



Heading Up Local Leadership
Ensuring Micro Business Matters



“ A recent example we faced was applying for the free lateral flow tests for our business that the government are offering for SMEs. Once we'd finally gotten through all the forms, registrations and up to the point of arranging for our first delivery of tests, we were then told that as a micro business (under 10 employees) we were too small to qualify for this support. ”

Ash Tyson

Foreword:

Tony Robinson OBE

It is a great pleasure to read and contribute to this excellent micro business strategy for my favourite city and home of Hull. Hull has set a world class standard for support to young enterprising people and enacting this strategy will set the standard for support to micro business owners.

2020 was a year of record start-ups in the UK and 2021 will beat this new record. 2021 could break the one million mark for annual start-ups. All these start-ups will be created by a micro business owner. Over 80% of these new business owners can still be trading in 3 years-time with the right support. 6% of them will become the high growth employers which every city needs.

When I began championing the need for better support for all UK start-ups and all micro business owners there were several practical and research-based principles which underpinned my work. These principles remain as important today.

In commending this micro business strategy to you I hope these principles and our charter may underpin your ambitious and much needed plans and activities:

1. Successful enterprise facilitation means joining micro business owners 'in their world' and helping them make connections. Paternalistic 'big company boiled down' advice has never worked.
2. The top two reasons micro businesses fail are the same every year. There is not 'enough' of a need for their products and services, and they run out of cash. Test trading is as important for existing businesses as it is for start-ups.
3. The best mentors to start-ups and micro business owners have got the 'been there and done it' t-shirt and are great listeners.
4. No famous entrepreneur has ever succeeded on their own. That is because no-one can be brilliant at creating the product or service, marketing the product or service, and managing the money side including pricing.
5. To keep going the micro business owner must enjoy what they do and be good at it.



I wish to put on record as well how much I admire Hull City Council for their commitment to the city's micro business community, helping to facilitate the development of this Strategy and Action Plan and at the same time developing with micro business owners and their supporters a Micro Enterprise Charter. (Appendix 1). This to me shows they are not just developing this strategy to tick a box, they wish to change a mind-set so those with the influence and the power can see that the city wants to change the economic landscape to recognise the value of micro businesses to the local, regional and national economies, as they and I believe micro businesses are the beating heart of our communities.

Finally, congratulations to the many contributors to this strategy document. It is so reassuring that the document has been developed with the support of micro business owners with the input of experienced enterprise support practitioners and stakeholders. Thank you for believing #MicroBizMatters and, just now, the 3 Million #ExcludedUK who matter most.

Tony Robinson OBE
UK Micro Biz Champion

Hull:

Heading up Local Leadership; Ensuring Micro Business Matters

A strategy to position Hull City Council as the leading local authority in the United Kingdom to make micro business support a priority across their area.

Executive summary

As a partnership we are unashamedly ambitious for Hull. We want to deliver inclusive growth and sustainable development and ensure people have the opportunity for a decent quality of life for themselves and for the children in the heart of their communities. Delivery of this strategy is not within one organisation's ability; everyone must play their part. We are clear in our Micro Enterprise Charter that this must be city owned and delivered bringing all partners together to deliver a cohesive strategy that becomes the benchmark for national recognition of micro businesses. These businesses are the lifeblood of our communities. Diverse in nature, they are run and managed by our residents and give an insight into the needs of different communities.

We wish to provide a framework for the next five years for Hull to:

- respond to the immediate economic impacts of the pandemic.
- support growth and investment in micro business as a recognised business segment.
- focus resources on key challenges of addressing fairness and inequality across Hull in line with the 'levelling up' agenda.
- see an increase in the number of new business start-ups particularly across young people, women and minority groups aligned to our key partner targets.
- develop specific partnership programmes to support key demographics (young people, women and BAME) to enter and re-enter the workforce as micro business owners.
- focus on raising aspirations of under-represented groups such as young people, BAME, Excluded UK and women, with support from our key partners.
- work on partnerships to support the emotional wellbeing of those we assist.
- develop wider and deeper understanding of what is a micro business and its context in the city, regional

and national socio-economic make up.

- support current and future providers to build a collaborative ecosystem of micro enterprise support and deliver quality and impartial mentoring, coaching, advice and relevant programmes.
- to enable micro business owners to have an active involvement in the work of all spectrums of enterprise and across wider economic and cultural sectors.
- aim to be the first specialist micro business council-led initiative in the UK and become a UK leader in recognition of micro business a major contributor to the UK Business scene.

Hull still faces the structural challenges of a persistent low skill, low wage economy in some areas, which is limiting the economic prosperity of our communities.

This strategy is fully aligned with Hull City Council's 5-year Regeneration Strategy and the overall Economic Strategy for Hull; indeed, we have worked closely with those developing that strategy and those that developed the Hull and East Riding Youth Enterprise Strategy and





“ My feeling is that we miss a trick with young people as they come through schools. We know that they mostly don't see self-employment as an option and much as we mention this in the strategy, we could do more to influence the thinking at all levels. ”

Lucy Gifford

Action Plan. We are particularly aligned with the People Development Strategy which aims to improve access to work, connecting people to entrepreneurial opportunities while improving skills and supporting new start-ups leading to establishing a micro business. Data from the Office of National Statistics shows that during the pandemic, micro businesses were more impacted than businesses of any other size. With nearly 10 per cent more facing temporary or permanent closure and micros representing 89.7 per cent of the total enterprises in England: evidence suggests that if micro businesses are not supported in their recovery and formation, there could be a significant impact and detrimental effect on employment and resilience of our communities.

We believe that people are the lifeblood of all micro businesses. Women, young people, and those from BAME communities have all been disproportionately affected by the economic effects of Covid-19. The LGA report on micro businesses identified that there is less diversity in the demography of those who set up a micro business compared to the overall population. The BEIS small business report highlights that as only 5% were MEG-Led micro businesses when micro businesses make up 96 per cent of all SMEs in the UK, the proportion of MEG-led enterprises is a very small proportion. The same survey finds that only 15 per cent of micro businesses were women-led in 2019, with these businesses more likely to be centred in education, health, accommodation

and food services, and administration sectors, highlighting the under-representation of women in ownership. Evidence also suggests that women are more likely to have lost their job during the pandemic due to unequal caring responsibilities. These findings across age and gender highlight that understanding micro businesses in the local area can also help to understand broader inequalities and develop the most suitable and targeted support packages and offers.

With the relevant support in place, we will see improved levels of employment and access to learning and skills. In five years, Hull will have responded to the economic downturn resulting from the pandemic with employment levels going beyond previous highs, together with the narrowing of gaps for those most affected.

Building on Hull's entrepreneurial spirit, our micro enterprise charter wishes to ensure every resident has the opportunity to learn key enterprising skills, providing them with the opportunities to establish their own



business as well as building personal resilience and confidence in the heart of their communities using the Big 13 skill sets.

We also recognise the key role that the micro business sector can play in addressing the climate emergency. The Hull 2030 Carbon Neutral Strategy will work with us in developing businesses around a circular economy, reducing the impact of climate change from the ground up and aligning micro businesses to fit their environments.



Creating a recognisable enterprise culture in the city is vital to establishing a vibrant, sustainable, and inclusive economy. This will involve encouraging entrepreneurial skills and attitudes and recognising the contribution that enterprise activity

can make to people's lives and communities, particularly amongst young people.

Those undertaking enterprise activities in an informal economy such as micro-businesses can be established and gain additional ways of earning money. They can be coached further and given the right incentives, may expand their businesses, leading either to stand-alone businesses or routes towards full employment within larger businesses.

We aim to provide a strong case for the support of micro businesses within all current and future economic strategies for the area. We are delighted that the value of micro businesses is front and centre in Hull's Regeneration Strategy to ensure the following vision is achievable.

Planned investment in managed business support accommodation in suitable locations across Hull that meets the need and demand for adaptable workplaces will provide the facilities for new micro businesses to grow and develop.

- We will work with partners to implement a micro business strategy that will capitalise on people and place to drive wealth generation, prosperity, and quality employment.
- We will provide direct support for people who want to start up their own micro business and who have an entrepreneurial talent with focussed actions to support under-represented groups.
- We aim to support small, local, and growing businesses through local procurement and development of supply chains.
- We will link micro businesses with new initiatives and financial opportunities to enable sustained prosperity.
- We aim to build upon Hull's culture of micro businesses as part of the process of rebalancing of the local economy.

What do we mean by micro business?

