

Finance and Resources Committee

10.00am, Thursday, 27 August 2015

Edinburgh Technology Transfer Centre Limited

Item number	7.28
Report number	
Executive/routine	
Wards	All

Executive summary

At its meeting on 24 June 2014, the Economy Committee received a [report](#) on the future of Edinburgh Technology Training Centre (ETTC), a joint venture company set up in 1988 by the University of Edinburgh (the University) and the Council to provide business incubation space.

The University has streamlined its business incubation services and the Economy Committee agreed to relinquish the Council's position in the board of ETTC, noting that the University remains a strategic partner which is committed to the provision of incubation services.

The Finance and Resources Committee is now asked to approve the termination of the Council's shareholding in ETTC in order that the University can liquidate the company. In addition, Committee is asked to approve the termination of the lease of the 3rd and 4th floors of the Alrick Building from the Council to ETTC and subsequently the Council's lease from the University.

Links

Coalition pledges	P28
Council outcomes	CO8
Single Outcome Agreement	SO1

Edinburgh Technology Transfer Centre Limited

Recommendations

- 1.1 To agree to renounce the Council's shareholding in Edinburgh Technology Transfer Centre Limited.
- 1.2 To approve the termination of the lease of the 3rd and 4th floors of the Alrick Building to Edinburgh Technology Transfer Centre.
- 1.3 To approve the termination of the lease of the 3rd and 4th floors of the Alrick Building to the Council from the University of Edinburgh.
- 1.4 To note that the University of Edinburgh remains committed to providing business incubation services and is a key partner in the Council's Interspace programme.

Background

- 2.1 The Council entered into a partnership with the University of Edinburgh in 1988 to form a joint venture company ETTC.
- 2.2 Since 1988 the business incubation landscape has changed considerably. The University has introduced further incubation facilities and remains a key partner in the Council's Interspace project, which provides a platform for collaboration across the cities incubator network.

Main report

ETTC Shareholding and Board Membership

- 3.1 ETTC has provided incubation space since 1988 but is now part of a wider range of business support services provided by the University.
- 3.2 The Economy Committee on 24 June 2014 agreed that the Director of Economic Development (now Executive Director for City Strategy and Economy) would resign from the Council's position on the ETTC board.
- 3.3 The University now wishes to subsume ETTC within its wider range of services and streamline the management and governance arrangements however, to do so, the Council is required to renounce its shareholding in the company.

- 3.4 The Committee is asked to renounce the Council's shareholding in ETTC, noting that the University intend to liquidate the company thereafter.

Lease for 3rd and 4th Floors of Alrick Building

- 3.5 The Council currently leases the 3rd and 4th floors of Alrick Building from the University, with the Council leasing these premises to ETTC. The cost of the lease to the Council and to ETTC is £1 if requested.
- 3.6 Committee is asked to approve the termination of the Council's lease arrangement with ETTC and the termination of the Council's lease from the University.
- 3.7 The original purpose for setting up this joint venture (in 1988) was for the Council to help the University to increase its capacity to support spin out companies and this has been fulfilled. The University remains a committed partner, working closely with the Council and other business incubator providers in the city both independently and through Interspace. These actions, together with the Board membership resignation, would end the Council's relationship with ETTC and will allow the University to liquidate the company.

Measures of success

- 4.1 ETTC has supported incubation services for 26 years and supported over 140 companies.

Financial impact

- 5.1 The Council has no financial stake in ETTC and there are no financial impacts arising from this report.

Risk, policy, compliance and governance impact

- 6.1 The recommendations comply with Council Practice in relation to External Organisations.

Equalities impact

- 7.1 There are no equalities impacts arising from this report.

Sustainability impact

- 8.1 There are no sustainability impacts arising from this report.

Consultation and engagement

9.1 No consultation or engagement is required.

Background reading/external references

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Links

Coalition pledges	P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city
Council outcomes	CO8 - Edinburgh's economy creates and sustains job opportunities
Single Outcome Agreement	S01 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	None