

CHESHIRE EAST COUNCIL

REPORT TO: CORPORATE SCRUTINY COMMITTEE

Date of Meeting:	3 December 2013
Report of:	Director of Economic Growth & Prosperity
Subject/Title:	Business Generation Centres
Portfolio Holder:	Cllr Don Stockton & Cllr Peter Raynes

1.0 Report Summary

- 1.1 This report provides an update to members on progress made in implementing the recommendations of the former Corporate Scrutiny Committee's Task & Finish Group review of the Council's Business Generation Centres (BGCs).

2.0 Decision Requested

- 2.1 To note the report.

3.0 Background

- 3.1 The Council Task & Finish Group set up to review the strategic and operational issues in relation to the Council's four Business Generation Centres (BGCs) made several recommendations. These have been taken forward by the relevant officers within the Development Service (now Economic Growth & Prosperity Directorate). Progress is reported against each of these recommendations as below.

Recommendation 1i): That in line with the Council's Economic Development Strategy, the principle of business generation, for start up incubation businesses in Cheshire East be fully supported.

Progress: Support for the formation and growth of new businesses is fully embedded within the Council's activities, both at an operational level (through the BGCs, business advice and other support) and at a strategic level (planning for provision of new employment land / business premises and infrastructure such as Superfast Broadband).

Recommendation 1ii): That the existing facilities located at Sandbach and Crewe be retained as Business Generation Centres pending the outcome of the wider sub-regional review and the agreement of a future delivery model.

Progress: The two BGCs in Crewe and the one in Sandbach continue to operate successfully as retained facilities.

Recommendation 1iii): That the future delivery model will ensure the provision of an environment to encourage growth, accelerate progress and remove obstacles to include consistent standards in the provision of facilities and tenancy management services.

Progress: Operational arrangements have been made more consistent across all three BGCs, and they continue to operate successfully with high levels of occupancy.

Recommendation 1iv): That the Business Generation Centre at Thomas Street, Congleton be closed down and the building declared surplus to requirements.

Progress: The BGC building was sold at auction 28th February 2013, with the sale completed on 27th March 2013.

Recommendation 1v): That, the Council assists in the identification of options to secure the continuity of businesses displaced by the closure of the Thomas Street facility.

Progress: Advice was made available to those business displaced from Thomas Street BGC, to ensure their continued operation wherever possible.

Recommendation 1vi): That any expenditure on the remaining facilities identified as a consequence of the wider sub-regional review will be considered as part of the Council's normal business planning processes.

Progress: This has been recognised and is still subject to any new arrangements being put in place (see Recommendation 2 below)

Recommendation 1vii): The current shortage of available incubation facilities in the north of the Borough will be a consideration of the wider review.

Progress: The Council is aware that there are commercial operators who deliver some business incubation / small office space in the north of the borough, including Magnus (Macclesfield, Congleton) and Bruntwood (Booths Park, Knutsford and Knutsford town centre). The Council continues to promote the availability of all commercial floorspace to existing and start-up businesses alike, through its investment enquiry service.

Where new opportunities emerge to promote the creation of new incubation facilities, the Council is very supportive. For example, Alderley Park has, within the last six months, established BioHub – an already successful incubator facility for life science businesses, which is bringing in new investors from outside the region, as well as helping to support local entrepreneurs to establish themselves at the Park. This is likely to be a key part of the site strategy going forward, and play a central role in our proposed ‘Science Array’ programme to make better use of our science assets, including technology, facilities, skilled workforce and global connections.

Recommendation 1viii): That the current practice of providing facilities rent free to tenants in lieu of providing reception services will be brought to an end as soon as alternative arrangements can be put in place.

Progress: This arrangement has now ceased.

Recommendation 2: That Cabinet give an in-principle agreement to an arrangement of commissioning to an external provider either on a partnering basis with another authority or just as Cheshire East Council following further dialogue at a sub-regional level and with neighbouring authorities.’

Progress: The Council has been in dialogue with an interested commercial operator as well as sub-regional partners to consider the scope for future operation of the BGCs and other potential business incubation facilities. Whilst this has not yet resulted in a new delivery model being put in place, this has certainly not been ruled out. New funding mechanisms from the European Commission and Government, through the Cheshire & Warrington Local Enterprise Partnership (LEP) present a real opportunity to secure investment in business incubation facilities that can meet local and sub-regional ambitions to deliver economic growth and increased productivity. As well as the BioHub at Alderley Park, other models are being considered in other parts of the borough, based on a more refined strategy across the sub-region which focuses on identifying gaps in the market and opportunities to accelerate growth in key sectors.

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