



Medway InCompass Project Report – Part One

Project Report

December 2014

Contents

Section 1 – Background	3
1.1 Purpose	3
1.2 Background to the Project.....	3
1.3 InCompass Project Objectives:	3
1.4 What this document is trying to achieve	4
1.6 Project Context	4
1.7 What is an incubator?	5
1.8 What are the usefulness of Incubators to Medway?	5
Section 2 – Methodology.....	6
2.1 Introduction	6
2.2 Medway Approach	7
2.3 Medway Assessment criteria	7
Section 3 – Study Visits	9
3.1 Introduction	9
3.2 Rotterdam	9
3.3 Milan	11
3.4 Malmö/Øresund	13
3.5 Beja/Lisbon	19
3.6 Patras/Western Greece	21
3.7 Aviles	22
3.8 London.....	23
3.9 Kosice Conference.....	30

Section 1 – Background

1.1 Purpose

Medway Council is a partner in the InCompass project, and has commissioned this document to achieve the following:

1. Provide a summary of the research and analysis that has taken place in the InCompass Project
2. Use that research and analysis to develop a Regional Implementation Plan of actions to support the advancement of creative industries activities in Medway

This document therefore has two parts: The first provides a detailed report on the research activities undertaken by Medway partners as part of the InCompass project. This will include an analysis of observed activities related to the incubation of cultural and creative industries. The second part of the document provides a draft of a new approach to supporting creative industries development in Medway.

1.2 Background to the Project

The InCompass Project aims to support the self-sustainability of creative incubator units and enable them to develop and share innovative methods to move away from a general dependence on public funding.

Co-financed by the EU's European Regional Development fund through the INTERREG IVC Programme, the project objective is to inform on and stimulate collaborative development of local, regional, national and EU policy and thereby increase the capacity to create more spaces for experiment, innovation and entrepreneurship in the creative industries, and to enable them to provide a driver for sustainable growth and job creation as stated in the Lisbon Agenda.

1.3 InCompass Project Objectives:

The objectives of the InCompass project are as follows:

- To identify existing, innovative good practice that contributes towards the achievement of financial sustainability of incubation units for business start-ups in the creative industries.
- To assess and test the transferable nature of these good practices between regions for local implementation and adoption into policy, thereby making a significant contribution to evidence-based regional policy making and improvement.

- To develop practical and realistic implementations plans for the transfer and application of good practice and improvement in regional policy across all regions.

1.4 What this document is trying to achieve

This document provides a Part One report on the work of the InCompass project. It ties together the outputs of the study visit programme and the objectives in a detailed description of observed practices, which have been interpreted to best reflect the context most relevant for Medway and local partners.

The Part One report feeds into the Part Two (Draft) Regional Implementation Plan for Medway, which includes an analysis of the identified best practices in the Medway context. This analysis provides the basis for the suggested projects of the Medway Regional Implementation Plan – which will outline the approach that Medway partners intend to take in supporting the development of cultural and creative industries as a result of the InCompass project.

It is important to recognise that, while the InCompass project objectives are focused upon incubation activities, this report takes a very broad view of incubation to include other activities deemed to be important in creating the appropriate conditions for creative businesses to thrive. This is reflective of the approach taken by project partners as a whole in including projects which are not incubators in study visits.

Nevertheless, the development of creative business activity is the key interest of Medway partners, as it is for the other InCompass project partners, so business creative, and the methods of actual incubation are the principle focus of the project activities.

1.6 Project Context

The creative industries (e.g. Advertising, Textiles, Fashion, Television & Radio, Photo Imaging, Graphic Design and Interactive Media, Publishing, Animation, Computer Games, Film and Commercials Production and Post Production) provide significant employment opportunities, and are now recognised as one of "Europe's most dynamic sectors" (EU green paper: Unlocking the potential of cultural and creative industries"), with strong potential to contribute to growth and job creation.

Figures released by the Department of Culture, Media and Sport in 2014 also show that creative industries have been outperforming all other sections of the UK economy since 2009. This includes higher rates of job growth, higher rates of Gross Value Added, and higher value of exports.

Given this growing economic significance, Cultural and Creative Industries (CCIs) are therefore seen as a key sector for supporting activity by public sector, education sector, and private sector organisations.

Since the global economic crisis, and subsequent application of austerity measures across almost all member states, the prospects of funding support for CCI development, and economic development in general, are diminishing.

This project therefore responds to that context: It has examined a number of approaches to supporting growth of CCI, most importantly methods to incubate new creative businesses. The project has principally looked at ways to apply incubation support for creative businesses in a financially sustainable way.

1.7 What is an incubator?

Definitions of incubators vary: Broadly, an incubator should provide a sheltered set of support services, usually within a physical space, to entrepreneurs and new start-up companies. The access to this incubation facility should be time-limited, and the provision of support geared towards assisting in establishing the business to the extent that the business is able to sustain itself once the provision of support ends.

Incubator projects are commonly focused on a specific sector, and often those considered to have high growth potential. As with all incubator projects, the services provided within specialist incubators vary in quality and extent of provision.

Incubators can be private or public sector owned, and managed. They can also be aligned to educational institutions. For incubators with public sector involvement, there is usually a strategic rationale applied to justify resource allocation, whether it be the need to create sustainable and higher paying jobs in an area, or – as is often the case with the creative industries – if local public sector partners see an incubation project as a mechanism for delivering cultural and/or physical regenerative as well as economic objectives.

All of the incubation projects observed in the InCompass project have been operated by either the public sector, universities or non-profit organisations.

1.8 What are the usefulness of Incubators to Medway?

Medway has a well-established strategic ambition related to the development of creative industries. Priorities that either emerge from, or that are linked to this ambition include:

- The transformation of Chatham as the new city centre
- Greater levels of student retention
- Creation of more sustainable and better paid jobs
- Facilitation of a modern and vibrant economy
- Increasing the profile of the area

Within this Medway context, measures to increase the numbers of new creative businesses in Medway are entirely appropriate, and is therefore potentially a key element of local economic development activity.

Section 2 – Methodology

2.1 Introduction

Over the past two years, partners in the InCompass project have conducted seven separate study visits, spanning eight countries across the EU, in the following places:

- Rotterdam – The Netherlands
- Milan - Italy
- Malmo (including Lund and Copenhagen) – Sweden/Denmark
- Beja (including Lisbon) - Portugal
- Patras - Greece
- Aviles (including Gijon) - Spain
- Medway and London - England

The project has also included project meetings in Dundee and Szombathely/Gyor (Hungary), and a best practice conference held in Kosice, Slovakia.

The research process has been led by the University of Delft in the Netherlands, which has initiated a process of analysis of incubation projects. The methodology employed by the project is based on investigation of three specified areas of assistance for incubator projects, and the University of Delft has established corresponding working groups – each led by one of the project partners. The working groups are focused as follows:

Working Group 1 – Commercial contextualisation: the role that commercial activities can play in seeding, developing and supporting examples of successful cluster operation.

Within creative incubators, the commercial contextualisation of their financing is mainly about finding the optimal balance between keeping fees and rents as low as possible to new incubatees in a very infant stage and gradually increasing fees and rents with their increasing financial capacity with survival and growth. In addition, it is also about renting out services, facilities and spaces to external companies and institutions at commercial fees.

