

Open Report on behalf of Andy Gutherson, Executive Director - Place

Report to:	Environment and Economy Scrutiny Committee
Date:	11 July 2023
Subject:	Business Lincolnshire Growth Hub Annual Performance and Future Business Landscape

Summary:

This report provides an update on activity delivered by the Business Lincolnshire Growth Hub and the activity of other business support delivery partners during the 12 months ending March 2023. Businesses continue to face economic challenges and continue to manage impacts from rising costs, supply chain and recruitment issues. Overall, the Growth Hub continues to perform very well, achieving, or exceeding output targets and with client satisfaction levels remaining at or above 92%.

The many projects that have been funded through European Regional Development Fund projects close on 30th June. A new support programme has been developed under the UK Shared Prosperity Fund, but there will be less support available, there are geographic limitations and there will be significantly fewer grants for businesses.

Businesses in Boston Borough Council, East Lindsey District Council and South Holland District Council will now access advisory support through their relative District Council, whereas businesses in City of Lincoln, North Kesteven, South Kesteven and West Lindsey as well as businesses in Rutland and North East Lincolnshire will continue to access advisory support through the Business Lincolnshire Growth Hub Shared Service.

Online self-help support will continue to be available to all businesses regardless of location through the www.businesslincolnshire.com website.

Actions Required:

The Environment and Economy Scrutiny Committee is invited to:

- (1) Review and comment on the current progress and provide input to assist Officers plan future Growth Hub Services;
- (2) Note the impact of the change to the funding landscape and the geographical boundaries that now exist in the type and availability of support; and,

(3) Continue to support the Growth Hub in highlighting services to business contacts.

1. Background

1.1.1 - The Business Lincolnshire Growth Hub was launched in April 2015 following the requirement from UK Government for all Local Enterprise Partnerships to facilitate the development of a Growth Hub to provide a single place to go for business support, for all sectors and all growth stages. The joint economic development strategy between the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and Lincolnshire County Council (LCC) aligned funding and officer time to ensure a robust, highly acclaimed Growth Hub service.

1.1.2 - The Department for Business and Trade (DBT), fund Growth Hubs to provide a doorway for businesses to access a package of information, diagnostic, advisory, coaching, mentoring and development programmes. Furthermore, the Hub aims to raise awareness and uptake of both public and private sector support, by improving coordination and signposting to other local and national provision. Growth Hus can develop a delivery mechanism that meets local needs within the available funding envelope. Every LEP is required to provide a Growth Hub.

1.1.3 - There have been a plethora of business support programmes and grant funds available across the county over many years. The majority of funds have come through successful European Funding allocations. Through the most recent European Regional Development Fund (ERDF) 2014-2020 programme, which ends on 30th June, there has been approximately £20m contracted to business support providers, delivering schemes under the Business Lincolnshire Growth Hub umbrella brand. These schemes have delivered wide ranging support services from start up, innovation, international trade, investment funds, technology support and grants. The impact report on page 4 highlights the impact of all of this collective support since 2015.

1.1.4 - The £7.12m ERDF Business Lincolnshire Sustainable Business Growth 2 (BLSBG2) programme has been delivered by the Council's Economic Development Officers. In the last 4 years, BLSBG2 has engaged 2,342 businesses. 1,226 have received at least 3 hours of support and 594 have received at least 12 hours of support. There have been 535 successful Grant Applications with a total value of £1.562m awarded.

1.1.5 - The UK Government has replaced ERDF funding with UK Shared Prosperity Funds (UKSPF). Allocations have been awarded to Lead Local Authorities - in Lincolnshire these are the seven District Councils.

1.1.6 - UKSPF has the advantage of a less restrictive rule book. It also has a much wider remit in terms of the types of projects it can be used to support, including community and skills support as well as support to businesses.

1.1.7 - The County Council Economic Development Team have been working with the Lead Local Authorities, to develop a UKSPF funded business support 'Shared Service' to deliver

across the GLEP geography by the Growth Hub. All Lead Local Authorities had the option to access the service in return for a contribution equivalent to 5.2% of their local UKSPF allocation. Intrinsically, the 'Shared Service' sought to ensure a universal offer that all businesses would be able to access regardless of geography.

