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InCompass PROJECT

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1 Introduction

1.1 Incubators are not what they used to be

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When we started this project a couple of years ago, business incubators were, for several of us, a mythical institution in which thanks to the esoteric skills of their key people, some magic phenomena such as the creation of successful enterprises could happen. The only problem that appeared to affect the smooth operation of these incubators was that in most cases they needed substantial public support.

We have travelled across Europe to visit all sort of places hosting start-ups hoping to find the recipe for the perfect magic, i.e. the effective and self-sustainable incubator possibly devoted to the Creative and Cultural Industries. Like in nuclear fusion, the challenge here is to get out of the reaction more output than the required input. We must be honest, we could not find it, but we discovered an array of experiences with differing levels of success which were always very interesting. The personal view of the author is that the more the places we visited were different from our pre-conceived idea of what an incubator should look like, the greater the sustainability of the initiative.

In particular, we started the project with the idea that incubators are about office space and services, and we were looking for the perfect combination of this. Gradually we discovered that offices are not necessary in the era of virtual teams, so we focused our attention on the services provided, and then again we had to reconsider this point because knowledge is much more accessible than it was used to be and there is not an easy way to provide professional services and business coaching at cheap price without subsidizing it.

Today, the most successful incubators are those that create an ideal environment for motivating and nurturing start-ups and young dynamic firms without too many constraints and boundaries. In these places, if there are offices, they don't look like offices, if there are services, they don't look like services, because the whole concept of supporting the creation of a new firm is to provide a safe and stimulating environment in which everything required can be found, and it is not about a list of services. In other words, hosted start-ups feel at home and take care of themselves and often each other rather than relying on the expertise of a pre-selected group of providers.

How could this evolution happen so quickly? There are several factors that most likely pushed services in this direction: on the supply side, the economic crisis obliged public administrations to carry out spending reviews, so business incubators that were previously entirely or partially funded with public money could no longer get the same level of support. On the demand side, there has been a surge of interest for start-ups, so those starting up a business have created the demand for more entrepreneurship support facilities than the public sector could offer. The increasing availability of cheap work space (again because of the crisis) was another key element of the equation.

Today, successful incubators are partnering with public and private institutions to develop new facilities for start-ups in other places. This is a very positive phenomenon because it shows that incubator managers have advice to offer not only to entrepreneurs, and that probably the role of

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[1] This text was published earlier as an editorial to the 5th InCompass newsletter.

policy-making should shift from dictating and developing a standardised type of facility to identifying the best practices and co-opting them.

In this regard, the InCompass project has hopefully had a non-negligible role, and even though we haven't identified the 'best incubator of the 3rd millennium', we have spotted and disseminated a number of very interesting initiatives which can inspire people from all over the world. How do we know that? Well, the project website stats reveal that the highest number visitors come from China and US, followed by the EU countries (mainly those involved in the project). Needless to say, it is a reason of pride to be a reference also for those living in the most entrepreneurial countries in the world.

1.2   Structure of the report

The next chapter presents some background information on the main themes of InCompass. These themes are the basis of three Work Groups. The Chapters 3 and 4 are dedicated to a short characterization of the London region as the urban and policy context in which the visited incubators are situated, as well as a characterization of these incubators as such. The main part of the report is constituted by the Chapters 5, 6 and 7, each one briefly presenting how the incubators earn income by means that fit in each of the three Work Groups. The report concludes with some final remarks, including a table that overviews the findings from the Chapters 5 to 7 and some indications of opportunities and threats that in the near future could affect financial sustainability.

As few literature references are included, it should be mentioned that Chapter 3 has been written by the Medway team on the basis of their local expert knowledge. Chapters 4 to 7 are based on the presentations given during the study visit, as well as on notes and sound recordings made during the visit. The remaining chapters present a concise overview of the main findings, the remarks of the external validators, and the results of the thematic seminar.

2   Themes of the project

2.1   Introduction

Self-sustainable financial independence of creative incubators from government support depends on their continuous profitability. Taking into account their particular output – trained entrepreneurs in the creative industries and new companies that survived infancy – they invest primarily in programs to coach starting (young) entrepreneurs and to facilitate the growth of their businesses. Fees for obtained services and facilities and the rent of working spaces are the sources of income of creative incubators that first come in mind. However, these payments are in most cases a rather limited and insecure contribution to financing of the incubator. In addition, they also leave potential sources of earnings out of consideration. In order to diversify and extend their sources of income, incubators may also direct to a variety of opportunities to generate income from sources outside the incubator.

InCompass recognizes quite a broad spectrum of possible strategies to generate income that also involves external actors and partners. These strategies are grouped together as commercial contextualisation, social contextualization, and tiers of support, networks and partnerships. For each theme, a Work Group that is composed of partners in InCompass is responsible to collect data during the study visits and model the data as input for the Study Visit Report. Below, the three Work Groups (WGs) are specified into some detail, mainly by means of a few examples of possible ways of earning

money that fit into their label. As some of these example show, the three types of income-generating strategies may to some extent overlap in practice.

2.2 Commercial contextualisation (WG1)

The aim of WG1 is to identify commercial ways for creative incubators to become more financially self-sustainable. These are first and foremost the above mentioned fees for services (e.g. workshops, master classes), facilities (from broadband internet to kitchen), and spaces (e.g. working spaces, rehearsal or meeting rooms) by start-ups that participate in the incubation programs. Economies of scale can be achieved by shared use of services, facilities and spaces by these incubatees.

In addition to these fees, there are other commercial ways to earn money. On the one hand, income may be generated from the building and the organisation of the incubator, for instance by
- making use of spaces for developing other activities (e.g. hotel, catering, conference tourism) on own account;
- renting out facilities and unused spaces in the incubator to commercial parties for activities that have little business with the incubation process but are attracted by the building;
- supplying specialised services (e.g. consultancy services) to external companies.
- charging fees to featured supplier companies

Regarding fees and rents, it is recommendable to keep them low for starting companies in an infant stage and increase these gradually with their survival and growth, i.e. with their increasing financial capacity. A well-considered selection of entries to the incubation program lays a favourable foundation for such successful entrepreneurs.

Income might also be generated from 'alumni', successful start-ups that have grown and left the incubator. This may be achieved by giving the incubator a share in the start-ups it supports. This model – maybe less known in Europe – stimulates the implementation of strict selection criteria for start-ups that apply for support, since the success of start-ups is directly linked to the future income of the incubator.

2.3 Social contextualization (WG2)

Social activity as labelled in the title of this WG includes mediation activities that connect incubatees both to each other and to partners and actors in the outside world. The main aims of these connections are stimulation of informal learning by exchanging new knowledge, information and best practices, and networking activities that may result in forms of co-creation. This entails stimulating networking between incubatees within the incubator, and between incubatees and potential partners or associates outside the incubator. The internal networks can be built up for example by
- organising social meetings in the incubator (e.g. 'Friday afternoon' and 'eat & meet' get-togethers);
- creating places in the incubator which encourage spontaneous encounters between incubatees.

In addition, networking may also go beyond the incubator itself. This may include
- opening up the incubator, physically and socially, towards the surrounding urban area to discover and possibly advance resident creative talent and creative activities;

▪   testing creative concepts and products in the surrounding district as a learning stage in concept and product development (open lab). If fees are received for this, social and commercial contextualisation may overlap.

By and large, social contextualization contributes to successful progress of start-up companies in the incubator rather than to a sound financial position of the incubator as an enterprise in itself. Still, the more successful incubatees are, the higher their financial capacity to contribute to covering the expenses of the incubator to provide and maintain services, facilities and spaces.

2.4   Tiers of support, networks and partnerships (WG3)

The topics of interest for WG3 include all sorts of more or less planned and organized forms of support, networks and partnerships, in particular with partners from outside the incubators. These partners can represent a diversity of firms and institutions, including industrial companies, consultancy agencies, banks and insurance companies, and education and knowledge institutes. The contribution of tiers of support to a solid financial position of incubators can be both direct and indirect, i.e. through contributing to the successes of incubatees. These include for instance:
▪   subsidies and sponsoring, the latter for instance in exchange for exposure as privileged partner on the website or the wall of the incubator;
▪   contribution to incubation programs by means of tutoring, lecturing and coaching of incubatees in both management and entrepreneurial skills and product development.

Usually, tiers of support, networks and partnerships involve mutual benefits: public and semi-public institutions and private companies enter into such arrangements with incubators in exchange for some types of contributions to their own objectives.

3   Local context

3.1   Medway

Situated 40 kilometres due east of London, Medway is a conurbation and unitary authority in South East England region (NUTS3 area). It is the largest urban area in population terms within the region, with a population of over 263,000 people. This population is forecast to grow to over 300,000 by 2025.

Medway was officially formed in 1998 when the City of Rochester-upon-Medway amalgamated with Gillingham Borough Council to form Medway Council. The towns in the conurbations are Chatham, Gillingham, Rochester, Strood, and Rainham. While city-scale in population size, Medway has had three unsuccessful city-status bids since its inception in 1998.

It is a relatively industrial area, based around the brick and paper industries, the Royal Naval dockyard, and the machine tools that supplied those industries. In 1980, over 40,000 people were employed in manufacturing or engineering jobs. Following the closure of the dockyard in 1984, the industries in the area went into decline, and only around 10,000 people are now still employed in the sector.

Medway experienced typical signs of de-industrialisation in the late 1980's and early 1990's, including high unemployment and depopulation. However, close access to the strong London and

South East jobs market meant that – while unemployment peaked at around 12% in 1989 – Medway wasn't affected to the extent of other similar size urban areas in the North of England by industrial decline.

Because of this decline, and the availability of large areas of brownfield land, Medway was included in the Thames Gateway development scheme - a national priority area for regeneration and growth, and is currently working through a £6 billion regeneration programme. 1997 saw the creation of the Universities at Medway, a tri-partite collaboration of the University of Greenwich, the University of Kent and Canterbury Christ Church University on a single campus in Chatham. It is also home to a fourth university – the University for the Creative Arts, and a Mid-Kent College (Further Education), with a combined estimate of around 25,000 students.

The creative industries form a key part of the strategy to regenerate Medway, partly because the creative industries are now increasingly recognised as a strong and growing sector nationally. The area also has several advantages in efforts to develop the sector. These include the new and growing higher education sector presence in the area, and particularly the University for the Creative Arts which has several sector relevant departments such as fashion, photography, ceramics and jewellery. It has a very strong heritage offer, centred on the castle, cathedral and high street in historic Rochester. It is also very close to Central London (40 minutes by train), has very cheap property costs, and a growing population to enable the achievement of critical mass.

