

# Engaging with Diverse Businesses

## Rapid Evidence Review

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On behalf of National Fire Chiefs Council Engaging with  
Diverse Businesses Work Stream

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**NFCC**  
National Fire  
Chiefs Council



GREATER MANCHESTER  
FIRE AND RESCUE SERVICE

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## Executive Summary

This report was commissioned by a National Fire Chief's Council working group and aims to understand how Fire and Rescue Services effectively engage with diverse businesses.

Fire and Rescue Services are aware that BME-led businesses are more likely to be prosecuted for failing to comply with the Regulatory Reform (Fire Safety) Order 2005. However, there is little evidence available within the data to suggest why this may be happening. This report aims to understand the demographics of BME-led businesses in the UK and whether there are any specific barriers or issues which prevent them from complying with the Fire Safety Order. In addition, this report aims to identify areas of good practice, which has been effective when engaging with diverse businesses.

The report outlines the following findings from a review of existing literature:

- Approximately 5% of SMEs within the UK are led by an owner, partner or director from a BME background. The proportion of BME led businesses is higher in areas such as London and the Midlands when compared to the national average
- BME-led businesses are more likely to be concentrated in specific industry sectors, such as distribution, hotels and restaurants when compared to the wider SME population
- The proportion of migrants establishing their own business is increasing, with migrants to the UK more likely to set up their own business compared to their UK born counterparts
- There are many 'push' and 'pull' factors, which can result in individuals from BME communities starting their own business. Many BME business owners started their own business to gain status in their community, to pursue an interest or to make more money. However, many commented that they faced discrimination in the workplace, which meant they were unable to gain promotion or employment proportionate to their skills and experience
- While many BME-led businesses had awareness of some regulations affecting them, many felt there were barriers which prevented them from fully complying. These barriers include not being aware of where to access information, how to access support (or trusting support available), language and cultural barriers and negative perception towards Local Authority officers based on previous experiences
- Some BME-led businesses found compliance with regulations to be burdensome and potentially costly. In addition, it was felt that there is a lot of duplication as different regulatory bodies ask for the same or similar information
- While BME-led businesses often do not feel they are treated differently by inspectors to non-BME businesses, they feel that regulatory bodies should be more sensitive towards cultural factors, for example, avoiding inspections during religious holidays or festivals and being more respectful of their culture and faith
- Finally, language barriers can often be a key factor as to why a business is unable to comply with regulations. Many BME-led businesses felt that it would be helpful to have access to information in their native language, in plain English or in a pictorial way that would be easier to understand.

## 1. Introduction

This report was commissioned by a National Fire Chief's Council working group and aims to understand how Fire and Rescue Services effectively engage with diverse businesses.

Fire and Rescue Services are aware that BME-led businesses are more likely to be prosecuted for failing to comply with the Fire Safety Order. However, there is little evidence available within the data to suggest why this may be happening. This report aims to understand the demographics of BME-led businesses in the UK and whether there are any specific barriers or issues which prevent them from complying with the Fire Safety Order. In addition, this report aims to identify areas of good practice, which has been effective when engaging with diverse businesses.

## 2. Methodology

This section outlines the methods used for gathering evidence that is presented in the remainder of the report. This section will describe the scope for this research, how information was collected and how the remainder of the report will be structured.

### 2.1 Scope of research

This report focuses on regulations affecting small and medium sized enterprises within the United Kingdom. A search was conducted to explore BME-led business owners' experiences of regulation and enforcement. The following key words were used to search for literature:

- BME business
- Ethnic minority business
- Regulation
- Entrepreneurship
- Engagement
- Barriers
- Attitudes

The search included articles published in peer reviewed journals, other published academic research, Government reports and case studies from local authorities or BME-led businesses.