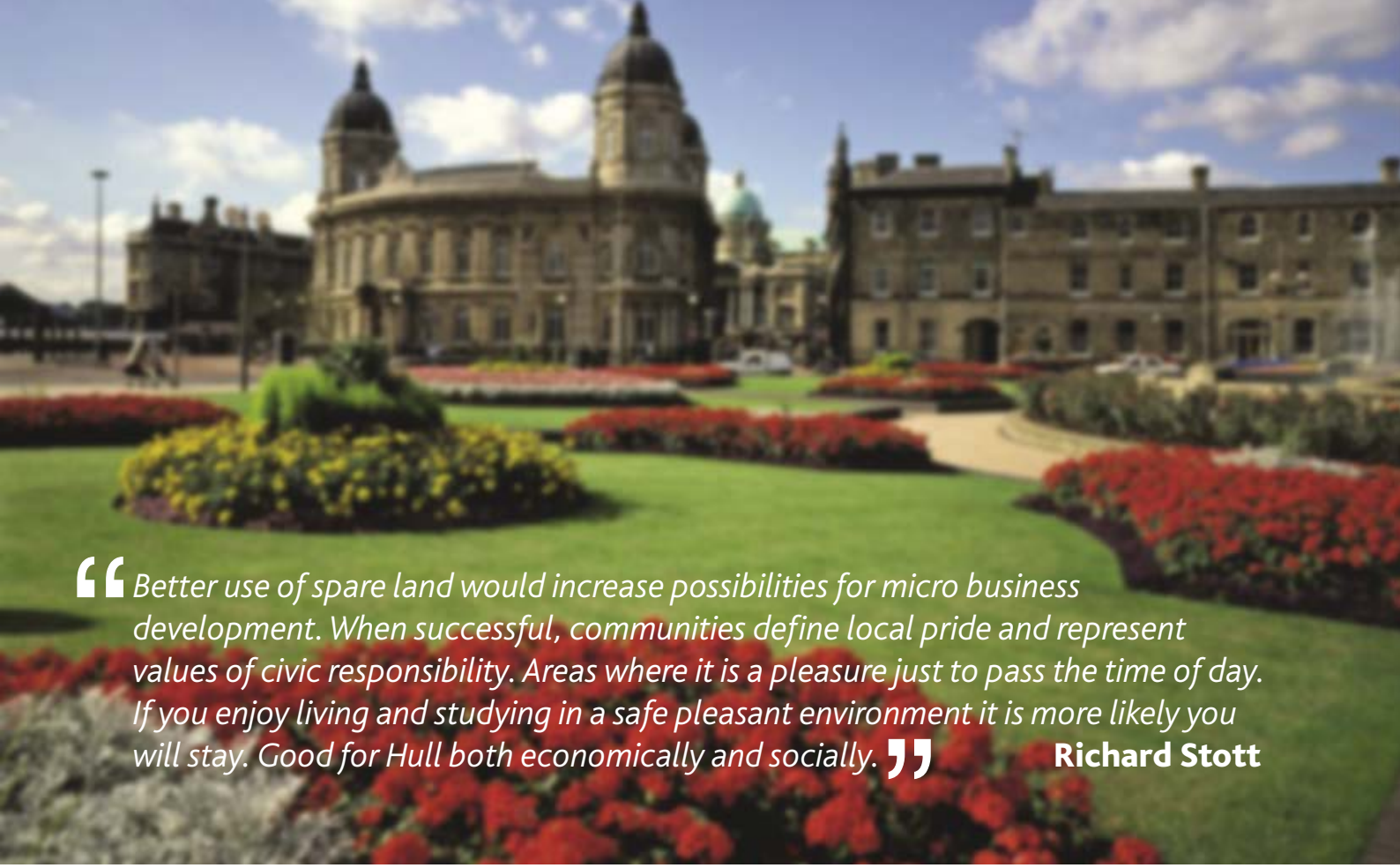
In 2020 across the United Kingdom, micro businesses accounted for nearly 96% of all businesses. According to BEIS records there were 5.7 million employing less than 10 people, with an annual turnover of less than £2 million - the definition of a micro business.

Of the business enterprises considered to be micro in 2021, 79 per cent of enterprises employ 0-4 individuals. The sector itself accounts for 33 per cent of employment equating to roughly nine million employees and collectively they provide 21 per cent of the economy's turnover.

For many years there has been miscommunication and misdefinition about micro businesses; although there is measurement of the number of these businesses which is separated out, they are often categorised in the SME category when discussing UK business outlines and support.

There are often assumptions made that micro businesses are comfortable being categorised in the SME category. This is not the case and the majority of micro business owners will confirm they are at the bottom of the food chain where they are excluded on the grounds of size, turnover and lack of employees; their needs are often overlooked because of the business models





“ *Better use of spare land would increase possibilities for micro business development. When successful, communities define local pride and represent values of civic responsibility. Areas where it is a pleasure just to pass the time of day. If you enjoy living and studying in a safe pleasant environment it is more likely you will stay. Good for Hull both economically and socially.* **”** **Richard Stott**

they use. Micro businesses have the ability to become the heart of the communities they live in if recognised and given appropriate support. At the start of 2020 there were estimated to be 6 million UK private sector businesses of which 1.4 million had employees and 4.6 million had no employees. Therefore, 76% of businesses did not employ anyone aside from the owner(s).

There is also an assumption that micro businesses want or need to become big to succeed. Many do, but not all. Again, the implication is that growing and taking on staff is the end-goal, which is not always a micro business goal. Tony Robinson makes a relevant point in our foreword: “Paternalistic ‘big company boiled down’ advice has never worked”. In the research, we have identified four themes in which micro businesses face particularly common challenges. These are: funding and support, employment and HR, marketing and communication and wider, mainly external factors.

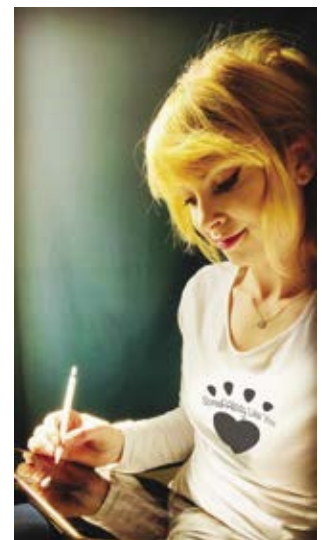
The misunderstanding about micro businesses had led to many feeling unrecognised, unsupported and left out of the overall UK business picture. It is clear from Government data that these businesses account for a large population and contribute to supporting themselves, their families, and the community they reside in. A move to a national overview and higher understanding of planning for the future is required post pandemic.

Working with the National Enterprise Network to broaden our agenda and understanding of micro business is an essential goal.

The introduction of micro business centres is a forward-looking vision potential allowing for the provision of enterprise education from early age groups up to functioning micro businesses that support the community.

A micro business is often the first step to self-employment with the owner usually classed as a sole trader, employing only themselves. When reviewing the current support and funding provided (particularly during the pandemic) this leaves a large proportion of the community unsupported and financially struggling to build their micro business.

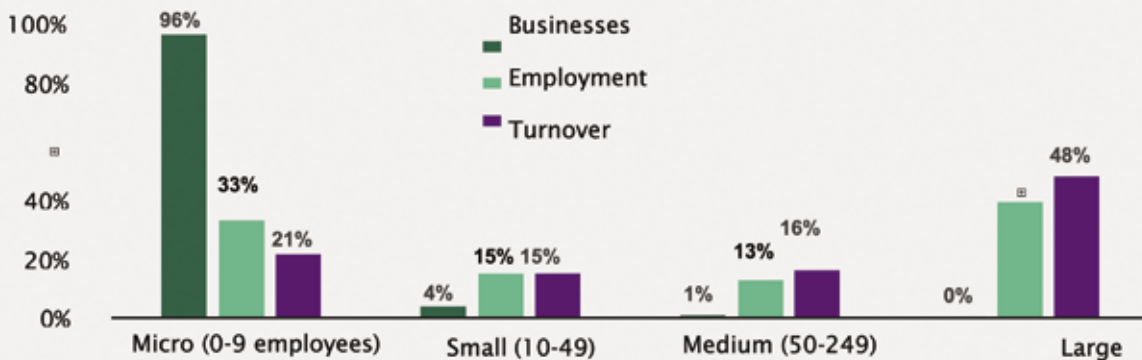
By placing micro businesses in this category, they are left with nowhere to go. It is clear that new definitions of business in the UK need to be adopted to include this category of micro business.



Private sector businesses in the UK by number of employees, 2020

	Businesses 000s	Employment 000s	Turnover £ billions	Businesses %	Employment %	Turnover %
With no employees	4,568	4,966	316	76%	18%	7%
SMEs (0-250 employees)	5,973	16,836	2,270	99.9%	61%	52%
Of which: Micro (0-9 employees)	5,725	9,162	931	96%	33%	21%
Small (10-49 employees)	212	4,140	646	4%	15%	15%
Medium (50-249 employee)	36	3,535	694	1%	13%	16%
Large (250+ employees)	8	10,896	2,077	0%	39%	48%
Total, all businesses	5,981	27,732	4,347	100%	100%	100%

Share of businesses in the UK by size, 2020



REF: three main reports based on the 2018 LSBS Longitudinal Small Business Survey: businesses with no employees – UK, 2018 – BEIS May 2019

Longitudinal Small Business Survey 2018 – businesses with no employees

Other areas to be considered that are showing growth potential

An estimated 15% of businesses in 2019 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 two percentage points higher than in 2017. It was higher than that reported among SME employers (17%). There appears to be an increase in women wanting to start micro business to fit around childcare, develop independence and return to a flexible working life while contributing to their families and communities. The number of micro businesses has grown at a faster rate than non-micro businesses. They experienced a 34 per cent increase between 2010 and 2020.

