

# **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	Luton and Dunstable Innovation Centre
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December 2002

**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; and the Board of the Luton and Dunstable Innovation Centre (LDIC), which operates the existing Innovation Centre currently located in temporary premises). Please see Section 3 for details of the of the LDIC Board's current membership and plans for the future.

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

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

The project has been under discussion and in preparation for a number of years, and this has included the establishment of the LDIC in temporary premises from 1998. 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.

The start date for activities to be funded from ERDF support will be in May 2003 with the negotiated purchase of sufficient land (about 5 acres) at the Technology Village site, Butterfield, for the Innovation Centre, to be followed immediately after with 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. up to 50 years.

### **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 development of the Butterfield area is specifically identified in the County 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.

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 and Dunstable 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, the project was established in temporary accommodation by the Luton Dunstable partnership (LDP) and was allocated seed-corn funding from the Single Regeneration Budget (SRB), and eventually Objective 2 for running expense support. The 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 final stage of the Innovation Centre project - the construction and operation of the Centre on its 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.

3.11 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.
- 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 40 - 50 small mixed use workspaces ( average size 300 sq ft, but with some larger units), business support services, large meeting rooms, e-commerce suite.
- Subject to further discussions it is anticipated that the University will seek to lease some space for research and development related activities, and that further space could be allocated to a Centre for Sustainable Technology
- The 40 - 50 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 racked 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 Ecommerce Suite 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 c100 people with separate access will be provided (with access not through reception during out of working hours operation). Large meeting rooms will be adjoining, convertible into one large room, and fully equipped for full audiovisual presentations, data and telecomms.

### 3.2 MAINS 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

- providing a high quality base for innovative businesses to locate and interact, and
- 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

3.21 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. Small Business Service, 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:

- Regional Economic Strategy “ East of England 2010: Prosperity and Opportunity for All”
- Regional Innovation and Technology Transfer Strategy
- Bedfordshire and Luton Joint Economic Development Strategy
- East of England Objective 2 Programme Complement 2000 – 2006
- Luton Objective 2 Programme, Local Area Framework
- Regional Planning Guidance
- Luton Vauxhall Partnership Strategy
- 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).

#### **3.31 Regional Economic Strategy “ East of England 2010: Prosperity and Opportunity for All”**



The Centre aims and objectives contribute to the core commitment of the Regional Economic Strategy – “to build up a range of facilities to support and cultivate innovative and knowledge critical enterprises, so that a high growth environment can increase jobs and wealth. It contributes to the East of England Regional Economic Strategy within the world class Businesses Strategic objective by supporting entrepreneurial culture, business support and creating opportunities in new markets.

### **3.32 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:

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

The new and upgraded 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.

### **3.33 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.

### **3.34 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

The Programme Complement recognises the need to encourage entrepreneurship and assist the growth rates of new SMEs in the Objective 2 area, as well as enhancing the existing support network and helping SMEs to improve their standards, competitiveness, productivity and added value. Also important is to attract and support new enterprise in growth sectors, and to ensure targeted support for underrepresented groups with business generally.

### **3.35 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 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."

### **3.36 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.

### **3.37 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. 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.

### **3.38 European Business and Innovation Centre Network**

The European Business and Innovation Centre (BIC) Network is a structured collection of premier support organisations for innovative small and medium sized businesses and entrepreneurs. BICs are recognised by the European Commission through a quality certification scheme that enables them to obtain the European "EC BIC" label. Their mission is to ensure that public measures to assist SMEs are implemented with the maximum efficiency to support the creation of new generations of innovative firms, and to help existing firms to modernise and innovate.

There are only twelve accredited BICs in the UK and one of these is the St John's Innovation Centre, Cambridge. The Chief Executive of St John's IC has been a Board member of the Luton and Dunstable Innovation Centre since its establishment, and closer and formal advisory links are proposed between St Johns and LDIC to ensure the new Innovation Centre in Luton benefits from the best management and services information.

