

Southwark Pioneers Fund: Equality analysis May 2019

Updated: February 2022
Updated: December 2022

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	Southwark Pioneers Fund: Establishment
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Department	Chief Executive's Department	Division	Local Economy Team
Period analysis undertaken	March 2019 – May 2019 Updated February 2022 Updated December 2022		

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

This equalities analysis relates to the decision to establish the Southwark Pioneers Fund to support local entrepreneurs and commercial and social enterprises, and revenue-generating charities, and contribute to inclusive growth in Southwark.

The Fund will provide support to enterprises including a grants fund.

The decision maker is the Cabinet Member for Business, Jobs and Town Centres.

Section 3: Overview of potential Fund recipients and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	<p>Users of the service will be people who are based in Southwark and who are aspiring to set-up their own business and/or scale and grow their existing business in Southwark.</p> <p>Support will be provided in the following areas:</p> <ul style="list-style-type: none">• Business support: a tailored programme of support delivered by a provider, with potential to add value by working closely with paid-for and pro-bono local Southwark businesses/organisations. The support will also enable businesses to access networks and affordable workspace where appropriate.• Finance: a grants programme. <p>In considering the equality impact of the Southwark Pioneers Fund, information has been reviewed from the following sources:</p> <ul style="list-style-type: none">• Small Business Survey (SBS)• Global Entrepreneurship Monitor (GEM)• Reports such as: https://www.enterpriseresearch.ac.uk/wp-content/uploads/2013/12/ERC-White-Paper-No_3-Diversity-final.pdf and https://www.ippr.org/files/publications/pdf/Small-firms-giant-leaps_Apr2014.pdf• Research from the British Bank and Social Market Foundation on ethnic minority entrepreneurship <p>In addition, public consultation was held via the Council's consultation hub throughout March and April 2019.</p> <p>Subsequently, in 2022, further public consultation was held in relation to the establishment of a comparable business support service.</p> <p>These sources provide information on entrepreneurship and business ownership for the following protected characteristics:</p> <ul style="list-style-type: none">• Race/Ethnicity• Sex• Age• Disability <p>Data from the above sources indicates that likely users of the Fund will include people who fall within a number of the identified protected characteristic groups.</p>

<p>Key stakeholders were/are involved in this policy/decision/business plan</p>	<p>In October 2018, the Council commissioned the Young Foundation to undertake research to ensure that the Southwark Pioneers Fund is developed in a way which is truly responsive to the needs of SMEs, social enterprises and start-ups. Southwark Council commissioned the research to explore their needs and priorities, and consider the implications for the Fund's development.</p> <p>To ensure that the development of the Fund was progressed in line with local expertise and guidance, the Southwark Pioneers Fund Advisory Group was established in October 2018. The Group met monthly throughout the duration of the development of the Fund's strategy, and consisted of nearly 20 members from across the commercial, voluntary and social landscape in Southwark.</p> <p>Key messages from the local needs research and the Advisory Group meetings (as well as in-depth one-to-one discussions) directly informed the strategic direction of the Fund.</p> <p><u>The Social and Community programme has been developed in consultation with members of the Southwark Local Access Partnership (LAP) User and Influencing Committee and research by Tree Shepherd, Young Foundation and Social Investment Business.</u></p>
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Section 4: Pre-establishment equality analysis

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Potential impacts (positive and negative) of proposed policy/decision/business plan

When the fund was originally established in 2019, the age limit for the Fund's support was 18 years. This was because of the need to register with HMRC as a business and banking requirements.

Consultation hub survey findings indicated that there was likely to be a higher take-up of this type of support by those aged 25 – 44 and 55 - 64. In the case of young people, the consultation survey had responses from 5 people under 24 years old.

Research indicates that those aged 25-34 in the UK are significantly more likely to be involved in early stage activity than 18-24 year olds and 55-64 year olds.¹

There is a strong entrepreneurial culture among young Londoners. However, young people face challenges when starting their own businesses and the success rate of young people's businesses is below that of older cohorts.

¹ Global Entrepreneurship Monitor, United Kingdom 2017 Monitoring Report, page 9.