About 4% of businesses with no employees were MEG-led (defined as having a person from an ethnic minority in sole control of the business or having a management team with more than half of its members from an ethnic minority). This was one percentage point lower than in 2017 but the same percentage as in 2016. It compares

with 5% MEG-led SME employers showing a desire for entrance into micro business.

- 15% of businesses with no employees were majority-led by women. This figure was two percentage points higher than in 2017.
- Only 5% cent of SME employers were minority ethnic group led (MEG-led) in the UK in 2019. There was no statistically significant difference in the overall proportion of MEG-led businesses between 2015 and 2018.

It is worth noting in the FSB 'Supporting Women's Enterprise in the UK – The Economic Case' many data gaps were highlighted in researching this area. Overall, consistent and regular gender-disaggregated business ownership data is lacking at the UK level. The current lack of data presents a significant barrier to policy and best practice identification - this issue also affects the MEG micro business contributions which are not measured accurately. Reassessing the whole working structure for micro business is a key objective outlined in our micro enterprise charter, supported by the National Enterprise

Network whose mission of representing, uniting and supporting all organisations passionate about inspiring and encouraging enterprise is a keystone when assessing the businesses directly. This category of business is not a stop gap to full employment or a last resort solution to creating an income stream. Micro businesses enable vibrant connected sections of our community to develop independence utilising skill sets (learnt or taught) that may never have been considered before. To reduce the death rate of micro business, long term support needs to be aligned with long term strategy and a key change to how this sector is viewed.

As champions of place, Hull CC has a role as an anchor institution in our community. Place leadership starts with knowledge of the local communities – resident and business. By establishing this strategy, using local evidence and working closely with partners across business and the business support landscape, a segmented response to the challenges facing micro businesses can be developed. This approach gives clarity to an area and begins to develop an identity.

We need to drive a shift-change around the classification, approach, and ambitions for micro-business and view them as standalone entities with a clear understanding of their aims and their potential.

This strategy aims to take a broad stance, linking current organisations who have the ambition to work with other partners in the city, to bring about consistent process and flow. It is hoped that this will lead to the development of successful micro businesses, passing these into strategic programmes and activities, ensuring longevity and commitment to local communities.

The main micro business sectors supported in Hull during Covid 19

The current micro business sector is extremely diverse, with wide age ranges, experience, and educational capability. The desire to use current skills or make a dream into a reality ensures that the sectors in the Hull area cover a huge range with over 21 different sectors of business in a 3-month period of the start-up support program. When looking at the SIC codes for these businesses it becomes apparent that they split sectors even further. For example, 'beauty' would cover spas, nails, hairdressing and aesthetic beauty – four very different businesses. The balance of spread across these sectors varies and highlights different levels of needs catering to different types of businesses. Most micro businesses established during Covid 19 were ones that

their owners had originally worked in or had a general interest in such as Beauty, Building Trades, Cleaning Services, Craft, Transport, Fashion, Creative Arts, Dog Grooming, Food Retail, Fitness, Media, Science, Design, Health, Accountancy, Healthcare, Accessories, Online Sales, Online Shops and Printing. These businesses are often at the heart of their communities, so the effects have been devastating for all concerned.

The current challenges facing micro business sectors

Creating a new business is tough and the support required is critical to ensure sustainability so Hull as a community can benefit from the increased input to the overall economy and plans envisioned by the long-term economic strategy in development. A strong foundation and basic introductory package to support micro businesses would include an understanding of the different legal structures and associated liabilities, with simple and effective business planning tools that can be used and reviewed on a regular basis.

Linked to the challenges set out in this strategy is the role of Hull City Council in coordinating investment. This includes the identification of gaps in our local offers. Areas most consistently highlighted through the research includes digital skills, affordable workspace and grant support. Recent funding schemes released in the Budget 2021 highlighted opportunities for supporting micro businesses. The Community Renewal Fund for example has been established to deliver investment in skills; investment for local business; investment in communities and place; and supporting people into employment. This can also be mirrored through the balance of discretionary COVID-19 support funding. Councils are in a position to allocate funding to initiatives that will stimulate the micro business economy, making sure that their needs are met.

Another key challenge for many micro businesses is a lack of understanding at all levels and an inconsistent view about their importance to the economy. The impact they make is often lost within SME reporting and leaves them feeling undervalued and unimportant. Clear pathways across all age groups and non-micro business targeted funding are lacking and requires full redress at all levels of the current offered support. While there is a range of experiences of micro businesses, one important factor in starting a business is having access to a source of funding to develop a product, advertise the service they are selling, to purchase supplies, for set up costs and many other purposes. The need for this funding, and



the amount of funding required will vary between different micro businesses considerably. Confusing communications to pre-starts, start-ups and micro

businesses are a mixed bag of website links to poor information and connections routes making it difficult to find the correct support information that is relevant to their needs. Many micro business owners go through bureaucratic applications trying to gain funding which often leaves them disappointed and frustrated, having not understood the original communications. Finding the right route is arduous and overcomplicated with too many organisations offering support while all claiming from the same mixed pot which proves unsuitable for this category. It is essential for businesses to understand where to go for support and therefore having a single point of contact has been particularly useful.

Many micro businesses work in isolation, something that has been exacerbated during Covid-19 with limited resources and access to equipment. Finding verified, reputable and credible quality support from people who 'own the t-shirt' is difficult. Equally many want their business to align to environmental issues; micro businesses find advice and support in reducing environmental impacts and increasing opportunities difficult. We have opportunities to support their ambition in this area. One of the most significant challenges micro businesses face is advertising their products and attracting new customers. Research in London suggests that 59 per cent of micro business owners are concerned about this issue. There is confusion and lack of understanding between all the service groups available and this makes knowing which route to take extremely difficult for micro business owners – for example, LEP, Business Growth Hubs and Council provisions.

Gaps in understanding pre-starts and micro businesses in relation to funding is a frustrating challenge for all concerned, while target driven programmes often find themselves in potential competition with the clients stuck in the middle. Micro businesses can often struggle with cash flow. Having poor cash flow is one of the biggest causes of failure, as many operate with small

profit margins. An inability to reinvest money in other areas of the business, such as innovation and research and development can have a significant impact on the success of the business. Managing debt is also essential for a micro business, and a recent study identifies that 15 per cent of micro businesses have ceased trading because of their debt, compared to 6 per cent of non-micro businesses.

Making improvements in the pipeline of support between partners to reduce the death rate of start-ups and micro businesses is a priority. Applicants are often confused by large groups of organisations that do not function as one, battling for target completion on the numbers rather than overall outcomes for the micro businesses. There are some 34 categories of business representative organisations and trade bodies identified. The council can support micro businesses by ensuring that the opportunities available for them to access funding is suitable for their growth needs, business stage and community.

Multiple non-connected learning and knowledge centres with targeted numbers create divisional competition, confusion and duplication making it difficult to decide on the best route forward for all concerned. Bringing organisations together with a common goal would not only simplify things for the clients but also be a more efficient use of resource and funding. Understanding and improving inter-departmental and local provision and communication will not only benefit the clients but also the micro businesses. The ideal would be to create a micro business journey and link the specialists together to create an easy pathway for pre-starts and micro businesses.

Business planning is an essential part of the growth and survival of a micro business. The internal running of a business, from developing a business plan through to taking on a first employee and beyond, presents several challenges for new business owners. It is often the case that micro business owners need to have experience in all facets of running a business or be clear where they can access support to develop these skills. They also



need access to different skills at various points in their lifecycle to complement their own entrepreneurial talent.

While promoting this strategy to you we believe the inclusion of enterprise training from primary school upwards would give incentive and career options to further sow the seed of micro business opportunities from an early age and inspire many to follow this pathway. By developing and increasing the understanding and knowledge from business support agencies where it is often more comfortable to make the established even more established, the current access to support and application processes can be made more efficient for all who use them and develop a more inclusive entrepreneurial pathway in all our communities. We have the potential opportunity through our council to support micro business with the correct level of signposting to make it easy for our clients to navigate and find the support that matches their needs.

Finding suitable start-up space in the right locations at reasonable cost for so many different sectors is difficult. Relaxing planning for ideas like pop ups and offering funding for equipment would help many micro businesses gain stability quickly, allowing them to start making sales to support themselves and the local communities. Through our role as planners and place shapers we can be instrumental in supporting micro businesses. We can ensure that our policies are business friendly and meet the needs of the micro business community creating co-working spaces and using the potential of empty high street shops or other spaces being made available in communities.

A further highlighted barrier to new businesses thriving is consumer confidence: "I do not want to put my money with someone who has no track record when there is a proven supplier who can meet my needs." Typical responses to this attitude include offering discounts, using case studies, outlay for marketing – which all bring their own set of problems. Perhaps our hub can offer two things. One suggested activity is to produce a publicly available list of all the companies we are working with, which we could market under a 'buy local'/'support local start-ups' banner to help them to be found in the first place. The second is to offer companies some sort of Kite mark or similar quality mark. The purpose would not be an offer of indemnity for products and services, but to show that the company has been through a process of being set up with support from professional advisors, and that it adheres to a simple code of practice such as:

- We put the interests of our customers first.
- We take care of your data.
- We act ethically and responsibly.
- We are the heart of your community.

