

Local Small Business ‘Manifesto’ for North Lincolnshire.

Several months ago a group of local firms, interested in the prosperity of North Lincolnshire got together to discuss the challenges and opportunities that faced us all, and shared some of the things we were doing individually to overcome the challenges. The conversation turned to how the collective experience and extensive networks of the group could be used to support the economic growth of the area, and more widely the role that local firms could play in that growth. Local small business make up 90% of the business population and their success has a big impact on the success of the borough. It became clear however that to have an impact we needed to work in constructive partnership with each other and with organisations like the council.

Context

North Lincolnshire is changing, with many businesses having adapted during the pandemic, new ways of working, a changing employment market and a march towards the net zero ambition.

The priorities of the area’s economics are well rehearsed. The most pertinent being **‘Protecting the local economy through strong support for business’**, a sentiment we entirely support.

This is certainly the time to recognise the diversity of our business community and the essential role our local business community play in creating employment, providing training and skills, reinvesting in the area, and making a significant contribution to the economic growth of North Lincolnshire. From the self-employed to firms employing hundreds, from retail outlets to supply chain providers, the local businesses in our area underpin our shared ambitions for the future.

Our business landscape is diverse and developing, however these two statistics from ONS/Nomis underline the importance of effective and meaningful business support in North Lincolnshire.

- **5625 registered Enterprises in 2021**
- **Of these, only 20 are large and 4995 are micro***

**(Micro defined by Companies House as any two of these; 10 employees or under, T/O less than £632K, Balance sheet under £315K)*

We have a high proportion of small to medium sized enterprises (SME) that are fundamental to our local economy and employment. We want to encourage, sustain and expand our SME sector to benefit from the wider opportunities that are unique to our area and become a fundamental part of the local supply chain.

The link between the development of our Key industrial sectors and small manufacturers and contractors is clear, however a large percentage of the business in North Lincolnshire do not classify themselves as part of any of the key industrial sectors. (This does not mean they cannot provide goods and services to all sectors, simply that they do not class themselves as ‘part of that sector’)

The fact that these Small to medium local businesses employ nearly 90% of all working adults in North Lincolnshire and 86% of those are Micro businesses, should give us all the motivation we need to ensure their ongoing success and growth.

With the Government's reaffirmation of the 'Levelling Up' initiative, our area is poised ready to take full advantage of the available funding and support for towns like ours. Future, sustainable economic growth will clearly rely on a healthy balance of local business growth and inward investment. We are familiar with the essential Inward Investment strategy and the significant infrastructure changes that have already been put in place to realise that strategy. This paper aims to be the catalyst for a conversation and essentially action, around the growth and sustainability of the 5625 Local Businesses in North Lincolnshire.

The 6 key priorities outlined here are as a result of extensive discussion and review across the collective networks of the SME Business Group. We have tried to summarise each of the priorities and proposed what action could be taken in the short term.

It all comes together in the final recommendation that proposes the SME Group, using its extensive networks, works with the Local Authority and members of other business groups to create an informed Local Business Strategy. A strategy that lays out how we as an area, will meet the challenges and grasp the opportunities ahead of us all.



1) Bringing local business back to the High Street.

In welcoming the significant developments planned for the town centre the SME support group turns its attention onto how the local business community can support and benefit from these developments, whilst helping to improve the viability and desirability of our town centres.

Whilst recognising the town centre is not the only place business thrives, there is significant challenge and opportunity currently to engage local business in the recovery and new growth of the heart of one of our towns.

The planned developments aimed at reviving the Town centre and create a place of enterprise and business growth is excellent. These initiatives will certainly help the business owners feel far more confident about the use of the town centre by business and public alike. However, with these developments, we still face an increasing number of vacant premises, anti-social behaviour, declining services, poor evening economy and erosion of reasons to visit and linger in Scunthorpe town centre.

We propose:

- 1) A partnership between this group and the local authority is established to identify specific properties on our high street that, with support, could be used as catalysts for the high street. This partnership would seek to:
 - Understand what types of business could, with support thrive on the high street.
 - Identify the configuration and ownership of each of the properties on specified streets
 - Enter discussions with relevant landlords with the aim of persuading them to help remove the barriers to the property being let and agree a package of support from all involved for the right local business.
 - Identify a robust and sustainable local firm, (not just retail) who would benefit from the package of support and commit to being part of the regeneration of the street.
 - Continue this approach until the high street begins to enjoy more footfall and regeneration gathers its own momentum.
- 2) Explore BIDS with NLC and how they could be used in a smaller geography to demonstrate joint accountability.

2) Quality employers

There is lot written about employability and skilling up our prospective employees. However, we believe that employers should also play their part in the endeavour to ensure there are no barriers to improving the local employment figures, or to local businesses growing through employing the right people.

We Propose:

- 1) To establish a universal 'Good Employment Charter' that outlines the benefits and policies that a local business should have in place to ensure they are seen as attractive employers by the candidates they seek. This 'Charter' will exist alongside supporting business support and HR workshops. An example can be seen on www.gmgoodemploymentcharter.co.uk
- 2) Create Good employer 'badge' and online jobs board for those adopting and complying with the Charter.