## **3.4 PROJECT ORGANISATION AND MANAGEMENT**

The project will be a partnership between between the East of England Development Agency (as asset owners) and the Luton and Dunstable Innovation Centre Board and staff . The Board and staff of the Innovation Centre will be responsible for running the Innovation Centre in accordance with operational and performance targets agreed with EEDA.

The management system will draw heavily on the experience gained in operating the existing pilot scheme, supplemented with latest methods and skills from the St John's Innovation Centre. In establishing the existing LDIC a substantial number of successful Centres have been visited by LDIC - North London, Lee Valley, South Bank Technopark, Haringay, Guildford, Enfield, Cambridge, Oxford, Cranfield, Sussex. The Innovation Centre is a member of UKBI and will draw upon UKBI experience and training to ensure that 'best practice' is employed.

### **3.41 The Board**

Currently the Innovation Centre is managed by a Board with a small executive management team responsible for day-to-day operation, supported by a Working Group. These arrangements have proven to be successful and, with important adaptations, are proposed for continuation for the management of the new innovation centre on Butterfield.

The Innovation Centre Board is presently composed of nominated members from partner organisations, including the University, Luton Borough Council, the Small Business Service, and local business and industry, as well as other representatives from important related regional and national bodies. The Board meets once a quarter to review progress against

operational and financial plans. The current composition of the Board is set out in the Appendix.

The Innovation Centre is currently a Luton Dunstable Partnership project for Single Regeneration Budget purposes, which is being managed by University Staff. The Innovation Centre Board have discussed and agreed that the Innovation Centre should (at a time to be agreed) adopt its own independent legal identity (e.g. as a non-profit-distributing Company Limited by Guarantee). A Memorandum and Articles of Association are currently under consideration by all the existing Board members.

LDIC is a non-profit-distributing organisation. At present LDIC is ultimately a legal part of the University of Luton, which leases the temporary premises, employs management members, and administers the finances. The LDIC also has a responsibility to the Luton Dunstable Partnership to deliver the current services under the SRB.

The new format will see LDIC re-formed into a separate and independent company limited by guarantee (referred to here as New Co) with the board comprised of key contributors to enterprise development in the area and region, with the Chair held by a senior EEDA manager or Board member. The possible composition of the New Co Board is also set out in the Appendix

The University of Luton has agreed this alteration to its legal role at an appropriate time agreed by the Board.

New Co will have separate legal identity, with its own Memorandum and Articles and Articles of Association. It will employ management and other staff direct; enter into supply and tenant contracts under its own authority; and maintain separate banking and financial control systems, etc.

It is proposed that New Co will enter into a service level agreement (SLA) with EEDA and will become responsible for running the Innovation Center on a day to day basis subject to the project meeting pre agreed operational and performance targets. (the SLA will spell out the details of the parties' respective responsibilities).

In addition, as part of the SLA, EEDA will provide an agreed amount of seed-corn revenue support for the first two years running the Innovation Centre, with New Co generating income from services and space thereafter. In return, EEDA will maintain a "golden vote" in the New Co structure, enabling it to take control, and corrective action if needed in the event of the project not meeting operational or performance targets.

The New Co Board will formally become responsible for the operational and financial control of the Centre once separate legal identity has been established. The Board will also be responsible for approving all applications for admission to the Innovation Centre, and for ensuring that all companies and beneficiaries benefiting from the Objective 2 funding conform to any stipulated requirements of the Objective 2 funding (e.g. activities to be for the benefit of the eligible wards in Luton). It is anticipate that to fulfill its strategic, management and accountability role, the New Co Board would have to meet at least monthly.

EEDA will put in place any monitoring and evaluation measures it requires to track the progress of the project.

### **3.42 The management team**

It is proposed that the current team of four should be responsible for the day-to-day operation of the new Centre.

The Centre Manager will be responsible for the operation and maintenance of the Centre and for ensuring the Centre meets the needs of the Innovation Centre clients, and performs according to the operational and financial plans agreed by the Board.