Medway Council has been actively involved in the development of the creative industries locally, through the work of Economic Development and Arts Teams, although the approach applied is generally to use and support creative activities through the social enterprise model.

3.2   London

London is globally renowned for its world class creative output and cultural offer. Its museums, galleries and theatres continue to draw bigger and bigger audiences, both from home and abroad. The Tate Modern Gallery is now the most visited contemporary art gallery in the world with four million visitors every year, and the West End theatre district is second only to New York in ticket sales numbers with 14 million visitors.

Through National Lottery funding and private sector support, a range of major venues have either been built or refurbished in the last 10–15 years. These include the Great Court of the British Museum, the Royal Opera House, Tate Modern, Kings Place, the Whitechapel Gallery, the British Film Institute, the Roundhouse, the Circus Space in Hoxton and the O2 (formerly the Millennium Dome – now the world's busiest music venue).

Many of London's creative industries remain at the forefront of this global status. By 2005, 12 % of all London workers – 697,000 people – are creatively employed. London and the South East remain the hub of Britain's creative industries, accounting between them for 57 % of all British creative workforce jobs, almost entirely in the private sector.

The magnitude of the economic and cultural elements of the Greater London region leads to the inducement of innovation not just in the region itself, but also in neighbouring areas. The Greater London area is a global financial and shipping centre, with a renowned academia. The international nature of the city, its ability to continually innovate and its diversity – there are 300 languages spoken each day in London – are all critical factors in enabling London to retain its leading edge. As well as acting as a driver for the creative industries across the UK, again, this sector is internationally significant. For example, London's film industry alone has a turnover of around £13 billion a year, it is

the largest post production centre outside of Hollywood and of the top 15 grossing films of the last decade, no fewer than five were made in and around London. The establishment by the Mayor and the capital's regional film agency, Film London, of the London Filming Partnership has increased filming in London by 30 % and now there are almost 35 crews shooting in the capital every day.

London's creative scene stretches across the city; Soho's has established itself as a thriving international powerhouse in music and film. Shoreditch, Camden, Deptford, Hammersmith and King's Cross all have international reputations (indeed creative incubators have been visited in several of these locations). It is a magnet for creative talent, and London has a reputation as a global centre for advertising, design, fashion, architecture, gaming, music, the performing arts, publishing, film, VFX (visual effects), television and radio.

Informal street culture also continues to be a major source of strength. The last decade has seen a growth in festivals, carnivals and fairs. Examples include music festivals such as the Wireless festival in Hyde Park, Lovebox in Victoria Park, the Mayor's Thames Festival and the Greenwich and Docklands International Festival. These have added to long- established celebrations, notably the Notting Hill Carnival, now thought to be Europe's biggest such event.

A final remark concerns the very high price level of housing in London. For many people this means at least a one-hour commute, as they cannot afford housing in central London.

Figure 1: O2 (formerly the Millennium Dome) seen from Trinity Buoy Wharf.

4   The incubators

4.1   coFWD/Project 161

coFWD/Project 161, 161 High Street, Rochester, Medway ME1 1EH
http://cofwd.org/

CoFWD (co Forward) is a co-working community and workplace, founded in 2009 in Rochester, Medway. In November 2011 coFWD moved to an old Natwest bank building at 161 High Street. The organisation coFWD therefore predates the building Project 161, and may also outlive it.

Figure 2: Location of the incubators visited (© OpenStreetMap contributors).

1. coFWD/Project 161
2. Camden Collective
3. Cockpit Arts
4. Trinity Buoy Wharf
5. CIDA
6. Accelerator
7. C4CC

Figure 3: Newspaper article featuring coFWD .

IT'S AN OFFICE - BUT NOT AS YOU KNOW IT

Entrepreneur community thrives as recession hits employment hard

The economy is still at rock bottom, but not for everyone. In Rochester, there's a place where up and coming entrepreneurs are figuring out a new way to do business. Dan Bloom ventures into coFWD

Back, James Yorke, Sophie Lasson; front, Mdhamiri Nkemi, Carl Jeffrey; right, Natalie Tyler, Ed Jennings and Louise Micklewright

The walls of the old bank in Rochester High Street are filled with vintage film posters, parking tickets and a Super Mario game done all in string.

Downstairs, the vault doors are intact and the basement is filled with sofas. A list of banned music features Phil Collins and Simply Red. The "phone booth" has a button which makes a big blue light flash to "express frustration or order another drink".

It's all achingly cool – and it's an office.

Number 161 High Street is home to coFWD (pronounced "co-forward"). They're a community of young entrepreneurs who've done what we all dream of - turned what they love into their jobs.

The co-working set-up claims to be the first in Medway, following the lead of Brighton and London. Creative people get a place to work with each other, figuring out what will make money and what will bankrupt them, in return for doing

the decorating, hoovering and toilet-cleaning (and £125-a-month rent).

Take Ben Cameron. Ben, 29, left Gillingham's Robert Napier school and started working at The Range in Chatham's Dockside Outlet Centre. He hated it.

"I didn't have a very good work ethic," he said, "so I would be spending my time doodling things to make my colleagues laugh.

"People started saying 'that would look good on a T-shirt' so I started doing that and selling them. It just grew from there."

Ben, who lives in Rochester, quit his job and now sells his darkly funny drawings of talking potatoes and bears full-time through his website strangepaul.com. Punters pay up to £55 for large-scale prints.

"I've shipped to Japan, California, Qatar and South Africa," he said. "This is what I want to do from now on – just more of it."

Across the room, James Yorke is working away from the friends cracking jokes in the corner.

The 30-year-old web designer, one

of coFWD's founding members, got a lucky break when a web design firm he worked for went bust. He took his clients and started working for himself.

"My job's technical but it's also about brainstorming," he said. "Even getting opinions from people helps. Being here has given me the confidence to start new projects and be part of the community. I've lived here all my life but didn't feel close to Medway until now."

Aussie Natalie Tyler, who runs online art sales site redbubble. com, even rejected a job offer in San Francisco to stay in Rochester.

The 36-year-old said: "I worked at home for three years and was going stir-crazy. I even bought a cat for company. It was pretty bad.

"I was on the lookout for like-minded people who were doing interesting things for so long. These guys keep me sane and my work is so much better."

In a world filled with closing shops, layoffs and unskilled jobs, could this be the future?

FOUNDER

Graphic designer Carl Jeffrey, 34, above, founded coFWD and moved it to its current home in November 2011.

He and the other occupants, who have become firm friends, seldom arrive before 10am and stay late drinking wine and endless cups of tea.

"It's not a business if that makes sense," he said. "We have a bank account but no one profits from it."

He is proud of the effect his hub has had on the rest of Medway, sparking live music nights, art exhibitions and a literature festival.

"All the people inside this space are trying to run projects to make the outside world better," he said. "It's not about money."

The community is looking for new people to join. Visit cofwd.org for more.

Sophie Lasson has set up a film production company; Ben Cameron founded the website strangepaul.com to sell the doodles he used to make in his spare time; Natalie Tyler, who works for online arts site Redbubble

Source: Carl@FellowCreative, via Flickr.

CoFWD/Project 161 provides support to starting creative entrepreneurs, particularly in programming, web-design, writing, blogging and music. Many start-ups do not focus on one activity but do several small things to survive. At the time of the visit the project hosted 43 creative people who work independently or are employees of the four companies located in-house. Only seven of them work full-time. There are no more than three persons per business, although that is not a formal rule. All tenants, whether they are corporates or self-employed, are working on a commercial basis.

CoFWD/Project 161 is legally owned by Creative Medway CIC (Community Interest Company), an independent not-for-profit company. CIC is owned by its directors (including a Council officer), but it cannot make a profit, and, in the event that it ceases trading, its assets must be transferred to another not-for-profit or public sector organisation working towards its aims and objectives (this is the so-called 'asset lock' clause in a Community Interest Company's constitution). CIC also leases the building on High Street, and effectively runs the project.

CIC hasn't received any funding from Medway Council. It did receive £16,000 from Medway Economic Partnership to start Project 161, which was legacy money from the South East England Development Agency (defunct since 2011). The only support it has received from the Council, and the only ongoing support, is a 100% property tax exemption on business rates for the premises at 161 High Street, Rochester. It is stated, however, that coFWD would also exist without this exemption. Apart from this, there are only informal links with the Council.

Project 161 basically is a co-work space and a community. The emphasis is on cooperation and building a network and an ecosystem, rather than on high-end facilities such as studios or business hubs. CIC sets up services such as a broadband connection. The building provides working spaces as well as spaces to host events and workshops (over 200 in the last 2,5 years). Work space rents are slightly above the local market price, but tenants get effectively their own office space, plus lot of life and buzz. Tenants are occasionally allowed to pay in kind by providing some of their time (one tenant for instance renewed the meeting room chairs' upholstery). Facilities are provided on a pay-as-you-go basis, giving people an incredible flexibility in renting a workplace. There is no specific support programme, but tenants have access to the start-up support programme provided by the Council. This is considered a good approach, because the financial risk for local partners of coFWD is very low. A dedicated support programme would require considerably more investments.

In practice CoFWD/Project 161 is a self-managed project, run by clients on the basis of a few rules and common sense. Everyone helps with tasks such as cleaning and maintenance. The entry of new tenants is by mutual agreement, invoices etc. are all by e-mail to minimise the paperwork. There is no marketing strategy, but tenants are expected to spread the word, be active on social media and blogs, and to become involved outside their own work priorities.

At the time of the visit CoFWD was still slightly losing money, but expected to be profitable by summer 2014.

Epilogue: in June 2014 coFWD left the Project 161 building and shortly after closed. The self-management model essentially relied on the efforts of a few very committed residents, two of who got job/business offers elsewhere without other member taking over their responsibilities.

4.2   Camden Collective

Camden Collective, 37 Camden High Street, London NW1 7JE
http://camdencollective.co.uk/

The Collective forms part of a £3.3 million funded project for the south of Camden Town. The Collective is funded by the Mayor of London's Regeneration Fund, Camden Council and Camden Town Unlimited, the Business Improvement District (BID) for Camden Town.

The Camden Collective is strongly related to the Camden Town Unlimited BID. The BID started in 2006 in order to contribute to the regeneration of Camden Town, which at the time suffered from various problems such as unemployment, vacant retail and drug-related crime. The BID started to rent private security and install CCTV. It also paid attention to the large number of vacant buildings, which gave the area a 'broken tooth smile'. It was recognized, however, that these buildings also provided an opportunity to develop more creative activities in the area. To that end the first Camden Collective was initiated in 2010.

