



“A view from the edge gives the best perspective”

A Creative Hubs Project

Project Report and Best Practice Manual

January 2014



**Northern
Periphery
Programme**
2007–2013

Innovatively investing
in Europe's Northern
Periphery for a sustainable
and prosperous future



European Union
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Acknowledgements

The concept of Creative Hubs is relatively new in the Northern Ireland context. Only sporadic examples existed prior to this initiative that is part of the “Creative Edge” project. Those examples were all established with substantial levels of public and private funding, are prominent buildings in their own right and are part of city artistic and creative infrastructure.

Through Creative Edge we were working in the ‘periphery’, not in the big city lights and with very modest budgets. Our aim was to enhance ‘creative infrastructure’ in small towns, to bring facilities to local creative talent so they would remain in the peripheral towns and not drift away. Funding from the Northern Periphery Programme and the local Councils of Armagh, Banbridge, Craigavon and Newry & Mourne made our work possible and I acknowledge their valuable contributions.

During the time of the project I had the opportunity to meet and work with many interesting, creative and entrepreneurial people. They all influenced my thinking and behaviour as the concept took form and Creative Hubs became real entities.

As is so often the case in life and especially so when embarking on a new venture, the paths one takes can be very different from those we planned at the start. This proved to be the case with Creative Hubs as I endeavoured to fit each hub into the local community, striving for maximum local relevance and support from those in both the creative sector and traditional business sectors.

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Background

- 1.1 The Creative Hubs Project is one of the initiatives of Creative Edge, a collaborative project that brings together creative projects in Northern Ireland, Ireland, Sweden and Finland, funded by the Interreg IVB Northern Periphery Programme (NPP). The main objective of the project is to promote the active participation of local creative organisations and businesses in global markets, while also aiding them in their ability to attract and utilise local emerging creative talent in these markets. The activities of the project enable the further commercialisation, and support the sustainable development, of the creative economy. Creative Edge addresses three pillars of the creative economy: people, production and place.
- 1.2 Creative Edge brings together universities, development agencies and industry bodies from Ireland, Northern Ireland, Finland and Sweden. The project involves five partners, the Whitaker Institute, National University of Ireland Galway; the Western Development Commission in the west of Ireland; Armagh, Banbridge, Craigavon and Newry & Mourne Council areas being members of South East Economic Development in Northern Ireland; Kemi-Tornio University of Applied Sciences in northern Finland and Film i Vasterbotten in northern Sweden.
- 1.3 The purpose of this document is to postulate a rationale for creative hubs as a mechanism for the development and growth of the creative industries sector.
- 1.4 Creative Hubs focuses on the 'place' pillar of Creative Edge and is an innovative project that seeks to activate vacant, unused or unoccupied spaces in town centres as creative hubs for creative businesses. The project works to assist start up and micro creative industries in achieving local growth, export growth and the engagement of young emerging talent.
- 1.5 The concept of the creative hub has been around since the 1980's when the incubation unit business model began to evolve. By 2010, it is estimated that there are over seven thousand business incubators worldwide (Lewis 2011). Business incubators are used to foster entrepreneurship and small business development, aiming to create jobs and encourage local economic growth. There are many examples of private sector and public sector small business incubators, with the common themes of offering basic workspace with a low starting rent and often business support. Local NI examples include enterprise agencies which offer local support for start up businesses and low rent business units on flexible terms. However these are generally located in industrial estates.
- 1.6 Creative Hubs have developed from this model with the additional features of a shared workspace to keep costs low and the specific aim to create a sense of collective creative purpose and interaction. The Creative Hubs part of Creative Edge focus on creative industries and seek to nurture and develop

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micro or start up businesses. There are examples of creative hubs, both public and private, operating in cities in the USA, UK, Ireland and Europe.

- 1.7 This document reports on creative hubs within the context of four of the SEED Council areas in Northern Ireland and how creative hubs can work in regional towns in Northern Ireland. It sets out a step by step guide to how to set up a creative hub in a regional town, with some commentary extending to other Creative Edge partners regions.
- 1.8 A creative hub in our context is defined as a multi-tenant centre, complex or place-based network that functions as a focal point of cultural activity and/or creative entrepreneurship incubation within a community.



The new Creative Hub in Lurgan Co Armagh

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The Creative Industry Sector

- 2.1 In 2006 the UK Department of Culture, Media and Sport (DCMS) defined the creative industries as “those activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property. These have been taken to include advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio.”
- 2.2 It reported that ‘in the UK creative industries account for 8% of GVA and 7.9% of GDP’. They produce almost £1 in £12 of our total GDP - a higher proportion than in any other country. They contribute £11.4 billion to our balance of trade, well ahead of the construction industry, insurance and pensions, and twice that of the pharmaceutical sector, and they employ almost two million people”. DCMS has identified that it is the fastest growing sector in the UK growing at twice the rate of the overall economy. Comprising 13 distinct sub-sectors, it is a dynamic and innovative sector, characterised by a preponderance of small and micro-enterprises that rely heavily upon a constant influx of entrepreneurial, creative and flexible individuals. They typically account for 4-7% of total employment. Commonly, creative industry companies are highly networked, organising work around commissioned projects often within complex supply webs”.
- 2.3 In 2006 a NESTA Report ‘Creating Growth: How the UK Can Develop World Class Creative Businesses’ noted the scale of the UK creative industries sector but also found that there were changes and vulnerabilities in key sectors which had led, for example, to falling employment in sectors such as advertising, design, film production, games development, music and the visual and performing arts, often for structural reasons related to industry consolidation. To compete more effectively in ever more competitive domestic and international markets, the NESTA report finds that the UK’s creative businesses must address the lack of scale of most creative businesses, the difficulties they find in accessing international markets, and the need for innovation to cope with and exploit structural change in the industries.
- 2.4 2007 research, undertaken in NI by Full Circle Management Ltd., showed considerable differences between the creative industry population in Belfast and that of the rest of Northern Ireland. The findings included:
- ◆ 77% of Belfast businesses are micro-businesses (i.e. with fewer than 10 employees), rising to 82.5% for the rest of Northern Ireland;
 - ◆ 59% of Belfast businesses reported an increase in turnover over the last 12

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months, compared with just 39% for the rest of Northern Ireland;

- ◆ Belfast businesses are less export focused - 79% of their sales are domestic, but just 68% of sales from the rest of the category;
- ◆ 18% of Belfast based businesses have had experience of dealing with the public sector – but the figure for the rest of Northern Ireland was just 8%.

2.5 The key issues reported from the creative businesses surveyed in the Full Circle study were:

- ◆ Recruitment - concern at gaps seen at graduate and at mid level skills
- ◆ Limited technical skills development - training and education was not perceived to be linked to industry needs, and the affordability of training and education was also seen as a barrier
- ◆ Management skills development - often too focused on traditional business models, offering generic support not linked to the particular circumstances of creative businesses
- ◆ Marketing - which tends to be stop/start, ad hoc and project based. Businesses were found to be hesitant about targeting new markets. Future export growth requires tailored support adapted to the needs of the creative industries
- ◆ Creative industries saw themselves as losing out on private sector funding and perceived a lack of mutual understanding between creative entrepreneurs and the financial and support institutions with which they dealt.



At the launch of the Lurgan Creative Hub

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The Northern Ireland Context

- 2.6 Northern Ireland is a small region of the United Kingdom, physically separated from the rest of the UK by the Irish Sea. It shares a land border with the Republic of Ireland and is on the north western periphery of the European Union and Great Britain.
- 2.7 The NI population at the time of the 2011 Census was 1.8 million, an increase of 7% since 2001, and around 3% of the UK total population. In comparison with other countries, NI has a relatively young population with approximately one third of persons aged between 0-24 years old. Almost 40% of the population live within the Belfast Metropolitan Area with another sizeable concentration of population around Londonderry, the other main urban conurbation. NI has a mix of urban and rural populations with other larger towns and cities including Lisburn, Newry, Portadown and Lurgan.
- 2.8 Responsibility for the government of Northern Ireland is largely devolved by the UK Government to the NI Executive, which operates a power sharing arrangement set up under the Good Friday Agreement in 1999.

Public Policy

- 2.9 The Programme for Government 2011-2015 sets out the NI Executive's priorities and is the policy framework for Departments in Northern Ireland. The Executive's over-arching aim is to build a peaceful, fair and prosperous society in Northern Ireland. To achieve this, the Executive will pursue an innovative and productive economy and a fair society that promotes social inclusion, sustainable communities and personal health and well-being. Growing a dynamic innovative economy is the top priority over the lifetime of this Programme for Government because sustainable economic growth and increased prosperity will provide the opportunities and the means to enhance quality of life, reduce poverty and disadvantage, increase health and well being and build stronger more sustainable and empowered communities.

NI Economic Strategy 2012

- 2.10 The NI Economic Strategy sets out how the Executive plans to grow a prosperous local economy over the short, medium and longer term to 2030. Building growth and prosperity requires coordinated action from government, but companies and the workforce remain the key drivers of economic growth. The Executive's economic vision for 2030 is: 'An economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all'.

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- 2.11 The NI economy has traditionally been overly dependent on the public sector and the strategy highlights the need to rebalance the economy by growing the private sector by:
- ◆ stimulating innovation, R&D and creativity to widen and deepen the export base;
 - ◆ improving the skills and employability of the entire workforce so that people can progress up the skills ladder, thereby delivering higher productivity and increased social inclusion;
 - ◆ competing effectively within the global economy and be internationally regarded as a good place to live and do business;
 - ◆ encouraging business growth and increase the potential of local companies, including within the social and rural economies; and
 - ◆ developing a modern and sustainable economic infrastructure that supports economic growth.
- 2.12 The strategy notes that “it is also important to develop the potential of other sectors that have and will continue to make important contributions to the development of the NI economy including creative industries, tourism, the social economy and the rural economy.” The economy has a strong indigenous small and medium enterprise (SME) base.

Local Government

- 2.13 Local government in Northern Ireland is currently made up of 26 councils which provide a range of services, such as waste and recycling services, leisure and community services, building control and local economic and cultural development. Local councils do not carry out the same range of functions as those in the rest of the United Kingdom, for example they have no responsibility for education, road building or housing or health services.
- 2.14 A local government reform programme will come into effect in April 2015 which will reduce the number of councils to 11 and increase responsibilities for planning and economic development. Councils are funded through local taxes (including rates) payable by businesses and households and based on the value of property.

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The Northern Ireland Economy

- 2.15 The NI economy has not been immune from the global economic downturn of the last few years. The NI economy has in fact suffered more than most parts of the UK because of a collapse in property values and the construction sector. Property has fallen by more than 60% since its peak value in 2007, more than any other area in the UK and similar to the scale of the property crash in the Republic of Ireland. The banking and debt crisis has affected many, with recession in most areas of the economy. Retail has also suffered with several high profile retail business failures affecting many high streets and town centres. In several towns retail vacancy rates are over 25%.
- 2.16 The DETI Economic Commentary in January 2013 noted that NI has been more impacted than other UK regions during the course of the downturn and that the NI labour market is still struggling with unemployment continuing to rise to around 7%. In the 18-25 age range unemployment is over 25%. Output has contracted across all areas of the economy and the latest quarterly output data reveal further falls in production, services and construction. Combined with consistently weaker private sector jobs and claimant count numbers, NI has so far not matched the UK's modest post recession growth rates and NI growth has been largely flat or negative.
- 2.17 Northern Ireland accounts for 2.2% of UK GVA while GVA per capita is 76.4% of the UK average. Northern Ireland has persistently lagged behind the UK in terms of prosperity, with living standards around some 80% of the UK average for the last two decades. Living standards are lower in Northern Ireland than all UK regions except for Wales and the North East of England.

