A New Technology Incubator Space in Stoke-On-Trent Feasibility Study

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Introduction

In recent years there has been a clear focus within the government on tech starts ups and the creative industries [ref trade and industry] seen as the future of technology start-ups and a sustainable source of clean, high paying jobs the idea of incubator spaces have spread across the UK, and further afield.

This report is split into two areas.

The first part looks to define incubator spaces, demonstrating case studies in the national and more local environments, especially those that are of a technology focus, as opposed to those of a more traditional creative focus, such as Hack Spaces and Maker Spaces.

The second part will look at Stoke-On-Trent as a possible venue for a new technology hub - where such a space could be located and what would specifically be needed.

Part 1 – Incubator Spaces and the UK Technology Start-up Scene

Incubator spaces - Definition

No strict definition of an incubator space exists, since they often evolve organically, depending on the requirements of the town / city and the local company make up - in that sense anything can form an incubator space, but they are generally considered to have spaces for small start-ups, 1-5 person teams, with multiple companies working in the same general space to allow for interchange of ideas, and discussion to grown.

They are generally included business / office space, as well as a social space - and meeting space. This allows, for low cost, small businesses to have a professional work space away from homes and creates a business type environment without many of the overheads and pitfalls that might go hand in hand with longer or larger scale office renting. It also allows for short term business renting, at an agreed point or size the business should look at moving to a more permeant, large space - allowing that incubator space to be used by another company. In most cases these 'alumni' companies keep close ties with the incubator space and aid in its development.

Because of this model many incubator spaces are aligned, or directly associated with universities - often in the form of 'business villages'.

Case Studies of Existing Incubator Spaces

There is no definitive list of UK incubator spaces, although most universities have some business villages / start up system. Funding for such spaces can be fluid and piecemeal – and in most cases area dependant. This could account for the transient or short lived nature of some of the spaces.

Since there is such a multitude of different models of incubator spaces, a selection of UK spaces are detailed below:

Name & Address	Nearest Mainline Train	Nearest Motorway Junction	Blurb (taken from websites)	Start Ups Listed
Antenna Media Centre, Beck Street, Nottingham, NG1 1EQ	Nottingham (1Km)	M1 (J25)	Antenna is a city centre hub for innovation, enterprise, creativity and business activity. We offer membership and tenancy options to suit a range of business needs and if you join us you'll be part of a growing community of entrepreneurial creative people and networks. You'll also have access to the best events and business support services around – all under one roof.	No Data available

Dot Forge Accelerator ELECTRIC WORKS **SHEFFIELD DIGITAL CAMPUS** **SHEFFIELD** **S1 2BJ**	Sheffield 200M	M1 (34)	Dotforge is based in Sheffield and is an initiative created to attract and nurture top start-ups from around the world by providing them with pre-seed capital, mentorship and the environment they need to build and grow their business. Funded by Creative England Start-ups receive up to £15,000 (£5k per founder) in pre-seed capital in return for 8% equity. You also receive free legal advice on how to setup your company. Teams get 6 months worth of free office space. That's 3 months during the accelerator and 3 months after it; giving you peace of mind. Towards the end of the programme startups are also helped to acquire early adopters and prepare them for raising capital from investors.	7 (tech)
Innovation Birmingham Campus e4f Incubator Faraday Wharf, Holt Street, Birmingham, B7 4BB	Birmingham New Street (2Km)	M6 (J6)	Entrepreneurs for the Future (e4f) is an incubator programme dedicated to supporting the growth of technology companies in Birmingham.	8 (tech)
Telford Enterprise Hub Hadley Park East Telford TF1 6QJ	Wellington (4Km)	M54 (J6)	Serviced spaces on the ground floor includes lockable office space and desk hire for 20 businesses that includes permanent desk space, 24/7 access to the building, all inclusive of utility bills and cleaning fees and broadband supply	33 (Mixed)
Innospace 2nd Floor Minshull House Chorlton Street Manchester M1 3FY	Manchester Picadilly (300M)	M602 (J3)	Innospace offers a complete package of city-centre starter office space, business support and events.	55 (Mixed)
Riverside Innovation Centre Castle Drive Chester CH1 1SL	Chester (2Km)	M53 (J12)	The RIC was established to foster innovation. Innovation can be a difficult concept to nail down. We see our job as providing the resources and inspiration to make innovation possible – based on your own definition of innovation for you and your business. So we're constantly adapting and evolving, staying fresh and relevant. That's the RIC difference.	No Data available
SP/ARK, Creative Industries Centre, Wolverhampton Science Park, Glaisher Drive, Wolverhampton, WV10 9TG	Wolverhampton (1.6KM)	M54 (2)	The facilities and services provided here at SPARK are second to none and are specifically tailored to the needs of start-up or early stage businesses in the creative, ICT and technology sectors. Many of the facilities we have on offer in SPARK can be seen in our photo gallery and include: affordable, furnished workspace in a great location broadband and telephony on-site business development support and mentoring tailored training sessions and access to networking opportunities and events subsidised meeting rooms of varying size ideal for training, workshops, seminars and board meetings a modern, fully equipped photo studio ideal location - close to the city centre, rail and motorway networks; frequent bus services and free car parking coffee bar and refreshment services We offer 3 types of flexible business accommodation: a studio workstation a shared office facility an individual, fully furnished, modern, air conditioned office In addition SPARK offers an associate membership to new ICT,	7 (tech)

