

# **EAST of ENGLAND OBJECTIVE 2 PROGRAMME**

## **LUTON PRIORITY 2 MEASURE 2.1**

### **KEY LOCATIONS SECTORS & CLUSTERS**

#### **E.R.D.F. APPLICATION**

#### **LUTON INNOVATION CENTRE BUTTERFIELD, LUTON**

Prepared by

Luton Borough Council Regeneration Service	East of England Development Agency
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January 2003

**OBJECTIVE 2 PRIORITY 2 MEASURE 2.1  
E.R.D.F. APPLICATION  
LUTON INNOVATION CENTRE**

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# **BUSINESS PLAN FOR LUTON INNOVATION CENTRE**

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## **SECTION ONE - APPLICANT DETAILS**

### **1.1 APPLICANT DETAILS**

The East of England Development Agency (EEDA) is submitting this Business Plan. It represents a flagship project and a key element of EEDA's corporate plan and an important contribution to the Regional Economic Strategy.

EEDA has worked closely with key local partners to produce this project proposal. In particular the partnership involves Luton Borough Council, which supports the new Innovation Centre as a very significant contributor to building a diversified modern local economy. The proposal is also supported by business support agencies in the local area including Chamber Business and the University of Luton.

## **SECTION TWO - START DATE / END DATE**

### **2.1 START DATE / END DATE**

The start date for activities to be funded from ERDF support will be in May 2003 with the negotiated purchase of sufficient land (about 4.5 acres) for the Innovation Centre at the Butterfield Technology Village site, to be followed immediately after with detailed design investigations.

The end date as far as ERDF payments is concerned is anticipated to be when final payments are made for the construction and equipping of the facility, i.e. during 2006. However, the establishment of the Innovation Centre is a long-term strategic activity and the benefit of outputs and outcomes will continue to be received during the lifetime of the physical asset, i.e. a minimum of 35 years, and up to 50 years.

The project has been under discussion and in preparation for a number of years. Recent milestone preparation activities include the submission of an outline planning application for a Technology Village (including the Innovation Centre) on the Butterfield site in 2001; the submission of the Luton Vauxhall Partnership bid to Government in December 2001; and the formal adoption of the project as a key EEDA activity following the £4m award by the DTI from the RDA contingency fund in April 2002. EEDA and partners are indeed already investing in preparation activities (such as site surveys) prior to Objective 2 submission.

### **2.2 GEOGRAPHICAL LOCATION**

The Innovation Centre will be a key element of the Butterfield Technology Village to be developed in northeast Luton.

The Butterfield Technology Village is a 41 hectare business park comprising the Innovation Centre, about 40 hectares of high standard B1 class business sites and premises, a quality hotel, extensive landscaping, and a park and ride service for the town. The site is strategic, located on the A505 dual carriageway and connected to Luton's key infra-structure via the Luton Eastern Corridor. These links provide access to the A1 (M), M1 motorways, London Luton Airport and Luton Parkway Station.

The development of the Butterfield area is specifically identified in the Bedfordshire and Luton Structure Plan, which seeks the location of a new technology park in the south of the county. The area is also identified as a strategic site in the Borough of Luton Local Plan. In accordance with this, outline planning permission has been granted for a phased, high-quality low-density sustainable development, incorporating extensive landscaping and screening. The site is included as a key site in the Luton Objective 2 programme.

Butterfield Technology Village, with its key initial flagship development of the Innovation Centre, will through high standard design and construction, and through low-density environmentally sensitive landscaping, provide a strong new image that will underpin further investment, building on the location and communication advantages of the town.

In addition, about 1500 high quality jobs are anticipated to be created at the Village, new business opportunities encouraged through creative close working with higher education bodies, training facilities improved, and further jobs created off-site through the multiplier effect of business investment.

The Butterfield Technology Village is intended to play a major role in assisting the Objective 2 area to re-structure its economy away from the declining general heavy manufacturing and assembly industries (typified by automobile assembly) to flexible new and high technology activities. It will do this by creating a high profile and attractive location for new technology-based business investment to the northwest of Luton. This will reinforce and enhance allied investment in fast growing airport related activities and in the almost complete Capability Green business park near the M1.

It is intended that the Technology Village and Innovation Centre will become strong links in the Enterprise Hub network being created in the East of England region, and assist in the delivery of the innovation strategy contained within the Regional Economic Strategy.

## SECTION THREE - DESCRIPTION OF PROJECT & AIM

### 3.1 DESCRIPTION OF PROJECT

The Luton Innovation Centre project was first proposed in 1995 as part of a package of measures to assist in the economic regeneration of the Luton-Dunstable conurbation. By 1998, as further preparatory work was necessary to bring forward the 90 acre Butterfield site, a University-led project (The Luton and Dunstable Innovation Centre, LDIC) was established in temporary accommodation, assisted by the Luton Dunstable partnership (LDP) which allocated seed-corn funding from the Single Regeneration Budget (SRB). Afterwards Objective 2 funding (Priority 1.1) was secured for running expense support. The LDIC project has been successfully operating and has expanded onto a second site, and a range of innovation support services have been developed.

Outline planning permission for Butterfield has now been granted (and the associated S106 agreement recently completed). This proposal relates to the next stage of Innovation Centre provision - the construction and operation of a state-of-art new Centre on a permanent site at Butterfield.

This project will enable the construction and operation of a financially viable, exceptionally high quality, Innovation Centre. This will provide intense and focused support for innovative enterprises, including specially configured business accommodation for some. The Centre will provide a focus for knowledge-based enterprises and be a key anchor for the development of the Butterfield Technology Village.

