

ENTRY TO FORWARD PLAN OF KEY DECISIONS

Responsible Cabinet Member – Cabinet Member for Regeneration and Economic Development

Reference No:

Key

Section 1 – the decision needed, how it relates to Bold Steps for Kent (BS4K) and the Corporate Objectives of the Council/ What is the impact, costs and risks involved. With this proposed decision.

Title:

Incubators / Start Ups Workspace Programme

Decision needed

To agree the proposed approach and next steps for the Incubator / Start Ups Workspace Programme set out below.

Background

At its meeting on 21 September 2012, the Economic Development Cabinet Committee (EDCC) noted the proposed approach and next steps for an incubator workspace programme to support the development and growth of business start ups and micro-businesses in Kent. The County Council's Regeneration Fund has allocated £3m capital funding towards the programme, subject to approval of project criteria by the Cabinet Member for Regeneration and Economic Development in consultation with the Director of Economic Development. The programme will be supplemented by £1.5m from the government's Growing Places Fund (GPF), subject to approval of a detailed business case by the South East LEP in December 2012. The GPF is a recyclable fund, for which KCC will act as accountable body.

The aim of the programme is to support the provision of incubator and start up workspace in key locations where district councils, partner organisations and the business community are able to demonstrate that there is clear evidence of need that is not being met by the private sector. Prospective projects will be assessed against a range of criteria that will include:

- Workspace provision will be restricted to new and micro-businesses only.
- There must be flexible occupancy terms for businesses, such as monthly 'easy in-easy out' licences.
- Evidence that there is on hand business support services and advice from accredited providers.
- A requirement that businesses move on to larger premises when they become successfully established.
- Opportunities to utilise vacant premises owned by the public and private sectors.

A competitive bidding process will operate over two discrete stages, and all prospective bids will be considered by the Cabinet Member for Regeneration and Economic Development in consultation with the Cabinet Member for Finance, Deputy Cabinet Member for Environment, Highways and Waste and the Director of Economic Development. The first stage will involve inviting prospective bidders to submit an Expression of Interest which includes a project outline, evidence of need and information about costs and expected impact. Shortlisted bids that meet the criteria would progress to the second (Full Bid) stage that would require the submission of detailed business plans.

Links to Bold Steps for Kent and Corporate Objectives

This decision supports the following priorities in Delivering Bold Steps:

- Priority 7 – Build a strong relationship with key business sectors across Kent.
- Priority 8 – Respond to key regeneration challenges, working with our partners.

Impact/costs and risks of proposed decision

The report to EDCC in September 2012 identified a minimum of eight projects at Expression of Interest stage which, if developed, have the potential to create at least 900-1000 jobs. It is anticipated that the programme will also support additional workspace projects, therefore increasing overall job creation potential.

The main risks are:

- Ensuring compliance with state aid regulations in using public funding to support the delivery of private sector development schemes.
- Risk of non-delivery of employment outputs, for example through continuing adverse market conditions.
- Risk of inability to repay the GPF element of funding according to the timescales set out in the funding agreement with the accountable body and LEP.

These risks will be fully considered through the assessment and due diligence process before individual proposals are brought for decision. The main costs will be in monitoring and reporting delivery: these will be met from within existing staff resources.

Section 2 – Who is taking the final decision and when

Decision taken by:

Cabinet Member for Regeneration and Economic Development

Date:

November / December 2012

Key Decision

Yes – involves commitment to expenditure of over £1m outside of current business plan

Section 3 – Who is to be consulted? If no please provide reasons?

Consultation

Consultation on the Incubators / Start Ups Workspace Programme has taken place with the Kent districts and partner organisations such as Business Support Kent, Kent Invicta Chamber of Commerce and the Kent Economic Board.

Has the matter already been discussed by a Cabinet Committee?

Yes

Is the matter referred to in your Business Plan or Medium Term Capital Programme?

Yes

Which Members and electoral Divisions are affected by this proposed decision?

The proposed schemes identified in the report to EDCC in September 2012 would affect Members representing divisions in Ashford, Gravesham, Maidstone, Shepway, Thanet and Tunbridge Wells districts. Potentially, depending on what other schemes might be brought forward, all Members could be affected by this proposed decision.

Section 4 – Responsible Officer – Who to contact for more information.

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Supporting documents: Report to Economic Development Cabinet Committee, 21
September 2012