The Centre Coordinator will be responsible for the co-ordination of the Centre activities, events and services, including environmental management, as well as providing a primary proactive interface between the Centre and its tenants.

The Administration Manager will be responsible for the all the administrative activity, including preparation of legal agreements, invoicing of tenants, credit control and other administrative functions associated with the Centre.

The Centre Reception Manager will be responsible for the operation of the reception and all reception related services (e.g. post, photocopying, meeting rooms, bookings)

The Management Team would meet on a daily basis, and would report directly to the Board.

The Management Team will meet with an advisory Working Group at least once a month. The Working Group will have a flexible membership and will accommodate representation from Centre tenants, officers from partner organizations, representatives from local interest groups and co-opted specialists.

An important additional element on top of existing management arrangements is proposed in the first 12 months on operation, based on provision of technical and professional staff time and advice from the St John's Innovation Centre, Cambridge, a leading and respected provider of innovation services, and an accredited European Union Business Innovation Centre. A member of the staff from St Johns will be present on site for one day each week to help and advise with the installation of systems and services to ensure these operate in accordance with best available practice.

CVs of the existing staff are appended.

There are a range of services currently provided by the University in the LDIC's temporary premises that will need to be managed either by the New Co or by partners organizations. The exact details of these matters are subject to further discussions and the final agreement will be reflected in the Service Level agreement. For instance there will crucially be agreement on what arrangements are made for financial control, reporting and directing. It is likely that security, caretaking and maintenance of the premises will be outsourced to organizations able to meet the terms of SLA's to be drafted and agreed between the EEDA and the Innovation Centre Board.

### **3.43 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 Innovation Centre team will also implement the findings of the CLIP (Cambridge Luton Innovation Project), which is currently identifying transferable best practice between Cambridge and Luton.

3.44 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:
  - The operation of the Innovation Centre from 1998
  - Tenant feedback and evaluation
  - Bench-marking with other successful Centres
  - 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
  - The outcomes from CLIP (Cambridge Luton Innovation Project)
  - Spin-off proposals from business oriented University of Luton
  
- ◇ **Client selection**, based on an evaluation of client's viability and growth potential by Board 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
  - 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
  - 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:

- Laboratory and workshop facilities
- E-commerce suite
- Centre for Sustainable Technologies
- Quality Reception
- General office services – IT, design, print
- Bar / café / library / leisure/crèche
- Meeting, conference rooms and exhibition space
- ICT facilities, including internet connectivity, via LADMAN
- 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	Board/staff	On site/existing
	Technical evaluation	Board/staff	On site/existing
	Market validation	Board/staff	On site/existing
	Product development	Board/staff/specialist	On site/off site/existing
	Licence / rental arrangements	Board/staff	On site/existing
	Tenant progress review	Board/staff	On site/existing
<b>General business advice</b>			
	General business management	Staff/SBS	On site/existing
	Business Plan preparation	Staff/SBS	On site/existing
	Seed-corn & long-term funding	SBS/Business angels	Expansion of existing Development of new
	Marketing methods	SBS/Specialist	Expansion/development
	HR issues		
	Training programmes	Internal/University/SBS	Onsite/existing
<b>Innovation &amp; Tech services</b>			
	Mentoring Programme	Internal/SBS/Princes Trust	Onsite/existing/development
	Virtual tenant management	Staff	On site

	Intellectual property advice	Staff	On site
	Enterprise Hub co-ordination	University and local partners	Off site
	Ecommerce suite	Staff	On site
	LADMAN Hub	Staff/LBC/University	On site
	CLIP	Staff/St Johns	On site
	Networking clubs	CIN/SBS/Staff	On and off site
	HE research links	University	On and off site
	Centre for Sustainable Technology	Staff and specialists	On site
<b>Office Services</b>			
	Coffee bar/café	Franchise	On site
	Meeting rooms	Staff	On site
	Conference rooms	Staff	On site
	Design and print	Staff	On site
	Copying etc	Staff	On site
<b>Site management</b>			
	Reception	Staff	On site
	Physical maintenance	Staff	On site
	Centre general management	Staff	On site
	Centre financial control	Staff	On site
	Tenant legalities	Staff	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	Jan 03
	Site surveys completed	Feb 03
	Land transfer legalities completed	March 03
<b>Physical design stage</b>		
	Agree development format (design and build)	March 03
	Prepare building, services and site specification	April 03
	Identify design and build partners	June 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 draft legalities with LDIC	March 03
	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
	Formalise agreement with St Johns Inn. Centre	Aug 03