Many micro businesses fail; even though the business may be successful at the start, external factors such as downturns in the economy, new competitors entering the marketplace or shifts in consumer demand may stall the business's growth. However, despite the potential disadvantages most small business owners are happy with their decision to start a business. A survey conducted by the Wall Street Journal and Cicco and Associates Inc. indicates that small business owners and top-level corporate executives agree overwhelmingly that small business owners "are more satisfied with their work than their corporate executive counterparts."

We have placed a SWOT analysis in Appendix 4 to demonstrate skills and attributes necessary when discussing pre-start and micro business.

In addition, micro businesses have certain advantages over larger businesses. Flexibility, generally lean staffing and the ability to develop close relationships with customers are among the key benefits. The digital communication revolution has significantly lowered the cost of reaching customers, and this has been a boon to micro businesses.



Guiding principles for supporting micro businesses in Hull

The impact of Covid 19 has seen 28% of micro businesses across the UK temporarily close or pause trading. However, the employment sector has seen a rise in interest in using current skills and capabilities, aligned with a desire to start up a micro business. There were more than 770,000 new business formations in 2020 as the pandemic led to a record number of start-ups. Analysis of Companies House data by the Centre for Entrepreneurs shows there were 772,002 new businesses last year, up 13.25% on 2019. As Tony Robinson's foreword points out, 2021 will break the record once more.

The strategy of linking current programmes will bring consistency, strong business education, entrepreneurial aspirations, and longevity to the communities throughout Hull.

Please see Appendix 2 for current programmes and support in Hull.

Our values

We have developed a Micro Business Charter based upon our vision and values to enrich and support the future development of the Micro Business Strategy. We will cultivate an easily available and accessible entrepreneurial culture which focuses on securing a sustainable business sector within all our communities regardless of age or background. We believe that



enabling people to create established enterprises will encourage cross pollination of ideas, work and contracts and contribute to the overall economy of Hull while developing a growing network of contacts.

By developing the dormant ideas of micro businesses we can support them to create measurable outcomes and progress the local economy. Developing micro business skills not only focusses on the core skills of business planning, finance and bookkeeping, and sales and marketing but works on initiative, making things happen, pivoting, adapting, taking responsibility, personal growth and managed planned risk taking.



We will develop research skills and resource banks to stimulate, encourage and support innovation linking to the vast knowledge bases in Hull. We will encourage them to recognise and engage with the climate change situation providing opportunities for the micro business community in Hull to develop a resilient and innovative sector responding to the challenges and opportunities it presents. We will support current and future providers to build a collaborative ecosystem of micro enterprise support and deliver quality and impartial mentoring, coaching, advice, and relevant programmes.

The guiding principles for achieving micro business support and development in Hull

The success of current micro business support activity has highlighted the significant need for targeted support in Hull. Delivery organisations and policymakers have long resisted the acceptance of the micro business category and its specific needs and contributions. With this in mind we propose that Hull City Council develop a specific route from Youth Entrepreneurship into micro business support for those that will benefit from it. Our aim is to become the lead on micro business support, building communities to develop self-supporting businesses with the capability to grow and maintain healthy happy people with purpose.



We believe all members and partners of Hull Micro Business Partnership need to focus and support the following development to create a supported network of micro businesses in the city and establish a specific culture that nurtures, respects and supports entrepreneurial endeavour, while developing a sustainable programme that grows, develops and 'breeds' micro business, offering first class business support suitable for any sector tailored to micro business needs, aspirations, and goals.



We will grow and expand on the work of the Youth Enterprise Team at Hull City Council giving a natural route of progression and support to micro business development. We will also develop a Micro Business Awards programme in conjunction with Micro Biz Matters Day and the Hull Youth Enterprise Awards and build the programme reputation nationally with Hull City Council leading the way.

We will work to change mind-set and PR around policy and funding programmes, providing relevant knowledge, skills and network contacts to clear the path for micro businesses to thrive and become the heart and soul of their communities while also introducing a network of

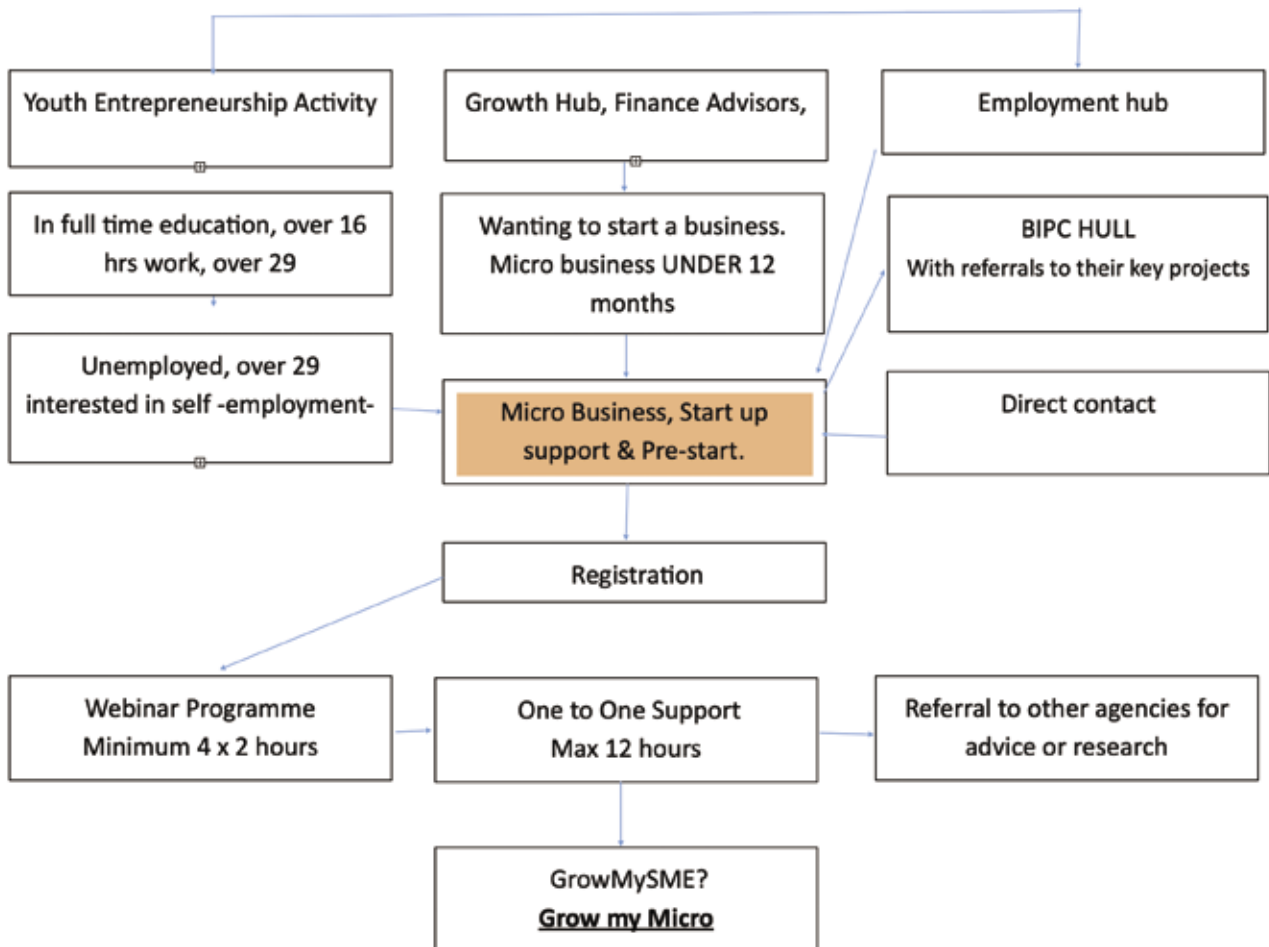
micro business mentors to share their experience. We also want to acknowledge the unique skills of people with Specific Learning Differences (SpLDs) and provide appropriate support to overcome any barriers they may face.

Education and knowledge create a firm foundation at all levels and ages and we aim to work closely with the University of Hull and community leaders to develop and promote the option of micro business; it is worth noting that the University of Hull has previously established 21 new start-ups. According to national statistics, 35% of universities did not support or contribute to a single graduation start-up.



Working in partnership, we wish to ensure the voice of micro businesses is recognised, heard and given a solid platform of recognition as a fundamental part of the UK business scene. While working with our partners we can open the door to future scanning to better help the sector be aware of and adapt to changes in the economy, society, and environment.

Pathway to micro business support



There are many funds, grants, start-up loans and Covid-related schemes. However, up to 3 million businesses did not benefit from this support including those just starting up. The funding and support packages are complex for people to understand. Although the general consensus is that there is a lot of funding available, the number of people excluded and confused by the processes is huge.