DETI-NI Socio Economic Analysis January 2013

- 2.18 Alongside the impact of the recession, Northern Ireland continues to face a range of structural challenges that hamper the region's economic performance. These issues are long standing and have been widely documented including that:
- ◆ NI living standards have persistently lagged behind GB, with the main factors being lower levels of employment and productivity;
 - ◆ growth in new jobs has tended to be in relatively low value added areas, which has resulted in average wages remaining significantly below the UK;
 - ◆ There is an over reliance on the public sector as a driver of economic growth in NI. The comparatively small private sector also contributes to a very large fiscal deficit;
 - ◆ the economy has historically been under-represented in higher value added sectors such as finance and business services;

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- ◆ A large proportion of the population (approx 30%) is registered as economically inactive, with social exclusion levels well above other parts of the UK.

2.19 DETI's analysis of the NI economy in 2013 includes the following:

Strengths	Weaknesses
<p>Strong economic and employment growth before recession</p> <p>SMEs base makes a larger contribution than elsewhere in UK</p> <p>Younger population than UK and EU averages</p> <p>Good track record in attracting FDI in both manufacturing and services</p> <p>Companies have become more export-orientated</p> <p>Large increases in R&D expenditure in 2009 and 2010</p> <p>Skills systems increasingly focused on meeting needs of industry</p> <p>Outperforms the rest of UK on GCSE and A-level results</p> <p>Literacy levels similar to OECD average</p> <p>A resilient indigenous agri- food sector which has continued to perform strongly throughout the recession</p>	<p>Skills profile remains weak vis- -vis leading economies</p> <p>Low living standards, productivity and wages</p> <p>Lack of large firms</p> <p>Under-represented in high value sectors</p> <p>Small private sector with over-reliance on public sector</p> <p>Much of job growth has been in low wage services</p> <p>Large amount of FDI in low value sectors</p> <p>Low export-intensity internationally</p> <p>Over-reliance on a small number of firms for R&D</p> <p>Relatively low levels of innovation, patents and absorptive capacity</p> <p>Low levels of entrepreneurship</p> <p>High proportion of workforce with no qualifications</p> <p>"Brain drain" of skilled people who leave to work elsewhere</p> <p>Low labour market participation rates</p>

Opportunities	Internal Threats
<p>Develop SME clusters around key firms</p> <p>Move traditional sectors up value chain using innovation</p>	<p>Short-term unemployment becomes longer-term in nature</p> <p>Increasing youth unemployment</p> <p>Increase in R&D expenditure is temporary</p> <p>Lack of high wage job opportunities</p>

2.20 The NI economy is very dependent on the public sector, with over 30% of the workforce employed in the public sector, compared to 21% in the rest of the UK. It is therefore generally accepted that the private sector is too small in Northern Ireland. This is a particular concern given that the current constrained public expenditure environment is anticipated to continue.

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- 2.21 In terms of size, the private sector in NI consists largely of an indigenous Small and Medium Enterprise (SME) base. Figures from the Inter Departmental Business Register (December 2011) show that NI continues to be dominated by small businesses i.e. businesses with less than 50 employees - which account for 98.2% of all NI based enterprises. Medium and large enterprises account for only 1.5% and 0.3% respectively. Micro businesses (those with less than 10 employees) account for approximately 89% of the NI total.
- 2.22 NI has a similar rate of entrepreneurial activity (7.1%) as the UK average (7.6%). Though in terms of entrepreneurial activity, NI has fewer business start-ups than any other region in the UK. This has deteriorated in the context of the economic downturn. Northern Ireland has the second lowest level of innovation of the UK regions.



Entrepreneurs in the making - the Creative Steps Team from Northern Ireland are greeted by the Mayor of Craigavon Cllr Carla Lockhart.

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Creative Edge Partner Organisations

- 2.23 Creative Edge is a project funded through the EU Interreg IVB Northern Periphery Programme (NPP) which aims to increase economic activity and co-operation across the regions of Europe's northern periphery. The five partners in Creative Edge are from the West of Ireland, Northern Ireland, Västerbotten (Sweden) and Northern Finland.



Delegates from the four partner countries: Finland, Ireland, Northern Ireland and Sweden at the launch of the Creative Edge project in Craigavon

- 2.24 In Northern Ireland, the areas involved in Creative Edge are four of the South Eastern Economic Development (SEED) grouping of Councils, which have been working together since the 1990's to promote and grow Economic Development within the wider south-eastern area of NI. The member councils of SEED are: Armagh; Ards; Banbridge; Craigavon; Down; Newry and Mourne; and North Down.
- 2.25 These Councils are working in co-operation to develop and deliver interregional economic development initiatives focusing on areas of targeted need within the region. The rationale behind a regional approach to economic development in this Southern Region is centred on the premise that a significant amount of overlap, which may exist between locally based economic development initiatives in each of the partner Councils, can be avoided. By adopting a collaborative approach to economic development, initiatives will be pursued in a more efficient manner with minimal duplication of effort and wastage of resources.

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- 2.26 A number of common areas of activity have been identified by the SEED Councils. These include: economic development; rural development; tourism; retail and town centre management. In taking forward projects to deliver on these common areas of activity, SEED currently have a number of joint programmes, of which the Creative Edge, Creative Hubs Project is one.
- 2.27 The Creative Hubs project takes in four Northern Ireland Council areas, Armagh, Banbridge, Craigavon, and Newry & Mourne.
- 2.28 Craigavon Borough Council covers parts of counties Armagh, Down and Antrim, on the southern shore of the largest fresh water lake in the British Isles, Lough Neagh. It has a population of over 92,000 and the main towns are Craigavon, Lurgan and Portadown. Some of Northern Ireland's best know companies, in the agri-food, engineering and life science sectors are located there and the creative industries sector is small and growing.
- 2.29 Armagh City and District Council is located in County Armagh in the south of Northern Ireland. It shares a border with the Republic of Ireland. It includes the city of Armagh as well as the surrounding area and from the 2011 census has a total population of 59,340. Known as the historic religious centre of Ireland it has 2 cathedrals and a thriving cultural sector.
- 2.30 Banbridge District Council is in the south east of NI and covers approximately 180 square miles. It has a population of 44,800 representing 2.6% of the population of Northern Ireland. The main town is Banbridge and about half of the population live in rural areas and small villages. Although traditionally dominated by agriculture and textiles, the local economy continues to change significantly. The District has one of the lowest levels of unemployment in Northern Ireland.
- 2.31 Newry and Mourne District Council is located in the south east corner of NI and includes much of the south of County Down and County Armagh. It has a border with the Republic of Ireland and a coastline on the Irish Sea. It has a population of approximately 94,000. The main city is Newry and other large towns include Crossmaglen, Bessbrook, Warrenpoint and Kilkeel. The Mourne area is one of NI's most popular tourist destinations.

Ireland

- 2.32 The Western Development Commission (WDC) is a statutory body that was set up to promote both social and economic development in the Western Region of Ireland by:
- ◆ Developing strategic regional development projects in sectors with growth potential, particularly for rural areas, including renewable energy, creative industries, tourism and organic agri-food.
 - ◆ Undertaking high quality social and economic analysis to inform government

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policy and try to ensure it is directed at improving the social and economic situation in the region.

- ◆ Promoting the benefits of living, working and setting up business in the Western Region and connecting with the region's large overseas Diaspora.
- ◆ Operating the Western Investment Fund (WIF) to provide loans and equity to business and local communities in the West.

2.33 The WDC has been engaged with developing the creative sector in the Western Region since 2008 when it commissioned a comprehensive baseline research on the sector in the region. This led to the development of a range of recommendations to further grow this sector and, together with a subsequent economic impact analysis conducted by NUI Galway which measured the potential jobs and income impact of their implementation, and informed the design of Creative Edge project. The WDC is working closely with national and regional partners to ensure the potential of the creative sector to create jobs, stimulate growth and innovation, increase exports and enhance the attractiveness of the Western Region of Ireland is fully realised. The WDC collaborates with public, private and voluntary sectors and has a strong ethos of sharing intellectual and other resources.

2.34 The Whitaker Institute at the National University of Ireland, Galway was established in October 2012 and is the largest national multi-disciplinary research hub focused on building an internationally recognised programme of research-led impacts, as well as activity contributing to public policy debates and contemporary societal issues facing Ireland and Europe. The Institute builds on ten years of success for the Centre for Innovation and Structural Change which has had significant impacts in terms of funding awards, publication outputs, including high ranked journal publications, commissioned research reports, development of doctoral student and contributions to innovation policy development. The Institute fosters a culture of research excellence by bringing together the College of Business, Public Policy and Law and the College of Arts, Social Science and Celtic Studies at NUI Galway, and also facilitates supports and enhances existing and emerging collaborative research interactions nationally and internationally. Research is at the cutting edge of the business and social science agenda and research outputs include peer reviewed journal articles, monographs, book chapters and policy reports. Graduate students are actively involved in national and international research networks and collaborations that form a multi-faceted and dynamic learning environment.

2.35 The Institute's research themes are drawn from the research strengths across nine Schools and twenty two disciplines in business and social sciences and are of national and international importance.

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2.36 Research to date has made significant contributions to the advancement of new knowledge and to policy and practice in business and society. This scale and scope of research activities creates a vibrant environment that provides academics, researchers, doctoral students and graduates the opportunity to engage with leading international scholars and a wide range of regional, national and international stakeholders.

2.37 Finland

2.38 Kemi-Tornio University of Applied Sciences is located in southern Lapland in the northern region of Finland. The KTUAS provides higher education leading to Bachelor's and Master's degrees in the fields of business and administration, culture, technology, health care and social services and natural sciences. It offers 17 degree programmes, in five of which the language of teaching and studying is English. Its most important task is the training of entrepreneurially spirited, highly skilled people, who understand the conditions and possibilities of the North of Europe.

2.39 Among the strengths of the Kemi-Tornio UAS are modern technology and know-how in eLearning, co-operation with the business and working life both in Finland and abroad as well as internationalisation.

2.40 Kemi-Tornio UAS has developed a broad and active network for international co-operation opening up opportunities for students to complete part of their theses and practical training abroad. The University supports the development of students' personal professional skills with versatile teaching methods as well as independent study through supportive guidance.

2.41 Kemi-Tornio University of Applied Sciences seeks to actively build Lapland's future in a customer-oriented fashion, participating in the development of the province. It educates experts in welfare, business, technology and culture, utilizing the latest technology and conducts research and development that promotes the economic life and welfare of the region.

2.42 It is nationally and internationally respected in its strategic fields of expertise and it will formally merge with the other campuses in Lapland on 1st January 2014 to become an integral part of Lapland University of Applied Sciences.

2.43 Sweden

2.44 Film i Västerbotten is a regional resource centre for film and video. Its mission is to support and broaden film culture in the County of Västerbotten in the north east of Sweden.

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- 2.45 Film i Västerbotten co-produces shorts and documentaries and it also supports film culture in general by arranging events, seminars, and further education, in particular aimed at children's and young people's needs are met. Film i Västerbotten also works to improve the position of film in Västerbotten's cultural and business life and increase its significance in the development of the region.
- 2.46 Its vision is to work for a thriving, modern audiovisual industry in the county and the region with high artistic standards and an international reputation. It aims to achieve this through developing skills in the long term and maintaining a creative climate in parallel with a programme that, with its focus on film culture, constitutes a natural bridge between different initiatives in the industry.

