

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Economic Development and Rural Affairs
Date:	2 July 2010
Title:	Whitehill and Bordon (Orca Group) - Smarter Working Centre
Reference:	1811
Report From:	Director of Economic Development

Contact name: Tony Corbin

Tel: 01962 846381

Email: Tony.corbin@hants.gov.uk

1. Executive Summary

1.1. The purpose of this report is to set out the grant application received from the following prospective Smarter Working Centre operator:

- Orca Group Limited (J&J Brice Partnership) (Amount £9,000.)

1.2. This paper seeks formal approval of the grant application referred to above.

2. Contextual information

2.1. The Smarter Working Centre (SWC) network forms part of the County Council's £425,000 LABGI (Local Authority Business Growth Incentive) investment in 'Recession Response' initiatives approved by the Executive Member for Policy and Resources on 9 April 2009.

2.2. The SWC network will be independently operated as a local agency supported business hub (eg Business Link/Job Centre Plus) offering low-cost, bookable by the hour, internet-connected 'pay-as-you-go' professional work, meeting and training space for businesses of all sizes. A purpose-designed website will offer real-time booking, a secure payment facility and take-up reports.

2.3. The economic prosperity aim is that start-up businesses, existing home-based businesses, entrepreneurs and commuters will each consider use of a SWC. The availability of such centres is expected to encourage business start-ups, contribute to a reduction in micro-business failure rates and at the same time help reduce peak-time commuting and business travel.

- 2.4. The programme is being delivered by the eHampshire Partnership with the operational budget administered by the Economic Development Office.
- 2.5. The application forming part of this decision report has been assessed and achieved the minimum grant-criteria score (see Section 4, below, for applicant scores).

3. Finance

- 3.1. LABGI funding of £100,000 was approved and allocated to the SWC initiative by the Executive Member for Policy and Resources on 9 April 2009.
- 3.2. The overall allocated budget above includes a provision for the website development (£8,000) and a further small sum (£2,000) set-aside for related marketing and PR activities. A £90,000 match-funding amount has been provided to contribute to operator set-up and year one core operational activities.
- 3.3. A maximum match-fund amount of £9,000 can be applied for and allocated per applicant - £4,500 for set up costs/£4,500 for year one operational support. The latter is claimable in month six and twelve against evidenced and agreed spend. The grant application received and included in this Decision Report meets the main grant criteria and also complies with the grant limits.
- 3.4. Approval of the application will leave an unallocated amount of £16,612.22 in the SWC LABGI match-fund scheme.

4. Performance

- 4.1. The applicant below has submitted an expression of interest and has subsequently – with guidance – completed the full SWC Grant Application. The detailed application – which contains such as reference statements, the required quotes/estimates from prospective suppliers of set-up equipment, etc – has been reviewed and assessed by (i) Chair of the eHampshire Partnership and (ii) the Economic Development Office Business Development Manager. A summary of the application follows.

Whitehill and Bordon SWC – Criteria Score 28

- 4.2. The application is from J&J Brice Partnership (part of the Orca Group), a privately financed local organisation with property, retail and construction interests in East Hampshire.
- 4.3. The Centre will be situated in the new 'Hardy Mews' development on Bordon High Street. This new, still under construction mostly retail facility is on the site of a former dairy owned by the Orca Group. Whitehill and Bordon (the latter an army town) has a population of around 15,000 people. In excess of 50% of the working population commute out of the area to work. The area

also has a high concentration of micro-SME businesses plus a specific ongoing need to support business start-ups partly fuelled by individuals returning to civilian life after serving time in the army. The Orca Group is well known in the community and the applicant was a founder member of the local East Hampshire District Council, Town Council and Town Partnership supported 'Business Breakthrough initiative'. This networking group was established as part of town's Action Plan to encourage more collaborative working for small, independent local businesses.

