

**CREATIVE ENTERPRISE
(Report by the Head of Policy)**

1. INTRODUCTION

1.1 The purpose of this report is three-fold —

- to propose the adoption of a Creative Enterprise Strategy, supplemental to the Local Economy Strategy;
- to seek the release of funding in the Medium Term Plan as the Council's "matching" contribution for the development of a Creative Enterprise Centre in conjunction with the Department of Communities & Local Government (DCLG - formerly the Office of the Deputy Prime Minister) and Longsands College; and
- to seek authority for the Director of Central Services, after consultation with the Executive Councillor for Resources & Policy, to approve terms for the lease of land from the Governors of Longsands College and management arrangements for the Creative Enterprise Centre on the College campus.

2. BACKGROUND INFORMATION

2.1 Set out at Appendix A is a draft Strategy, which has the purpose of promoting two key aims –

- the increase in the sustainability, growth and productivity of creative industries in the District, and
- to maximise the potential whereby creative industries can contribute towards broader social, economic and cultural regeneration.

2.2 The Strategy sets out the national, regional and local context for the promotion of creative industries, defines such industries, and makes both the distinction and the link between such enterprise and broader cultural and artistic activities. It summarises the key issues faced by the sector and proposes a six point partnership programme of activity. In particular, the Strategy focuses on St Neots as having the potential for the development of a creative industries hub to ensure that the economic benefits from the Regional Centres in Norwich, Cambridge and Hertfordshire can be linked with opportunities for job and business creation and economic regeneration through the Cambridge Sub-Region generally and in Huntingdonshire specifically.

2.3 The Strategy has been developed in consultation with partners, particularly those within the Huntingdonshire Strategic Partnership. It is proposed that the Strategy should be adopted and published as a supplement to the Local Economy Strategy.

3. SPACE FOR CREATIVITY

- 3.1 One of the six main activities identified in the Strategy is to ensure appropriate physical infrastructure to promote job and business creation. Given the nature of creative industries, it is suggested that this infrastructure – both physical space and facilities – should be multi-phased and located throughout St Neots, both as an incentive to the creation and development of small enterprises and also to minimise risks associated with new developments of this nature.
- 3.2 The Council's policy on commercial property recognises that such investment has produced long-term benefits both in supporting economic activity, which would not otherwise be supported by the market, and in producing net surplus, which have been used to fund new or existing expenditure that otherwise would be met from Council Tax.
- 3.3 Included in the Medium Term Plan is a contribution of £300k, conditional on Government funding and the availability of land, to establish a Creative Industries Enterprise Centre in conjunction with Longsands College and the overall redevelopment of adjoining land – the Longsands Quarter, which is the subject of an urban design framework prepared by the Council. The Enterprise Centre, based on the Longsands College campus, will provide workspace and business support for new and developing creative businesses as well as meeting community needs and providing opportunities to link activities at the College with business development.
- 3.4 Recently the Department for Communities & Local Government announced that it had allocated funding of up to £730k to support the development of the Centre. The grant is being made available from the Growth Area Fund and recognises the need to support job and business creation in areas subject to significant housing growth to help ensure the sustainability of communities. The Governors of Longsands College, subject to agreement of terms, have agreed in principle to make land available on a long lease at a peppercorn rent to facilitate the building of the Centre.
- 3.7 As part of the requirements of the initial funding application, the Council, with the support of Cambridgeshire Horizons, was required to produce an economic appraisal in accordance with HM Treasury guidance. The Council's appraisal concluded that the project fits with local, regional and national strategies, identifies the local need and recommends that the proposal should proceed. The Business Plan predicts that after the first year the income from the Centre will cover all running costs and thereafter produce small surpluses.
- 3.8 The expenditure profile for the construction of the Centre anticipates that the Council's contribution will not be required until late 2007 or early 2008, but in order to enter the funding agreement with the DCLG, the Council is required at this stage to commit to the formal release of the funding. The standard template for the release of funding for MTP schemes (Appendix B) assumes the release of the Council's contribution in 2007/08: the phasing of the expenditure will be dealt with under the Council's Code of Financial Management.

4. CONCLUSIONS

- 4.1 The adoption of a Creative Enterprise Strategy will provide an additional focus for economic and regeneration activity across the District and specifically in St Neots. It will help in pursuing external funding and the development of partnership approaches to meeting future economic and social needs.
- 4.2 The development of a Creative Industries Enterprise Centre on the campus of Longsands College will be a significant step towards implementation of the overall Strategy and provide significant impetus for other developments. The linking of an enterprise facility, bringing business enterprise onto the campus of a secondary school, is an exciting and innovative collaboration which has been recognised by the Government.
- 4.3 St Neots sits squarely in one of the Government's growth areas (London-Stansted-Cambridge-Peterborough growth area). The provision of workspace and business support will help to promote a balance between housing growth and local opportunities for employment in a way that is both forward-looking and innovative.

5. RECOMMENDATIONS

- 5.1 Cabinet are requested to –
- approve the Creative Enterprise Strategy for Huntingdonshire and publish it as a supplement to the Local Economy Strategy;
 - authorise the release of £300k in the Medium Term Plan as the Council's "matching" contribution towards the development of a Creative Industries Enterprise Centre at Longsands College, St Neots; and
 - authorise the Director of Central Services, after consultation with the Executive Councillor for Resources & Policy, to enter into a lease for land for the Enterprise Centre and to enter into the funding agreement with the Department for Communities & Local Government.

Background Papers:

Space for Creativity, St Neots, Project Appraisal, Atkins
Space for Creativity, St Neots, Business Plan, Atkins.

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