Creative Edge Political and Economic Comparison

- 2.47 Ireland is located on the western edge of Europe and has a population of 4.5 million. The economy in Ireland has been transformed over the last 20 years first during the "Celtic Tiger" phenomenon then by the economic crash and requirement for external financial assistance. The Irish economy was largely rural and domestic based but in the 1990's its position at the western edge of, but very much integrated into, Europe and low corporation tax rates attracted a number of large overseas knowledge based industries and corporations, particularly from the USA. The Irish economy, despite the severe impact caused by the global recession and a property crash, has continued to focus on knowledge industries and spin offs from the large corporations that have their European base in Ireland.
- 2.48 The system of local government in Ireland is based around local authorities, made up of county, city, town and borough Councils. Irish Local Authorities provide local and accessible government to people in local communities and have responsibility for delivery of a wide range of services in their local area including housing, planning, roads, water supply, and environmental protection, provision of recreation and amenities and community infrastructure. Local authorities also play a key role in supporting economic development and enterprise at a local level including support for micro-enterprises, business parks and incubation units, involvement in energy efficiency projects, promotion of rural broadband, and planning for major investments in the green economy. Local Government supports local communities through local festivals and events; design of streetscapes and village renewal schemes. Local government elections are held every 5 years.

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- 2.49 Policies in relation to the creative industries in the Republic of Ireland provide support structures for a number of sub-sectors (film, craft, design, publishing, fashion, music etc.) and a favourable tax regime which seeks to retain and attract artists, but on the other hand there are no creative industries policies. However, the arts and culture are recognized as having an important part to play in regional and national development, for example in the National Development Plan 2007 - 2013.
- 2.50 There are examples of creative and digital hubs in Ireland; some are highlighted in section 3, as well as examples of other approaches. One is the Creative Limerick project, coordinated by Limerick City Council in partnership with third level colleges, creative industries, and commercial property owners in Limerick City. This project seeks to enhance vibrancy and active frontages in Limerick City Centre and to provide active uses for vacant properties while promoting the work of creative industries. The Creative Limerick project provides for temporary occupancy of vacant retail units while they are between commercial lettings rent free by the landlord to the temporary occupant. The temporary occupancy provides an opportunity for creative practitioners and other start up businesses to start a potential new business on a rent free/trial basis with low to negligible cost overheads. Limerick City Council's role is to facilitate the bringing together of the landlord and the temporary occupant and arrange for the management and regulation of this relationship through a standard license agreement.
- 2.51 This is an example of a local authority in Ireland taking the lead in creating partnerships to establish creative businesses in temporary leases. While this aims more at single tenancies and temporary arrangements, it highlights how a creative hub could be established in an Irish context. The details of the licence agreement on a rent free basis, with the tenant responsible for services only are very similar to the SEED Creative Hubs project in Northern Ireland
- 2.52 Finland is a country of about 5.4 million people located in Northern Europe, between Sweden and Russia. It has the lowest population density in Europe but is a highly developed nation, with a high per-capita GDP. It uses the euro as its national currency, and is part of the Euro Zone. While taxation is quite high, Finland is regarded as having one of the best educated populations in the world.
- 2.53 In Finland, the municipal council is the general decision-making authority in local affairs. In addition, local authorities have certain specified responsibilities including the power to make financial decisions, based on the right to levy taxes.

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- 2.54 Finland is divided into 18 regions with Regional Councils operating according to the principles of local self-government. The Councils operate as regional development and planning authorities and look after regional interests. Local authorities' economic development and employment policies are aimed at safeguarding the region's competitiveness and viability. Economic development policy covers a variety of issues related to supporting business and industry, ranging from the development of city centres to the building of technology centres; from enterprise start-up to establishing web presence. The management of economic development policy is increasingly implemented through economic development companies, business partnerships, enterprise agencies, or incubators, and many municipalities are also involved in business mentor projects that are aimed at reinforcing local business operations.
- 2.55 In Finland 99,8% of businesses are SMEs employing less than 250 people and 93.4% have fewer than 10 employees. The proportion of entrepreneurs in Finland is below the EU and OECD average.
- 2.56 Creative Industries Finland (CIF) is a national network for creative industries and economy developers, policy-makers, actors and entrepreneurs. CIF provides news, facts and figures that support the understanding and development of the creative economy. It provides platforms for networking and exchange of best practices on a national and international level. CIF also coordinates the national Development Programme for Business Growth and Internationalization in the Creative Industries 2007–2013, and supports projects funded from the program.
- 2.57 The Ministry of Employment and the Economy is in charge of Finland's entrepreneurial and innovative operating environment, the functioning of labour markets and employees' employability as well as regional development in the global economy. The Development Strategy for the Creative Economy 2008–2011 aimed to improve the standing of creative professionals in the labour market, to promote entrepreneurship and growth as well as support product development in areas of business that utilise creative know-how.
- 2.58 Sweden is located on the northern edge of Europe between Norway and Finland. With a population of almost 10 million is one of the most sparsely populated countries.
- 2.59 Creative industries are a key economic sector for Sweden and enjoy strong growth prospects. The transition from an information society to a knowledge economy means that experience-based industries are becoming more important.

Strategic Context**2**

- 2.60 Sweden is already one of the world's most creative nations, with world-class companies, products and services in areas such as fashion, music, design and film. Most of these businesses are small, but many have the potential to grow internationally. Sweden needs to stimulate exports and inward investment to maintain its edge in this field.
- 2.61 The Swedish Agency for Economic and Regional Growth aims to work proactively for sustainable growth through a public strategy to ensure that investment for growth will also make growth possible for coming generations. Its role is to strengthen regional development and facilitate enterprise and entrepreneurship throughout Sweden. It supports initiatives that help people realise their business concepts and put these into practice, which may lead to both new companies and to the development of existing companies.

Creative Hubs – Existing Examples

3

Blick Studios

- 3.1 Blick Studios Belfast is a social enterprise that was formed in 2007 by a group of creative entrepreneurs who wanted to create a creative, inspiring and affordable workspace in Belfast. Somewhere to meet like minded Creatives and share resources, ideas and inspiration. Blick began with support from Unltd with a short term lease in a warehouse in Belfast City Centre. During this period the business was assisted by the University of Ulster and Belfast City Council who helped to grow the project move into premises near the Malone Road in 2008
- 3.2 Since then the business model provides affordable office space and desk-space for rent to creative businesses and also hiring out meeting rooms and event space to both the local creative and non-creative community. Blick Studios also hosts a number of important creative industry events each year in Belfast. In 2012 Blick Studios expanded to offer additional facilities in Hill Street in Belfast's Cathedral Quarter. There are now 15 businesses in the Malone premises and 12 in the Hill Street premises.

The Hub Newry

- 3.3 The Hub Newry is a private enterprise started in 2012 that provides an innovative place to work & meet for start-ups, micro-businesses & communities. Although technically not 'Creative sector' focussed, The Hub is a collaborative, shared office space, comprised of serviced hot-desking, meeting rooms, company registered address & mailbox facilities on affordable membership tariffs. The Hub ethos is that people need interaction and work more productively if workspace is inspiring, flexible, bright & creative. A collaborative environment helps businesses to meet and network with likeminded people as well as creating and realising ideas.

The Toffee Factory Newcastle, England

- 3.4 The Toffee Factory is a refurbished former sweet factory that was developed by Newcastle City Council, Gateshead Council and ONE, the government's regional development agency for the North East. The building was derelict and was converted in 2010 into high quality move-on office space for creative sector businesses. Creative Space Management, a private company, was appointed by the Council to market and run the facility. The building provides 26 fully serviced offices from 25sq m to 103 sq m available on flexible terms and competitive rents. It also provides meeting rooms and hot-desking facilities. The Toffee Factory is now home to over twenty digital and creative businesses, from Advertising, Design, Graphics, Marketing and PR agencies through to Architects and Landscape Architects.

Creative Hubs – Existing Examples

3

Round Foundry Media Centre, England

- 3.5 The Round Foundry Media Centre provides high quality, contemporary serviced office space specifically for creative, digital and media businesses on very flexible terms. Located in Leeds city centre within one of the most dynamic business and residential developments in the UK, it is well served by a range of independent shops, cafes, restaurants and bars and is close to the central train station.
- 3.6 It also provides flexible work spaces and virtual office services with a postal address and professional telephone answering service. With a range of contemporary meeting rooms and conference facilities which include high speed Internet access, AV equipment and a range of catering options, it is also a great location for client meetings or to showcase a new product or service

Skellefteå Sweden

- 3.7 We visited the newly opened hub at MASKINHUSET which was converted from a disused machine factory. It has large open exhibition type spaces on the ground floor and smaller studio or office accommodation on the first floor. It has the potential to serve as fantastic location for the local creative community. Conferences, events and festivals are being showed. It will be interesting to observe how it progresses with time.



The newly converted Maskinhuset building at Skellefteå in northern Sweden

Creative Hubs – Existing Examples

3

The Digital Hub, Dublin

3.8 The Digital Hub Dublin is an initiative managed by the Digital Hub Development Agency set up by the Irish government in 2003. It fosters innovation, technological development and creativity in a supportive, entrepreneurial environment. The Digital Hub focuses on digital media and technology businesses and provides excellent infrastructure and support, as well as ample opportunities for collaboration, networking and knowledge-sharing and offers flexible office space from 10 to 1,000 sq m. The Digital Hub aims to create a hothouse for new ideas, energetic entrepreneurs and technological innovation. It is located in one of Dublin's most established areas.

Cultural Silo, Oulu, Lapland, Finland

3.9

As part of our investigation into how comparable hubs operated, we visited the Cultural Silo in autumn of 2013. Kari and Pirjo Lunnas have embarked on an ambitious project. The city Council has donated the building, which was originally a woodchip silo in a huge paper cellulose factory. A fundraising partnership, involving several community and artistic organisations, are actively raising cash and goods to refurbish the landmark building.



The Cultural Silo building in Oulu - Kari has a lot of work to do

Creative Hubs – The Creative Edge Experience

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Creative Hubs

- 4.1 With a constantly changing and challenging global economy many businesses are finding it difficult to make long term strategic plans. Start-up businesses are finding it particularly difficult to access start up finance. Many start-up businesses, particularly those that are single person businesses, find it difficult to commit to a long term property lease, yet find that working from home brings its own set of challenges, not least isolation from peers, their market and the business sector.
- 4.2 One potential solution is to consider shared flexible space in business centres or hubs. Business centres have come of age in the UK during the past decade and can now offer businesses and individuals a range of location, quality and cost solutions to meet a range of business scenarios.
- 4.3 There are a number of benefits in taking space at shared business centres and these include:
- ◆ Flexibility - The ability to adjust the size of the space used and to reconfigure it to suit the exact needs of your business and the ability to vary the length of time it is needed for without incurring any financial penalties. The ability to relocate to different offices or even different buildings without any hassle
 - ◆ Technical Capability - Access to the latest specification IT, office equipment and telecoms which can be rented by the week with no major capital outlay
 - ◆ Quality buildings – locations include city centres and business parks with many business centres being close to major transportation hubs
 - ◆ High-quality office environments help with staff retention and motivation and make a good impression on clients and customers.
 - ◆ Cost Savings – inexpensive access to office space
 - ◆ Creativity – the opportunity to network and enhance creativity
- 4.4 A 2010 research report from NESTA set out the following case for why creative clusters matter - “Although the framework for local economic growth is still taking shape, it is clear is that creative clusters have a role to play in it as a force for innovation at the regional level. The creative industries at the forefront of the UK knowledge economy and their particular strengths are in services innovation and the introduction of new products to market. A regional analysis of the innovation performance of the creative industries confirms that they punch well above their weight in terms of innovation and are a strong element of the regional knowledge economy.”