			creative and technology businesses in the West Midlands with the aim of encouraging mutual collaboration and bringing design recognition to Wolverhampton. Our current tenants include graphic designers, photographers, web designers, software developers, engineering specialists, print specialists and videographers.	
Sussex Innovation Centre The Sussex Innovation Centre Science Park Square University of Sussex Falmer, Brighton, BN1 9SB	Falmer 400M		Access to funding advice and information to help you choose the right pathway Access to our investor network and online application platform A subsidised support team to work hands-on in your business on marketing, sales, PR, market research, business research and finance (£20-50 + VAT /hr) A subsidised advice team to work on high level strategy and operations (£50 + VAT /hr) A subsidised accounts team to help with your book-keeping and payroll (£20-50 + VAT /hr) Access to cost-effective, highly skilled university interns and project placement students Access to collaborative networks, personal introductions to our members and industry contacts Your own listing page on our Business Directory Networking and event opportunities Subsidised use of our meeting room facilities, 12 seat boardroom and seminar facilities	10 (tech)
The Hive Nottingham Trent University Burton Street Nottingham NG1 4BU	Nottingham (1.1Km)	M1 (J25)	Based at the University's City site in the Maudslay building, The Hive's purpose-built centre for entrepreneurship and enterprise is the ideal environment for nurturing new businesses through the development stages.	No Data available
The Hive@Mansfield Mansfield i-Centre Hamilton Way Mansfield NG18 5BR	Mansfield (2Km)	M1 (J28)	The Hive@Mansfield is The Hive's outreach project to the north of the county. Like The Hive, it aims to help you develop your business idea into a successful and profitable business.	
Wayra 2-10 Capper St London WC1E 6JA	London Euston 600M		6th Months £30,000 start up fund, mentoring from business, financial and legal experts and rent-free office space at the incubator - Funded by Telefonica	10 (tech)

The range and diversity of these spaces makes a clear analysis very hard – some are well stablished, with string alumni bases e.g. The Hive & Sussex Innovation Centre, other runs on 6th month accelerator programs (Wayra & The Dot Accelerator).

Locations

Location appears to be a key factor for the spaces – with all of the spaces looked at within 2KM (as the crow flies) of a mainline train station. There are some exceptions – Telford Enterprise Hub and The Sussex Innovation centre are near to smaller branch lines, but still well served by public transport. This would suggest the ideal location for any new incubator space is within 2KM of a mainline train station, and with good other transport links.

Facilities

As mentioned above, to make use of virtual clients, - as well as office space, a social space to facilitate social and business interaction, a meeting room and teleconferencing would be ideal. Almost all of the spaces looked at also had a catering area / bar / café on site – which appeared key to the flexible working nature of such businesses. This does also build upon to the agenda of creating and maintain jobs.

