



Open Report on behalf of Andy Gutherson Executive Director - Place

Report to:	Environment and Economy Scrutiny Committee
Date:	27 February 2024
Subject:	Greater Lincolnshire International Strategy and Action Plan 2022-2024 Update

Summary:

This report provides an update on activity highlighted in the Action Plan document that was created to support the Greater Lincolnshire International Strategy launched in Q4 2022.

It was recognised when undertaking the strategy work that there were already good levels of support available to businesses interested in or engaging in International Trade, however several recommendations pointed towards improving knowledge sharing, collaboration, coordination and centralisation of information and there have been a number of successes which are highlighted in this update.

International Trade remains a priority area for business support services which contribute to the 'Create Thriving Environments' ambition within the Council's Corporate Plan. There is still more that can be done to further enhance this area of the business support offer. Exporters continue to face challenges around the increased administrative burden when exporting to Europe and there are future challenges as global trade rules are amended to take account of climate change.

It is recommended that a number of the activities in the action plan extend into 2024–25.

Actions Required:

The Committee is invited to:

- 1) Note the current progress and the impact from delivery of the International Strategy Action Plan and confirm agreement to continue activity into 2024-25
- 2) Recommend whether to continue activity to progress the International Strategy Action Plan, taking account of the options proposed in the conclusion of this report.
- 3) Continue to support the Growth Hub in highlighting services to business contacts and provide input to assist Officers plan future International Trade Support

1. Background

- 1.1.1 The Greater Lincolnshire International Strategy was launched in Q4 2022 following review and confirmation by the International Trade Steering Group, Economic Scrutiny Committee, and the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Board earlier in 2022.
- 1.1.2 The Strategy was produced by independent economic development consultants operating on behalf of the Department for Business and Trade (DBT), and it sets out a series of recommendations that could help DBT and its stakeholders increase international trade levels across the Greater Lincolnshire region.
- 1.1.3 The report highlights that there are a range of partners providing international trade support services and many of the action points within the associated action plan are focussed on how the various organisations can work more closely together to encourage international trade via to export and import practices.
- 1.1.4 Supporting businesses to trade internationally is an important part of economic development. There is evidence to show that businesses who trade internationally will invest more in research and product development, staff training, and facilities for their business. The EU Exit, and globalisation more generally, mean that the ability to trade internationally will become more important for businesses to enable them to compete and grow.
- 1.1.5 The business support activities delivered under the international trade umbrella relate to the 'Create thriving environments' pillar of the Council's Corporate Plan and this work is measured in terms of the number of businesses supported, Performance Indicator 82.
- 1.1.6 The Through consultation with the business and stakeholder community in relation to the Action Plan, five immediate priorities were identified. These included:
- A review of how current online material could be promoted through a single gateway, delivering information in a manner that can be understood and acted upon quickly.
 - How technology can be used to share market information and events programmes more efficiently.
 - How the Humber Freeport can promote the value of international trade to Greater Lincolnshire businesses.
 - How partners can build and develop collaborative practices to support international activities.
 - How an export/ import focused 'Peer to Peer' network could provide knowledge to new or early-stage exporters/ importers

Export Data

- 1.1.7 There is no published export data available at a county level due to commercial sensitivity, however the International Strategy highlighted some interesting statistics:

43.9% of Lincolnshire's products and services were exported to the EU in 2017.. While there is only limited data at County level, ONS data indicates that Lincolnshire exports more goods to EU countries compared to the rest of the world, with a 63%:37% split in 2015. Lincolnshire's largest exporting industry is food and drink, with the greatest volume traded to European countries. Other national and regional data also identifies that the USA and is also an important market. These markets will remain important to Lincolnshire exporters in the future.

The infographic below from the Strategy provided more detail on exporting and importing in Greater Lincolnshire.



The Strategy document also highlighted Greater Lincolnshire's top 10 export countries, both within and outside of the EU in 2019.

