

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

Report to:	Environment and Economy Scrutiny Committee
Date:	12 July 2022
Subject:	Business Lincolnshire Growth Hub Annual Performance and future business support 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. Businesses continue to face challenges, and many are still in post COVID recovery, whilst also having to manage other impacts from rising costs, supply chain and recruitment issues. Overall, the Growth Hub continues to perform well and provides a service which responds to changing needs and service users continue to provide positive feedback.

The report also raises committee member awareness of the changes in the funding landscape for business support as we transition to UK Shared Prosperity Fund (UKSPF) and away from European Regional Development Fund (ERDF). This will have a significant impact on the way these services are funded and the resulting business support landscape will change.

Actions Required:

Members of the Environment and Economy Scrutiny Committee are invited to:

- (1) note the current progress and provide input to assist Officers plan future Growth Hub services; and
- (2) note that publicly funded business support across Greater Lincolnshire has assisted a high number of businesses and that the co-ordinated approach of the growth hub has helped businesses to understand what support is available. Members are asked to continue to support the Growth Hub in highlighting services to business contacts.
- (3) Note the impact of the change to the funding landscape which will significantly reduce future business support services and consider a coherent approach that will be more efficient and accessible to businesses and reduce potential proliferation.

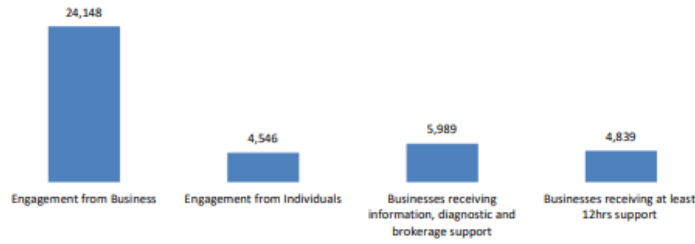
1. Background

- 1.1 The Business Lincolnshire Growth Hub was launched in April 2015 following a Department for Business Energy and Industrial Strategy (BEIS) requirement for all Local Enterprise Partnerships to facilitate the development of a Growth Hub to provide a single place to go for business support, helping businesses from all sectors and at all growth stages. The joint economic development strategy between the Local Enterprise Partnership (LEP) and Lincolnshire County Council (LCC) aligned funding and officer time to ensure a robust, highly acclaimed growth hub service.
- 1.2 The Growth Hub provides a single access point to a targeted package of information, diagnostic, advisory, coaching, mentoring and development programmes. Furthermore, the Hub ensures a 'single conversation' is facilitated with local businesses, raising awareness and uptake of both public and private sector support, by improving coordination, coordination, marketing and signposting to other local and national provision.
- 1.3 The Growth Hub activities are predominantly funded through ERDF funding which has been secured up until June 2023 utilising LCC staff salary budget as match to drawdown the European Funding.
- 1.4 The current £7.012m ERDF Sustainable Business Growth 2 programme has 2042 businesses enrolled of which 996 have received at least 3 hours of support and 444 have received at least 12 hours of support. 199 Grant Applications with a total value of £691,749 have been approved.

This is a partnership project between LCC, North Lincolnshire Council, E Factor (on behalf of North East Lincolnshire Council) and the University of Lincoln.

- 1.5 We have also been successful in further funding bids to BEIS for additional core revenue funding of £286,625 for the year 22-23, which funds our Scale Up Support and specialist advisory support for sectors outside of the ERDF funding, as well as PR and Marketing activity, CRM, website, research and evaluation.
- 1.6 All the of ERDF funded business support offers delivered by partner organisations are available under the Growth hub umbrella. The headline results for this wider activity can be found in the impact report below.

