
Economic Development Partnership Board

13 March 2007

Report of the Director of City Strategy

Northern Way Growth Fund 'Hub and Spoke' Project

Summary

1. The objective of this report is to bring members up to date with a major Science City York (SCY) infrastructure project funded through a Northern Way initiative designed to improve the level of innovation across the three Northern Regional Development Agencies regions. This £2.6 million project is funding three developments in the City. These facilities will provide much needed business accommodation and collaboration facilities within Science City York's three focus clusters.

Background

2. The Science City York Business 'Hub and Spoke' project is a major innovative and integrated infrastructure initiative across the City but is part of a greater aim to extend business growth and knowledge transfer across the Northern Way regional development agencies i.e. Northeast, Northwest and Yorkshire and Humberside. The purpose is to accelerate and maximise continued growth and development in knowledge-based business in bio - science, digital and creative technology clusters.
3. Northern Way in cooperation with Yorkshire Forward (YF) has allocated approximately £2.6 million to strengthening this region's knowledge base contributing to realising SCY's vision of generating 15,000 new jobs by 2021 and creating new businesses and nurturing collaborations and joint ventures between business and academia.
4. The funding is split into two tranches, one of £500 K to be spent prior to 31st March 2007 with a further £2.1million to be spent prior to 31st March 2008. The project will include three business focussed infrastructure developments based at strategic sites in the City offering fully flexible incubation and grow on space to address existing market deficiencies and demand for high specification facilities to meet the specific needs of cluster businesses. In doing so, it will support the development of SCY 'Hub and Spoke' model.

The Key components of the SCY 'Hub and Spoke' are:

1. SCY 'Business Hub' –providing specialist business mentoring and support services to nurture and develop early stage businesses - separately

supported through the Sub Regional Investment Plan supported by YF to the value of £2.85 million over 4 years.

2. 'Spokes'- these are initially to be based at three sites within the City of York and include the following elements designed to meet specific cluster and research requirements; the intended sites are:
 - Creative and Digital Centre based in a 40000 sq ft new build 5 storey office on the Terry's Chocolate Works development. This will provide a wide range of office space (250 sq.ft. - 2000 sq.ft.) for young companies to start and grow. Northern Way funds will be used to fit the base building out to a high standard of fit out and flexibility of office sizes and space to meet the exacting requirements of this sector.
 - Biological Business Centre (BBC), a 550 sq ft collaboration/networking facility based within the University's Department of Biology. Northern Way funding will provide the resources to fully fit out the facility.
 - Park Central, a 5000 sq ft in- fill building between the Innovation and Bio Centre on the York Science Park. This will provide additional office and exhibition space as well as Café/networking facility open to businesses on the Park. Northern Way resources will make a significant contribution to this building being completed.
5. A substantial part of the funding (some £1.8million out of the total of £2.6 million) is programmed for the Creative and Digital Centre on the Terry's site.
6. Project support structures have been put in place to assist the SCY/Council team deliver, this includes professional property advisors CBR Ellis and Leeds based Shulmans solicitors.

Consultation

7. SCY have consulted widely both regionally with Yorkshire Forward and City wide with the University and the Science Park to bring this project forward. Colleagues within the City Strategy Directorate have been fully engaged with the project especially with input to the planning review for the overall Terry's development.

Options

8. This report is for information only and therefore does not present options for decisions by Board members.

Analysis

9. The project provides infrastructure to the holistic approach to business development offered by the SCY team .The elements of the project to be supported by Northern Way funding have been researched to ensure there is a need and this has been reviewed in the Yorkshire Forward appraisal process.

Corporate Priorities

10. Science City York forms a major thrust of the Council's corporate priorities especially in the area of economic development. This infrastructure project is supportive of the greater role SCY is set to play in a wider regional framework as it becomes a stand alone entity (Company Limited By Guarantee) with Stakeholders input reinforced in the new framework

It should be noted that the project meets four of the criteria in the Councils improvement statements Dip 5, Dip 6, Dip 8 and Dip 12.

Implications

11. The project has implications in the following areas where senior managers are aware and working with SCY.
 - **Financial** –The City of York will be the authorising body for expenditure on this project with significant input from YF. Methodologies are in place for auditing the expenditure for the three elements and legal contracts will be put in place between each element and the Council/SCY.
 - **Human Resources**- No issues
 - **Equalities** – No issues
 - **Legal** – The Legal Services team are aware of the procedures being considered and put in place to manage the project .The legal, property and financial aspects of this project are significantly inter linked and will require a joined up approach.
 - **Crime and Disorder** – No issues
 - **Information Technology (IT)** –No issues
 - **Property** – No issues

Risk Management

12. The project has delivery risks associated with it, particularly regarding the contractual arrangements for drawing down the Northern Way funding and protecting the public interest in this funding, pending decisions to be made on relevant planning applications.

Recommendations

13. The Partnership Board's input and endorsement is requested.

Reason: To help shape the effectiveness of future actions in order to bring benefits to the economic well being of the City and in meeting the City's corporate priorities which are designed to focus effort on improving the economy.

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Specialist Implications Officer(s)

Wards Affected:

For further information please contact the author of the report

Background Papers: None

Annexes: None

Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved	<i>tick</i>	Date	<i>Insert Date</i>
	◆		26 Feb. 07

Not applicable

All ✓