- 4.4. The proposed first floor SWC facilities include use, subject to availability, of four shared SWC workspaces. Two of these work desks will be equipped with internet ready PCs according to SWC Initiative recommendations. A third PC will be located on the ground floor allowing disabled access to SWC work space facilities. More private office space as well as member access to printing, copying, and a meeting/training room area are also included within the Orca application. A small café on the site will provide refreshments and catering for SWC members, visitors and event delegates
- 4.5. The set-up will include investment in business level broadband (BT) and wireless connectivity to ensure fast reliable internet access for SWC users. Meet and greet services will be provided by J&J Brice with back-up from Hardy Mews café staff who will be trained in the operation of the SWC website booking and payments system. A statement of support has been received from the local authority with two further excellent character references from a local business, Coomers, and the ward Councillor (East Hampshire District Council Councillor Dowdle).
- 4.6. As mentioned, the location is close to the centre of Bordon and adjacent to East Hampshire District Council managed car-parks. The area set aside for the SWC will ensure a very modern and business-like working environment with excellent amenities which should lead to an excellent customer experience for SWC members. The plan is for the centre to be open by the end of December 2010 (subject to a possible change of use planning consent being needed from East Hampshire District Council that will be applied for in September).

5. Other key issues

- 5.1. Each of the grant applications put forward and approved for funding from the SWC LABGI funds will be administered and delivered by the proposing party, in this case the Orca Group.
- 5.2. The County Council Economic Development Office will monitor the delivery of these projects by means of regular progress reports from the project administrator (every six months from the commencement date). After 12 months' operation, each SWC operator will be formally reviewed against the agreed set of operational criteria. If successful, the Centre will retain its 'accredited' status for a further period of 12 months. A fee of £150 will be levied to cover administration costs.

6. Risks

- 6.1. **Risk One** – SWC Operator (Orca) goes out of business – the grant scheme requires the applicant to provide cash-flow information, provide two references and obtain a letter of endorsement from the Local (District) Authority. Orca Group also own the Building freehold and summary accounting information for the group's operating company indicate a generally positive trading position.
- 6.2. **Risk Two** – Take-up is not achieved at the required (sustainable) level – the requirement for match-funding, designed in local agency partnering plus regular review and the proposed annual accreditation should help minimise this possibility.
- 6.3. **Risk Three** – Quality/Service Levels are not maintained – As an established and respected local business it is unlikely that there will be issues. SWC process on-going monitoring, user feedback and annual accreditation reducing the risk still further . The website booking system also captures usage and member data and will be used as the basis for selective quality checks.

7. Future direction

- 7.1. The aim is that after financial support as part of the grant award in year one, each SWC operation achieves a sustainable operating position during year two of operation.

8. Recommendation

- 8.1. That the grant application requesting funding from the Smarter Working Centre Recession-Response Initiative scheme be formally approved: for the Orca Group Limited (J&J Brice Partnership) £9,000.
(Funding is approved subject to a requirement that the involvement of Hampshire County Council is acknowledged by the applicant in all publicity.)

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:

It provides an opportunity for improved wellbeing and through reduced travel a positive contribution to 'quality of place'. Allocation of funds under a Grants Scheme also require a formally approved clear set of criteria.

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Document Location Grant Application Criteria & Score Sheet	I:\Chief Executives\Economic Development\Tony C\Smarter Working Centres
Individual Grant Application Forms (NB mostly completed 'off-line') and including supplier cost estimates, etc as evidence to substantiate the grant amount applied for.	Available for inspection on request at Hampshire County Council, Economic Development Office (Room 322) The Castle, Winchester S023 8UJ

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. An SWC EIA has been completed and was reviewed on 11 September by the Departmental EIA representative for completeness.

2. Impact on Crime and Disorder:

- 2.1. Not directly – though may possibly make a small contribution by way of providing a local hub for those in and seeking work opportunities.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

When established, the SWC Network will provide additional opportunities to work and meet close to where individuals choose to live.

The initiative encourages more sustainable working practices and should reduce peak-time commuting and to a lesser extent business travel (together accounting for 38% of transport initiated CO₂ emissions). With the centres being established in existing buildings, this provides limited opportunity to influence building energy-efficiency. However, SWC IT guidelines do suggest low-energy 'green' IT solutions.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Not Applicable.