

To: Economy and Regeneration Policy Board

On: 23 August 2022

Report by: Chief Executive

Heading: Invest in Renfrewshire: Start-Up Street

1. Summary

- 1.1 This report advises on the progress and further development of the Start-Up Street project and the partnership agreement for the Renfrew development.
 - 1.2 Start-Up Street is an economic development initiative which aims to help grow the local economy by supporting start-up businesses looking to make their first step into commercial premises.
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2. Recommendations

Board members are asked to:

- (i) Note and agree the proposed partnership agreement with Lanarkshire Enterprise Services Ltd [LESL] for Start-Up Street, 7-13 Dunlop Crescent, Renfrew.
- (ii) delegate authority to the Head of Economy and Development to conclude the agreement incorporating appropriate terms and conditions to protect the Council's interest.

3. Background

- 3.1 Start-Up Street is an economic development initiative offering new and growing businesses low-cost, high-quality workspace and wraparound support.
- 3.2 Subsidised premises costs cover the workspace, wifi, utility bills and provide access to meeting space, with lease costs incrementally increased until the business owner is ready to move to an alternative Renfrewshire commercial space.
- 3.3 The initiative is already proving a success in Paisley where 30 small businesses are benefiting from first-class facilities and support at the refurbished Council Units at George Street, Paisley. With a focus on Youth Enterprise the Council works in partnership with local social enterprise Launch It, Paisley.
- 3.4 Due to the success, and the demand for places, two additional Start-Up Streets are opening in 2022. The first of these is in partnership with Active Communities in Johnstone where dilapidated garage units have been converted to modern and flexible business spaces. The second is in Dunlop Crescent, Renfrew, where long term vacant council units have been refurbished to provide new and additional business space.
- 3.5 This report outlines the proposed Partnership Agreement with social enterprise LESL (Lanarkshire Enterprise Services Ltd). LESL currently provide a range of Business Gateway services under contract to Renfrewshire Council and have been a provider to the Council for many years. Previously based at, and managers of, Hillington Innovation Centre the LESL team currently provide a wide range of Business Gateway workshops and expert help to Renfrewshire Businesses.

4. Partnership Approach

- 4.1 LESL (Lanarkshire Enterprise Services Ltd) and Renfrewshire Council share a common objective of supporting the development and growth of small to medium enterprises. LESL is a registered social enterprise which has been successfully offering business training and support to SME's for over 35 years. LESLs objectives are to provide support that transforms businesses and helps lives and communities to thrive.
- 4.2 LESL have worked in partnerships within Renfrewshire through Renfrewshire Council's Business Gateway service for almost 12 years supporting local SMEs to grow, providing advice, support and incubation facilities. Most recently 12 local female led businesses benefited through Renfrewshire Council's Business Gateway service from LESLs bespoke Accelerator programme helping them to focus on growth.
- 4.3 The objective for the Start-Up Street Enterprise Hub in Renfrew is to identify up to 17 start-up businesses (at any one time) who will take space in the centre.

LESL will provide full facilities management of the space and provide advisory support and a range of events aimed at supporting the young businesses to grow strongly. LESL add value to the Start Up Street development with their experience of operating Innovation Centres and providing incubation services and support for early stage, growing businesses across Scotland.

5. Overview of Partnership Agreement

- 5.1 A partnership agreement between the Council (RC) and LESL will be finalised in the coming weeks to outline the operational workings and responsibilities for both parties.
- 5.2 Start-Up Street Renfrew will provide a range of quality managed workspaces, of varying sizes and costs, to suit the needs of local start-up and early-stage businesses and self-employed people. There will be a particular focus on female entrepreneurs. The premises will offer ongoing support from a business advisor, a staged reception, training room, good digital networking and access to the wider business supports available through the wider council Business Gateway service and business development team.
- 5.3 The space would be offered for a maximum of 2 years to small or early-stage businesses with a staged rental model which increases over the 2 years. At the end of the contract period the business will be paying the full rental value and can then move to an alternative commercial space in the Renfrewshire area.
- 5.4 A key feature of the proposal would be that a full-time business advisor, employed by LESL, would be based at the enterprise centre to offer ongoing advice and support, individually nurturing, and supporting the business tenants and organising group training and development. This support would assist with the growth and sustainability of the business and would help identify move on space at the right stage. Businesses will also have access to advice and support from a council Business Gateway Advisor who will hold regular business advisory surgeries in the centre.
- 5.5 LESL will take a lease over the units for a period of 5 years, including a break at 2.5 years. Rates will be the responsibility of LESL. They will provide full facilities management of the space and provide advisory support and a range of events aimed at supporting the businesses to grow.
- 5.6 RC will fully fund the cost of the refurbishment and fit out of the building providing LESL with a “turnkey” site excluding Wi-Fi.
- 5.7 RC (Economic Development) will fully cover the lease costs of the building from RC (Property) to LESL and will under-write the rent on any room vacancies (any gaps in filling a room when a business leaves).
- 5.8 RC and LESL will work in partnership on the joint development of the Start-Up Street business units and the ongoing support of the businesses that are within it.

All businesses engaging with Start-Up Street will be registered with the councils Business Gateway service and will have full access to Business Gateway support.

- 5.9 Start-Up Street provides a new and innovative shared ownership model which helps to grow Renfrewshire's commercial and third sectors. The initiative supports Community Wealth Building in Renfrewshire by utilising vacant council assets for the common good of local people, creating thriving local communities and economies. The Centres are operated by third sector partners who bring added value to the project with their experience and expertise of engaging and working with specific groups within the community.
- 5.10 The Board is requested to approve the outline partnership agreement with LESL and delegate authority to the Head of Economy and Development to conclude the agreement incorporating appropriate terms and conditions to protect the Council's interest. Update reports will be brought back to board on progress.

Implications of the Report

1. **Financial** - No additional finance is sought for this proposal. Resources from the existing Business Start Up budgets (Invest in Renfrewshire / Business Gateway) and from LESL would ensure that the business support was available. The rental from the companies would support the ongoing running costs
2. **HR & Organisational Development** – None.
3. **Community/Council Planning** –
 - Jobs and the Economy – The proposal would support additional business start-up growth and sustainment in Renfrewshire and would be an additional local service
4. **Legal** - Any formal partnership with LESL would be subject to legal documentation.
5. **Property/Assets**- Start-Up Street currently operates from 43-45 & 65-71 George Street, Paisley and work is currently underway to finalise properties 7, 9, 11 & 13 Dunlop Crescent, Renfrew to provide further incubation space. Start Up Street Johnstone has been developed with Active Communities at the former Police Station, Johnstone.
6. **Information Technology** – None. IT infrastructure and resource would be the responsibility of the third sector partner organisation.
7. **Equality & Human Rights**- The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights.

No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.

8. **Health & Safety**- None.
9. **Procurement** – None.
10. **Risk**- None.
11. **Privacy Impact**- None.
12. **Cosla Policy Position**- Not Applicable.

List of Background Papers

(a) None.

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