The Innovation Centre is primarily an innovation and enterprise growth initiative, rather than a business accommodation scheme. The main features will be:

- Business and innovation support facilities with access to advice on technology transfer, funding, general business, HE links, e-commerce, broadband links, intellectual property, design, funding, training, networking "clubs", seminars and other innovation/business matters. For further details about the nature and organisation of innovation and enterprise services, see section 3.4 "Project Organisation and Management" below.
- A fully detailed Development Brief and Specification is under preparation.
- First phase c40,000 sq ft, of which c10,000 sq ft is "public" areas - impressive reception, cafe/coffee bar, office services, tenant kitchens, restrooms, circulation etc. (Second phase, not the subject of this proposal, of c20,000 sq ft, based on client demand.)
- The remaining 30,000+ sq ft, is planned as rentable space and will be comprised of 70-80 small offices and mixed use office/workspaces (average size 380 sq ft, 35 sq m, but with some larger units), business support services, large meeting rooms, e-commerce suite. Lettable unit sizes would range from 160 – 1080 sq ft ( 15 – 100 sq m).
- The 70-80 units will be re-configurable to provide flexibility, and have utility supply and metering, datacom access, carpets for unfurnished offices (half), other half unfurnished shell.
- Tenancies will be on licensed one-year renewable "grow and go" basis, with one-month release clauses, and with time limitation of 3 or 4 years. Average rents will be at market level, but raked to encourage survival in early years and moving out later.
- Charges will be for

- ☐ Space, business rates (with common areas apportioned to individual units), and building services (such as unit heating, tenant kitchens, reception services, common area cleaning, restrooms, security, maintenance),
  - ☐ plus metered utilities as used (water, electricity, tele-comms and data-comms use where supplied)
  - ☐ plus optional services as used (office services, e-commerce suite, meeting rooms, conferencing, equipment hire)
  - ☐ plus optional business support services where charged (as arranged with third parties)
- ☐ 24/7 access, good parking, environmentally sensitive landscaping, edge of town environmentally and visually attractive site, with nearby hotel and "grow on" larger space in adjacent technology village
- The building will be equipped with structured cabling to all units, at Category 5e/RJ45. There will be a centralised telephony and data service for the Centre with new extensions on demand. Access to the Internet and facilities to enable companies to undertake electronic commerce will be made available through the E-commerce facilities to all Innovation Centre companies. There will be an on-site "intranet" as well as access to the Metropolitan Area Network and the Internet.
- A catering concession will be franchised in a central meeting/social area and with an environmentally attractive cafeteria. Easy access to the central area from all units will be provided. Refreshments and a range of snacks and meals will be provided during working hours supplemented by vending machine provision. It is expected that the catering provision would be self-financing although (in the experience of other Innovation Centres) not profit generating.
- Incubation 'office' units will be carpeted but unfurnished - all others unfurnished shell. Each floor will have male/female toilets and communal kitchen facilities (no kitchen facilities to be provided in units).
- A range of flexibly reconfigurable conference/meeting rooms accommodating c75 people with separate access will be provided. Large meeting rooms will be adjoining, convertible into one large room, and fully equipped for full audiovisual presentations, data and telecomms.

### 3.2 MAIN AIMS

The Objective 2 Programme Complement has the following vision ... "that the Programme Area shares fully in the sustainable growth and prosperity of the East of England"....with the overall strategic aim ... "to create and maintain sustainable economic growth that leads to greater economic and social cohesion, that protects and enhances the environment, and results in increased prosperity, jobs and an improved quality of life for those who live and work in the Programme Area."

The Innovation Centre will contribute directly to this objective and to the action Priorities to achieve it, through:

- enhancing SME expert support services for innovative business start-ups and SMEs
- improving access to capital for high-growth SME innovators
- strengthening the links between higher education research on technology and innovative practices, and receptive SMEs

- o providing a high quality base for innovative businesses to locate and interact, and
- o assisting the realisation of the full Butterfield Technology Village, the only feasible remaining option in Luton to accommodate a substantial number of SMEs in an attractive area of outstanding landscape quality

The main aim of the Innovation Centre is to increase the number, quality and competitiveness of innovative knowledge-based enterprises in the Luton area, to increase the number and range of high quality jobs, and to provide a secure and diversified economic base for the Objective 2 area into the future.

The Innovation Centre will stand as a flagship "new sectors" facility to assist in changing perceptions of Luton, and aims to be a crucial link in realising the objectives of the regional Economic Strategy, the Oxford to Cambridge Technology Arc and the Regional Planning Guidance. The Centre is intended to function in concert with the Butterfield Technology Village where it will be located, and will both reinforce and be supported by the Village.

The Centre will also be a key mechanism for making the considerable human and technical resource of the University and other regional and local providers (e.g. Business Link, Chamber, professional organizations) available to technology based small businesses. The Centre will provide access to a package of innovation related resources and services, tailored to meet the specific needs of SMEs within the Centre and the surrounding catchment's area. In particular, the Centre will utilize the services of the Advanced Centre for Manufacturing Excellence (ACME) to provide support for local manufacturing industry.

It is intended that the Technology Village and Innovation Centre will become strong links in the Enterprise Hub network being created in the East of England region, and assist in the delivery of the Innovation strategy contained within the Regional Economic Strategy.

### **3.3 LINKAGES TO OTHER STRATEGIES AND THE SPD**

The Innovation Centre will meet important requirements identified in the following most relevant strategies:

- o Regional Economic Strategy " East of England 2010: Prosperity and Opportunity for All"
- o Regional Innovation and Technology Transfer Strategy
- o Bedfordshire and Luton Joint Economic Development Strategy
- o East of England Objective 2 Programme Complement 2000 – 2006
- o Luton Objective 2 Programme, Local Area Framework
- o Regional Planning Guidance
- o Luton Vauxhall Partnership Strategy
- o European Business and Innovation Centre Network

The project also fits in fully with the Government's strategy for promoting and supporting SME's development and growth, as set out in various competitiveness policy papers (Opportunity for all in a World of Change; and Our Competitive Future: Building the Knowledge Economy). It also ties in with the National Strategy for Neighbourhood Renewal under the theme of Reviving Local Economies – key ideas 5 &6 (keeping money in the neighbourhood, and supporting and promoting business).

#### ***Regional Context***

**Regional Economic Strategy " East of England 2010: Prosperity and Opportunity for All"**



Creativity, innovation and enterprise is a key theme of the Regional Economic Development Strategy. The project will act as a focal point for attracting investment, advice, and support and mentoring services. Through links with the University of Luton, Cranfield University and the Manufacturing Centre of Excellence the Innovation Centre will provide the opportunity for closer links between higher education and business. It will also support assist the development of spinout companies form the Universities and other local companies and promote the formation of knowledge exchange networks across the region.

The University of Luton already has established links with Cambridge University and the St.Johns' Innovation Centre. The proposed Innovation Centre will also support investment in success.

As a flagship project the Innovation Centre will also support the RES by being a key location to attract inward investment in association with the remainder of the Butterfield Technology Village.

### **Regional Innovation and Technology Transfer Strategy**

The RITTS identified that if the Vision for the East of England to become a truly world-class, knowledge-based economy is to be realized, then more needs to be done to:

- o Reinforce the culture and image of the East of England as a center of innovation and technology
- o Increase presently limited business awareness and uptake of innovation and technology support
- o Develop crucial networking between businesses and between innovation and technology organizations
- o Make maximum use of business-led research and development, and do more to exploit commercially the university and college sector
- o Address the labour and skills shortages constraining the growth of knowledge
- o Develop a strategic approach to the development and funding of innovation and technology services

The new Innovation Centre in Luton will be an East of England flagship activity aiming to help realize the three RITTS strategic objectives and four key elements in the action plan.