Working Group 2 – Social contextualization: the role of social activity in supporting successful and financially resilient specialist clusters.

The contribution of social activities to financial sustainability of creative incubators is mostly founded on forms of informal learning by interchange of information, ideas and knowledge. It is mainly mediation activities that connect incubatees to each other and to stakeholders in the outside world that facilitate informal learning.

Working Group 3 – Tiers of support, networks and partnerships

The topics of interest for WG3 include all sorts of more or less organized and planned forms of networks and partnerships both within the incubators and with external partners that have favourable effects on the profitability of either individual incubatees or the incubator itself.

The project has published reports for each study visit which provide a detailed overview of the projects observed through the perspective of each of the working groups. The comments within these reports are then independently validated against the project objectives.

Each study visit also ends with a thematic seminar, where partners discuss the projects, and present their views on observed best practice. These views are then correlated by the University of Delft, and are currently being analysed for the final project report. It should be noted that this process therefore absorbs a number of differing perspectives in identifying best practices, and that partner perspective are influenced by key factors such as national cultures, differing approaches to economic development and each partner's stage of progression in supporting creative industries development.

The consequence of this process is that there is not yet a definitive list of best practices, and – because of the differing perspectives – it is unlikely that a final list of project best practices will be suitable for each partner.

2.2 Medway Approach

To provide some detail around the point of differing partner perspectives, it is common practice for creative industries support projects in England to be run on very small budgets. Given the increasingly restricted public funding environment, it seems sensible to plan for projects with low capital costs and that can be developed on a commercial (socially entrepreneurial) basis.

As such, it is considered that the assessment approach initiated by the University of Delft is inappropriate for the Medway example.

As an InCompass partner, Medway is under no obligation to use any prescribed method of assessment for the purposes of developing its Regional Implementation Plan, and is free to develop its own assessment method and/or criteria as it sees fit.

2.3 Medway Assessment criteria

A couple of approaches have been developed to enable more appropriate consideration of best practices within the Medway context. The first approach is to breakdown the observed practices in sections aligned to important potential activity strands for Medway. This exercise is presented in detail in Appendix X, but the criteria applied as are follows:

1. Workspace models – can the practice relate to existing or proposed workspace provision in Medway?
2. Incubation – can the practice be applied to existing or proposed incubation support in Medway?
3. Events – can the practice relate to existing or proposed events activities in Medway?

4. Education/Learning – can the practice be applied to existing or proposed learning provision in Medway?
5. Business Development – can the practice be applied to existing or proposed business development activity in Medway?
6. Network Development – can the practice be applied to existing or proposed network development activity in Medway?
7. Strategic – can the practice be applied at a strategic level in Medway/among Medway partners?

Once observed practices have been deemed relevant to Medway according to the list of potential actions strands listed above, they have been qualitatively assessed against the set of questions below. This process is summarised in Section 3 of Part Two of this report and is intended to quickly demonstrate the viability and value of applying external best practices in the Medway context:

1. Does the practice directly address a priority of Medway partners?
2. What is the funding requirement to start the project?
3. Does the practice fit with existing projects?
4. Is the practice applicable in the Medway context?
5. Does the practice have, or contribute to, realistic prospects to become self-sustaining?
6. Would adoption of the practice have strategic benefits for Medway?

Section 3 – Study Visits

3.1 Introduction

This section of the report provides a summary report of the seven study visits that have constituted the research element of the InCompass project, which visited the following cities/regions over the past two years:

- Rotterdam
- Milan
- Malmö/Oresund
- Beja/Lisbon
- Patras
- Aviles
- London

There have been other unofficial study visits as part of the InCompass programme which are not included here because of either a lack of information, and a lack of relevance to Medway's requirements. These visits included Groeningen, The Netherlands (2012) and Szombathely/Gyor, Hungary (2014).

This section does, however, feed in the key points identified from attendance at the PLACE! Creative Conference held in Kosice, Slovakia in October 2013, which was attended by some of the project partners. A full report on the conference is included in Appendix 5.

3.2 Rotterdam

The first study visit to Rotterdam took place in May 2012, hosted by partners from the University of Delft – lead partners for the technical assessment of the project subject matter.

The city of Rotterdam has a population of around 620,000, and is a highly multi-cultural port city, with over 160 nationalities resident there. It has a high and growing student population with around 55,000 higher education students, and the city views tourism, cultural events and creative industries as key economic sectors for development.

The study visit looked at two incubator projects – the Creative Factory and DNAMO. Given the tech focus of the DNAMO incubator project, it is considered that the Creative Factory provides a more relevant example for Medway.

3.2.1 The Creative Factory

Maashaven Zuidzijde 2, 3081 AE Rotterdam www.creativefactory.nl

The Creative Factory was established in May 2008 in an obsolete grain silo – the “Maassilo” - located on a quayside in Rotterdam South. In 2003, the building was bought by the municipality with the intention to demolish it and develop the site. However, the demolition costs proved prohibitive (around €16m), the municipality decided to spend €6m (from a national urban regeneration programme) to refurbish the building.

The Creative Factory is a privately run project, which obtained a 3-5 years lease – for 2,500m² of space over 6 floors – from the municipality. The project received initial seed funding from the municipality and an annual €25,000 grant (in lieu of hosting free-of-charge meetings and events and organises guided tours for the municipality). The Creative Factory pays a relatively low rent, €40/m², and commits to charging low rents to its incubates. The top floor is allocated for the biggest companies, joint activities and meeting rooms. The Creative Factory has 5 FTE staff, with an additional 10 interns to support reception and administrative duties.

The Creative Factory has around 75 tenants in different stages of development, mostly accommodated in a co-working layout. The co-working arrangement is carefully maintained by the managing director who has a series of markers at his disposal that helps to identify new ‘good fit’ incubatees. The companies willing to establish in the Factory need to express their growth ambition and their level of complementarity to already present companies as opposed to duplications, and their willingness to work with these companies in a co-operative way.

The project targets young entrepreneurs from the early ideas stage. The offer includes accommodation and a number of shared services, business support through active consultation, workshops and coaching, and matchmaking both within the incubator and with external enterprises and institutions. In total, each young entrepreneur receives 2-4 hours per week of consultancy by externals experts, which is significant.

Rental income (€137,000) is supplemented by revenues from events (approximately €80,000 per annum) and partner contributions (€100,000) for services received. About 50 per cent income is returned to the city as an owner of the building through rent (€85,000) and service charges (€64,000).

The model of costs for space is interesting in that it is fixed per desk space (between €230 to €270 per month, including service charges and VAT). The principle is that costs increase per company as it requires more working space, which makes it more economic for it to seek alternative accommodation at the appropriate time (when it has 3 or 4 staff).

The Creative Factory has an arrangement with the municipality to provide interns with desk space free of charge. The purpose of this policy is to encourage either talented students to pursue ideas, or businesses to provide opportunities to local unemployed people.

The income from events is provided by workshops, conferences, meetings, and tours to external parties. This top floor event space has its own bar, and the Creative Factory a partnership with the

social enterprise *Wijkkeuken* (Neighbourhood Kitchen) to take care of the catering for visiting groups.

