

Libraries as engines
of economic growth

A three-year economic impact analysis
(January 2016 – December 2018)
July 2019

Democratising Entrepreneurship



Background

Small businesses are the driving force of the UK economy. They are the largest employers, the innovators and the change-makers that are integral to a healthy and thriving nation. In recent years the UK has become recognised as one of the best places in the world to start and grow a business¹, with a record number of new businesses starting every day² and 10% of the working-age population being self-employed.

However, a number of barriers remain for those who wish to start up, and importantly, survive in a climate of uncertainty, technological change and high street decline. Over 40% of businesses fail after their third year of trading³.

Further, across the UK the most deprived communities typically have much lower rates of self-employment, at roughly half the national average⁴. Only 5% of businesses are led by individuals of black, Asian or minority ethnic origin, and only 22% by women⁵. The potential impact of this imbalance is significant – for example, the UK economy would be boosted by an estimated £250 billion if women started and scaled businesses at the same rate as men⁶.

www.bl.uk/BIPC

1 World Bank (2018). 'Ease of Doing Business Index 2018'.

2 Estimated 1,100 new businesses every day, BEIS analysis of 2016 Banksearch Data

3 ONS Business demography data 2017.

4 Baroness Mone review, Boosting Enterprise in more deprived communities

5 BEIS Small Business Survey 2017

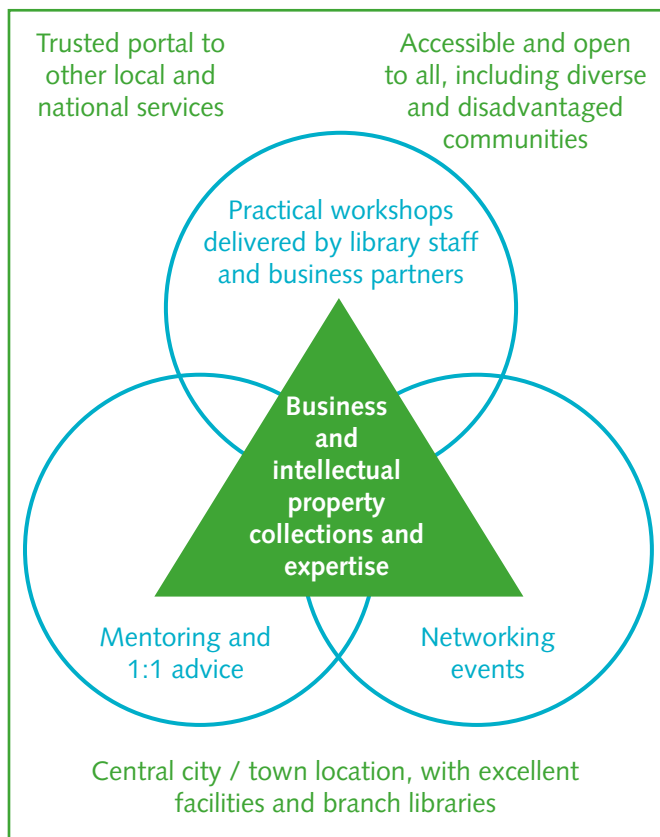
6 The Alison Rose Review of female entrepreneurship.

Helping businesses to innovate and grow

The Business & IP Centre Network

‘Helping businesses to innovate and grow’ is one of the British Library’s six core public purposes, set out in the Living Knowledge 2015–2023⁷ vision and strategy. Over the past thirteen years, the British Library Business & IP (intellectual property) Centre has created a unique model, providing targeted help to aspiring entrepreneurs and early-stage businesses, and helping established SMEs to scale. During this time, over 100,000 entrepreneurs have benefitted from the Business & IP Centre’s support in London.

Building on this success, the British Library began in 2010 to explore working with local authorities and library service providers in other parts of the country, starting with a successful pilot in Newcastle. In 2012, with support from the UK Intellectual Property Office, the Business & IP Centre Network was born, amplifying the unique power of libraries as engines of innovation, economic growth and social mobility in the heart of diverse communities.



Business & IP Centres now operate in town and city libraries across the UK in Birmingham, Devon, Glasgow, Hull, Leeds, Liverpool, Manchester, Newcastle, Norfolk, Northamptonshire and Sheffield. Services are currently in development in Cambridgeshire & Peterborough combined authority and Nottingham, with new pilots to be launched in Brighton and Worcester.

The Centres are physical hubs where people can come together to learn, network and access free and low-cost information and support in protecting and commercialising a business idea. The service comprises:

- free access to high-quality UK and global market intelligence, customer insights and company data (worth over £5m), combined with intellectual property advice and guidance
- free and low cost one-to-one support, mentoring and training delivered by the British Library and private/public sector business experts and partners
- topical and inspirational networking events, featuring role model entrepreneurs
- accessible and welcoming spaces with access to PCs, desks and wifi.

