherley, Director of Inclusive Economy, Skills and Culture			
Author:	Josh Rickayzen, Policy Officer and Lorna Holroyd, Programme Lead			
Is this a key decision?		☐ Yes	⊠ No	
Is the decision eligible for call-in by Scrutiny?		☐ Yes	⊠ No	
Does the report contain confidential or exempt information or appendices?		☐ Yes	⊠ No	
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:				
Are there implications for equality and diversity?		⊠ Yes	□ No	

Draft Report on EDI for the Business, Economy and Innovation Committee

1. Purpose of this report

- 1.1 West Yorkshire is one of the most diverse regions in the country. Our diversity is a huge strength and opportunity for our region's economic growth. For example, the decision of Channel 4 to relocate to our region was in part due to the markets the broadcaster could reach and the labour market it could access.
- 1.2 There is a distinct economic benefit to developing a strategy for increased inclusivity within business support. The Time to Change Report, commissioned by NatWest and authored by academics at the Centre for Research into Ethnic Minority Entrepreneurship (CREME) at Aston University, identifies the potential contribution of ethnic minority businesses to the UK economy as £100bn GVA, compared to the current figure of £25bn.
- 1.3 Ethnic minority businesses are 6% more likely to introduce a process innovation than non-ethnic minority businesses, and 11% more likely to introduce a product innovation (Unlocking the potential of ethnic minority businesses Report, Social Market Foundation 2021). Supporting a greater number of ethnic minority businesses could therefore bring other benefits to the regional economy.
- 1.4 Similarly, the Rose Review of Female Entrepreneurship identifies the potential added economic value of £250bn, if women started and scaled new businesses

at the same rate as men in the UK. Unlocking this potential, through an enhanced business support offer that directly tackles the barriers faced by under-engaged groups, would have a significant economic benefit for the region.

- 1.5 Over the last twelve months, the West Yorkshire Combined Authority has begun to specifically measure the impact of its interventions on business leaders with protected characteristics. We have made significant progress on work to support diverse communities in recent years. For example, through our Enterprise West Yorkshire programme that supports start-up businesses:
 - 60% of those accessing support through the programme are female, versus a target of 50%
 - 36.5% are from an ethnic minority background, versus a target of 20%

1.6 This report:

- Outlines the existing evidence on the reach and effectiveness of business support on business leaders with protected characteristics. This includes recent reports such as NatWest's Time to Change Report (launched in Leeds in February 2023) and the Combined Authority commissioned North Star report on black business engagement.
- Outlines existing progress made on delivery to support businesses led by people with protected characteristics.
- Seeks endorsement to develop an Equality, Diversity and Inclusion (EDI)
 Strategy for Combined Authority business support functions, to better
 ensure business support activity meets the needs of all of our diverse
 communities.

2. Information

Equality, Diversity and Inclusion

Context

- 2.1.1 It is vital to the mission of the Combined Authority that business support is accessible to all members of the community. Inclusive Growth and the tenets of EDI run as a 'golden thread' throughout the Combined Authority's delivery and vision for the region.
- 2.1.2 Where data shows challenges and a lack of access to business support, we need to work to develop programmes to inform future interventions. Female-led businesses are only 44% of the size of male-led businesses on average (Rose Review); 41% of disabled business owners do not use business support services (the Federation of Small Businesses, Business Without Barriers Report); ethnic minority business owners are less likely to seek business support through 'formal' avenues (Time to Change Report) like banking institutions or local governing bodies.