Creative Hubs – The Creative Edge Experience

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Nesta provided Craigavon with valuable research and practical advice

- 4.5 Furthermore, the NESTA report recommends that policymakers concerned with local economic development should do the following:
- ◆ Catalyse latent clusters rather than try to build new ones from scratch. Building clusters from scratch is notoriously difficult; far better to identify whether there are any latent clusters 'hidden' in their regions or localities that would benefit from networking and awareness-raising. Increasing the visibility of such clusters can also help creative graduates find employment locally.
 - ◆ Think about which sectors work well together. The report suggests that there are important synergies between some creative sectors, but not others.
 - ◆ Universities should do more to promote innovation in increasingly tech-intensive creative industries. It is important to complement the somewhat narrow view of universities as mostly providers of creative talent with a stronger emphasis on innovation. Universities should also provide local knowledge hubs where creative firms can share information and build stronger networks.
 - ◆ Help remove barriers to collaboration. Even if they are aware of each other, local creative businesses may be keen to protect their valuable ideas or client portfolios and be wary of collaborating for fear of disclosing sensitive

Creative Hubs – The Creative Edge Experience

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information. Local bodies need to take this into account when they design initiatives to encourage networking and knowledge sharing. Training sessions that bring together professionals from different companies to upgrade their skills can also act as venues for networking.

- ◆ Build bridges as well as towers. Although investments in iconic public buildings may be a way to signal public commitment to an area, they are expensive. In many cases, much cheaper initiatives to build links between potentially collaborative businesses and sectors may produce longer-lasting impacts for less outlay. Policymakers should ensure the right balance between the two types of public investment in the creative industries.



Setting up a Creative Hub is not like reading Runes; a planned approach is necessary to enhance success and sustainability.

Creative Hubs – The Creative Edge Experience

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Creative Hubs Requirements

- 4.6 There has been research into the potential of creative hubs commissioned by local councils in the UK and NI. The findings of this research indicate that
- ◆ There is a strategic rationale for creative hubs, with potential to encourage stronger links across the creative industries to promote growth
 - ◆ There is widespread support among key stakeholders and evidence of demand for a creative hub.
 - ◆ There is a need to work with and not duplicate the activity of other facilities in existence
 - ◆ There is a need for networking support, mentoring and signposting
- 4.7 Key conclusions from other creative hub developments are that:
- ◆ Location matters – the hub needs to be central in easy reach of supporting facilities
 - ◆ The building needs to be accessible in terms of price and with flexible terms
 - ◆ Broadband is a necessity
 - ◆ Sense of community is important
 - ◆ Public sector finance has played a part in many hubs
 - ◆ There is need to be flexible on admissions criteria
- 4.8 A hub should provide:
- ◆ A range of flexible workspaces
 - ◆ Events space
 - ◆ Meeting rooms
 - ◆ Social and networking spaces
 - ◆ Business support services

Creative Hubs – The Creative Edge Experience

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Policy Considerations

- 4.9 There has been increasing interest in the economic development potential of the creative industries across the UK since 2000 and in Northern Ireland the Departments of Culture, Arts & Leisure (DCAL) and the Department for Enterprise Trade and Industry (DETI) developed broad strategies to unlock creativity.
- 4.10 However, commissioned by a range of stakeholders including these two Northern Ireland Government departments, Colin Stutt in 2008 produced the report “A Strategic Action Plan for the Creative Industries in Northern Ireland”. It established the main issues and opportunities for the growth of the creative industries in the region. It was a strategic approach designed to be flexible and robust and to be the policy context in which the Creative Industries Innovation Fund would be delivered. DCAL secured £5m to establish the Creative Industries Innovation Fund to contribute to the growth of Northern Ireland’s cultural capital by supporting creativity and creative talents in their business activities.
- 4.11 Research has shown that creative industries have particular needs and that these needs often vary on a sub regional basis. While creative industries have access to generic business support through, for example Invest NI and Enterprise NI, this is often aimed at more “mainstream” manufacturing business. For example, while enterprise agencies offer space aimed at start up and small businesses, these are often out of town and away from key markets, aimed at single businesses and lacking the creative cluster effect that has worked well elsewhere.
- 4.12 Belfast City Council, along with Invest NI, is now actively considering the opportunities for investment in a creative hub in central Belfast, aimed specifically at supporting the knowledge economy and start up digital creative businesses. It is expected that this new creative hub will be open before the end of 2014. The Stutt Report concludes that outside Belfast and Derry City Council initiatives in support of the creative industries tend to be ad hoc in nature.
- 4.13 In the UK the Creative Economy Programme was launched in 2008 as Creative Britain - New Talent for the New Economy. The vision is of a Britain in ten years’ time where the local economies in the biggest cities are driven by creativity, where there is a much expanded range of creative job opportunities in every region with clear routes into creative careers from local schools and colleges, and where every young person believes they have a real choice to use their talents in a creative capacity.

Creative Hubs – The Creative Edge Experience

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- 4.14 It is a vision of creativity as the engine of economic growth for towns, cities and regions. It's also a vision of dynamic, innovative, successful creative businesses providing prosperity and fulfilling job opportunities right across the country. The Programme sets out a range of commitments including
- ◆ Giving all children a creative education
 - ◆ Turning talent into jobs
 - ◆ Supporting research and innovation
 - ◆ Helping creative businesses grow and access finance
 - ◆ Fostering and protecting intellectual property
 - ◆ Supporting creative clusters
 - ◆ Promoting Britain as the world's creative hub
 - ◆ Keeping the Strategy up-to-date
- 4.15 An important feature of 'Creative Britain' is that it is concerned not just with the creative industries but also with the impact of creativity in the wider economy. Creativity is to be valued as an economic force for innovation and growth, not just in the creative sectors but across the economy.
- 4.16 Scotland has committed very substantial funds to its creative industries over a number of years and the creative industries have achieved increasing prominence with the proposed creation of a new development agency Creative Scotland. The Scottish government has proposed that Creative Scotland will offer specialised advice and information services for creative enterprises. The Scottish Government proposes four roles for the new body:
- ◆ It will promote an increasingly wide understanding, appreciation and enjoyment of the arts and culture
 - ◆ It will identify, support and develop talent and excellence in the arts and culture
 - ◆ It will seek to realise all the benefits of the arts and culture
 - ◆ It will work with partners to support the creative industries

Creative Hubs – The Creative Edge Experience

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- 4.17 In Ireland, policies in relation to the creative industries present a contradiction. On the one hand there are generous support structures for a number of sub-sectors (film, craft, design, fashion, music etc.) and a very favourable tax regime which seeks to retain and attract artists. Low rates of corporation tax have attracted very substantial overseas inward investment for knowledge based industries which has contributed significantly to a rise in small knowledge based industry. Most creative industries initiatives have been undertaken on a local basis.
- 4.18 Policy in NI has lagged behind other parts of the UK and Ireland in respect of support for creative industries and there are opportunities to learn from the approach undertaken in Creative Britain and approaches elsewhere.
- 4.19 In particular, specific areas of policy that could be considered include:
- ◆ strengthening the links between the arts and crafts sector and the business sector, for example a “Creative NI” programme within Invest NI
 - ◆ establishing a stronger focus on assistance for creative industries within the Local Government Reform Agenda
 - ◆ setting targets for investment, business start up and job creation within the creative industries sector, with clear lines of responsibility.
 - ◆ creating partnerships between local and central government, higher education, the creative industries sector and the other business sectors
 - ◆ establishing specific funding and business support mechanisms for creative industries at local level.
 - ◆ addressing the needs of creative industries within Enterprise NI, so that the creative sector is targeted through ENI. This should also take place within the Local Government Reform Agenda.

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The Creative Hubs Project

- 5.1 The rationale for the Creative Hubs project was to pilot how the concept can work in regional towns in NI, gauge interest and test the model of creative shared spaces in town centres in Armagh, Banbridge, Lurgan and Newry.



Flexibility is one of the key factors in the success of hub space

- 5.2 There were a number of options considered for piloting this concept including:
- ◆ Work with Enterprise NI to test the model in an enterprise centre setting. This would have met some of the key aims of the project by encouraging enterprise centres to address the specific needs of the creative industry sector but not others, including having a positive impact on town centres and encouraging creative businesses to adopt the shared space.
 - ◆ A single large hub covering the region, similar to the Belfast model. This would have involved identifying a single premise in one town in the SEED Council area and developing this as a creative hub for the region. Again, this would not have achieved the positive impact on each town centre and may not have achieved buy in from each of the Councils. That model also does

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not address local need or the need for local creatives to express their locality as part of their creativeness.

- ◆ Meanwhile space. This approach has been used in various guises by local authorities in the UK and Ireland, including as a means to specifically attract and support creative businesses (e.g. Creative Limerick). This approach would not achieve the shared space aspect which was an important component of the Creative Edge Creative Hubs approach. However, the model or template used by meanwhile Space is a useful mirror upon which to reflect whilst investigating the Creative Edge Creative Hubs project.
- ◆ A creative hub in each main town. This was the approach adopted which was supported by Creative Edge and each of the Councils involved in the project. This is described in detail in the following sections.

5.3 Creative Hubs is innovative in that it seeks to bring into use vacant, unused or unoccupied spaces in town centres as shared space for creative businesses. At the time of writing, it has been widely reported the vacancy rates in town centres in the UK is 25% and this is reflected in some Northern Ireland towns. The project is an integral part of the Creative Edge project and works to assist creative industries in achieving local growth, export growth and the engagement of young emerging talent.

5.4 The project seeks to:

- ◆ Negotiate a rent free period with local landlords to allow the new occupants to take on a town centre property for a 6-9 month period which they would not be able to afford in normal rent paying circumstances. This provides the occupant the opportunity to establish the business or activity and make it sustainable with a view to entering into a longer term leasing arrangement.
- ◆ Identify Creative Businesses and Creative Individuals who can occupy such vacant town centre properties.

5.5 The project objectives were:

- ◆ To generate applications from creative businesses and/or social enterprises seeking to open premises in town centres
- ◆ To achieve buy in from local landlords and estate agents to ensure the success of the Creative Hubs and Meanwhile Space programmes
- ◆ To place businesses and/or creative social enterprises on 6-9 month short term leases in vacant shopfront properties in town centres
- ◆ To ensure these stay in operation for longer than 12 months

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- ◆ To create an awareness of the Creative Space concept and ensure the project is sustainable and therefore can operate on a continual basis after the completion of the funded period
 - ◆ To inject life into vacant shop units and prevent dereliction and blight
- 5.6 This report sets out a step by step guide on developing a creative hubs project. It is intended as a practical manual that can be used by other organisations to achieve similar outcomes.
- 5.7 The purpose of this document is to postulate a rationale for creative hubs as a mechanism for the development and growth of the creative industries sector.

The Creative Hubs Project

- 5.8 This section reviews the work undertaken on the Creative Hubs project and assesses what worked well and lesson learned. It looks at key elements of the work in detail and makes recommendations on structures, communication and project delivery.
- 1.9 The work can be assessed in three key stages: project scoping, recruitment/set up and delivery structures.

Project Scoping

- 5.9 It was important to be clear about the project aims and limits. Given the shortened timescale of less than 18 month (originally envisaged at 30 months) the brief was to source a town centre property that would be available for approximately a 6 month period rent free. One property to be in each of Armagh, Banbridge, Lurgan and Newry. The building would have to be in a reasonable condition that could be made suitable for start up businesses quickly with a capital budget of up to £4,000 available to the landlord. A further consideration was the sustainability of the project so that the hub would continue after the end of the project period.

Timescales

- 5.10 The project began in earnest in September 2012 with an initial deadline of end September 2013 to facilitate funding drawdown from NPP. This timescale proved to be challenging, even with the reduced number of hubs as the revised aim.