The Business Improvement District (BID) construction itself is quite common in the UK: there are 38 BIDs in London, and 190 in the UK. It is a platform of businesses in a certain area, aimed at the improvement of that area in terms of employment, safety, urban quality etc. The Camden Town BID has over 300 members, consisting of retail firms, office and leisure firms. They vote according to number and value (based on taxes paid). SMEs can be members but do not have voting rights. It is stated that they often lack the strategic vision of larger firms; yet this reflects the frequently mentioned criticism of the BID that it puts a lot of power in an area in the hand of a limited number of companies. The BID is funded by a voluntary contribution of 1% of members' rateable value (the indicator for this is the UK Non-Domestic Rateable Values list).

The Camden Collective provides affordable workspace for creative entrepreneurs in one of the most desirable locations for creative businesses in London. It is a problem for these people to find suitable work space in Camden. As a result Camden loses business to other parts of London. The Camden Collective tries to work out a solution together with landlords and developers. It is a pioneering project putting Camden Town at the heart of the UK's creative community. It supports creative people into employment and in setting up their own businesses. It is nice if start-ups live in Camden, but the Collective is not fuzzy about this. They try to attract them back, but they also recognize that Camden has lost its edge.

Camden Collective draws on three distinct but integrated elements:
▪ hubs provide co-working space for creative start-ups supporting business growth in Camden.
▪ fellowships bring together top creative talent to work with established local businesses.
▪ pop-up shops improve the quality of retailers on the high street by investing in vacant units, turning them into temporary shops before returning them to the market for sale.

For co-work spaces (hubs) the Collective leases from landlords for a year, and then move on. The first co-work building of the Collective was funded by abandoning the former office and moving to the hub building; this cut costs by 80%, due to a much more efficient use of the space. The current co-work space (i.e. the one visited during the study visit) is the third one. The building was very poorly maintained. The first and second space are closed, a fourth one is located down the road. Total co-working space amounts to 10,000 square feet (about 930 m^2).

Entrepreneurial development in the area is very corporate-oriented: it is expensive, mainly aimed at offices with long-term leases. Creatives are not picky about their work space, but they also don't have a lot of money to spend and find it hard to find suitable spaces in Camden Town. This means

there is a clear demand for the kind of facilities offered by the Collective. Developers outside the creative industries circuit apparently start to recognize this as well, and start to show an interest in the Collective model.

There are 220 people and 90 business in the Collective. Businesses in the Collective are very diverse, including both tech and non-tech firms. They are all creative industries. Because the Collective is not a publicly-owned organisation, it is free to decide who can work in the space. Candidates have to meet three requirements:

- they have to meet the 'first rule' of the collective: 'Don't be an ass, you are part of something';
- they have to give two hours of their time per month to the collective for tasks such as cleaning;
- they have to review their business in a qualitative way and collect the data required by the Collective.

The only reason to ban people from collective is if they do not meet the 'first rule', in which case there is no further contact. People leaving for another reason generally like to stay in touch .

Being in the Collective allows start-ups to be more flexible in developing their business model. If you, as a start-up, sign a long-term lease for a workspace somewhere, you are locked in in your business model, because of the increased overhead costs you have to earn back. You are then in a situation that either your model works, or you die. In the Collective there is no such lock-in, which means you are able to evaluate your model and learn.

The Collective does not take equity. Nevertheless, the Collective management notices some differences with regard to funding between various types of start-ups. In general tech firms find funding more easily. Some firms in the collective raised a lot of funding. On the other hand many creative businesses don't need a lot of money; many need no more than £5,000 to £10,000. On the whole, few start-ups in the Collective attempt to get funding. Most do not know how to do this or do not need or want it. They are rather careful with regard to this.

Figure 4: Co-work space in the Camden Collective hub.

The BID is quite light on staff. There is a core team of four in the BID itself and another four in the Collective, assisted by an additional, flexible team. There is a board of cross-section businesses members, plus representatives from local authorities, police, waterways, local politicians and 'whoever is useful'. In terms of partnerships there is a written agreement with the local authorities, all other relations are informal. It is a matter of lobbying.

As it spends public money, the Collective is assessed on a monthly basis by local authority on a number of criteria: jobs generated directly and indirectly, businesses supported and sustained, work experience places, events etc. The remainder of the money comes from the BID members. These sources of funding imply that everything the Collective does must somehow be related to the area, but also that it must be additional to public services provided by the local authorities; these should not be given any chance to use the activities of the BID to cut public services and replace them by the BID, which is paid by its members. The Collective is looking for other sources of funding and is keen to expand its activities, as more businesses and events not only mean more publicity for the hub, but may also improve the perception of the area.

4.3 Cockpit Arts

Cockpit Arts, Holborn Incubator & Head Office, Cockpit Yard, Northington Street, London WC1N 2NP
http://www.cockpitarts.com/

Cockpit Arts is located in an old furniture factory at Cockpit Yard, dating from the 1920s (Figure 5). It has rented these premises from local authorities since 1993 for a relatively low rent of £135,000 per year. The building is 25,000 square feet (ca. 2,300 m^2). Cockpit Arts has another site in Deptford in South London since ten years. Cockpit Arts started as a co-work space but was transformed into an incubator between 2000 and 2005. Cash flow was very important at the time; Cockpit Arts had to take a loan and sell another building it owned.

In the building at Cockpit Yard there are 100 businesses, most of them self-employed. There are relatively many designers. In the South London site there are another 65 businesses. Some of the companies in the incubator are quite successful, exporting or selling to department stores. Incubatee firms are based on a combination of creative design and craft: fashion, glass, cards etc. There is no outsourcing of production.

The work space 'units' in Cockpit Arts are large rooms that are shared. The large room is rented out to externals for away days etc. Tenants get an all-inclusive package, including (mostly shared) studio space, workshops and events. Some tenants, particularly financially disadvantaged (e.g. undereducated or long-term unemployed), also receive sponsoring. There is a mentoring programme as well. After the initial selection, start-ups get an introduction to the building and the house rules, and a take-in interview with three representatives of the business development team. A baseline business diagnostic of the start-up is carried out and based on this an action plan is developed. The starting business development kit that start-ups receive provides the basis for writing a business and marketing plan.

Cockpit Arts is a registered charity and social enterprise. There is one executive director and 14 other staff members. There is a board of trustees. These are mostly representatives of big corporations, banks, lawyers, media firms or consultants. There is no need to have public authorities on the board since there is no public funding The board has the overall responsibility for the strategy. The board members are not paid, although this is the case for some other charities. Their motivation is individual, not financial. It is good for their professional development to be trustee, it enables them to make comparisons with their own organisation.

Cockpit Arts receives no public funding. They generate 93% of their own income: 67% from fees paid by start-ups and 26% from additional services. The remaining 7% comes from other sources such as sponsorships. These include the Prince's Trust, a charity founded by Prince Charles to support creative/crafts start-ups to make a living (see Section 7.3), but also includes e.g awards for which Cockpit Arts applies. Cockpit Arts aims to attract more sponsors, not to replace the income they generate themselves, but in addition to this as the 'icing on the cake'.

Cockpit Arts also wants to generate more publicity; it is reasonably well known now, but 'it is not exactly Tate Gallery'. It was featured in a Financial Times article. Also, Cockpit Arts wants to involve the small existing community of ex-incubatees. They see the value of it, but are not yet very good at it and it took a long time to develop a model for this. Nevertheless the community becomes more important. Likewise, partnerships are important, but Cockpit Arts want to be somewhat selective in this. Partnerships must really relate to the incubator. There is a partnership with one university that sends over graduates. There is a particular need to work more with large pre-incubation organisations, however, as there is a gap between graduating and entering an incubator.

As a social enterprise Cockpit Arts is yearly assessed and reported, with very good results. The average growth of the design business has been 20% since the introduction of the current incubator model in 2005. Last year the businesses in the incubator showed a higher growth than those elsewhere. This now serves as a benchmark, which Cockpit Arts previously did not have.

Cockpit Arts has the current building on a six months lease but is campaigning for a more permanent security which would provide more stability. They then want to demolish the old building and build a new one. So far this is merely lobbying behind the screens. Apart from the renewal of the current building, a wish is to have another building that can be operated on a slightly more commercial base, which could serve as a follow up for the start-ups that have left incubator.

Figure 5: The premises of Cockpit Arts at Cockpit Yard.

4.4   Trinity Buoy Wharf

Trinity Buoy Wharf, 64 Orchard Place, London E14 0JY
http://www.trinitybuoywharf.com/

Located near Canary Wharf and O2 (the former Millennium Dome), Trinity Buoy Wharf is a mixture of modern and historic buildings. The latter are part of the Buoy factory, which stopped operations in 1988, and are listed as protected monuments. The newer ones are especially designed for the growth of creative industries. It has the only remaining lighthouse in London as a landmark, although this never functioned as an actual lighthouse; instead, it was built for lightning experiments for lighthouses, carried out by Michael Faraday, and as such is in fact a huge cage of Faraday. An acoustic artwork has been installed in the lighthouse in 2013. The area was purchased from its private owner by the London Docklands Development Corporation in 1988. As the Dockland Light Rail (DLR) was supposed to cross the area, alternative uses of the land were effectively prevented for about ten years. In the end, however, the DLR trajectory was adjusted and the area became available for redevelopment. There were just the old buildings, which were in a good condition, and there was 6,000 m^2 of empty space. The default option would have been to construct housing, but instead it was decided to develop it as a place for artists to live and work. In 1996 a competition was organized, won by the current Trinity Buoy Wharf project.

Trinity Buoy Wharf is run by Urban Space Management, a not-for-profit company. The Trinity Buoy Wharf Trust was set up as a non-public charity to hold the land and the idea of Trinity Buoy Wharf in trust for the people of London. It holds a 125 year lease, but hopes to be able to purchase it before this period ends. USM in turn has a 124 year lease from the Trust. The area is managed to build an attractive environment and thus to ensure a critical mass of tenants. Trinity Buoy Wharf (i.e. USM) pays 25% of its rental income to the TBW Trust, which distributes it to arts projects both at Trinity Buoy Wharf and elsewhere. This way the money is recycled within the creative sector.

In the very beginning there were only two tenants. Currently, Trinity Buoy Wharf is a thriving centre for the arts and creative industries with a community of over 350 like-minded people enjoying the unique, though rather isolated, riverside location. It offers a variety of work spaces; there are no less than 110 different spaces, some very small. Regular workspaces range from 200 square feet (18.6 m^2) to 1,000 square feet (92.9m^2) and allow a great flexibility for tenants. As Trinity Buoy Wharf could not afford new buildings made from traditional materials, a large number of work spaces has been constructed from transformed redundant shipping containers (Figure 6). Trinity Buoy Wharf also temporarily rents out spaces for the arts, corporate hospitality, weddings, conferences, exhibitions filming and many others. It offers amenities such as studio and gallery space, a pier, boat club, school, rehearsal rooms and two dining options. On concert days there is a ferry to the O2 dome. Several larger organisations are also located in the area, such as the English National Opera, the Faraday School, the Prince's Drawing School and the University of East London.