Unfortunately, many micro businesses do not meet the required criteria and there is a general lack of funding specifically targeted to this business sector. Young people aged 16-29 can access funding from The John Cracknell Youth Enterprise Bank, the Nathan Taylor Fund for entrepreneurs that are care leavers, and the Test Market Grants for participants on the Making Changes for Careers Programme, plus funding in the form of grants and loans from the Prince's Trust.

We are seeking support for setting up clearly defined support and funding for start-up and micro businesses, in response to the continuing Covid situation. During the consultation process, we have highlighted a need for

local solutions to support our growing micro business sector.

There is currently a wide variety of funding available which does not give support to micro businesses due to size, turnover or business start date. However, support such as the Self-Employment Income Support Scheme, Local/Additional Restrictions Grants, Apprentice Recruitment Grant, Business Rate Holiday & Relief, VAT Relief, VAT Deferral New Payment Scheme, Extended Loss Carry Back for Businesses (NEW), Statutory Sick Pay (SSP) Rebate can assist existing businesses or help people on an alternative pathway to a career.

It is worth noting that the top three areas of support requested from The Enterprise Nations were how to optimise LinkedIn and Twitter profiles and use content marketing to increase website traffic, and understanding data protection, data storage and GDPR once businesses were established.

The National Enterprise Network who have been working across this arena for 25 years are focussing on the

high growth in this sector nationally and are working to support pre-start and micro business to encourage national recognition.

Exclusions

Businesses such as freelancers, those working from home and homeworkers in general have been affected along with crafters, designers, artists, and event organisers who do not have a permanent office and use contract workers. The newly self-employed and new businesses have had similar issues accessing funding and grants. These are individuals who set up in business after 6 April 2019 and therefore do not have a tax return from the required 3-year period.

Equally, those new in business typically will have high overheads in their early phase, and some may also find themselves not in profit for various reasons and may therefore be excluded from support. Other exclusions include the self-employed with either low profits or profits above £50,000, workers in less than 50% self-employment or workers on PAYE freelance short-term contracts. Other income streams such as savings, pensions or redundancy also had an effect on whether funding was available or not.

It is worth noting that many micro business owners excluded from Government pandemic support programmes could access start-up loan providers, in particular Hull and Humber Chamber of Commerce and Yorkshire in Business. However in reality, the financial support for excluded micro businesses was blatantly missing from the current structures. Through The John Cracknell Youth Enterprise Bank which supports young entrepreneurs in Hull, a discretionary Emergency Business Fund was established thanks to donations from organisations, businesses, Hull City Council and individuals.

Some examples of Covid-19 funding that was made available can be found in Appendix 3.

Action plan, outcomes and monitoring

In the following pages we outline the short, medium, and long-term actions required to implement the strategy over a minimum of 5 years. The aim is to be the first specialist micro business council-supported initiative in the UK and become a UK leader in recognition of micro business as a major contributor to the UK business scene.

We are particularly grateful to our mentor supporters, friends and colleagues throughout the UK who have

continually supported micro business helping them to meet the challenges facing this kind of business. We need to connect further and partner strongly with the Micro Biz Matters Day to support, promote and gain recognition for the huge group of excluded businesses across all sectors. We aim to encourage women, ethnic communities and BAME communities to develop self-sufficient and successful micro businesses that contribute to a more stable livelihood as well as their communities.



We will:

- Work with local educational institutions e.g. Hull Training, University of Hull, Hull College and the sixth form colleges and apprenticeship providers.
- Promote and encourage micro business start-ups and develop an entrepreneurial spirit.
- Link with current organisations to provide a natural support network from age 29 or unemployment to the development of micro business building on the work of MC4C, employment coaches, work coaches and the Growth Hub.
- Support and provide a pathway from education to self-employment and independence.
- Promote and stimulate interest in the possibilities of micro business among the unemployed, under-employed, and inactive or economically struggling people.
- Work with people to develop their business understanding and knowledge, providing them with the skills of personal resilience, business expertise, the ability to pivot in the face of failure while managing risk.
- Work with our partners providing a route for them to support people with their mental wellbeing and entrepreneurial spirit.
- Participate in and promote the UK Micro Business

“Great!! Need to see more of these maps to better understand routes, ideal routes and potential routes.” **Paula Gouldthorpe**

Awards including the Ireland and UK Micro Business Awards Grand Final which precedes the 8th Annual #MicroBizMatters Day. Moving forward, we can see from Government data the effects of Covid 19, the experience of the 3 million excluded and the rise in local desire to establish micro businesses to provide independence, security and a future. We plan to build on this platform to establish Hull as a forerunner in the UK and beyond, promoting the benefits and contributions of micro business development and support.

We need to look at a single hub for support, mentoring, advice and potential funding for all micro businesses that are at any stage of development or operation with a dedicated network of Hull & East Riding Micro-Business. We require greater recognition that a micro business is for any person, at any age or stage of their career, with targeted support for the minority groups mentioned in this report. In the following chart we outline the short, medium and long-term actions required to implement the strategy over a minimum of 5 years.

Achieving support for the micro business community

ACTION/INITIATIVE	LEAD AGENCY AND PARTNERS	OUTCOMES
<p>Develop and deliver a range of workshops and activities across Hull.</p> <p>Strengthen the pathway between partners and organisations to provide a natural link to micro business potential</p> <p>Strengthen the pathway between partners and organisations to provide a natural link to micro business potential</p>	<p>HC & L</p> <p>Hull City Council</p> <p>John Cracknell Youth Enterprise Bank</p> <p>University of Hull</p> <p>Yorkshire in Business</p> <p>Hull and East Yorkshire LEP - HEY</p> <p>The Prince's Trust</p> <p>The Rank Foundation</p> <p>Hull City Council</p> <p>Hull and East Yorkshire LEP - HEY</p> <p>HC & L</p> <p>Employment Hub</p> <p>Youth Hub</p> <p>Excluded UK.</p> <p>Hull and Humber Chamber of Commerce</p> <p>Micro Biz Matters</p> <p>The Prince's Trust</p> <p>DWP/Jobcentre Plus</p>	<p>An easy-to-follow pathway from EARLY education to micro business support giving a solid grounding in the fundamentals of entrepreneurship and building the right mind-set</p> <p>The creation of programme working that ensures the customer does not see the different services</p>
<p>Build on the relationship with University of Hull with their Start-up Hull student and graduate programme. Including events, workshops, incubation space and funding for student entrepreneurs. Support to provide a pipeline of support for student's entrepreneurs once they graduate</p>	<p>University of Hull</p> <p>Hull City Council</p>	<p>Regular events to define and promote micro business programmes in conjunction with the University of Hull</p>

ACTION/INITIATIVE	LEAD AGENCY AND PARTNERS	OUTCOMES
Build stronger relationships with the local community groups to encourage BAME, LGBT, traveller, young people, and women-led micro businesses	Hull City Council Equality and Diversity Working Group HANNA Hey Smile Foundation Positive Action Humberside Police The Warren	Build a pathway for organisations to link to micro business learning and set up – promoting the pros and opportunities available. Delivery of regular events and workshops to highlight micro business possibilities. Regular attendance of meetings to represent micro business
Develop a full package micro business delivery programme to include workshops, one to one support and business foundation skills linking to Big 13 enterprise skills including IP guidance on protection and infringement and the Business Model Canvas tool	John Cracknell Youth Enterprise Bank HULL City Council SFEDI HC & L	Complete a certificated programme and pathway for micro business
Establish a micro business network and develop a safe environment for support and sharing of information	Hull City Council THUD Yorkshire	Create a support network for Hull micro businesses
Develop local business support to encourage micro business support and mentoring networks	Micro business lead in conjunction with current JCYEB mentors and partner organisations	Develop a database of willing business supporters and list capabilities, offers and visits to businesses
Support, participate and sponsor #MicroBizMatters Day and the UK Micro Business Awards, Inspire Ignite #MicroBizMatters Day	#MicroBizMatters Organisation Hull City Council Yorkshire in Business John Cracknell Youth Enterprise Bank Hull and East Yorkshire LEP Micro business owners	A shared and supported local recognition scheme that recognises those that have gone over and above to support micro businesses, encouraging celebration and achievement
Micro business ideas generation & innovation utilising the research facility of HC&L's BIPC, Makerspace & Innovate Humber Project	HC & L Hull City Council	Develop a basic research package for foundation of micro businesses. Encourage and support creativity and innovation
Develop a monetary programme of micro business grants and structured financial support programme	Hull City Council Hull & East Yorkshire LEP	Develop a structure of start-up grants, funds and manageable loans that look at the micro business formulation
Co-ordinated approach to mentoring specifically for micro business with qualified appropriate mentors	Local and regional businesses	Set up skills base and criteria for mentors – develop a certificate of recognition towards Mentor CPD