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Key contacts

5.11 The early part of the project was spent identifying and contacting organisations in each area that we felt would be important points of contact because of their local knowledge or networks within the property sector and creative industries sector. These included:

- ◆ Local Government – Armagh City & District Council, Banbridge District Council and Newry & Mourne District Council – Craigavon Borough Council was fully involved as the lead body of the SEED Council Group. We started with meetings with the Councils as they were key funders for the project and would be aware of local issues and also have networks of local businesses and arts sector. The initial meetings covered the broad issues of the business sector and town centre, key contacts and management of the project. We also discussed issues of concern such as rates and competition. These meetings provided us with access to important networking opportunities and support from local government is critical. The Councils were very helpful in helping to set up information sessions in local venues and in distributing invites to the information sessions to business and creative sector contacts.
- ◆ Town Centre management/Business representative groups - Each city/town has a town centre manager or office that is responsible, among other things, for town centre development and businesses. The managers speak to local businesses on a regular basis and are often aware of what property is available, who owns it and how long it has been vacant. The city/town centre managers provided very helpful information and were very good contacts. The managers were supportive of the project
- ◆ Enterprise agencies - Each Council area has an enterprise agency with provides support and workspace for start up businesses. We met with each agency to make them aware of the project and explain how this differed from their services. Enterprise agencies tend to be located outside town centres, often on the outskirts of a town in industrial estates. They offer separate units for businesses, rather than the hub concept of a creative shared space. Occupants of the Enterprise Centres tend to be more or less permanent residents rather than moving on in a true incubation space setting. The Enterprise agencies were supportive and offered to assist with networking.
- ◆ Estate/property management agents - We met with property agents to make them aware of the project and also to familiarise ourselves with the property sector. We had a mixed response from agents who were sceptical about their clients interest in a proposal that did not include rent. They were also not happy about the short term nature of the proposed agreement. The response from agents was generally poor and contact with landlords was generally through local business networks and word of mouth. It is a good idea to

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speak to property agents to get information about what is available but support in the early stages of the Creative Hubs project was generally poor.

- ◆ Creative industries/ arts based organisations – We contacted arts based and creative industry organisation such as Craft NI, Neighbourhood Newry, and others to gain support and awareness of the project.
- ◆ Further/higher education - We contacted local further and higher education providers the Southern Regional College to make them aware of the project and to create awareness among students. Colleges tend to work slowly so while they were supportive of the project were unable to offer tangible help. As colleges tend to plan activities for an academic year at least one year in advance, the timing of the Creative Hubs project did not fit with this.

Legislative considerations

- 5.12 Rates / property tax: In NI, all commercial properties are subject to rates, in effect a local property tax. Empty properties are still liable to business rates (property tax) at a reduced rate of 50%. Rates are paid annually. Normally, when a property is occupied, the tenant will pay rates assessed by Government. Rates for a small shop unit are often at a similar level to the rent payable for a year. Therefore an empty unit has a cost to the owner, providing an incentive to the landlord to find a tenant. The recession has meant that many shop units have lain empty for quite some time. This was a strong lever that we were able to use to negotiate a rent free period with landlords. However, we should state that some openly preferred to keep their property empty rather than offer reduced terms. There was a perception that 'normal' fee paying tenants might be moved to renegotiate lower terms.
- 5.13 The Small Business Rate Relief (SBRR) scheme is a Northern Ireland government initiative. The aim is to support the growth and sustainability of small businesses in Northern Ireland, by providing business owners in small premises with rate relief of up to 25%.
- 5.14 The Empty Premises Relief scheme which came into effect in 2012 and has been created to help get long term empty retail premises back into business. It will effectively allow for 50 per cent rate relief for up to a year once a long term empty retail premises becomes occupied.
- 5.15 We met with the agency responsible for rates, Land & Property Services to discuss what exemptions might be possible. There are exemptions for charities and Creative Hubs would be eligible to register as a charity because it is concerned with urban regeneration and is not for profit. This would mean that any part of the building used by the charity would be exempt but any part used by a business would be liable for rates.

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- 5.16 The response of Land & Property Services was generally inflexible and unhelpful. We concluded that a general change could only be brought about by lobbying MLA's (Members of Legislative Assembly) in Northern Ireland and that this could not be achieved within the timescale of the project.
- 5.17 Planning - buildings that require a change of use, for example from residential use to commercial use, or buildings that require extensive building work may require planning approval from Planning Service, part of central Government. The application process can take up to 8 months and therefore any building has to be already be used for commercial purposes to fit with the Creative Hub project timescales.



Outside the Creative Hub in Armagh City.
The resident businesses are handed the key by the Mayor

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Familiarisation

- 5.18 Familiarisation with the location for a potential hub is crucial to identifying key areas and potential sites. It is not just looking at the area for premises; it is about looking for areas where a creative hub would be particularly relevant, for example where there are other creative businesses or an emphasis on creativity and services. One example is the Cathedral Quarter in Belfast, where the City Council is keen to promote the development of the arts and creative sectors. Again the local Council and town centre manager in a particular location can advise on this.
- 5.19 We visited each of the town centres involved in Creative Edge several times to assess the nature of the commercial sector in the town and to compile a list of possible business premises. We were accompanied by the town centre manager as often as was practical. We identified vacant premises that were in good locations, appeared in a good state of repair and were available. Most, but not all, were advertised for sale or let and had Property Agent details. We noted Property Agent details where possible. For those with no contact details we relied on advice from the town centre manager or other business contacts to enable an effective follow up process.
- 5.20 The Lurgan Creative Hub was launched in March 2013. Based in William Street in the town centre, there are currently two businesses operating from it. It is a 'Blue Plaque' building as it was the birthplace of George 'AE' Russell, an artist and writer of some renown from the early 20th century, so it could be said that the building has been brought back to its roots.
- a) The multimedia production company, BNL Productions offers a number of services from the Hub. Services on offer include media conversion, film production, wedding cinematography, poster printing and website design. Also working from the Lurgan Creative Hub is a street artist of some renown, Dermot McConaghy.
 - b) The Lurgan Creative Hub has also been utilised as a cultural venue and has hosted musical performances and various art exhibitions.
- 5.21 In Armagh (technically a small city as it is the ecclesiastical capital) the key area identified was near to the Market Place in the cultural centre. This is dominated by the Market Place Theatre on one side of a square and the square has several restaurants, coffee shops, a wide number of retail shops and commercial businesses.
- 5.22 In Banbridge, the main thoroughfare and commercial area includes Newry Street, Bridge Street and Rathfriland Street. This accommodates the old town hall, the tourist information centre, shops and restaurants. Banbridge had a lower rate of shop vacancies than the other towns in the project.

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- 5.23 In Newry, the main shopping area is Hill Street and at one end is the town hall and Arts Centre. Beside this is the Sugar Island area. Other arts based projects such as the Bath House and Sean Hollywood Centre are also nearby.



Helen from the Northern Ireland 'Creative Steps' team, was delighted to be offered a trainee designers job by BNL Productions. Her first project was the coordination of the official launch of the Lurgan Creative Hub.

Property mapping

- 5.24 In compiling a list of properties, we took into consideration the following issues/constraints:
- ◆ Was it within the main town centre area?
 - ◆ What was the building used for, retail/office/other use – would it need planning approval for change of use?
 - ◆ Condition - was the property in reasonable condition outside and inside?
 - ◆ What size/area was available?

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- ◆ Ground or first floor?
- ◆ The amount of rent and rates charges?
- ◆ The general area – what was the condition of the area, is it conducive to a creative project, was it accessible?
- ◆ Transport – are there reasonable transport links and car parking?
- ◆ Last and by no mean least, what was the attitude of the property owner to the concept of Creative Hubs?

We rated buildings according to these criteria using a check list (see appendix 1)

- 5.25 We were initially looking at ground floor property although we also started to consider first floor as the search progressed. This was because ground floor properties in the town centres were seen as prime property and it was harder to persuade landlords to make them available for a short term period. The rates on ground floor premises are also much higher. As we were aiming for start up businesses we took into account longer term costs beyond the life of the project. As the search progressed some very attractive first and second floor accommodation was brought to our attention.
- 5.26 An important factor to consider is the mix of businesses in the immediate area, and the risk of creating unfair competition. Business owners can feel wary or threatened by a new business that they see as competition nearby, particularly if they believe that there is public sector support for this business. It is important to be aware of potential conflicts at this stage.
- 5.27 For each area we were able to draw up a list of around 10 properties that had the potential to be creative hubs
- 5.28 Some of these came from the familiarisation visits and some were suggested by local contacts including from the Council, Town Centre Manager and business contacts through the awareness raising work (see below).

Property Shortlist

- 5.29 We contacted either the landlord or agent to discuss the possibility of including the property as a potential hub. We explained the basis of the project, what we were trying to achieve and what kind of deal we were able to offer, i.e. a lease for a 6 month period rent free but we would pay for any rates liability and service charges. We also made it clear that we could pay a modest amount to refurbish the property to standards required for a hub. Most landlords were open to discuss this kind of arrangement, as they would at least save the cost of rates, as well as access to the refurbishment funds.

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- 5.30 From this we were able to shortlist to 2 or 3 properties in each town that had the best fit with the project and to rank these in order of preference, according to the criteria we had agreed.

Project Structure

- 5.31 The creative hub model can work basically in one of two main ways, either as a private business on a profit making basis, or as a not for profit social enterprise type model. For this project, as it was established with public funding, the social enterprise model on a not for profit basis was chosen.
- 5.32 It is possible, with more time available, to also set up the project as a charity with a focus on urban regeneration and small business development which could lead to some tax advantages. In such an example it could provide a basis to seek an exemption for part of the property from rates.
- 5.33 For a rates exemption to come into effect, the creative hubs charity would have to register with the NI Charities Commission and the HM Revenue and Customs. Then part of the creative hub would have to be set aside for the charity in pursuance of its charitable activities. For example, this could be used to display or showcase (but not sell) the creative products produced by the tenants, or it could be used to administer the hub or for training or meetings. This area would then be able to qualify for an exemption, subject to approval by Land and Property Services. Again it is likely that this approach would require strong lobbying at MLA level.
- 5.34 Application for charitable status requires the project to have a written structure and constitution, setting out a named committee, and charitable aims and objectives. It would have to be not for profit and have aims that qualify as charitable, such as urban regeneration, relief of poverty through small business development and support. It could be set up as a constituted group, or as a company limited by guarantee or community interest company, with a legal company structure.
- 5.35 Given the time constraints of the project, we were not able to pilot this 'Charity based' model although the potential for its effectiveness can be seen in the preceding paragraphs.
- 5.36 Creative Hubs therefore was set up as a social enterprise run in partnership between Craigavon Council, Insight Business Services and Groundwork NI. Each of the hubs would operate on a not for profit basis, with tenants expected to cover the costs of premises only.
- 5.37 It is important to note that Creative Hubs is the tenant for each of the leases for the properties and is therefore responsible for all costs associated with the lease. While these are passed on to tenants, Creative Hubs is taking on the collective risk for the associated costs and charges.

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Recruitment/ selection

- 5.38 The next stage was to select the property from the shortlist and begin negotiations with the landlords about securing the property.
- 5.39 We assessed each property and contacted the landlord/agent about availability of the property and compatibility with the project.
- 5.40 The properties selected were:
- ◆ **Armagh:** Lennox House is a first floor office of around 400 sq metres. It had been refurbished to Grade A1 condition and had lain empty for around 2 years. It is located in the heart of Armagh's shopping and business district and is a large office space with excellent services and facilities, including a lift. We were alerted to this property through our network of business contacts in the city. We contacted the landlord about a short term lease agreement rent free for 6 months. The landlord agreed to a short term license agreement if we took on the rates and service charges for the office space. These were around £900 per month. Creative Hubs would be the tenant and the terms of the license allowed us to sub let the property to creative businesses.
 - ◆ Lennox House is in a superb town centre location and would be suitable for a wide range of creative businesses. The size and cost of the property mean that there was a significant financial risk if the building could not be filled with sufficient creative businesses to cover costs. Options were to negotiate rent of a smaller floor space or split the costs with the landlord. We could not sign the license until we had assurance that we had sufficient businesses signed up for the space.
 - ◆ After six weeks of negotiating a deal and encouraging sufficient creative businesses to sign up, the landlord accepted a higher offer from a third party and Lennox House fell through at the last moment.
 - ◆ Another property on the Armagh shortlist was close by and deemed suitable. Situated in Russell Street, again in the centre of Armagh, it was advertised for rent and the landlord was willing to consider a short term license. While this was not in as good as the first option, it was an excellent option as it was centrally located, in habitable condition after some minor work and is a ground floor property with four good sized rooms. We offered it to the tenants who had signed up to Lennox house and they were keen to move forward with it. We therefore signed a lease for around 120 sq m of space for 6 months.
 - ◆ **Banbridge:** We were made aware of a first floor property in Newry Street in Banbridge, which had been converted into small units for retail businesses. Another part of the premises was available to us for use as a creative hub. The building was in the centre of the town within the main shopping area and it afforded excellent access by both car and public transport.