Trinity Buoy Wharf does not provide entrepreneurial support or advice for start-ups. In the past they have tried to set up a mentoring and support system, but only about three out of a hundred start-ups were interested. It is very tricky to get it right. On the other hand it has become harder for start-ups to find support, as many support organisations have gone under in recent years. Another factor may be that many firms located at Trinity Buoy Wharf are seem to be quite mature and do not require active support anymore.

The companies at Trinity Buoy Wharf are quite diverse, including e.g. design, IT and music. Now there is for instance a parkour (freerunning) training centre that never had an own space before. The occupation rate of work spaces is about 96% all the time. In the past it has been 100%, but that was before the economic crisis started in 2007. There has been a shift in the type of tenants. Due to

changes in IT less early start-ups are coming; they can sit in the local Starbucks rather than at Trinity Buoy Wharf. Moreover, there is not the vibe of a neighbourhood at the Trinity Buoy Wharf that a Starbucks might offer. As a result there has been quite a shift over the last eight years, with less people coming straight from home and a larger share of somewhat more mature companies. Tenants can be in Trinity Buoy Wharf for five years, but before that they can leave anytime they want. After six months they have a one to three months' notice. Trinity Buoy Wharf wants to be a good landlord.

Figure 6: Work spaces from transformed 40-feet shipping containers.

The main income of Trinity Buoy Wharf is from renting out its spaces for events, but for that it is necessary to have people in the area. The remote location is a problem in this respect. The area is not a main visitor's attraction, which means to attract people Trinity Buoy Wharf has to keep things going on by organising interesting concerts, promoting the diner etc. To make a welcome, the street is demarcated with old buoys made in the former factory.

4.5   Cultural Industries Development Agency (CIDA)

Cultural Industries Development Agency, 15 Greatorex Street, London E1 5NF
http://neoponic.co.uk/newcida/

Creative Industries Development Agency (CIDA) is a leading support agency for the grassroots Creative and Cultural sector in London. It supports the creative sector through business development, marketing support, skills development, networking events, arts commissioning and fundraising guidance. The main focus during the study visit was on one of CIDA's activities, the incubator Neoponic.

Neoponic was founded after a process of self-reflection of CIDA. CIDA was involved in many activities in relation to the Arts Council (a national organisation funding and assisting arts, artists and art organisations), such as the Digital Womens' Club for female start-ups, Switching Up for teenagers,

and Creative Links, an event about small creative organisations, including exhibitions, workshops etc. Many of these were European Social Fund (ESF) projects that involved enormous bureaucracy. At the time CIDA had 8,000 or 10,000 organisations in a database, but did not really make use of this. It was doing all kinds of things, but was too expensive. It was necessary to streamline the organisation and ask itself the question what kind of services were really needed the target groups of CIDA. CIDA decided not to deliver for SMEs anymore, but just for grassroots. Also, the various activities of CIDA would be much more focused. This resulted in the incubation program Neoponic (the name refers to 'hydroponic': new growth of plants without roots in water).

Initially Neoponic started with 20 new businesses, which proved to be too many. They scaled down to four desks, occupied by three organisations. The result was very good and showed them what they could do to help: more or less the same they were doing before, but in a more focused way. During the first 12-month pilot three people left the incubator. After this year CIDA moved the incubator to a larger space.

The incubation programme functioned well but funding was a problem. Start-ups were charged only for the desk, while support and all other things were free (apart from the regular CIDA membership). This generated £3,000 per year, while the services provided cost about £7,000 to £8,000 per year. This forced CIDA to have to look at the business side of creativity, even if they didn't like it. They contacted Doug Richard (known in the UK from the TV show Dragons' Den) to advise them on equity sharing. Still, they did not want to take equity from start-ups, as they considered this unfair. An alternative plan was to take 2.5% of start-ups' turnover during their stay, but this appeared to be a deal breaker for start-ups, who just did not want it. So a pilot started with six non-paying organisations. That was two years ago, and there have been two pilots so far.

Money for Neoponic comes from the reserves of CIDA, which means this is not a sustainable model for the future. Hence, there is an external pressure for Neoponic to become more commercial, and this is also something they want themselves. The problem is the speed that is required. After years of non-profit working the mind-sets of the staff members make it hard to deal with hardcore businessmen. Moreover, they face competition from organisations that are still publicly funded and copy CIDA's model (for instance Cr8net), including services, speakers and chairs of events. They recognize that to make money they have to become more 'robust' in such situations. This means a compromise, however, because deep inside CIDA wants to focus on ideas, not money. 'Idea is king'. But they also need tenants that can afford to pay for the space. The idea for the longer term is that Neoponic funds CIDA - the opposite of the current situation - enabling it to carry out other activities for its members. That is the main motivation for now.

There is a variety of start-ups in Neoponic. This is done deliberately, as it does not want to focus just on e.g. design. The capacity of Neoponic is nine or ten desks, which means that only a very small fraction of the 12,000 CIDA members are in Neoponic. All start-ups in the building are in one space (this was empty at the time of the study visit, as the latest start-up projects had just ended, reflecting the focus on 'batches' of start-ups so far). The CIDA and Neoponic staff and the start-ups are in the same building, so lines are short. Services provided to incubatees include taking the phone, making notes etc. Incubatees get free calls and free copying. In total this cuts their set-up costs by at least 50%. Incubatees also get all services that are provided to all CIDA members. Thus, networking event such as Cre8te and CreativeXPO (the former Creative Links) are part of the services offered in Neoponic. CIDA Members get a discount for these events. Furthermore, members get four 1.5 hour one-to-one mentoring sessions provided. These are preceded by a one-hour assessment session.

All start-ups are in one space with personal space limited to the minimum space considered necessary, as proximity is considered important for cooperation. This view was somewhat nuanced during the visit, however. Whether cooperation really happens depends on the group, the number of

partners etc. With more people it becomes more complex and it is not always worthwhile. It should be clear what and how much each contributes. There is the intellectual property issue. Sharing ideas and solving similar problems looks great but often it does not work that way in practice. Some just offer, others get loads out of it. You don't step into such a thing lightly.

CIDA/Neoponic is always looking for ways to expand. They still try to get additional funding for new ideas, pitching them to the Arts Council. An idea is to pair creatives to advertisement agencies for a specific campaign, give them the chance to see a company in full flow. Advertisement agencies work in creative teams (a talent pool). This model may be outdated: the agency owns all ideas, why would you do that? Regarding funding, one idea is taking equity for itself, i.e. to give investors a share in the incubator, rather than in the incubatees. Another, to sponsor start-ups: they come for six months, get 10,000, stay another six months. Many need only a small amount of money. But this is all for the future, rather than currently observed practices.

The relation of commercial and non-commercial funding is now 50/50, but it changes very much over time depending on the projects at hand and the timing of payments. This needs to go to 60/40. The relation of commercial and non-commercial projects is also 50/50, but this is much more stable. Taking equity still is a point of discussion, approached with hesitation. It can be done in a totally commercial way, to maximize income. Or it can be done in a more reasonable way, looking also at the interest of the start-ups. If someone has a big idea, some equity sharing is OK and often the only way to proceed. But you have to know your projections. If you grow more than expected, it is a bad deal. So how can start-ups in this stage know their projections, and what percentage to give away? They cannot.

4.6   Accelerator

Accelerator, 35 Kingsland Road, Shoreditch, London E2 8AA
http://www.accelerator-london.com/

The Accelerator is a specialist business incubator in Shoreditch. It is part of London Metropolitan University, which has 20,000 students. The Accelerator specialises in the incubation of, and delivery of business development programs for high value, innovative, growing businesses in information and communication technology, interactive media, e-learning and design. It provides support for either individuals or small companies, over flexible timescales, with virtual incubation option.

The Accelerator building was built as an educational building fifteen years ago and was funded from EU Structural Funds. It operated on a semi-commercial basis. After the dotcom bubble burst the facility was losing money. Various ideas for new uses were considered, until ten years ago an incubator was started. Although the commercial approach from the very beginning ensured the financial sustainability of the incubator as such, it was considered that incubation cannot be done properly by a fully commercial organisation. In the first stage some commercial projects were therefore ended while the incubator expanded. The neighbourhood was very run-down at the time. The aim was then to gather people that contributed to the environment and the local community, rather than just supercool ideas. They got an EU grant. Development was rather organic and flexible. They did not have to pay a lot of money to a 'landlord', like many incubators have to do.

During the visit it was emphasised that processes such as these require a long-term perspective. It takes at least five years of stability - also financially - for an incubator to develop. The Accelerator combines several sources of funding. It is supported by the EU Life Long Learning programme and other EU projects, the local council, and e.g. banks in the City. Suppliers support them with e.g. free services.

The Accelerator consists of an incubator and a pre-incubation programme, the Hatchery. There are 30 to 35 businesses in the incubator, and 55 in the Hatchery. The Hatchery is just for students from London Metropolitan University, the incubator is also open for others. The main focus is on digital, technology and IT. However, they are moving towards the creative industries lately. What start-ups particularly like about the Accelerator, it is said, is that they can get their own space for little money, and it is not a shared space.

In a way the Accelerator befits from attitude changes in the British higher education system. Student satisfaction surveys and employability are critical for universities nowadays, more than the number of professors or the scientific output. Oxford and Cambridge stay on top whatever happens, but other universities have to undertake efforts to attract students. Particularly universities in the middle ground are struggling, also as, for financial reasons, it becomes more difficult for many people to go to the university at all. Accordingly, the Accelerator notices that more and more deans and professors show interest in its activities. And they have to. It has been proven that entrepreneurial training increases employability. This means there is an increasing pressure for academics to include this in the curriculum. Students are also a lot more aware of this.

The Accelerator is run as a charity, which is also its legal structure. Originally there was a board, but as the accelerator is a business unit of London Metropolitan University every board decision had to be approved by the university anyway. This meant having a board did not really make sense, and it was abolished. Now the incubator management reports only to the university.

On a daily basis the Accelerator is run as if it is an SME itself, as it is considered that you need some people with an entrepreneurial mind-set to run an incubator. In terms of staff, there are a accelerator manager, a student enterprise manager and a creative enterprise manager. Other personnel is flexible, being paid from external money (mostly EU projects) or voluntary. About 20 to 30 people are active as mentors, coordinators, interns or volunteers. Some interns follow part of the six-months course, while others work on specific projects and get a low income plus expenses. The training of the latter is tailor-made, aiming to make them ready for job interviews, social media and pitching a project. For four to six weeks they perform various tasks. After that they are self-managing, reporting on a weekly basis.