Strategically, the main driver for the municipality to enter into partnership with the Creative Factory is the objectives around local social regeneration policy. The Creative Factory takes a hands-on approach in the local community, which is one of the most deprived in the city. The project invests in helping young talented people from the surrounding area with unfavourable labour market positions - often drop outs from school and on welfare - finding the right track to discover and to be aware of their ambitions, either through learning, applying for a job, or potentially starting a business. The second key area of benefit is the impact on the image of Rotterdam South that the Creative Factory provides. It has bought a derelict building back into use, and has attracted over 150 artists and other creative people to live and to work in that part of the city.

Creative Factory site

Adjacent to the Creative Factory, nightclub activities continue to be held in the Maassilo, where 1,500m² of event space was created in the Creative Factory Event Halls. In addition to clubbing, companies working in the Factory can present the results of their work, for example a fashion show, record release party, network event or product launch. The rental income from the event space is collected by the municipality as owner of the building.

Best Practices

- Rent is fixed and charged per working place. Cost increases as clients grow, making alternative premises cheaper. (Interns are provided with free space)
- Project plays a social regeneration role (introducing unemployed young people to enterprise and CCI's) - this is revenue generating as it is part of a service for the municipality
- Multi-use space (co-working, events, nightclub, cafe)
- Project has developed close links with Rabobank

3.3 Milan

The study group visited Milan in June 2012, which is widely considered to be the key centre of creativity in Italy. The city has a population of 1.3m (within an urban area of around 5,265,000), and the creative sector is estimated to employ over 350,000 people (around 20% of the workforce). Traditionally, Milan is globally renowned for design and fashion, led by world-famous brands such as Armani, Prada and Versace, but which has 14,500 business in the Milan area, that turnover €13bn per annum.

The group visited four projects; Laboratoria Innovazione Breda (LIB), Fabbrica del Vapore, HUB Milano, and Make a Cube. Of these projects, the example provided by the Fabbrica del Vapore is considered to provide the most appropriate example for Medway.

3.3.1 Fabbrica del Vapore

The Fabbrica del Vapore (literally ‘steam factory’) is a former train factory that houses an incubator focusing exclusively on creative businesses. The Comune di Milano (the local authority) inherited the site, and has provided funding for its renovation and reconstruction.

Legally, the incubator is not independent organisation, and it is technically a subdivision of the city council. It is directly managed by the Council, and the Council seeks to cover operational costs.

The incubator area is large, with a usable indoor space is 15,000 m². There are currently fifteen art and creative industry units in the incubator, although there is plenty of space to house more in future. The site spans four buildings; although a number of others on site have been demolished as they were in bad condition. This action created the big square on the site that provides the potential for outdoor events. The larger part of the incubator is not rented to permanent tenants, with free spaces used for events such as fashion shows.

The main purpose of the project is to be a creative production space, which includes the provision of services for cultural and creative activities. While the project provides some incubator services, it also makes these services available for established businesses that have progressed through the incubator – thereby providing next phase business space.

The clients of the incubator are in new media, theatre, visual art, dance, architecture, design, graphic art photography, so the project is deliberately broadly focused. In practice, a focus has emerged through the prevalence of fashion companies, which have formed a mini cluster.

The incubator operates a particularly exclusive application process: The project received over 300 applications from companies to use the space, of which sixteen were selected. The selection process entailed a three day course of business planning and individual coaching at the prestigious Bocconi Business School, and an assessment by an international expert commission. The criteria applied in the assessment of applications included the following:

- Age of applicant – and a priority was placed on youth.
- Ethnicity
- Economic viability
- Creative quality of the idea

In addition to the services focused on assisting with business progression, the project also provides services in a number of other areas including: use of a ticket office, assistance in moving materials, the provision on site of guest accommodation, and the location of a specialist library on site.

Best Practices

- The incubator has a detailed application process, which includes the involvement of expert input in the assessment process (provided by the Bocconi Business School)
- Fabbrica del Vapore provides a strong example of the local authority making use of a large former industrial site in its possession.

- The scale of the site enables large scale creative activity to be co-located (such as fashion shows and performance space)

3.4 Malmö/Øresund

The study visit in November 2012 focused on Malmö, but covered the Øresund region spans of the agglomerations of Copenhagen in Denmark and Malmö in Sweden, together with surrounding smaller towns such as Lund – home to one of Sweden’s foremost universities. This area is increasingly presented as a single transnational region, particularly since the opening of the Øresund link, a tunnel-bridge combination connecting Denmark and Sweden, in 2000. The region has about 3.5 million inhabitants, of which two thirds live in the Danish part.

Partners visited a number of creative industries support projects across Øresund, the most relevant to Medway being the following:

- Media Evolution/Media Evolution City (Malmö)
- MINC (Malmö Incubator)
- Ideon Innovation/The Creative Plot (Lund)
- Danish Design Centre (Copenhagen)

The site of the Malmö projects is the former Kockums AB shipyard, which previously employed around 6,000 in shipbuilding until that industry succumbed to competition from South East Asia in the 1980s.

The city of Malmö owns much of the former shipyard and has financed creative industries support projects by selling sites to private real estate companies. The docks area now employs an estimated 7,000 people, and is home to Malmo University (established in the late 1990s).

3.4.1 Media Evolution/Media Evolution City

Stora Varvsgatan 6a, 211 19 Malmö, <http://www.mediaevolutioncity.se>

Project Description

Media Evolution is a media cluster and member based organisation. Its purpose is to strengthen innovation and growth in the region’s media sectors. It operates as a non-profit association legally owned by its membership. It has over 300 paying members from media industries, industrial firms (such as IKEA), academia and the public sector. Media Evolution initially received some funding from its partners, its model is to receive membership fees, and attract funding for services provided.

Media Evolution established Media Evolution City (MCE) in 2012 as a PLC, as its private sector innovation platform for the media industry. The building is new conversion of a building in the former docks, and is sited next door to the regional SVT (Sveriges Television) offices in a model that is similar to Media City at Salford Quays. MCE is also 500 metres from MINC (see below).

MCE is a four-storey building operating as a multi-tenant business environment. It has a top floor anchor tenant, two floors of office units let to media companies, and a ground-floor space targeted at post-incubator businesses in the target sectors. Support is provided to accelerate growth for these clients. MCE supports all kinds of digital media branches: TV, movies, music, web design, games, publishers, mobile platforms, app-developers, learning via digital media, and distributors, and its support model reflects its growing belief that these previously distinct areas of media are increasingly merging.

The building is owned by the developer, but is leased to MCE. Rents for the accelerator clients, and the business workspaces are charged at above market rate, which clients are happy to pay because of the quality of the environment (the building was designed by Media Evolution), the cluster effect and services on offer. Around 100 of the Media Evolution membership has taken space in MCE.

MCE's approach is to create an environment for meeting and knowledge share, leading to collaboration. Its support methods span three areas: Market creation (including providing sector intelligence), Competency (learning) and Meeting areas (network facilitation). For the latter, MCE also has a large restaurant and bar area, which provides a focal point for network activities for tenants and Media Evolution members.