In 2019, there was a wide range of support on offer for young people who were considering starting their own businesses so originally, the fund aimed to raise awareness of this support as opposed to duplicating existing support.² However, since then, the pandemic has had a disproportionate impact on young people's employment opportunities, putting them at an even greater disadvantage than times pre-pandemic. Furthermore, the SiLL programme, which catered for young people among others, has since ended. A Youth New Deal is now a priority for the council, so the SPF now has a greater focus on young people than it did previously.

Equality information on which above analysis is based

Analysis of consultation feedback
Research as documented in section 3.2

Mitigating actions to be taken

The SPF Start-Up programme will be open to anyone over the age of 16. This is to provide support to young people interested in self-employment who want to know more about what it involves. The growth programme will be open to anyone over the age of 18 due to the need to have registered their business with HMRC.

Marketing and promotion work can be done with 16 – 24 year-olds through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough).

During the pandemic, Southwark Works providers also reported an increase in the number of clients interested in self-employment due to the lack of job opportunities. The provider will be required to engage with Southwark Works which could act as a referral pipeline to the Start-Up programme.

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Possible impacts (positive and negative) of proposed policy/decision/business plan

People who have disabilities face specific barriers to entrepreneurship in particular. Specific barriers include accessing start-up capital, lack of relevant business knowledge and skills, and lack of confidence.³

While research is limited on policy support for entrepreneurs who have disabilities, the OECD found that support should recognise the individual's very particular needs and specific capabilities, and should to be implemented alongside complementary measures to address disadvantages associated with other socio-economic statuses.⁴

² Supporting young entrepreneurs, A London Councils Member briefing, February 2013, page 1.

³ <https://www.oecd.org/cfe/leed/background-report-people-disabilities.pdf> pages 7 and 8.

⁴ <https://www.oecd.org/cfe/leed/background-report-people-disabilities.pdf> page 19

<p>Consultation feedback found that 18% of respondents identified as having a disability. Physical mobility and mental health were identified as the main areas. The more recent survey to businesses conducted in 2021 had 8% of respondents identify as disabled-led businesses.</p>
<p>Equality information on which above analysis is based</p>
<p>Research as detailed in section 3.2 Analysis of consultation feedback</p>
<p>Mitigating actions to be taken</p>
<p>The Fund's support can be tailored to help address specific barriers that people who have disabilities and those from other more disadvantaged socio-economic statuses may face.</p> <p>Marketing and promotion work can be done with people who have disabilities through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough). In particular, considerations about access due to physical mobility, and a holistic approach to providing wrap-around support to Fund recipients can be worked through.</p>

<p>Gender reassignment - The process of transitioning from one gender to another.</p>
<p>Possible impacts (positive and negative) of proposed policy/decision/business plan</p>
<p>No specific impacts have been identified or raised in relation to this characteristic. No particular changes have been made relating to this.</p>
<p>Equality information on which above analysis is based.</p>
<p>Feedback from consultation.</p>
<p>Mitigating actions to be taken</p>
<p>N/A</p>

<p>Marriage and Civil Partnership - In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between</p>

a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination).
Possible impacts (positive and negative) of proposed policy/decision/business plan
The consultation did not identify any specific issues relating to marital status or civil partnership. No particular changes have been made relating to this.
Equality information on which above analysis is based
Feedback from consultation.
Mitigating actions to be taken
N/A

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
Possible impacts (positive and negative) of proposed policy/decision/business plan
There are no specific identified impacts relating to this group of women resulting from the decision. See 'Sex' for further information regarding impacts for women.
Equality information on which above analysis is based
Consultation feedback.
Mitigating actions to be taken
N/A

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Possible impacts (positive and negative) of proposed policy/decision/business plan

Race as a protected characteristic could relate to any grouping of people irrespective of colour or nationality.

There are several factors which are worse for entrepreneurs from particular ethnic groups.

In 2017, four per cent of SME employers in the UK were majority-led by people of a minority ethnic group (MEG-led). There was no statistically significant difference in the overall proportion of MEG-led businesses between 2015 and 2017.⁵

In 2017, five per cent of businesses with no employees were MEG-led. There was no statistically significant difference in the overall proportion of MEG-led businesses between 2015 and 2017.⁶

More recently, in 2018 there were around a quarter of a million ethnic minority owned businesses employing nearly three million people across Britain⁷. However, despite the importance of ethnic minority businesses to the UK, there are still significant barriers to entrepreneurship facing some ethnic minority groups – which have been exacerbated by coronavirus. These barriers often prevent many ethnic minority-led businesses from reaching their full commercial potential and contributing even more (than they do currently) to the UK's economic future.