Businesses Engaged

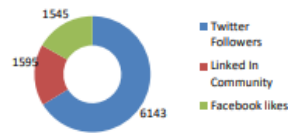


1415
helped to start a business

753
Businesses Created

1910
Jobs Created

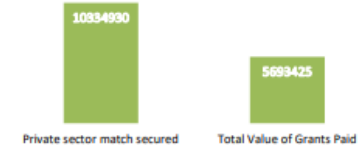
Social Media



Website Visitors 195,645

1682

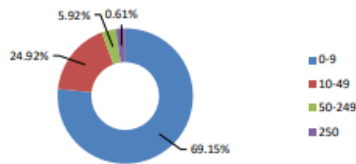
Number of Grants Approved



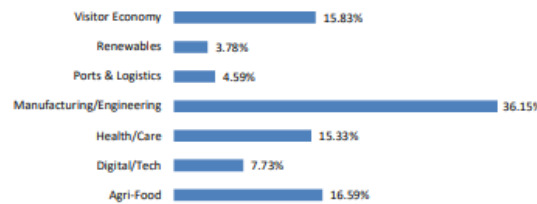
Satisfaction with the Growth Hub

91%

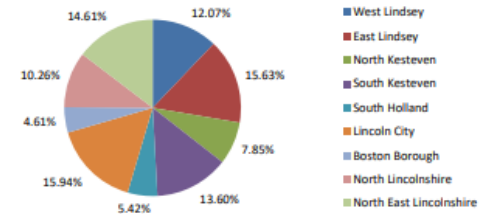
SME Employee Numbers



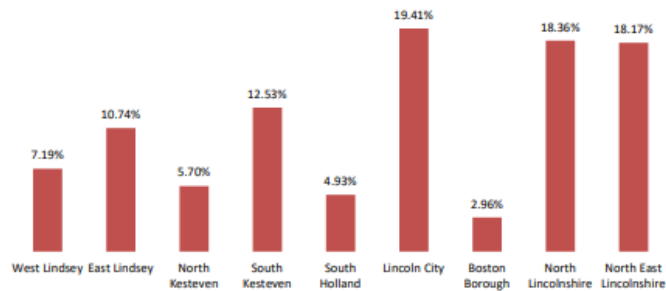
LEP Priority Sector Split



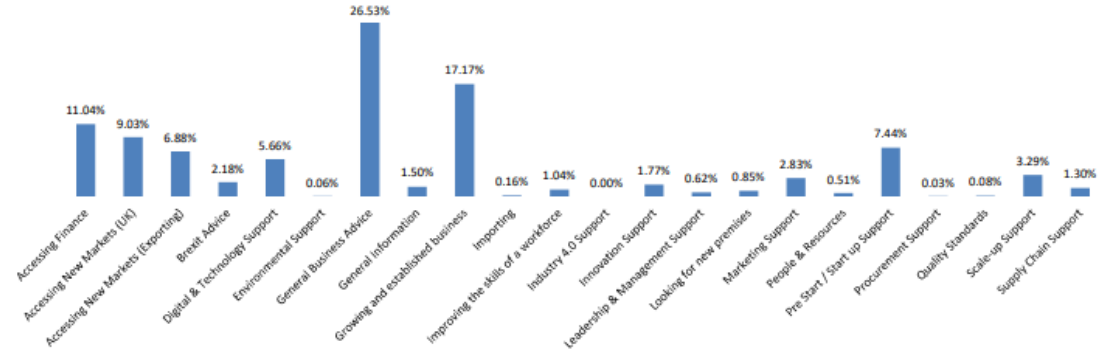
SMEs by Authority Area



Jobs Created by Authority Area



Primary Reasons for Accessing Support



2. Business Lincolnshire Delivery in 2021-22

Since April 2022 the Business Lincolnshire Growth Hub (BLGH) service in its entirety has engaged with 4521 businesses and provided more intensive support for 989 and created 343 new jobs.

In 2021-22 the Growth Hub has received substantial funds to deliver vital business support offers, this was an unprecedented year and the funds were provided to aid recovery and transition, (it should be noted that the Growth Hub funds for 2022/23 have been reduced here is no further substantially to £286,625 a 50% cut and there is no further funding for Peer Networks).

