

**NORTH LANARKSHIRE COUNCIL
REPORT**

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| To: POLICY & RESOURCES (REGENERATION & INFRASTRUCTURE) SUB COMMITTEE | | Subject: TOWN CENTRE BUSINESS INCUBATOR UNIT PROJECT |
| From: HEAD OF PLANNING & REGENERATION | | |
| Date: 5 September 2013 | Ref: 1736/CMcA | |

1. Purpose of the Report

- 1.1 To inform members of the development of a pilot project within Airdrie town centre for new businesses and seek approval for funding towards the project.

2. Background

- 2.1 Town Centre support for businesses in North Lanarkshire is limited, although advice is available for some businesses through TCA and Business Gateway, continued support for development and growth is not as easy to access. Nearly 100 town centre businesses closed in 2012-13. Given the right support and advice some of these may have survived.
- 2.2 Frequently new businesses begin without knowing the market demands, the risks in starting new business and pressures in growth and this can lead to a failure to sustain the business.

3. Business Incubation Unit Project Proposal

- 3.1 The town centre business incubator unit aims to support new company formation by offering a nurturing environment for new start-up and fledgling businesses. The objective is to provide business space within a town centre including a comprehensive training support package for new and young businesses.
- 3.2 The experience that is offered by the business incubation unit is unique. It offers new businesses an opportunity to get a taste of running their own business in a town centre environment whilst receiving continuous business support throughout the duration of their stay in the unit. Aftercare support will also be offered to businesses moving on.
- 3.3 The project will target:
- **Young businesses** that currently work from home or currently have an on-line business.
The Incubation unit would provide not only business support but the opportunity to test new and different markets, hone their visual merchandising as well as developing retail skills at a low cost and low risk to their business.

- **Pre-start businesses** that have not yet developed their Business Plan or researched the market, but with the right support could move to the next step and develop their idea into a sustainable town centre business.
- This project will work closely with Lanarkshire Colleges to identify **young entrepreneurs** with business ideas that could be developed and tested through the incubation unit.
- It is intended that the incubation units will also provide opportunities for job placement, on-the-job training and entrepreneurial training for unemployed and in particular young people.

3.4 The availability of retail space across North Lanarkshire town centres was assessed and a suitable retail unit has been identified within Airdrie town centre. Two other units in Motherwell and Kilsyth were assessed however the Airdrie unit had the benefit of office and storage space in order to accommodate 6 to 8 small businesses. The unit is located in a key location with high footfall next to the new Airdrie Health Centre. It is important to maximise the exposure to an area of high footfall for the new businesses. The incubation unit will be managed by TCA Ltd with a dedicated Project Officer and Support Assistant being employed to deliver the project in Airdrie town centre.

3.5 Project planning started on 1st July and is anticipated will run until 31 March 2015.

4. Incubator Unit Outputs

4.1 It is anticipated that 16 businesses will be supported throughout the life span of the project increasing their annual turnover by £25k.

4.2 As well as the opportunity for each business to become self employed, job opportunities will be created by business growth (estimated at 16 FTE).

4.3 The project will also offer work experience to young and unemployed people to develop a skill base in customer care, marketing and clerical skills.

5. Project Costs and Funding

5.1 The total cost of the project is £318,507 with a proposed start date commencing August 2013 to fit out the retail unit in Airdrie. Once established the project will be delivered until 31st March 2015.

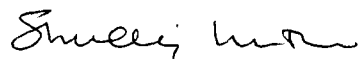
5.2 An ERDF funding bid has been successful in securing £50,940 as a contribution to the business incubation unit project. This funding has been confirmed with match funding secured from TCA Ltd of £114,105.50. The project funding breakdown is detailed in the table below.

| Funder | TOTAL |
|--------------------|-----------------|
| TCA | £114,105.50 |
| ERDF | £50,940 |
| Balance | £153,461.50 |
| TOTAL COSTS | £318,507 |

5.3 NLC funding of £153,461.50 is being sought from the Regeneration Investment Fund agreed in the 2013/14 Council budget on the 14th February 2013.

6. Recommendation

6.1 It is recommended that the Committee approves the allocation of £153,461.50 to the project from the Regeneration Investment fund.



Shirley Linton
Head of Planning & Regeneration

For further information on this report please contact Emma Walker, Town Centre Activities Ltd on 01236 638919.