### **East of England Objective 2 Programme Complement 2000 – 2006**

The overall strategic aim for achieving the Objective 2 vision " *that the programme area shares fully in the sustainable growth and prosperity of the East of England*" has been identified as:

**" To create and maintain sustainable economic growth that leads to greater economic and social cohesion, that protects and enhances the environment, and results in increased prosperity, jobs and an improved quality of life for those who live and work in the Programme Area".**

This demands action to:

- Create and maintain sustainable growth
- Increase prospects, jobs and quality of life
- Protect and enhance the environment
- Increase economic and social cohesion

Priority 2 of the Programme Complement is aimed at stimulating sustainable economic growth and Butterfield has been identified as a key location.

### **Regional Planning Guidance**

The current Regional Planning Guidance identifies Luton as a Priority Area for Economic Regeneration (PAER). This acknowledges that the conurbation (including Dunstable and Houghton Regis) has been affected by major economic restructuring, particularly the narrowing of the manufacturing base. The RPG also recognises that Luton has attracted Objective 2 and Assisted Area Status.

The RPG indicates the need to re-utilise Brownfield land whilst accepting that some sites currently allocated for employment uses may no longer be attractive to businesses and investors.

In addition, the RPG also recognises the very constrained nature of development opportunities in or near Luton, a constraint created by the Chilterns Area of Outstanding Natural Beauty, Green Belt and the important Luton Hoo landscape. EEDA has submitted evidence to the Government that justifies public investment on the Butterfield as a greenfield site, as brownfield sites are extremely limited in Luton and do not exist of a suitable size and suitable availability. This accords with the provisions of the current Structure and Local Plans, and the terms of the outline planning permission already granted.

### ***Sub-Regional Framework***

#### **Bedfordshire and Luton Joint Economic Development Strategy**

The sub-regional Bedfordshire and Luton Economic Development Partnership (BLEDP) has adopted in its Strategy "Prospering Together" the following shared vision for the local economy, as an area where:

- successful businesses providing sufficient jobs of a range, quality and income for all local people seeking work;
- a quality education and training infrastructure equipping local people with the skills required to obtain satisfying work and developing an increasingly skilled workforce that is attractive to employers;
- excellent transport, cultural, social and other support services that add to the area's attractiveness and enable all local communities to participate;
- there is widespread awareness of, and responsiveness to, what is necessary to protect the environment so that economic and social progress can be sustained and shared with future generations.

In particular the new Innovation Centre will play a key role in delivering the strategy's objective to:

- to establish the image and reality of Bedfordshire and Luton's economy as knowledge rich, innovative and leading edge.
- to increase the numbers of appropriate businesses moving into Bedfordshire and Luton and to retain mobile businesses within the area.
- to increase the competitiveness of businesses.
- to develop a strong and effective entrepreneurial culture.

BLEDP has also recently commissioned research into Entrepreneurship. The theme of Innovation and entrepreneurship is also strong in BLEDP's Business Plan 2003-05. This incorporates the concept of an Enterprise Hub that the Innovation centre, educational facilities and key business support organisations would play a key role in.

### ***Local Framework***

#### **Luton Objective 2 Programme, Local Area Framework**

This Business Plan confirms fully with the strategic aims and objectives for the Luton Objective 2 area as set out in the Local Area Framework. It is not necessary or possible to include all the ways that the Innovation Centre will contribute to the Framework, other than the following quotation:

"The development of Butterfield is specifically identified in the County Structure Plan, Policy 27 which seeks the location of a new technology park in the south of the county. The Bedfordshire Structure Plan identifies the provision of quality sites to meet the needs of modern industry as a particular deficiency, particularly in relation to the development of opportunities associated with the expansion of the University of Luton. The area is also identified as a strategic site in the Borough of Luton Local Plan. The location is the first of two remaining sites in Luton that have major employment potential. The site is 41 hectares situated in the east of Luton and has been identified to provide a B1 technology village. The area is seen as a key to the diversification of the local economy. In accordance with the Local Plan planning permission has been granted for a phased, high quality and low density development, incorporating extensive landscaping and screening."

### **Luton Vauxhall Partnership strategy**

The Luton Vauxhall Partnership (LVP) was set up in Jan 2001 to tackle major problems arising from General Motors decision to end car production in Luton. Chaired by EEDA, the Partnership prepared an urgent employee training programme, and a medium/long term reconstruction strategy that included twelve special initiatives to assist in diversifying the sub-regional economy. The Partnership recognised the serious socio-economic consequences of the closure and see these as being unsustainable in the longer term. The strategy set regeneration targets as well as mitigation of the closure impacts.

Two of the twelve initiatives are the new Innovation Centre, and the Butterfield Technology Village. Thus this project will directly benefit all four of the Luton Vauxhall Partnership objectives, and contribute to most of the outcome indicators, as set out in the LVP Strategy.

### **Regeneration Strategy for Luton**

Luton Borough Council has set an ambitious target to reduce unemployment in the Borough to below the East of England of average by 2010. In order to achieve this the Borough Council will be working with partners to ensure that there continues to be restructuring of the Luton economy by providing additional employment opportunities.

## **3.4 PROJECT ORGANISATION AND MANAGEMENT**

EEDA will be the lead organisation for the project and it will be delivered under the umbrella of the Luton Vauxhall Partnership (LVP) that comprises EEDA and Luton Borough Council (predominantly Regeneration and Estates teams). During the current phase EEDA have engaged Ernst & Young, specialist project management and site acquisition negotiators, to assist in the delivery of this project.

A Strategic Board has been established consisting of:

The Chief Executive of Luton Borough Council - Darra Singh  
Councillor with portfolio responsibility for Regeneration, Luton Borough Council – Cllr Davis  
Chief Executive of EEDA  
EEDA Director of Programmes  
LVP Project Manager (currently Ernst & Young)

The Project Board will meet on a quarterly basis to oversee the progress of the project. The Project Board is currently meeting on a monthly basis during initial stages. The LVP Project Manager will be appointed by EEDA.

The LVP Project Manager will undertake day-to-day management of the project. The LVP Project Team will support the post holder. This currently includes representatives of EEDA and various departments of Luton Borough Council. The membership of the Project Team will be extended to business support agencies from the local area. The Project Team will

oversee the tendering of the design and construction of the Innovation Centre and of the management operation.