For the purposes of this report, the following definitions are used:

- BME-led businesses: These are businesses which are owned (or have partners or directors) from any black or minority ethnic background
- Small and medium sized enterprises (SMEs): These are registered businesses with fewer than 250 employees:
  - Micro businesses: These are businesses with fewer than 10 employees
  - Small businesses: These are businesses with between 10 and 49 employees
  - Medium businesses: These are businesses with between 50 and 249 employees
- Local regulations affecting SMEs, which include:
  - Health and Safety
  - Food safety

- Environmental regulations
- Product safety
- Fair trading
- Licensing
- Age restricted sales
- Fire safety
- Local regulation: This refers to regulation which is enforced through local or regional based inspectors. The interactions may involve:
  - Advice and support to help businesses comply with regulation
  - Inspections to ascertain whether businesses comply with specific legislation
  - Audits
  - Enforcement actions, including issuing warning letters, notices and prosecutions.

## 2.2 Thematic framework

The main research was organised under five key themes that would be of interest for the wider ‘BME business engagement’ research project. These themes are:

- Demographics of BME-led businesses: This explores business ownership within the UK, and proportions of businesses which are BME-led
- Motivations: This explores the specific push and pull factors which may drive an individual to establish their own business
- Awareness: This explores how aware BME-led businesses are towards local regulations
- Attitudes: This explores the attitudes of BME-led businesses towards local regulations
- Experiences and impact: This explores BME-led businesses owners’ experiences of engaging with local enforcement officers and the impact of compliance/non-compliance on BME-led businesses and how it affects their operations.

## 3. Demographics of small and medium sized enterprises

Based on Government statistics from 2016 [1], it is estimated that nationally, approximately five percent of SMEs were BME-led businesses. This is defined as having a person from an ethnic minority group in sole control of the business, or having a management team with at least half of its members from an ethnic minority group. Figure 1 illustrates the estimated proportion of BME-led businesses by UK region. In London, the proportion of BME-led businesses is higher than the national average, with approximately sixteen percent of SMEs having a BME owner, partner or director. There is also a higher than average proportion of BME-led businesses in the West Midlands, where seven percent of SMEs are BME-led. There are fewer BME-led SMEs in the South West, Yorkshire and the Humber and Northern Ireland, where approximately two percent are BME-led.