1.1.8 – Lead Local Authorities have made local decisions about the distribution of their UKSPF allocations utilising various methods. In terms of the Business Lincolnshire Shared Service, of the seven Local Authorities in Lincolnshire:

- **Boston, East Lindsey and South Holland have opted to deliver a local business support service and NOT opt into the Shared Service.** Businesses in these areas requiring support, will need to access the support being provided by their respective Local Authority and are being signposted accordingly.
- **City of Lincoln, North Kesteven, South Kesteven and West Lindsey have opted to buy into the Business Lincolnshire UKSPF Shared Service** (along with Rutland and North East Lincs). Businesses in these areas will access support via the Business Lincolnshire Shared Service.
- Note that a decision from North Lincolnshire Council is pending.

(continued on next page)

Businesses Engaged



1574

helped to start a business

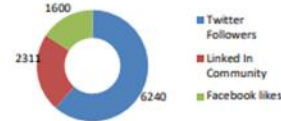
833

Businesses Created

2188

Jobs Created

Social Media



Website Visitors

216,994

1974

Number of Grants Approved



Private sector match secured

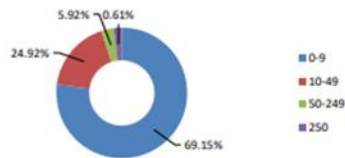


Total Value of Grants Paid

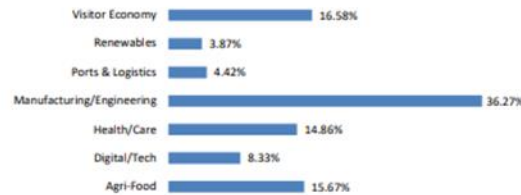
Satisfaction with the Growth Hub

92%

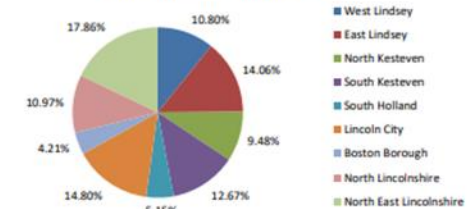
SME Employee Numbers



LEP Priority Sector Split



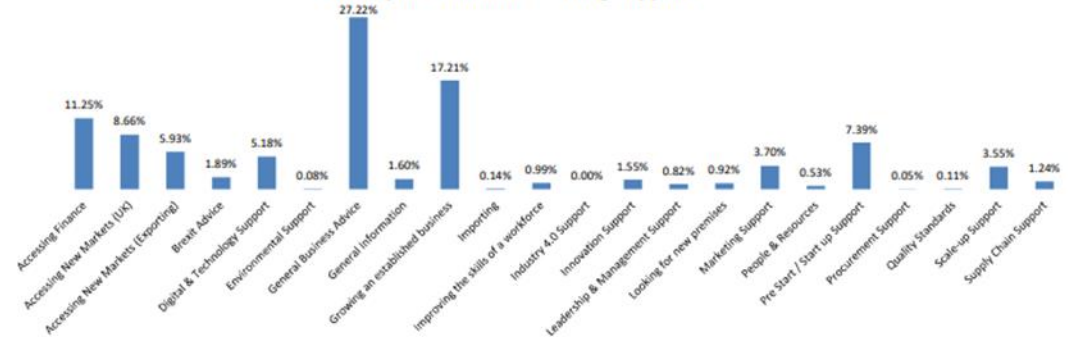
SMEs by Authority Area



Jobs Created by Authority Area



Primary Reasons for Accessing Support



1.2 – Delivery in 2022-23 Highlights

In 2022-23 the Growth Hub received direct funding to deliver vital business support offers.

2022/2023 Funding	Amount	Requirements
DBT Core Funding (award)	£286,625	Enquiry and triage systems, Scale Up Support and specialist advisory support, PR and Marketing, CRM, website, research and evaluation. East Midlands resilience programme. East Midlands cluster role
ERDF Sustainable Business Growth 2 (BLSBG2) Programme (successful bid)	£901,901 (income for 22-23 activity)	BLSBG2 provides a comprehensive and enhanced offer of one-to-one and one-to-many support, capacity building and growth funding.
Total	£1,188,526	