In February 2019 the British Library commissioned ERS Research & Consultancy to undertake an economic impact evaluation⁸ of the Business & IP Centre Network. This report reviews the findings on performance and delivery over the past three years (January 2016 to December 2018), and investigates how libraries are democratising entrepreneurship at local, regional and national levels across the UK.

⁷ British Library Living Knowledge 2015–2023

⁸ The findings in this report are based on 1,855 responses to an e-survey, conducted between 12 March and 2 April 2019, alongside desk-based research and interviews conducted by ERS with service users, library teams, delivery partners and stakeholders.

Business & IP Centre Network



“ Without the Business & IP Centre I could never have afforded to see the reports. I have zero budget for those things and yet they are vital lifelines for small businesses.” e-survey respondent, London

Driving economic growth

In the three year period, January 2016 to December 2018, the Business & IP Centre Network generated significant economic benefits locally and across the UK. The Network supported **43,000 individuals** through direct face-to-face activities (including one-to-one clinics, workshops and events), online webinars and live streaming of events.

In addition, some 50,000 face-to-face, e-mail and telephone enquiries are handled by Business & IP Centre information desks every year.

The evaluation found that the Network is:

Creating enterprises: over the last three years the Business & IP Centre Network supported the creation of **12,288 businesses**, equivalent to 15 new businesses every working day. **47% of these were created in the Northern Powerhouse.**

Creating jobs: the services helped new and established businesses create an estimated total of **7,843 net additional FTE jobs.**

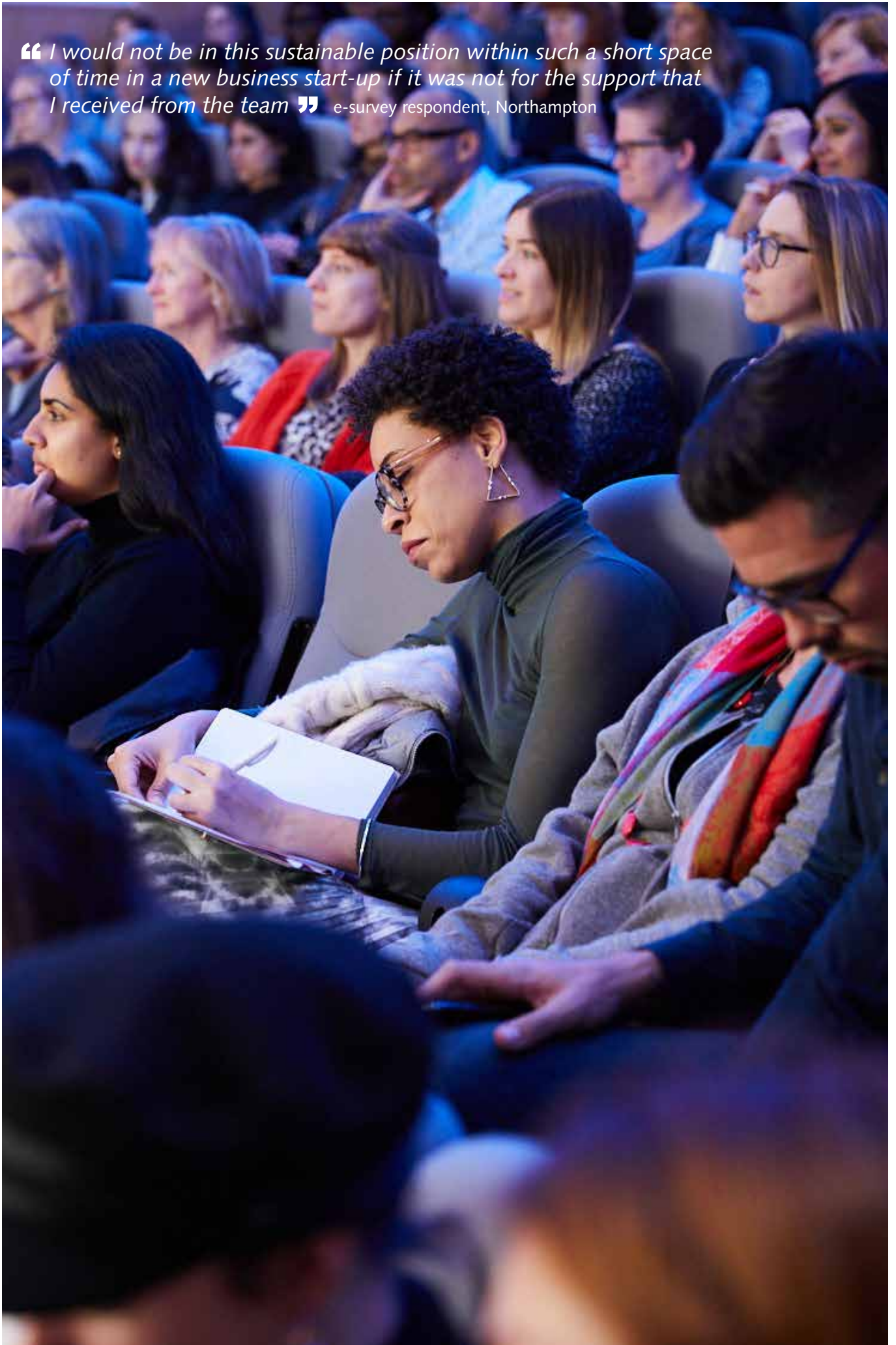
Increasing turnover: net additional sales growth was an estimated **£239 million.**