Further complicating matters in working out how many companies are associated with each space is the trend to offer virtual offices – (Antenna & SP/Ark) where start-ups pay a membership to use the facilities on an ad-hoc basis, teleconferencing or holding meeting etc., but may not be established there on-site. This is clearly a lucrative form of funding for incubator spaces, maximising the use of the facilities.

Technology

Excellent high speed internet connections and Wi-Fi goes without saying, and is the reason so many incubators are situated in urban areas. Many of the start-ups only supply the office space, relaying on the companies themselves to supply the computers or devices they wish to be working on. This is a cost effective solution, and would alleviate many headaches with licensing and ownership and maintenance of technology. It is clear the focus is on utilities, and not hardware / software. This also allows for a certain level of longevity in the incubator space, by ignoring the constant drive to update computers and devices to keep companies interested.

Other Services

Many of the Incubator spaces mention access to legal, PR, start up and business mentors. These do not appear to be full time positions, and often come at an extra cost, but what is assumed to be under the market rate in the area. Business development appears to be a strong addition to the incubator spaces that work as accelerators in order to allow the companies to raise the capital to move to other premises and free up the space.

Range of Companies

Look at the range of start-ups in each space it's clear that no one focuses on a single technology field, intermixing game, web and business companies. This will allow companies to benefit from aligned ways of thinking while not competing for the same pots of money and help build and sharing of ideas, key to successful technology communities. Diverse ranges of companies are much better able to stand the changes in fashions and trends.

University Associations

Many of the Incubator spaces are directly linked to University's – Notable Post 92 'new' universities, those which have a focus on more vocational academic undertakings. All Universities have an employability and Enterprise agenda and funding or supporting such spaces is clearly in their own interests, as well as the local companies. Such associations can also help forge other links between business and academia, including Knowledge Transfer Partnerships and Internships.

Defining Tech Hubs and Creative Spaces

Within the UK there has been notable growth in the Creative communities and technology specific hubs. There is an obvious gravitational pull towards London, but elsewhere in the country clusters are emerging that focus on building on existing technology hubs e.g. Cambridge or in area which once relied on heavy industry, and the funding focus since it's collapse has been on technology e.g. Manchester and Newcastle Upon Tyne.

Technology clusters are not necessarily constrained by cities or boundaries, often, as with the case in the games industry they can emerge in areas where dominant companies have spawned starts ups, either through necessity or choice, as can be seen by the clusters of games companies in Dundee, Leamington Spa and Guildford.

UK Tech Cluster Charts

Position	Cluster	Cluster Size	
1	London	2669	
2	Manchester	198	
3	Edinburgh	107	
4	Cambridge	98	
5	Newcastle upon Tyne	86	
6	Bristol	80	
7	Birmingham	80	
8	Brighton & Hove	79	
9	Sheffield	64	
10	Glasgow	63	
11	Leeds	49	
12	Reading	48	
13	Cardiff	42	
14	Oxford	33	
15	Bath	33	

Figure 1 - UK Tech Cluster Charts -1 to 15 (of 32 listed) - http://techbritain.com/clusters

15	Bath	33	
16	Nottingham	23	
17	Liverpool	21	
18	Norwich	20	
19	Dundee	20	
20	Coventry	19	
21	Talbot Woods	19	
22	Milton Keynes	17	
23	Cheltenham	16	
24	Southampton	16	
25	Leicester	15	
26	Harrogate	14	
27	Swansea	13	
28	Basingstoke	13	
29	Middlesbrough	13	
30	York	12	
31	Warrington	10	
32	Jarrow	9	

Figure 2 - Tech Clusters 15 - 32 - http://techbritain.com/clusters

While this is not a definitive list of technology clusters and start-ups in the UK, it allows us some kind of idea of where there are emerging concentrations. There is a clear overlap with the incubator spaces listed above and the lists of clusters, with only Wolverhampton being notable absent. It's clear that successful incubator spaces are they key to successful growth in technology industries within an area.