During the study visit explicit attention was paid to the measurement of success. A number of performance measures are applied to assess the incubator. Many of these are developed within the framework of EU programs, which in practice means they are not always the best indicators. It is in particular very difficult to quantify the impact on the local area; this takes a long time to become clear (if it ever becomes clear, as many factors influence neighbourhood development that are hard to disentangle). Moreover, it is noted that the SMEs involved are not always aware how they influence their environment and vice versa, so it is not a solution to just ask them. The incubator management often has a very different view. The proper estimation may be somewhere in between. A popular indicator is the number of jobs created, but this is flawed as well. In the view of the Accelerator, start-ups should not be encouraged to hire people, but to stay in business as long as possible. A better indicator may be the number of people that are directly supported and funded by the incubator.

4.7 Centre for Creative Collaboration (C4CC)

Centre for Creative Collaboration, 16 Acton Street, London WC1X 9NG
http://creative-collaboration.net/

The Centre for Creative Collaboration (C4CC) started early 2010. It is a new initiative in the field of creative collaboration in London. It brings together leading and innovative researchers from London's universities and colleges, creative industry practitioners and freelancers, SMEs, and students by creating an environment, based on the principles of open innovation, where new collaborative projects can be conceived, developed and delivered. C4CC is part of the University of London. There are 43 universities and colleges in London, 19 of which are part of the London of University federation; three of these are the constituting partners of C4CC.

C4CC is located in a small building close to King's Cross. The building has a surface of 400 m^2. It is probably an old stable (many buildings in the neighbourhood had to do with the carriages and horses sector), owned by the designer of the new London bus, Thomas Heatherwick. C4CC rents the building since early 2010. The building has not been renovated or changed.

Despite being part of the university, the founders of C4CC wanted - and got - an external site, a neutral territory not on a university campus for two reasons. First, exactly because of the three colleges participating in C4CC. Second, it is good for the start-ups to be away from the university: in C4CC they are expected to make tangible progress on a project, not to carry out research. And it works; people make much more progress in C4CC than at their own institutions. Once you're on a campus, you are the university, which is what C4CC does not want.

Initially there was funding for two years. No-one at the universities expected any success, because London was supposed to be too big, too expensive, too complex and too political, and there should be no demand. The funders expected 200 visitors and 22 collective projects, but these targets were far exceeded (Table 1). There is a huge demand. No targets were set for job creation or start-ups, because it was not expected that there would be any.

Table 1: Initial targets set to C4CC and realized numbers.

	24 month target	20 months realization	36 months realization
visitors	200	4,500	8,100
projects	20	154	231
internships/jobs	-	ca. 45	ca. 60
start-ups	-	16	20

There are 22 businesses in the space at the moment. In total there have been about 30 start-ups in the last three years, but some failed or moved out as they became too large. The enterprises in C4CC are quite diverse. Designers, writers, photographers, musicians, composers, software engineers, product engineers all work together on C4CC projects. There are tech starters in C4CC as well, but not exclusively. There was e.g. a company in urban farming. A remarkable fact is that women lead 60% of the projects and 50% of the businesses in C4CC. These are unique figures for the UK, but it is unclear why they are so high. On the whole, despite official policies men are still twice as likely as women to start their own business in the UK.

To enter C4CC candidates must meet at least two of three requirements:

- to be involved in the digital and creative sectors C4CC is supporting;
- to be prepared to cooperate with other people in the space;
- to have a connection to one of the participating institutions.

C4CC almost functions as a pre-incubator, focused on students and graduates of the participating universities. Most important for the selection of potential tenants are the right idea and the right person, rather than a business plan and funding. Normally candidates have an idea, and this is developed in a dialogue with C4CC.

The space is a very high-trust environment, where people leave cameras and laptops around all the time, although it is easy to get into the building. It is not managed as a property; rather, it is 'curated', something it is hard to find the right word for. It partly has to do with C4CC's focus on collaboration. Like-minded people work together easily, but you really want unlike-minded people to cooperate. This generates more ideas, but is more difficult. The current manager's background is in physical science and consultancy, which is an advantage. Communication with creatives is harder, but the results are much better. An important aspect of curation versus management is the balance between knowing who is in difficulties and need help, and who is in difficulties and needs to be left alone. A different background then is very useful. It also means you can train people to do this, that it is not some kind of magic.

In May 2010, three months after C4CC started, some design principles were formulated that still guide the project:
- no one has 'exclusive use' of anywhere; we work around one another';
- priority access to certain space is negotiable and will change over time;
- unless specifically agreed all events and projects have a public name and owner. Code names for 'secret squirrel' projects by negotiation;
- it is about mutual trust, not gatekeeping;

Three important characteristics of C4CC are
- it does not just provide work space, but support starting graduates in their work, in networking, in promoting their business;
- it is are very pragmatic. It is about doing the work rather than talking about it, doing a project rather than researching it. The manager of C4CC started as a consultant, but was frustrated because nothing ever happened. Now the top of the university and the municipality are committed; you need that, because you have to cross boundaries;
- it provides space for non-corrosive failure. They help start-ups to fail without destroying their business, pick them up and help them to learn from the experience. Many need three or four iterations of their business model before it works. Creative businesses have a short cycle time. They can fail fast, they even need to. They have to 'fall forward' as soon as possible. Designing a chip may take 18 months, the cycle time of a creative activity may be three to five weeks.

There is no first rule in C4CC like in the Camden Collective ("don't' be an ass"), but there is something similar. People who don't like to work in a community don't tend to like C4CC. This implies e.g. a really driven software guy inventing the next Facebook is a nightmare; he does not want to cooperate and will fail at C4CC. C4CC effectively asks people to invest part of their time in collaboration.

Apart from a neutral territory, C4CC also wanted an independent management. It is a department of the University of London, but it wants to avoid the bureaucracy, forms and large staff characteristic of universities. There is one full-time manager, paid by the university. There are three other staff members. All co-directors have experience in business and in various sectors and specialisms such as music. The board consists of representatives of the three colleges and some external business

people, and it has some executive powers. It is therefore important to build trust between the board members and the people who are actually in the incubator all the time.

Demand is huge. So far C4CC did not spent money on the building or on marketing. There is no marketing budget, but during events they pitch the space. There have been no press releases of articles, only social media and networking. Actually scaling is a problem, as demand is too large for the building. C4CC get many visits from foreign delegations, mostly from regional policy-makers.

Academics see the success and how people make progress at C4CC, and they love it. But it proves hard to get support at the top level of the university, e.g. for funding overhead. It is very hard to quantify the financial benefits of C4CC, so C4CC focuses on countable statistics as much as possible. Everything at C4CC is a project, whether it is a one-day event or a six-months stay of artists. This is because a projects has a beginning, a middle and an end, and it has tangible outcomes. Nevertheless, they recognize that the evaluation system is not thought over well enough to deal with large numbers. Data is still collected manually. They are more or less stuck with this, as there no resources for a proper data management system.

C4CC is partly driven by the changing attitudes of both students and universities. There is increasing interest among students for starting their own business, rather than working for large companies. There is also more feeling with social business, rather than just making money. This is an important shift in the 18-25 age cohort, and it is believed to be fundamental, rather than just a result of the crisis. Many students don't want to 'just join the bank'.

Meanwhile, universities worry about the employability of their graduates, who often are in lots of debts after their studies. The impact narrative is important here. The impact of universities in the UK is assessed more broadly than just on academic output indicators, taking into account their impact on society. That is how they are evaluated, and also how they are funded.

Before C4CC was started a lot of research was carried out, including meetings with all 42 universities and colleges in London, market research and surveys. Also, all university spin-offs in South-East England were tracked and mapped in GIS. It appears that if a university spin-off moved away from the university - especially if it goes beyond reasonable commuting distance - it loses one third of its staff and is set back 18 months in its development.

In the end three colleges wanted to work with the idea. They are all involved in the creative sector, and they see how this is affected by new technology (e.g. games, music). They recognize that most innovation comes not from the university but from small companies, and that, being three small institutions, they can have more impact when they collaborate.

C4CC is funded for three years, until the end of 2014. The funding in this period is really considered a luxury position. The only income is £10,000 from renting out spaces for events. The operational costs, however, are £500,000 per year, including rent of the premises (£120,000), salaries (£300,000), maintenance (£30,000), internet (£10,000) and other costs. All costs are shared fifty-fifty by the European Regional Development Fund (ERDF) project 'London Fusion' on the one hand and the three participating universities on the other hand. ERDF rules do not allow C4CC to charge the clients (as it is not meant for for-profit activities). For the funders it was a high-risk experiment. In 2008 the approach of C4CC was unique, but now it is less so. The founders of C4CC were tired of developing big ideas slowly, and instead choose to develop a small idea quickly. They were not required to develop a business model, because funders expected the experiment to fail anyway.

Figure 7: Work spaces at C4CC.

C4CC would like to cooperate more with big business, but it is not very good at it at the moment. Large companies are slow and cautious; when there is a cooperation, it is mostly in the technology sector. Large companies are not sure how to deal with the kind of space C4CC is. They recognize that 'this is what the work of the future looks like', but at the same time they don't like it. Nonetheless, some experts consider C4CC a highly productive space.

The future is still a point of discussion. The universities involved like the idea of C4CC, but struggle to translate their enthusiasm of start-ups, graduates and students in understandable financial benefits. This is the only reason they may decide to stop funding C4CC. On the whole four options for the future of C4CC were mentioned during the visit:

- continue as before;
- give up the space - property costs amount to 40% of total costs now - but continue to offer services and support;
- have a group of colleges take over the funding (there are three participating colleges now but funding effectively comes from the EU) ;
- shut down.

C4CC is considering at the moment what services could be based on what has been learned so far. For mentoring start-ups you need a lot of business experience, and in general the quality of mentoring outside C4CC is not always the best. Many idea and many questions exists.

- There are two external business people on the board, who advise to expand rapidly now. That means a larger space; but how do you manage that?
- Should C4CC be open to graduates form other universities as well?
- They have been looking at an equity model, or a way to consider it a loan. Or take a 5% stake, but do not value it as an asset. Such as system can be sustainable in the long term, but requires a long period to establish. Intellectual property is not an issue, or rather it is considered a luxury as well. It is not something C4CC wants.
- Currently C4CC has £25,000 per year from the trust to sponsor students for a maximum of £5,000 each to start their own business. They have done that for a year now, and are thinking of a way

to attach some kind of return to it, whether as a loan or equity sharing. There are a number of concerns, however, related to this. Once you are an investor, you are on the other side of the table and an assessment of the start-ups is needed. This changes the process very much. C4CC wonders whether they can maintain their integrity.[2]

- Another possibility C4CC considers at the moment is developing and selling a module for master courses. This would focus on practical entrepreneurship, strategy and financial evaluation. Yet another possibility is to increase the money raised from events.

