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South East England Regional Assembly
Berkeley House
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Dear Gillian,

ENTERPRISE HUBS AND GATEWAYS

Thank you for inviting Milton Keynes Economy and Learning Partnership (MKELP) to comment on the impact of SEEDA on the regional economy via the development of Enterprise Hubs and Gateways.

The Partnership is fully supportive of the concept of Hub's and Gateways and has been instrument in establishing a local Advisory Board to support the development of a Hub at Bletchley Park in Milton Keynes. However, as you may know, we are very much at the start of the process with the Business Plan for the Hub only receiving SEEDA approval in February 2004. As such, we are not in a position to comment on all the issues raised in your Context and Issues paper but trust that the following comments are useful.

Variation in Ownership or accountable body does provide different local interpretation as to what the hub is trying to achieve and address local circumstances. However, in practical terms this also means that significant time and resource is spent by SEEDA and the various accountable bodies in agreeing working practices and procedures which will vary from location to location. Also from a practical point of view it means that each hub director has slightly different terms of employment and obligations.

There is an inference that Gateways and Hubs work very closely together.

The exact relationship in terms of shared resources, management structure and target companies needs to be more rigorously defined although there is clearly a need for them, to inter-relate.

SEEDA do most of the time act in a relevant manner in terms of the level of strategic thinking their employ.

They are still working with the enterprise hub directors to understand what level of operational involvement they should have with the hub network as a whole. Too much and the hub directors will find they are working against the wishes of their accountable bodies and steering groups. Too little and the hub directors may feel isolated and not supported.

Engagement with HEIs.

It will not always be the case that an HEI is best placed to act as the accountable body for a hub and this will very much depend on the local partnerships. There is a clear advantage for hubs based on existing science parks or innovation centres adjacent to universities although this is not always possible.

Where possible universities should be a partner in the hub.

Often universities are disparate in organisational structure and culture and therefore it is critical that the HEI individual is on the board is as connected as they can be to both academics departments and the technology exchange support function.

Links with Economic Partnership

Clearly we believe that this is a critical factor, especially in terms of positioning the Hub with the wider business support and enterprise agenda at the local level.

Links with Business Links

This is yet untested although we would wish to see a formal partnership agreement to ensure that delivery by both sides is happening. The Hubs do need to use the Business Links as a referral mechanism but also as a supporting resource for Hub companies. Although they have a relatively light touch with companies using their services they do have extensive reach and can identify individual or companies who may benefit from what the hub can offer.

Models and Objectives for Hubs

At present there is a loose association of enterprise hub directors who have significantly different remits from each other. However there is a desire by this body to work together. There would be some merit if the enterprise hub director has a single employer, but not necessarily SEEDA, on a number of different levels.

- Consistency of contracts both employment and grant agreements
- Clearer objectives and reporting lines
- An increasing focus on business support services and away from property.
- Better networking amongst hubs and their companies

However, there would still need to be a local hub steering group that reflect the local partnerships and local circumstances.

Focus on Sectors and Clusters.

As per the MK hub implementation plan we have not considered a cluster route. The key reasoning behind this is that there is no clear lead sector or cluster in place and therefore we did not wish to create an artificial tag or exclude innovative companies from the hub services. Other hubs where there is a lead sector have taken this route and have been successful – It is down to the local conditions in which the hub operates

Sustainability

This is probably our major concern. SEEDA have to be in this for the long term. They appear to be working towards a property model whereby they will invest capital in innovation space across the SEEDA region and then reinvest the revenue into the hub network. There are a number of factors that could limit the effectiveness of this approach.

- Availability of appropriate land and buildings.
- The amount of lapsed time required before a return is evident. This model is at best long term in that SEEDA are unlikely to see any significant revenues for at least 5 - 10 years.
- Does government want to be investing capital in property at this time?

I trust the above is helpful.

Yours sincerely



Colin Fox

Executive Director

Milton Keynes Economy and Learning Partnership