The design and construction phases will be the subject of competition.

The management of the centre will be a partnership between the East of England Development Agent (as Asset owners) and the successful operators following a competitive tendering process. The successful operator will be responsible for running the Innovation Centre in accordance with operational and performance targets agreed with EEDA.

It is proposed that the successfully operator will enter into a Service Level Agreement with EEDA and will be responsible for running the Innovation Centre on a day-to-day basis subject to the project meeting pre agreed operational and performance targets. The SLA will spell out details of the parties' respective responsibilities. As part of the SLA EEDA will potentially provide an agreed amount of seed-corn revenue support for the first two years of operation of the running the Innovation Centre. In return, EEDA will maintain a "golden vote" in the operators' structure, enabling it to take control and corrective action if needed in the event of the project not meeting operational or performance targets.

The operators Board will be responsible for approving all applications for admission to the Innovation Centre.

By competitively tendering the management contract for the Innovation Centre the LVP will be able to select the most appropriate operator to satisfy the strategic aims of the project. This will be an operator able to demonstrate a proven track record.

## **Innovation services**

As stated before, the Innovation Centre is primarily an innovation and enterprise growth initiative, rather than a business accommodation scheme.

The operation of the Innovation Centre will be determined by the requirements of client companies and customer needs, rather than being supplier-led.

Added value comes from building stronger, competitive companies that grow faster, are less susceptible to failure, create more jobs, and invest in future business growth.

The new Innovation Centre on Butterfield will develop existing provision by providing improved and extended accommodation for a greater number of clients in order to meet growing demand, and also by providing a major local focus for delivery of specialist SME services and networking.

The Innovation Centre will maintain its existing strong links to the University and will draw on the strengths and expertise available locally. It will also maintain and further develop links and projects with other Universities and regional providers to channel expertise from all over the region in support of the development of innovative enterprises in Luton.

The key principles that will govern the Innovation Centre's operation and development are as follows:

- ◊ **Customer-driven operation and development**, from experience gained from:
  - Bench-marking with other successful Centres
  - The operation of the Luton and Dunstable Innovation Centre from 1998
  - Tenant feedback and evaluation from similar schemes
  - Best practice from advice and research studies

- Use of Best Practice derived from interaction with support bodies (UKBI, research etc) and collaboration with St John's Innovation Centre, Cambridge
  - Networking with regional innovation centres and other service providers
  - Spin-off proposals from business oriented University of Luton
- ◇ **Client selection**, based on an evaluation of client's viability and growth potential by Centre management and advisory panel technical assessment of:
- Management capabilities
  - Business planning thoroughness
  - Technical evaluation
  - Market validation
  - Financial modelling
- ◇ **Adoption of an exit/graduation policy (Grow and Go)**, to help businesses move to next stages, based on:
- Client review processes
  - Low entry / high exit rentals (if on site)
  - Flexible licence terms for on-site companies
  - Assistance with acquisition of equity investment
  - Advisory services for "move-on" steps
- ◇ **Provision of advisory and support services**; accessed virtually and on-site, and where appropriate, provided by outreach facilities of external specialist agencies, focusing on:
- Enterprise Hub development
  - Business mentoring
  - Venture capital investment, plus loans and grants
  - Legal and intellectual property, patents
  - Rapid prototyping
  - General business management (marketing, HR, financial control, purchasing, exporting)
  - Scientific innovations
  - Standards and regulations
  - Production technologies
  - Environmental management & sustainability
  - Ecommerce methodologies
  - Access to training resources
  - Academic research facilities
  - Management systems development and business model re-engineering
  - Government support initiatives (SMART, etc)
- ◇ **Identification and encouragement of networking opportunities** including:
- Cluster support and networks
  - Peer group of on-site entrepreneurs
  - Business clubs and associations
  - Virtual networking
  - Linking to the University
- ◇ **Provision of on-site facilities**, some purchased on an as-you-use basis:
- E-commerce capability
  - Quality Reception
  - General office services – IT, design, print
  - Bar / café / library / leisure/crèche

- Meeting, conference rooms and exhibition space
- ICT facilities, including broadband internet connectivity,
- 24/7 access, security, building maintenance
- Move-on and larger business accommodation on the Technology Village
- Advisory services for next-stage structures and premises

3.45 The final package of innovation and enterprise development services will partially be provided "in-house" and partially from external agency suppliers. The chart below highlights some of the more important services, and how they could be provided.

Service area	Service sub-projects	Provider	Method (e.g. on/off site, expand existing service, etc)
<b>Tenant evaluation</b>			
	Tenant assessment process	Management /Advisory Panel	On site
	Technical evaluation	Management /Advisory Panel	On site
	Market validation	Management /Advisory Panel	On site
	Product development	BL/Advisory Panel	On site/off site
	Licence / rental arrangements	Management /Advisory Panel	On site
	Tenant progress review	Management /Advisory Panel	On site
<b>General business advice</b>			
	General business management	Management/BL	On site
	Business Plan preparation	Management/BL	On site
	Seed-corn & long-term funding	Management/BL	Expansion of existing Development of new
	Marketing methods	Management/BL	Expansion/development
	HR issues	Management/BL	
	Training programmes	Management/BL	On site
<b>Innovation &amp; Tech services</b>			
	Mentoring Programme	Management/BL /Princes Trust	Development
	Virtual tenant management	Management	On site
	Intellectual property advice	Management	On site
	Enterprise Hub co-ordination	University and local partners	Off site
	Ecommerce suite	Management	On site
	LADMAN Hub	Management/LBC/University	On site
	Networking clubs	CIN/ Management/BL	On and off site
	HE research links	University	On and off site
<b>Office Services</b>			
	Coffee bar/café	Franchise	On site
	Meeting rooms	Management	On site
	Conference rooms	Management	On site
	Design and print	Management	On site

	Copying etc	Management	On site
<b>Site management</b>			
	Reception	Management	On site
	Physical maintenance	Management	On site
	Centre general management	Management	On site
	Centre financial control	Management	On site
	Tenant legalities	Management	On site

### 3.5 PROJECT WORK PLAN (MILESTONES)

What follows is a summarised version of the detailed project work-plan being used to guide and monitor progress.