Country	Statistical value
Germany	£149 million
USA	£142 million
Irish Republic	£129 million
Netherlands	£114 million
France	£87 million
Spain	£79 million
China	£42 million
Italy	£41 million
Belgium	£41 million
Japan	£29 million

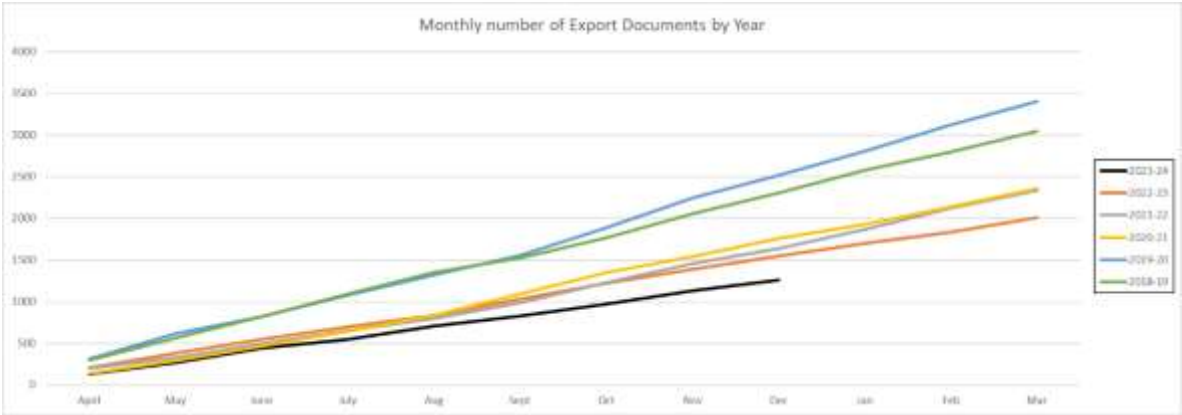
Whilst we do not have further updated published statistics from DBT to compare directly with the data in the Strategy, there is an indication that, four out of the top five export countries are within Europe with the USA also continuing to be an important market.

We are also aware that the East Midlands and the West Midlands are on the same trajectory in terms of the dips and peaks in export trade over time, so Greater Lincolnshire is following the same trends in data overall.

DBT have also confirmed that Export volumes overall are back to pre-covid levels, however generally speaking, there has been a shift and exporters are replacing European markets with other countries.

Additional local export data has been shared by Lincolnshire Chamber of Commerce (CoC) who provide an export documentation service to businesses in Greater Lincolnshire. Whilst this data is only a subset of all Greater Lincolnshire exports, it provides an interesting set of proxy data which we can track over time.

The graph below shows the cumulative monthly count of documents certified by Lincolnshire Chamber – this could include CoC’s, EUR1’s¹, invoices and other documents. An average of 200 documents per month are certified, but the figures show declining levels of usage year on year, and we are working with colleagues at Lincolnshire Chamber of Commerce to identify why this may be.



Lincolnshire Chamber of Commerce also track the export markets that users of the Lincolnshire Chamber Export Documentation service are sending good to. Taking data to date, these are:

- Egypt
- Qatar
- India
- UAE
- Algeria

¹ An EUR1, also known as a 'movement certificate', enables importers in certain countries to import goods at a reduced or nil rate of import duty under trade agreements between the UK and partner countries.

Action Plan Update – Highlights

1.1.8 A more detailed response to each of the 18 points in the action plan has been provided in appendix 1 to this paper. This section of the paper provides some highlights.

1.1.9 It should be noted that, since the launch of the Strategy and Action Plan, there have been some changes in the personnel named in the plan. Since Q1 2023, there is no longer a dedicated officer for International Trade activity in the Lincolnshire County Council (LCC) Enterprise Growth Team. The coordination activity required to progress the actions has therefore been progressed by the wider Enterprise Growth Team alongside their existing portfolio of work. Activity relating to actions in the plan have therefore been progressing at a slower pace, but nevertheless, there has been some good progress and there is evidence of improved communication, collaboration, and coordination.