Part 2 – Setting up in Stoke-on-Trent

Why Stoke-on-Trent

It is clear from the above charts that currently Stoke-On-Trent does not feature as a Technology cluster in this current time. The lack of a dedicated technology incubator space is a key element of this.
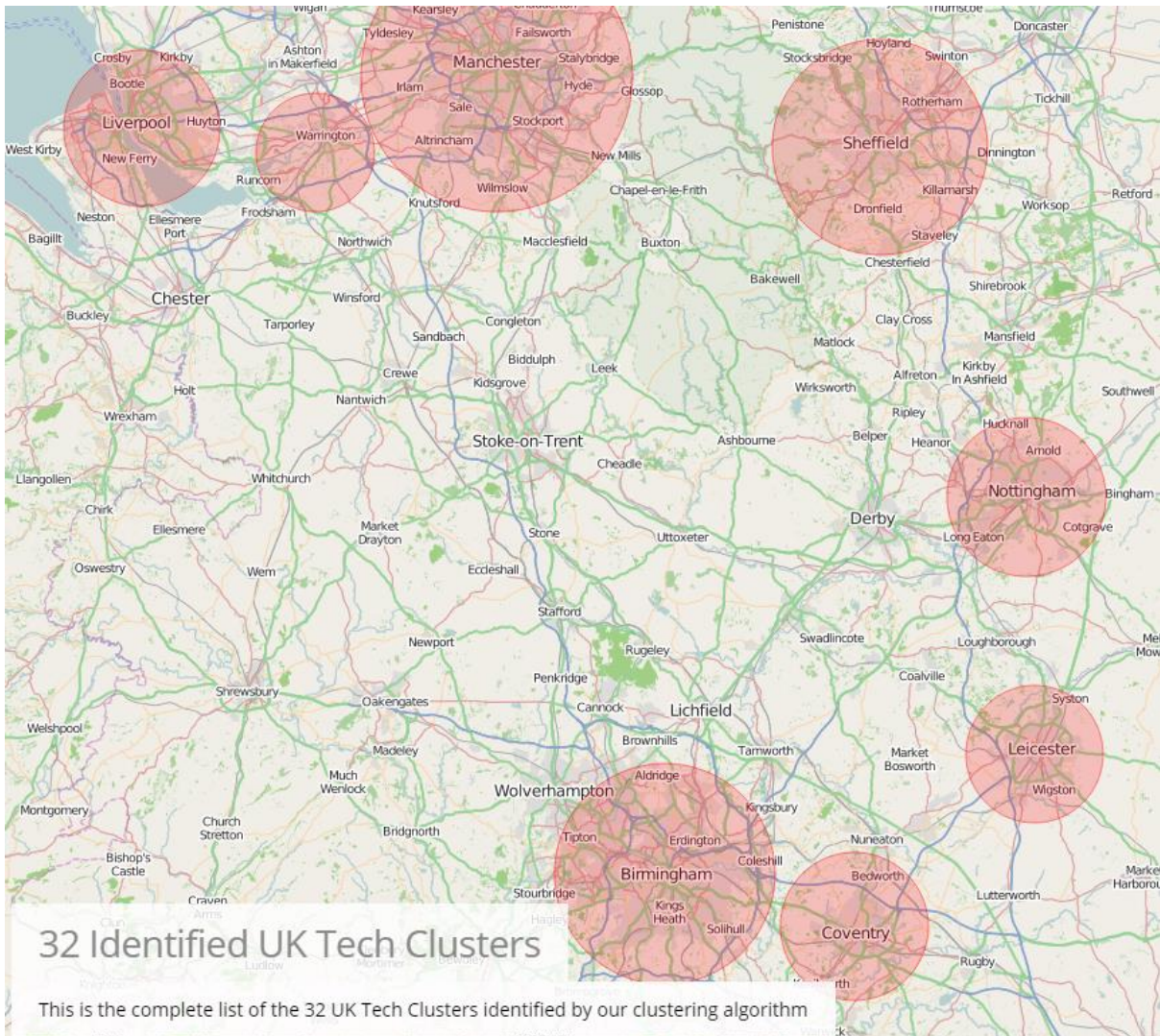

Figure 3 - Identified Tech Clusters - http://techbritain.com/clusters

It's also clear from the above map that there is a clear gap in the area in which Stoke-on-Trent is situated. There is clear appetite within the city to pursue technology and creative enterprises, buoyed by funds from Creative England and with the support of the Department of Trade and Industry.

