
By: Barbara Cooper, Director of Economic Development
To: Economic Development Cabinet Committee – 14 June 2013
Subject: School for Creative Start-ups Kent
Classification: Unrestricted

Summary:

The proposed School for Creative Start-ups Kent is an innovative, initially two-year, programme based in Folkestone specifically designed to teach artists and designers the necessary skills required to turn their aspirations into viable, scalable and successful businesses. This is based on the successful business model developed by entrepreneur Doug Richard at the London based School for Creative Start-ups, and the aim is to work with up to 200 potential start up businesses over the two year period.

1. Introduction

- 1.1** Kent's Regeneration Framework, **Unlocking Kent's Potential**, was published in 2009 and noted the importance of cultural industries as a driver of Kent's economy. More recently, the 2010 **Cultural Strategy for Kent 2010-15** explicitly sets out to demonstrate "how culture can be used to strengthen the individual, collective and economic well-being of Kent". As its first priority, the Cultural Strategy highlights the aim of growing Kent's creative economy, by increasing business numbers and ensuring that the county acts as a welcoming host to the growing creative workforce.
- 1.2** Following both the Regeneration Framework and Cultural Strategy for Kent, an approach to supporting the growth of creative industries was set out in **Creative Opportunities for Growth**, an internal KCC document that was published in October 2010. *Creative Opportunities for Growth* has shown that in addition to the hard impacts on jobs and value added, the creative industries have wider economic impacts on innovation, place-making and regeneration. The document also identifies east Kent as a potential focus for the development of creative sector in the county, particularly in the towns of Canterbury, Margate and Folkestone.
- 1.3** There are around 3,700 employees and 1,190 businesses in the creative sector in east Kent¹. However, while the rate of growth has been impressive in recent years, with a growth in employment of just under 20%

¹ Creative activities are defined here as including broadcast media, communications, craft, culinary arts, design, digital, fashion, fine art, music and the performing arts.

between 2008 and 2011 during a general downturn which has seen overall employment contract by 0.9%, east Kent's creative economy remains small compared with county and national averages. Therefore, although the area's creative economy is growing fast, it has some way to go to catch up with the size of the sector elsewhere.

- 1.4 However, there are signs that the outlook for the east Kent local economy is changing for the better: There have been much improved transport links to east Kent through the introduction of **high speed rail services** to London supplemented with a series of further incremental transport improvements. There has been significant **investment in cultural infrastructure** such as Turner Contemporary at Margate, the New Marlowe Theatre at Canterbury and the development of the Creative Quarter in Folkestone. And there has been a new focus on **supporting business growth**, for example through the introduction of the Expansion East Kent loans scheme and the *Grow for It!* Inward investment and marketing campaign.
- 1.5 Together with its partners in east Kent, which includes the district councils and local cultural organisations, the County Council has also recently submitted a first phase bid to the government for East Kent to become **UK City of Culture** in 2017. Economic growth is a key element of the bid, and the experience of both Derry-Londonderry as 2013 UK City of Culture, and of previous European Capitals of Culture, is that designation can have a major impact on growth through the expansion of the area's cultural and creative industries.

2. School for Creative Start-ups Kent

- 2.1 The School for Creative Start-ups Kent (S4CSK) proposal is an innovative, two year programme based in Folkestone specifically designed to teach artists and designers involved in creative activities the necessary skills required to turn their aspirations into viable, scalable and successful businesses. Its overarching mission would be to create a vibrant, dynamic culture and economy in the town and the wider east Kent area that supports and promotes innovation and entrepreneurialism. It would be delivered through **action learning and intensive interactive instruction**, through a series of bootcamps and workshops, combined with **ongoing distance learning** provided via the internet and mentoring support.
- 2.2 The Folkestone based proposal is based on the very successful business model at the London based *School for Creative Start-ups*, a social enterprise which was developed by the entrepreneur and former Dragon's Den panel member, Doug Richard, and which has created **nearly 250 successful new businesses since 2010**. The aim of the Folkestone based proposal would be to work with up to 200 potential start-ups over the two year period.
- 2.3 Subject to further discussions with the organisations concerned, it is proposed that the main partners in the initiative will include the Folkestone

based Creative Foundation and the University for Creative Arts based in Canterbury, supported by KCC's Economic Development team and Shepway District Council.