Best Practices

- Media Evolution is a not-for-profit company, which acts on a membership/subscription model, but owns (profit making) Media Evolution City
- Ground floor space includes restaurants and a large bar area. Clients are prepared to pay for a more suitable workspace offer.
- MCE facilitates networking activities such as round-table meetings with business sectors, and regular social events
- MCE support system acts in 3 areas - market creation, competency, and meeting areas (connections).

3.4.2 MINC (Malmö Incubator)

Anckargripsgatan 3, 211 19 Malmö, <http://www.minc.se>

Project Description

MINC started in 2002 as a pilot approach to business support and to encourage the growth of new companies in the city, providing 4,000 m² of space for start-up and small companies. It pays market rent to the city, which is the owner of the building. The City of Malmö spent SEK 50 million (€5.9 million) on refurbishing the building and creating the incubator and work spaces for non-incubatee companies.

MINC is an unusual type of incubator in Sweden as it is owned by the Malmö City Council, whereas the majority of incubators in Sweden (there are 45) are owned by universities or science parks. MINC was established as a share holding company, with a board of directors of 8 members. There are no politicians on the board, which is very uncommon for publicly-owned incubators. Instead, it includes

entrepreneurs, innovation experts and representatives of Lund University, Malmö University, Skåne region and banking - in a 50/50 public-private composition. The philosophy behind this is that since the incubator deals with entrepreneurs and venture capitalism, board members should be able to understand both.

The incubator employs a number of staff to manage the space, to support the businesses in the building and to run the incubation programme. MINC operates a 24-month programme of support to start new businesses. This includes a 3-month probation period followed by a 21-month support programme. Currently there are 24 incubate companies in MINC, but the incubator can accommodate up to 30. Each year 15 to 17 places become available in the programme and a large number of entrepreneurs apply for the incubator programme (last year there were over 200 applicants for the 17 places). All applicants to the incubator programme must be registered as legal entities in Sweden, which means they must found their company before entering the incubator (90% of them are shareholder companies). All incubation takes place in the building, since MINC does not believe in virtual incubation (i.e. incubation programmes that do not include the provision of a physical work space).

While MINC started as a business incubator today its operation has developed to include two additional parts: work space and meetings. This makes MINC a blend of incubation programme, meeting spots and work space for non-incubatee firms. MINC also runs a range of networking activities, from breakfast sessions, weekend hacker parties, and unconferences, to weekend retreats. There are also strong established links to wider business networks such as Rotary clubs.

The stable and demanding 2-year start-up programme (plus monitoring after the third month) evidently ensures successful company development. Companies could pass from one phase (trial period, incubation, renting of work spaces only) to another depending on their development phase. In that respect, MINC could accommodate a company throughout its lifecycle, which could bind the company development more integrally to the organisation, instigate strong relationships and regular income. The different services complement each other, and the incubatees and companies work together throughout the different accommodation stages.

The structure of the MINC incubator is that the costs to the client rise incrementally throughout the incubation period:

- €150 pcm (3 months)
- €200 pcm (9 months)
- €250 pcm (12 months)

Non-incubation workspace is offered in two separate way, either at €250 per desk per month or €570 per room per month. All workspace provision includes access to free mentoring.

Best practices

- Project is run (at arms length) by municipality (only one in Sweden owned by a Council), but board is business-focused and has no political representation.
- Operates an exclusive incubator programme on a rolling basis over 24 months. The intake is limited to 30 places, with key progression stages, and approximately 50% drop out (which triggers a new intake). There is a ratio of 1:5 for support staff to incubatees. MINC does not subscribe to a single innovation process, but favours the Dr Curtis Carlson – ‘5 disciplines of innovation’ approach, and the Alex Osterwalder business plan diagnosis method.
- The incubation process at MINC prepares clients for international competition, and places an emphasis on speed to market. The international emphasis includes trade missions, and sending staff abroad on training courses. Coaches are trained in Stanford Business School. (Stanford Research Institute), and come from a range of disciplines (including PR).
- The MINC model has a very close relationship with Media Evolution (and Media Evolution City, which is around 500m away).
- There is an strong emphasis on the ability of the individual (and not the idea) in the incubation process

3.4.3 Ideon Innovation/The Creative Plot

Scheelevägen 15 223 70 Lund, <http://www.ideoninnovation.se>

Ideon Science Park was founded in 1983 by IKEA and is still 50% owned by this company. Initially it was founded as a tax break. Over 900 companies have been located in the Science Park in the last 30 years, including Sony-Ericsson, Axis Communications, TimeZynk and QlikTech. Currently, Ideon Science Park is home to approximately 300 companies with over 2,000 employees in 110,000 m² of space. Of these firms, 25% are in the ICT/telecoms sector, 21% in life sciences and 24% are service companies. Ideon Science Park is located near the University of Lund, one of the oldest and most respected universities in Sweden. The city of Lund is home to approximately 100,000 people and 45,000 students.

The subsidiary Ideon Centre runs and develops Ideon Science Park, covering everything from provision of a unique environment with effective networks to an infrastructure and services that meet high quality standards. It is the task of Ideon Centre to develop the park by attracting newly started as well as established growth-oriented research and development companies. The other unit of the Ideon Science Park is Ideon Business which provides a range of services that companies at Ideon may need. It offers networks and advice applicable for different phases of company’s development. This involve matters of leadership, financing and business development as well as questions relating to patents, law or accounting.

Ideon Innovation, the park’s incubator, was started in 1986. There are generally 30 to 40 companies in the incubator. The incubator can accommodate 100 people in 1,000 m² of work space. The incubator employs 8 staff members (5 full-time equivalents). The incubator provides a wide range of support services for tenants. Companies can pick and choose what support they need. This includes

mentoring, sales & pitching, marketing and financial planning. The team works with companies in the incubator for a maximum of two years. A secondary task of Ideon Innovation is the screening of companies for Ideon Science Park.

The Creative Plot

In addition to the high-tech start-ups incubated in Ideon Innovation, there is Creative Plot: a new initiative to support the sustainable growth of creative industries. Creative Plot has started as a pilot for 20 months, but it has already been decided that the initiative will be continued after that period. It includes a pilot incubator for creative start-ups. Three staff members, or 1.6 FTE, work on Creative Plot. There are 5 places available and while about 3 applications were expected, the actual number of applications was 50. Creative Plot is funded by the Swedish Economic Development Agency (Tillväxtverket), the city of Lund and the EU. Despite the rather different focus - high-tech versus creative start-ups - Creative Plot works in close cooperation with Ideon Innovation.

Best practices

Ideon Innovation

- Ideon Innovation is run by a profit-making subsidiary of the charitable foundation.
- Ideon co-locates incubators focusing on different sectors, and mixes university-linked and external start-ups.
- Ideon's five incubators include the first incubator in Sweden that is focused on service sector start-ups

The Creative Plot

- The Creative Plot actively engages with creative community, seeking applicants
- A key identified outcome is that the project has noticed that cultural companies are far quicker to market than tech companies
- The incubator runs a model of 'excubation' - which are externally orientated, enterprise focused processes to support start-ups, requiring less management and control.

3.4.4 Danish Design Centre

H.C. Andersens Boulevard 27, DK 1553 Copenhagen V, <http://en.ddc.dk>

The DDC was established by the Danish Design Council in 1978. It is an independent, government funded organisation focused on collecting, communicating and testing knowledge on factors influencing design, and how design can be a driver for innovation and economic growth.

