

REPORT OF **Economic Development Officer**

To: **Full Council**

Subject: **Bideford Town Hall Work Hub**

Date: **27th August, 2019**

Reference:

PURPOSE OF REPORT:

To change the recommendation for the proposed Bideford Town Hall work hub and to cease investigations for the site.

1. INTRODUCTION

In July 2018 the Torridge District Council (TDC) Economic Development team was approached by Devon County Council to apply for funding through the Devon Work Hubs programme in order to provide a hot-desking facility in Torridge. Co-ordination with the Property team lead to the abandoned reception rooms in Bideford Town Hall being proposed as an “easy win”, bringing renewed life back in to the neglected spaces and ensuring that TDC was able to increase its offer to the local business community without significantly increasing its own costs.

After a rigorous application process TDC was awarded £10,160 from the Devon Work Hubs fund as 50% match-funding for capital works on the hub. Follow-up discussion lead to this offer being increased to £17,867.50 in light of increased costs stemming from a need to improve ventilation to the rooms.

However, the complications of working within a Listed Building and the issue of construction industry price inflation has ensured that what was originally a simple project which could be funded from economic development reserves, and which would allow for a fast and uncomplicated turn around on the project, is no longer the case. Nonetheless, the strategic potential for the hub in terms of provision of employment space, providing access to currently “invisible” businesses, supporting the activity of North Devon Plus and potentially creating a revenue stream all ensure that the project remains an important source for investment.

Full Council voted unanimously to support the scheme with £45,000 on 8th April, 2019. This generated renewed investigations by both the Estates and Economic Development teams in terms of how to best deliver the project and create impact for the business community of Torrridge.

2. REPORT

Rationale

Hot desking can alleviate potential isolation whilst building a community of entrepreneurs and innovators who can provide a mutually supportive business community. It can reduce commuting time and provide higher quality, more professional working spaces, including for meeting clients.

The Bideford Work Hub, proposed for within the Town Hall building in Bideford aims to provide flexible and affordable working space for local businesses. It would also create a vibrant hub for networking opportunities. The hub will be only the third in the northern Devon area and the first in Torrridge, including far more hot-desking space than either of the other two available (Barnstaple and Braunton). These 2 both offer conventional office spaces, although are not part of larger networks which offer alternative office spaces, as TDC has at Caddsdow. As such, it will create a genuine option for home-workers (19.8% of working population at the last census in 2011), easing issues of isolation and stimulating dynamism through the sharing of ideas and the mutual exploration of possibilities.

The Bideford Work Hub will also offer an exciting prospect to school-leavers and graduates with an entrepreneurial spirit, providing the facilities they need rather than forcing them to leave the area. The hub will also provide a clear statement that the town, and area, are open to business. Furthermore it will provide an invaluable offer for holidaymakers in need of getting a few hours of work done as well as demonstrating to those visitors the potential working options available to them if they were contemplating relocating to Torrridge.

The Bideford Work Hub also goes far beyond the physical provision of space, though. It will provide a central networking hub for the area. Conversations can take place at desks or at the coffee machine, breaking patterns of isolation and stimulating future business opportunities and growth. Furthermore, the Work Hub will be used to provide a range of wider community business networking events, such as breakfasts, high-quality speakers, drinks events and also charity events to bring together the hub users into a positive community. The space, and meeting room, will also allow training providers to run more events in Bideford. The LEP's Growth Hub is keen to run a programme from Bideford where it does not conflict with the offer of North Devon+. Currently many

of these events are inaccessible as they are held in venues over an hour away, including Exeter, Bridgewater and Ilminster.

The hot-desking spaces will also be available for use by TDC staff. This will, for example, allow the economic development team to interact more fluidly with local businesses or planning to utilise desks when there are none available within Riverside as they switch to increased hot-desking. The meeting room will also be bookable as a high-quality, private meeting room for TDC at no cost.

Business service offer

The Bideford Work Hub would provide a flexible working space for a wide range of workers.