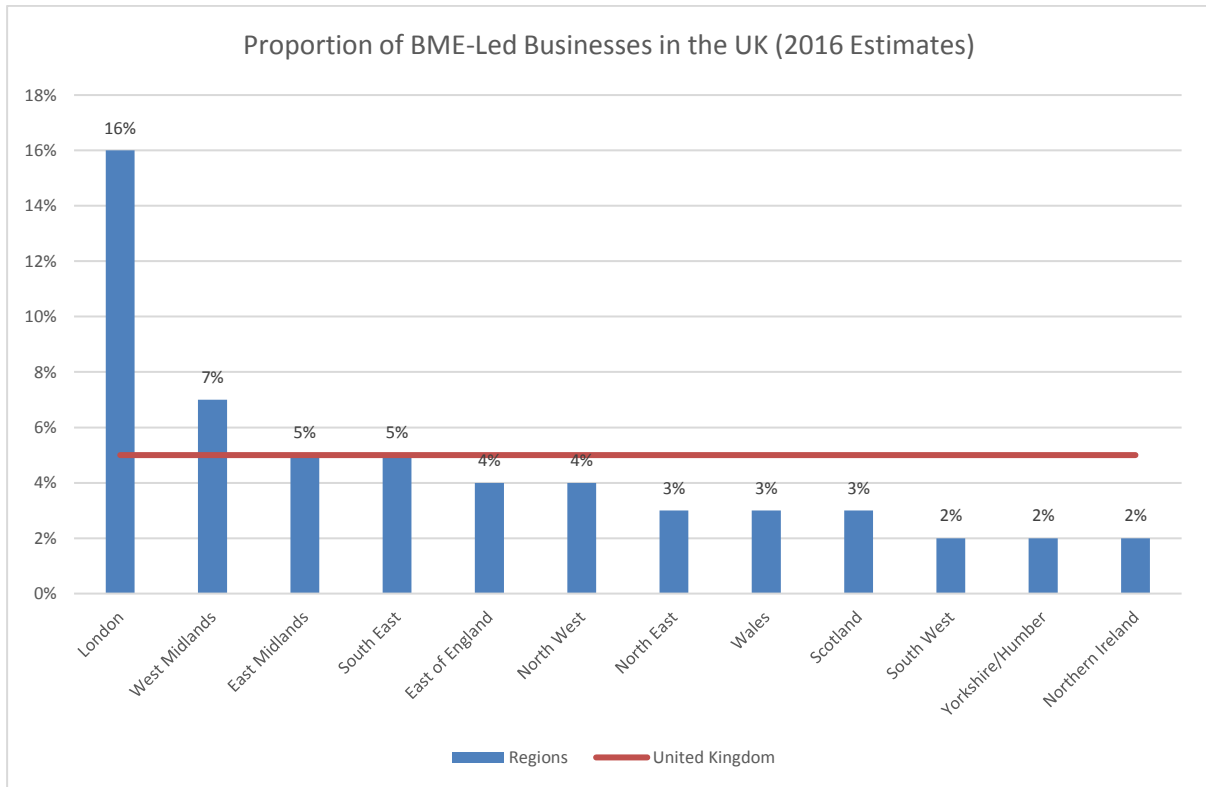


Figure 1 - Proportion of BME-Led Businesses in the UK (2016 Estimates)

It was estimated in 2017 [2] that there are almost 5.69 million businesses in the UK private sector. SMEs<sup>1</sup> accounted for almost all private sector businesses. This means there are approximately 284,365 BME-led businesses within the United Kingdom.

The proportion of BME-led SMEs varies quite significantly by both ethnicity and industry. Some ethnic groups are more likely to establish their own business when compared to others. Table 1 illustrates the ethnic origin of SME business owners, partners or directors in 2016. For example, 34% of BME-led SMEs have an owner, partner or director who is Indian, compared to smaller proportions from other BME groups. In addition, Indian business owners are more likely to own 'small' or 'medium' sized businesses rather than 'micro' businesses, whereas Black Caribbean or Pakistani business owners are more likely to own 'micro' businesses than small or medium sized businesses. This means that Indian business owners, for example, are more likely to own larger businesses, which employ more people. This contributes significantly to the UK economy.

<sup>1</sup> These are businesses with between 0 and 249 employees

<b>Ethnic Origin of Owners, Partners &amp; Directors</b>	<b>Total</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>
Mixed White and Black Caribbean	13%	14%	9%	6%
Mixed White and Black African	2%	2%	1%	0%
Mixed White and Asian	8%	7%	9%	9%
Any other mixed background	2%	1%	3%	1%
Indian	34%	33%	38%	38%
Pakistani	14%	15%	12%	8%
Bangladeshi	5%	6%	2%	0%
Any other Asian background	8%	9%	6%	11%
Black Caribbean	9%	10%	5%	4%
Black African	8%	7%	9%	10%
Any other Black background	*%	*%	1%	2%
Chinese	3%	3%	2%	4%
Arab	2%	*%	5%	5%
Any other ethnic group	1%	0%	2%	5%
Don't know	6%	6%	4%	5%
Refused	1%	1%	2%	0%

*\* denotes a value which is too small to calculate a meaningful percentage*

*Please note that values do not add to 100% because some businesses may have more than one owner from different ethnic groups*

*Table 1 - Ethnic Origin of Owners, Partners & Directors*

There is also significant variation of BME-led business ownership by industry [1]. Table 2 shows BME-led business ownership by industry. This table shows, for example, that Mixed White and Black Caribbean business owners are more likely to have business which provide 'business services' compared to other industry areas and Pakistani business owners are more likely to have businesses in the 'distribution' sector compared to other business areas. This suggests that some industry areas are more likely to have business owners of certain ethnicities when compared with others.

<b>Ethnic Origin of Owners, Partners &amp; Directors</b>	<b>Production<sup>2</sup></b>	<b>Distribution</b>	<b>Business Services</b>	<b>Other Services</b>
Mixed White and Black Caribbean	14%	10%	19%	4%
Mixed White and Black African	0%	0%	6%	0%
Mixed White and Asian	0%	9%	10%	4%
Any other mixed background	5%	*%	2%	1%
Indian	31%	41%	25%	44%
Pakistani	10%	21%	10%	11%
Bangladeshi	0%	0%	10%	10%
Any other Asian background	2%	4%	7%	29%
Black Caribbean	14%	2%	11%	17%
Black African	9%	4%	11%	11%
Any other Black background	0%	0%	*%	3%
Chinese	2%	8%	0%	*%
Arab	3%	2%	1%	*%
Any other ethnic group	2%	*%	1%	1%
Don't know	14%	4%	2%	11%
Refused	0%	1%	2%	0%