ACTION/INITIATIVE	LEAD AGENCY AND PARTNERS	OUTCOMES
Create a property hub in Hull which can support micro business set up for a minimum of 12 months	Hull City Council Property Team HC & L Private Landlords Community Organisations	Develop a standard required for micro business and develop a 'rents and rates' package for 12 months support. Potential with levelling up to access the matrix for creative and cultural micro business
Links with the local trade and markets to support micro business looking to set up local micro business markets	Hull City Council Markets Team Community Organisations	A regular micro business trade day. Priority trading for local micro business
Develop a linked programme with Hull City Council and HC&L which brings micro business research and education programmes together in one hub	HC & L Hull City Council	Linking programmes to create a straightforward pathway to generate clarity for micro business
Develop a database of micro businesses and their progress	Hull City Council East Riding & Hull Adviser Gathering Hull & East Yorkshire LEP	Develop a specific database for micro business
Specific support sessions for those with learning difficulties or those with a suspected SpLD to help with planning time, organisation, prioritising and structuring. Use of assistive technology in the workplace	Hull City Council Hull & East Yorkshire LEP BIPC	To develop a greater understanding of the specific needs of people with Special Learning Difficulties
Work with young people as they come through schools, so they see self-employment as an option. Influence the thinking of everyone	HC & L Youth Hub Hull City Council Kip McGrath HTAE	We will make the partnership a go-to body for info and support for young people in our schools. Actively promote and share Big 13 enterprise skills with all school levels. Develop CPD for teachers
Work closely with the #MicroBizMatters Movement and Annual Day of Recognition, Action and Learning to connect, promote and support micro businesses across our region and the UK	#MicroBizMatters Organisation Hull City Council Yorkshire in Business John Cracknell Youth Enterprise Bank Hull and East Yorkshire LEP Micro business Owners	Promoting across the region and working to increase and push for micro business recognition nationally

“The assumption micro-biz is an SME is a huge and persistently missed point. I absolutely agree with the phrase in Tony Robinson’s foreword “Paternalistic ‘big company boiled down’ advice has never worked. In my experience, being a woman in micro-biz tends to have the tag of being a stopgap.” **Jo Watson Davies**

Cross-cutting themes

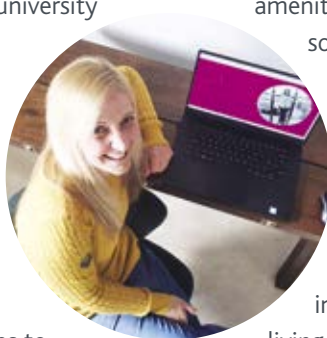
Support from a wide community of partners and supporters is apparent and there is a strong desire for successful outcomes from all concerned. However, the volume of separate delivery options is often confusing, time consuming and disorganised and relies upon personal connections to work around specific outcome requirements. It is our desire to simplify, so that everyone can ultimately make micro business a fully rounded and connected programme working closely

with Hull City Council, HC&L and Hull and East Yorkshire LEP to provide the best outcome for the participants and create successful micro businesses that are recognised for their determination, resilience, and skills in contributing to the UK business community. We wish to connect with our partners to ensure we not only provide support and clear pathways for our micro businesses but create and support awards locally and nationally to recognise their achievement and our innovative strategy.

ACTION/INITIATIVE	LEAD AGENCY AND PARTNERS	OUTCOMES
Connection to DTI to build knowledge, capability and understanding of international and European opportunities for micro business	DTI East Riding & Hull Adviser Gathering International Trade Advisors	Develop a micro business outline and step by step plan on negotiation, imports, and exports specifically for micro businesses
Ensure a diversity programme is initiated that connects to local communities, considering refugees, ethnic communities, LGBTQ+, BAME communities and travellers	Local community organisations Hull CVS North Bank Forum	To develop a plan that takes in to account language and cultural barriers, train ambassadors in each community to deliver micro business foundation training supported by Hull City Council
Specifically seek large and local business support for this programme, either in funding, support, or action	Hull and East Yorkshire LEP Hull City Council Hull & East Yorkshire Business Engagement Board Marketing Humber Hull and Humber Chamber of Commerce The Rank Foundation	To develop a network of support from medium and large local business to offer mentoring, training, experience, and development contributing to the wider Hull business community
To work closely with the #MicroBizMatters team promoting their day nationally while developing our awards scheme	#MicroBizMatters Organisation Hull City Council Yorkshire in Business John Cracknell Youth Enterprise Bank Hull and East Yorkshire LEP Micro business Owners	To develop an ethos of celebration and award achievement while building on our value of gratitude for partnership and support
To raise the importance of micro businesses in schools, colleges and training and apprenticeship providers working with the Hull and East Riding Youth Enterprise Partnership and appropriate national and regional organisations	Hull and East Riding Youth Enterprise Partnership John Cracknell Youth Enterprise Bank Hull City Council Be Enterprise Group of Teachers and Tutors All Secondary Schools Hull College Wilberforce College Wyke College Ron Dearing UTC Training and Apprenticeship Providers	To develop an awareness with young people in education and training of the role of micro businesses in the UK economy and to highlight how it can be a route into employment or into higher education, to make a more enterprising workforce as well as facilitating the development of micro businesses run by young people.

ACTION/INITIATIVE	LEAD AGENCY AND PARTNERS	OUTCOMES
To work in partnership with healthcare providers to support the wellbeing and mental health of our micro business owners to ensure we mitigate the effects of Covid from a health and wellbeing perspective	City Health Care Partnership Hull City Council - Public Health and Regeneration Sections Inspire Ignite Hull & East Yorkshire LEP	An effective training programme to support emotional wellbeing for the owners of micro business working alongside this that are giving business support to them
Seek a regular review at all levels from Hull CC scrutiny and our partners	Hull City Council Our Partners	To ensure full accountability and that the programme is delivering on all actions specified

To a certain extent, the number of micro business start-ups can be linked to graduate retention in university cities/towns. In a recent study of final year students, 39% said they intend to stay in the city they have studied in. Nottingham is 23%, Leeds 35% and London 67% - but indications are Hull is much lower. The report concludes that retaining and recruiting the best workers/entrepreneurial graduates is key for cities to maintain their growth. So how can we encourage graduates to remain in Hull, not just with jobs, but also from a desire to stay in their communities? The quality of life in any area is vastly improved if it meets key social criteria



including safety, learning, working and access to amenities within a 10-minute walk of where someone is living. The most sought-after locations can be based on walkability and creating micro business and opportunities in the heart of their communities. The relaxation of planning policy is important in allowing pop up food or drink outlets concentrated where footfall is most prevalent in local communities – basically, if you enjoy living and studying in a safe, pleasant environment it is more likely you will stay. This will be positive for Hull’s communities both economically and socially.

Making it happen

Strategic management

Our strategy is to link programmes and knowledge to develop and support a specific micro business programme that people in Hull depend upon for the 'best' support and knowledge to create micro businesses, which also celebrates their contributions to the local economy. Our strategy will be based upon our Micro Enterprise Charter which outlines our aims and outcomes. We want to work closely with partners, supporters, and Hull City Council to operate at district, sub-regional and regional levels to grow the programme both locally, nationally, and internationally creating a newly recognised business category that is respected for its contribution to the UK business landscape – micro business.

Hull Micro Business Partnership will own the action plan and be collectively responsible for continually monitoring its progress and performance against transactional outcomes set out in our 5-year plan. The partnership will report performance to the appropriate city and regional bodies. Hull Micro Business Partnership working with the

Hull and East Riding Youth Enterprise Partnership will provide the overall strategic management including:

- Amending the plan annually following consultation with partners and participants. Therefore, we will be constantly revising it in light of current circumstances.
- Receiving regular reports from lead partners on progress of the development and operation of the proposed projects and how project developers are contributing to the targets of the Hull Micro Business Strategy.
- Ensuring the strategy for Hull’s Micro Business Programme and Action Plan matches relevant city-wide strategies and those of the Hull and East Yorkshire LEP, and that they in turn consider this plan.

Funding

Our Action Plan will utilise a cocktail of funding drawn down by the individual members of the partnership, collaborative groups within the partnership and the partnership as a collective. Several principles will guide the use of funds:

- Funding will be led by the strategy for Hull Micro Business Partnership working with and supporting key partners such as Hull City Council, Hull & East Yorkshire LEP, University of Hull, Hull College, Hull Learning Partnership, Humber Chamber of Commerce, Hull and East Riding Youth Enterprise Partnership, East Riding Council, HC & L and relevant membership organisations and individual champions. It must relate clearly to the achievement of the priorities and the targets set out within if it is to have the support of the collective.
- The main impact will be through maximising mainstream funds to meet the priorities outlined in this strategy to support Hull Micro Business Partnership ideas and activities, ensuring there is no duplication of activity.
- Private sector investment both in terms of financial and in-kind support will be sought to promote the plan working with the Hull and East Yorkshire LEP and the Business Leadership Board.



Measuring Impact

As a partnership, we will establish a clear set of indicators from all the proposed projects from which to measure progress towards the goals of the Micro Business Partnership. We will determine the success of Hull's Micro Business Action Plan in the following ways:

- By measuring progress against headline outcome targets linked to city-wide and North Bank strategies, such as Hull Regeneration Strategy, the Hull City Plan and the Hull and East Yorkshire LEP's Strategic Economic Plan.
- By measuring progress against identified comparator areas across the country, those in the key cities group.
- By measuring our progress against the city-wide indicators relating to developing micro businesses.
- By asking our stakeholders and funders along with appropriate partnerships of businesses, employees, investors, residents, and community groups whether we are succeeding.
- Measurement and comparison of BIPC outputs across the country in specific categories (BIPC data & Economic Impact Evaluation).
- Potential to measure the outcomes of people who

have not chosen to start a business but who have been through the 'learning programme.'