DDC is effectively a forum between industry, public sector, science and the creative community, and is a key institution in Denmark in maintaining the national (and international) profile of design.

The profile raising role includes operating the world's largest and most prestigious design competition. Since its formation, it has also provided design-related advice to businesses.

In 2011, the DDC was given a 40% budget cut from the government, which prompted a significant change in strategy, as the centre was forced to take a more commercial approach, together with a greater focus on the relationship between design and innovation, to maintain its activities and status.

The DDC undertook a study of prominent world clusters, and identified that design is now changing and is now closely linked to innovation process. The study concluded that the focus for design should be in honing creative competencies, and identifying how those competencies can be applied to solve life problems. This approach elevates creativity to become of critical value across the private and public sectors.

The DDC changed its strategy following the study, identifying 3 drivers for innovation – technology, new materials, and big data – and changing its focus to looking at how they can play an important role in tackling challenge.

It now works with the public sector to identify major challenges and facilitate solutions by linking government, research institutions and designers.

As part of this approach, the DDC is initiating a set of services for Cultural and Creative Industries, including an incubator, a start-up (loan) fund, establishing a pool of CCI/business and innovation experts, and promoting wider understanding of the capabilities of its CCI network.

The DDC has identified a divide in the CCI sector, between established companies and a unofficial network of single practitioners, hackers, artists, etc. One of its key roles is to actively attempt to link these elements of the sector. This includes active engagement policies, such as a Sunday club in Copenhagen harbour. Hackers, artists, film-makers, etc.

The DDC is also attempting to legitimise the unofficial creative sector facilitating the forming of consortia, and introducing contract opportunities.

The DDC is also pushing to create further opportunities for CCIs through publicising of Big Data, using the example of Helsinki, where the Mayor has decided that all data should be public. DDC is actively lobbying the Mayor of Copenhagen to do something similar.

Best practices

- The DDC has a prominent, strategic role with Denmark/Copenhagen, and it uses this influence in liaising with public sector to promote the use creativity to solve problems
- The incubator model includes linked loan fund, and links to a wide pool of CCI experts
- DDC engages with micro businesses in the CCI sector in an innovative way, to help form consortia to be able to respond to public sector problems.

3.5 Beja/Lisbon

The study visit to Beja and Lisbon took place in April 2013. Beja is a municipality with around 36,000 inhabitants. It is the largest town and the cultural centre for the sub-region.

Lisbon is the capital city of Portugal and its principal economic centre., and is responsible for 40% of Portugal's GDP. It is also the country's main cultural and creative centre, with a cosmopolitan and multi-lingual population. Lisbon was European Capital of Culture in 2004, and has recognised creative strengths in fashion – MUDE and Moda Lisboa (Lisbon fashion week), film (Lisbon and Estoril Festival), Architecture (Trienal de Arquitetura) and Design (Santos Design District).

Partners visited a number of projects in Beja, Taguspark (on the outskirts of Lisbon), and the LX Factory in Lisbon itself. The LX Factory project is considered to be the most relevant to Medway.

3.5.1 LX Factory

Rua Rodrigues Faria, 103, 1300-501 Lisboa www.lxfactory.com

The LX Factory was established in 2008, and is owned and managed since then by a real estate investment firm (Mainside) with no public sector involvement. The development brought back into use a 23,000m² derelict former factory in the Alcantara area of Lisbon.

The LX Factory transformation has been to target a number of creative activities and methods, including creative production, consumption and retail to create a creative and dynamic self-contained area. Around 150 businesses are resident in the LX Factory, with demand generated almost exclusively by word-of-mouth.

Mainside's model applies a system of variable pricing for the various types of renters and the sector and size of their business. The former factory site now rents space to a wide degree of creative and complementary uses - marketing and advertising agencies, music companies, publishing architectural practices, photography and fashion studios, combined with workshops, shops, catering, boutiques, and hairdressers.

Since the site has become popular, the municipality (despite previous reluctance to support the initiative) now assist in promoting a wide and varied events programme. As the site is slightly run down part of Lisbon, the owners view this programme as particularly important to connect their clients with the city and wider community, and promote networking with outside companies.

The former factory site includes a building that is solely used as a large flexible events space, within which exhibitions, food tasting sessions, concerts and catwalk shows are very common. The programme of events on-site also includes:

- Sunday street markets, offering vintage and hand-made clothes, shoes and artisan foods
- Twice yearly Open Days – all businesses open their doors, create opportunities for networking, combined with street music, food and drinks

3.5.2 CoWorkLisboa – www.coworklisboa.pt

CoWorkLisboa was started in Feb 2010 on the top floor of the main former factory building in LX Factory. The space offers of 54 desks (a mixture of flexible and fixed) and 16 micro studios for rent, which – despite some seasonal fluctuations has enjoyed around 80% occupancy since shortly after it was established.

The CoWork space employs no selection process, but finds that clients who fit with the collaborative ethos of the space remain as clients. As part of this collaborative approach, the project finds that the community provides peer support for free. Prices for the CoWork space are:

- Small fixed table (€120+ vat)
- Large fixed table (€140+ vat)
- Flexible monthly (€99 + vat)
- Weekly (€50 + vat)

The project was started up on an entrepreneurial basis with upfront costs of €20,000 (which included around €10,000 payment to Mainside for 3 months rent). The founders (who earn a living out of the venture) have a strong collaborative and entrepreneurial philosophy which is evident in their approach, which has included obtaining key services – such as broadband provision through sponsorship deals, and furnishing the space in lieu of rent.

There is a cafe that forms part of the CoWork space, but the operators now run this as a concession, which is far easier to deal with. The operators are also setting up a kindergarden which they believe will attract clients.

As with the LX Factory generally, there is no actual marketing of the space. However, the operators used social media to gauge the interest in both establishing and locating the CoWork space, and used Facebook to select a preferred site from 3 options.

Best practice

LX Factory

- Private developers take on derelict post-industrial buildings and use a creative-led approach to drive a mix of complementary uses add to the vibrancy of the location.
- The former factory site also offers a large flexible events space on-site.
- The events programme includes Sunday street markets which are very popular for visitors and good for profile raising.

CoWorkLisboa

- The entrepreneurial approach has been successful in securing services (such as broadband) provided under a sponsorship deals, and enabling the project to be developed completely independently of public sector support.

- The establishment of a kindergraden as a core part of the CoWork offer should significantly increase the attractiveness of the space to potential clients.

3.6 Patras/Western Greece

The study visit in June 2013 focused on Patras, which is the capital city of the Western Greece region. The regional economy is centred around unproductive primary industries (with 21.5% of total employment in agriculture). The economic performance of the region is poor, with GDP per capita at 61% of the EU average.

The City of Patras has a population of around 214,000 (2011), and has a strong track record in large-scale events such as the Olympic Games of 2004, the Cultural Capital of Europe 2006 and the World Rhythmic Gymnastics Championship 2007. Patras holds annual Summer Festival and the famous Carnival of Patras, which is the most famous carnival in Greece. It has a 160 year history, and lasts for at least two months (February and March) every year, attracting hundreds of thousands of visitors.