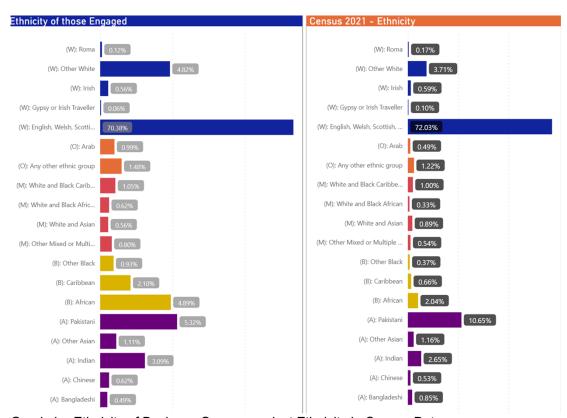
- 2.1.3 Barriers to access for specific groups are also reflected in data collected by the Combined Authority (see section 2.2) and in reports commissioned by the Combined Authority (see section 2.3). This data allows for better understanding of the barriers faced for business owners within West Yorkshire, and adjustments that could be made within our region.
- 2.1.4 The Combined Authority recognises that people with protected characteristics may encounter barriers when attempting to access support through publicly funded programmes. These barriers may include:
 - Perceptions around 'lack of suitability', and previous negative experiences discouraging ethnic minority entrepreneurs from considering support (Time to Change Report)
 - Outdated cultural attitudes that discourage women from entering the entrepreneurial space or seeking support (Rose Review)
 - Complex administrative procedures involved with signing up for business support programmes being unsuitable for use by disabled entrepreneurs (Business Without Barriers Report)
- 2.1.5 The Combined Authority also recognises that people in more than one minority group are more likely to experience disadvantage, due to the presence of numerous, inter-related barriers, and thus are less likely to be able to access support for entrepreneurial activity.
- 2.1.6 The Combined Authority is in a unique position in being able to influence removal of these barriers (where responsible for direct delivery), and to influence stakeholders and partners to improve equitable access to support programmes.
- 2.1.7 Within the Combined Authority, the Inclusive Economy, Skills and Culture directorate takes responsibility for development and delivery of a wide number of business, employment and skills support programmes. As such, the directorate is well placed to ensure equitable access to a broad spectrum of programmes that have the opportunity to reach and benefit our diverse communities.

How our existing services are supporting diverse businesses

- 2.2.1 Since April 2022, the Combined Authority has been collecting data on the protected characteristics of those who access Business Support programmes through 'About You' questions developed by the Combined Authority. These questions are shown in Appendix 1.
- 2.2.2 Data has been collected from approximately 1772 businesses/individuals the Combined Authority recognises that, while this sample size is limited, the data can give initial insight into the exploration and identification of key gaps, wherein provision is not adequately engaging with specific minority groups.
- 2.2.3 It is important to note that there are challenges in collecting data in relation to businesses, as businesses do not in themselves have protected characteristics.

- The 'About You' questions are therefore collected from the individual within the business who is engaging with the Combined Authority.
- 2.2.4 There is also limited data available on the protected characteristics of business owners in West Yorkshire, against which to benchmark our performance. We have used data from the 2021 Census, but this is based on population demographics which may be different to the demographics of business owners. Nonetheless, the Census is still useful in comparing our engagement against the population demographics of the region.
- 2.2.5 Where the data shows certain groups have been under-engaged (e.g., where the level of engagement is lower that the Census data for West Yorkshire), this should provide justification for developing strategies to target provision for specific groups, and consider how access can be improved through understanding and dismantling of specific barriers that different groups may face.
- 2.2.6 Reports like the Time to Change Report and the North Star Report examine the difficulty/barriers faced by ethnic minority business owners in terms of business support access. It is worth examining how those from ethnic minority backgrounds interact with Combined Authority business support programmes. Graph 1 shows uptake amongst ethnic minority groups for Combined Authority business support services (left), compared to Census 2021 data showing the prevalence of these groups in West Yorkshire (right).

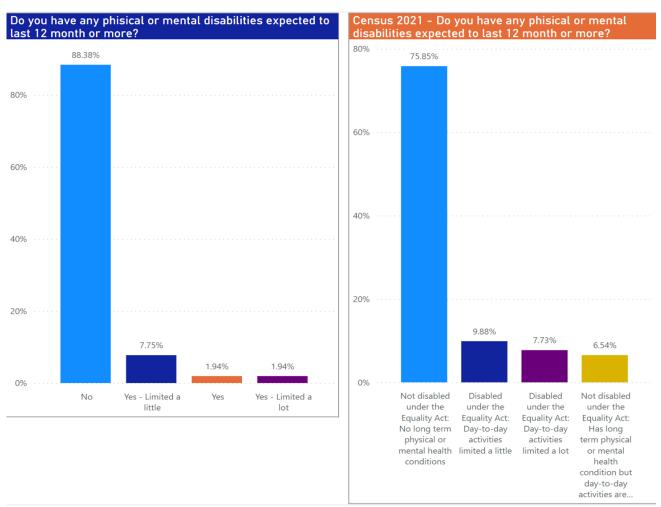
Graph 1: Diversity of businesses supported by the Combined Authority versus the Census 2021 data for West Yorkshire