- By reviewing against our Micro Enterprise Charter.

An annual statement of progress against the headline indicators and detailed activity programme will be produced. In addition, the statements by each of the lead agencies (the main project developers) will refer to the cross-cutting themes. They will be used to consult on the success of the Action Plan and review its aims and the programme of activity benefitting the residents of the city.

Key Indicators for Hull Micro Business Partnership

- Number of participants on the micro business database leading to successful formation and development: target 50 a year.
- Number of micro business participation events: target 5 per year including events in Business Week and Global Entrepreneurship Week. Working across partnerships this number could be larger combining various events across Hull.
- Number of schools, training providers, colleges and participants educated in the benefits and potential of micro business: target 50% of all in the city by November 2026.
- Number of Hull based micro business ambassadors (especially young people, BAME, LGBT and women of all ages): target 20 by November 2026.
- Number of people who establish their micro business idea with support from partners involved in Hull Micro Business Partnership: target 200 by November 2026.
- To enable those micro businesses that wish to becoming VAT registered by November 2026 if it will benefit them (and provide professional support to enable them to understand the reasons for registering or not).
- Number of teachers and tutors who participate in micro business CPD activity linked to the Big 13 enterprise skills delivered by the Be Enterprise Group of Teachers and Tutors with a view to encouraging micro business as a career option: target 100 by November 2026.
- Number of organisations and medium and large businesses involved and supporting micro business: target 100 by November 2026.
- Promotion and support of Micro Business Awards schemes in conjunction with #MicroBizMatters Day
- Development of a council facilitated procurement support programme specifically for those in the first two years of trading as a micro business.
- Formations of area based micro business support groups.

APPENDIX 1

Micro Enterprise Charter

The Micro Enterprise Charter alongside the Youth Enterprise Charter formalises a set of principles designed to bridge the gap between the ambitions of people capturing their latent creative and entrepreneurial talent, within our communities, and the support agencies established to enable that ambition.

This engagement helps to develop people's knowledge and understanding of enterprise so they can become either enterprising employees or future micro business owners.

The Charter agrees the ways in which micro businesses can work together. It creates a common understanding of the skills, language and expectations of Hull's communities as they become more enterprising.

The core reason for this Charter is to ensure we all take the micro business community seriously and that we establish new ways of working by developing effective relationships in order to support potential and current micro business owners in the city.

Our Vision

In Hull, our vision is to cultivate an available, accessible, entrepreneurial culture amongst the city's next generation of micro enterprise owners (0-9 employees).

Integral to that vision is the continued work within our communities to secure a positive and sustainable future for the city of Hull. This is achieved by engaging with successful companies and individuals to form solid partnerships to support those wishing to establish a micro business or social enterprise. Our vision encourages the experience and passion to develop the young people and future entrepreneurs of our city.

Crucial to this vision is the establishment of a spectrum of enterprise opportunities to enable all those that want to establish their own micro business or social enterprise.

This vision is shared with our partners who aided in the development of our five-year micro business strategy.

Our Belief

In Hull, we believe that enabling people to establish successful enterprises at any stage of their lives increases their potential for contracting with and employing local people, thereby contributing to the economy of the city.

We believe that an entrepreneurial spirit can be developed and entrepreneurial endeavour can be cultivated with the right support, direction and encouragement, enabling more people to control their own destiny, become self-sufficient, develop self-belief, and build their own, fulfilling futures.

We recognise that not all entrepreneurs excel in all areas of business but we can give everyone an understanding of what is required to build a successful enterprise and support them in developing the network of connections they will need to succeed.

We believe we have a responsibility to encourage people to be enterprising, teach them the key entrepreneurial skills and develop an entrepreneurial mind-set. Doing this will build their personal confidence, increase their levels of aspiration and make them ambitious. We can inspire and encourage them to influence their own opportunities.

We believe there is a need to promote successful micro business owners from within our many different communities, as role models both within and outside the city.

We believe that micro business owners can play a key role in shaping the economy of the future, harnessing creative talents across a wide range of sectors and enabling the arts, cultural and creative sectors to grow and deliver wider economic and social outcomes. After all, creativity is a key enterprise skill.

Our Aims

- To develop wider and deeper understanding of what a micro-business is and its context in the city, and the wider regional and national socio-economic make up.
- To build upon Hull's culture of micro businesses as part of the process of the rebalancing of the local economy.
- To open doors and give an opportunity for people to transition into running their own micro business whilst still working and/or learning.
- To support people with home-based businesses that are run by individuals around their caring and/or parental responsibilities.
- To support current and future providers to build a collaborative ecosystem of micro enterprise support and deliver quality and impartial mentoring, coaching, advice, and relevant programmes.
- To enable micro business owners to have an active involvement in the work of all spectrums of

enterprise and across wider economic and cultural sectors.

- To establish a brokerage service of relevant deliverers of services so that Hull has an integrated micro business speaker programme to go into schools and colleges so that young people learn about these options at the earliest opportunity.
- To provide supportive environments through shared workspaces and interactive experiences, to support ALL business sectors within our communities and city centre.
- To engage with potential/aspiring micro business owners through the use of the Big 13 key enterprise skills.
- To support the long-term sustainability of micro businesses in Hull and assist in their diversification in relation to climate change issues.
- Ensure providers of support including business advisors, banks and public sector agencies work in partnership to support the development of the enterprise skills of aspiring micro business owners.
- Provide aspiring micro business owners with the opportunity to 'learn by doing' and test trading from entrepreneurs so that they can operate their business outside the learning environment.
- Provide the opportunity for aspiring micro business owners to undertake the test trading and running of businesses in a supportive setting within our communities.
- Provide the opportunity for aspiring micro business owners to learn that creativity, and the sectors it underpins, is an economic asset.
- Look, as a city, at earning and learning policies to support aspiring micro business owners. This could be in the form of a new grant regime and/or examination of the benefits of Universal Basic Income and related welfare payments.
- Support enterprise activities through the expansion of the THUD Network/(National Enterprise Network).
- Support opportunities for those individuals that wish to develop their enterprising idea through an independent mentoring service.

Engaging with the above activities will lead to the following range of the outcomes:

- To ensure that more individuals and organisations in Hull play an active part in the biggest annual, online celebration of micro businesses which is #MicroBizMatters Day.
- To develop opportunities to facilitate the creation of an increase in micro enterprises in the city.
- To add to the economic and creative richness of our

city, enabling the continued growth of the wider creative sector in Hull.

- To enable the micro business owners to realise the potential of the wider creative sector as a route to economic outcomes.
- To enable more potential micro business owners to access grants and loans to support their business development and expansion.
- To ensure Hull's micro businesses have opportunities to share their successes with young people and in turn contribute to young people's experience of enterprise.
- To hear micro business owners talk about the peaks and troughs of their enterprise journey.
- To enable those living in socially deprived communities to explore and identify what they may need to establish their own micro businesses.
- To allow individuals within their communities to articulate their ideas and energy in a language understood by publicly funded business support programmes.
- To highlight micro business ownership as a progression pathway to contributing to the local, regional and the national economy.
- To ensure all of those that are publicly funded pay their suppliers within 30 days of receipt of an invoice.
- To use Business Week and Global Entrepreneurship Week (and similar events) to identify and nurture entrepreneurial spirit and innovation within our communities.

APPENDIX 2

Available Support in Hull

There are several programmes in Hull that support micro businesses. It is time to bring them together to create a unified offer to those individuals who wish to develop their business ideas. This document aims to provide a strong case and structure for developing a micro business specialist unit to grow, support, train and develop successful businesses and give opportunities to the people of Hull across all sectors to be active at the heart of their own communities.

The Hull Youth Enterprise Service

The Youth Enterprise service of Hull City Council is committed to the shared vision of growing the city's economy for the benefit of young people and facilitating opportunities to widen the entrepreneurial spirit in the city. The primary purpose is to encourage young people to become more enterprising, enabling them to develop their enterprising ideas and skills. We offer a one to one support service for those up to age 29 as well as access to other young entrepreneurs.

The John Cracknell Youth Enterprise Bank

The John Cracknell Youth Enterprise Bank supports young people aged 13 up to 21 years old (24 on certain criteria), offering grants of up to £1,000 for individuals or groups of young people who need finance to help make their business idea happen. This is not just about financial support but also offers practical help with developing a business idea.

Making Changes for Careers

Making Changes for Careers is an exciting enterprise programme aimed at young people aged 16-29 who are not in employment, education or training who would like to start their own business. The programme gives young people the opportunity to find out more about the Big 13' enterprise skills as well as having the chance to access grants from the John Cracknell Youth Enterprise Bank to develop their business ideas. Experienced business mentors provide expert advice and guidance to those who want to start their own micro business and learn specific business skills before developing a detailed business plan which can be presented to the Youth Bank for a grant to kick-start the business. There is a natural progression to take these young people forward, post age 29 or others who are in full time education, part-time work exceeding 16 hours or outside the age limitations and combine the groundwork done to cover a much wider section of the community and ensure longevity in their micro businesses.