<b>LUTON INNOVATION CENTRE - DRAFT WORK-PLAN</b>		
<b>Key category</b>	<b>Task and milestone</b>	<b>By end date</b>
<b>Land assembly &amp; preparation</b>		
	EEDA Demand and need study	Done
	Land sale terms agreed	Done
	EEDA Greenfield consent received	Mar 03
	Site surveys completed	Feb 03
	Land transfer legalities completed	March 03
<b>Physical design stage</b>		
	Agree development format	March 03
	Prepare building, services and site specification	Feb 03
	Identify design team partners	May 03
	Design and agree physical scheme	Sept 03
	Apply and receive full planning permission by	Nov 03
<b>Innovation and enterprise services design stage</b>		
	Agree full innovation services and delivery mode	June 03
	Agree full enterprise services and delivery mode	June 03
	Agree format for and needs of external suppliers	Aug 03
	Finalise service agreements with external suppliers	March 04
<b>Premises management services design stage</b>		
	Prepare detailed Management / Board proposals	June 03
	Organise management tender arrangements	October 03
	Appoint & sign contract with IC Management	Dec 03
	Prepare full premises services specification	March 04
	Prepare costings structure for charged services	March 04
	prepare legal documentation for tenancies etc	March 04
<b>Construction phase</b>		
	Utility services etc completed to site by	Oct 03
	Start main construction on site	Jan 04
	Complete ready for occupation	2004 -05

Operation phase	Marketing programme final phase starts	July 04
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### 3.6 RISKS TO DELIVERY OF PROJECT

#### Planning Permissions

There is a small risk that full planning permission will require additional costs, or will not be completed on time. The proposed development has passed through Public Enquiry and outline planning permission has been granted (June 2001). Close liaison between EEDA, LBC, landowners and planners will be used to monitor. It is considered that a high standard facility can be constructed and operated within the finance shown. At the present time there is agreement between all parties that the project can be completed to meet the proposed timescales set out in this plan.

#### Level of Demand

There is a risk that the demand for incubator units will not reach the level built into the financial models. However, the models have been drawn up with a degree of realism, based on experience. All the initial units within the 'Spires' were taken almost immediately with only a minimal level of promotion and advertising. Currently all the space at the 'Spires' has been taken and the Luton and Dunstable Innovation Centre have had to seek additional temporary accommodation to meet demand. All practical indicators from the present project point to a high level of demand for incubator units within the conurbation.

#### Time overrun

There is a risk that timescales may be longer than anticipated. There are delays, which may be introduced in implementation of the project due to factors outside of the project team's control. The most likely source would be delays related to detailed planning procedures building development. Professional advice will be used in order to try to minimize these delays.

#### Competitive Developments

There are a number of identifiable potentially competitive developments either existing or are planned. The most relevant development here is Cranfield Innovation Centre. However, the focus and catchment area of the two innovation centres are substantially different, and are not directly competitive. Projected demand into the future as the enterprise economy develops will be more than sufficient to allow both facilities to meet targets. Discussions with Luton and Dunstable SMEs also indicates that the Cranfield site presents a number of problems (difficult access, significantly poorer air, road and rail communications, little established surrounding industry and labour) and is too remote to meet the employment and industrial regeneration needs of the Luton-Dunstable conurbation.

General managed workspace provision has been developed at Portland Court and is available from a small number of private sector developments (see section on demand and needs below). Potential Innovation Centre clients will have to demonstrate that they meet the innovation criteria established for occupancy, and that they are not more suitable for accommodation in managed workspace provision. This is to ensure that the services of the Innovation Centre are focused on technology-based companies and innovative community enterprises that can demonstrate that they have a need for Innovation Centre services.

Summary of existing provision of grouped small business accommodation in Luton				
Name and Address	Owners/operators	Speciality (target customers)	Physical detail	Other – management, services, etc



Portland Ct, Kingsway	LBC	General mixed use workspaces	Single-story, purpose-built in 1994. 34 units	In Dallow. Managed by Business Start-Up Service.
The Spires, Adelaide St	University of Luton	Innovation & Technology based	Temporary Conversion.	Overflow at Britannia.
Britannia Estate, Leagrave Rd	Private	General mixed use workspaces	Industrial & basic offices units in converted Victorian factory.	No direct support provided.
Regus	Private	High cost high quality offices	Purpose built, very short stay business "hotel"	Extensive business facilities. No support. Not innovation based.
Maxet House	Private	Serviced offices	Small offices	Small scheme, no support
The Business Centre	Chamber Business	Serviced offices	Excess space in Chamber offices	Small scheme
<b>PLANNED PROVISION IN LUTON</b>				
Marsh Farm workshops (Coulter's)	Marsh Farm Development Trust	General mixed workspaces		Focus on social and community businesses?
Business Base Luton	EEDA/LBC	General-purpose workspaces and offices	New purpose-built general workspaces	Linked with Portland Ct, some move-on units

## SECTION FOUR - FINANCIAL TABLES

The capital cost of developing the Centre is calculated as £5,950,000, based on professional advice and comparison with other similar schemes, excluding land purchase costs. The attached financial tables (or Excel charts) set out the normal European Regional Development Fund requirements, based on the following details.

### Assumptions for each table

Project Costs Table 26 assumptions. Land acquisition will be totally funded by EEDA. Ditto with site investigation costs. Therefore these are not eligible costs.

There is no building acquisition, thus no costs.

Site preparation costs of £100,000 all in 2003 (as site is greenfield and services infrastructure will be provided to the site boundary by landowner).

Building & Construction costs of £5,000,000 in total. Calculated by 3,700 sq metres at £1,350 per metre. Assumed that no construction during design stage in 2003, then 70% in 2004, 20% in 2005, and 10% snagging retainer paid in 2006.

Plant and machinery included in above.

Fees of £450,000. Calculated at 9% of building costs (Paid at 33% in design stage in 2003, then 22% (£100,000) pa for next three years).

Other expenditure of £400,000 includes common area fitting out, furniture, quality reception, meetings rooms, cafe equipment, telecomms etc (not covered in building costs above). Assumed 75% used in 2005 when Centre being fitted out, and balance in 2006.

Total all years capital costs of £5,950,000

Table 27 assumption is there is no eligible revenue costs, thus table blank.

Project Funding Package Table 29A assumptions are that Applicants (EEDAs) own funds total £4,046,000 (68%), and ERDF requested is £1,904,000 (32%).

Table 29B assumption is that there is no in-kind funding, thus table is blank.

ERDF grant rate requested Table 30 assumption is 32%

Expenditure Profile Table 32A assumption is that the ERDF/public sector annual disbursements will be flat at 32/68%

Table 32B assumptions are that there is no in-kind expenditure.