Research from the British Business Bank has found that entrepreneurs from ethnic minority backgrounds face a number of disadvantages in contrast to their white counterparts. Black business owners experience worse outcomes on average, with a median turnover of just £25,000, compared to £35,000 for White business owners. Only 49% of Black entrepreneurs and 53% of Asian and Other Ethnic Minority entrepreneurs meet their non-financial aims in comparison to the nearly 70% of White entrepreneurs. Access to finance, deprivation and education are just some of the reasons cited for these disparities⁸.

Difficulties experienced by many micro-enterprises and SMEs in accessing finance, are experienced much more acutely by Black, Asian and Minority Ethnic owned businesses, regardless of sector. Problems tend to involve obtaining finance from banks and financial institutions, with access to finance being one of the most significant barriers facing MEG-owned businesses.

⁵ MEG defined as defined as having a person from an ethnic minority in sole control of the business or having a management team with at least half of its members from an ethnic minority:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710553/LSBS_2017_cross-sectional_SME_Employer_report.pdf page 2 and 51.

⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710029/LSBS_2017_cross-sectional_Non_employers_report.pdf page 2

⁷ <https://www.smf.co.uk/events/entrepreneurship-and-diversity-in-the-uk-supporting-ethnic-minority-businesses/>

Credit outcomes can be worse for entrepreneurs from particular ethnic groups. For example: Black African-owned enterprises were found to be more than four times as likely as White-owned enterprises to be denied a loan outright.⁹

Unlike many white-owned enterprises, however, these barriers tend to exist throughout the lifecycle of most Black Asian and Minority Ethnic owned enterprises often irrespective of size, sector or track record.¹⁰

Consultation survey analysis told us the ethnicity of respondents largely reflects the make up of the borough. Just over half (54%) of Southwark's population is of white ethnicity, a quarter (25%) black and a third of Asian (11%) or other (10%) ethnicities ([Overview of Southwark's Population JSNA Factsheet](#), July 2018, People & Health Intelligence Southwark Public Health, at slide 6). The more recent survey to businesses conducted in 2021 had 56% of respondents identify as a minority ethnic business.

Equality information on which above analysis is based

Consultation feedback
Research as detailed in section 3.2

Mitigating actions to be taken

The Southwark Stands Together (SST) Programme was established to refocus the council's commitment to addressing racial inequality and injustice. Supporting Black, Asian and Minority Ethnic-led businesses to start-up and grow is a priority commitment.

The Fund's support will be tailored to help address specific barriers that people from Black, Asian and Minority Ethnic backgrounds and those from other more disadvantaged socio-economic statuses may face. Ambitious equalities targets will be set to encourage the provider to target support towards businesses from these backgrounds.

Marketing and promotion work can be done with people from Black Asian and Minority Ethnic backgrounds through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough). Other actions can also be taken, such as the provider offering role models such as mentors and advisors that represent the enterprise owners they are supporting. The council can also promote the service via its business networks, expanded through the SST programme.

All contracted providers of support through the Fund will be required to have an Equalities & Diversity policy in place.

As with other equalities information, race will be monitored and action will be taken to address any significant areas of under-representation where relevant.

⁹ https://www.enterpriseresearch.ac.uk/wp-content/uploads/2013/12/ERC-White-Paper-No_3-Diversity-final.pdf page 10

¹⁰ <https://www.proseworks.co.uk/Downloads/LDA-BMEBusinessreport.pdf> page 40; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/225762/EMBs_and_Access_to_Finance.pdf page 13 at paragraph 44.

For the Social and Community programme, the LAP partnership has made the bold decision to make the enterprise support and grant programme exclusively available to Global Majority-led and/or women-led organisations and individuals, those historically most marginalised and underserved in the borough.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Possible impacts (positive and negative) of proposed policy/decision/business plan

The consultation and equalities analysis did not raise any specific issues relating to religion or belief.

However, users may experience barriers to access services owing to their particular religion or belief. For example, accessing services on particular days / times.

Equality information on which above analysis is based

Consultation feedback.