2021/2022 Funding	Amount	Requirements
BEIS Core Funding	£573,250	Scale Up Support and specialist advisory support, PR and Marketing, CRM, website, research and evaluation. EU Transition business readiness support via specialist advice, resilience programme and outreach activities. East Midlands cluster role
BEIS Peer Networks (successful bid)	£218,930	Delivery of 13 Peer Networks and East Midlands cluster support
ERDF Sustainable Business Growth 2 Programme (successful bid)	£890,706 (income for 21-22 activity)	Growth Lincolnshire provides a comprehensive and enhanced offer of one to one support, capacity building and growth funding,
Total	£1,682,886	

The Business Lincolnshire Growth Hub offer includes:

- 10 general advisers, 1 Scale Up Account Manager and 10 specialist advisers plus a wider pool of other specialists that can be called upon as demand dictates
- One to one General Advice – fully funded, easy access to impartial business growth adviser who will undertake a Business Review and Action Plan
- One to one Specialist Advice – fully funded specialist support around accessing finance, resource efficiency, supply chain development, digital, innovation, exporting as well as sectoral support such as for manufacturing, digital/creative/ tech, visitor economy and agri-food
- ScaleUp Account Manager, Next Level ScaleUp Programme
- Business workshops, briefings & flagship events

- Online information portal – www.businesslincolnshire.com -
- Access to Local Business Support Phone Number and National Business Support Helpline via phone or online webchat
- Facilitated access to national programmes including: Department for International Trade, Intellectual Property Office, Innovate UK, Enterprise Europe Network, Help to Grow Management / Digital, etc.
- Access to outreach 'spokes', e.g., enterprise, innovation and incubation spaces across the county, which provide services such as virtual office, hot desk facilities, meeting rooms, networking events, etc.

Programmes delivered during 2021/22

There has continued to be significant amounts of business support provision available to businesses to respond and recover from the pandemic. During 2021/22 we have been able to maintain a number of the new programmes that launched in 2020/21 which had showed high business demand, as well as the launch of a number of new support offers. Briefly, these include:

- Contracts with Specialist Sector Advisers for the Agricultural / Horticultural and the Visitor Economy Sectors have been renewed, and a vacancy for a Digital Sector Growth Manager working from the Mosaic Digital Hub has recently been filled.
- A second phase of the [Manufacturing Transformation Programme](#) continues to help manufacturers overcome challenges and adapt to future consequences by improving business performance, innovating product and service offerings or developing new business opportunities.
- A second phase of the [Supply Chain Improvement Programme](#) helps businesses to identify current Supply Chain Gaps through a combination of one to one support and workshops.
- The [Greater Lincolnshire Engineering and Manufacturing Network \(GLEAM\)](#) which is being delivered in partnership with the University of Lincoln, has had a rebrand and continues to gain momentum. Members and partners join free and receive complimentary affiliate membership of MakeUK and access to a one year licence for the Zellar Carbon calculation online platform. Five online network events have included topics such as Digitalisation and Industry 4.0, Sustainable Supply Chains, Clean Growth, Manufacturing an Environment for Success and Manufacturing a Skilled Workforce. Face to face events have now started to be scheduled which is encouraging participation.
- The [Made In Lincolnshire](#) interactive digital brochure has seen great interest this year and now includes information about 110 of Greater Lincolnshire's manufacturers. The brochure can be used as a tool to showcase the strength and diversity of the

manufacturing and engineering sector and support local, regional and national supply chain opportunities.