1.1.10 Communication and Website Content:

A large part of the Action plan is focussed towards developing improved collaboration and communication between the various elements of the International Trade support ecosystem and to have a dedicated communication campaign to focus on key messages in relation to International Trade support. A number of actions have been completed to support these aims:

- A contract has been procured with Social Change UK to implement an export focused communication campaign which incorporates messages from Business Lincolnshire, DBT and Lincolnshire Chamber of Commerce as well as local success stories which have been produced by Business Lincolnshire and DBT.
- There is a bi-monthly meeting of Business Lincolnshire, Lincolnshire Chamber of Commerce, Global Trade Department and Social Change UK to discuss current and future activity and agree key messages. To date there have been 167 content pieces across the Business Lincolnshire Newsletter and Social Media Channels reaching an audience of 70,594, and engaging with 2,864 through clicks, likes, shares etc.
- There was a review of the Business Lincolnshire Exporting and Internationalisation support page and the content has been extended to include the information highlighted in the Action Plan. The content of this page forms part of our ongoing website review and there are plans for new assets and information to be provided as part of the next steps.
- The government's international trade support website www.great.gov.uk, has also undergone a significant review and streamlining which makes it much easier to navigate and there are strong linkages between the Business Lincolnshire website and great.gov.uk.
- A new Export Support flier has been created that helps businesses understand the various types of exporting support that are available locally. An animated video and 3 talking heads videos are currently under development which will also

be used to tap into business global trade pain points, explain what support is available and where to go to access it.

- International Trade was the focus of a #BLLive event in November 22 which included all of the main providers of international trade support and attracted an audience of 227.
- The number of visitors to the international trade pages on the Business Lincolnshire website has increased significantly as the table below highlights. This correlates closely with the inclusion of international trade related content in the Business Lincolnshire newsletter and social media channels and the heightened activity which occurred at the time of the Going Global conference at the end of November.

Month	Page views
Jan-23	23
Feb-23	32
Mar-23	54
Apr-23	38
May-23	14
Jun-23	84
Jul-23	70
Aug-23	36
Sep-23	74
Oct-23	41
Nov-23	133
Dec-23	128
1st - 19th Jan 2024	48
Total	775

1.1.11 Adviser Training & Tools:

- In October 2022, all Business Lincolnshire generalist and specialist advisors took part in an information sharing webinar which included up to date information about the services provided by DBT, Lincolnshire Chamber of Commerce and the Empowering SMEs² in International Trade Programme. Feedback from the session was very positive and has developed improved cross referral. The activity will be repeated bi-annually.
- DBT have developed an improved partner communication toolkit which is now shared with the growth hub. This provides up to date information about support, events, new markets etc. which is shared with Advisers so they are better informed and can make appropriate referrals.
- We are developing an adviser prompt tool that might be used by advisers as part of their initial conversations with businesses to ascertain the appetite a company has to trade internationally (export and/or import).

1.1.12 Going Global Export Conference

Business Lincolnshire’s **Going Global Conference** was held on Monday 27th November at the International Bomber Command Centre, there were over 60

² Small and medium-sized enterprises.

businesses in attendance. The event provided a mix of networking, keynote speakers and panel discussions with a focus on using real life business case studies to promote exporting and share knowledge.

The case studies were provided by DBT Export Champions from Lincolnshire – Concept Smokescreens, Plum Products, Equidet and PAB Group, who reflected on their export journey, shared best practice and top tips for those who were either new to exporting/importing or just beginning their journey. The feedback from the event was excellent and generated a wait list for the Business Lincolnshire International Trade Peer Network.

1.1.13 Existing and New provision

When the Action Plan was developed there was an expectation that there may be additional funding for International Trade support available through the UK Shared Prosperity Fund (UKSPF), but there has not been any additional funding through this route or through DBT for enhanced services. However, through LCC there has been an enhancement to the support available through the delivery of the International Trade Peer Network and Roundtable programme which is outlined below.

