West Suffolk Innovation and Incubation Support Study

Presentation to the West Suffolk Joint Growth Steering Group

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Contents

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Study objectives/work done

- Overarching aim
  - Identify & test options for supplementing innovation/incubation offer in order to contribute to growth agenda
  - Build on competitive advantages
  - Open mind in relation to physical vs. virtual offer
- Work done:
  - Initial theory/practice paper
  - Desk-based review of data, evidence documents, policy documents
  - Consultations (x15 so far)
    - E.g. NALEP, Suffolk County Council, NHS Foundation Trust, West Suffolk College, UCS, business representative organisations, enterprise agencies, agents, developers, experts

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Theory, practice & issues

- High growth firms
  - Make a significant contribution to growth
  - Vary & so hard to target
  - Rel. low incidence in Suffolk
  - Many start-ups ‘low productivity’
- Varying incubator models
  - Low ➔ high management support
  - Low ➔ high technology
- Implications
  - Quality not quantity
  - Focus on high potential, though may need to cast the net widely
  - Provide/link to specialist advice/assets, including Cambridge

Market context (i) – overall picture

- Overall there is potential demand for ‘high end’ innovation centre/incubation space in West Suffolk
  - But some uncertainty, so would be ‘making the market’
  - Mixed views on level of service, i.e. highly managed/supportive versus purely premises-based provision
  - Strongest case in Bury St Edmunds & Haverhill due to: high current occupancy levels, interest in Haverhill Research Park, & scale/desirability/locations of the two towns
- Demand in other locations less clear
  - Some locations are good, but current low occupancy levels & lower perceptions of entrepreneurship activity
  - Case for cost-effective space with virtual offer in Forest Heath
- Need to develop pipeline & link to networks/provision

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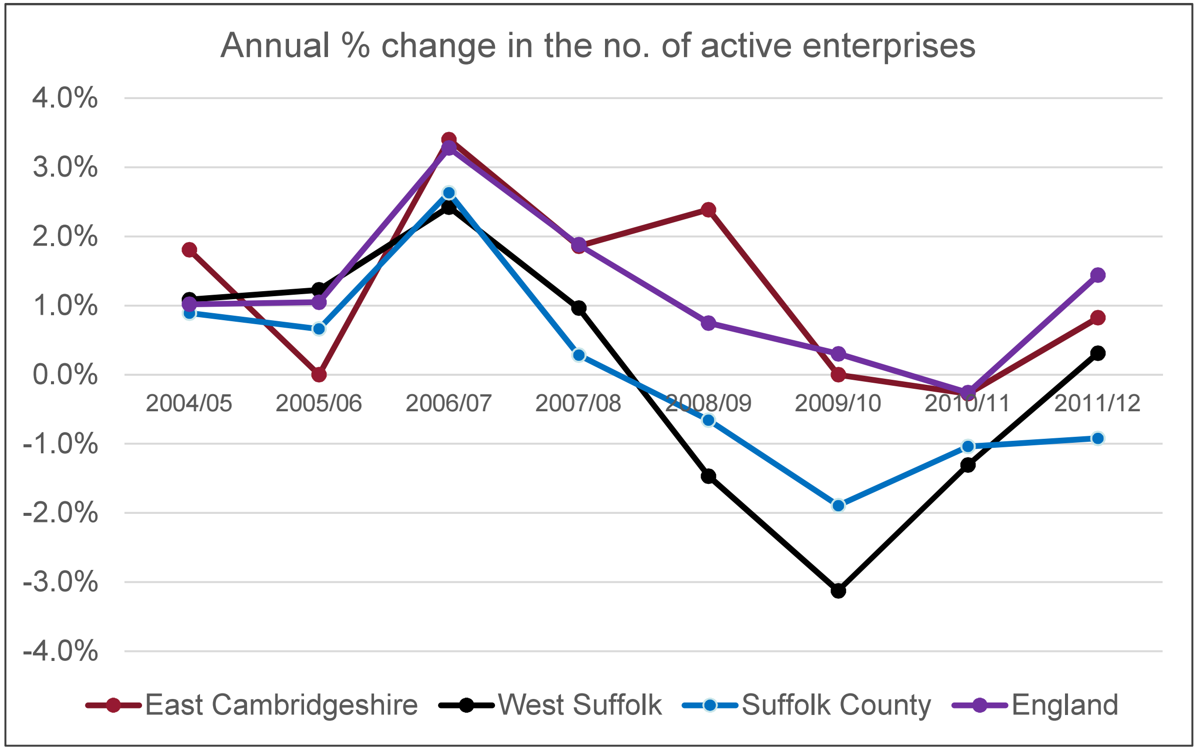
Market context (ii) – sources of demand