Boosting local economies: net additional GVA (Gross Value Added) for Business & IP Centre supported businesses was an estimated **£78 million.**



Return on investment: the services deliver excellent value for money for the public purse, with a Benefit Cost Ratio (BCR) of **£6.95 for every £1 invested.**

“ I would not be in this sustainable position within such a short space of time in a new business start-up if it was not for the support that I received from the team ” e-survey respondent, Northampton



“ As someone who is dyslexic I have at times felt overwhelmed with information; each time I have engaged with specialists through the Business & IP Centre I have felt myself grow in confidence and understanding ” e-survey respondent, Sheffield

Dynamic and diverse businesses

The results of the survey showed that two-thirds of people had not started their business when they first used the Business & IP Centre Network services. Overall, 48% of users went on to start a business, mostly within a year.

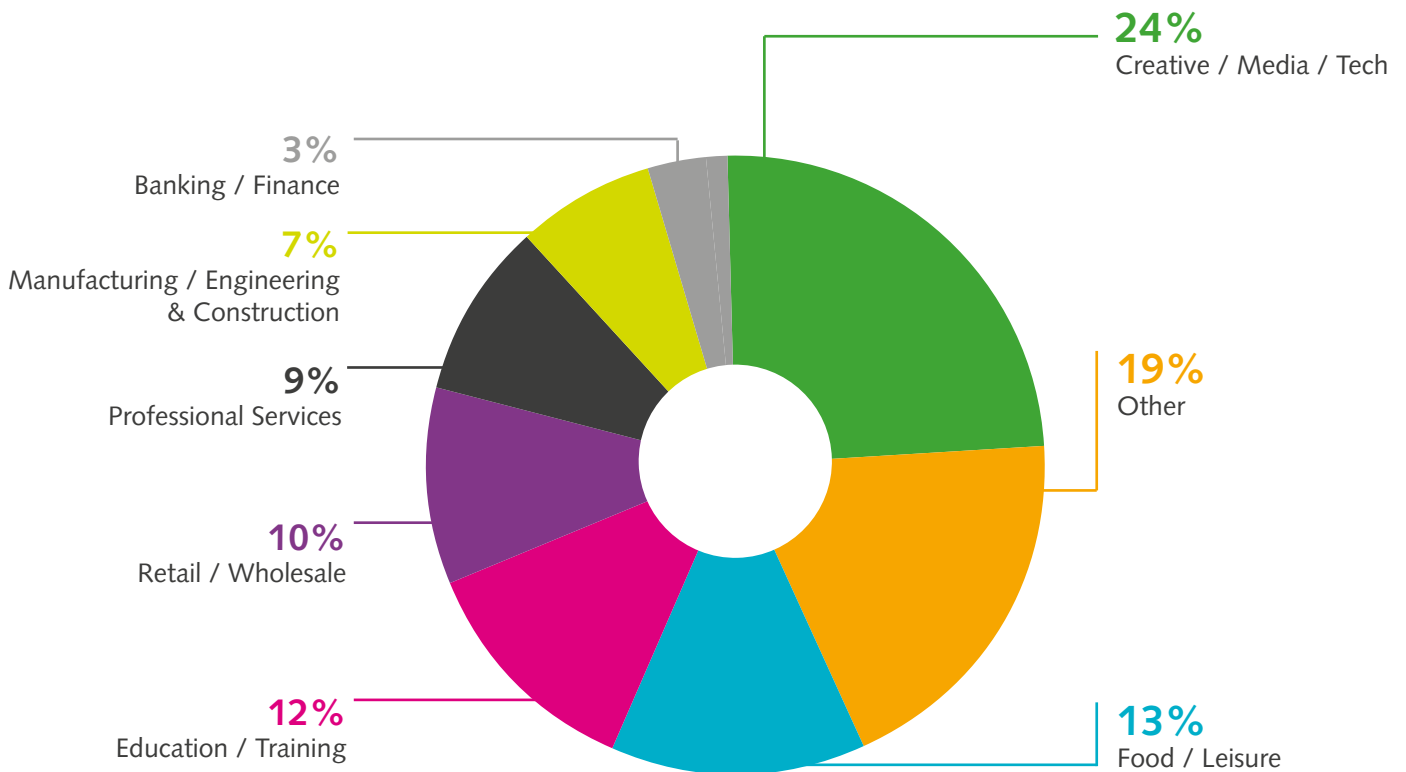
Of the Business & IP Centre users who went on to start a new business, **55% were women** (65% in London), **31% were from a black and Asian minority ethnic background** (44% in London) and **17% had a disability**.