Graph 1 – Ethnicity of Business Owners against Ethnicity in Census Data

- 2.2.7 Census data from 2021 shows that 10.65% of West Yorkshire residents are from Asian Pakistani backgrounds. Data from the Combined Authority's business support programmes shows that 5.32% of those accessing support are from Asian Pakistani backgrounds. Uptake in Combined Authority support programmes across those from Black ethnic minority backgrounds is 9.59%, with Census data showing that just over 3% of West Yorkshire residents are from Black ethnic minority backgrounds.
- 2.2.8 Similarly, the Business Without Barriers Report, commissioned by the Federation of Small Businesses, identifies barriers faced by disabled entrepreneurs and business owners. Graph 2 compares uptake from disabled business owners on Combined Authority business support programmes (left) with individuals who identified as disabled in the Census 2021.

Graph 2: Delivery of business support in West Yorkshire versus Census demographics – Disability



Graph 2 – Disability status of business owner against Census data

2.2.9 Amongst Combined Authority business support programmes, 11.63% of individuals identify as having some form of disability that impacts their daily lives. Amongst the West Yorkshire population, 17.61% identify as disabled under the Equality Act definition, with 24.15% of residents reporting a long-term physical/mental health condition as impacting on their day-to-day activity.

- 2.2.10 It is worth noting that the Enterprise West Yorkshire programme (one of the first Combined Authority programmes to feature key performance indicators on diverse representation) has overperformed against its targets on diversity:
 - 60% of those accessing support through the programme are female, versus a target of 50%
 - 36.5% are from an ethnic minority background, versus a target of 20%
 - 11.3% have some form of disability, versus a target of 3%
- 2.2.11.Data does not show the same diversity across all programmes high uptake amongst diverse groups on the Enterprise West Yorkshire programme is much stronger with regards to diversity than many other programmes. It is therefore important to consider a) how learnings from the Enterprise West Yorkshire programme, in terms of its approach to marketing and engagement, may be applied to other programmes in order to increase diverse uptake, and b) how the types of businesses supported (e.g. Start-Ups; Social Enterprises) through programmes may influence uptake by different diverse groups.
- 2.2.12.The successes of the Enterprise West Yorkshire programme indicates that an approach to business support that incorporates diversity as a key metric of delivery will lead to better access for under-engaged groups. In particular, the Enterprise West Yorkshire team has used mapping data as part of a targeted approach to marketing/events and has delivered interventions in community settings. As such, officers would be keen that the development of an EDI strategy for the directorate stresses the importance of incorporating data and KPIs on diversity into programme performance.
- 2.2.13.It is important to remember that collected data cannot give much insight into the specific barriers faced by under-engaged groups when attempting to access business support as such, it is important to use other data sources (e.g., consultation with community groups; reports) to develop understanding of barriers, and how they may be dismantled.

A range of initiatives are already underway across the region to address these barriers and improve reach and access to busines support opportunities.

- 2.3.1 The Combined Authority has been working closely with NatWest on both women in business initiatives and work to support ethnic minority businesses. The Combined Authority supported the launch of the Time to Change report in West Yorkshire on 21 February 2023. The launch event allowed for the brokering of numerous relationships with key stakeholders across the region, and Combined Authority officers are currently examining how to use these relationships to continue offering support to ethnic minority business owners across the region.
- 2.3.2 The Combined Authority has also developed a relationship with stakeholders in the Neurodiversity and Entrepreneurship Association (NEA), in order to begin to develop an understanding of how neurodiverse individuals may struggle to access business support, and what adjustments to business support offers