The recommendations in order to kick start such a venture will follow the key aspects outlined from the above case studies:

- Locations
- Facilities
- Technology
- Other Services
- University Associations

Part 2 – Locations

The Analysis in Part 1 suggests that a successful incubator should be located within to 2 KM of a mainline train station – and near to a major arterial motorway. When applied to Stoke-on-Trent's train station it given a radius of the following area.
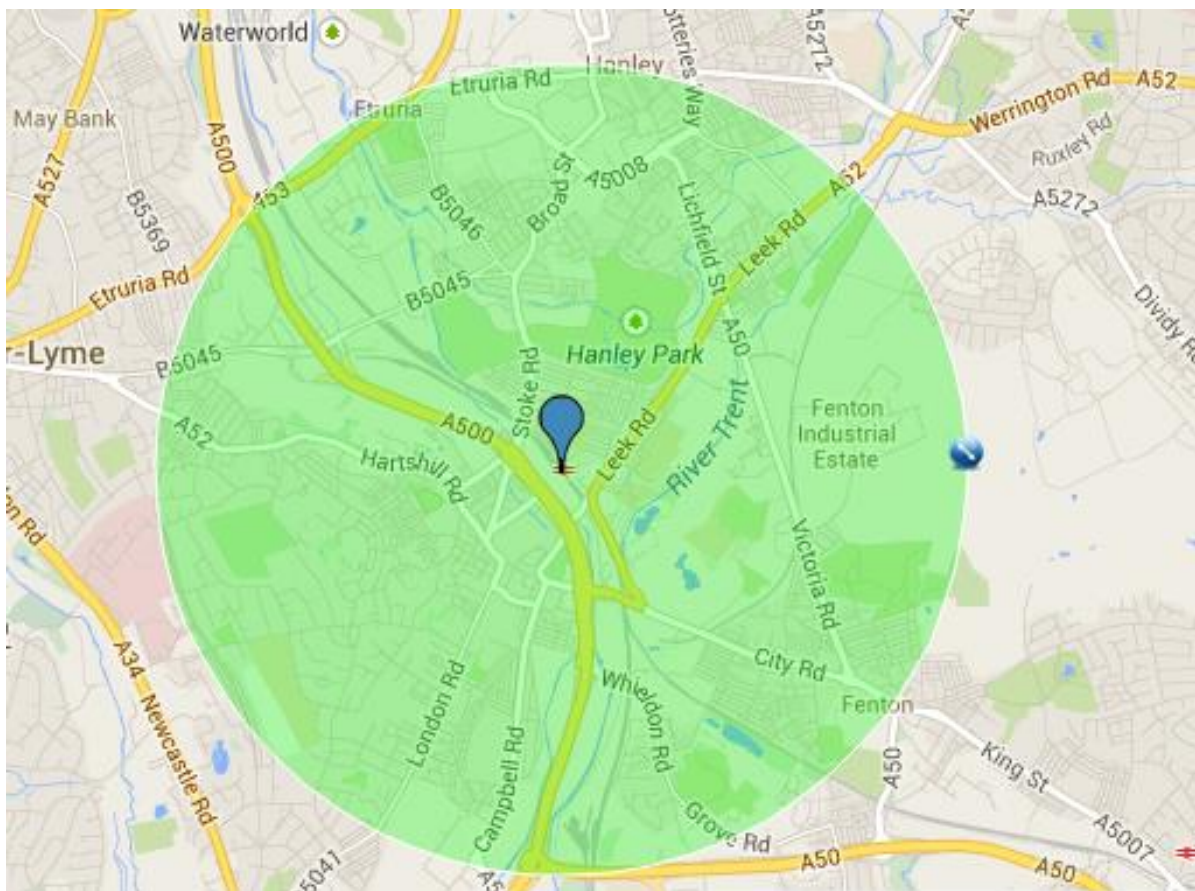

Figure 4 - 2KM Radius from Stoke-on-Trent train station

This radius covers the bulk of Stoke, the outer reaches of Hanley and Fenton Industrial Estate. Ideally any incubator space would need to be situated with easy access to many roads and public transport

but there is plenty of choice of industrial buildings that could be converted to spaces if the necessary funds were available. These include empty warehouses and light industrial spaces on business parks.