The Network is reaching people who are under-represented in business. According to the latest figures published by the Department for Business, Energy and Industrial Strategy only 22% of businesses are owned by women and only 5% are owned by individuals of black, Asian and minority ethnic origin⁹.

One-third of Business & IP Centre users were already running a business when they used the services. Of these, 50% were owned by women and 19% were owned by people from black, Asian or minority ethnic groups.

The highest proportion (24%) of new businesses supported by the Business & IP Centre were in the **Creative, Media and Technology sectors**; this is twice as high as the proportion of businesses in the UK as a whole, where these sectors make up just 11%¹⁰.

Businesses created by market sector



Source: ERS Survey of 1,855 respondents, March 2019

9 BEIS Small Business Survey 2017

10 <https://researchbriefings.files.parliament.uk/documents/SN06152/SN06152.pdf>

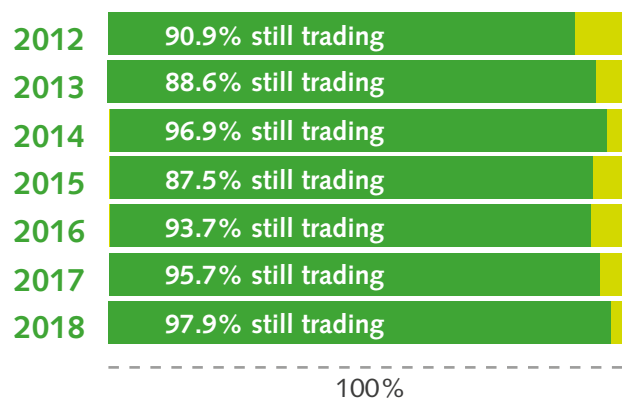
Strong businesses

Those businesses which started with the support of the Business & IP Centre demonstrated strong survival rates. For the general business population, after three years, only six in every ten businesses are still trading¹¹, compared with an average of nine in ten for Business & IP Centre supported businesses.

People who seek advice and information at a very early stage are able to assess the viability of their business idea and protect their IP assets. Many survey respondents highlighted the free access to high-value business information and market intelligence, together with intellectual property guidance, as being crucial in assessing the viability of their business idea, and giving them the confidence to take it forward. The resources allow users to research their market, identify opportunities and make well-informed decisions when developing their business plans.

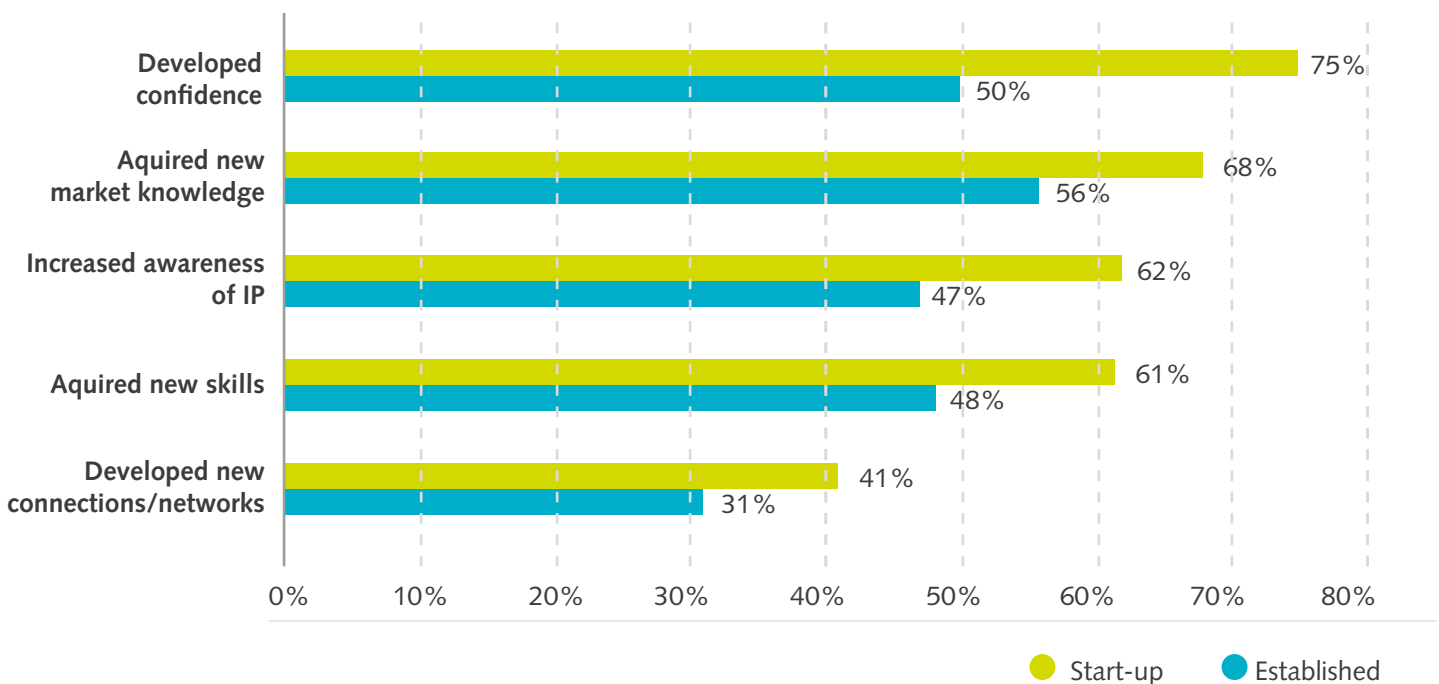
Likewise, the services helped people to decide not to start a business before investing significant time and resources. **12% of users declared they had decided not to start a business** after concluding their idea was not viable.

