

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Economic Development and Rural Affairs
Date:	2 July 2010
Title:	Eastleigh Borough Council - Smarter Working Centre
Reference:	1810
Report From:	Director of Economic Development

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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:

- Eastleigh Borough Council (Amount £8,410).

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 £25,612.22 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.

Eastleigh SWC – Criteria Score 29

- 4.2. The application is from Eastleigh Borough Council operators of the Wessex House Business Centre in the centre of Eastleigh where the SWC will be based.
- 4.3. The Centre was established back in the early 1990s and today has in excess of 50 tenants as well as ‘virtual clients’, prospects for the SWC, who currently take advantage of such as call minding and postal services offered by the centre. The expansion of the current ‘managed-office service’ portfolio to incorporate a SWC suite should be easily achieved by the centre management team and staff who are already experienced in managing standard managed office unit rental type business.

- 4.4. There are two mainline railway stations nearby, Eastleigh and Southampton Airport Parkway, both of which give frequent train services to London Waterloo. There is also nearby (Eastleigh Borough Council) chargeable parking.
- 4.5. The plan for the Eastleigh centre provides for booked use, subject to availability, of up to four SWC workspaces, two of which will be equipped with PCs. More private office accommodation as well as member access to meeting/training, event communal space will also be available to SWC Members using the Eastleigh facility. Optional services include call minding, courier services as well as secretarial support. Excellent references have been received from the Chair of Enterprise First and from Wessex House tenants Finblade Limited. The latter – a ten employee software house - has operated from Wessex House for over ten years using the terms 'incredibly helpful and flexible'. Well founded cost estimates for set-up and cash flow projections are attached to the application.
- 4.6. New investment is being made in business level broadband and wireless connectivity to ensure fast reliable internet access for SWC users. Meet and greet services will be provided by experienced reception staff who will subsequently be trained in the operation of the SWC website booking and payments system.
- 4.7. As mentioned, the location is close to the centre of Eastleigh and adjacent to an Eastleigh Borough Council-managed car park. The area set aside for the SWC will ensure a pleasant and business-like working environment with modern amenities, which, supported by experienced local staff, should lead to an excellent customer-experience for SWC members. The plan is for the centre to be open by the end of September 2010.

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 Eastleigh Borough Council.
- 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** –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. Wessex House is an experienced serviced-office operator and

will call upon this expertise and its business network to locally promote the SWC facility.

- 6.2. **Risk Two** –Quality/Service Levels are not maintained – As an established and respected Business Centre it is unlikely that there will be issues with on-going monitoring 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 Eastleigh Borough Council £8,410.

(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>
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.