Like with CIDA, there are many ideas that seem plausible, but none of these has effectively been put in practice. "It is all like modifying the engine while driving on the motorway."

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Table 2 presents an overview of the seven incubators visited according to their size, focus and services provided.

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[2] A possible solution that was not mentioned during the visit but was mentoned by Leo van Loon might be to establish a fund separately from C4CC, with venture capitalists and possibly university funding.

Table 2: Overview of incubators visited

	coFWD/Project 161	Camden Collective	Cockpit Arts	Trinity Buoy Wharf	CIDA	Accelerator	C4CC
ownership	private (by directors)	private	private, social enterprise	private, by trust	private	semi-public, by London Met University	semi-public, by University of London
public funding	no (except tax exemption)	yes	no	no	no	no	no
SERVICES							
office spaces and shared facilities	yes	yes	yes	yes	yes (Neoponic)	yes	yes
networking (e.g. meetings)	yes	yes	yes	no	yes	yes	yes
entrepreneurial support (e.g. training, courses)	yes, provided by third party	yes	yes	no	yes	yes	yes
FOCUS							
focus on start-ups or existing firms	start-ups	start-ups	start-ups	both	start-ups	start-ups	start-ups and students
specialism	creative industries, particularly web-design, blogging, programming, writing, music	creative industries	craft-based, e.g. design, fashion, cards, glass	creative industries	creative industries	digital technology, IT	e.g. designers, photographers, software and product engineers, musicians, writers, composers
KEY FIGURES							
surface (m^2)	-	ca. 930	ca. 2,300	6,000 + old factory buildings	ca. 50 (work spaces only)	-	400
current no. of incubatees	43	220 people/90 businesses	100 businesses on site/165 business in total	-	9-10 desks	30-35 in incubator, 55 in Hatchery	22
no. of incubatees since start	-	-	-	-	-	-	30 (not all successful)

-: no data, n.a.: not applicable.

5 Commercial contextualisation (WG1)

5.1 coFWD/Project 161

Low-cost model
CoFWD/Project 161 is a self-managed project, run by clients. This allows keeping running costs to a minimum, while income from space rent covers the operational costs of infrastructure. In addition, tenants make use of the business support services provided by Medway Council, making it unnecessary for coFWD to develop its own support programme. All this means operational costs are very limited and the financial risk for local partners is low.[3]

Renting out of spaces
Previously the large meeting rooms could be used for free by full-time members, but now they have to pay to generate income for the project. With about £15 per hour for a large space the fee is rather modest.

Tax exemption
Medway City Council provide a 100% tax relief for the building at 161 High Street.

5.2 Camden Collective

Funding from voluntary levy for businesses
The Collective is partly funded by the Camden Town Unlimited BID and hence, indirectly, by the levy paid by businesses in Camden Town. This concerns a voluntary levy of 1% of companies' rateable value, based on the taxes they pay (according to the UK Non-Domestic Rateable Values list). The BID has over 300 members distributed over three sectors. Due to the tax system, taxes paid, and thereby the levy for the BID, are not proportionally for each sector (Table 3). The total levy amounts to ca. £600,000 per year. For the incubator management this means they must provide a reasonable value proposition to businesses in the BID in order to get their approval to designate the support to the incubator. One of the value aspects to businesses is a direct access to creative businesses in the incubator.

Table 3: Composition of Camden Town Unlimited BID according to members and their contribution.

sector	members (%)	contribution (%)
retail	40	33
office	40	60
leisure (e.g. nightlife)	20	7

5.3 Cockpit Arts

Cross-subsidy of start-ups by mature firms
Rents account for two thirds of the income of Cockpit Arts. The rent level is not too high, based on what tenants can afford. There is a standard fee for the first five years. Tenants pay about £27 per

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[3] This said, the main risk is for the founders/owners of coFWD, who are no specialized investors but creative entrepreneurs (e.g. designers).
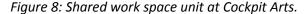
square foot per year. The average space per tenant is 160 square feet (about 15 m^2), which means a rent of just over £4,000 per year. That is all-inclusive (space, coaching, training, services) except for e.g. electricity and telephone costs. Some firms stay in Cockpit Arts for quite some time and can afford higher rents. Hence, after five years the fee is increased yearly, until the maximum is reached after ten years. Thus, more mature firms cross-subsidy start-ups.

Funding from voluntary levy for businesses
Cockpit Arts receives money from a 1% levy from local business companies to support the incubator. This is practice similar to that observed at Camden Collective (Section 5.2).

Flexibility in the rent of work spaces
There is a large flexibility in the renting of work spaces. Work spaces are part of larger rooms or units that are in most cases shared between tenants (Figure 8). Each tenant can rent a minimum space at first and then gradually expand as business increases. Cockpit Arts considers this a this pretty unique offer and a major feature in the incubation business.

Figure 8: Shared work space unit at Cockpit Arts.

5.4   Trinity Buoy Wharf

Innovative building affordable new work space
Due to a lack of means to build additional work spaces from conventional materials, Trinity Buoy Wharf uses redundant shipping containers. The size of a regular 20-feet container is 2.4 by 6 metres. Gradually the constructions have become more sophisticated and high quality. Larger 40-feet containers have been stacked in three or four layers and sometimes divided into smaller spaces, or combined into large ones (see Figure 6, p. 17). Not only is this relatively inexpensive, it also provides a fully flexible modular system of accommodations for a range of uses. This also provides flexibility of rents according to financial capacity of the tenants, and hence an opportunity for cross-subsidy.

Renting out of spaces
Renting out of spaces is a pretty common practice among incubators, but at Trinity Buoy Wharf it happens on a particularly large scale. The former factory complex has many spaces that are not suitable as work spaces. These are rented out. The lighthouse is rented out for events, weddings or art exhibitions. One of the old factory buildings is rented out for temporary events because it was not suitable for work spaces due to occasional flooding. There is a darkroom, a rehearsal space, art venues and an experimental theatre. (Figure 9). All these spaces are rented out for additional fees, depending on the type of organisation (ranging from £200 to £1,000 per day). The renting out of spaces for events provides a good income (which was not specified during the visit) but is not a real cash cow.

Figure 9: One of the old factory buildings at Trinity Buoy Wharf that is rented out for art exhibitions and other events.

5.5   Cultural Industries Development Agency (CIDA)

Membership fees
CIDA has more than 12,000 members. Membership fees amounts to a large part of operational budget of the agency. It also proves the quality and demand of CIDA's services to companies as they tend to stay as members.

Raising funds from organizing events
CIDA wants to support people, but many of these people are unable to pay fees. So CIDA has to keep raising money from projects, although it does not fully depend on it. The Cr8net is such a commercial idea. It is a large-scale networking event organised by CIDA itself (see Section 6.5). Apart from the networking aspect Cr8net is also a source of income. Tickets are sold for £270 each, although CIDA members get a discount.

5.6 Accelerator

Cross-subsidy of pre-incubatees by more mature incubatees
Start-ups in the Hatchery pay only little. Start-ups in the incubator pay a fee, which is used to cross-subsidize the Hatchery. The fee is based on the space a start-up rents. These fees are on par with the local market prices, but tenants get much more in return in terms of support. Effectively, they get the space for free.

Flexible selection standard according to increasing success rate
There are 140 applications for the Hatchery now, but ten years ago it was hardly possible to find anyone in the university interested in the idea. The last thing the Accelerator wanted was to leave the space empty for more than six or twelve months. Besides, this would provoke questions about the funding etc. Therefore they wanted to fill the space as with tenants as quickly as possible in the beginning, and become more picky about the type of businesses they accepted after a while, as things improved. Of the first group of start-ups none had anything to do with the university, but this gradually improved as the activities increased.

5.7 Centre for Creative Collaboration (C4CC)

Renting out space for events
The large space at C4CC is rented out. It is free for non-commercial organisations, while commercial organisations pay a fee. There are ample free venues in London if you want to organize an event. The advantage of the current C4CC space is its atmosphere, the people etc. It is a social space, a virtual space and a real space at the same time. The combination of the building and the people in it is important. It has a certain energy. However, income from this is about £10,000 this year, but the total costs of the project are £500,000. It is impossible to generate that kind of money with the current building.

6 Social contextualisation (WG2)

6.1 coFWD/Project 161

Co-working community
The key word in coFWD is 'community'. The building is located in Rochester High Street The project aims to bring existing groups and residents (see below) together in order to help creative people to show and share their talent and ideas, and to raise their sense of the community with each other and with the neighbourhood (see below). There an element of a peer group, and several projects and groups started from the project. The building itself is not large, but where possible it is used to foster interaction between tenants. There is a sort of living room where people chill out, chat etc. Basically people at Project 161 do the same they would do if they were starting their business from home, but it definitely helps them to be in a community.

Interaction with the local community through services and events
The location on 161 High Street in Rochester is chosen deliberately to provide an attractive environment and close connection to local social and economic activity. It is the tourist centre of Medway. Project 161 wants to be very visible, link their activities to the tourists present, and induce other activities in neighbourhoods. Many activities are being organised in the building that are open to the public (including tourists), such as workshops, yoga workouts and film showings. In this way,

residents feel that there is a public interest, which aims at enhancing their standard of living. In addition, the participation in local activities creates a sense of belonging and attachment to local places. Their planning permission allows coFWD/Project 161 to organise all kind of activities, except for selling alcohol.

6.2   Camden Collective

Strong involvement in neighbourhood improvement
The Camden Collective is part of a neighbourhood improvement programme, and strongly linked to the Camden Town Unlimited BID. The means the objectives of the Collective are 'all about the neighbourhood': to enhance the reputation of the area, to fight drugs and crime, and to support business. Since the start of the Collective, crime in Camden has gone down 35%, but it is recognized that crime has gone down in most places and that is hard to specify the contribution of the Collective or the neighbourhood improvement programme. Apart from these hard figures, however, the Collective also tries to improve people's perception of Camden Town.

Figure 10: Camden High Street.