## SECTION FIVE - PROGRAMME COMPLEMENT INDICATORS

### 5.1 OUTPUTS ETC AS PER PROGRAMME COMPLEMENT

Comparing the Activities (outputs) and Outcomes with those in the Programme Complement, The following contribution from this project can be estimated for the first seven years of full operation. However it is important to recognise that the actual operational time-scale will obviously be much longer, and the benefits consequently much more far reaching. A comparison of seven years is used, as this is the time-frame for the Objective 2 programme from 2000-2006 inclusive.

<b>ESTIMATED OUTPUTS (ACTIVITIES) &amp; OUTCOMES</b>		
<b>* signifies outputs that are specifically related to Measure 2.1</b>		
	<b>For Inn. Centre</b>	<b>For Prog Area</b>
<b>ACTIVITIES</b>		
No of SMEs assisted	370	
SMEs given advice/information	610	
SMEs given technological advice	140	
New networks established	2	
No of members of new networks	200	
No of sites prepared*	1	69
New industrial and commercial floorspace sqm*	3,700	29,521
Managed workspace units provided*	70 - 80	118
Environmental tourism facilities*	1 park and ride	11
<b>OUTCOMES</b>		
New Sales in SMEs (£m)		88.38

Safeguarded Sales in SMEs (£m)		35.42
Gross Additional New Jobs (FTEs)	480 (in 7 years, when fully operative)	1,168
Gross additional Safeguarded jobs (FTEs)		415
<b>IMPACTS</b>		
Net additional new jobs (FTEs)	380 (in 7 years, when fully operative)	920
Net additional safeguarded jobs (FTEs)		342
Net additional new value added (£m)		21.95
Net additional value added safeguarded (£m)		8.47
Total net additional jobs (fte)		1265
Total net additional value added (£m)		30.44

## 5.2 OTHER OUTPUTS, RESULTS, AND IMPACTS

It is intended that the innovation center development will have the following overall impacts.

The Innovation Centre will encourage, facilitate and provide a focus for the attraction and formation, survival and growth of new knowledge based businesses. Initially the focus will be to build on emerging new technology and innovation based industry within the conurbation (computing, multimedia, precision engineering, instrument engineering, environmental technology, electronic engineering, electronics, process control, telecommunications, niche manufacturing including composites and aero based technologies) as well as research and development (Biotechnology, sensors, instrumentation, environmental monitoring).

This Centre will act as a catalyst for change in the conurbation by providing new sources of employment, by changing the nature of perceptions of the area and by creating, attracting and supporting new forms of industry.

In particular the Innovation Centre will be the essential first investment that will kick start the 41 hectare Butterfield Technology Village development, the key scheme to encourage the development of technology-based firms in Luton, and one which will assist in creating up to 1800 direct and indirect jobs.

Furthermore the Centre will act as a mechanism in a regional policy of upgrading the sophistication and added value of existing industry by providing a location in which continuous and close technical support can be given to companies.

The Centre will provide a focal point for harnessing the expertise and strengths of the region in support of the generation of new innovative knowledge based enterprises in Luton.

Facilitated access will be provided to the substantial and technical resources of the University. Indeed, the Centre will be networked with a range of research, development and technology transfer agencies throughout the region and beyond.

It is calculated that the new Innovation Centre, when fully operative and "recycling" high growth enterprises into the wider sub-regional premises, will created approx. 2450 jobs over

the projected minimum long-term life span of 35 years. Furthermore it is estimated that at least 500 people will be trained or advised during the 7-year bid period.

Output targets for the first period of operation are to:

- maintain an exceptionally high quality innovation centre environment (a 'success' culture environment) of around 3700 sq metres.
- provide accommodation for around 70 small innovation focused businesses at any one time.
- provide comprehensive facilities and support services designed to help innovation-focused businesses flourish.
- Generate an output level of around 380 - 480 new jobs over each seven year period.
- Stimulate an output level of the formation of up to 15 new innovation focused businesses per annum.
- provide training or advice for about 80 businesses per year.
- provide a catalyst for the development of the proposed Luton Technology Village.
- provide a focus for establishing European links and access to European funding (especially through collaborative SME/University/EU R&D projects).
- Accommodate or provide access to University units and other business support projects.
- be on target to become financially independent before or during the third year of operation.

### **5.3 RISK TO DELIVERY OF OUTPUTS**

This aspect is dealt with in Section 3.

## **SECTION SIX - DEMAND FOR THE PROJECT**

### **6.1 RECENT STUDIES**

Regionally, a number of studies have illustrated the need for, and added value from, innovation support services within programmes to improve competitiveness and entrepreneurship levels. Dedicated incubation space for innovative enterprises is a key part of this.

Among these studies are:

#### **"Business Incubation - Growing Success, building Companies, Generating Wealth, Creating Jobs" (UK Business Incubation)**

This is one of a number of reports on the value and impacts of innovation centres and business incubators on the creation and subsequent success of small companies.

UK Business Incubation (UKBI) has produced a wide range of impact assessment and advice reports, and summaries the position - 'Incubators are being used to achieve a wide range of objectives: creating jobs, developing innovative ideas (particularly new technologies), diversifying local economies, and generating economic activity and wealth by creating a vibrant small business sector'.

In particular UKBI's research shows that:

- Survival rates for small companies in incubators in the UK are around 75% in comparison with less than 50% for small businesses generally.
- Single-site incubators are home to an average of 19 companies at any one time, and on average 93 jobs are created per incubator
- As well as supporting tenant businesses, 32% of UK incubators operate 'out-reach' programmes supporting a wider pool of small businesses
- 23% of incubators are located close to or on a university or FE campus, 37% are on science parks, and 15% on business parks

#### **"Managed Workspace and Business Incubation - a good practice guide for local authorities" (Local Government Association)**

This guidance stresses the importance and value contribution of innovation centers and incubator facilities in helping the survival of new enterprises in their delicate first years. The report introduction states that "Small business is big business in the UK.... Anyone who has started a business knows that it can be fraught with challenges and pitfalls, and it is often a very lonely experience.....Therefore the quality of support for small business is vital throughout their formative years...Business incubators and managed workspace are two important parts of the spectrum. They provide the sort of premises that new business want, on terms that meet their needs and with the support services that help guarantee their continuing success."

## **“The Regional Innovation and Technology Transfer Strategy” (RITTS partnership)**

The UK government has also recognized the importance of innovation centres in local economic regeneration and has supported the establishment of a national ‘Centre for Business Incubation Policy’, which is now operational and has the role of dissemination of ‘best practice’ and ‘best value’ recommendations to UK Innovation Centres.