Programme Highlights During 2022-23

- ➔ The Business Lincolnshire Growth Hub services consistently score 92% or more in terms of the quality of services provided and 93% of clients were very or somewhat likely to recommend the service to a friend or colleague.
- ➔ The 4-year ERDF funded Sustainable Business Growth 2 programme has:
 - Engaged with 2342 SMEs¹
 - Provided 1226 SMEs with 3 hours of support.
 - Provided 594 SMEs with 12 hours of support.
 - Created 155 new to firm products.
 - Created 340 jobs.
 - Delivered 249 events to 2990 delegates.
 - Processed 574 grant applications, awarding 535 successful grants with a value just under £1.562 million.
- ➔ We were delighted to receive the very positive news that both our East Midlands Growth Hub Cluster wide bids for the national Made Smarter East Midlands and national Create Growth Programmes were both successful. Both bring an injection of funding to support capacity building and skills development in two important local sectors. This highlights the strength of the Growth Hub team in being able to develop strong bids for funding that are well received by national government.

Made Smarter:

The Made Smarter programme brings funding of £3.25m to the region, with delivery over 3 years (ending 31st March 2025). LCC are the lead for this programme and are

¹ Small and Medium Enterprises.

providing the Accountable Body function. Despite a challenging compressed start, the Made Smarter East Midlands in year 1, engaged with 87 businesses and awarded 12 grants totalling almost £210 thousand.

Create Growth:

The East Midlands Create Growth programme is one of only 6 successful regional bids, which brings £1.275m of support activities. Leicester and Leicestershire Local Enterprise Partnerships (LEP) are leading the activity through to the end of March 2025. The programme is targeted to high-growth potential creative businesses in sectors such as creative agencies, architecture, software development, film, gaming, etc. and incorporates 3 complementary strands:

- Bespoke business support
 - Investor outreach activities (delivered by Innovate UK)
 - A finance fund (delivered by Innovate UK)
- ➔ We delivered a number of highly innovative and successful local programmes in addition to the European Regional Development Fund (ERDF) funded activity, including an advisory programme for 20 pubs to undertake Diversification projects, a 'Fit For Business' Podcast series talking business owners through business basics, a 'Creative Catalyst' workshop series helping traditional businesses with innovation and problem solving, a 'Hospitable Boost' programme for Retail, Leisure and Hospitality businesses incorporating adviser, peer groups and workshops, all showcasing local success stories, and the 'Momentum' programme to support growth in Creative, Digital and Tech businesses
- ➔ Our Next Level Scale-Up programme offers a gold standard programme for Greater Lincolnshire's fastest growing businesses. It brings together a mix of Leadership and Management development with Senior Management Team Profiling, Coaching, Growth Sprints, a 1-year licence for the 'Zellar' carbon footprint assessment tool, plus an engaging Alumni programme. The feedback from participants has been fantastic and we have now supported our 261st Scale Up client. Almost half of the Alumni joined us for our first event for those that had been through the programme – a half day conference where they learned new tools, listened to experts, and made new local connections.
- ➔ We launched the Greater Lincolnshire International Strategy in October 2022 and we have been working on delivery of the actions from the associated activity plan, which includes so far, a communication campaign, improved web content, training for Advisers and an Export Peer Network and Roundtable programme. We are already seeing stronger connections between organisations locally and improved cross referral.
- The [Greater Lincolnshire Engineering and Manufacturing Network \(GLEAM\)](#) is being delivered in partnership with the University of Lincoln and has seen an upturn in membership due to a vibrant rebrand last year. Members and partners join free and

are able to gain free affiliate membership to MakeUK and access fully funded 'Zellar' 12-month carbon footprint assessment tool licence.

- ➔ The 'Made in Lincolnshire' online brochure continues to attract interest with 119 businesses featured currently. Ongoing marketing of the brochure to promote inclusion and support inter-trading with likeminded manufacturers.
- Using a similar format, this year we have developed and launched the '[Digital Lincolnshire](#)' online brochure to highlight the fast growing creative, digital and tech sector in the region. There have been almost 70 expressions of interest to be featured in the brochure - an excellent response in a short timeframe. The first 36 entries are now available to read online. Also for this sector is a new events programme which is delivered in partnership with Lincolnshire Coop at the Mosaic Digital Hub, including sector networking and lunch and learn events.

