

**To: Economy and Regeneration Policy Board**

**On: 22 September 2022**

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**Report by: Chief Executive**

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**Heading: Invest in Renfrewshire: Start-Up Street**

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## **1. Summary**

- 1.1 Renfrewshire Council's Economic Development team has responsibility for all business start-up, development and growth across Renfrewshire. It also has responsibility for the growth and development of existing SMEs and encourages businesses to locate into the area.
  - 1.2 This report provides further information on the Council's Start-Up Street initiative and the revised plans for Start Up Street Renfrew at Dunlop Crescent.
  - 1.3 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**

### **2.1 Board members are asked to:**

- (i) Note the background to, and overview of, the Start-Up Street developments and purpose;
- (ii) Note and agree the proposed Renfrew Start Up Street development
- (iii) Delegate authority to the Head of Economy and Development to conclude the partnership agreement with Lanarkshire Enterprise Services Ltd [LES�] for Start-Up Street, 7-13 Dunlop Crescent, Renfrew.

- (iv) Agree that reports on progress are brought back to future boards.

### **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 to nurture and develop early stage business.
- 3.2 Initially approved by the Leadership Board in December 2018 the Start-Up Street proposal responded to the local need for low-cost business space with ongoing business advice and support. It aimed to encourage business growth and support the leap into commercial premises.
- 3.3 The incubation spaces are 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 be supported to move to an alternative commercial space in the Renfrewshire area.
- 3.4 The Start Up Street model was developed to address as many local requirements as possible and each project aims to provide a high degree of added value such as utilising long term vacant premises, supporting the local regeneration of the area and identifying where the greatest impacts can be made.
- 3.5 The first Start-Up Street initiative was developed at refurbished Council Units at George Street, Paisley, with around 20 business spaces available. Due to the success, and the demand for places, two additional Start-Up Streets were approved at the Leadership Board on 28 April 2021 for Johnstone and Renfrew.
- 3.6 Start Up Street Johnstone was developed in partnership with Active Communities who had taken ownership of the old police station to develop as a vibrant community hub. As part of the development dilapidated garage units were converted to provide modern and flexible business spaces.”
- 3.7 Start Up Street Renfrew is 7-13 Dunlop Crescent, where long term vacant council units have been refurbished to provide new and additional business space. The space offers 10 individual units, a meeting room, reception area and 7 hot desking spaces.
- 3.8 Section 5 in the 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. Start Up Support in Renfrewshire

- 4.1 The support to create, grow and sustain businesses is a priority for Renfrewshire Council, Glasgow City Region and Scotland as a whole. It is recognised that statistically the West of Scotland has not performed as well as other areas in Scotland and that Scotland, as a region of the UK, lags behind all other areas.
- 4.2 The most recent ONS report shows that Scotland has the lowest start up rate across the UK and is the only region where the business death rate is higher than the start up rate.

#### Birth and death rates by region, UK: 2020

Counts given to the nearest thousand

	Active Births			Deaths	
	Count	Count	Rate (%)	Count	Rate (%)
North East	77	10	12.3	8	10.1
North West	294	38	12.9	31	10.6
Yorkshire and The Humber	204	24	11.7	20	9.7
East Midlands	199	24	12.1	20	10.0
West Midlands	243	30	12.2	29	11.9
East	296	32	10.8	30	10.2
London	637	89	14.0	77	12.1
South East	465	51	10.9	47	10.0
South West	238	25	10.4	22	9.1
Wales	104	12	11.4	10	9.8
Scotland	181	18	9.8	19	10.3

<b>Northern Ireland</b>	65	6	9.9	5	7.6
<b>Total</b>	3,003	358	11.9	316	10.5

Source: Office for National Statistics – Inter-Departmental Business Register

- 4.3 As a result start up, enterprise and entrepreneurship feature heavily in local, regional and national strategies as a priority for action. Scotland's National Strategy for Economic transformation was launched earlier this year. In the sections on Enterprise it states: "Scotland would need another 60,000 businesses to match the equivalent rate for England."
- 4.4 Start Up Street augments an existing range of supports for new business development and enterprise in Renfrewshire and work to improve start up figures is ongoing. The overall offer to start up businesses in Renfrewshire is outlined in Appendix 1 and additional staff and resources will further augment the offer over the next three years through the UK Shared Prosperity Fund.
- 4.5 Prior to COVID the Business Team at Renfrewshire Council were supporting around 300 local businesses to start up each year but these figures fell dramatically over the past 2 years. The team aim to get to 300 this year and to increase the figures in years to come.
- 4.6 Earlier this year Renfrewshire Council, with LESL, piloted a women's business accelerator programme which proved very successful. It is the intention to further develop this approach and to provide a comprehensive women into business programme, linking participants with the full range of business start up supports and accommodations available throughout Renfrewshire.

## **5. Start Up Street Renfrew: Partnership Approach and SLA with LESL**

- 5.1 LESL (Lanarkshire Enterprise Services Ltd) and Renfrewshire Council share a common objective of supporting the development and growth of small to medium sized 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.
- 5.2 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.

- 5.3 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. The facility will be open to all applicants from any business sector who meet the criteria. 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.
- 5.4 A partnership agreement between the Council and LESL has been developed to outline the operational workings and responsibilities for both parties.
- 5.5 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.
- 5.6 LESL will take a lease over the units for a period of 5 years, including a break at 2.5 years. Business 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.
- 5.7 Renfrewshire Council will fully fund the cost of the refurbishment and fit out of the building providing LESL with a “turnkey” site excluding Wi-Fi. The Council will fully cover the lease costs of the building and will under-write the rent on any room vacancies (any gaps in filling a room when a business leaves).
- 5.8 Renfrewshire Council 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 Start Up Street approach and delegate authority to the Head of Economy and Development to conclude the Service Level Agreement with LESL. Update reports will be brought back to board on progress.

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## 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.
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.

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## List of Background Papers

Leadership Board:5th December 2018.:  
“Invest in Renfrewshire Proposal: Start-Up Street”

Leadership Board:28 April 2021  
“Start-Up Street”

Economy and Regeneration Board: 23 August 2022  
“Invest In Renfrewshire: Start-Up Street”

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## APPENDIX 1 Start Up Supports in Renfrewshire



Renfrewshire's main base for Business Start Up is at InCube, 27 High Street, Paisley.

The Councils Business Gateway and InCube team work with individuals and businesses across Renfrewshire to support them to achieve their ambitions and goals. Whether this is self employment, starting a business or already running a new or existing business, the team can support with a range of advice, expert knowledge, business information and market intelligence.

Renfrewshire offers considerable supports for local early stage businesses including:

- Business Gateway Advisory support, online tools, Business Gateway Training/Workshops and Expert Help sessions
- Funding: Various Grants and Interest Free loans
- Incubation Programmes at InCube and Start Up Street
- Trading Support – bidding for contracts/ procurement support and test trading at the InCube shop