\* denotes a value which is too small to calculate a meaningful percentage

Please note that values do not add to 100% because some businesses may have more than one owner from different ethnic groups

Table 2 - Ethnic Origin of Owners, Partners and Directors (by Industry)

The Home Office [3] attempted to compare the number of UK-born business owners with immigrant and BME immigrant business owners. This uses a different industry classification from what is shown in Table 2, but provides an interesting summary of businesses owned by UK born individuals compared with individuals who were not born in the UK. This is illustrated in Table 3. This table shows that the prevalence of business ownership in manufacturing, construction, agriculture and fishing is highest in UK-born business owners. The prevalence of business ownership in distribution, hotels and restaurants is highest in immigrant business owners, particularly BME immigrants. In addition, business ownership in transport and communications is highest in BME immigrants. Finally, the prevalence of business ownership in banking and finance is similar for UK-born business owners and owners born overseas, but it is lower for those from a BME background.

<sup>2</sup> Production = Agriculture, mining, utilities, manufacturing, construction etc.

Distribution = Wholesale & retail, transport & storage, accommodation & food services etc.

Business services = ICT, finance & real estate, professional, scientific & technical services, admin & support services

Other Services = Education, health & social care, arts & entertainment, other service activities.



Sector	UK-born	All Immigrants	Ethnic Minority Immigrants
Agriculture & Fishing	8.5%	1.1%	0.0%
Energy & Water	0.3%	0.3%	0.2%
Manufacturing	9.1%	6.4%	4.8%
Construction	32.8%	17.8%	7.8%
Distribution, Hotels and Restaurants	17.3%	35.6%	49.7%
Transport & Communications	6.8%	9.4%	14.2%
Banking, Finance, Insurance etc.	13.9%	13.9%	10.5%
Public Admin, Education & Health	5.0%	8.3%	9.2%
Other Services	6.2%	6.8%	3.7%

Table 3 - UK Born Business Ownership Compared with Immigrant Business Ownership in the UK

A recent study by the Centre for Entrepreneurs found that migrants to the UK establish a significant proportion of new business enterprises. These migrant entrepreneurs are typically younger than their UK born counterparts, and many new migrant businesses are being established by women [4]. This study also found that migrants to the UK were more likely to start their own business than the UK born population, which is explored in the following section.

## 4. Motivations for starting a business

Generally, there are number of reasons which may motivate someone to start their own business. A study by Manchester Business School [5], which involved face to face interviews and surveys with 265 BME business owners, found that the reasons why an individual decides to start their own business can be classified as either 'push' or 'pull' factors. Pull factors are described as those factors which positively influence an individual to start a business, whereas push factors are those which drive people away from their current jobs or paid employment.

This study found that there were numerous pull factors encouraging individuals to establish their own business. Some of these pull factors include:

- Embarking on a new challenge
- Achieve financial independence (e.g. not depending on others to make money)
- 'Be their own boss'
- Better work-life balance
- Pursue an interest / follow up new ideas

These factors are universal for any individual wanting to start their own business. However, some pull factors that were more specific to individuals from BME communities include:

- To find a better position in society / gain respect
- Family encouragement / family tradition
- Social motives

A further study by Dhaliwal and Kangis [6] found that first generation immigrants started their own businesses as a way to establish economic comfort and security in the UK, while taking advantage of the opportunities offered in the UK. In addition, particularly for many Asian immigrants, there was a perceived status about being a business owner within their community. This was advantageous for many people looking to “recapture some of the self-esteem they lost when they were forced to leave their businesses [and status within their community] behind, only to realise that they had become an unexpected minority in the UK” [6].

For a number of BME business owners, the push factors were of significant importance and led them to establish their own businesses. Examples of push factors for BME business owners include:

- Discrimination in the workplace (this may include not getting jobs because of discrimination from the interviewing panel)
- Lack of opportunities in the workplace (e.g. being overlooked for promotion; lower pay)
- Not gaining opportunities proportionate to skills and abilities
- Pressure from their spouse not to work with people of the opposite gender.