Business Lincolnshire Growth Hub Key Performance Outcomes

Indicator	Annual Total (1 April 2022- 31 March 2023)	Cumulative Total (since launch of growth hub)
Number of businesses that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	1,392	25,690
Number of individuals that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	1,201	5,729
Total number of unique visitors to Growth Hub website	21,349	216,994
Number of businesses receiving 'medium intensity' information, diagnostic and brokerage support	979	6,938
Number of businesses receiving 'high intensity' support e.g., account management / intensive support directly provided by the Hub or partner organisation	735	5,535
Total number of individuals who been helped to start a business	246	1635
£Private sector match secured	£3,529,274	£13,852,060

Figures from April 2022 to March 2023	Number
Number of jobs created	304
Facebook likes	1600 (up 4% since last year)
Twitter followers	6240 (up 2% since last year)
Linked In	2311 (up 25% since last year)

1.3 – Future Business Support Landscape

The fundamental role of the Business Lincolnshire Growth Hub will continue to be to:

- Improve the awareness and coordination of local and national business support offers.
- Provide clear signposting and diagnosis to help businesses find the right support easily, without charge and in an impartial way.

This 'doorway' service will continue to be supplemented with additional advisory support funded through other sources. The Enterprise Growth Team have a strong track record in successful funding bids, with European Funding of course, but also more recently to Department for Business and Trade (DBT) for the East Midlands Made Smarter programme and to Department for Digital, Culture, Media & Sport (DCMS) for the Create Growth programme. Officers will continue to seek out other sources of funding to provide supplementary support options.

UK Shared Prosperity

UK Shared Prosperity funding and the linked Rural England Prosperity Funding, has a wide focus. It is aimed at undertaking activity which contributes to restoring a 'sense of community, local pride and belonging'. *'Strengthening the social fabric of communities, building pride in place and creating the foundations for economic growth at the neighbourhood level'*.

Supporting local businesses is highlighted as one of 3 central themes that investment is aimed at, with the following objectives:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality, and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise, and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies, and techniques, and start or grow their exports.

In terms of supporting businesses, the UKSPF prospectus provides us with an opportunity to widen access, reduce the eligibility restrictions and encourage broader outputs and outcomes. Department for Environment, Food and Rural Affairs (DEFRA) has allocated the Rural England Prosperity Fund to eligible Lead Local Authorities, and it is to be used to benefit businesses and communities in rural areas.

The 3-year allocations are as follows:

	UK Shared Prosperity Funding	Rural England Prosperity Funding	Total
Boston	2,194,351	429,355	X
East Lindsey	4,438,286	1,791,546	X
Lincoln	2,810,773	0	2,810,773
North East Lincolnshire	5,282,105	0	5,282,105
North Kesteven	3,195,139	747,556	X
North Lincolnshire	5,466,833	789,520	X
Rutland	1,000,000	400,000	X
South Holland	2,693,049	699,884	X
South Kesteven	3,898,582	540,460	X
West Lindsey	2,700,436	795,821	X
Total Greater Lincolnshire	33,679,554	x	X
Total Lincolnshire	21,930,616	x	X

UKSPF has a much wider focus than just supporting businesses. UKSPF is aimed at undertaking activity which contributes to restoring a sense of community, local pride and belonging. *‘Strengthening the social fabric of communities, building pride in place and creating the foundations for economic growth at the neighbourhood level’.*

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Lincolnshire County Council does not have direct access to Shared Prosperity or Rural England Prosperity funds and has no alternative funding sources to deliver business support at a scale that would support a replacement service to the BLSBG2 programme.

The Enterprise Growth Team have therefore been working with the 10 Local Authorities within the Greater Lincolnshire LEP area over the last 12 months, to identify a suitable

replacement service following the end of European funding. The resulting ‘Business Lincolnshire UKSPF Shared Service’ has been offered to individual Local Authorities to ‘buy into’ from their UKSPF allocations, in return for a contribution of just over 5% of their UKSPF allocations.

Once agreements are confirmed with all opted in Local Authorities, a collective UKSPF pot of approximately £1.4m is expected to fund the Shared Service for 2 years from 1st April 2023 to end March 2025. Procured contracts are expected to exceed this amount, but any shortfalls will be supplemented with funding from DBT to enable the full-service delivery as planned.