## **6.2 MARKET NEEDS ANALYSIS THAT IDENTIFIES THIS PROJECT**

As both European and UK research studies have shown, the way forward for western advanced economies is to focus on nurturing innovative and high added-value technology based businesses, with structured support based on firm planning and investment.

The immediate target market for the Innovation Centre is entrepreneurs (both home grown and imported) starting small and medium sized technology-based businesses capable of generating the new businesses and jobs required within the Luton conurbation. The conurbation’s traditional industrial strength has been in manufacturing industry and in particular vehicle assembly and engineering. The economic cycles in the past decade have had a severe impact, with resultant industrial restructuring leading to long-term job losses.

The Conurbation has been identified by a number of reports and strategy documents (e.g. Priority Area for Economic Regeneration, in the Regional Planning Guidance) as an area of need requiring measures, which will lead to economic regeneration. Typically, these reports cite:

- o The decline in the traditional manufacturing/engineering industrial base, including large scale job losses from recent closures (e.g. Vauxhall, Electrolux and Coulter),
- o the resultant relatively high unemployment;
- o the existence of large tracts of derelict or contaminated land;
- o the shortage of suitable land to attract inward investment;
- o the problem of the negative image of the area and
- o the areas relatively high position in the Indices of Deprivation.

These studies and reports also identify some relevant measures necessary to regenerate and revitalize the local economy. For example:

- o generation of new jobs based on the strengths and existing skills base of the area;
- o providing attractive sites and buildings to capture inward investment and reverse the negative image of the conurbation;
- o providing infrastructure to nurture innovation within new or existing businesses with growth potential;
- o provide business support measures to encourage formation and support of SMEs
- o provision of small managed workspace (100 to 2000 sq ft), with flexible letting terms, shared support services (with Innovation Centres and Advanced Technology Centres cited as prime examples).

Within this context, various market demand and needs studies have illustrated the need for a full Innovation Centre in Luton.

### **1. Management reports from the pilot Innovation Centre in Luton**

The existing Luton and Dunstable Innovation Centre project at the ‘Spires’ provides practical market evidence of the strong local demand for an innovation centre to serve the conurbation - with all existing space in the Innovation Centre oversubscribed and fully occupied. The Innovation Centre’s current temporary operation has already exceeded the initial output targets, resulting in companies having to be turned away, despite taking on overflow space in

a nearby industrial estate. Demand for further innovation centre space and services is expected to remain strong, even before the needs of spin-off enterprises are experienced.

**2. "Market Demand and Need Study for an Innovation Centre in Luton" (King Sturge, for EEDA, 2002)**

This recent study maintains that the proposed new innovation centre at Butterfield Park could be an "imaginative employment generating property development...capable of broadening Luton's employment base and contributing to a more positive image of the town. Such a development would help address the issues of falling employment, weak business growth, relatively high unemployment and relatively high deprivation....[It would] make a significant contribution to social and economic regeneration within Luton."

Furthermore the report states "the analysis of demand, based on the experience of the existing Luton and Dunstable Innovation Centre, indicates that over the past few years the demand for innovation centre accommodation has been good.....Existing tenants of the innovation Centre and the University of Luton could require some 20,000sq ft, leaving just 10,000 sq ft to be filled at the new Centre"

King Sturges study concludes "Therefore, we believe there is both a need for and a demand for a new innovation centre at Butterfield Park." Of course, a clear and pro-active "move-on" policy built into the tenancy agreements will assist in maintaining a continual throughput of innovative firms, bringing new businesses in that can benefit from the services on offer.

**3. "Support for innovation premises for business start-ups" (Bidwell, for EEDA, 2000)**

This study was undertaken by consultants Bidwell in 2000. The new Innovation Centre for Luton (on the Butterfield site) was one of twenty priority developments identified in the East region. The demand for facilities was based on analysis of the following indicators:

- Rate of take up of new space for start ups
- Waiting lists for companies to occupy start up space
- Enquiries for starter space logged by Councils and property consultants
- Generation of spin out companies from universities and companies
- VAT registration of new businesses
- Growth requirements logged by Business Links, for start-ups and R&D grant applications

The report concluded that "there appears to be significant pent up demand for managed workspace schemes and innovation incubator units" and it noted that Bedfordshire and Luton, as one of the six sub-regions in the East Region, had the lowest supply of such facilities (10 operative out of 146 in the region).

**4. "Managed Workspace and Innovation Centres Update" (Chesterton, for EEDA)**

This study looked at additional factors concerned with preparing a strategy to enable innovation centre benefits to be maximized. For Luton the report notes, "there are no obvious gaps in potential future supply... subject to the delivery of the proposed innovation centre, and the Business Base incubator centre. In terms of EEDA's priority areas, Luton is a Priority Area for Economic Regeneration and a Tier 2 Assisted Area. Therefore, the provision of the proposed additional workspace on easy-in/easy-out terms that encourages start-up businesses is to be welcomed...and we would suggest that its provision is vital to the area, in providing opportunities for diversifying the economic and employment structure."



The study's survey of tenants in incubators in the region showed some interesting results:

- 49% have previously been home based
- 18% moved in from university departments
- 9% are spin-outs from other businesses
- 76% had not rented business premises before
- 24% mentioned the ability to network as important, and
- 20% specifically referred to the availability of business advice.

## 6.5 WHAT WILL HAPPEN IF THIS PROJECT DOES NOT GO AHEAD

The implications of the Innovation not going ahead would be very significant, as the present position for the existing innovation centre is untenable in the medium to long term. This is because the present temporary facilities are on short leases that expire in 2006 at the latest, and no resources can be identified for further temporary premises. Even if they were, it is doubtful whether a good value-for money case could be made for further temporary premises.

Furthermore, the full project outputs and outcomes will only be realized when a modern, dedicated building is operating. The University, with pressure on its core operating programmes in the past few years, is not in a position to drive an alternative facility forward, and neither is the Borough Council by itself.

If EEDA cannot gain the support of Objective 2 ERDF money, it will have to review its regional priorities, as a quality Innovation Centre in Luton will not be possible. A scaled-down innovation centre would bring operating problems in that rental income will be insufficient to maintain more than very basic management and innovation services. Indeed, fixed revenue costs are likely to make the scheme unviable, unable to trade, and dependent on continuing public sector revenue support. If the quality of the building design and construction were reduced to the very basic level, this would create considerable knock on problems for marketing the Centre and the Technology Village itself, and indeed will do nothing to assist changing the out-of-date image of the town.

