

29 May 2009

## South Somerset District Council:

### *Incubation and Innovation Support for Business*

#### Summary of policy/project

Incubation and innovation support for businesses delivered through a newly developed Innovation Centre

#### Description

The Yeovil Innovation Centre is a converted former pyjama factory. The refurbishment created 34 units of varying size ranging from 200 - 600 sq feet. In addition there are two units of 4,500+ sq feet. The building has a B1 Class use. The funding partners are South West Regional Development Agency (SWRDA), Somerset County Council and South Somerset District Council. The advantages to tenants of the Centre, (who will be encouraged to move on after three years to make way for others) are that the rent is inclusive of Business Rates, Utilities, reception cover, telephone answering, insurance, cleaning etc. Two additional partners are Business Link and Yeovil College who deliver support for businesses from the suite that they co-share. Tenants sign up for a three year period, yet have the opportunity to relinquish their tenancy with one month's notice. To qualify for occupancy, tenants businesses will be in one of the five key sectors actively being supported and encouraged by the SWRDA. These are Creative Industries, Aerospace and advanced Engineering, Marine Technology, Food and Drink and Tourism. Currently tenants at the Centre are in the first three sectors listed.

South Somerset currently has 22% of its workforce engaged in manufacturing, this compares to 12% in Somerset and 11% in the South West. The largest employer in the area is Augusta Westland who make helicopters. Currently they employ 3,500. A large number of companies provide services to Augusta Westland, which raises the profile and importance of this large employer to the economy of the area. Yeovil has over many years been the focus for entrepreneurs, many of whom developed businesses which have become national, even internationally renowned. Petters in the nineteenth century made cast iron agricultural equipment, Pittards developed and continue to make gloves, Westlands - helicopters, Screwfix and Silverline distribute hardware and Aerosystems develop software for the aerospace industry. These are only a few examples. The Yeovil Innovation Centre aims to provide the opportunity, support and mechanism for the next entrepreneurs to start and grow their businesses. This should assist the local economy by providing new businesses and industries that will help support the manufacturing base that is already here and lessen the dependence on just a few large employers.

#### Has the idea worked elsewhere?

Innovation and Incubation Centres are not new. Many of them are affiliated or associated with Universities. There are also examples of Centres which are owned and managed by authorities, similar to South Somerset. In the South West, there are already eleven centres either open or currently being developed. Yeovil Innovation Centre has become members of United Kingdom Business Incubator (UKBI). Attendance at workshops and visits has helped to understand

#### What problems does the policy/project solve?

Localis is constantly looking for good new ideas to showcase. If you would like to make a submission to Localis' Big Ideas—please contact Tom Shakespeare via email on [tom@localis.org.uk](mailto:tom@localis.org.uk) or phone 0207 340 2660

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that the problems and issues are not isolated, nearly always there is an opportunity to share the issue with members with similar experiences. Opening the Centre during a recession has presented the managing staff with a few challenges. Yet already there are six tenants in the building with two more currently in discussions. A tenant for one of the large suites has also been identified and discussions continue to agree the Heads of Terms.

#### What were the difficulties of implementation?

The Centre was refurbished during 2008, with the keys for the building being handed back to the authority in October. The identified operator of the building and the authority were unable to reach a satisfactory conclusion to their discussions which resulted in the Economic Development team managing and operating the building. The staff have been extremely good at paying particular attention to detail, ensuring all who use the building (tenants or meeting room) have a positive experience. A challenge that we are still trying to get to grips with is how to identify and implement the 'added value' of a business being part of the Innovation Centre. For the Centre to succeed, it is imperative that this becomes a major factor. Added Value means different things to different people. This also creates a difficulty. To some, the onsite business support presence, or the opportunity to relinquish a tenancy with one months notice adds value, whilst to others, it is the opportunity to engage with Universities, key employers etc.

#### What is the cost of implementation?

The whole project, including the purchase of the building, site and refurbishment cost £4.2m. The annual running costs of the building are in the region of £135,000.

#### What is the evidence of success?

The hire of meeting rooms is generating far more interest and revenue than we had initially anticipated. This is probably due to the relative short supply of suitable premises in the area. The professionalism of the staff involved with hiring the venue must be a contributor as well as the hirers wanting to be part of something new and vibrant! There are currently six tenants at the Centre with discussions taking place with three more potential tenants. The partnership between the SWRDA, Somerset County Council and South Somerset District Council is proving to be very effective. All remain focussed on the task of promoting the Centre and particularly raising the added value part of the venture.

#### Would this work in other Councils?

The financial commitment and staff resource to implement and operate this Centre is high. This would possibly prevent other authorities entering into a similar project. As mentioned previously, many Centres are affiliated to Universities, some are implemented and managed from within the private sector. The reason that South Somerset has driven forward this project is that they and the wider partnership recognise the need for providing and developing business support in this form. In anticipation of supporting the economy in the long-term.

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#### What advice would you give any Councils wishing to adopt this idea?

The idea of developing an Innovation Centre in Yeovil was first discussed in 2001. It has taken a tremendous amount of work to bring this idea to fruition. Unless an authority is prepared to enter into a long programme to develop a Centre of this type, with an enormous financial commitment, this may be a step too far for some!

#### Other Comments

If any reader of this statement would like further information, or indeed would like to pay us a visit, please do not hesitate to look us up on

#### For more information

For more information on this submission visit [www.yeovilinnovationcentre.co.uk](http://www.yeovilinnovationcentre.co.uk)

To find out more about the work of Localis or to discuss possible membership opportunities, please visit our website at [www.localis.org.uk](http://www.localis.org.uk) or phone 0207 340 2660