Group	Why would a work hub be an attractive offer?
Start-up founders	For many start up founders, including recent graduates looking to take their first steps into developing a business idea, a Work Hub provides the perfect opportunity to keep costs to a minimum whilst also having access to like-minded hub users who can provide a sounding board for their plans.
Workers who currently work from home	Working from home can be an isolating experience. Many people lack the self-discipline and can struggle for motivation, no matter how exciting the potential project or task they are working on. The Bideford Work Hub will provide increased socialising opportunities as well as the potential to network with like-minded hub users. The conversations stimulated can provide invaluable opportunities in the moment and long-term to create a more vibrant business community in the town and district.
Workers looking for flexible working space to avoid a longer daily commute	Torrige is a net exporter of workers. In many cases those workers commute to Tiverton, Exeter, Plymouth on a daily basis. According to the <i>Powwownow Flexible working 2017 study</i> “70% of workers feel that offering flexible working makes a job more attractive to them” and that “30% of people would choose flexible working over a pay rise if they could choose only one”. The Bideford Work Hub would provide the perfect location for those workers wanting to avoid being in the office every day and thus saving themselves hours of unwanted commute.
Apprentices / workers at a small business	In many cases businesses lack desk space. Where they are taking on additional members of staff, including apprentices, who

	will need occasional access to a desk but where that is not a frequent or high priority element which would necessitate expansion into a bigger premise, a hot desk provides a perfect ad hoc solution.
Holiday makers	Deadlines and urgent messages do not disappear even when visiting the beautiful Torridge district on holiday. In 2016 247,500 visitor trips were made to Torridge, providing a huge potential market for the Work Hub. The hub will provide flexible plans to allow tourists to have easy access to a high-quality work space to get a few hours of work done away from family distractions.
Existing local businesses	The meeting room will provide high-quality, attractive and modern facilities in the heart of the town. If a small business needs to host more than one meeting at a time, or if a larger scale is needed than they can easily provide, this facility will be available to resolve the potential issue.

Management of the hub

The site will be run remotely in order to create a supportive yet hands-off atmosphere. Users will be able to register online through a specialist hub website (which will be linked to by the Torridge District Council website and also the North Devon+ website). Door locks on the outside Town Hall door and on the 2 doors into the hub space will be activated by smart phones. Users will tap their smart phone against a pad by the key code lock, and they will only be granted access if they have a booking at that time on the management company's app. Users will be able to book a desk via an online booking system, allowing flexibility of use and will be able to gain access between 7.00am and 7.00pm. Clear Terms and Conditions will also be used in order to support appropriate and considerate use in order to create a positive environment for all users.

The management of the hub has become a concern following conversations with other hubs, in particular the Barnstaple Work Hub, who visited our proposed site to provide advice.

Potential issues;

- No on-site presence to ensure a constantly harmonious working environment. For example, if music is played overly loudly (even through headphones) or, as has happened in

Barnstaple, a user snores or creates an anti-social environment through poor personal hygiene.

- Lack of on-site manager to act as an introducer for potential project opportunities and drive a positive, collaborative atmosphere.
- Genuine risks that the Economic Development team will end up losing a lot of productive time dealing with low-level issues rather than supporting business development.
- Ongoing concerns that without anyone on-site users will move freely around the rest of the Town Hall, potentially creating a nuisance for other users and risking damage being caused.

Market appraisal

The “Potential for the delivery of work hubs in six Devon market and coastal towns” report stated that the demographic banding anticipated to generate most work hub customers ranged from 16 – 44. Within the 15-44 band Torrridge has a population of 19,100, 28% of the total population. Yet at the younger stages of this demographic there has traditionally been a huge issue in retaining the brightest and most dynamic school leavers and university graduates within the area. A lack of infrastructure to support them to develop their ideas and a lack of suitably dynamic opportunities has created an acceptance of the need to relocate to larger urban centres. This has, in turn, significantly affected the calibre of work force available to employers and limited the number of creative start-ups. 91% of pre-start up businesses suggested to the 2011 study that they would either definitely use a work hub or would be fairly likely to do so. As such, the Work Hub at the heart of Bideford could provide an incredible incentive to persuade this key demographic to stay within Torrridge- a priority for both Torrridge District Council and the skills development team at Devon County Council.