Project Review

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- ◆ We negotiated a license with the property owner to make around 150 sq m available for creative businesses through the project. It is in good condition and we were able to contribute towards the costs of bringing the property up to a reasonable standard internally.
 - ◆ **Newry:** In our shortlist of property in Newry was a first and second floor premises above a new restaurant which was soon to be opened in the city centre in an area called Sugar Island. The 2 floors were in poor decorative condition, but the landlord was prepared to refurbish these within our budget. The premises had around 120 sq m available in four rooms. The building was very central with car parking close by and good access to the building from the street. It is close to both the main arts facility and to the main shopping area. The link with the restaurant was also considered as a positive factor.
- 5.41 **The Property Licence used in Creative Hubs:** A copy license used with each of premises is included in the appendices



What all businesses want – a key to their own space

Project Review

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Sustainability

- 5.42 With each of the hubs, a key factor was the potential for the hub to be sustained beyond the lifetime of the project. This requires commitment from both the landlord and from the businesses. In each property we discussed and agreed the potential for this to become a permanent arrangement beyond the initial 6 month period with the landlord and this was a factor in choosing the property. While there is no written agreement, there is an overt understanding that the project will work with each business to seek to put in place a longer term arrangement once the business is established.

Competition with established businesses

- 5.43 One issue was raised in Newry by the owners of a privately owned business hub that initially regarded new the creative hub as unfair competition.
- 5.44 Early in the project we became aware of The Hub in Newry. It is a private enterprise that operates rented spaces for businesses in Newry City centre. The Hub Newry provides desk space and meeting space for micro and start up businesses, aiming mainly at digital industries. We met with the owners of the Hub Newry to discuss what we were trying to achieve and to look at ways in which we could minimise any overlap or duplication. We also discussed how we could collaborate to benefit both projects in the longer term. While there were some initial concerns, we were able to discuss and agree a way forward that benefitted the project, the existing business and the city as a whole.
- 5.45 A similar situation arose in the other hubs with regard to tenant businesses. We could not support the start up of a business in a Creative Hub if its proposed products or services were similar to a nearby established business. In one location we were unable to progress with a business that was the same as a neighbouring business. In another we resolved a potential conflict of interest by negotiating with the business affected and ensuring that there was no retail competition (as opposed to craft based trade).

Project Recruitment

Awareness-raising

- 5.46 Running parallel with the premises search, we undertook a series of awareness raising initiatives using local contacts and local media. This followed on from the initial meetings that we held with organisations that we felt were strategically placed to pass on information about the project.

Project Review

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- 5.47 Information sessions were organised in each of the towns using local venues. For each session we advertised using e-mails to business and arts organisations using Council communication networks and we also placed editorials in local newspapers. We also placed an invitation on Council websites, the Groundwork NI website and also through Facebook and Twitter. Copies of the editorials are attached in the appendices.
- 5.48 We used local venues in each of the town centres for the information sessions. The venues were easily accessible and suitable for seminars for around 20 - 40 people. These were:
- ◆ Armagh Marketplace Theatre
 - ◆ Banbridge Old Town Hall
 - ◆ The Sean Hollywood Arts Centre, Newry
- 5.49 The seminars were organised for 6pm in the evenings and lasted for 1 hour. At the seminar we presented the Creative Hubs project, outlined how it would work, who it was aimed at and how it would be taken forward. The seminars included opportunities for questions about the scheme.
- 5.50 A total of 40 people attended the seminars. From these we were able to identify potential premises to match with tenants. Two of the properties and three tenants were immediately identified as a result of the initial seminars. We recorded the details of all those who attended and kept in contact with them regularly throughout the project.
- 5.51 The main purpose of the seminars was to create awareness of the project in each town and its hinterland and get potential clients interested in and thinking about the scheme for their business.

Business training

- 5.52 The next stage of the project was to encourage and equip the creative entrepreneurs in the Creative Hubs to grow their business. Most of those who had expressed an interest in the initial stages were either business start ups or were working from home in the start up phase.
- 5.53 Creative Edge has sought to strengthen the capability of creative individuals so they are better equipped to run their own enterprise.
- 5.54 For many entrepreneurs in this situation the key questions are how do I make the next step and what are the risks and rewards. We put together a series of business seminars that addressed these questions and provided accessible advice and support aimed specifically at small start up creative businesses.

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- 5.55 We discovered that it is difficult for new entrepreneurs to access basic advice and support. Often we found, from discussion with Creative Hub tenants and potential tenants, that the advice that is available through central government agencies is too high level and makes the process more difficult than it needs to be. Also, creative businesses are often made to feel like they are not proper businesses when in fact there is a strong business model.
- 5.56 The business training therefore was designed to be basic, pragmatic, flexible and focused on the creative business start up. It addressed basic questions such as how to get set up as a business, basic business planning and how to keep records. The business training was widely advertised locally, again using local newspapers, business networks, websites, e-mail, Facebook and Twitter.
- 5.57 The seminars were held in the same venues as previously listed and lasted for 3 hours. We often overran as so many questions were posed from the entrepreneurs. The seminars were divided into 4 sessions - business set up, business planning, marketing and financial management.
- 5.58 Ten entrepreneurs attended the sessions, several of whom had already attended the information sessions. A further three of the tenants that signed up for a Creative Space were recruited as a result of the business seminars.
- 5.59 One of the key messages throughout the seminars was the importance of planning and setting out a basic business plan. We were seeking to encourage the businesses to plan how they could benefit from the Creative Hub ethos and use it to grow their business.
- 5.60 Again, we recorded all those who attended the sessions and followed up with them to encourage them to apply for a space in a Creative Hub.

Securing tenants

- 5.61 We recorded all those who completed an application form and compiled a database in relation to the type of business, its status and stage of development, and interest in the hub.
- 5.62 The application process was designed to be straightforward to encourage start up and micro businesses to apply. A copy is included in the appendices.
- 5.63 For everyone that expressed an interest, we organised visits to each of the Hubs. The client registration and property search was going on at the same time so we were able to organise visits to each premises so that the entrepreneurs could think about how it might suit their business and allow us to discuss in more detail the formation of the Hub. The discussions looked at issues such as access, what space was needed, what facilities were needed and how the space could work for them.

Project Review

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- 5.64 We identified the detailed costs for each of the premises. Although each was secured rent free there are charges for rates, insurance and services, depending on the details of each building. We calculated the cost over the period of the license agreement and allocated this on the basis of the space taken up by each tenant per sq metre. We then calculated the cost for each tenant which would be charged monthly. The costs of the tenancy fall to Creative Hubs and therefore Creative Hubs must pass this on to the tenants. In each case we ensured that income matched expenditure. Overall, the costs worked out at between 35% - 50% of what a business might expect to pay for a typical tenancy.
- 5.65 After the visits we again spoke to the entrepreneurs and sought a commitment to the project, including a commitment to move into the premises. At this stage the commitment was verbal as we did not yet have signed leases for the premises.
- 5.66 In addition to those already committed to Lurgan we received verbal commitments from 3 businesses for Newry, 2 for Armagh, 3 for Banbridge.

Project Operation

- 5.67 Once we had a commitment from the businesses we were able to sign leases for the premises with landlords and enter into agreements on grants for minor capital works. A sample of the license agreements is included in the appendices. The licenses are between the landlord and Creative Hubs (SEED) and cover the use of the space for the project. Each license allows Creative Hubs to sub-let the space for creative industries. It sets out the timescale, the space covered by the agreement and the use of the premises.
- 5.68 As a tangible sign of commitment from the landlords we asked them to arrange the refurbishment. They had to provide three quotes for capital work needed on each property in line with procurement procedures. These were checked against the property condition and the lowest quote was approved for grant. The work was approved and commissioned by the landlord who also submitted an invoice for the work done.
- 5.69 We also purchased appropriate furniture and signs for the hubs.
- 5.70 We prepared license agreements for each tenant based on the details of each hub. This is between Creative Hubs and the business individually. It confirms their commitment to the creative hub concept, the terms of the agreement, the cost, the amount of space allocated to them and the timescales. Each license is flexible in that businesses are not committed to a long term arrangement, although they are expected to commit to the concept of the shared hub. A sample license agreement is included in the appendices.

Project Review

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5.71 Once the license agreements had been signed, the tenants could move into the premises and start to prepare for opening their businesses.

5.72 Project Launch

5.73 For each hub we organised an official launch. This was held to publicise the project and highlight its progress, provide PR for the new businesses and showcase the involvement of the NPP, local agencies, particularly the local Councils, in supporting the hub and the assisting the development of local creative businesses.

5.74 The launch was organised in partnership with the local Councils and the Mayor was invited to attend and perform the opening. The local press was invited and press releases were prepared for local media.

5.75 Each of the businesses was invited and given the opportunity for photographs. Around 20 people attended each event.



Creative businesses in the Armagh Hub are welcomed by the Mayor

Project Review

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5.76 **Mentoring**

5.77 The mentoring aspect of the project is a very important aspect as it supports the creative businesses to become established and grow. Mentoring will take the form of one to one sessions to assess the development of the business and plan for its growth. Mentoring requires an individual tailored approach.

5.78 The first stage is to assess the business needs and the marketing of the business. Each business will be supported to prepare a business plan that sets out projections for the first year. This will set out a clear plan with specific goals and targets.

5.79 We will provide business advice and support through the project lifespan for each business. This will include advice and signposting in relation to training, finance and specific business issues such as employment, VAT and marketing.

5.80 We will work with each business with the aim of sustainability of the business and the creative hub. This will include an exit plan that will seek to ensure that each business is able to achieve a position where it is able to afford to sign a lease within the Hub landlord on its own terms. This will include paying rent and agreeing a lease. We will assist the businesses to agree a suitable lease for long term security.

5.81 Sustainability applies to both the Hub and the businesses within it. We will work with the landlord to secure the long term future of the Hub as a business model and as a way of promoting business development but also as a profitable business model.

5.82 Ultimately, the aim will be that a business is able to move out of the Hub and develop as a standalone business, and that new businesses will be able to move into the hub as they start up and grow.

5.83 **Outcomes**

5.84 The main outcomes from the project are:

- ◆ Four vacant properties have been brought into use and are now occupied as a Creative Hub by new creative businesses.
- ◆ These creative businesses draw additional people into the town centre and increase footfall in the vicinity of each Hub
- ◆ Ten businesses have either started or grown from a home business and are occupying the Creative Hubs
- ◆ Ten businesses are paying rates and business taxes

Project Review

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- ◆ Ten businesses are creating employment, 22 people in all
- ◆ Annual savings on commercial rent amounting to £58,200.00 have been made for the benefit of the businesses occupying the 4 Creative Hubs
- ◆ Ten business have joined the Creative Edge website www.mycreativeedge.eu which is providing additional assistance to them as an export platform
- ◆ Arrangements are in place for the long term future of the hubs in each town
- ◆ A project template has been established that can be copied and used in other areas



The front window of the Lurgan Creative Hub

A painting courtesy of the 'George AE Russell' Foundation

Conclusions

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The Creative Hubs Project in a Wider Context

- 6.1 The Creative Hubs project has demonstrated that the concept can be successful in a Northern Ireland context.

