Investing in Hampshire – Pilot of Enhanced Catalyst Programme - Supporting Tech Start-Ups in Hampshire

Applicant	The University of Southampton Science Park Limited Company Number: 1698409		
Name / Location of Project	The University of Southampton Science Park Limited, 2 Venture Road, Chilworth, Southampton, Hampshire, SO16 7NP		
Summary of Project / Bid	This proposal enables a pilot of an enhanced programme to support technology start-ups in Hampshire, the programme being anchored in the University of Southampton Science Park at Chilworth, a key economic asset for the region. It leverages the expertise within the Science Park community through high level one to one mentoring and commercially focused weekly peer group workshops with world class business leaders. The programme is targeted in key sectors including aerospace, marine and digital, all key sectors for Hampshire. The Catalyst programme is delivered in partnership with SETsquared, which is a unique enterprise partnership and a dynamic collaboration between the five leading research-led UK universities of Bath, Bristol, Exeter, Southampton and Surrey. Ranked as the Global No. 1 Business Incubator, they provide a wide range of highly acclaimed support programmes to help turn ideas into thriving businesses: • Catalyst is a 6-month programme run on an annual / biannual basis. Entry to the programme is on a competitive basis, based on the strength of the business case put forward in the application and a pitch to a panel of judges. • Over the 8 years of the Catalyst programme it has to date has supported 57 start-up companies and leveraged over £20M of grants and investments for the companies concerned. • The Catalyst Programme has seen numerous companies set up and flourish under the scheme, and they tend to start-up in incubator space at the Science Park and move on to larger offices in Hampshire. When completed, a full evaluation of the performance of this pilot programme would be undertaken, and if successful, a business case can be developed to attract longer term funding from the LEP, Innovate UK or other sources.		
Funding Requested	Up to £61,000 (50% of cash requirement)	Financial Year	2021/2022

Funding Arrangements (including matched funding)	The overall project cost is £165,000, with match of £43,000 from Southampton Science Park, and contributions from Enterprise M3 LEP (£20,000) and Test Valley Borough Council (amount to be confirmed).
What are the benefits for Hampshire Residents?	This programme targets start-ups in the higher end of the economy, those which are knowledge-based and innovative. These types of company do not employ the numbers in other sectors such as tourism or retail. However, these are the businesses which have helped make the EM3 one of the highest performing LEP areas for exports, and it is high value, innovation-driven companies and their associated jobs and supply chains, which will provide a sustained recovery and growth in the region post COVID 19. The proposal is focused on the distribution of targeted grant funding to technology businesses with the potential to grow significantly and create new, high quality, knowledge intensive jobs in Hampshire (estimated at 20 new jobs per cohort of companies supported). The Catalyst Programme aligns with the Hampshire 2050 Commission of Inquiry, Economy theme: • Capitalise on Hampshire's university capacity to maximise local benefits from spin outs, start-ups, and emerging technologies • Retain more graduates living and working in Hampshire • Encourage the development of an effective innovation ecosystem in Hampshire. The programme supports the University Science Park, which is a crucial economic asset for Hampshire and home to circa 100 technology orientated businesses, including many scale-ups in high innovation sectors.
What are the complementary benefits for HCC?	The synergy between potential public sector funding channels and the pre-existing Catalyst business support model creates the opportunity to provide a step-change in the growth and success of tech start-ups in the region. The technology sector has been leading investment activity since the COVID 19 pandemic began, with the highest levels of investment going to start-ups operating in life sciences, artificial intelligence, digital security and green tech, and by supporting this programme we can improve strategic profiling, building strong and internationally recognised companies. Supporting this programme would sit well amongst any wider economic recovery plans for Hampshire.
Any other relevant factors?	For each cohort of businesses, the programme would involve the following stages: **Phase 1**:

	• Cohort selected from targeted sectors, e.g. sustainability, life sciences, aerospace, digital technologies or marine. • Delivery model continues to be six-month programme, weekly workshops/coaching, free accommodation. • £4k funding provided to each successful applicant plus £4k contribution to coaching costs. **Phase 2**: • Follow-on six-month programme to provide continued coaching and business review panel support for the most promising companies from Phase 1 (assumed to be 2 companies but could vary depending on quality). • £50k total funding to be divided between successful applicants on a competitive basis (e.g. £40k for 'winning' company, £10k for runner-up) plus total of £8k contribution to coaching costs. • Business review panels to monitor effective spend of funding against business plans. The success criteria for the companies exiting the Phase 2 programme would be measured in terms of jobs created in a 3-year period following entry to the Catalyst programme. We would anticipate that each company accepted onto the Phase 2 programme would create a minimum of ten jobs over this 3-year period. Some great examples of companies supported by SETsquared Southampton / Catalyst include: • **Tonic Analytics**: Established in 2015, this is a technology company with 10 employees based at Southampton Science Park. The company has invented an ingenious way to blend a wide range of data with predictive analysis to solve some of society's big challenges. These range from saving lives on road networks and tackling crime to reducing airline delays and optimising offshore energy production. The company analyses over six billion new data points every day. • **Symetrica**: Symetrica employs 60 staff at their North Baddesley HQ, where many of its radiation detection devices are manufactured, plus another 15 staff in Maynard, Massachusetts. Symetrica's biggest market is the US and they have an IDIQ (indefinite delivery/indefinite quantity) contract worth £143m to supply their detectors to the Department of Homeland Security. • **RedLux**: Based in Southampton, RedLux develops ultraprecision metrology and automation solutions, with applications in the medical, optics, aerospace and automotive sectors, including noncontact 3D measurement systems. With 24 staff, the company

	continues to grow due to increasing demand from clients in mission-critical and technically advanced industries around the world. • **Primer Design**: Chandler's Ford-based Molecular Diagnostics company Primer Design took just two weeks to create a test which detects the COVID-19 virus, and the company developed the first detection kits for swine flu in 2009 and were early pioneers in creating a test for MERS in 2012. With 40 staff, and growing quickly, as of last month Primer Design has been contracted to deliver over £90m of its COVID-19 test.