The study completed by the Manchester Business School [5] detailed many examples of the push factors which led to individuals starting their own business. Many of the BME business owners who participated in the study commented that they felt ‘undervalued’ and ‘unappreciated’ in the workplace, and this was a motivation to start a business. This was particularly true for the female participants in this study. A significant proportion of participants in this study faced discrimination in the workplace, which prevented them from seeking promotion. In addition, approximately 30% were forced into starting a business because they were unable to obtain paid employment, despite having the necessary skills and experience.

## 5. Awareness of local regulation

Studies focused on awareness of regulation amongst BME-led businesses found that availability of information and guidance about regulations is a key factor in increasing compliance. In addition to this, many SMEs do not feel that it is their responsibility to actively seek information about regulations. Therefore it is the job of the regulating bodies to ensure information is available and presented in a way that is accessible and easy to understand. A study published by Fairman and Yapp [7] found that SMEs depend on others to provide information about regulations and the potential impact on their business if they do not comply. Some SMEs will access advice and support from the regulatory body directly or via other networks in place to support small businesses or trade associations. A study involving interviews with BME-led businesses in 2012 [8] found that BME-led businesses often saw regulations as a barrier business growth. Almost one third of businesses participating in this study found that regulations were a ‘significant concern’, and a further 25% found regulations a ‘fairly significant concern’. The main issues related to this were a lack of awareness of regulations because of a lack of easily accessible information and a safe forum to ask questions about regulations. A study by Middlesex University involving 1,200 survey participants found that approximately 60% of business owners who considered (but did not access) business support found it difficult to trust external

advisors. In addition, almost 80% were concerned that accessing support would be too expensive and just over half were unsure of the values and benefits of accessing support [9].

However, owners of BME-led businesses are more likely to access information from friends, family and peers. Seeking advice from family or friends is significantly higher for Asian business owners when compared with White or Black business owners. BME business owners tended to have a much lower use of support agencies such as the ‘Business Support Helpline’, Local Enterprise Partnerships or other local agencies. This is illustrated in Table 4 [10]. In addition, the use of family and friends as a source of advice decreased as educational attainment increased, suggesting individuals with higher educational attainment were more aware and trusting of the formal types of business support and advice available to them.

<b>Agency</b>	<b>White (%)</b>	<b>Asian (%)</b>	<b>Black (%)</b>	<b>Other (%)</b>	<b>All (%)</b>
Business Link / Enterprise Agency	16.5	8.0	9.1	10.3	14.2
Accountant	38.1	28.0	54.5	37.9	37.9
Solicitor	5.1	8.0	9.1	6.9	5.8
College course	4.7	4.0	0.0	2.3	3.9
Startright seminar	1.3	0.0	0.0	0.0	0.8
Prince’s Trust Youth Business Programme	0.8	4.0	0.0	0.0	0.8
Family / friends	28.8	44.0	18.2	32.2	30.4
Other sources	4.7	4.0	9.1	10.3	6.1

Table 4- Sources of business advice by ethnic group

Another study reported that many BME business owners may view advice provided through local enterprise groups or agencies to be less reliable than the information received through their family and friends. Many BME-led businesses also feel that information provided via these sources is not tailored to their business, therefore are less likely to access them [8].

A study investigating awareness and attitudes towards local regulation in the UK found that some areas of local regulation are more widely understood and accepted than others amongst the BME business community. The study found that the majority of participants in the study were aware of health and safety regulations and fire safety regulations, however were less aware of environmental regulations and trading standards regulations [8]. However, despite having some awareness of these regulations, the majority of participants in the study said they were only ‘somewhat knowledgeable’ of the different regulations, with very few feeling that they were ‘very knowledgeable’. Stakeholders who participated in this study commented that reasons for a lack of knowledge about regulations was often related to some BME business owners having a lack of understanding of the English language and a lack of understanding of the law within the UK. This problem is exacerbated in industries that have a large number of regulations to comply with [8].