The BL UKSPF Shared Service aims to provide a universal core business support service, that incorporates as much as possible from the BLSBG2 programme to meet thematic and sector priorities, thereby reducing the proliferation of individual services and helping to reduce patchwork provision.

Local Authority Decision Making is as follows:

Local Authority UKSPF Decision Making

	Decision Making Stage
Lincoln	Opted In
North Kesteven	Opted In
Rutland	Opted In
South Kesteven	Opted In
West Lindsey	Opted In
North East Lincs	TBC
North Lincolnshire	TBC
Boston	Opted Out
East Lindsey	Opted Out
South Holland	Opted out

Enquiries from businesses in the opted in areas following existing processes – contact advisers / businesslincolnshire@lincolnshire.gov.uk

Enquiries from businesses in opted out areas will now be managed by the Local Authority Economic Development Teams, who will identify appropriate business support solutions for the businesses in these areas. Contact details as follows:

- Boston enquiries contact: clive.gibbon@boston.gov.uk
- East Lindsey enquiries contact: Niki.Shepheard@boston.gov.uk
- South Holland enquiries contact: economicdevelopment@sholland.gov.uk

Local Offers in addition

Business Lincolnshire UKSPF Shared Service

The Business Lincolnshire UKSPF Shared Service will utilise the core Business Lincolnshire services which are delivered by the County Council Enterprise Growth Team. This core service relies on County Council budgets and our grant award from the Department for DBT, which for 23-24 is £316,625. This grant will continue to enable specialist advisory support, PR and Marketing, CRM, website, research and evaluation and the East Midlands Growth Hub Cluster Lead role. It will also be used to cover any funding shortfalls to deliver the ‘Shared Service’.

The core elements of service delivery include:

Core Business Lincolnshire Services

- Delivery of
 - Enquiry management and onward referral service – web, email and telephone enquiries (01522 782067)
 - Greater Lincolnshire Engineering and Advanced Manufacturing Network (GLEAM)
 - Financial Intermediary Forum (FIF)
 - ‘Flagship Events’
 - ‘Other programmes’more on this later
 - www.businesslincolnshire.com website
 - Programme Management, Research, Relationship Management & Partnership work

This core service will be enhanced with other business support products funded through various routes.

The main support programme will be the Business Lincolnshire UKSPF Shared Service, which consists of the following. The Enterprise Growth Team will commission these services mainly through existing contracts:

Business Lincolnshire UKSPF Shared Service

Dedicated Geographic Growth Hub Advisor
- Noreen Read, Trudy Roberts, Toni Coupland, Amy Clark

Specialist advisers covering:

- Retail, Leisure and Hospitality – Hayley Toyne
- Agri / Horti - Paul Ward
- Manufacturing – Gordon Stewart
- Digitalisation – David Regler & CDI Alliance
- Carbon Reduction – to be confirmed

Specialist Programmes including:

- Start Up Academy – virtual programme – to be procured
- Social Economy Academy – through BGU GLSEA
- Manufacturing Programme – to be procured
- Carbon Reduction Programme – to be procured
- Retail, leisure and hospitality Programme – to be procured
- High Growth (Scale up) Programme – Next Level

Virtual Workshops / gated website content – to be procured
PR & Marketing, website, social media, newsletter

In addition, there will also continue to be wider provision commissioned and directly managed by the Enterprise Growth Team, which is intended to complement the Shared Service, filling gaps as much as possible within funding envelopes. Currently, these include:

Other Programmes

Digital Sector Growth Activity

[Mosaic Digital Hub](#)

[Mosaic Connects & Mosaic Talks](#) – see [Business Lincolnshire events calendar](#)

[Digital Lincolnshire](#)

International Strategy & Action Plan

- [Export Peer Network and Roundtable Programme](#)
 - 6 sessions of 2-3 hours for cohorts up to 10 delegates plus dedicated 1 to 1 support from experts
 - Overcome any international trade challenges and explore new opportunities
 - Build a trusted network of connections to support you now and in the future
 - Improve your long-term personal and business performance
- [Empowering SMEs in International Trade Programme](#)
 - Workshop programme see [Business Lincolnshire events calendar](#)
 - Advisory support, webinars, factsheets and case studies

Linking through to wider support provided through DIT and Lincolnshire Chamber of Commerce

Businesses are also able to benefit from some nationally funded support programmes available in our area. Access to these programmes is also facilitated through the Growth Hub. These include:

Other Programmes

• [Made Smarter Adoption Programme East Midlands](#)

Digital experts will provide advice and support to manufacturing businesses on how to switch to advanced and automated technologies. The programme provides digital transformation road mapping, leadership development, grant funding and access to industrial digital technology expertise to help with implementation.