Hull City Council Public Protection

As a micro business you will need to be aware of regulatory

arrangements for consumer safety, product safety, labelling, food safety, health and safety, environmental issues such as noise control and pollution control and various licensing requirements. Each business will require different support and if after investigating how you can comply with regulatory requirements, if you require any clarification, you can contact the Division for advice. In the first instance refer to the Council website for information.

BIPC HULL at Hull Central Library

BIPC Hull offers specialist business information and resources on setting up and running a business, market research and company databases such as Kompass and Mintel with guidance on protecting a brand, product or idea, intellectual property, and how to avoid infringing the IP of other businesses.

It also offer direct links to national skills and expertise helping individuals and companies to navigate the local landscape of support.

Other programme offers include:

- Support packages and small grants (until June 2021, priority given to those unable to access government grants).
- Reset. Restart - a national programme of interactive workshops, webinars and networking events (running until September 2021).
- Expert pro bono one to one support - Business Advice; Business Reviews; Bookkeeping and cash flow; Innovation; Researching Ideas; IP Attorney.
- Extra support for individuals and businesses in the 20% most deprived areas of Hull with the Community Led Local Development Fund.
- E-newsletter to keep people up to date.
- Support and encouragement for innovation linking business and research institutions through the Innovate Humber project.

Makerspace facilities

A collaborative workspace for learning, exploring, making and sharing. Often also referred to as 'hackspaces' or 'fab labs' high tech to very low-tech tools and equipment are used. Makerspace Hull has a variety of equipment from 3D printers and a laser cutter to sewing machines and t-shirt printing. The concept is about building a community, promoting the maker mind-set, exploring interests and testing new ideas while encouraging entrepreneurship within the city including monthly business webinars to encouraging learning.

Employment Hub

The Employment Hub at Hull Central Library is available to help and support individuals looking for employment who

need employability support. The team offers employability workshops, one to one support and help and guidance with applications and interviews. The Kickstart scheme is a DWP project where businesses in Hull offer work placements to individuals currently claiming Universal Credit. As a gateway provider applications are undertaken on behalf of the businesses, supporting them with the opportunities they are offering 16–24-year-olds in the city. The Hub also offers a vacancy advertisement service and employability support to Hull businesses who are looking to undertake recruitment drives or who are looking for individuals with specific skill sets.

They currently work closely with all the above programmes to ensure clients receive the most appropriate support. As part of the strategy, they would welcome partners for a steering group. This group will act as the key conduit to share updates on micro business activities, align plans and identify collaborative opportunities in a bid to increase the impact on creating and sustaining micro businesses in the city.

DWP/Jobcentre Plus – New Enterprise Allowance Scheme

A New Enterprise Allowance may be available to help clients

- start their own business.
- develop their business, if already self-employed.
- get mentoring and an allowance to help start their own business through New Enterprise Allowance.
- Individuals may be eligible if over 18 and either:
 - claimant or partner gets Universal Credit, Jobseeker's Allowance or Employment and Support Allowance.
 - in receipt of Income Support and a lone parent, sick or disabled.

Support may include getting a mentor who will give advice and support to help set up the business and start to trade.

Once a business plan has been approved by a mentor, additional support may include:

- a weekly allowance worth up to £1,274 over 26 weeks.
- the chance to apply for a loan to help with start-up costs.

For individuals to find out if they are eligible for a New Enterprise Allowance, contact needs to be made with the Jobcentre Work Coach.

Community Led Local Development (CLLD)

CLLD is a £7.5m programme in Hull funded by ESF and ERDF. CLLD is a bottom-up approach to addressing local issues. It aims to link people from the most deprived parts of Hull to economic opportunities locally, through support, training, employment, and self-enterprise. It is a four-year programme,

running from 2018 to 2022. The programme includes 26 different CLLD projects delivered by 19 VCSE local delivery partners. It includes micro-business facilities and provides business support to those developing a business idea and those embarking on establishing their business.

Hull and Humber Chamber of Commerce

The Chamber of Commerce operates as a pan-Humber business support organisation with its head office in Beverley Road. Membership includes some of the biggest employers in the region but its commitment to micro business is underlined by the fact that around half of its members (over 1,200 businesses) employs 0–9 people. The Chamber's areas of activity include operating the Acorn Fund, which provides financial support to business start-ups unable to find funding from traditional sources who can demonstrate job creation and sustainability potential. It is also the home of Chamber Training, which offers a wide variety of training programmes and provides a high standard of information, advice and guidance around training and recruitment for all individuals including supporting them in how to access the services they require.

In addition, the Chamber runs a comprehensive events programme which is a big help when it comes to bringing together businesses of all sizes and sectors to explore opportunities. It also gives free access to helplines for essential advice on such issues as HR, health and safety, law and tax.

Yorkshire in Business

Yorkshire in Business offers support very much tailored to the business needs and is the official delivery partner of Virgin Start-up Loans along the Yorkshire Coast and Humber. It will help develop a business plan and applications for funding along with marketing plans and financial projections.

Business Growth Hub – HEY LEP

The HEY LEP's Business Growth Hub can signpost to the most appropriate business support through a network of advisors based with partners across Hull and East Yorkshire.

The Growth Hub is now one of 38 across England that provides a one-stop-shop for businesses, and through their advisor team look to help businesses with all manner of enquiries, from funding, to apprenticeship recruitment, to exporting, to innovation and business start-up. They will provide information on business support available from local and national sources but there is also specialist and bespoke support available for businesses needing help with accessing supply chain and international markets.

APPENDIX 3

Covid related funding

During Covid-19 the Government, working with local councils, established a range of funding packages for businesses with some examples listed below:

- **Self-Employment Income Support Scheme Grant**
The grant applied to anyone self-employed (sole traders and business partnerships) that submitted a self-assessment tax return with HMRC for 2019-20.
- **Bounce Back Loans**
The Bounce Back Loan Scheme (BBLs) was designed to enable businesses to access finance more quickly during the coronavirus outbreak.
- **The Coronavirus Business Interruption Loan Scheme**
The Coronavirus Business Interruption Loan Scheme (CBILS) provided financial support to smaller businesses affected by coronavirus (COVID-19).
- **Business Rate Holiday & Relief (retail, leisure & hospitality)**
Businesses in the retail, hospitality and leisure sectors in England did not have to pay business rates for the 2020 to 2021 tax year.
- **VAT Relief**
VAT payments in the retail, leisure & hospitality sectors could be deferred due to coronavirus.
- **Restart Grants**
The Restart Grant scheme was to support businesses in the non-essential retail, hospitality, leisure, personal care and accommodation sectors with a one-off grant, to reopen safely as COVID-19 restrictions are lifted.
- **Recovery Loan Scheme**
Recovery Loan Scheme (RLS) was introduced provide financial support to businesses across the UK as they recover and grow following the coronavirus pandemic.

APPENDIX 4

Our Partners and Supporting Organisations

Hull City Council

Hull Culture and Leisure (HC&L)

John Cracknell Youth Enterprise Bank

Micro Biz Matters Day

Hull and East Riding Youth Enterprise Partnership

University of Hull

Yorkshire in Business

Hull and East Yorkshire LEP

The Prince's Trust

The Rank Foundation

Excluded UK

Hull and Humber Chamber of Commerce

DWP

Hull Jobcentre Plus

DTI

East Riding & Hull Adviser Gathering

Employment Hub

Youth Hub

Individual Micro businesses

SFEDI

Equality and Diversity Working Group

HANNA

Hey Smile Foundation

Positive Action Humberside Police

MESMAC

The Warren

City Health Care Partnership

APPENDIX 5

Organisations with research & reports for further reading:

Peak B (now known as Small Business Britain)
www.peakb.uk

FBS UK Small Business Statistics
www.fsb.org.uk/uk-small-business-statistics.html

Enterprise Nation
www.enterprisenation.com

Government National Statistics
www.gov.uk/government/statistics/business-population-estimates-2020/business-population-estimates-for-the-uk-and-regions-2020-statistical-release-html#composition-of-the-2020-business-population

BIPC Reports on Democratising Entrepreneurship
www.artscouncil.org.uk/publication/democratising-entrepreneurship

Local Government Association
www.local.gov.uk/publications/how-well-do-you-know-your-micro-businesses

“ I fully support the calls for explicit recognition of micro-businesses as a separate category from that of SMEs. I think the problems they faced in finding the support they needed was due to the failure to understand the differences between them and I have been glad to have been able to lend my support through letters to Ministers. Similarly, the support they need as we regrow our economy will need to be tailored to recognise these differences and I hope some lessons have been learnt. Micro-businesses offer unique opportunities for local economies and people and we are certainly going to need to maximise every opportunity for employment for people in Hull in the coming years - especially the young. ”

Emma Hardy MP