## 6. Attitudes towards local regulation

Small businesses in general have mixed views on the benefits and impact of regulation. A study by Kingston University in 2010 [11] found that the impact of regulation on small business performance is often determined by one of more of the following factors:

- Whether business owners perceives regulation as burdensome
- The cost of complying with the regulation
- The constraints the regulation places on decision making
- The impact the regulation has on business competitiveness.

Many small business owners find regulation to be acceptable, but they can become burdensome once they become incomprehensible. This is magnified for BME-led businesses, especially if the business owner's first language is not English. It is therefore important that the need for the regulation is communicated in a way which is easy to understand and the sanctions for non-compliance are communicated clearly. An evidence review completed by the Food Standards Agency [12] recommended that graphics should be used where possible for non-English speaking workers, and supplementary information should be made available which provides further information for business owners. In addition, the study recommended that a qualitative approach should be used to present risk of non-compliance rather than a quantitative approach. In other words, the study found that telling stories that business owners could relate to was more effective than using figures and statistics within communications.

In addition to language barriers, a Danish study [13] identified nine areas which SMEs are frustrated about in relation to regulations. These are:

- Inflexibility
- Lack of mutual obligation
- Unfairness
- Uncertainty and unpredictability
- Pointlessness
- Lack of respect from public authorities
- Lack of confidence (regulatory bodies lack of confidence in the abilities of the business owner)
- Complexity
- Powerlessness and lack of clarity regarding the role of the authorities.

Related to this, many SMEs believe there is a significant amount of duplication as they often provide the same information to many different regulatory bodies. In particular for BME-led businesses, some do not understand the differences between the various regulatory bodies and, for example, do not understand that Health and Safety is regulated by a different organisation to Fire Safety [8].

A research study which involved interviews with BME business owners found that there is a contrast in attitudes towards regulation between the established ethnic minority business population and new migrant businesses. The Centre for Research in Ethnic Minority Entrepreneurship conducted 165 semi-structured interviews with business owners from 22 new migrant communities in England [14]. This study found that many new migrants want to be independent and self-sufficient, however are

unfamiliar with the regulatory environment in the UK and what support is available to help them. Many new BME-led businesses fitted into one of the following categories, which include [8]:

- Businesses with no established premises, working on a cash in hand basis. Often these business owners do not consider their venture to be an actual business, therefore are unaware of the regulations which affect them
- Informal practices based on high street premises that are ‘registered’ businesses. Many of these businesses consider their employees to be helping out (rather than actual employees) therefore pay cash in hand and do not have the necessary contractual information for employees
- Multi-business models where one leaseholder pays the rent, however the premises are subdivided into smaller units.

There is also evidence to suggest that negative experiences with migration officials, reception centres, Job Centres etc. on arrival to the UK may influence future attitudes towards other support agencies. By the time new migrants become entrepreneurs or business owners, these perceptions of support agencies, combined with language and cultural barriers result in a lack of trust between new migrants and regulatory authorities [15]. Additional barriers that prevent BME business owners from accessing support include:

- Lack of time to visit agencies providing support
- The bureaucracy and paperwork involved to access support
- The ‘formal’ appearance of Local Authority premises and officers, which make some business owners feel like they won’t be respected and that there may be some negative consequences if they ask for advice and support
- Stigma, which is augmented by media stigmatisation of immigrants [15].

For those who have accessed advice and support, many consider the services who are offering the support to be ineffective. Business owners feel that these services “ask too many questions” and cannot provide tailored advice and support which helps them and their business. Business owners often feel it is hard to communicate with these services, for example being regularly referred to different people in different teams [15].

## **7. Experiences and Impact of Regulation on Diverse Businesses**

A study completed in 2010 by the Local Better Regulation Office asked BME-businesses whether they had any contact with local authorities or fire services for inspections related to local regulations. The majority of BME-led businesses had experience with being inspected for regulations and almost all felt that the specific purpose of the inspector’s visit was made clear and the inspecting officer communicated clearly what they would be inspected during the visit. This suggests that, at the point of inspection, BME-led business owners have a good understanding of the reasons why the inspection is taking place. Generally, more established businesses would prefer less frequent inspections (e.g. every 18 months or less frequent), however newly established businesses would generally prefer more frequent contact [8].