Pop-up shops
The success of the pop-up stores led to the start of the Collective. The Camden Collective invests in vacant and under-used shops, turning them into vibrant, temporary spaces by curating an exciting programme of cultural and retail events. Thus, it provides young creative people with free individual or shared merchant space for a period of six months. The Camden Collective refurbishes the shops to create a brand new retail unit with white walls and new lighting systems that is suitable for all types of creative industries, from fashion and art, to music, media and live performances. The spaces are in demand and local designers operate in the shops to showcase and sell their production. The largest pop-up shop so far included 69 artists. The clever open layout at street level aims to encourage collaboration between fledgling businesses owners with this ready-made street shop space. In addition, because many high streets are usually monopolized by big brands the Camden Collective

offers a unique retail experience where you can buy truly one-off gifts. So, everyone feels to be part in a creative community that offers business opportunities and experiences through a direct contact with the consumer.

Sharing responsibilities with the public authorities
In certain cases the Camden Town Unlimited BID shares some responsibilities with the local authorities in Camden Town. This is in particular the case with regard to the prevention of crime and the fight against unemployment, in which the BID, partly through the Camden Collective, to some extent replaces the local authorities. In return for this 'social service' the London Council (the building's owner) granted a special rent for the premises. However, these activities of the BID should be additional to those of the local authorities; the Collective is cautious as local authorities should not be given any opportunity to use the activities of the BID to cut public services and replace them by the BID, which is paid by its members.

6.3   Cockpit Arts

Open Studios
Two times per year Cockpit Arts organizes Open Studios events (once in Holborn and once in the Deptford branch), where people can see behind the screens and buy products directly from the designers-makers. The events are primarily aimed at the supported start-ups but are open to the public. The event attracts approximately 11,000 visitors and over 18,000 people subscribe on-line. In this way, they bring the work of designers-makers to the centre stage. Sometimes additional external events such as pop-up shops are organized to generate some funds.

Coffee Lotto
Coffee Lotto is an event aiming at networking between incubatees. Two incubatees are coupled by a random selection of names, and go for a coffee. Thus, informal contact between incubatees is established, encouraging collaboration and communication. The informal meetings are also the way to resolve disputes, improve performance and build teamwork.

Capitalize on contribution to local community
For the longer term, Cockpit Arts strives to a more secure lease of the premises and the construction of a new building. One problem is that as a charity Cockpit Arts cannot pay a market price. To the local authorities they argue that the local community benefits from the activities of Cockpit Arts, and that this social contribution could be considered as part of the rent. This would create an undervalue (effectively a discount) on the agreed rental level. So far the local authorities agree with this line of reasoning. Although this is not yet put in practice, the lobbying of the concept - and the acceptance of it so far by the local authorities - make it more than just an idea.

6.4   Trinity Buoy Wharf

Combination of work places and event spaces
Trinity Buoy Wharf offers spaces and support entrepreneurs who want to grow their business. Because of the location outside the centre of London the rent level is relatively low. The area is quite remote, but it has a distinct feel to it of being away from London and in 'a way of its own'. The buzz and liveliness of a typical neighbourhood are missing, however - the surrounding areas mainly consist of industrial areas an business parks - and it requires some effort to attract the general public to the area. This is the more important as a large part of the income of Trinity Buoy Wharf is generated from renting out spaces (see Section 5.4). Many amenities help to attract people. The historic wharf is transformed into a venue of artists with spaces that are suitable for weddings, media centres,

conferences, filming, photo shoots. Further amenities include studio and gallery space, a pier, boat club, school, rehearsal rooms and two dining options (Figure 11). On concert days there is a ferry to the O2 dome on the opposite banks of the River Thames. Several larger organisations are also located in the area, such as the English National Opera, the Faraday School, the Prince's Drawing School and the University of East London.

Figure 11: Diner 'Fat Boy' in a former railroad carriage at Trinity Buoy Wharf.

6.5   Cultural Industries Development Agency (CIDA)

Proximity to encourage collaboration
The aim of CIDA is to bring creative professional together to share knowledge, to build contacts and to have access to new audience and markets. All start-ups in Neoponic are in one space with personal space limited to the minimum space considered necessary, as proximity is considered important for cooperation. The set-up of the desks is calculated very precisely, to give just enough space for privacy but also stimulate networking. There is a creative couch, where members can lay down to relax and think over their ideas. Neoponic is located in a spacious modern office with three separate meeting rooms, a kitchen and a central courtyard. During the visit, it was emphasised that proximity is important but far from a guarantee that cooperation will occur.

Networking events
CIDA organises various networking events open for members and incubatees in Neoponic, either free or for a reduced fee. There are open days every two months, which attract about 40 people. These are advertised. Potential start-ups can pitch ideas and introduce themselves. CreativeXPO, previously Creative Links, is a support and showcasing event which features work by designers, musicians, filmmakers as well as exhibition stands, seminars. These creative links helps young people to reach their full potential, to access the latest marketing support and tap into development opportunities in London. CreativeXPO takes place in January and attracts about 2,000 people over two days. Finally, Cr8net is a yearly high-profile conference on the creative industries, taking place in May and

attracting 150 to 175 people. It offers three panels and three workshops per day, with generally good speakers; the first edition featured Richard Florida. Cr8net is a also a major source of income for CIDA (see Section 5.5).

Digital Women's Club
The Digital Women's Club is an initiative of CIDA that is not part of the Neoponic incubator, but deserved attention because of the difficulties of starting female entrepreneurs also addressed at C4CC and, previously, during the study visit to Avilés. The Digital Women's Club supports women who are unemployed or running sole trader business and offer them training and business development in film, music, literature, web design etc. In this way, women - who are suffering more from unemployment - have the opportunity to develop their business idea into business plan.

6.6   Accelerator

Monthly networking lunch
The monthly networking lunch is an informal networking event with presentations, which helps tenants to share ideas and make introductions. This encourages teamwork and collaboration in order the projects to be put forward efficiently and effectively. Incubatees can also pitch problems to the group, as many face the same difficulties. This is part of the Accelerator's strong emphasis on collaborative learning (see Section 7.6).

Digital incubation
The Accelerator is far from a virtual incubator, as the emphasis is on the in-house incubator and the Hatchery. However, start-ups outside the incubator can gain digital access to some of the services provided.

6.7   Centre for Creative Collaboration (C4CC)

Strong emphasis on cooperation between incubatees
In the selection procedure of C4CC the willingness of potential incubatees to cooperate is a precondition for acceptance. As a result incubatees tend to be more social towards each other and willing to share their ideas. This also results in multidisciplinary, innovative projects that incubatees could not achieve on their own (e.g. theatre production including writers, artists, light technicians etc.). As a 'model' we found it very inspiring, although the question remains (and was addresses during the presentation) how start-ups and the incubator itself can make the step from these projects to financial sustainability. On the plus side, in terms of innovation and networking it seems quite promising.

Informal networking event
Informal social networks form the basis of C4CC's approach. This is emphasised by some networking events organised at C4CC. The Tuttle Social Media Cafe on Friday mornings is an informal networking event. It is promoted as a neutral space, targeted at mid-level academics with project ideas, but encountering bureaucratic hurdles.

7   Tiers of support, networks and partnerships (WG3)

7.1   coFWD/Project 161

Making use of business support provided by external parties on a regional level
Business support is not a core part of the coFWD itself. However, everyone in Project 161 has access to the support services delivered by the Council; these can be delivered in the building, or on a one-to-one basis, or through other facilities in the area. Likewise, mentoring is on demand, mentors are provided by the Council programme. This means that effectively the provision of work spaces and business support are separated. For coFWD this is a way to keep the costs low while still offering its members a complete package. Nevertheless, as support is provided by the Council it means public funding is still involved.

7.2   Camden Collective

Approach to business support focused on contribution to neighbourhood improvement
The focus of Camden Collective on neighbourhood improvement partly explains its approach towards business support: while a traditional accelerator aims at a fast growth of a small number of businesses, with less impact on the area (as this is often not an objective as such), the Collective aim at a smaller growth of a large number of businesses. The Collective has 'bastardized' the accelerator model. In essence it is a shorter version of the typical acceleration programme. The Collective give eight businesses the opprtunity to be a hot-house for three weeks (two weeks proved too short) much like an accelerator but shorter. After that they have to pitch their idea.

Direct involvement of partners from the local community
The Camden Collective is partly funded from contributions by the local business community. Local businesses, if they meet certain demands in terms of e.g. size and contribution, can influence the management of the Camden Collective indirectly by their voting rights in the BID, or directly by taking a seat at in the board. Thus, the local community - though effectively limited to medium-sized and larger companies - is directly involved in the incubator.

Mentoring by local business partners
Some larger BID members like to mentor start-ups in the Camden Collective. They like it because they get back good ideas, so its relation is based on mutual interests. A problem is that some are brilliant as mentors, while others are not that good at it. Sometimes the incubator management must be rather diplomatic in its responses.

7.3   Cockpit Arts

Agreement with the Prince's Trust
The Enterprise programme of the Prince's Trust foundation helps about 100,000 young people under thirty, unemployed, who are interested in self-employment to explore and test their ideas, write business plans and start their own businesses. The focus is on crafts: designers and other creatives that produce their products themselves rather than outsource production. Four years ago, Cockpit Arts signed an agreement with the Prince's Trust foundation through which it became an official service provider for incubation. The majority of the start-ups in Cockpit Arts that are supported by the Prince's Trust are graduates. The programme provides a seamless progression route to a professional incubator. The Prince's Trust has an enterprise manager who scouts candidates. The pool is quite large due to the requirements. The Trust refers candidates for incubation from other

programmes to Cockpit Arts if they are considered ready for it. They get the name, and can come to see the place; it is like a blind date somehow. The beneficiaries of the programme can use facilities and spaces in Cockpit Arts. The Prince's Trust involves ex-incubatees with experience in business and crafts skills as mentors, for a small fee. This mentoring is mostly initiated by start-ups. So far it concerns half a dozen cases. The Prince's Trust pays its contribution directly to the incubator, covering the costs of the supported creatives. Most candidates of the Prince's Trust already obtained a loan from another source (e.g. a bank), but thanks to the support they can spend their loan money in a later stage. On the whole the agreement with the Prince's Trust is both a strategic partnership and an important element of business support: incubatee companies have easier access to start-up funding programme and the agreement gives Cockpit Arts a competitive advantage against other business centres in the area.

One-to-one coaching
Start-ups are supported for two years. In the first year monthly one-to-one coaching sessions are recommended. Incubatees can have as many of these as they want, provided that they apply actions from previous sessions to show they did learn from it. In general there is an open door policy. Coaching is provided by qualified coaches. The success is 100% self-employment: that means start-ups are able to pay the full fee of the incubator, not that they can live from it (many have other jobs besides their start-up activities).