Partners visited a number of support projects in the Patras area, including Patras Science Park, Coralia/Patras Innovation Hub, Carnival Lab of Patras and the Innovation and Technology Transfer office at the University of Patras. Of these projects, of most relevance to Medway's creative agenda was the Carnival Lab of Patras project.

3.6.1 Carnival Lab of Patras

Karnavali Patras, 50 Akti Dymeon Str., Ladopuolos Building, Patras (offices)
<http://www.carnivalpatras.gr/en/the-workshop.html>.

The Carnival Lab of Patras is a Municipal Public Benefit Company (non-profit) owned by the Municipality, and is responsible for constructing the artistic wagons (floats) for the Patras Carnival Parade. The Lab was established in the 1950's and, each year acts as a hub for the city's creative resources, both professionally and voluntarily.

The Carnival Lab workshop and offices employ 8 temporary and 2 permanent staff members respectively, but in peak season 30 to 50 temporary workers are recruited. Public servants assist in the operation and many of those recruited are freelancers.

The aim is to innovate the Labs' activities and products each year, and the Lab also produces earthenware, small sculptures, street decorations and stage props. It also hosts workshops and courses for children and students, with over 7,000 of them visit the Lab yearly, as well as 3,000 other visitors.

Due to the current financial crisis, the Municipality has decided that the Lab must become financially sustainable, although – due to the importance of the Carnival – it is recognised that this will need to be an incremental process. From 2013 the Lab needed to generate about 25% of its income privately

Because of the prominence of the event, and the established reputation of the Lab, a network of certified sponsors has been set up (which has remained quite high even since the start of the economic crisis).

In order to facilitate the transition to a more commercial approach, the Carnival Lab formulated a business plan in 2013, which includes additional activities to generate income, which include:

- Utilising the Lab as a multi-purpose carnival information centre, hosting events and exhibitions
- Hosting educational visits
- Selling souvenirs manufactured in the Lab
- Organising other cultural events
- Involvement in other cultural programmes co-funded by EU subsidies
- Designing a catalogue of products for carnival and other events (produced in the Lab and sold to other municipalities)
- Introduction of discount card for culture, sports, catering etc., the 'Patras Carnival Card';
- Enhancing the network of certified sponsors
- Producing mugs, plates, glassware, decorations etc. for restaurants, bars and cafes

These activities have been identified to operating on a year-round basis rather than just before the carnival. The business plan also includes establishing of a back office for marketing, sale, promotion and attracting sponsorship.

Best practice

The use of an event as a critical economic driver for creative activity is considered to be an example of best practice. Due to the well-established tradition and scale of the Patras Carnival, this would be very difficult to replicate elsewhere, but the model of using an event (or events) as a client or driver for creative enterprise is very interesting, given that Medway has a high number (and growing) number of public events.

An established a network of certified sponsors – given the benefits of public events to a locality, persuading the local business community to provide sponsorship and support to ensure establishment, continuation and even expansion of event activities, is like to generate both profile and economic activity in the area. It has been noted by partners from Patras that the role of the Lab is crucial to delivering the Carnival, which then generates considerable income for the city in taxes, sales and tourism. Revenues from these, however, accrue to the public government and businesses rather than to the Lab itself.

3.7 Aviles

The study visit to Aviles took place in November 2013. Aviles is a port and industrial city in the Asturias region of Spain, with a population of around 85,000. It is also home to the Oscar Niemeyer International Cultural Centre.

The partner visit included the Cultural Factory in Aviles, Valnalon in nearby Langrea, and LABoral in Gijon. The visit also an interim conference for the InCompass project. The most relevant of these projects in terms of providing elements of best practice to be considered in the Medway context was the Cultural Factory (Factoria Cultura) project.

3.7.1 Factoria Cultura

www.avilescultura.com

The Factoría Cultura is housed in a former textile factory that was closed down in 1995. The building was bought and refurbished by the Municipality as a centre for cultural creation and production. The project receives significant funding from ERDF, and Factoria Cultura opened its doors in 2010 but will be fully operational only in June 2014.

The Factoria Cultura housed the local School of Ceramics from 2010, which is the most famous of its kind in Spain. The new location is more appropriate for the School than the previous location (in a museum), and offers the School potential for future expansion. Currently around 200 students are enrolled in accredited courses in the School, and there is a strong steer to pass on the knowledge and craft skills of older generations in the facility.

Activity in the Factoria Cultura focuses on five main artistic branches: music, performing arts and dance, plastic arts, digital creation and audio-visual media, and fashion and design. This multiple focus is part of its mission to become the major 'reference space' for artists and creators in the town of Avilés and its immediate hinterland. Located in the building are workshop spaces for artists, flexible spaces (for production and performance), ICT facilities, and specialist spaces such as rehearsal rooms for musicians and other performing arts. The strategy for the project is a deliberate attempt to open up creative heritage to younger people and cross-reference skills by co-locating creative production, exhibition, consumption and learning.

Best practices

- The combination of creative learning and heritage through the School of Ceramics with new creative space and multidisciplinary space targeted for young people, provides an interesting model that has clear parallels in the Medway context (with the combination of learning institutions, heritage and the relatively young population in Medway).
- The project provides an example of combining creative production and consumption through bringing the artists/creators into closer contact/association with audience.

3.8 London

The partnership held a study visit to London in February 2014, which followed the visit to Medway. Not originally scheduled in the project, partners were particularly interested to see some London incubator projects in action, given that there is generally more examples of projects that have been in operation without public funding support.

Partners visited six creative industries support projects across London. The projects showed a variety of approaches, the most relevant to of which to Medway were:

- Camden Collective
- Cockpit Arts
- Trinity Buoy Wharf
- London Accelerator
- Centre for Creative Collaboration

3.8.1 Camden Collective

www.camdencollective.co.uk

Camden Collective is a non-profit subsidiary of Camden Town Unlimited, which is Camden's Business Improvement District company. The objective of Camden Collective is to promote vitality through attracting creative people to Camden. However, BID companies have to demonstrate additionality, so it must regularly report to the board how its activities are making a difference in an additional way.

The company has been active since 2010, and received a core income of c£600k per annum from bid levy. It receives variable income on top of that from various sources for projects, and the income from the levy is matched by Camden Council and the Mayor's Office.

The company currently provides two workspace hubs, an incubator project, a training project and pop-up shops of Camden High Street. The workspace hubs provide 1,000m² of space, with over 90 businesses using the space employing around 220 people. Although the space is free, the project finds that clients naturally leave the space when they reach a certain size.

Crucially, the space is provided to businesses free of charge. The Chief Executive of Camden Collective states that BID partners have agreed to prioritise job creation over creating a model that generates income. Clients are expected to give two hours per month to the project in return, and are obliged to work with the project staff on monitoring the progress of each business (including official quarterly business reviews). As a result of maintaining this model since 2010, Camden Collective has developed a series of KPIs, and all new businesses are benchmarked.

The project has also developed an incubator model, where eight start-up businesses are hot-housed for 3 months with intensive mentoring. At the end of the process, businesses then get a chance to pitch for interest free loans from a fund supported by the Mayor of London.