As a part of the Creative Edge project, what lessons can be drawn from this experience and applied to other regions?

- 6.2 First of all, it is important to note that the creative industries are an important part of the economy in all of the regions represented. Creative industries share many common features in that they are often micro businesses with a greater emphasis on the creative individual rather than the business. They are often developed by individuals arising from a passion for a creative interest and often struggle to make a transition from a home based activity into sales focused production and marketing platform. The transition from a local to a regional, national or international marketplace is an even greater challenge. Creative Hubs assist in bridging these gaps. The Creative Edge initiative demonstrates that creative businesses can benefit from platforms that encourage international co-operation and export focus as a means of expanding their fledgling business.
- 6.3 Each region has similar needs in terms of the support available to creative industries. Therefore Creative Hubs are equally relevant and similarly needed across all the partners of the Creative Edge project.
- 6.4 In Ireland much of the knowledge based economy is located around Dublin and urban centres. Many town centres have experienced similar problems to those in Northern Ireland with empty shops. While there is limited support available for creative industries, there are examples of innovative approaches to urban regeneration and creative business development that are similar to Creative Hubs, including digital hubs, Meanwhile type projects and Creative Limerick.
- 6.5 In the peripheral areas, those sparsely populated parts of Ireland, the challenges to small businesses to be profitable whilst remaining in the peripheral location are huge.
- 6.6 In the NI context, the role of the local Councils was very important in identifying local needs and supporting local development. On a regional basis, resources are often focused on Belfast as the regional capital. The local SEED councils participating in Creative Edge highlighted the need for support to bring vacant premises into use in town centres. They recognised the growing importance of creative industries in their area and the need for government support for these industries. The role of the Councils of Armagh, Banbridge, Craigavon and Newry & Mourne in supporting the Creative Hubs project was critical to its success.

Conclusions

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- 6.7 However, the creative hub model is not restricted to a government or social enterprise model. There are numerous examples of creative hubs starting with and without public sector support. Nevertheless, local authority support at some level is very helpful in giving the project credibility and assisting in setting up partnerships and networks. The financial support from Councils can often be the incentive that makes it more attractive to landlords and tenants.
- 6.8 Creative businesses require support mechanisms to encourage progression into a Creative Hub. This should include business mentoring and advice to assist the longevity of the individual businesses and the hubs.

6.9 A Step by Step Guide

Project Scoping

- 6.10 The first stage is to be clear on what support is available for the project and be realistic about the aims of the project. Establishing a partnership of key organisations at an early stage and gaining their support is crucial. This can include local authorities, entrepreneurs, the education sector, the local business sector and property owners.
- 6.11 It is also important that the creative hub is located in an area where there is potential for growth in the creative sector. The resources available to and parameters of the Creative Hub project should be clear from the outset in terms of the timescales, resources available, the areas covered and the potential outcomes.
- 6.12 The initial steps are to establish support and parameters for project, establish the set up costs and sources of finance/funding, and establish a partnership/network of key organisations.
- 6.13 The timescale for the project should be at least 18 months for the hub to become established.

Familiarisation

- 6.14 The second stage is to identify key stakeholders and establish a network of contacts. These include the local council; property agents, town centre management/development agencies, enterprise/business agencies, local colleges/universities and local arts based organisations. Arrange to meet the key contacts and discuss how the proposed project might work in their area and what support might be available. The purpose is to raise awareness, engage with local stakeholders and become aware of any local issues and the local property market.

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- 6.15 Visit the area and identify key characteristics such as:
- ◆ main shopping areas
 - ◆ transport links
 - ◆ local facilities
 - ◆ vacancy rates
 - ◆ types of vacant property
- 6.16 Note vacant properties and details of the property agent.
- 6.17 Look for clusters of properties that identify a suitable area
- 6.18 Check for duplication with other businesses, e.g. is there a local enterprise agency or business hub. If any are identified make contact with the owner and explain what the project is trying to achieve and establish whether there is competition or duplication.
- 6.19 Discuss with key stakeholders about potential properties or property owners who might be interested in the project.

Publicising the project

- 6.20 It is important to raise awareness of the project among landlords, property agents and creative businesses as early as possible. However, before this is done the message being relayed is very important so steps 1 and 2 must be completed first. The message must be clear about what the project is trying to achieve and what it can do for businesses.
- 6.21 It is important to undertake a range of proactive recruitment activities to raise awareness of the project and seek to attract creative businesses, social enterprises and community/voluntary organisations. Use local media, social media and key contacts networks.
- 6.22 Develop and use networks involving local organisations including Councils, local enterprise development agencies, business organisations, further education colleges, local unemployment centres, local community networks, and others. Use these networks seek to create awareness and identify organisations or businesses that may be interested in the Creative Hubs project. Meet with local organisations to make them aware of and supportive of the Creative Hubs project and able to signpost potential candidates.

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- 6.23 Advertise in local newspapers and community news sheets to raise awareness and interest in the Creative Hubs project. Also advertise on Council websites, local business websites, network partner websites, and make use of social media to provide information about the scheme and a link to get in touch with the team. Publicise the information workshops.
- 6.24 Produce an information pack, expression of interest form and application form for interested individuals and groups.
- 6.25 Host an information event to raise awareness and provide information to prospective candidates for the project, both landlords and tenants. Hire a hall in the town centre and put on a free workshop with a presentation on the scheme. Provide opportunities for people to ask questions and clarify issues about the scheme. Emphasise the benefits for both landlords and tenants.
- 6.26 Register all those who express an interest in the scheme and invite them to apply to join the scheme. All applications should be assessed and scored according to agreed criteria, which will include the organisation's track record and profile, the type of activity proposed, the potential for the business/project to be sustainable, the fit with the aims of the project and the potential contribution to the town centre. All applications will be screened to ensure that there is no duplication with other funded projects or potential for displacement of existing businesses. All expressions of interest and applications should be followed up by direct contact.

Assess properties

- 6.27 Draw up a criterion list that is location specific for the properties that you will be interested in. This should include the specific location, size of property, and condition/facilities of the property.
- ◆ Location – should be town centre and near to transport links, other businesses, colleges, arts venues, etc.
 - ◆ Size – the building should be at least 1,000 sq ft to accommodate at least 3 businesses. Ideally a space that can be expanded later, e.g. with additional floors. A building that is too big may lose the ethos of the creative hub.
 - ◆ Condition – unless the capital budget is very large a derelict property is not suitable. Ideally the building will require cosmetic updating only.
 - ◆ Facilities – is the property ground floor or upper floors. How does this fit with the needs of the businesses. A ground floor property will be very expensive to rent in the longer term and taxes will be higher.
 - ◆ Business needs – assess the businesses have expressed an interest and determine their needs. Can the Hub meet these needs?

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- 6.28 Use the agreed criteria to assess potential properties and draw up a shortlist.
- 6.29 Contact property agents
- 6.30 Negotiate with landlord/agent re rent, term, service charges, rates and refurbishment costs
- 6.31 Select the preferred property
- 6.32 Agree a deal for the property for the duration of the project and draw up a suitable lease of licence.
- 6.33 Speak to the landlord about sustainability and how the creative hubs model could continue after the project ends.

Register initial interest from businesses

- 6.34 Keep a record of every business or individual that expresses an interest and note the type of business and its background/history. Also check what amount and type of space is needed
- 6.35 Organise business start up workshops. These should be held locally and made available to all local businesses and potential businesses. The workshops should be practical and interactive to assist businesses to be in a position to decide on a Creative Hubs lease

Assess costs for use of the building

- 6.36 Agree a schedule of work for the property to make it suitable for the creative hub. If a grant is included assess the work needed and agree how the grant should be claimed.
- 6.37 Each building will involve running costs for heat & light, rates (local taxes) and services. It is important to assess realistic running costs that each business will have to pay.
- 6.38 Put together a rental package based on the costs of the building. This should take the form of a licence agreement that sets out terms of use and costs. Send this to each business and ask them to commit to the creative hub.

Get businesses to sign up

- 6.39 Prepare a licence agreement that commits the creative businesses to the property and the mentoring support.
- 6.40 Agree building lease

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- 6.41 Check the terms of the lease that it allows subletting and sets out details of how the tenancy will operate, including start and end dates and payment schedules.
- 6.42 Sign the lease
- 6.43 Agree start date
- 6.44 Get the businesses to agree a start date and assist them to get set up.

Final Preparation

- 6.45 Ensure that each hub has the furniture and facilities to accommodate the creative businesses. As a minimum this should include a desk and chair, and broadband.
- 6.46 Organise an official launch of the hub both to involve project partners, and also as a way of publicising the hub as a shared workspace.

Business Support

- 6.47 Continue to support the businesses by assisting with the preparation of a business plan and its operation and management.
- 6.48 Provide an accessible support mechanism but ensure that all support includes capacity building to enhance the skills base of the business.
- 6.49 Where appropriate signpost the businesses to other agencies than can provide additional support and resources.
- 6.50 The aim is to develop the creative business towards sustainability through business growth. A hub should be a dynamic environment where there is joint support and growth and where businesses grow and move on, and new businesses take their place. In this way the Creative Hub itself becomes sustainable and an integral part of the local economic and business development environment.



Appendices**7****Appendix 1****Property Assessment**

Property Address

Within Town Centre? Central Outskirts No

Property Use Retail Office Other

Length of time vacant 0-12 months 1-2 years 2 years +

Immediately available Yes No

Space available Ground Floor
Shop front Ground floor Upper floors

Space available <100 sq m 100 – 200 sq m 200 +sq m

Rent per sq m

Rates per sq m

General condition Derelict
Cosmetic work only
Structural work
Internal work only

Other tenants Yes No

Transport Public transport route Car parking

General What is the general condition of the area?

Other businesses nearby? - list

Appendices

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Appendix 2

Publicity Material

Do you have a passion for creativity?

Are you planning or already operating a creative business?

Would a 'creative hub' help your business get started or expand?

Creative Hubs are popular ways for creative people to share space, combine skills and pool ideas and resources.

They provide spaces for creative businesses to work and also outlets for products to be sold.

Banbridge District Council, Armagh City & District Council and Newry & Mourne

District Council are working together to open creative hubs in Banbridge, Armagh and Newry and we want YOU to be part of this exciting initiative!

Creative Hubs is an initiative of Creative Edge, an EU funded project, working in Northern Ireland, the Republic of Ireland, Finland and Sweden – visit here for more details: www.mycreativeedge.eu

Business Start-Up Workshops for the Creative Hubs Programme, providing assistance with business planning and financial management, have been scheduled for:

Armagh The Market Place Theatre, Workshop 2	Tuesday, 1 October 2013 from 3.00pm to 6.00pm
Banbridge The Old Town Hall	Wednesday, 2 October 2013 from 3.00pm to 6.00pm
Newry The Sean Hollywood Arts Centre	Thursday, 3 October 2013 from 3.00pm to 6.00pm

If you are interested in attending a workshop or to find out more, please contact:

Derek Browne, Insight Business Consulting

Mob: **07968 343325** Email: insight.bs@ntlworld.com

Madeleine Kelly, Groundwork NI

Tel: **028 9074 9494** Email: Madeleinekelly@groundworkni.co.uk



Innovatively investing in Europe's Northern Periphery for a sustainable and prosperous future



European Union
European Regional Development Fund
Investing in your future

@GroundworkNI



The poster features a blue border and a white background with decorative blue dotted lines. At the top, the text 'CREATIVE HUB' is displayed, with 'HUB' in a large, stylized blue font. Below this is the quote 'A VIEW FROM THE EDGE GIVES THE BEST PERSPECTIVE' in a smaller blue font. The logos for 'bnl productions' (Media Production Services) and 'SMA' (Artist | Gallery) are shown. A central banner reads '★ Launch Night ★' in a blue script font. The event details are listed: 'Tues 26th March', '5:30-7:30pm', and '12 William Street, Lurgan'. A note states 'Light Refreshments Served'. A photograph of a modern office interior with desks and computers is included. At the bottom, logos for the Northern Periphery Programme (2007-2013), the European Union, and 'CREATIVE EDGE' are displayed.