	Finalise service agreements with external suppliers	March 04
Premises management services design stage		
	Prepare full premises services specification	March 04
	Prepare costings structure for charged services	March 04
	Agree management guidelines with St Johns	June 03
	prepare legal documentation for tenancies etc	March 04
Construction phase		
	Utility services etc completed to site by	Oct 03
	Start main construction on site	Jan 04
	Complete ready for occupation	Dec 04
Operation phase		
	Marketing programme final phase starts	July 04
	Transfer of LDIC tenants	Jan 05

### 3.6 RISKS TO DELIVERY OF PROJECT

#### Planning Permissions

There is a 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 and LDIC staff, and landowners and planners will be used to monitor and in 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 LDIC has had to seek additional temporary accommodation to meet demand. All this additional accommodation is now full and currently the Innovation Centre is bidding for a third expansion site. The Board has also turned down a number of applications and all non-technology companies are currently being referred to managed workspace provision. All practical indicators from the present project point to a high level of demand for incubator units within the conurbation.

#### Cost overrun.

There is a risk that costs may be higher than anticipated. Estimates of costs have been made based on EEDA experience elsewhere and on LDIC monitoring, and are included in this plan. It is expected that these represent high-side figures and actual costs may be somewhat lower. Both the Working Group and the Board will continually monitor costs and variations in cost

#### 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 planning procedures building development. Professional advice will be taken in order to try to minimize these delays.

#### Competitive Developments

There are a number of identifiable potentially competitive developments either existing or planned. Discussions with the management of the Cranfield Innovation Centre have

concluded in an agreement that the focus and catchment area of the two innovation centres are substantially different. The Innovation Centre team has concluded that the two are therefore distinctive and not directly competitive, and that 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 number of private sector developments (see section on demand and needs below). Potential Innovation Centre clients have to demonstrate to the Innovation Centre Board that they meet criteria established by the Board for occupancy, and that they are not 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.

<b>Summary of existing provision of grouped small business accommodation in Luton</b>				
<b>Name and Address</b>	<b>Owners/operators</b>	<b>Speciality (target customers)</b>	<b>Physical detail</b>	<b>Other – management, services, etc</b>
Portland Ct, Kingsway	LBC	General mixed use workspaces	Single-story, purpose-built in 1994. 34 units	In Dallow. Managed by Business Start-Up Service. Small 6 unit extension planned
The Spires, Adefaide St	University of Luton	Innovation & Technology based	Temporary Conversion.	Overflow at Britannia. Note - will cease when new Centre opens.
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.
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 discussions with developer consortia, excluding land purchase costs. The attached financial tables (on 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, and will pre-date the GO-East offer letter. 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.

Point to check is whether costs above only cover building and basic level of external works, i.e. whether high landscaping standard will need extra.

Fees of £450,000. Calculated at 9% of building costs (as there should be savings from design and build method). Paid at 33% in design stage in 2003, then 22% (£100,000) pa for next three years (needs checking).

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 operation (although 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		
SMEs given advice/information		
SMEs given technological advice		
New networks established	1	
No of members of new networks		
No of sites prepared*	1	69
New industrial and commercial floorspace sqm*	3,700	29,521
Managed workspace units provided*	40 - 50	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)		1,168
Gross additional Safeguarded jobs (FTEs)		415
<b>IMPACTS</b>		
Net additional new jobs (FTEs)		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 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) as well as research and development (Biotechnology, sensors, instrumentation, environmental monitoring).