- Mixture of sources of demand
  - Local businesses, e.g. in existing workspace, working from home
  - Possible spill-over from Cambridge with businesses or current out-commuters looking for affordable space
    - 28% of working residents commute out of W. Suffolk – with c. one-half of these working in Cambs
  - Larger businesses establishing a regional office
  - Range of sectors could be targeted
    - Advanced manufacturing, bio/life sciences, agri-tech all cited
    - Opportunity to capitalise on competitive advantages in equine cluster
    - But demand likely to be from range of sectors/technologies

Market context (iii) – evidence on enterprise

- Job to do to increase enterprise & growth
  - ➢ Ups & downs in active enterprises – overall static 2004 to 2012
  - ➢ Birth rate comparable to wider Suffolk; lower than England
  - ➢ Death rate slightly above local comparators; lower than England



Source: IDBR, Business Demography

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Market context (iv) – sector concentrations

- Equine (Forest Heath) & Adv. manufacturing (St Eds)
- Recent growth in manufacturing, business/professional services & food/accommodation

	Equine	Life sciences	Advanced manu-facturing	Broad definition of high/medium tech sectors	Narrow definition of high/medium tech sectors
Forest Heath	2.5	0.6	0.7	1.0	0.5
St Edmundsbury	0.9	1.0	2.0	1.4	0.6
West Suffolk	1.4	0.9	1.6	1.3	0.5
East Cambs	1.5	1.6	1.3	1.4	1.0
Cambridgeshire	0.9	5.2	2.6	1.3	2.1
Suffolk	1.1	0.9	0.7	1.1	0.7

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Premises & support services (i)

- Range of premises, incl. ‘virtual’, in Bury St Edmunds
  - Mostly old buildings – some consultees view as ‘low quality’
  - Occupancy rates are high
  - NWES taken recent space, providing ‘supply’ for short-term, though view that shortage of ‘grow on’ space
  - Potential at Suffolk Business Park
- Elsewhere, more limited but occupancy varies
  - Again, mostly old buildings
  - Haverhill – supply-constrained with one business centre full
  - Brandon – units available at Harvey Adam Enterprise Centre
  - Newmarket – units available, e.g. at Rutland Chambers
  - Range of office space in surrounding villages
- Rents are low overall, esp. in comparison to wider region

Premises & support services (ii)

- Forthcoming Growth Hub
  - Coordinated approach to ensure businesses can access what they need – 1 person working on engagement in W. Suffolk
  - Specialist innovation support, access to finance scheme
  - Link in/signpost to national provision, e.g. GrowthAccelerator
- Other local support, e.g. West Suffolk 100, W. Suffolk College Innotech Centre, Agri-tech Fund
- Wider provision, e.g. Innovation Centre network across NALEP & Cambridge-based provision
- Gaps?
  - Increase engagement & ‘animation’ to connect to specialist support
  - High level incubation support
  - Culture/enterprise ambition – differing views on need here

Actions – based around premises

Action	Role for councils	Opportunities / issues	Delivery timescale
Haverhill Research Park Innovation Centre (potential joint LEP initiative)	• Active support of scheme • Assist in grant funding for **incubation provision**	• Link to Cambridge provision • **Incubation support could be offered more widely**	Depends on time to confirm funding – could be 12-24 months
Suffolk Business Park • Private build of business & innovation centre (c. 15k sq. ft.)	• Influence through planning of site • Option to increase scope/scale with grant • Link to **incubation support**	• Sector targeting? • Link to **wider specialist support**	Depends on time to confirm & deliver infrastructure investment – perhaps c. 3 yrs
New premises in Bury St Edmunds to cater for demand	• Market should provide – councils to find partner/developer • Use planning processes	• Avoid duplication/ displacement of existing provision • Possibility to link to W Suffolk College	Depends on time to find partner/ appropriate site (c. 12-24 months)
Workspace in Forest Heath - c. 20 units with virtual offer	• Find partner & appropriate site • Link to **incubation support**	• Uncertain demand • Equine focus? • Target as 'cost-effective' alternative to Cambridge	Depends on time to find partner/ appropriate site (c. 12-24 months)