Contact Louise Higham

• [Create Growth East Midlands](#)

Aimed at high-growth potential creative businesses in sectors such as creative agencies, architecture, software development, film, gaming, etc. , to help them to scale and become investment ready through bespoke business support, investor outreach activities and a finance fund managed by Innovate UK.

Contact Angela Driver / Sally Denton sdenton@lincoln.ac.uk

• [Multiply Champions](#)

Employers and community groups in Lincolnshire can apply for a £1,000 grant to support numeracy development within their organisations and with their customers. The money can be used to pilot activities that help teach everyday maths skills that might be needed in the workplace or in life. This links with the wider [Multiply](#) numeracy programme delivered through Thea's team.

Contact Jeannine Thornley / Holly Wells / Sean Gray

The Growth Hub also facilitates access to other publicly and privately funded business support, such as national programmes like Help to Grow Management, Innovate UK, Department of International Trade (DIT), Intellectual Property Office (IPO) and business support programmes run by several banks. Information about all the support programmes that Business Lincolnshire are aware of are available via the Business Lincolnshire website.

Our local education institutions will also be keen to continue to support businesses and we will continue to work closely with the University of Lincoln, Bishop Grosseteste University, and all of the local FE Colleges. Similarly, we are in regular contact with the Federation of Small Businesses (FSB), Lincolnshire and Hull and Humberside Chambers of commerce, local incubator spaces, etc. to ensure that as many opportunities are being highlighted.

Some Local Authorities also plan to allocate additional UKPSF to support businesses with local needs. At the time of writing these include:

- WLDC
 - Local Retail and Hospitality Advisor
 - Business Sustainability (Green Growth) Grant (capital and revenue) - £1,000 to £15,000, 30% match funding required.
 - Rural England Prosperity Fund (Non-Agricultural Farm Diversification and Agri Tech Business Development) Grants (capital only) - £1,000 to £15,000, 70% / 30% match funding required.
 - West Lindsey District Council Agri Tech Business Development Grant (revenue only) - £1,000 to £10,000, no match funding required.
- NKDC
 - Business Adviser, Phil Means
 - Sleaford Shopfront Grant Scheme – 10% match
 - Rural England Prosperity Fund Grant (capital) – minimum £5000, possible match funding required.
 - Low Carbon programme – details tbc
 - Social media training with ‘Maybe’

It should be noted that grant funding post ERDF will be very limited.

2. Conclusion

The Growth Hub has consistently performed well. Service users value the support that is provided.

Business Lincolnshire will continue to provide a doorway to support for all businesses, regardless of their location, through online channels and telephone enquiry lines. However, the move away from ERDF funded support marks a significant change. Overall, there will be fewer advisory programmes and significantly fewer grants available for businesses and there will be different services available depending on geography.

The proposed UKSPF Shared Service offers a broad spectrum of advisory support similar to that available through the Sustainable Business Growth 2 programme, offering a ladder of progression from Start Up to Export to Scale Up, and including a geographic Generalist Advisers, Specialist Advisers covering Sector and Thematic priorities, small scale workshop programme and an ongoing comms campaign raising awareness of support and providing inspiration to business owners.

However, not all Local Authorities have chosen to opt into the Shared Service so there is no longer a universal advisory support service for the whole of Lincolnshire.

Members of the Environment and Economy Scrutiny Committee are invited to review and comment on the Business Lincolnshire Growth Hub activity and to note the future changes to provision as a result of the funding changes.

3. Consultation

a) Risk and impact analysis

N/A

4. Appendices

N/A

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Samantha Harrison, Head of Economic Development who can be contacted on 01522 550576 or via email at samanthaL.harrison@lincolnshire.gov.uk and Angela Driver, Enterprise Growth Manager - Economic Development Enterprise Growth Manager who can be contacted on 01522 552815, or via email at angela.driver@lincolnshire.gov.uk.