- could most benefit Neurodiverse individuals. This relationship has, so far, resulted in members of the NEA presenting at internal EDI Group meetings attended by business-facing staff, to better inform inclusive provision.
- 2.3.3 The Combined Authority is also committed to furthering support for females in the tech/digital sectors, enabled in part through the activity of the Local Digital Skills Partnership, and the publication of the West Yorkshire Digital Skills Plan. A recent event saw female digital leaders from across the region come together to discuss the opportunities and barriers for women in tech in West Yorkshire.
- 2.3.4 The Combined Authority is also currently undertaking conversations with the BAME Committee at the West and North Yorkshire Chamber to explore how the remit of the group can be expanded to further promote tenets of diversity and inclusion amongst the business community of the region.
- 2.3.5 Last year, the West Yorkshire Combined Authority commissioned a report by African Caribbean Business Ventures, entitled 'North Star A Vision for Black Business Development in West Yorkshire'.
- 2.3.6 The report was intended to explore and understand the level at which the regional Black business community engages with business support functions delivered by the Combined Authority, its contracted delivery partners and the wider business support ecosystem of West Yorkshire.
- 2.3.7 The report was also intended to make recommendations to the Combined Authority around how engagement with this community could be improved, to further increase uptake of business support amongst the Black business community, in turn contributing to the Combined Authority goals of Inclusive Growth across the region.
- 2.3.8 The North Star Report has put forward 10 recommendations to the Combined Authority, in order to promote better engagement with the Black Business Community within Business Support programmes.
- 2.3.9 The North Star Report identifies the Black business community as having the potential to contribute meaningfully to regional economic growth, but also that there are barriers this community face that must be dismantled. The report suggests that there is low engagement from the Black business community with Combined Authority programmes, and that this is due to multiple factors:
 - Institutional mistrust amongst Black business owners
 - Failure of providers to explicitly target Black businesses through their interventions
 - Preference amongst Black business owners to seek support through informal, community-based networks
 - Lack of visible diversity within Combined Authority programmes/delivery teams

- The findings put forward in the North Star report echo the findings of other publications.
- 2.3.10 There is distinct alignment between the recommendations put forward in the North Star report and other reports on ethnic minority businesses such as the Time to Change Report commissioned by NatWest. This further increases the impediment for action in key areas.
- 2.3.11As a response to the North Star paper, and when considering its findings in the context of programme performance data (outlined above in section 2.2), the Combined Authority has developed a response table which outlines areas of current and future activity in relation to each recommendation made by the report. The table also references where alignment can be found with recommendations made within the Time to Change report. This can be found in Appendix 2.
- 2.3.12.Combined Authority officers would be keen to utilise a number of the recommendations put forward by the North Star and Time to Change Reports, should they receive endorsement from Committee members, to develop an EDI strategy namely, the recommendations around EDI targets and strengthening relationships with community partners.
- 2.3.13 The Combined Authority is currently working with Lloyds Bank to support its establishment of a Black Business Engagement Group in West Yorkshire, based on previous initiatives that Lloyds has undertaken in other areas of the country. This support will include the sponsorship of an event to formalise the group's membership and function, as well as sponsoring further engagement events with community organisations through the group. The Combined Authority is keen to develop a relationship with this group, in order to better understand the challenges faced by Black business owners within the region, utilise the experience/networks of group members to further interactions with community partner organisations, and consult on service design elements where appropriate.
- 2.3.14. Whilst the Combined Authority is confident that the above activity represents positive initial steps toward considering how EDI can influence business support, officers are keen to further develop an EDI Business Support strategy, to ensure support is focussed on areas/groups that show least engagement at this point.

Next Steps

- 2.4.1 Insights from under-engaged communities are integral to understanding how barriers present, and why take up might be low. For example, the North Star report makes it clear that Black-owned businesses still report a level of mistrust when engaging with bodies like the Combined Authority, and that there are steps that can be taken to address this.
- 2.4.2 It is important that West Yorkshire Combined Authority better understands the specific challenges that under-engaged groups in West Yorkshire, including

ethnic minority business owners, face when considering access to business support programmes. It is also important to better understand how the notion of intersectionality increases the disadvantage for those in more than one minority group. The Combined Authority intends to further its understanding of these barriers/challenges through developing an EDI strategy. As these barriers become better understood, the Combined Authority will look at how future interventions may directly address these barriers, as well as identifying any changes to current delivery that may give a similar result.

- 2.4.3 The Combined Authority also recognises a need to ensure that diverse case studies are developed, and that events feature diverse panels, reflective of the diversity of our communities in West Yorkshire.
- 2.4.4 Based on the above, it is proposed that we develop a strategy and action plan to better ensure business support activity meets the needs of specific under-engaged groups. This strategy also has the potential to inform further activity across the Inclusive Economy, Skills and Culture directorate.
- 2.4.5 Officers are proposing that a strategy first focusses on under-engaged communities that are shown to have low areas of engagement with Combined Authority business support programmes through collected data. These may then be expanded to other protected characteristic groups as learnings are gathered and more data becomes available for benchmarking.
- 2.4.6 With this in mind, officers are proposing to develop an EDI Business Support strategy to set out clearly the ambitions and objectives to increase opportunities and reach of business support across the region.