Actions – non-premises provision

Action	Role for councils	Opportunities / issues	Delivery timescale
Increase **capacity for engagement, animation & knowledge brokerage**	• Support team of specialist ‘knowledge brokers’ to understand business needs & potential for growth, & connect them to support	• Specialist support available, e.g. Cambridge, Innovation Centre network • Needs to align with Growth Hub	Within 6/12 months
Develop **business networks** within West Suffolk, & with key external partners	• Continue with existing annual festival • Take lead through Councils’ own procurement • Use existing facilities, e.g. Newmarket	• Build on existing ‘network’ of centres • Networks can foster new commercial ideas • Extend outside of W. Suffolk	Within 12 months
Promote **enterprise culture & awareness** of accessibility of entrepreneurship	• Enterprise Education • Support other initiatives, e.g. visiting entrepreneurs, competitions	• Link to local & sub-regional provision • Link to national Start-Up Loans scheme	Within 12 months

Questions

Contact

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DATA ANNEX

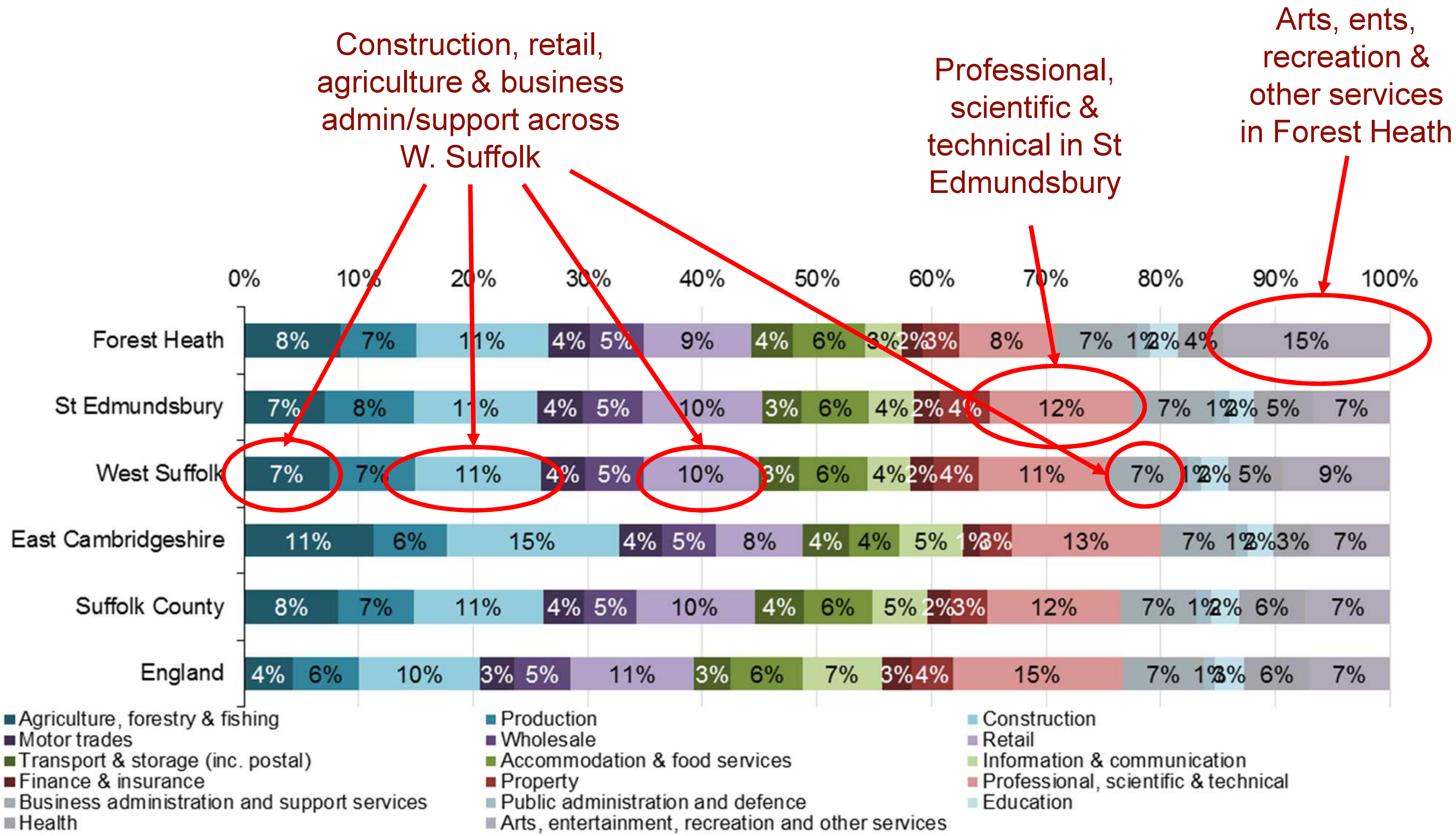
Market context – evidence on starts

- Business start-ups
  - No change in number of active enterprises 2004-2012 with change in Forest Heath & St Edmundsbury balancing out
  - The business start-up rate in West Suffolk is marginally above that of Suffolk, but lower than that of England

	Active Enterprises 2004	Active Enterprises 2012	Growth rate 2004 to 2012	Business Births as % of all Active Enterprises 2012
Forest Heath	2,335	2,240	-4.1%	9.2%
St Edmundsbury	4,110	4,205	2.3%	9.0%
West Suffolk	6,445	6,445	0.0%	9.1%
E. Cambridgeshire	3,320	3,665	10.4%	9.1%
Suffolk	26,950	26,920	-0.1%	8.9%
England	1,885,265	2,070,400	9.8%	11.6%

Source: IDBR, Business Demography - 2012

Market context – enterprises by sector



Source: IDBR, UK Business: Activity, Size and Location, 2012

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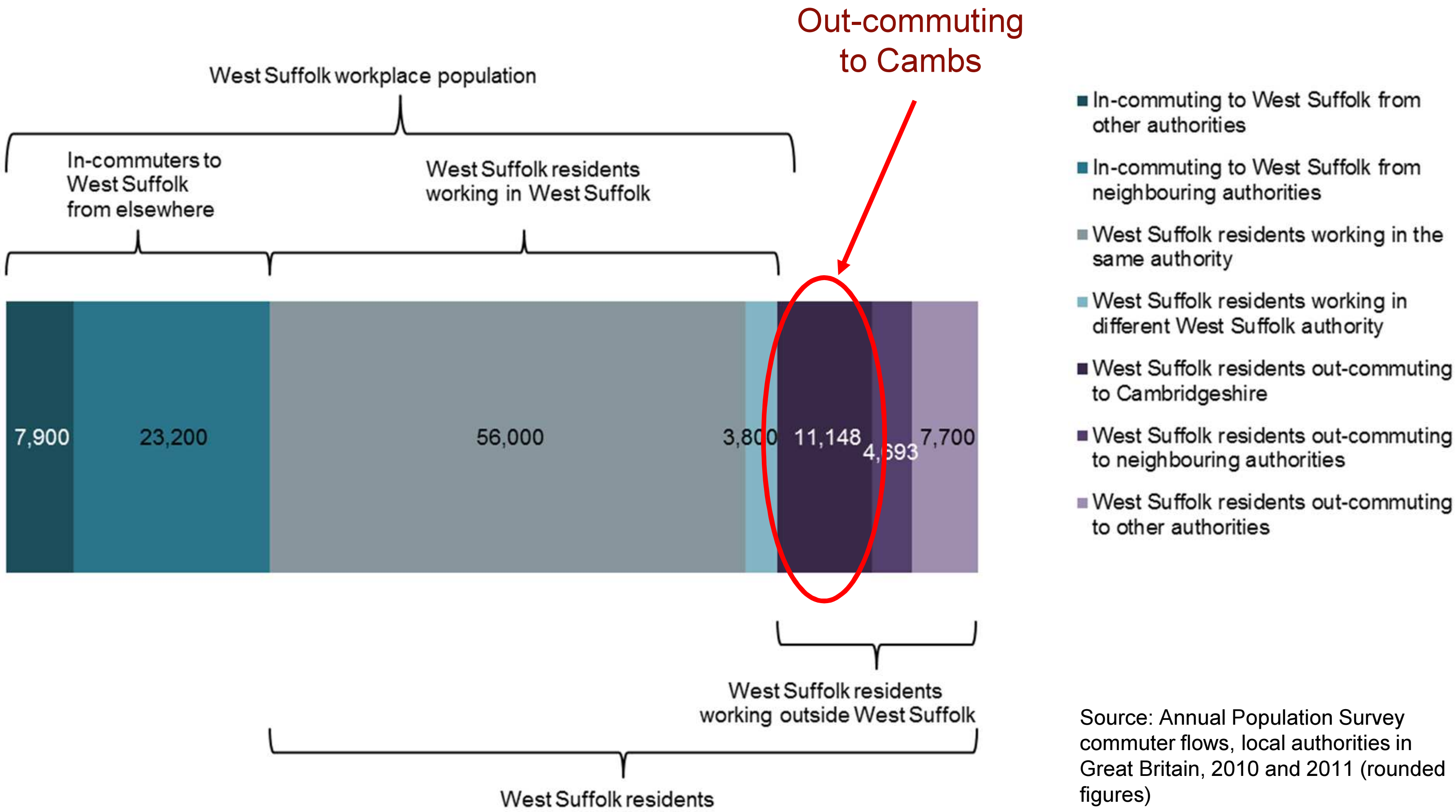
Market context – commuting patterns

