

Priority Project Investment Form

Project Name	Business Accelerator
RES Objective	<ul style="list-style-type: none"> • Grow the region's businesses in key economic sectors to create a radical improvement in their competitiveness and contribution to the region's wealth • Achieve higher business birth and survival rates to create a radical improvement in the number of new competitive businesses that last
Policy Objective	<ul style="list-style-type: none"> • To provide an incubation environment which nurtures new/ growing small businesses and complements existing incubation facilities in Leeds.
Location	St Anns Mills, Kirkstall, Leeds – one mile north west of the city centre
Description of Project	<p>This project aims to provide a suitable incubation environment for new high growth businesses coming out of established incubation & high growth start up programmes in Leeds.</p> <p>The project will pay for a pre let of 12,000 sq ft of dedicated incubator space in newly refurbished Mill premises in the Kirkstall Valley. A pre let arrangement will enable the lead partner to create refurbished premises at affordable rates. Rental income accruing to the scheme will be used to provide incubation services, pay management costs and to establish a incubator fund for incubator clients.</p> <p>At any one time the incubator will be able to provide accommodation for up to 25 new high growth businesses in there first 3 years of trading. The incubator will operate a selective tenancy policy to ensure that priority is given to new growing businesses which have graduated from established high growth start up programmes currently operated by the two Leeds universities, Business Link West Yorkshire and the local Business Link concession (Leeds Chamber of Commerce).</p> <p>Space will be provided on flexible terms for a period of up to 12 months to enable new businesses to test out their business idea in a supportive environment. Incubation support services will be provided through the local business link concession, weekly advice surgeries will be held on site and tenants will be encouraged to take up appropriate support services accessed through the business link network.</p> <p>The project will enable partners to extend the current limited incubation offer by providing "grow on" space for existing incubation programmes.</p>

Lead Partner	Leeds City Council
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Other key Partners	Leeds Chamber of Commerce, Leeds Met University

Linkages Please describe how this project links to other activity either existing or proposed through the Investment plan.	LMU Incubator at Queens Square; other incubation facilities in Leeds; WY Ventures High Growth Programme; Business Link local concession activity provided through the Leeds Chamber of Commerce.
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Project Timetable	
Development timescale	October 2005 to September 2006 to create 12,000 sq ft refurbished mill premises. The project team will be involved in designing the layout of the incubator space and marketing the space to potential incubatees
Project Start Date	October 2006
Project Finish Date	March 2009
Project Duration	3.5 years
Risks	Capital funding approval for Refurbishment Scheme - 12,000 sq ft incubator part of a £2.375m scheme. Refurbishment timescales

Outputs	
Jobs created	150
Jobs safeguarded	-
Businesses created	25
Business assisted	25
Learning opportunities	-
Brownfield Land Reclaimed	Help to facilitate the development of 18,000 sq ft of floorspace in a renovated mill building
Private Sector Investment	£369,000 rental income used to establish the incubation fund (not included in the figures below as could be perceived as double counting)

Impact	
Please describe other impacts the project will deliver	<p>Redevelopment of existing site; the creation of high quality refurbished space at affordable rates which will be let on flexible terms beyond the life of this project.</p> <p>The establishment of a incubation fund funded through rental income.</p> <p>The project will act as the catalyst for a £2.375 m public sector investment</p>

Funding	04/05	05/06	06/07	07/08	08/09	Total
Yorkshire Forward	0	10000	105000	210000	210000	535000
EU Funds	0	0	0	0	0	0
Local Authority	0	10000	10000	20000	20000	60000
Other	0	0	0	0	0	0
Private Sector	0	0	0	0	0	0
Total Cost	0	20000	115000	230000	230000	595000

Assumptions

Outputs

Up to 25 businesses accommodated at any one time (@ 500 sq ft per business) 50/50 split between existing businesses (in their first 36 months of trading) & new businesses

In 2.5 years achieve a “tenant churn” of twice maximum occupancy (50 businesses)

Each business assisted creates on average 3 new jobs

Expenditure

A pre let of 12,000 sq ft at £15 per sq ft plus service charge (£2.50 per sq ft). Total charge of £17.50 per sq ft for 2.5 years. Service charges include building & grounds maintenance, security, lift, provision of utilities & building insurance etc.

£10,000 up front expenditure by YF for marketing costs.

Local authority contributions based on staff time to set up and run the project.

Rental Income

Rental Income accruing to the scheme will be ring fenced in a separate “incubation fund” account. The rental income forecast is as follows :

06/07 – 50% of max rental income (£15 per sq ft x 12,000 x 50%) = £90,000

07/08 – 70% of max rental income (£15 per sq ft x 12,000 x 70%) = £126,000

08/09 – 85% of max rental income (£15 per sq ft x 12,000 x 85%) = £153,000

total rental income = £369,000

The rental Income will be used to fund management & support costs of running the business accelerator and to establish a incubator fund. The incubator fund will be used to help businesses to develop & grow and will help to facilitate relocation of tenants to business accommodation in the private sector. The fund will therefore help to ensure “tenant churn” and stop “silting up” of the accelerator.

Priority Project Investment Form

Project Name	Incubation West Yorkshire
RES Objective	<p>2: To achieve higher business births & survival rates that creates a radical improvement in the number of new, competitive businesses that last.</p> <p>6: Ensure and utilise the regions infrastructure of physical & environmental assets</p> <p>Priority (c) Invest in enterprise and high quality public and private support services focused on the needs of high growth businesses</p>
Policy Objective	To develop a comprehensive portfolio of support for the sub-region's SMEs undergoing incubation, together with increased incubation capacity and enhanced knowledge amongst practitioners.
Location District Location or sub-regional	West Yorkshire wide within recognised incubators and potential incubators
Description of Project	<p>1. Delivery of advice</p> <p>Provision of one-to-one Business Link branded advice and support (over and above SBS funded provision) to SMEs located in recognised business incubators throughout West Yorkshire.</p> <p>2. Grants & support for business growth</p> <p>An 'incubation fund' to provide grant funding to incubatees to remove barriers to business growth via consultancy provided by intermediaries.</p> <p>One-to-one mentoring for incubatees.</p> <p>Provision of networking seminars, including a hosted Innovation Showcase of new products and an incubator 'alumni club'.</p> <p>Graduate placements in incubatee companies.</p> <p>3. Capacity building</p> <p>Expansion of existing incubation capacity.</p>