Actions from the strategy are expected to include:

- Building relationships with partner and community-based organisations already delivering interventions, in order to; better understand the barriers faced by under-represented groups with regards to accessing business/employment support; open up communication and increase opportunity for programme co-design.
- Continue identifying opportunities to work with larger corporate partners on initiatives relating to EDI, in order to maximise regional impact and further position the Combined Authority as a 'thought leader' on EDI.
- Understand and develop adaptations to existing business support programmes, to further improve access and remove barriers for those from under-engaged groups.
- Consider how expansions and adaptations to existing business support functions can better support social enterprises, co-operatives, and other models of business ownership that put the interests and wealth-building of under-represented groups at the heart of their mission.
- 2.4.7 Should an endorsement for the development of a strategy be received, officers are proposing the following protected characteristic groups as priority targets for these actions, with the opportunity to use learnings to expand action beyond these areas in the future.

- **Ethnicity:** With a focus on:
 - Asian-Pakistani business owners, given low-levels of engagement with current business support programmes.
 - Black business owners the impending creation of a regional Black Business Engagement Group (via Lloyds) offers an opportunity for community engagement that may provide a model for future engagement with other groups.
- Disability: low numbers of disabled business owners engage with business support programmes; the Combined Authority is keen to continue to understand why this is, and what adjustments can reverse this trend.
- Gender: whilst overall engagement with female business owners is relatively in-line with census data (52.58% of engaged businesses are female-owned, compared to 51.07% in West Yorkshire population), this is skewed by high engagement of female business owners on the Enterprise West Yorkshire programme.¹ The Combined Authority is keen to understand how barriers intrinsic to this group are affecting take-up rates with regards to the wider support offer.
- 2.4.8 Officers also recognise that the sample size of available data, with regards to other protected characteristics (e.g. pregnancy; religion) in relation to business ownership, is still limited. Any possibility to gather further data on a national, regional or local level relating to other protected characteristics will be greatly welcomed, in helping to illuminate any potential gaps in accessibility. This may include specific aims around data development and data sharing across different business support organisations within an agreed EDI strategy.
- 2.4.9 Responsibility for building and delivering the strategy will be held by officers within the Inclusive Economic, Skills and Culture directorate, and will be developed in consultation with appropriate external and internal stakeholders, specifically those from under-represented groups. The EDI Strategy will also be developed with performance indicators in mind, to be able to readily measure effectiveness.
- 2.4.10. Should the board members authorise the development of the strategy and the approach, Officers will begin identifying opportunities for stakeholder engagement events, to ensure voices from under-represented communities play a key role in shaping the strategy.
- 2.4.11.Following the above, Officers would intend to bring a developed version of the strategy to the next BEI Committee for sign-off, with a launch/kick-off event taking place following the post-election period in mid-Summer.

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

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¹ Business Growth Programme – 30.08% of applicants are female. #Grow – 20% of applicants were female.

4.1 As highlighted throughout this report, the Combined Authority remains committed to ensuring growth in the region seeks to uplift all members of the wider community, particularly those from underrepresented groups or who may face inequalities. The Combined Authority is also committed to ensuring business and employment support programmes are readily accessible for those from underrepresented communities, including those delivered by the Combined Authority and by other organisations in the public and private sectors.

5. Equality and Diversity Implications

5.1 There are direct positive implications for Equality and Diversity, as the Inclusive Economy, Skills & Culture directorate seeks to develop a strategy that would allow for better access to business/employment support programmes for those from under-represented groups.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That Committee Members endorse the approach to develop an EDI strategy for the Business Support function within the Combined Authority.

11. Background Documents

<u>'Time to Change: A Blueprint for Advancing the UK's Ethnic Minority</u> Businesses'

'The Alison Rose Review of Female Entrepreneurship'

'Business Without Barriers: Supporting Disabled People and Those with Health Conditions in the Workforce'

12. Appendices

Appendix 1 – 'About You' questions, asked of individuals engaging with Business Support programmes through the Combined Authority – Attached Seperately

Appendix 2 – Table that indicates recommendations made by the North Star Report, current Combined Authority Business Support action that supports these recommendations, and further propositions based on the recommendations.