Businesses started by year



Source: ERS Survey of 1,855 respondents, March 2019

Biggest benefits of using Business & IP Centre services



Source: ERS Survey of 1,855 respondents, March 2019

¹¹ ONS Business Demography statistics for 2017 record three year survival figures of between 59.4%-61.2% for the 2012, 2013 and 2014 cohorts of business starts.

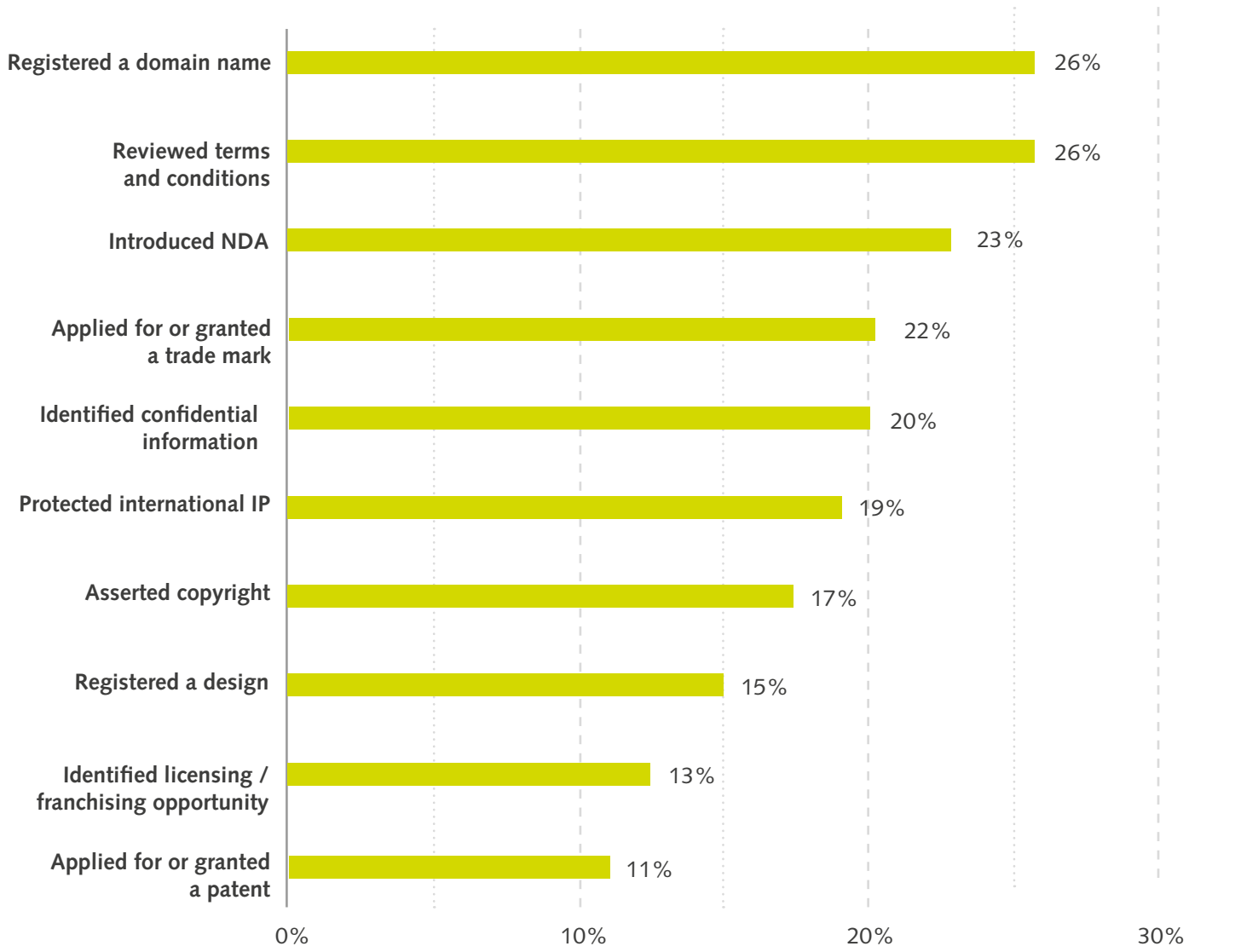
“ It gave me the confidence to register my trade mark without legal representation ” e-survey respondent, Northamptonshire

Promoting innovation and protecting IP

Business & IP Centre services aim to encourage business owners to innovate and to protect and exploit their intellectual property, whether it is a product, design, logo or company name. **41% of users took some action to safeguard or exploit** their intellectual property, as a result of Business & IP Centre support.