Camden Collective is able to develop training projects that respond to local need. The current model employed is an Academy project, which is an intensive 6-week coding course. The course is free, and is intended to address a massive undersupply of qualified coders. Course attendees include school leavers with no qualifications.

The two project pop-up retail spaces operate slightly differently. The project's pop-up shop is available for free on short term (monthly) arrangement to local creative businesses wishing to test products in a busy retail area. The project also runs an in-door market, which rents pitches to clients.

Best practice

- Workspace is provided for free, which enables small companies to employ people. (Businesses leave when they get too big as they need more and private space). As a result, CC finds that clients don't often say they need funding.
- Camden Collective provides active and hands-on business advice to clients, including mandatory quarterly progress review sessions for clients. CC has developed KPIs to measure business progression (and all new businesses are benchmarked)
- Incubator essentially hot-houses eight businesses over a three-month period
- Pop-up shop model includes an indoor market, which used local artists to design a low-cost interior.

3.8.2 Cockpits Arts

Holborn Incubator and Head Office, Cockpit Yard, Northington Street, London WC1N 2NP

www.cockpitarts.com

Cockpit Arts is a registered charity and a non-profit company dedicated to supporting and promoting designer-makers. It first opened in 1986, but has been operating on the current two-site model since 2005. It is a crafts-focused small business incubator and operates in Holborn (with around 100 businesses) and Deptford (with around 65 businesses). 85% of its clients are female, and Cockpit Arts has never received any public funding (and don't want it) .

It rents the space at Holborn from LB Camden, on a rolling lease with 6 month break clause. The Chief Executive describes the rent arrangement as low rent but not cheap. The Deptford site is freehold (acquired with a commercial mortgage), and Cockpit Arts is currently negotiating with LB Camden on deal for the 999 year freehold of a new property.

The incubator operates as a shared space (with 3 or 4 designer makers sharing a room (although each are charged per m² used). Cockpit Arts provide on-hand business support, a mentoring programme and active selling and promotional support to clients (including four selling events in the space per year). The company has an established business development toolkit, and all the advisors have been handpicked. Cockpit Arts have a relationship with a micro finance scheme (which enables clients to obtain loans of up to £10,000. Due to the personal nature of these loan arrangements, the project has enjoyed a zero default rate against 19 loans.

Cockpit Arts generates 93% of income from social purpose trading (including 67% from rents), with the remaining 7% from other sources (isuch as corporate sponsorship) . There is a policy that fundraising is only applied to developmental costs, rather than operational costs

A client business can expect to pay an average of around £4,000 in rent per annum. The clients are usually graduates, and the company has close relationships with key arts colleges.

In terms of project outputs, the Business Development team track the progress of each client very closely and produce a detailed annual report. These reports have shown that the growth rate has increased by 20% each year since incubator started. Because of the strong reputation of the project

and links into key retailers, many makers sell directly into stores like Heals and Fortnum and Masons. Many of the clients also export successfully.

The entry criteria and application process for new clients is deliberately onerous. Cockpit Arts need to have confidence that the potential client has a strong understanding of business, and that the product is of sufficient quality. The application process includes a lengthy questionnaire, and a presentation/product pitch. Once accepted, a client is free to use the space as they see fit, and many clients hold down other employment. Cockpit Arts view the application process as contributing to the virtuous circle of ensuring client quality, which then increases the interest from retailers, which in turn increases interest from potential clients. As a consequence, the space has been 100% occupied for well over a decade.

Best practice

- Cockpit Arts has onerous application process, in which prospective clients need to demonstrate a strong understanding of business.
- Very strong business development support processes, including developing links to buyers.
- Cockpit Arts has a strong mentoring scheme, with former clients and hand-picked advisors.
- Cockpit Arts has also developed a micro-finance scheme, in partnership with a charity, which has a zero default rate.
- 85% of clients are female

3.8.3 Trinity Buoy Wharf

64 Orchard Place, London E14 0JY www.trinitybuoywharf.com

The Trinity Buoy Wharf site has been developed by Urban Space Management (USM), a prominent for-profit urban regeneration company in the UK, with a strong reputation for creativity and innovation. USM hold a 124 year lease on the site from a charity - Trinity Buoy Wharf Trust.

The Trust itself acquired the site in 1998 from LB Tower Hamlets, and it holds a 125 year lease on peppercorn rent. USM pay the Trust 25% of income to trust for arts development purposes. The business model has no public sector support, and 80% of revenues are derived from rents (which are 96% occupied, and all marketed via word-of-mouth). The remaining 20% of income comes from events such as weddings and film shoots.

USM has curated an interesting mix of creative and business uses (from office to music studios), and employ a cross subsidy model where high rent from established companies to support artists. Tenants onsite also include; a Parkour academy, a Primary school, an Arts school, Gallery space/installations, and Cafes.

Best Practice

- Co-location of diverse activities creates an interesting place.

- Finance model helps generate funding for art, which increases the attractiveness/reputation of the place.

3.8.4 London Accelerator

35 Kingsland Road, London E2 8AA www.accelerator-london.com

The London Accelerator owned by London Metropolitan University, but is legally constituted as a charity. It operates as both a hatchery for students with new business ideas, and as office space for external clients.

The London Accelerator has four business objectives:

- To help small businesses
- To help students
- To generate positive PR for the university
- To ensure that its financial model is sustainable

The Accelerator manager reports into the Deputy CEO/Head of Enterprise at the University. The university insist that the project is run commercially, and the project consistently makes a surplus. As long as that remains the case, the project is allowed to operate on an autonomous basis.

The project is based in a building that is rented on a long term lease from Hackney Community College. The lease is very cheap, so the space is essentially provided for free, which helps with the profitability of the project. It currently houses 35 businesses as tenants in the workspace, with 35 further clients in the hatchery.

Of the staff, the project manager and Office manager are funded by the project, with other staff members are funded through complementary project funding from external organisations. At any time 20/30 people working in the Accelerator on a variety of projects. This includes a number of students – some on a paid basis, some working as part of coursework, and some volunteering to obtain specific skills (where expenses are paid, then small stipend after a few months). The project also organises placements for students with resident businesses.

Increasingly, the University are seeing a correlation between student satisfaction and employability, so the latter is becoming increasingly critical, particularly given the new fee paying structure. The University needs to maintain a competitive edge, and the Accelerator provides both profile and value to this end.

The Accelerator's model is to concentrate on tech and digital media businesses, although it is seeing an increasing number of creative businesses both through the hatchery and as clients. A decade ago, the admissions policy was not selective, which reflected the level of demand. Now the Accelerator is far more selective about both its workspace and hatchery clients.

Almost all the cost of the hatchery is provided by cross-subsidy. Around 50% of workspace clients have graduated or expanded through from the hatchery process, so the hatchery is effectively part sustained by its previous clients.

The Accelerator believes its workspace is competitive, but not cheap, and charges:

- Around £200 + VAT pcm for a desk space
- Around £500 + VAT pcm for an office

This rental figure is inclusive of utility and broadband costs, and also includes access to facilities, mentors, and professional help for all clients. Spaces are let flexibly on a licence basis (rolling monthly agreements).