However, while BME-led businesses felt inspecting officers clearly communicated the reasons for the inspection, they had mixed views as to whether there was any benefit to the inspections. Some BME-led businesses felt that inspections often resulted in the need for the business to spend additional money in order to comply, and these were additional expenses that many BME-led businesses were unable to afford. An interview participant in a study by Slater (2012) commented that inspectors were “always looking for a way to close my business down” [8].

Most BME-led businesses did not feel like they were treated differently because of their ethnicity [8]. However, many felt that there were other barriers present, in particular language and cultural barriers. Participants in the study by Slater found that BME-led businesses would find the following things helpful in overcoming issues related to language barriers:

- Clear and concise materials, written in plain English so it is easy to understand
- Written materials to be available in languages other than English
- Use pictures or illustrations to convey information
- Availability of verbal instructions in written format so business owners can review at a pace which is comfortable to them and refer back to them if they are unclear about any aspects of the conversation
- Avoid the use of technical language, which may be difficult to understand.

In addition to the language barriers, some BME-led businesses commented that culture can be a significant barrier during inspections. It is felt that inspecting officers need to have more understanding of diverse communities and be more flexible and sensitive to culture. For example, this may include avoiding planning visits during religious holidays or festivals or being more aware of when the Sabbath falls for different religions and avoiding visits during these periods.

The data shown in Section 3 shows that businesses in certain industries are more likely to be owned by BME businesses when compared to the wider population of business owners. A study by Ram and Jones in 2007 echoed these findings and reported that this may be because of the relative ease of BME-led businesses starting up in the UK compared to the rest of Europe, where more exclusionary policies were in place. BME-led businesses are also focused in a narrow range of sectors, many of which are characterised by a low level of financial reward [16]. This includes businesses in the catering, retail and clothing sectors. However, many of these sectors are fiercely competitive, and many markets have become saturated (e.g. low-order retail; takeaways etc.). This operating environment makes it difficult for BME-led businesses to always see regulation as a priority, and often the perceived costs related to complying with regulations mean some BME-led business owners prioritise other aspects of their business over regulation. In addition, some of the sectors which are saturated by BME-led businesses may be more susceptible to regulatory inspections. This is particularly true of businesses in the food and drink and hotel/accommodation sectors. This coupled with the issues described in previous sections mean that BME-led businesses may be vulnerable to prosecution.

## 8. Case Studies

The following section outlines a number of case studies describing initiatives which have been highlighted as good practice in the literature.

### **Chinatown Hygiene Partnership – Westminster City Council**

The Chinatown Hygiene Partnership, run by Westminster City Council, aims to improve compliance in relation to food hygiene in high risk food outlets. The partnership also involves the London Chinese Association and the Asian and Oriental School of Catering, and was funded using money from the “European Social Fund” and “Learning and Skills Council”. The initiative involves providing free education and advice, particularly to premises who are non-compliant with the relevant regulations. The sessions are run at the business premises so participants do not need to travel, and are offered in Cantonese or Mandarin.

### **Environmental Health in Bury Park - Luton Council**

The Environmental Health team at Luton Council explored different ways of working with diverse businesses on compliance with regulations such as trading standards, licensing and regeneration. The project involved getting written agreement for businesses to voluntarily work with a Council officer, meet all legal standards and actively participate in improvements to the local area. In return, the Council committed to help businesses meet requirements and provided advice and support to a plain English standard. In addition, the Council would avoid taking formal action with these businesses and work with them as far as possible. Finally, the Council provided a single point of contact to these businesses, giving an entry point into the Council to help these businesses resolve any other problems they may be having.

### **The Health and Safety Executive**

The Health and Safety Executive has recognised that to be successful, they need to understand the diversity of the organisations they work with. The following has been proposed to help the Health and Safety Executive to achieve this:

- Designing interventions through an equality impact assessment tool
- Improving communications when engaging with diverse organisations by providing a tool that helps Health and Safety Executive staff understand the diverse audiences they are working with
- Making better use of research to understand diversity issues

Further information can be found here: <http://www.hse.gov.uk/diversity/index.htm>

Some additional work done by the Health and Safety Executive includes:

- Sponsoring a slot on an ethnic radio station
- Organising an event for young people in a local college
- Developing a plan to provide advice to firms using a business centre run by a local Sikh temple
- Building relationships and working with organisations focusing on migrant workers
- Using HSE’s inspector language skills to promote key health and safety messages to speakers of Urdu, Hindi and Punjabi.