- The [Empowering SMEs In International Trade](#) is an East Midlands wide programme which assists businesses who are either exporting or importing and require specialist support and guidance in navigating the complexities of trading and ensuring compliance with trade regulations post EU exit.
- The [Building Business Resilience Programme](#) is an East Midlands wide programme that offers a strategic yet practical review with an aim to strengthen them and ensure they were prepared to withstand a range of unexpected challenges.
- Phase 2 of the national [Peer Networks](#) Programme supported 135 businesses across 13 cohorts organised sectorally, e.g. manufacturing, high growth, health & care.
- Our partnership with Lincolnshire Chamber of Commerce to deliver the [Leadership and Wellbeing Hub](#) has been extended for a further year due to the continuing demand for the offer which provides 1-2-1 support to businesses and individuals and a webinar programme.
- During 2020/21 we have aligned the workshop and event provision with our sister brand Team Lincolnshire, to enable greater reach and cross collaboration.
- Our new [Next level Scale Up programme](#) launched at the end of March following the natural conclusion of the previous support offers. It incorporates an extensive package of support for our high growth businesses which has been designed to address the challenges that these fast-growing businesses face. The support will help them to develop a high performing team, understand the development needs of the Senior Management Team, develop their Net Zero credentials and get change moving rapidly. The programme includes 121 coaching and will provide access to a peer group community of local growing businesses to share ideas.
- The [Fit for Business](#) concept originated from intelligence gathered during the pandemic that there was a need to business owners to improve skills in basic business acumen. Subjects such as legal structures, finances, Licenses & registration and Business plans had been developed into a suite of 'Fit for Business' podcasts that will be launched over a period of time to build up a knowledge library that can be accessed at any time. They are very easy to listen to and aim to deal with the subject matter in a simple way. The Podcasts will initially be available on all podcast streaming services and additionally permanently available on the Business Lincolnshire Youtube channel.
- Following on from research undertaken by Bishop Grosseteste University in partnership with Business Lincolnshire, the [Greater Lincolnshire Social Economy Academy \(GLSEA\)](#) has been launched. The Academy offers a blend of practical and academic expertise delivered by a range of partners and is open to Charities, Social Enterprises, Cooperatives

and Community groups. An extensive workshop programme has been developed which will be promoted through BG Futures and Business Lincolnshire.

- Continued provision of Growth Hub Adviser for Rutland.

Business Lincolnshire Growth Hub Key Performance Outcomes

Indicator	Annual Total (1 April 2021 – 31 March 2022)	Cumulative Total (since launch of Growth Hub)
Number of businesses that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	4,671	24,298
Number of individuals that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	1,582	4,528
Total number of unique visitors to Growth Hub website	27,232	195,645
Number of businesses receiving 'medium intensity' information, diagnostic and brokerage support	959	5959
Number of businesses receiving 'high intensity' support e.g., account management / intensive support directly provided by the Hub or partner organisation	1,086	4,800
Total number of individuals who been helped to start a business	220	1,389
£Private sector match secured	£2,312,420	£10,322,786

Figures from April 2021 to March 2022	Number
Number of jobs created	343
Number of jobs safeguarded	452
ERDF Grants approved – SBG2	69 (£143,052)
Facebook Likes	1545 (up 191)
Twitter followers	6143 (up 115)
Linked in	1595 (up 568)

Client monitoring and evaluation is undertaken for all intensive interactions, the Growth Hub service continues to be valued:

- 92% of respondents were with either satisfied or very satisfied with the quality of the service
- 96% of respondents were either very or somewhat likely to recommend the service they received / event they attended to a friend or colleague

3. Future Business Support Landscape

The business support landscape is changing post June 2023 as all of the current European Regional Development Funded programmes will come to a close.

The current model leverages a central ERDF funded core advisory team, business support programmes and grants to connect to a much wider ecosystem of local and national support offers, 'hiding the wiring' for businesses and providing simplification and a 'no wrong door' service and this has proven an effective system which is robust whilst offering flexibility to respond rapidly to changing needs, as we have seen recently with the EU Exit and COVID response work.

The new national funding streams are at a much smaller scale and will operate at a local authority level. As a result, there is likely to be a significant reduction in the number and scope of business support offers across Greater Lincolnshire.

Through working in partnership with all ten Local Authorities in Greater Lincolnshire area, there is the opportunity to develop a core offer via the UKSPF to help to ensure that there is a clear route to business support, reduced proliferation of individual services and it will help to reduce patchwork provision.

Current Business Lincolnshire Growth Hub Funding

During the last ERDF programme 2014-20 across Greater Lincolnshire approximately £20m was contracted to business support providers (under the Business Lincolnshire Growth Hub umbrella) to provide a range of services from start up, innovation, international trade, investment funds, technology support, grants and a comprehensive range of sector and growth support.

Furthermore, the Growth Hub directly secured £7.01 ERDF investment to allow for tailored business support offers specific to the needs of the county's business demographic including business advisers, specialist advisers, sectoral and thematic programmes, capital and revenue grants and workshop and business development programmes.