3) Connectivity is Essential

Accepting that good quality high speed broadband is now business critical for most organisations, as essential as highways and water. A much more informed and proactive approach to connectivity across the borough is needed. Currently there are areas that are very well served and others that are significantly disadvantaged. Currently the most robust solution remains fibre, and the roll out of a Gigabit service where around 900 more commercial properties in Scunthorpe will be able to access gigabit broadband thanks to £150,000 of Government cash, part of the £27m Town Deal for North Lincolnshire which will help create jobs and grow the economy

A recent Government report outlining the ambitions for the roll out of 5G networks across the country encourages our ambitions to explore this as a more effective way of supplementing areas where cabling is cost prohibitive. In addition, 5G allows us to leapfrog over current technology and engage more swiftly with Smarter cities and all the advantages that can bring to everyone.

We propose:

- 1) A whole infrastructure review that creates a 'heat map' showing poorly served areas, then start to challenge providers accordingly. (capitalising on the 'upgrade' of connectivity and Gigabit Broadband in the town centre)
- 2) Use what is available to insist new commercial developments have the best connectivity possible using broadband and 5G.
- 3) Promote the areas that have strongest connectivity to 'encourage development of broadband/5G in those with the weakest.
- 4) Consult with Government on potential funding and resourcing for being an early adopter town for 5G

4) Minding the Gaps

It is imperative to any growth strategy that areas with high potential and low growth are identified, both by sector and by geography so that specific initiatives can be employed to capitalise on the potential. For example, the Health and Care sector in North Lincs is a growth area for employment, innovation, and new tech yet we have little in the way of an area strategy to develop that market and the supply chains in them.

It is important that we have more up to date understanding of the makeup of our business community, retail, service, industrial, National and Local etc, in order to understand where the gaps are and what we need to do to fill them.

Understanding the importance of strong supply chains and 'Local First' initiatives. Action is needed to ensure all parts of the business community are aware of the impact of using local services where possible and the support that exists to enable that choice. The amount of every pound spent with a local firm retained in the local economy is significant and can enhance the growth of the business community, jobs and confidence in future developments.

We propose:

- 1) Undertake a Business Diversity Ordinance to identify gaps by area and business type, and to understand the dependency on Local Vs National chains.
- 2) Work in public/private partnership to identify areas of town centres and suburbs that have low commercial occupancy but high potential and are strategically important for regeneration, then agree specific initiatives to improve vacant property rate for that specific area.
- 3) Commission Research on the approach to procurement and supply chain development taken in other areas of the country and internationally to enhance the loyal to local scheme and apply it to B2B.

5) Finance

The flow of the right kind of financing to the right kind of business is often the oil that keeps the wheels moving. Whether it is for Capital investment, working capital for growth or start up support, traditional high street bank financing for small local business is becoming increasingly inaccessible. We need to make sure our strong local firms are not being held back from growth due to this risk averse approach to lending. Internet banks are unable to support business in terms of finance supply. Community banks are one solution, however with a minimum requirement of 150,000 businesses, we are too small an area to entertain this solution.

Business Credit Unions were explored but can only exist as a part of the normal credit union and can only dedicate 10% of its lending to businesses.

It was also agreed that there is support for business looking for finance and funding over £50K. Those seeking smaller pots however are less aware and the availability less accessible.

Without the commitment of a considerable lending pot, it is difficult for us to resolve this issue immediately. However the group have identified that with supportive and accessible lending organisations like Finance 4 Enterprise, we should be able to create a far better route to appropriate finance through better financial management education and understanding, along with improved access and awareness.

We propose:

- 1) Arrange a process with high street lenders where lending proposals are sent out anonymously to each bank and they can then declare interest or decline. Those who are interested would either get to see the borrower individually and recommended to be with an advisor to assist in the process and overcome any challenging financial questions.
- 2) Setting up a mechanism to encourage/ educate businesses seeking finance to take specific advice from a professional adviser regarding pre request planning, such as financial awareness, budgets, documentation, and business planning. To encourage a culture of superb preparation to increase the odds of a funder assisting and ensuring our North Lincs SME's ramp up their quality of funder approach. Such preparation will encourage lenders to increase their operations in North Lincs boosting funding opportunities into the local economy
- 3) Establish a CIC/CDFI using existing funding streams as a sustainable lending pot targeted at business who have traded for 2 +years and have a robust growth plan. *Accepted this is an aspirational aim as an initial lending pot would need sourcing, this is challenging, however we retain in the manifesto, albeit as a remote possibility.* Alternatively create a lending fund to be managed by existing Not For profit organisation such as Finance for Enterprise or similar

6) Bringing it all together

With all the issues raised above, it seems clear, the area would benefit from a cohesive and owned 'Local Business Strategy' to compliment the economic strategy and inward investment strategy that already exist.

The creation of this strategy would be an opportunity to use the Business group to engage with the wider local business community and involve them in the plans for the future.

We propose:

- 1) The small business group work with North Lincs council and others to consult on and create a Local Business Strategy that will be presented to the council for endorsement, then submitted to the ED team at the council for approval and integration.