CREATIVE HUB

“ A VIEW FROM THE EDGE GIVES THE BEST PERSPECTIVE ”

bnl productions Media Production Services

SMA Artist | Gallery

★ *Launch Night* ★

Tues 26th March
5:30-7:30pm
12 William Street, Lurgan

Light Refreshments Served

Northern Periphery Programme 2007-2013

European Union

CREATIVE EDGE

Appendices

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Appendix 3

Property License

This licence agreement is made on the of 2013.

1. Particulars

In this tenancy the following expressions shall have the following meanings:

1.1 **the Landlord**

1.2 **the Tenant**

1.3 **the Building**

1.4 **the Premises**

1.5 **the Rent** such sum calculated at the rate of £ per month plus VAT, inclusive of service charge and building insurance, but exclusive of rates.

to commence

to end

2. Tenancy At Will

In consideration of the payment of the Rent and of the covenants on the part of the Tenant and conditions hereinafter contained the Landlord hereby demises the Premises to the Tenants **TO HOLD** the same unto the Tenants as tenants at will of the Landlord commencing on the date of this agreement **YIELDING AND PAYING** the Rent from time to time upon demand (which the Landlord may if it sees fit demand in advance).

3. The tenants hereby covenant with the Landlord as follows:

3.1 to pay the Rent to the Landlord upon demand together with VAT (if any) payable thereon

3.2 to keep the Premises clean and tidy and clear of rubbish and to leave the same in a clean and tidy condition and free of the Tenants' goods and chattels at the end of the tenancy

3.3 not to obstruct the entrance or any other common parts of the Building or of the Centre of which the Building forms part or cause the same to become dirty or untidy nor to leave any rubbish thereon

3.4 not to display any signs or notices at the Premises without the prior written consent of the Landlord

3.5 not to use the Premises for any purposes other than for the Creative Hubs project or for any other use as the landlord will permit.

Appendices**7**

- 3.6 not to do any act matter or thing which would or might constitute a breach of any statutory requirement affecting the Building or which would or might vitiate in whole or in part any insurance effected in respect of the Building from time to time
- 3.7 to indemnify the Landlord and keep the Landlord indemnified against all losses claims demands actions proceedings damages costs or expenses or other liability arising in any way from this tenancy agreement any breach of any of the Tenants' covenants contained in this Agreement or the use of the Premises by the Tenant
- 3.8 to observe such reasonable rules and regulations (if any) as the Landlord may make and of which the Landlord shall notify the Tenant from time to time Provided that the same are not inconsistent with the terms of this Agreement
- 3.9 to pay all rates and outgoings of a periodically recurring nature payable in respect of the Premises during this tenancy and the fair and reasonable proportion of any rates and outgoings assessed or payable in respect of the Premises and the whole or any part of the remainder of the Building
- 3.10 not to assign, sublet, mortgage charge, part with or share possession of the Premises or any part thereof, except with the agreement of the landlord
- 3.11 to keep the interior of the Premises in good repair and in good decorative order, the interior being the internal coverings of the external walls roof and floor of the premises together with the shop front or facia, all internal walls, all door and door frames and all window and window frames of the premises
- 3.12 to allow the Landlord and all persons authorised by the Landlord to enter the Premises at any time for the purpose of ascertaining whether the terms of this agreement have been complied with and for the purpose of marketing the premises or the building
- 3.13 to pay the stamp duty on this tenancy agreement and on the counterpart of this tenancy agreement.
- 4.** Provided Always and it is hereby agreed:
- 4.1 the Landlord gives no warranty that the Building or the Premises are legally or physically fit for the purposes specified in Clause 3.5
- 4.2 the Landlord shall not be liable for the death or injury to or for damage to any property of any person whether or not caused by the act or default of the Landlord or its employees agents or contractors and shall not be liable for any losses claims demands actions proceedings damages costs or expenses or other liability incurred by the Tenants their servants or agents
- 4.3 all notices given by either party pursuant to the provisions or this tenancy agreement shall be in writing and shall be sufficiently served if delivered by hand or sent by recorded delivery to the other party at the address shown at the beginning of this agreement
- 4.4 if the Landlord happens to demand Rent on a regular periodic basis it is acknowledged by the parties that this is for their mutual convenience only and shall not have the affect of converting this tenancy agreement into a periodic tenancy or in any way of altering its nature as that of a tenancy at will
- 4.5 on the termination of this tenancy agreement any Rent previously paid in respect of any period falling after the date of termination shall be repaid to the Tenants immediately

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4.6 the terms of this tenancy agreement are complete terms between the Landlord and Tenants and there are no other terms relating to this tenancy at will unless evidence in writing and the tenants acknowledge that they have not entered into this agreement by an oral representation. The terms of this agreement may only be varied in writing and any variation agreed on behalf of the Landlord shall only take effect if signed by a duly authorised officer or agent of the Landlord.

It is hereby certified that there is no agreement for lease to which this tenancy gives effect.

IN WITNESS of which the parties have executed this agreement on the date given above

SIGNED by

AN AUTHORISED SIGNATORY OF

(Name in BLOCK capitals) (.....)

In the presence of:

(Name in BLOCK capitals) (.....)

SIGNED by

THE AUTHORISED SIGNATORY OF THE TENANT

(Name in BLOCK capitals) (.....)

In the presence of:

(Name in Block capitals) (.....)

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Appendix 4

Tenant License

This licence agreement is made on the _____ of _____ 2013.

1. Particulars

In this tenancy the following expressions shall have the following meanings:

1.1 **the Landlord**

1.2 **the Tenant**

1.3 **the Building**

1.4 **the Premises**

1.5 **the Rent** such sum calculated at the rate of £ per month plus VAT, inclusive of service charge and building insurance, but exclusive of rates.

to commence

to end

2. Tenancy At Will

In consideration of the payment of the Rent and of the covenants on the part of the Tenant and conditions hereinafter contained the Landlord hereby demises the Premises to the Tenants **TO HOLD** the same unto the Tenants as tenants at will of the Landlord commencing on the date of this agreement **YIELDING AND PAYING** the Rent from time to time upon demand (which the Landlord may if it sees fit demand in advance).

3. The tenants hereby covenant with the Landlord as follows:

3.1 to pay any fee to the Landlord upon demand together with VAT (if any) payable thereon

3.2 to keep the Premises clean and tidy and clear of rubbish and to leave the same in a clean and tidy condition and free of the Tenants' goods and chattels at the end of the tenancy

3.3 not to obstruct the entrance or any other common parts of the Building or of the Centre of which the Building forms part or cause the same to become dirty or untidy nor to leave any rubbish thereon

3.4 not to display any signs or notices at the Premises without the prior written consent of the Landlord

3.5 not to use the Premises for any purposes other than for a creative business or for any other use as the landlord will permit.

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- 3.6 not to do any act matter or thing which would or might constitute a breach of any statutory requirement affecting the Building or which would or might vitiate in whole or in part any insurance effected in respect of the Building from time to time
- 3.7 to indemnify the Landlord and keep the Landlord indemnified against all losses claims demands actions proceedings damages costs or expenses or other liability arising in any way from this tenancy agreement any breach of any of the Tenants' covenants contained in this Agreement or the use of the Premises by the Tenant
- 3.8 to observe such reasonable rules and regulations (if any) as the Landlord may make and of which the Landlord shall notify the Tenant from time to time Provided that the same are not inconsistent with the terms of this Agreement
- 3.9 to pay all rates and outgoings of a periodically recurring nature payable in respect of the Premises during this tenancy and the fair and reasonable proportion of any rates and outgoings assessed or payable in respect of the Premises and the whole or any part of the remainder of the Building
- 3.10 not to assign, sublet, mortgage charge, part with or share possession of the Premises or any part thereof, except with the agreement of the landlord
- 3.11 to keep the interior of the Premises in good repair and in good decorative order, the interior being the internal coverings of the external walls roof and floor of the premises together with the shop front or facia, all internal walls, all door and door frames and all window and window frames of the premises
- 3.12 to allow the Landlord and all persons authorised by the Landlord to enter the Premises at any time for the purpose of ascertaining whether the terms of this agreement have been complied with and for the purpose of marketing the premises or the building
- 3.13 to pay the stamp duty on this tenancy agreement and on the counterpart of this tenancy agreement.
- 4.** Provided Always and it is hereby agreed:
- 4.1 the Landlord gives no warranty that the Building or the Premises are legally or physically fit for the purposes specified in Clause 3.5
- 4.2 the Landlord shall not be liable for the death or injury to or for damage to any property of any person whether or not caused by the act or default of the Landlord or its employees agents or contractors and shall not be liable for any losses claims demands actions proceedings damages costs or expenses or other liability incurred by the Tenants their servants or agents
- 4.3 all notices given by either party pursuant to the provisions or this tenancy agreement shall be in writing and shall be sufficiently served if delivered by hand or sent by recorded delivery to the other party at the address shown at the beginning of this agreement
- 4.4 if the Landlord happens to demand Rent on a regular periodic basis it is acknowledged by the parties that this is for their mutual convenience only and shall not have the affect of converting this tenancy agreement into a periodic tenancy or in any way of altering its nature as that of a tenancy at will
- 4.5 on the termination of this tenancy agreement any Rent previously paid in respect of any period falling after the date of termination shall be repaid to the Tenants immediately

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4.6 the terms of this tenancy agreement are complete terms between the Landlord and Tenants and there are no other terms relating to this tenancy at will unless evidence in writing and the tenants acknowledge that they have not entered into this agreement by an oral representation. The terms of this agreement may only be varied in writing and any variation agreed on behalf of the Landlord shall only take effect if signed by a duly authorised officer or agent of the Landlord.

It is hereby certified that there is no agreement for lease to which this tenancy gives effect.

IN WITNESS of which the parties have executed this agreement on the date given above

SIGNED by

AN AUTHORISED SIGNATORY OF

(Name in BLOCK capitals) (.....)

In the presence of:

(Name in BLOCK capitals) (.....)

SIGNED by

THE AUTHORISED SIGNATORY OF THE TENANT

(Name in BLOCK capitals) (.....)

In the presence of:

(Name in Block capitals) (.....)

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Appendix 5

Application Form

Expression of Interest for a Creative Hub space in Armagh, Banbridge, Lurgan or Newry.

This expression of Interest form will determine if you are eligible to apply to be part of the Creative Hubs programme. All details provided about you or your business will only be used as part of the Creative Hubs Project. We may use this information to send you details of news & events that may be of interest to you.

Please tick which town is of interest to you.

Armagh

Newry

Banbridge

Lurgan

Project information

Your name

Your address

Email

Phone Nos.

Your business / project name if known

Business address if relevant

Creative Industry Sector (please tick all that apply):

Advertising

Architecture

Interactive Leisure Software

Television and Radio

Arts and Antiques Market

Music

Crafts / Fine Arts

Performing Arts

Design (e.g. product, graphic etc.,)

Publishing

Designer Fashion

Software and computer services

Film and Video (inc. Photography)

Other – Specify _____

Have you already started trading? Yes No

If Yes, when did you start trading? _____

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If you have already started trading, please tick the appropriate box to indicate whether the business is a:

- Sole Trader Limited Company Co-operative
- Partnership Voluntary Organisation Registered Charity
- Other (please describe):

Briefly explain your idea. Before you answer, ask yourself: how do you explain it in no more than three sentences? What makes this idea yours? What inspired you? Why is it viable?

What are/will you be selling?

Who will be buying from you?

Do you have a business plan?

Where did you hear about the programme?

Signature _____ **Date** _____

Please return to