Market demand has been assessed in a variety of ways:

- Through a review of the socio-economic characteristics of the area which has revealed a high number of very small businesses in the area, high levels of homeworking and of commuting outside of the area for work, which are all target markets for the Work Hub.
- By engaging with local business organisations and key stakeholders. The local Chamber of Commerce, Federation of Small Businesses and also the Women in Biz Bideford network who have all responded enthusiastically to the offer of increased support for local businesses and at the concept of a central location which could unite the business community, as well as being able to provide a networking hub.
- Through discussions with commercial property agents and business advisers, who confirmed that one of the main issues facing start-ups and entrepreneurs in the area who

approach them is the lack of flexible and low-cost work space provision which can allow them to keep costs low and be responsive, rather than being tied down to a longer-term commitment.

- Through an online survey shared across a range of platforms, including on the Torridge District Council website consultation page.

Key quotes from the survey:

“There needs to be more 'stepping stone' opportunities, for people to support and innovate new ideas for supporting themselves, and to be able to think for themselves, there seem to be many gaps in the system at present, so it would be a great help to set up hubs where people can get access to real help, which moves them forward.” Sophie, self-employed.

“Fully support the concept of work hubs and implementation whenever possible. One point - start ups by their nature are cash flow poor so they would need to have access to resources at a reasonable cost.” David Scott, Chair of Bideford Bay FSB.

“I have recently come back from London after working there for three years after my graduation and I really want to bring back more young adults to Devon who are young professionals. At the moment it seems like Bideford does not have the facilities to support people of my age to become successful business owners in places where they grew up to help our community thrive.” Harry, web designer.

“Currently drive to Barnstaple from Hartland for hot desk space in school vacations this would cut my journey considerably.” Anonymous, self-employed.

“I love this idea for Bideford. The town desperately needs communal Hub for the community to gather, network and learn together. I was really shocked when I moved here that there is no public communal space to rent for public meetings - running workshops - communal social events. Having come from a town where this was a normal provision and built amazing collaborations and community bonding I know how beneficial such spaces can be from real experience. I really hope that the council will back such a space as Bideford would greatly benefit from it for sure.” Daisy, self-employed and founder of Women in Biz Bideford network.

“A work hub is something that's really needed for businesses in the southwest. The biggest problem being that it is very hard to meet with other entrepreneurs due to the lack of networking events available/closed loop business networks. A work hub would be able to facilitate this and allow a small group of individuals to work closely together and talk (which is really important). At the

moment it feels that young businessmen have no peers to bounce off each other in Bideford which I believe is why we have a lack of young entrepreneurs.” Imaginary Space (2-4 employees).

Follow-up from Full Council awarding funding;

- Very positive community reaction to the proposal, with one Facebook post about the hub reaching 1608 readers and receiving 141 engagements and another achieving a reach of 1749 with 467 engagements.
- However, only 2 potential users came forward to attend an input session at the hub to receive feedback on how they would want the hub to function.

Hot desks

The concept of hot-desk working is unfamiliar in Torridge and so building awareness of the opportunity will form a significant part of our initial efforts, working with local media sources and by launching an extensive marketing campaign to build awareness of how it can benefit both workers and businesses.

However, a crucial aspect of the delivery of the work hub is ensuring quality. Genuine concerns have developed about how high quality the rooms which have been assigned to the project can be made.

- Little natural movement flow within the space risks people feeling like they are tripping over each other / in a claustrophobic environment.
- Ventilation costs have continued to rise. There are also concerns over a potential noise impact of this ventilation which would create a nuisance and less productive working environment.
- Lack of communal break-out room will limit the attractiveness of the site and ensure that conversation can only take place in the main working space. Although this can be beneficial, creating links between businesses, if there is not a space for those links to be developed within the hub then it can create a potentially disruptive environment if it extends over a longer period of time.