It can be seen that business owners took steps to protect their innovation through a combination of formal and informal IP measures. While there are no up-to-date published statistics for SMEs, we believe that the proportion of Business & IP Centre users protecting their IP is significantly higher than the national average.

Actions taken to protect/invest in intellectual property



Source: ERS Survey of 1,855 respondents, March 2019

“ The Centre has helped me find information in a matter of days, that I've been unsuccessful in finding over a period of a few years ” e-survey respondent, Sheffield

Conscientious and ambitious businesses

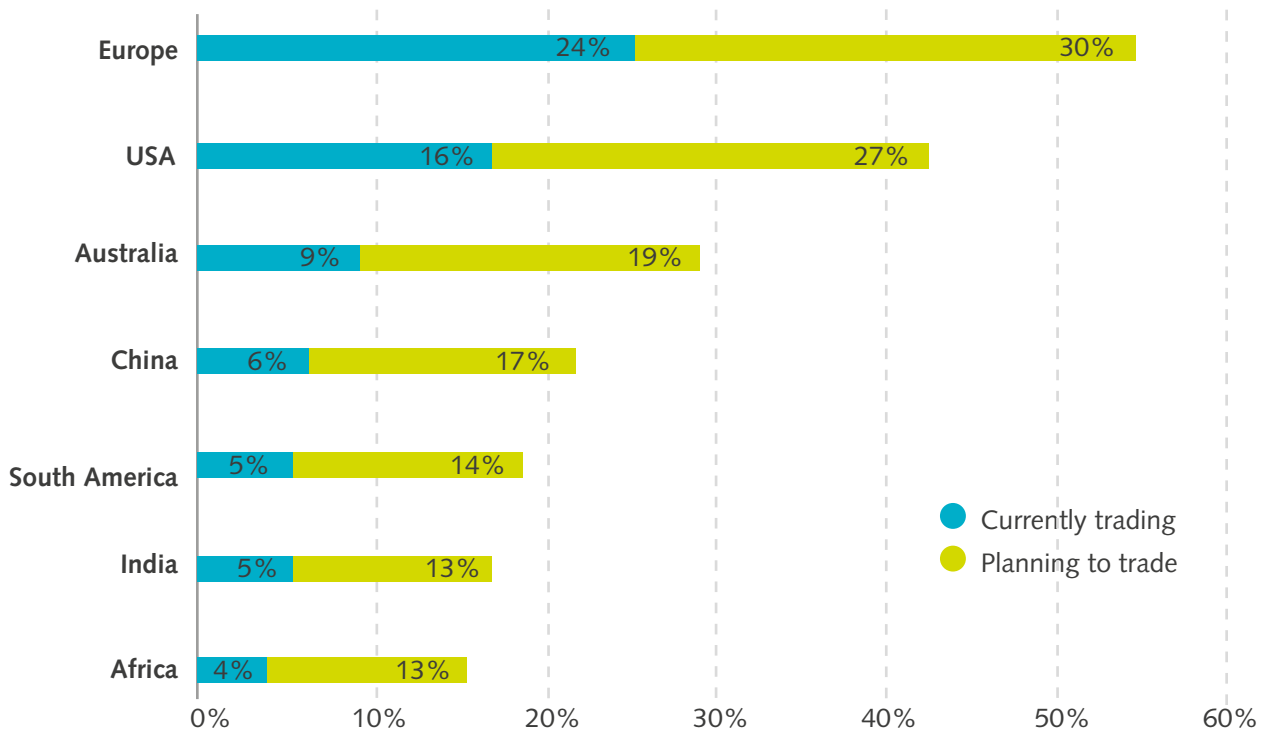
Business & IP Centre users had the following characteristics:

- Overall, **60% of businesses had either social or environmental aims or both.**
- **37% trade online** and a further 30% were planning to do so.
- A high proportion of Business & IP Centre supported businesses recorded overseas sales, with exporting accounting for 17% of all sales.
- **30% of businesses (45% in London) currently export, compared with 20% across the UK¹²,** and a further 29% were planning to do so.
- The biggest overseas markets were Europe and the USA.



Attendees at Business & IP Centre Newcastle workshop.