### **Enterprise and Diversity Alliance, University of Birmingham**

The Enterprise and Diversity Alliance (EDA) is a network which was established to promote minority entrepreneurship in the UK. Research completed by the network include how minority businesses access finance and how to effectively engage with business support agencies.

Since its creation, the EDA had influenced policy makers at a local level via Local Enterprise Partnerships to find ways of taking on board the needs of local diverse businesses. The EDA also hosts the annual Ethnic Minority Business Conference, which showcases and discusses latest research into ethnic minority entrepreneurship and helping support these businesses grow.

More information can be found here:

<https://www.birmingham.ac.uk/schools/business/research/creme/enterprise-diversity-alliance/index.aspx>

## **9. Conclusion and Recommendations**

This report was commissioned to understand the impact of regulations on BME-led businesses. While there was no evidence specifically related to fire safety regulations, evidence about experiences and impact of other regulations can be applied by Fire and Rescue Services to understand how we can engage with diverse business communities more effectively.

The report outlines the following findings from a review of existing literature:

- Approximately 5% of SMEs within the UK are led by an owner, partner or director from a BME background. The proportion of BME led businesses is higher in areas such as London and the Midlands when compared to the national average
- BME-led businesses are more likely to be concentrated in specific industry sectors, such as distribution, hotels and restaurants when compared to the wider SME population
- The proportion of migrants establishing their own business is increasing, with migrants to the UK more likely to set up their own business compared to their UK born counterparts
- There are many ‘push’ and ‘pull’ factors, which can result in individuals from BME communities starting their own business. Many BME business owners started their own business to gain status in their community, to pursue an interest or to make more money. However, many commented that they faced discrimination in the workplace, which meant they were unable to gain promotion or employment proportionate to their skills and experience
- While many BME-led businesses had awareness of some regulations affecting them, many felt there were barriers which prevented them from fully complying. These barriers include not being aware of where to access information, how to access support (or trusting support available), language and cultural barriers and negative perception towards Local Authority officers based on previous experiences
- Some BME-led businesses found compliance with regulations to be burdensome and potentially costly. In addition, it was felt that there is a lot of duplication as different regulatory bodies ask for the same or similar information



- While BME-led businesses often do not feel they are treated differently by inspectors to non-BME businesses, they feel that regulatory bodies should be more sensitive towards cultural factors, for example, avoiding inspections during religious holidays or festivals and being more respectful of their culture and faith
- Finally, language barriers can often be a key factor as to why a business is unable to comply with regulations. Many BME-led businesses felt that it would be helpful to have access to information in their native language, in plain English or in a pictorial way that would be easier to understand.

Based on the findings from the evidence review, the following recommendations have been made:

- The 'engaging with diverse businesses' work stream should consider the findings of this evidence review and consider how this links in with the development of the equality and diversity toolkit
- Consider whether anything can be implemented around the following:
  - Ensuring information and advice related to regulations is at least presented in plain English, however consider whether information and advice can be presented in other ways, for example using graphics or in other languages
  - Ensure staff members engaging with diverse businesses are aware of cultural factors which could present barriers to complying with regulations. It is also recommended that staff are provided with training so they are sensitive of these factors and are aware of how to manage them effectively
  - Raise awareness of regulations and the impact non-compliance can have on businesses. Consider how awareness of regulations was raised in the case studies and review whether something similar could be applied within the Fire and Rescue Service. Also consider the power of story-telling – for example, use case studies to explain the risks of non-compliance rather than facts and figures as business owners are more likely to relate this to their own experiences
  - Explore further working with partner organisations to ensure diverse businesses have access to the support required to comply with regulations. Also ensure that business owners are aware that good quality advice and support is available, and questions about compliance to regulations can be asked without fear of prosecution
  - Explore how regulatory bodies work with diverse businesses through local trade associations, community and faith groups etc. so information about regulation and compliance can be promoted through these groups. These groups are often respected and trusted amongst members of the BME community.

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