These ERDF programmes will close in June 2023 and the UKSPF will be the replacement for European Structural and Investment Funds (ESIF).

The Growth Hub receives an annual BEIS allocation via the LEP to commission additional support services outside of the ESIF funded support. In 2021 -22, Business Lincolnshire received £573,250 directly from BEIS to provide enhanced support for COVID recovery, however for 2022/23 the allocation has returned to pre pandemic levels and has been reduced by 50% to £286,625 (£40,000 of this is ringfenced for East Midlands Cluster work).

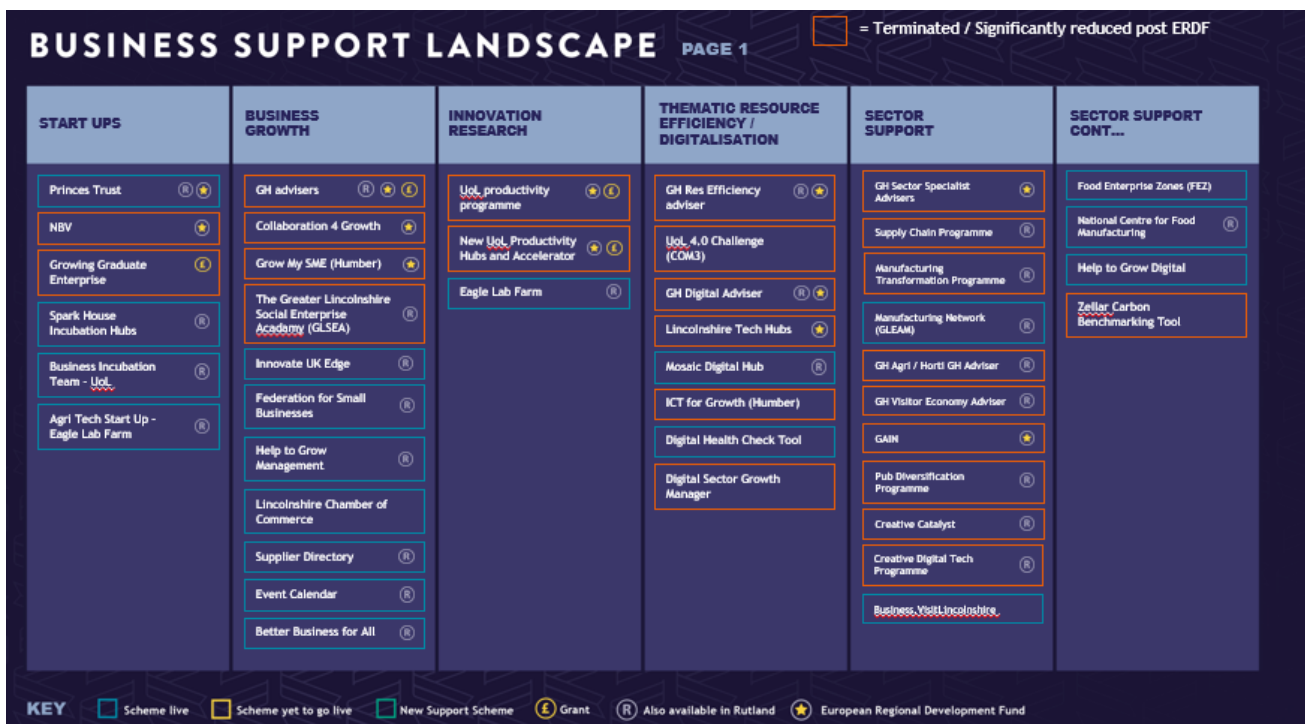
Current Business Support Landscape

The Greater Lincolnshire business community has become accustomed to a plethora of support funded through the various local ERDF schemes managed by multiple organisations. The ERDF funding has enabled a rich business support landscape.

However, at the end of June 2023, the support landscape that we know currently will terminate or will significantly reduce in scope if an alternative source of funding, through Local UKSPF allocations or another national source, is not identified. (See Picture 1 – red highlighted provision is ERDF funded).

The only remaining publicly funded business support will be via the national programmes (Help to Grow, Innovate UK, DIT, IPO) or support provided by the University of Lincoln, Bishop Grosseteste University, the FSB, Lincolnshire and Hull and Humberside Chambers, incubator spaces and Local Authority economic development provision.

Picture 1. Current Business Support Landscape



(Continued on next page)

BUSINESS SUPPORT LANDSCAPE PAGE 2					
BUSINESS RESILIENCE / EU EXIT	HIGH GROWTH	FINANCE	INVESTMENT & PROPERTY	EMPLOYMENT & SKILLS	EXPORTING
Fit for Business (R)	GH Scale Up Adviser (R)	Grants4Growth (R, £)	Team Lincolnshire (R)	GLLEP Enterprise Skills Co-ordinators (R)	DIT International Trade Advice (R)
Building Business Resilience (R)	Next Level Scale Up Programme (R)	MEIF Loan & Equity Funds (R)	Foreign Direct Invest Support (R, £)	LCC Adult Learning - 2Aspire (R)	Introduction to Export (R)
Wellbeing Hub (R)	10 x 10 Accelerator (R)	Finance for Growth (Humber) (R)	Managed Workspace (R)	Skills Support for the Workforce (R)	LEP International trade adviser (R)
	LIBS Peer to Peer Support and Mentoring	British Business Bank (R)	promotelincolnshire.com (R)	Apprenticeships, Internships & Traineeships (R)	Export Academy (R)
	Scale Up Alumni (R)	Lincolnshire Investment Network (LIN) (R)		worldofwork.co.uk (R)	Humber Free Port (R)
		Lincolnshire Business Angels (R)			Great.Gov.UK (R)
		GH Finance Readiness Adviser (R)			GH International trade adviser (R)
					Lincolnshire Chamber International Trade Adviser (R)
					Lincolnshire Chamber Export Documentation Service (R)

KEY: Scheme live Scheme yet to go live New Support Scheme £ Grant R Also available in Rutland ★ European Regional Development Fund

Looking at current levels of demand for services, there is a clear need for a continued universal core business support offer that is complemented with tailored services to meet specific sectoral and growth needs, which provides economies of scale and increased value for money.

Business Support through UKSPF

The main focus of the new UK Shared Prosperity Fund is about 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.**

UKSPF allocations have been made at the Lower Tier Authority level, whereas ESIF funding has previously been allocated at an Upper Tier Authority level.

In order to maintain a universal core business support offer across the Greater Lincolnshire area, there is a need for all ten Local Authorities to agree a core service specification and financial contribution from their UKSPF allocations.

Without unilateral agreement between all of the Local Authorities, there is a high likelihood of patchwork provision, fragmentation and duplication at unnecessary cost, with potential for gaps in essential provision.

It is therefore vital that we mitigate the risk of some countywide needs being overlooked and ensure that we facilitate opportunities for securing added value.

Possible Core Business Support Model post ESIF

Business Support services need to be ready for delivery quickly in order to meet the relatively short timeframes associated with the funding. The guidance suggests that areas come together to deliver the UKSPF activity across places where there is already an established history of collaboration between Local Authorities.

Moving forward there is an opportunity to continue to provide a core business support service through Business Lincolnshire that all Local Authorities can access, and we can collectively rise to the challenge and opportunity of the Levelling Up agenda in the Greater Lincolnshire LEP area and collaborate effectively in order to support our residents and business community.

This approach seeks to;

- Utilise the existing proven Growth Hub structure and service
- Make strategic connections and avoid gaps emerging between each Local Investment Plan/ project
- Achieve critical mass and economies of scale
- Provide value for money
- Avoid patchwork provision
- Capitalise on our Business Support Knowledge, experience and intermediary relationships
- Align services with the national Growth Hub business support offer funded by BEIS

The UKSPF prospectus provides us with an opportunity to widen access, reduce the eligibility restrictions and encourage broader outputs and outcomes, that recognise the social and health impacts of business support as well as the economic impacts. The Growth Hub is poised and ready to work together to take advantage of this expanded scope.

Furthermore, there are signification opportunities to align the Business support offer with the existing Adult Education – Adult Skills and Family Learning provision, the new Multiply programme and the LEP’s Skills provision and Career Hubs.

How the future might look

The Growth Hub team have been working with the ten Local Authorities to discuss future options and have devised a core proposition to support businesses and communities to drive a productive, resilient, and low carbon economy.

The proposal seeks to build on the competitive advantages and collectively achieve better outcomes for all residents in Lincolnshire by providing solutions that are both accessible and inclusive across our diverse economic geography and responsive to the specific challenges of our local areas - our expansive rurality, coastal economies and our High Streets and market towns.

However, to realise this model, there is an expectation that ALL Local Authorities 'buy into' an agreed core service to maintain parity of offer across the whole geography.

However, it is important to recognise the Local Authority financial contribution to the service will enable Local Authorities to have an element of control over the delivery. To this end, the core offer assumes that:

- LA's would be able to feed into the design of the start-up offer, specialist programmes, virtual events programme, client eligibility rules, etc.
- LA's will continue to have a seat on the Programme Board
- LA Logos would be added to the Business Lincolnshire website, Forms, Fliers, etc.
- A Self Serve reporting tool would be built so that LA's could access real time information about the businesses that have accessed support and their journey and outcomes achieved

There are 2 elements to the service proposal;

A) Base Offer without UKSPF (Subject to BEIS funding)

- Programme Management including partnership and alignment, activity
- Local and National Telephone Helpline
- Basic enquiry handling from web and telephone enquiries with onward referral to local, regional and national programmes
- Delivery of GLEAM, Greater Lincolnshire Engineering and Manufacturing Network, Financial Intermediary Forum and Lincolnshire Investment Network
- Existing Business Lincolnshire Website structure
- CRM and Management Information reporting
- Flagship events (up to 2x per annum)
- Insight & Evaluation activity
- Alignment with the localised Multiply programme offer and the LEP Career Hubs

B) UKSPF Core Offer – supported by the Greater Lincolnshire LA UKSPF partners, by pooling UKSP funds centrally and commissioning universal services

- GLEP wide Information Diagnostic and Brokerage Service
- A dedicated advisory resource per local authority
- Shared access to the specialist adviser pool (e.g., Agri /Horti, Manufacturing, Visitor Economy, Carbon Reduction, Digital etc.)
- Shared access to a comprehensive virtual workshop / events programme
- Ongoing monitoring and evaluation of services / ability adapt provision to respond to business need
- Enhanced Research Activity and Reporting, Website functionality, Marketing and Information Content and MI Reporting
- Shared access to specialist support programmes – Opportunity to co-design specialist support programmes. This could include:
 - Start Up Academy
 - Support for Social Economy businesses
 - VE Sector specific support, e.g., Hospitable Boost
 - Carbon reduction support programme
 - Manufacturing Transformation Programme
 - High Growth Business support programme
- Strong links to other local and national support

4. Conclusion

The Growth Hub continues to provide much needed support for businesses as they continue to navigate through COVID recovery, whilst managing a plethora of other significant economic pressures that have been prevalent this year.

Funding is in place in 2022 -23 to ensure our services continue to encompass an end to end advisory service for all Greater Lincolnshire businesses from Start Up to Scale Up, with specialist provision commissioned to meet the changing needs of businesses.

However, over the next 12 months all ERDF funded projects will close as European Funding comes to an end is replaced with the UK Shared Prosperity Fund and there is currently high levels of uncertainty as to the future business support landscape. There is a high risk that business support provision will be significantly reduced and may become patchy with a lack of a universal offer for many of our country's businesses.

A proposal has been developed and presented to all ten Local Authorities which requests a contribution to support a continued universal core offer, but we are yet to have confirmation of which Local Authorities are in support and the value of funding that will be contributed.

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 the funding landscape and consider the opportunity to develop a coherent approach will be more efficient and accessible to businesses and reduce potential proliferation.

5. Consultation

a) Risks and Impact Analysis

N/A

6. Background Papers

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

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