Export destinations



Source: ERS Survey of 1,855 respondents, March 2019

12 Longitudinal Small Business Survey: SME employers (businesses with 1-249 employees) – UK, 2018.

National network, local reach

Business & IP Centres are located in 14 city or central libraries (see page 5), and harness the public library infrastructure to offer wider regional support, across cities, towns and rural areas. It is the Network's mission to continue to expand to twenty Centres by 2023, with new cities and regions joining each year.

Each Centre operates to a standard service level and a blueprint acts as a guide on all aspects of setting up and running the service. The local staff are trained to meet the needs of small business by both the British Library and the UK Intellectual Property Office. The programme of activities for each Centre is tweaked according to local needs, opportunities and sector clusters. Each Centre works with local Growth Hubs, as well as public and private sector partners, to co-deliver the service and cross-refer people to relevant services within the local/regional business support ecosystem.

The main city or county town library forms the core of the offer, as an accessible location to the public but, over time, the Centres have expanded their reach, taking into account the local geography, LEP area and structure of their populations. Most users live locally (70%) and the Centres in Devon, Norwich and Northampton deliver a county-wide model, increasing the number of rural users.

The most deprived communities are also well served by the network, with 22% of users drawn from the top 20% of the most deprived areas in the UK, where typically just 7% of individuals are self-employed¹⁵. The Network is boosting the economy across the country: of service users who started a business, 47% were in the Northern Powerhouse.

Hub and spoke models

Hub and local outreach

- Staff based in the central libraries deliver face-to-face services across the city, via their branch library network
- These are currently delivered in Birmingham, Glasgow, Hull, Leeds, Liverpool, Newcastle and Sheffield.

Service delivered in local towns

- Devon has a second hub in Barnstaple, as well as Exeter
- Northamptonshire's services are based in Wellingborough and Kettering, as well as the county town of Northampton
- Norfolk operates out of Norwich, but is also opening new hubs in Great Yarmouth, King's Lynn and Thetford to reach its rural catchment area.

Service delivered across multiple authorities

- Manchester works across Greater Manchester to deliver services across the nine neighbouring authorities of Bolton, Bury, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan
- The British Library **Start-ups In London Libraries** project delivers services via public libraries in ten London boroughs
- Cambridgeshire and Peterborough combined authority are in pilot and are set to deliver in all libraries across the county.

Why libraries?

The Business & IP Centre Network is highly scalable and offers excellent value for money, capitalising on the existing public library infrastructure and knowledge resources, with the potential to bring business and innovation support to every high street.

The DCMS Libraries Taskforce report, *Libraries Deliver: Ambition for Public Libraries in England 2016–2021*¹⁶, recognises ‘greater prosperity’ as one of seven key outcomes for the future vision of public libraries in England.

Similarly, the Scottish Library & Information Council-led strategy for public libraries in Scotland, *Ambition & Opportunity*¹⁷, highlights ‘promoting economic wellbeing’ as a key strategic aim, alongside ‘promoting social wellbeing.’

Local economic development

Business & IP Centre services deliver proven economic impact both nationally and locally. The Network helped to create over **12,000 new businesses** and over **7,000 additional jobs** over the three-year analysis period of this report, generating **£78m GVA for the economy**.

Value for money

Libraries deliver unrivalled value for money and return on investment, standing at **£6.95 generated for every £1** of public funding.

Libraries as place-makers

Libraries already exist in cities, towns and villages across the UK. They anchor major urban redevelopment projects, they appear in shopping centres and on high streets and sympathetically remodelled landmark libraries sit as proud civic icons in our major cities.

The Government-commissioned Self Employment Review¹⁸, conducted by Julie Deane OBE, highlights the importance of making advice and support as accessible as possible and recommends that shared work spaces should be incorporated in local libraries, ‘bringing commercial activity and life to underutilised resources already in place.’

85% of Business & IP Centre users rated accessibility of services as good or very good and 96% would recommend them to others. The emerging hub and spoke approach meets the needs of both urban city and town dwellers, as well as rural communities and capitalises on existing infrastructure.

A new project launched by the British Library in 2019, **Start-ups in London Libraries**, is establishing a coordinated network of business support services through public libraries across ten London boroughs. Building on the success of the Business & IP Centre Network, the service is designed to activate the infrastructure and resources of local libraries and deliver a community-focused service offer, complemented and enhanced by the British Library Business & IP Centre and local providers.

14 Libraries Deliver: Ambition for Public Libraries in England 2016-2021

15 Ambition & Opportunity, A Strategy for Public Libraries in Scotland 2015–2020

16 Self-Employment Review. An independent report by Julie Deane OBE

“ I would not be in this sustainable position within such a short space of time in a new business start-up if it was not for the support that I received from the team ” e-survey respondent, Northampton

Reinvigorating the high street

Libraries sit on or near high streets across the country and, working with Business & IP Centre hubs, could be transformed into business ‘spokes’ offering dedicated areas for people to work and get proven support to start up and run viable businesses. Growth Hub support services could also be delivered through the library network.