Recommendation from North Star Report (italicized indicates similar recommendation from NatWest Time to Change Report)	Authority Business	Further propositions for future Business Support programmes
The implementation of EDI targets in all contracts, and targets for engagement of Black businesses – with specific EDI targets for Black businesses within broader minority targets. Gather better data on entrepreneurial diversity to foster evidence-based policymaking	delivery (e.g., Enterprise West Yorkshire) have begun including EDI targets/KPIs.	EDI monitoring built into future delivery – including stipulations for delivery partners to monitor/target EDI uptake in future contracts. Decisions on future delivery to be based on monitoring
Utilizing marketing & promotion to build a campaign specifically targeted at increasing the awareness of West Yorkshire Combined Authority brand & products amongst black businesses		Yorkshire (working title) presents opportunity to deliver and promote more clearly under one brand.
Increase visibility of the Black community amongst delivery infrastructure (e.g. staffing; mentors; guest speakers). Monitor engsgement with diverse suppliers to facilitate EMBs' access to procurement opportunities	The Equality, Diversity & Inclusion Officer at the Combined Authority has been working up a number of proposals/frameworks to ensure the Combined Authority's work adheres to EDI guidelines.	Begin conversations with delivery partners around how to achieve representative delivery. This could include building EDI requirements into tenders and other commissioned delivery. Continue work with internal EDI HR team to work toward a more

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	Equality Impact Assessment procedure is being reviewed by	representative & diverse staff
	policy team to ensure these	Combined Authority
	documents retain function in the	,
	delivery stage of a project.	
Co-design of a business support		Combined Authority to examine
programme targeted at Black business;	• •	how existing business support
using this programme to build		functions can be leveraged to
relationships with the Black business	g. suprides.	more specifically target under-
community.	A Development Fund tender,	engaged groups.
,	through Enterprise West	
Include EMB communities in the		Business West Yorkshire
policy formulation process to	•	programme may include specific
enhance the relevance of support;	interventions at specific minority	training for Growth Managers
Improve access to business support	groups that experience barriers	around helping under-engaged
by establishing trust-based	in entrepreneurship.	communities access support.
relationships with ethnic minority		
communities		Using monitoring info/data &
Communities		community feedback to help
		further shape delivery.
Establishing a workshop to develop		Future workshops to focus
provider understanding of the Black		further on specific barriers faced
business sector.		by those from specific underrepresented groups, and
		how delivery staff can actively
Foster local networks of support		address/dismantle these
through partnership working to		barriers.
strengthen support for EMBs	workshops/webinars to	
	increase understanding of	Opportunity to further bring
		external providers/partners into
		future EDI sessions to cover all
	Combined Authority work.	protected characteristics.
		Possibility of delivery via
		external partners for specific EDI
		training packages/toolkits for
Other with a sign of a second state of		SME business community.
Strengthening community		Continuing and expanding
engagement with the Black community through information, outreach &	undertaken with Lloyds Banking Group to embed aspects of	engaged members of the
collaboration on promotions/pilots	·	community, using outreach
		schemes where possible. Trust
Create local community hubs to		and visibility amongst our
better engage with EMBs and ease		communities are key to the
access to finance and business		success of any future delivery.
support	examining how recipients of	, , ,
	support from under-represented	
	groups may form attendance of	
	focus group activity, to obtain	
	learnings from their experience.	
Developing a 'Navigator' team, tasked		Renewed EDI focus through
with connecting Black businesses with		Business West Yorkshire model
relevant support.		will support GMs and other
	or build resilience by providing	business-facing staff to better

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Create local community hubs to better engage with EMBs and ease access to finance and business support	access to the right support, at the right time.	understand the barriers that Black business owners (and other protected characteristics) face when accessing support would enable these barriers to be addressed. Business West Yorkshire will be setting future EDI targets based
		on service data collected since April 22, alongside Census 2021 data.
Establishing an EDI community of practice to share experiences & provide peer support amongst the Black business community.	Currently supporting Lloyds Banking Group to establish a Black business group, focused on sharing good practice/peer support.	Use learnings from this group to inform future interventions that directly address barriers faced by underrepresented groups.
· · · · · · · · · · · · · · · · · · ·	Above mentioned Group likely to feature aspects of networking.	The black business group above will include networking events, guest speakers etc
Scotor:		Opportunities to use this network to inform our learning about barriers faced, and the ways these may be overcome.
Ensuring any interventions that are enacted as a result of these recommendations are performance managed , with a focus on increasing the take up of West Yorkshire Combined Authority services.	delineations and are able to show participation amongst	'Performance management' will only be possible on programmes that include KPIs on ethnicity already (e.g., Enterprise West Yorkshire). However, monitoring can take place across all activities.
Gather better data on entrepreneurial diversity to foster evidence-based policymaking	specific ethnicities/race. EDI monitoring is collected across all programmes.	