Public transport is a key element to any modern business so it should be wise to concentrate any property source on bus routes that stop directly from the bus stops outside of the train station, in order to minimise any confusion for visitors. The Ideal would be a space in easy walking distance of the train station either in Shelton or Stoke.
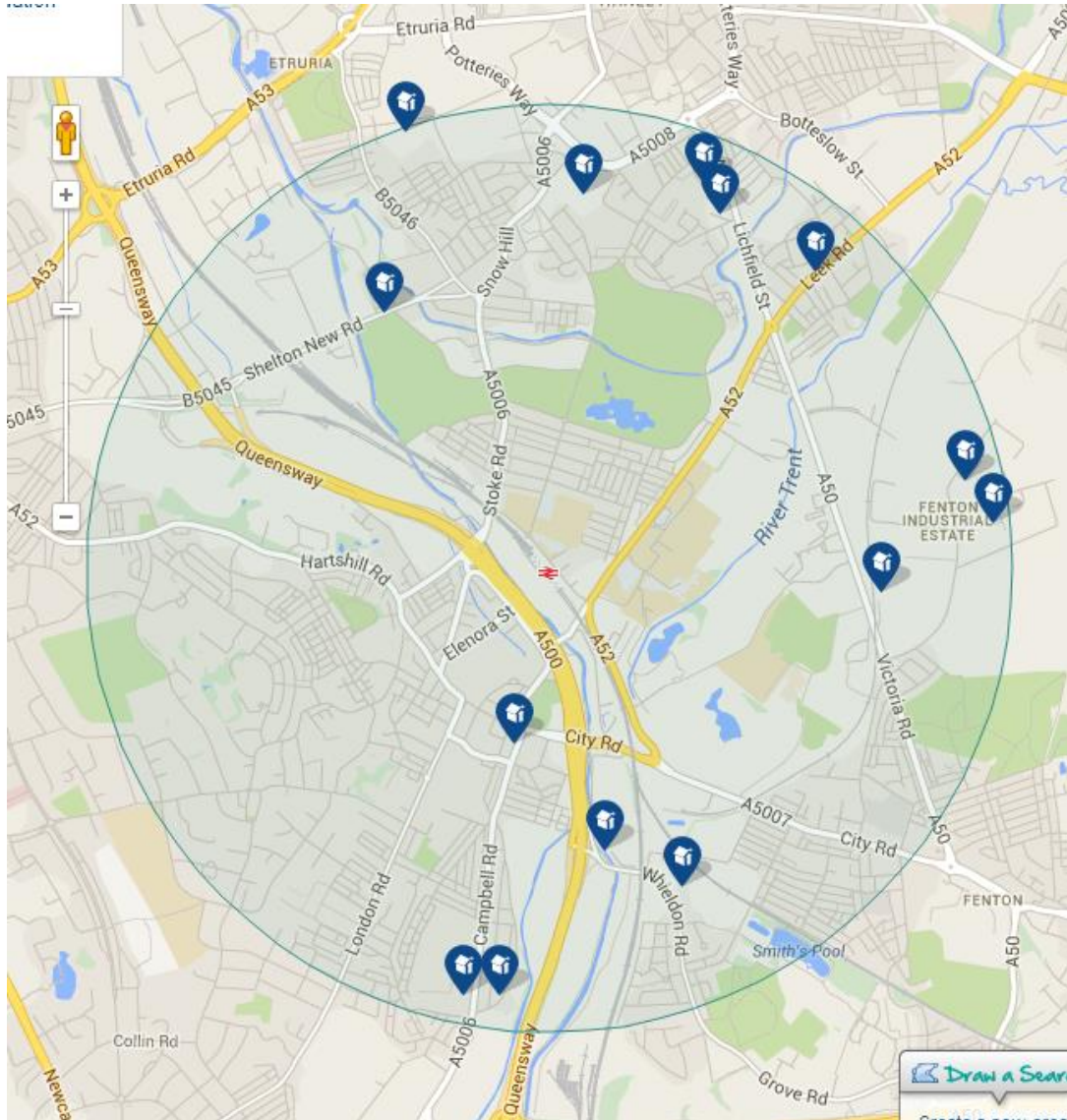

Figure 5 - Light Industrial properties to Let, August 2014 (Right move)

Part 2 – Facilities

Any space that is picked should have the following:

- Café / Bar Space – This could also double as a space that could be used for events
- Meeting room (s)
- Office Space to accommodate at least 7 groups of 5 members

- o It's possible this could be a mix of Open Plan and closed business offices, at different rates of hire
  - o There needs to be enough companies in the space to facilitate the exchange of ideas etc.
- Virtual Office Space – Hot desks
- Reception and business facilities – post pickup and delivery addresses.