3. How might it work in Kent?

- 3.1 We have had initial discussions with Doug Richard and his staff to shape the Folkestone based proposal, working closely with the Creative Foundation and potentially alongside the University for Creative Arts. The Creative Foundation is a 100% private sector financed charitable foundation focused on the development of Folkestone as a centre for cultural, creative and artistic activity. Already, the Foundation has created the Creative Quarter in the old town, restoring unused properties which have become home to a thriving collection of studios and creative businesses, resulting to date in some 100 new jobs. The Foundation has indicated that it could make available offices and teaching space in the Quarterhouse, which it owns in the heart of the Creative Quarter.
- 3.2 Based on the London business model, S4CSK would run a closed application process, assisted by Doug Richard and his team, which would accept only the top students to ensure quality and long term success. Applicants must have a good business idea – but they would not need prior business experience, nor do they need to be an existing start-up. These could be selected locally (from the universities in Kent, for example) as well as from further afield, especially people looking to set up businesses in Kent.
- 3.3 The programme would look to work with up to 100 potential start-ups annually. The main elements of the programme would be:
- Using the **Quarterhouse as the main base**, S4CSK would host a combination of short “bootcamps”, workshops and live surgeries, usually in front of peers and guest entrepreneurs and investors.
 - Students would have access to an **online community site** which provides an extensive library and discussion boards.
 - There would also be access to an **advisory network**, comprising some 200 creative professionals who will be made available to provide industry specific support. This will help to ensure that the start-up businesses have optimum survival and growth prospects beyond the initial life of the initiative.
 - Mid-way through the annual programme, students will be given the opportunity to take part in a **live pop-up exhibition and networking event** at Somerset House in London, which would be attended by creative industry professionals and investors. It is envisaged that similar events could also be held at the Quarterhouse in Folkestone.
 - We would investigate setting up an **investment fund** of potentially up to some £4m which would have available a range of financial instruments that could include loans and seed capital. This could be sourced from Expansion East Kent and would work alongside other potential funding partners, including national schemes such as Start Up

Loans, Funding Circle and Capital for Enterprise.

- The London based School for Creative Start-ups also has its own group of **potential business angels** with links to existing industries in the creative sector. Student entrepreneurs working in the S4CSK programme would be given priority access to the angels over the year long programme.
- Our discussions with Doug Richard and his team have included the possibility that **incubator workspace** is made available with access to meeting space and broadband. We have been exploring possible options in the Creative Quarter with the Creative Foundation.

4. How much would it cost?

- 4.1 Based on the existing successful business model based in London, the costs of running the programme over the two year period would be some £670,000. This comprises estimated annual costs of direct business support (£225K), coaching and workshops (£75K) and marketing and administration (£35K). However, these costs are indicative only and are subject to further discussion and negotiation with Doug Richard and his team.
- 4.2 The London based business model recoups most of these costs from entry fees charged to the applicants. However, because the Folkestone based programme would be new, it is proposed that the initial two year period is wholly funded by the partners. As well as submitting an application to KCC's Regeneration Fund, we will therefore be seeking financial and in kind contributions from Shepway District Council and the Creative Foundation, and have submitted a funding bid to the government's Coastal Communities Fund. Potentially, partner contributions could be as high as 50%, with the balance being provided by the Regeneration Fund. The resource implications for the Regeneration Fund over the two year period could therefore be between £335,000 and £670,000 depending on what contributions might be forthcoming from partners, as well as being subject to negotiation over final programme costs.
- 4.3 Our aim is to create up to 200 business start-ups in the creative sector, and a minimum of 200 new jobs at an overall average cost of £3,330 per job. If the programme achieved its objectives, we would look to using the success of the initiative at the end of the two year period to introduce ongoing cost recovery by charging prospective applicants to enter the programme. The London based business model is fully funded by fee income, therefore this is a realistic objective.

5. Recommendation

- 5.1 Economic Development Cabinet Committee is asked to consider the proposal to set up a Kent based School for Creative Start-ups in Folkestone.

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Background Documents: None