Other high street and council services, such as cash points, post offices, Job Centre Plus and Citizens Advice Bureaux could be co-located with business support services, to provide a one-stop-shop and holistic support for local residents. Some local authorities have already moved some of their council services into central libraries.

Leading the way in diversity and inclusion

Libraries sit in the heart of communities and are vehicles for inclusion and social mobility. **Approximately 10% of all Business & IP Centre users were unemployed or looking for work when they first received support.** Just under half of them are now running their own business (46%) while a further quarter (23%) of them are now in employment.

Business & IP Centres have unparalleled reach and engagement with diverse audiences, supporting a high percentage of women and black, Asian and minority ethnic entrepreneurs to start up and grow their businesses, when compared with other business support providers.

Our ambition

Our long-standing ambition is to grow the Business & IP Centre Network to 20 Centres by 2023. However, this report clearly points to the potential of the Network to be scaled much more widely through a hub and spoke model. With appropriate Government investment, we believe this could be a game-changing intervention for business support, powering start-ups and SMEs across the UK to create a thriving entrepreneurial economy.

Case study: Stitch & Story



Jennifer Lam and Jen Hoang are co-founders of Stitch & Story, a digital crafts brand that is reinventing the traditional concept of knitting to inspire a new generation of hobbyists. Combining both industry experience and a passion for conveying strong brands, they have successfully turned a kitchen start-up into a global business, exporting to more than 50+ countries and securing key contracts such as John Lewis, Liberty, as well as Anthropologie and Nordstrom in the USA.

Jennifer Lam (CEO) was just 24 when she started up Stitch & Story and was in her own words 'just jogging along'. The Innovating for Growth programme at the Business & IP Centre helped her rethink her business model and develop her leadership skills. As a result, she was able to secure angel funding and, over the past year, the company has enjoyed a 367% uplift in direct international online sales, with over 300,000 products sold to date. They also have 5 distributors in France, US, Canada, Hong Kong and Slovakia. She is currently an ambassador of the UK government's 'Exporting is Great' campaign and a member of Female Founders Group, a female-led technology and entrepreneur community.

“ *The Business & IP Centre took us from a start-up to a serious business.* ”

Case study: Cyclehoop



Anthony Lau is an avid cyclist and the founder of Cyclehoop Ltd, which designs and manufactures innovative bicycle parking solutions to help cities become more cycle friendly, healthy and sustainable. Their flagship product is the award-winning 'Cyclehoop' bicycle stand that turns existing street signposts into secure bicycle parking.

Anthony attended regular networking events at the Business & IP Centre as well as one-to-one advice sessions with the Inventor in Residence, when he was at a pivotal moment for his business.

After initial success launching the Cyclehoop in local authorities across London, Anthony attended the Business & IP Centre Innovating for Growth programme, which offered support on how to extend and diversify his product range, as well take advantage of international markets. The company has since expanded its range of innovative cycle parking solutions to include cycle stands, shelters, hubs, pumps and repair stations.

More than 2,000 Cyclehoops have now been installed in over 16 countries and the company has created over 6,500 cycle parking spaces in London alone.

“ The Centre's team of friendly staff and experts are outstanding and offer excellent professional advice free of charge... I was able to identify and prioritise the most important business objectives for my company. ”

Case study: Buttercrumble



Sisters Abigail and Chloe Baldwin are freelance graphic designers and co-founders of Buttercrumble, a creative communications studio based in Leeds. During their university studies Abigail and Chloe noticed a gap in the local market for a holistic and personal approach to design; they were signposted to Business & IP Centre Leeds for advice on intellectual property.

At the Business & IP Centre they received one-to-one practical help in applying for a trade mark and registering their business. They attended business start-up workshops and networking events and were offered use of space at the library for initial client appointments. Registering their trade mark gave Abigail and Chloe peace of mind and brought credibility to their business.

Buttercrumble is now a growing full-time business, securing projects with John Lewis, Chester Zoo and the Royal Armouries and nominated as Young Entrepreneur of the Year at the FSB Awards finals. As they continue to expand they have moved into their own commercial studio space and have hired their first team member.

“ The Business & IP Centre led to the foundation of our business. It enabled us to have our business dream. ”



'Speed Mentoring' event, 2019

Driving economic growth

Helped to create
12,288
new businesses
(47% in the
Northern Powerhouse)

and
7,843
additional jobs

£78m
GVA* created

*Gross Value Added

A payback of
£6.95
for every £1 of
public money spent



- City wide reach
- County wide reach
- Pilot Centre



Supporting diverse entrepreneurs



Of those who started a new business:

55%
were women

29%
were aged 35
and under

31%
were black,
Asian and minority
ethnic

22%
were from the most
deprived areas

17%
were disabled

Capitalising on existing assets

Delivered via the
public library network