Our Business Lincolnshire international trade expert adviser retired in 2023 and the initial triage role that he was undertaking is now undertaken by the Business Lincolnshire Growth Hub Adviser. The Growth Hub Adviser will ask the business owner about their business and the type of international trade support that they are seeking; and at the same time, they might identify wider support to signpost them to.

The international trade support currently available consists of:

- A new **International Trade Peer Network and Roundtable** programme which Lincolnshire Chamber of Commerce has been procured to deliver on behalf of Business Lincolnshire. The Peer Network is delivered through a series of high impact group sessions with each cohort led by a trained facilitator. The programme also includes some 121 support, professional service advice and mentoring. The aim of the Large Business Round-Tables is to bring together larger businesses with experience in international trade who are able to share best practice, provide inspiration and perhaps mentor newer lesser experienced businesses.
- Services from the Department for Business and Trade, which includes **two dedicated advisors who cover Lincolnshire**, and in addition a further DBT international trade advisor linked to the Greater Lincolnshire Local Enterprise Partnership. These advisors offer one to one and sector specialist support, via a regional team to Lincolnshire's larger and more established exporters, in addition to a wide range of DBT events and webinars designed to support all needs. www.Great.gov.uk is a fantastic online information resource for exporters and those interested in or planning to export.

- The Global Trade Department deliver a successful support programme to both importers and exporters on behalf of the three East Midlands Growth Hubs, called **Empowering SMEs in International Trade**. This includes **short Trade Clinics through to longer Export Manager programmes** alongside a range of online webinars.
- Lincolnshire Chamber of Commerce host an **International Trade Hub** helping connect businesses all around the world and an international trade documentation service alongside accredited training programmes to upskill business owners and their teams.

1.1.14 New Markets:

The **UK have negotiated over 70 Free Trade Agreements (FTA) to date**. These are high-level agreements and will benefit UK industry with lower tariffs, and government-2-government agreements on digital documentation. However, for most SMEs these FTAs are difficult to navigate.

In addition to the Free Trade Agreements, the UK Government also utilises Memorandum of Understanding (MOUs) as an alternative government to government route to trade and cooperation. This vehicle is mostly being utilised in the USA. There is currently no trade deal with the US and the MOUs are a way to formalise evidence-based cooperation and promote the viability of a US trade deal in the future.

There is no central searchable list of MOUs, but we are working with DBT colleagues to assess these, as nurturing MOUs in the USA, where sectors align, may offer good opportunities for businesses, particularly as Greater Lincolnshire already has a high proportion of exports to the USA. The most recent MOU trade deal with US State of Washington is a good example and information about this can be found [here](#).

These MOUs are already proving useful to UK business such as the motorsports sector, which has extensive links to North Carolina (the home of Nascar) and Indiana (home of the Indy 500). North Carolina also has a cluster of Agri-tech and pharmaceutical companies within the Research Triangle, who are leading the way with a diverse business ecosystem of over 7,000 companies across multiple industries including Agri-tech, Cleantech, Life Sciences, Advanced Manufacturing and Technology.

In addition, the www.Great.gov.uk website includes a wealth of information about new markets and the Business Lincolnshire website includes much clearer links with this market information.

The talking heads and animation videos currently under development will include a focus on how to research new market opportunities.

1.1.15 Case Studies:

Lincolnshire based **Plum Play** are a family business who have been manufacturing activity toys for 35 years. They now sell their products in 57 countries, and they put their export journey at the centre of their success with expanding into new markets being the company's strategic priority since 2015.

Plum Products MD Paul Schaffer said: *"Expanding into global markets has massively future-proofed and de-risked Plum Play. If we had kept to trading in the UK only, we wouldn't have been able to keep sales steady, let alone grow the business to the scale it's currently at.....Business Lincolnshire were super helpful throughout these periods of change. By facilitating customs advice and guiding us through how to accurately fill out important documentation to remain compliant, they really helped us to strip the jargon and navigate these changes in trading rules."*

The full case study can be found [here](#).