The strategy has been prepared with the Board involvement of the St John's Cambridge Innovation Centre, a well-respected service with a long track record.

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.

Evidence from the existing Centre indicates that the new base could generate an output level of at least 30 new direct jobs per annum, and could generate up to two indirect jobs per direct job (i.e. approximately 4000-5000 jobs over the projected long-term life span). Furthermore it is estimated that 500 people will be trained or advised during the bid period.

Output targets for the first full year of operation are to:

- maintain an exceptionally high quality physical and human innovation centre environment (a 'success' environment) of around 3700 sq metres.
- provide accommodation for around 40 small innovation focused businesses.
- provide comprehensive facilities and support services designed to help innovation-focused businesses flourish.
- generate an output level of around 200-300 new jobs after five years.
- stimulate an output level of the formation of 15 new innovation focused businesses per annum.
- provide training or advice for 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 such as:
  - Centre for Sustainable Technology
  - Business Link and Chamber Business
  - Cambridge Luton Innovation Project
  - Watford Luton Link Project
- 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:

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

- generation of new jobs based on the strengths and existing skills base of the area;
- providing attractive sites and buildings to capture inward investment and reverse the negative image of the conurbation;
- providing infrastructure to nurture innovation within new or existing businesses with growth potential;
- provide business support measures to encourage formation and support of SMEs
- 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).

6.21 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 pilot existing 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)

*[to be added before report sent]*

**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.

5. **“Micro Businesses in Bedfordshire & Luton** (Middlesex University, 1998)

*[to come]*

## **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 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.

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**

*[to come]*

# **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 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 it is projected that the Centre will become financially independent during 2006. This assumes a relatively high level of Objective Two funding which brings the financing cost of the project within practical levels.

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. As LDIC as re-constituted with be non-profit-distributing, any surplus income can be recycled to other innovation and enterprise supporting activities.

## **SECTION EIGHT - STATE AIDS**

At this stage we anticipate no state aids issues from the construction stage, as this will be put out to tender.

**The Luton & Dunstable Innovation Centre staff specifically requested guidance from the State Aid Policy Unit (SAPU) and have been informed (at the SAPU meeting in Luton mid-2002) that if the project as outlined in this document is submitted by EEDA there should be no State Aid implications.**

## **SECTION NINE - ENVIRONMENTAL ASSESSMENT**

*[ Sections 9,10,and 11 have not yet been altered, because need first to look at project criteria tables and ensure both are mutually supportive]*

The project has an underlying ethos of environmental sustainability for all its activities. All companies based at the Centre are 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 full assistance and support will be given for these processes. This support and advice will be accessed through the Centre for Sustainable Technology, which will be based in the Innovation Centre. Businesses and the community throughout the conurbation will use this resource and it is anticipated that the project will not be site specific but provide far wider environmental benefits. The Centre is 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 reflect the prime aim of the project to support the long-term economic regeneration of the conurbation including quality job creation, rather than rental maximisation.

## **SECTION TEN - EQUAL OPPORTUNITIES ASSESSMENT**

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 has undertaken to particularly focus on disadvantaged groups and this has been part of the current strategy within the Spires. To achieve this, joint events have been held with the Business Centre For Ethnic Minorities (BCEM), the Bury Park Community Centre and the Marsh Farm Trust, all of which have strong ethnic minority representation. This has resulted in new companies and applications for virtual membership. The recent Black Woman's Conference generated further applications for space at the Spires. It is anticipated that this will continue and be expanded.

This will further be enhanced through the provision of virtual access to the facilities, thus enabling 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.

The current composition of ethnicity of businesses in the Spires

53% White; 47% ethnic minority; the current composition of ethnicity of employees in the Spires; 62% White; 37% ethnic minority

## **SECTION ELEVEN - ICT ASSESSMENT**

## **SECTION TWELVE - PUBLICITY**

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, material including a CD ROM card.
- 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