## 6.6 VALUE FOR MONEY

Based on :

- 70 companies average occupancy per year ( max is 80)
- average 2 jobs per company at beginning of occupancy (conservative, especially for larger units)
- average employment growth of companies at 10% pa (as high-growth start-ups)
- "move-on" churn of 33% every year (ratchet system, with new companies recruited in their place)
- Multiplier of 0.2 indirect FTE jobs per direct job
- 35 year productive life of project (conservative, could be 50+)

This equates to a net job creation potential over the lifetime of the project (35 years) as a minimum of 2,450 FTE.

As total cost of capital construction and land is estimated at £7.8m, this means a average cost per job of c £3.180. This compares favourably with the estimated cost per job of Regional Selective Assistance grants of £4,000.

**N.B.** The above is value for money based on job creation calculations only. There are other outputs/outcomes benefits that will also be provided by the Innovation Centre project, such as:

- New industrial and commercial floorspace created
- SMEs assisted with advice and information
- SMEs assisted with technological advice
- Businesses assisted to access training days
- People assisted to achieve training qualifications
- Business networks supported
- Business and employment conferences and seminars facilitated

## **SECTION SEVEN - EXIT STRATEGY**

Most innovation centres approach break even in their second or third year of operation, once they have established a sound tenant base, a clear presence in the marketplace, and a portfolio of revenue generating activities. This plan and the financial projections target the achievement of this objective during the third year of operation.

Given that the Centre has been completed and is operational in 2004/5 it is projected that the Centre will become financially independent during 2006/7.

Therefore despite the short-term nature of the Objective 2 funding, the outputs and benefits are projected to be experienced for many years, throughout the lifetime of the building, without further public sector financial support, as income will be generated to more than cover costs.

## **SECTION EIGHT - STATE AIDS**

At this stage EEDA anticipate no state aids issues as the physical construction and the management operation will be put out to tender.

## **SECTION NINE - ENVIRONMENTAL ASSESSMENT**

The project has an underlying ethos of environmental sustainability for all its activities. All companies based at the Centre will be required to address their environmental responsibilities and will be assisted in developing an environmental management system. Where appropriate they will be encouraged to undertake a life cycle analyses of their products and assistance and support will be given for these processes. The Centre will be committed to Luton's Local Agenda 21 Programme.

Though Butterfield is a 'greenfield site' the project will in itself be designed to promote sustainability not only in its building and services but also in its operation. The construction phase will set an example in addressing and mitigating existing and potential environmental impacts, and will undertake an environmental enhancement programme to meet sustainability targets. An Environmental Impact Assessment has been undertaken and measures are secured to protect all the significant habitat and landscape features.

All activities undertaken on the site during and post construction will be underpinned by environmental best practice. It will also set precedence for new developments in Luton particularly for any further activities on the site. The use of electronic media will reduce the need to travel for many start up companies and thus reduce the adverse effect of traffic related pollution. The Innovation Centre will be registered under ISO 14001 which will be the monitoring process for its environmental impact.

The financial model for the Innovation Centre is based on services being provided on a customer-lead basis, utilising existing support bodies where at all possible. Thus revenue costs will largely be related to on-site management of accommodation and facilities, and the scheme is designed to generate income from space and services to cover operating costs. Fees charged will be at appropriate market levels to reflect the prime aim of the project to support the long-term economic regeneration of the conurbation including quality job creation.

## **SECTION TEN ASSESSMENT**

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## **EQUAL OPPORTUNITIES**

Equality of opportunity for employment for all individuals and groups within the conurbation is a key element to the development of this project. The Project will ensure that all organisations involved with the Centre will have an Equality Policy and provide access for anyone wishing to start up a technology based company.

The plan for the new building development will address all the appropriate physical facilities to enable ease of access and provision of services. It will ensure that the Code of Practice – Rights of Access – Goods, Facilities, Services and Premises issued under the Disability Rights Commission Act 1999 will be fully adhered to. The Centre will also encourage innovative measures to provide easy access to the Centre and its related sites.

The project will focus on disadvantaged groups and actively be promoted in all areas and communities within the Objective 2 area, linking where appropriate with other ERDF assisted projects. For instance, joint events will be held with business support and community bodies, which have strong ethnic minority representation, and those with a local priority area remit. This aims to result in new applications from local start-up companies, and for virtual membership of the Centre.

The provision of virtual access to the facilities will enable participation and provision of support for those tenants where physical access may present a barrier. This new category of virtual membership will provide a similar quality of services and will enable virtual tenants to attend the various seminars and events and participate in discussions through their Internet link with the Centre.

## SECTION ELEVEN - ICT ASSESSMENT

The Innovation Centre will establish its role as a leader in supporting business innovation by utilising cutting edge ICT techniques within its own operations, including:

- ❑ establishing early on its own website
- ❑ Inter-link this productively with the major business support organisations
- ❑ use e-commerce for marketing and applications
- ❑ use email as the main means of communication
- ❑ setting up an e-commerce facility for use by appropriate clients
- ❑ set up electronic payment facilities
- ❑ encourage online trading by business clients
- ❑ encourage online networking within the IC and between the IC clients and other innovation networks
- ❑ for clients without accommodation on site, seek establishment of a virtual innovation support service
- ❑ ensuring appropriate ICT training is incorporated into the support package
- ❑ encourage home-working to extend the efficient use of resources
- ❑ extend these productive links through a video conferencing service for clients
- ❑ constantly updating best practice by seminars and workshops with state-of-art suppliers
- ❑ ensuring appropriate Intellectual Property advice to protect clients' innovations
- ❑ work to extend broadband coverage in the sub-region
- ❑ actively participating in the Enterprise and Knowledge Hubs to be established in the near future
- ❑ actively ensuring links with the University on its ICT programmes

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## SECTION TWELVE - PUBLICITY

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As a trading facility relying on income generation to cover running costs, the Innovation Centre will depend on widespread, regular and targeted publicity. However, the nature of this project lends itself to regular good publicity, with various "good news" stories.

Promotional opportunities will be presented as milestones are reached in planning, construction and launch, and thereafter when important customers are supported.

Every opportunity will be taken to acknowledge the support of the European Union's ERDF in making the project happen, and this will extend beyond the immediate Objective 2 programme timescale. Other partners will be similarly recognized.

The full range of promotional methods of publicity will be employed, methods that have proved to be successful for establishing the necessary tenant base in the existing LDIC:

- Production and distribution of advertising leaflets and posters.
- On-site display boards
- Electronic media
- Editorial and selective advertisements in published media, including in the local press
- Organisation and promotion of an events program including an annual technology fair.
- Establishment and operation of an Innovation Centre web site.
- Local and regional broadcast opportunity