Lincolnshire based online gifting company, the **British Hamper Company**, has been the subject of a DBT case study. They sell luxury food hampers worldwide and their biggest market is the USA with growing markets in Australia, the Far East, UAE, Canada, and the EU.

James Tod - Co-founder and Managing Director, The British Hamper Company said *"We've had a relationship with DIT [now DBT] since we started and have had brilliant support over the years, from helping us expand into different export markets, to helping us with our systems so we can process the complex paperwork that's required for food produce"*.

The full case study can be found [here](#).

Environmental Impact – Sustainable Global Trade

1.1.16 Sustainability is an important strand in all business support delivery activity. Businesses undertaking global trade must become much more aware of their international supply chains and prepare for the transformation that will come in response to climate change.

1.1.17 Business Lincolnshire is currently developing a 'talking heads' video which will highlight the topic of sustainable global trade and signpost to tools that global traders can access to assess their current mode of operating and guide them to adopt sustainable trade practices that will serve to gain competitive advantage, futureproof growth and to assist with carbon related legislative changes that are coming into force. This 'talking heads' video will feature on the Business Lincolnshire website and will be utilised as part of the international trade comms campaign. Sustainable global trade will also be one of the pillars of the ongoing comms campaign with assets produced and shared via the www.businesslincolnshire.com and partner websites and social media.

1.1.18 One such legislative change is the EU Carbon Border Adjustment Mechanism (CBAM) regulations which commenced transitional phase on 1st October 2023. Initially CBAM regulations will be focussed on a subset of imports including cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen and this will operate as a pilot with a view to rolling out further over time.

1.1.19 CBAM has been implemented to mitigate the risk of so called 'carbon leakage', where carbon intensive production is moved outside of the EU where less stringent climate policies exist or where EU manufactured products are replaced by more carbon intensive imports and thereby support the decarbonisation of EU industry. CBAM will ensure the carbon price of imports is equivalent to the carbon price of domestic production, and that the EU's climate objectives are not undermined and therefore, UK importers will need to put appropriate measures in place to be able to meet the reporting requirements.

2. Conclusion

There has been good progress across many of the actions highlighted within the International Strategy Action Plan and improved cross communication, cross referral and information sharing processes have been established. Some of the action items are now closed but others could still be progressed.

The initial planned phase of the International Trade Strategy work was 2022 to 2024. As we are nearing the end of this period, there is a decision to be made as to whether to continue to progress the remaining actions, or to bring work on the action plan to a close at this point.

Given that partner organisations are willing and supportive in wanting to continue to deliver international trade support in a coordinated and collaborative way, there is evidence of sustained demand for International Trade support and there are sustainable global trade legislative changes planned which business owners will need support to navigate, our recommendation would be to continue to progress activity as much as current capacity allows.

If the work on the action plan is to be progressed, we would also recommend:

- Simplifying the plan by closing actions 5, 6, 7, 8, 11, 12, 14, 15, 17 as separate actions and progress these under action item 1. Item 1 relates to the coordinated comms campaign which, if agreed, should run for a further 12 months to end March 2025, alongside the bi-monthly partner comms meetings.
- Continuing to progress activity under action items 1, 2, 3, 4, 9, 10, 16, 18 including:
 - extending the Export Peer Network programme to support 2 further cohorts and introduce focused support for Sustainable Global Trade and upcoming legislative changes through the Business Lincolnshire Website, Peer Network, and the Empowering SMEs in International Trade programme.
 - Investigating how Greater Lincolnshire businesses might benefit from International Trade MOU's.
- Continue to lobby DBT for improved access to Greater Lincolnshire data.

- Work with DBT to refresh the Greater International Strategy plan during 2025 to measure the impact of the activity and to determine next steps.

3. Consultation

a) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Greater Lincolnshire International Trade Action Plan 2022-24

5. Background Papers

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

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