Network of advisors
The Cockpit Arts Associates Scheme is a network of advisors. They have been selected carefully and are committed to the incubator by a service level agreement. They provide start-ups with specialist support, initially mostly free, for an increasing fee in later stages.

7.4   Trinity Buoy Wharf

Urban Space Management has extensive networks, but no particular practices regarding this were observed at Trinity Buoy Wharf.

7.5   Cultural Industries Development Agency (CIDA)

On-to-one support for start-ups not yet in the incubator
Sometimes start-ups start with one-to-one support, until they have enough money to rent a space. This is done to protect them, as it is felt that it just wouldn't be right to charge theme a rent they cannot afford. However, it is recognized that this is not a very commercial attitude.

7.6   Accelerator

Relation to the university
Strictly spoken London Metropolitan University is not a partner, as the Accelerator itself is part of the university. Nevertheless, the relation is important and mutually beneficial. The incubator and the Hatchery are a means for the university to improve the employability of its graduates, which is increasingly important in the UK, also as a criterion for public funding. Meanwhile, students themselves are increasingly aware of the possibility to start their own business. The Accelerator offers them work space and a range of support services.

Collaborative approach to learning
The Accelerator applies a collaborative approach to learning. It is considered important to share any knowledge within the building, as many start-ups deal with the same problems (something that is made quite explicit to start-ups entering the building). For example, it is considered crucial to have an IT firm in the building to help other start-ups. This principle is further stimulated by the presence of start-ups and business in different stages of maturity (early ideas or more mature businesses). In addition, there are mentors that can help start-ups informally. In comparison to the focus on collaboration in C4CC (see Section 6.7), in the Accelerator collaboration is presented in the perspective of support, rather than networking; this is a gradual difference, however.

Pre-incubation program (Hatchery)
The Accelerator's Hatchery programme gives passionate students and graduates of London Metropolitan University the opportunity to transform an idea into their own start-up business, in a low risk environment. Every year there are 140 to 170 applications for the Hatchery. This is narrowed down to 60 to 70, who are invited for an interview. About 40 remain. Over a two-week period, these pitch their ideas. In the end about 20 remain, which are accepted to the program for six months, and have full access to all facilities. After these six months there is a final review. If they pass this, they are in the incubator for another six months. After a total of 12 months of support, they should be either viable as a business on their own, or attractive for investors.

7.7 Centre for Creative Collaboration (C4CC)

Relation to universities
The relation of C4CC to the University of London resembles that of the Accelerator to London Metropolitan University, except that in this cases three different colleges are involved in the incubator. Also the mutual benefits for the incubator and the universities are similar.

Personalized business support
Business support is highly personalized according to the needs of each start-up. There is no standard program. This requires extensive study and research of clients' demand on one hand, and ensures a success of the incubator on the other.

8 Overview

Table 4 summarizes the main practices observed. On a more aggregated level some striking issues may be noted.

In comparison to most of the incubators visited in the previous study visits, the seven incubators visited in Medway and London seem much closer to financial self-sustainability. Most of them already are self-sustainable, or have quite realistic ideas about it. This seems at least in part due to the specific - probably unique - British institutional, economic and fiscal context, which is different and more flexible in many aspects from those of previous study visits.

For one thing, the role of public authorities in the support and management of incubator cases is small or non-existent. In cases where local authorities are involved, their financial support is quite limited. The apparent non-involvement of public authorities does not mean all incubators visited are able to generate their own income, however. They still depend to a considerable degree on external funding, but from private rather than public sources. For instance in the cases of Camden Collective and Cockpit Arts, part of the funding comes from the local business community though a BID

construction. In the Accelerator and C4CC, both related to universities, it comes from public universities and European projects. In cases such as Neoponic, Trinity Buoy Wharf and Cockpit Arts, charities are involved that control the incubator premises or pay for the support of incubatees.

In most cases there is not a triple helix involved of government, business and knowledge institutions, but rather a 'double helix' of, in some cases, the private sector and the university system, or of local businesses and private non-profit organizations. There seems to be a large degree of reciprocal trust between business, non-profit partners and incubators. This became clear for example in the cases of C4CC and the Accelerator, both of which are part of their supporting universities, but also operating relatively independent. Both referred to the increased need for universities to invest in the employability of their graduates, and the increased number of these graduates that is willing to start their own business. The assessment of higher education institutions partly on the basis of graduates employability may be more explicit in the UK than elsewhere, but to a large degree this seems part of a general development. In previous study visits, however, the incubators that were linked to higher education institutions all focused on high-tech and IT start-ups.

The limited dependence on public finding does not mean stability. For instance C4CC largely depends on temporarily project funding, while Cockpit Arts is hampered by the short lease periods of its premises. Nevertheless, stability in financial and other terms is mentioned in several cases as an important factor in the development of an incubator.

While the relation to local authorities may be limited in many visited cases, the relation to the local community is more explicit than observed in most of the other study visits. These issues are related. Where an incubator gets part of its funding from the local community by way of a BID - or, as the Camden Collective, is even initiated by the BID from the perspective of neighbourhood improvement - it is likely (if not required) to relate to neighbourhood improvement in its aims and activities. This became clear not only in Camden, but to some extent also at Trinity Buoy Wharf and Cockpit Arts. Incubators which rely on public funding often seem to find it harder and less urgent to relate so explicitly to local redevelopment, which is remarkable since local redevelopment and regeneration usually is the domain of public policy .

Attention was paid to the assessment of incubators' results, which proved to be somewhat of a black hole in previous visits. Some of the incubators in London could show quite good results, exceeding the initial targets and expectations of funders. However, both they and their funders lack a methodology to prove the financial benefits and convince funders at the top level. This was most explicit at C4CC.

After previous study visits it has been suggested, in consortium discussions and regional implementation groups, to separate the provision of work space and business support. This was never observed, however. Even in the case of Company Care in Denmark, both aspects are separated to a large extent, but still both are parts of the same organisation. Comparable practices were observed at CIDA and the Accelerator. The case of coFWD/Project 161 is different, however. Project 161 provides start-ups with work spaces and network opportunities, while incubates can make use of support services provided by the public authorities on a regional level, independent from the specific incubator. This is one of the factors that allows the project to operate on a very low-cost basis. This model assumes, however, that local authorities do indeed provide business support and that this is available to the start-ups, which may not always be the case.

The incubation ecosystem in London benefits from a very large, active and lively environment in several dimensions. It is safe to say that the financial, business, social, educational and cultural opportunities are broader and have more dimensions, more urbanization economies to be gained, than in any of the other partners cities and regions in InCompass. This incubation system itself is

quite diverse and extensive as well. However, this leaves open the question to which extent it is a coherent regional system.

Table 4: Overview of main findings

	commercial contextualisation	social contextualisation	tiers of support, partnerships
coFWD/Project 161	▪ low-cost model by self-management and using external support services ▪ renting out of spaces ▪ tax exemption	▪ co-working community ▪ interaction with local community through services and events	▪ making use of business support provided by external parties on a regional scale
Camden Collective	▪ funding from voluntary levy for businesses	▪ strong involvement in neighbourhood improvement ▪ pop-up shops ▪ sharing responsibilities with the local authorities	▪ approach to business support focused on contribution to neighbourhood improvement ▪ direct involvement of partners from the local business community ▪ mentoring by local business partners
Cockpit Arts	▪ cross-subsidy of start-ups by mature firms ▪ funding from voluntary levy for businesses ▪ flexibility in the rent of work spaces	▪ Open Studios ▪ Coffee Lotto ▪ capitalize on contribution to local community	▪ agreement with the Prince's Trust ▪ one-to-one coaching ▪ network of advisors
Trinity Buoy Wharf	▪ innovative building of affordable work spaces ▪ renting out of spaces	▪ combination of work places and event spaces	-
CIDA	▪ membership fees ▪ raising funds from organising events	▪ proximity to encourage collaboration ▪ networking events ▪ Digital Women's Club	▪ one-to-one support for start-ups not yet in the incubator
Accelerator	▪ cross-subsidy of pre-incubatees by more mature incubatees ▪ flexible section standard according to increasing success rate	▪ monthly networking lunch ▪ digital incubation	▪ relation to the university ▪ pre-incubation program (Hatchery) ▪ collaborative approach to learning
C4CC	▪ renting out space for events	▪ strong emphasis on cooperation between incubates ▪ informal networking event	▪ personalized business support ▪ relation to universities

9 Validators' remarks

9.1 Introduction

The study visit report has been validated by three experts:
- Leo van Loon (Pop Vox, Rotterdam);
- Liesbeth Jansen (Linkeroever Gebouwen en Gebieden [Left Bank Buildings and Areas], Amsterdam).

As far as the validators' comments were corrections or annotations to the text that have been included in the previous chapters. This was the case with all comments by Leo van Loon and many of the comments of the other validators. The remaining comments are presented in this chapter. When necessary, comments have been edited and by Arie Romein and Jan Jacob Trip.

9.2 Liesbeth Jansen (Linkeroever Gebouwen en Gebieden)

The report is an interesting study and comparison of incubators, particularly in relation to funding and the various objectives and mission statements of incubators. They for instance help universities to prepare students for a future as professionals, local or neighbourhood authorities to improve the quality of the neighbourhood, and developers and public authorities to stimulate neighbourhood development by accommodating creative, creating employment or scouting talent.

Apart from the business model of renting out spaces and the membership model, some confusions seems to exists about the business models in relation to the nature and the products of businesses. It would be interesting to indicate and categorise the various interests involved in the final report: which parties provide support, on the basis of which objectives?

10 Thematic seminar

The thematic seminar took place during the project meeting in London, 11 September 2014, Centre for Creative Collaboration.

The discussion focused on the following propositions and questions:

1. On average, incubators in the UK are closer to self-sustainability, and more advanced in their thoughts about self-sustainability, than the incubators we saw in previous study visits. This is partly due to the British specific economic and cultural context.

2. Many practices observed in the UK are hard to transfer to other regions, due to some specific contextual factors in the UK such as the presence of 'trusts', the general liberal economic culture, and the extremely vibrant environment in London.

3. Concepts such as the Business Improvement District show that incubators can raise funding from the local or regional business community, and can be closely involved in urban regeneration and neighbourhood improvement. Could this be a model for publicly funded incubators as well?

4. Developments in higher education on the one hand (e.g. more graduates starting their own business), and incubators on the other (e.g. a wider variety of incubation types), mean both have to cooperate in different ways than before."

5. Funding based on temporary grants from EU structural funds such as ERDF is fine for additional funding, but too insecure as the main source of an incubator's income.

6. As Project 161 shows, shared working spaces supplemented by support program provided on a regional scale (either by public authorities or others) is the way to go. But where does such a support program exist?