- In/out-commuting summary



Source: Annual Population Survey commuter flows, local authorities in Great Britain, 2010 and 2011 (rounded figures)

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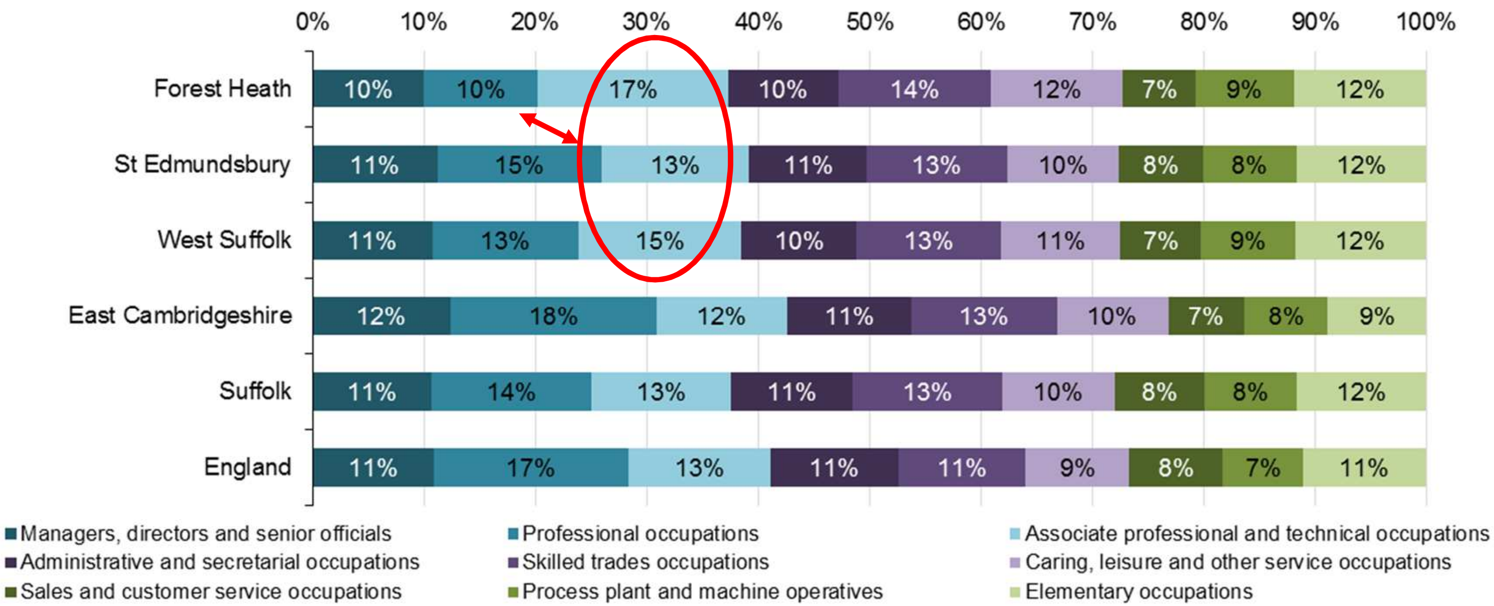
Market context – socio-economic characteristics

- Differences within West Suffolk mainly at the top end of occupations, & relates to skills/qualifications levels:
  - High proportion of associate professional/technical occupations in Forest Heath & lower proportion of managerial/professionals
  - Forest Heath has lower proportion with Level 4+ quals; & higher proportions with 'no' or 'other' qualifications



Source: Census 2011

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