For the hatchery, the Accelerator is able to operated a fairly rigorous selection process as the project is always over-subscribed. The process is as follows:

1. Completion of an online application form
2. Shortlisting (which whittled down 170 applications to 60/70)
3. From the shortlist, 40 prospective businesses are invited to a 2 week bootcamp
4. Following the bootcamp, 20 teams are selected for the hatchery
5. The businesses are then offered a 6 month period within the Hatchery (rent free)
6. There a review of progress after 6 months
7. Following the review, the business may be offered an additional 6 months in the hatchery

Best Practices

- The Hatchery application process is very competitive and onerous.
- The project provides a variety of hands-on experiences for students in a commercial environment – this is important for students increasingly looking for active entrepreneurial and live commercial experience
- The Accelerator is increasingly working with corporates to assist the hatchery process (either in-kind, or through sponsorship - many are investing large amounts in start-ups)

3.8.5 Centre for Creative Collaboration

16 Acton Street, London WC1X 9NG www.creative-collaboration.net

The Centre for Creative Collaboration project operates as an autonomous project, but is effectively a department of the University of London.

It has a board of directors (chaired by the Vice Chancellor of the University of London), which includes a number of private sector representatives.

It operates solely on the basis of received funding from partner bodies, which are four higher education institutions:

- University of London
- Goldsmiths College
- Royal Holloway and Bedford College
- Central School of Speech and Drama

C4CC is a neutral collaborative space, housed in a 4,000 ft² former architects studio in Kings Cross. It was set up in 2011, and has one full time and 3 part time staff members.

There is a strong focus on project, and all the activity within the space is project based. It therefore operates as pre-incubation space with a focus on the people, the qualities of person and their ideas. The demand for the space is mainly from students with ideas, although some academics also use the space. C4CC specifies that its clients:

- Have to be involved in digital and creative sectors
- Have to have a connection to the universities
- Have to collaborate

The project started as a pilot exercise looking to understand the benefits of small companies working with each other, and working with HEIs. It is set up as a very high trust environment and places an emphasis that the space is for non-corrosive failure. This means supporting business ideas so if it goes wrong, then the individuals 'fail forward'. Consequently, some clients are on the 3rd or 4th iteration of an idea.

The support that the businesses receive is informal, customised and hands-on. It includes confidential assistance around project ideas, network connections, business planning, business promotion. C4CC take a pragmatic approach to business support, and have developed a number of training modules. An emphasis is also placed on doing it, not talking about it.

The over-arching cost of the project is around £500k, which pays for the building and staff. The project has never promoted itself and all activity has been generated through word-of-mouth. It has positioned itself as a hub of a number of networks by offering event space to a number of non-commercial organisations (which get the space for free).

Workspace cost is entirely flexible. It is mostly offered free of charge to clients, but in return for in-kind support. Some clients pay depending on the progress progression of the business.

Project is responding to different driving forces and needs of entrepreneurship, which the funding partners take an active interest in:

- Creative and digital businesses have rapid cycle times (so can fail forward)
- C4CC has noticed that 18-25 students are more interested in entrepreneurship, but also with overt social values.

Around 60% of projects emanating from the space are lead by women, and 50% of start-ups are lead by women.

Best Practice

- Multi-institutional backing and the insistence of collaboration.
- Flexible approach means that the rental arrangement per client depends on the business circumstances.
- Space attracts students and lecturers alike - many University staff use the space as they are unable to pursue project ideas within the confines of the university environment.
- C4CC has developed a programme of events - partnering with a number of linked associations and organisations, which acts as a marketing tool.

3.9 Kosice Conference

The visit to the PLACE! Conference in Kosice was included as an additional element of the study visit programme. It principally provided an opportunity to gain an overview of new thoughts of international several thought leaders in the sphere of cultural and creative industries, and a insight into a number of best practice examples of cultural and creative industries development.

The conference programme consisted of a number of workshops and presentations by a number of leading international experts in the area of creative industries development – these included:

- Charles Landry (Keynote speaker)
- Tom Fleming (Tom Fleming Consultancy)
- Paul Bogen (Olivearts Creative Consultancy)
- Giovanni Schiuma (Innovation Insights Hub, University of Arts London)
- Phillippe Kern (Creative Spin)
- Juan Carlos Belloso (Barcelona)
- Zora Jaurova (President of the Slovakia Creative Industries Forum)
- Stuba Nikola, Managing Director, Kaapelitedhas, Helsinki
- Agata Etmanowicz, Fabryka Stuki, Lodz

A report of the conference and some of the speaker contributions is included as Appendix 5, but a summary of the most relevant parts of the conference for Medway partners is included here:

3.9.1 General comments on cities as creative places

- While cities are now recognised as creative hubs, it is important to view them as creative laboratories, as they have always been. But only now are we consciously trying to affect this – by way of a multitude of projects and policies that are being employed around the globe
- While the world is rapidly changing (and becoming more urban), there is a new (technology and creativity driven economic paradigm that is emerging – this is putting all cities at a crossroads;

how to catalyse the right – sustainable – economic activity. Within this, it is essential not to imitate, as global culture is usually bland and homogenising

- There is a justifiable focus on talent – but it's the issue of churn that actually needs attention, as a city will cease to be a creative place if it becomes fixed.
- Technology is enabling people to be more collaborative, and getting things done requires (and will require) much more collaboration.
- Cities require new types of space which respond to new methods of working
- It is important to view creativity in the context of what an area already does – in Medway's case, that includes of £1bn in turnover among local manufacturing and engineering companies). This presents significant opportunities for value added by creativity
- There is a real need to plan for the unknown – both to ensure city resilience, and because the pace of change is so rapid (and will get more rapid).

3.9.2 Placemaking

There is a critical role for culture and creativity in placemaking, and the development of a city image, which then – if done well – contributes significantly to economic and social growth. Barcelona was given as a strong of a city that has totally changed its profile in 30 years.

In examining the approach taken by Barcelona, it is clear that:

- Strong political leadership is essential
- A programme of events, spanning business, culture and sport, become equally essential
- Institutions also play a key facilitating role (Barcelona has established a large number of public/private bodies

3.9.3 Models for cultural space

The PLACE! Conference also demonstrated some extremely interesting development models to deliver cultural and creative workspaces:

Kaapelitehdas (The Cable Factory), Helsinki, Finland www.kaapelitehdas.fi

- The Cable Factory is the largest cultural centre in Finland, and houses 3 museums, 12 galleries, dance theatres, art schools, and a large number of artists, bands and creative companies. Around 900 work in Kaapeli every day (300 tenants), and approximately 200,000 attend events in the space.
- The site has been owned by the City Council since 1989. The Council established an arms-length company to turn the building into a cultural centre, which operates on a sub-letting model to private operators, which ensures a natural variety of uses, and the creation of an interesting place. It also returns a significant profit, and has no need to seek public subsidy.

Fabryka Stuki, Lodz, Poland www.artinkubator.com

- Fabryka @ Sztucki is the Factory of art (or Art_Inkubator) in Lodz. A former industrial building that is run as a public private partnership, between Lodz art centre (a collective of artists and promoters), Chorea Theatre (a non-profit theatre group), and the City of Lodz.
- The Art_Inkubator co-locates artistic and creative business production, by providing workspace and programming content. The space includes big theatre hall, film and photography studios, offices and a cafe, and provides workspace for 70 entrepreneurs.