The decor should be clean and modern, but allow for flexibility so it can maintain a competitive edge and a range of starts up to be accommodated.

Part 2 – Technology

Having analysed existing incubator spaces it seems that it is services and utilities that are supplied by the spaces, not the technology itself. Some of the basics would include as standard

- High Speed Internet, with unlimited upload and download capacity
- Full and robust Wi-Fi coverage in all areas
- Flexible BYOD (Bring your Own Device) functionality – to allow for a range of technologies that best suit the starts ups
- IT and Technical support on hand
- Modern Telephone and Teleconferencing facilities

Not having to provide the computers / devices to the companies makes a significant saving in any budget and limits any issues with software and hardware obsolescence – the same is true of devices etc. As long as the infrastructure is in place the incubator space should be a success.

Part 2 – Other Services

In order to build, and facilitate a viable technology cluster aligned services of use to the technology companies in the incubator hub need to be considered these should include the following:

- PR & Marketing – including traditional and social media
- Funding resources and local / national investors
- Business Development support
- Links with local Chambers of Commerce and Council officers
- Legal Services
- Event planning and management support

These do not need to be permeant, in house facilities, but should be available to the companies at the incubator space for a competitive rate and considered to be part of the support package offered to interested parties.

These companies should understand the complexities of technology based start-ups and the challenges that they might bring.

Part 2 – University Associations

Currently Stoke-on-Trent is excellently situated, with Staffordshire University located in the Leek Road / College Road Area – and safely within the identified 2KM ideal radius and Keele University 7 miles away in Newcastle-Under-Lyme. Both Universities already have business villages with a range of start-ups, including some technology and game based companies already in situ,

Currently Staffordshire University's provisions of courses likely to make use of a technology based incubator space are the film production, engineering and web / multimedia courses. However in September 2016 the university will have completed its planned relocation of its courses from the Stafford campus which will bring the following students – including those in their final year likely to be looking to start-up companies:

- Computing & Computer Science
- Networking – including CISCO courses
- Computer Games Programming
- Computer Games Design
- FX & VFX and Digital Animation
- Music Technology
- Film & TV Production

The move will also bring the following facilities to join the ones already on the Stoke Campus:

- Vicon Motion Capture System
- TV studio
- Music Recording Studios
- The Epic Games Centre – a 72 seated lab sponsored by Epic Games – and used for indie development days in its down time.

The success of the collaboration between Staffordshire University and Epic Games on the centre has paved the way for other possible collaborations between academic and industry.

Conclusions and Recommendations

There is a key and clear connection between the establishment and development of technology incubator spaces and technology clusters – indicating a continued investment in jobs in the area – with the positions being enterprising, and sustainable. The fringe benefits to related services, such as those listed above and others such as catering and administrations are also key benefits to the local area.

Once a suitable site has been located, and the infrastructure work carried out then a tiered pricing structure should be put in place to make best use of the facilities and attract as wide a possible selection of tenants. This should include virtual members.

There should be frequent events – both for promotion and networking, to allow an exchange of ideas and collaboration between the companies.

Depending on the funding structure the incubator space should look at having a clear exit strategy for the companies, to facilities new start-ups benefiting from the facilities. These alumni companies should continue to be a part of the wider 'family' of the incubator space and act as mentors to the new companies. Ideally this would happen organically, once a company had outgrown the space provided.

An ideal time frame for this would allow the incubator space to be in position to accept its first tenants in July 2017 – to allow for the first crop of graduates from the relocated Staffordshire University courses to take up the opportunity of starting up a company, and remaining within the area.

Further Reading

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