Mitigating actions to be taken

Contracted providers of support through the Fund will be required to provide access to face-to-face and online services at varying times. This may enable access to those whose religion / belief may prevent them for accessing services on certain days of the week.

Contracted providers will also be required to have an Equalities & Diversity policy in place.

Contracted providers will also be required to work with other voluntary and community sector organisations in the borough, such as those organisations that provide generalist advice and signposting to specific communities with particular needs, for example, Muslim women.

Sex - A man or a woman.

Possible impacts (positive and negative) of proposed policy/decision/business plan

There is considerable concern and data to reflect that the low rates of participation by women in entrepreneurship constitute a major gap. A 2015 report from the Centre for

Entrepreneurs found that if women started businesses at the same rate as men, there would be a million more SMEs in the UK.¹¹

In 2017 in the UK, twenty-one per cent of businesses with no employees were majority-led by women, defined as controlled by a single woman or having a management team of which a majority were women. This figure was one percentage point lower than in 2016 and 2015. It was slightly higher than that reported among SME employers (19 per cent).¹²

Despite many initiatives to increase the number of women in enterprise, men are still almost twice as likely to start businesses as women. This is a global issue, however relative to other high income countries, UK rates of female business ownership are persistently low.¹³

Barriers found through a global study by Unilever “Scaling Up Diversity”¹⁴ show that:

- 61 percent of women in start ups do not think there are enough female role models, which are crucial at the ideas stage—before a start-up is founded.
- 42 percent of female founders revealed that funding was one of the most challenging barriers when starting their companies as founders.
- 39 percent of female founders reveal that they frequently encountered sexism whilst running their start ups.
- 42 percent of female founders believed that gender discrimination will stay the same as they scale up.

The majority of respondents to the consultation survey were female, with comments indicating that they are attracted by the flexibility offered by running their own enterprise. The more recent survey to businesses conducted in 2021 had 44% of respondents identify as a women-led business.

Equality information on which above analysis is based

Consultation feedback
Research

Mitigating actions to be taken

The Fund’s support can be tailored to help address specific barriers that women and those from other more disadvantaged socio-economic statuses may face. This could include the use of accessible role models (through mentoring).

Marketing and promotion work can be done with women through the business support

¹¹ <https://media.nesta.org.uk/documents/the-state-of-small-business-uk.pdf> page 18; [https://pureportal.strath.ac.uk/files-asset/440845/Environment and Planning C Government and Policy.pdf](https://pureportal.strath.ac.uk/files-asset/440845/Environment_and_Planning_C_Government_and_Policy.pdf) at page 335.

¹²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710029/LSBS_2017_cross-sectional_Non_employers_report.pdf page 27

¹³ https://www.enterpriseresearch.ac.uk/wp-content/uploads/2013/12/ERC-White-Paper-No_3-Diversity-final.pdf page 13

¹⁴ <https://foundry.unilever.com/blog/-/blogs/diversity-in-the-startup-space-almost-half-of-startups-believe-there-is-a-gender-bias-problem?prclt=NeUIEZpR> ; <https://medium.com/startup-grind/how-do-we-bridge-the-gender-diversity-gap-in-the-startup-space-3956c5dd33c>

programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough).

By way of example, the Start-ups in London Libraries (SiLL), a 3-year programme delivered in partnership with the British Library 2019-2021, successfully attracted female participation - accounting for 74% of all registrations.

All contracted providers of support through the Fund will be required to have an Equalities & Diversity policy in place.

As with other equalities information, sex will be monitored and action will be taken to address any significant areas of under-representation where relevant.

For the Social and Community programme, the LAP partnership has made the bold decision to make the enterprise support and grant programme available exclusively available to Global Majority-led and/or women-led organisations and individuals, those historically most marginalised and underserved in the borough.

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes

Possible impacts (positive and negative) of proposed policy/decision/business plan

The consultation and equalities analysis did not raise any specific issues relating to sexual orientation.

Equality information on which above analysis is based

Consultation feedback.

Mitigating actions to be taken

N/A

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Possible impacts (positive and negative) of proposed policy/decision/business plan

The consultation and equalities analysis did not raise any specific issues relating to human rights.
Information on which above analysis is based
Consultation feedback.
Mitigating actions to be taken
N/A

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe
