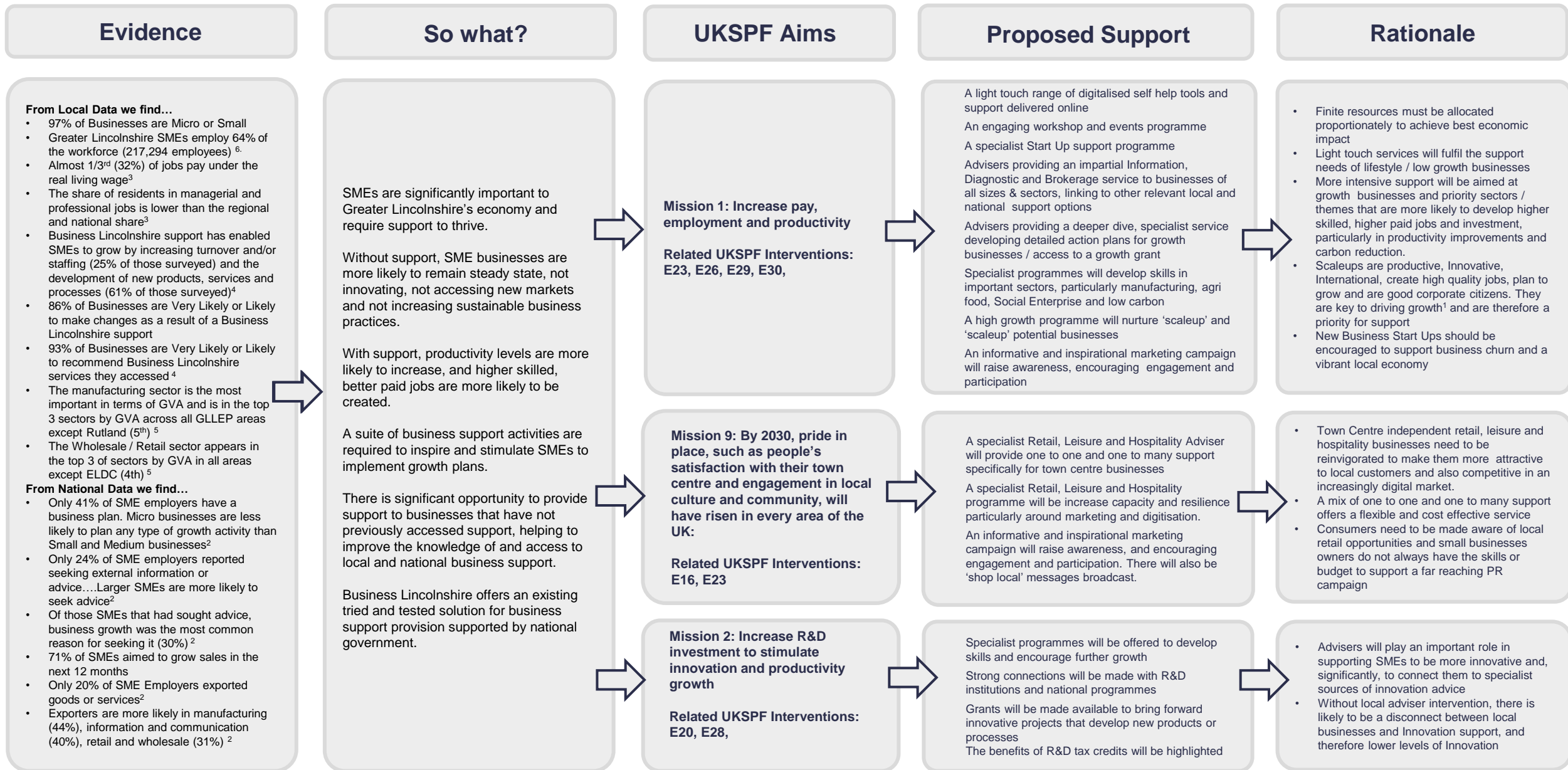


Business Lincolnshire Growth Hub: UKSPF Why you should support businesses

1. Businesses are important to your communities, they provide jobs, services, an identity, and tax income. They are a reason for people to stay in the area. They are an important tool in the work to level up your communities.
2. Some of your businesses are struggling, others are standing still, and some have the opportunity to grow. But because the economy is changing, none of them can stand still. If they don't act then they risk closing, with the negative impact that that will bring to their community.
3. Businesses tell us that their growth is constrained by access to finance, access to markets, difficulty in recruiting, and physical access like transport. Separately, the economy is changing with businesses needing to adapt to new environmental expectations, to increased competition, and to the need to cut costs to remain competitive.
4. Many businesses owners will welcome/need advice in order to tackle these challenges. Often they started out in business because they had a particular skill and their business is based around their skill. Often, business leadership is something that they have picked up on their business journey and business owners often tell us that they value being able to receive advice and to debate ideas with advisers who understand business strategy.
5. Providing a team of knowledgeable business advisers will help to address this challenge. Business Lincolnshire has been providing qualified, trusted, trained and impartial business advisers since the formation of its predecessor, Business Link, in 1991. Typically over 4500 businesses are supported p.a. by schemes that have the Business Lincolnshire logo, these have been funded by government, the county council, EU grants and other support organisations.
6. There is no other overarching organisation which provides a high quality free-of-charge business support programmes to such a high number of businesses. The provision is partly funded by government, so if other government funding becomes available Business Lincolnshire will automatically be able to attract that funding; other independent or private sector operated services would not be able to expand and that would be to the detriment of the community.
7. The loss of the EU grants means that to help businesses in the way that Business Lincolnshire has done previously will require UK SPF. EU funds previously provided over 75% of the provision to Greater Lincolnshire. Therefore, the reduction of businesses being supported in your local authority will be commensurate with that loss. We are proposing this UK SPF investment because it will keep the levels of business support high which in turn will deliver important outcomes for your communities.
8. Providing advice to businesses is only part of the solution. The advisers need to be able to refer their clients to technical support, grant finance, local supply chains and to like-minded businesses. If they do not, then the business will know what to do but its growth will be constrained by a lack of solutions to help them to grow. As stated above, the barriers to growth for businesses are cited as access to finance, access to markets, difficulty in recruiting, and physical access like transport and the changing market in which they operate is affected by new environmental expectations, to increased competition, and to the need to cut costs to remain competitive.
9. In addition to providing advisers, our proposal for UK SPF investment will include (i) a Start Up Academy providing necessary skills for new business owners in developing a business plan, navigating through the technical, financial, and legal challenges in starting a business (ii) a programme supporting Leaders & Managers in high growth (Scale-Up) businesses which will provide the technical support that businesses say they want including product/marketing design which will help them in the face of more competition, (iii) advisers will provide referrals to the most appropriate financial intermediaries which will help them to be ready to ask banks and other investors for the finance that they say they want and the ability to check their own cost base in order to lower unnecessary costs, and (iv) thematic specialist support for retail, leisure and hospitality, manufacturing, agri-food and carbon reduction.
10. Providing the support and advice to businesses through Business Lincolnshire will enable those businesses to be effective in the local economy, adapting to global change and taking advantage of growth opportunities. This in turn will lead to more job creation, increased wage levels, a wider range of services available in our communities, higher tax income to be invested in our communities, and for the reputation of the area to be one of economic opportunity which offers the same opportunities that people get in other parts of the country...i.e. levelled up communities.

Business Lincolnshire Growth Hub: UKSPF Economic Case - Logic Flow :



Revised Proposed Financial Model for Core Offer

We have developed this financial model to ensure that there is fair representation of advisory business support across all local authority areas, provision of specialist advisers, a comprehensive range of specialist support programmes, a virtual events package which will deliver workshops on high demand subjects such as; digital marketing, social media, cyber security and finances. An informative and inspirational marketing campaign will raise awareness, encouraging engagement and participation

NOTE 1: This model does not include business grants, these are costed separately on page 5.

NOTE2 : Local Authority enhancements can be included as a top up on this model

Adviser Costs (per annum)		
Advisers (0.5 FTE each)	Annual Business Engagement Target	UKSPF Cost (including on-costs)
Team Leader		£32,500.00
Boston	335	£32,500.00
East Lindsey	335	£32,500.00
Lincoln	335	£32,500.00
North East Lincolnshire	335	£32,500.00
North Kesteven	335	£32,500.00
North Lincolnshire	335	£32,500.00
Rutland	335	£32,500.00
South Holland	335	£32,500.00
South Kesteven	335	£32,500.00
West Lindsey	335	£32,500.00
SUBTOTAL		£357,500.00
Specialist Advisers (0.5 FTE each)		
		UKSPF Cost (including on-costs)
Retail, Leisure and Hospitality		£32,500.00
Agri/Horti		£32,500.00
Digital		£32,500.00
Carbon Reduction		£32,500.00
Finance/Investment (Covered by banks)		£0.00
Manufacturing		£32,500.00
SUBTOTAL		£162,500.00
TOTAL		£520,000

Contracted Events, Marketing, PR Costs & Evaluation (per annum)		
Events	No.	UKSPF Cost
Virtual Workshops/Events	24	£16,800.00
Events Co-ordinator	0.25 FTE	£11,160.00
SUBTOTAL		£27,960.00
Marketing		
PR, Website, Social Media, Newsletter, Marketing	No. 52hrs per month @ £55p/h	UKSPF Cost £34,320.00
SUBTOTAL		£34,320.00
TOTAL		£62,280

Specialist Programme Costs (per annum)		
Specialist Programmes	Business places per year	UKSPF Cost
High Growth (Scale Up)	20	£45,000.00
Manufacturing	20	£40,000.00
Social Economy	100	£10,000.00
Retail, Leisure, Hospitality	60	£80,000.00
Carbon Reduction Support	20	£40,000.00
SUBTOTAL		£215,000.00
Start-Up Academy		
3 Full Day Workshops for each cohort (12 individuals per cohort)	No. 12 Cohorts per year	UKSPF Cost £75,000.00
SUBTOTAL		£75,000.00
TOTAL		£290,000

TOTAL ANNUAL COSTS	£872,280
TOTAL 2 YEAR COSTS	£1,744,560

Proposed District Financial Allocations

We recognise that UKSPF allocations are limited, and that there will be requirements within your local authority area for nuanced specialist provision. However, the importance of providing a backbone of intervention to new and established businesses that support such a significant part of the area's labour market and the economic wellbeing of Greater Lincolnshire and Rutland cannot be overlooked.

The proposed allocation table below utilises only 5.2% of each Local Authorities allocation to achieve economy of scale and buy-in to an existing tried and tested solution for business support provision, which can provide a solution for business support post EU funding for 2 years, commencing 1st April 2023.

	2 year £ required	£1,744,560.00
	UKSPF Allocation	Suggested UKSPF contribution (at 5.2%)
Boston	2,194,351	£113,664.72
East Lindsey	4,438,286	£229,897.83
Lincoln	2,810,773	£145,594.63
North East Lincolnshire	5,282,105	£273,606.62
North Kesteven	3,195,139	£165,504.32
North Lincolnshire	5,466,833	£283,175.31
Rutland	1,000,000	£51,798.79
South Holland	2,693,049	£139,496.67
South Kesteven	3,898,582	£201,941.81
West Lindsey	2,700,436	£139,879.31

Example Grant Scheme

The table below represents an example grant scheme which has been developed to focus on the needs of businesses. The same methodology in terms of intervention rates, grant values and scope would be applied across all LA areas to ensure that there is not a 'postcode lottery' of grant schemes and access across Greater Lincolnshire & Rutland. Although the scheme rules would be the same for all areas, the size of the grant pot for each LA would be determined by the LA itself.

Total 2 year pot (per LA)	£100,000	Total Admin Fee	£1,867	Total Cost	£101,867
CAPITAL & REVENUE GROWTH GRANTS (Growth, Digital, Carbon Reduction, Specialist Export Support/Other Consultancy)					
	% Intervention	£		% Intervention	£
Capital Grant	30	£65,000	Revenue Grant	50	£35,000
Private Sector Match	70	£151,667	Private Sector Match	50	£35,000
Grant amounts	£2.5k-£25k		Grant amounts	£1k - £10k	
Average Grant amount	£9,373		Average Grant amount	£5,466	
Number of Grants delivered	7		Number of Grants delivered	6	
Minimum Project Size	£8,333		Minimum Project Size	£2,000	
Admin Fee (£140 per Grant if administered by Business Lincolnshire)	£971		Admin Fee (£140 per Grant if administered by Business Lincolnshire)	£896	
Recommendation: Fledgling businesses need to have a business plan, accounts, have completed the Start-Up Academy and be working with an adviser to access grant funding.					

Sources and Definitions

The [Longitudinal Small Business Survey \(LSBS\) 2019](#) is a telephone survey of UK businesses in the private sector with fewer than 250 employees. (This definition treats full-time and part-time employees equally.) The report focusses on those businesses with between 1 and 249 employees ('SME employers'), with a separate report on non-employers. The report refers to micro businesses which have 1-9 employees; small businesses which have 10-49 employees; and medium-sized businesses which have 50-249 employees. The business size is defined entirely in terms of number of employees. Levels of turnover (sales) or assets are not part of the definition.

[The ScaleUp Institute](#) is a private sector, not-for-profit company focused on making the UK the best place in the world to 'scale up' a business. The Institute collaborates with policy makers, corporate partners and educational establishments to build on the research and recommendations from the 2014 Scale-Up report. Scaleup businesses are defined as businesses that have increased their turnover and/or employee numbers annually by more than 20 per cent over a three-year period. Scale Up businesses are crucial for driving job creation, generating inward investment for the UK and acting as motors for regional economic growth.

Relevant UKSPF Intervention Definitions	
E16	Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.
E20	Research and development grants supporting the development of innovative products and services.
E23	Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
E26	Support for growing the local social economy, including community businesses, cooperatives and social enterprises.
E28	Export Grants to support businesses to grow their overseas trading, supporting local employment.
E29	Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.
E30	Business support measures to drive employment growth, particularly in areas of higher unemployment.