Proposed works

The initial proposals at the time of seeking the grant were very much focused on refreshing the spaces in a quick and easy turnaround. Closer inspection by the Property and maintenance team identified long-term gains which could be achieved for the building through increasing ventilation

into the room (which will also improving working conditions for users), upgrading electrics and lighting and dealing with some of the outdated ducting which clutters the hallway in the Town Hall.

- Appendix A- illustrates the physical works which are proposed, including removal of partition walls and an overview of ventilation works.
- Appendix B- detailed ventilation designs provided for Building Regs.
- Appendix C- Building Regs related matters
- Appendix D- overview of Town Hall floor plan, including Work Hub area shaded

However, additional investigations have also raised the following concerns;

- The state of the electrical infrastructure is in potentially worse condition than previously expected by the Property team, which would require significant overhaul, and could come with additional, unforeseen, issues. This would add to the need for an overhaul of all light switches and even to create a light switch in one of the rooms (which is currently controlled from a different room).
- Ventilation solutions are not guaranteed to be fully effective and there are worries that the rooms might still feel stuffy and overly-warm.
- There is a risk of the ventilation system providing a negative noise impact.
- Both the Barnstaple Work Hub managers and TDC's own Digital Creative apprentice raised concerns over the proposed lighting for the hub. Both parties suggested significant upgrades of the lighting provision, which would come with an additional benefit but also cost.
- The Property team have concerns over the quality of provision from the preferred lock installers. Part of the rationale for the project was that it would need to be delivered without an on-site manager due to a lack of potential financial returns. However, that would necessitate an access system with locks which integrated with an online booking system. Poor customer service from the business who will provide the locks has created a concern about how potential issues might be addressed.

Increased costs

Aspect	Original estimated cost (1.2.19)	Updated estimated cost (1.8.19)	Increase
Tender for works	£44,618.94	£49,157.06	£4538.12
Locking system	£3,359.31	£4,077.91	£718.64

			£5256.76
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However, in light of the Electrical Installation Condition Report conducted by Ashton's Electricals on 18.6.19 it is possible that additional electrical costs may well be generated when works begin due to the poor state of the wiring.

Given continually increasing costs with no additional benefits there are genuine concerns that this space will no longer be the right location to invest in as a work hub and that an alternative site should be sought.

Opportunities raised by the Employment Space Analysis for Torrington

- "...the very smallest office spaces available for circa 2 desks are popular in the local market" (page 1).
- Indications are that where quality office space is supplied there is a positive uptake.
- "In our opinion, this analysis has underestimated the demand for office space based on the anecdotal market evidence. This is in part explained by some larger office suites available which aren't relevant to the demand." (page 21)
- Where there is small office provision in town centres within Torridge it is of low-quality.
- Bideford remains the main hub for small office demand.

Conclusion:

- Ideally any work hub development should include a handful of small, 2 person offices in order to provide the financial returns needed to support an on-site manager. This would compliment the offer from Caddsdow Business Support Centre.

SWOT analysis for the Bideford Town Hall work hub site- August, 2019

Ongoing investigations and market research have raised a series of concerns over the potential for the work hub within the Town Hall.

- How future-proofed will this small space be?
- Are there reputational risks to TDC of delivering a work hub if costs continue to rise and the site is not delivered to the highest possible quality?
- Are there issues given the lack of on-site manager?
- How will ongoing management of the hub space and users be achieved without reducing the productivity of the Economic Development team?
- Could the work hub proposal be better suited to other sites which could solve larger issues and address more significant problems?

<p>Strengths</p> <ul style="list-style-type: none"> • Much-needed provision of small-business support • Opportunity to bring micro businesses out from their home-working environments • Demonstrates TDC's desire to engage • Deliverable in the reasonably near future • Strengthening ties with Devon County Council 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Poky / no natural movement or air flow within the spaces • Limited number of desks so limited opportunity for impact / community development • Ongoing ventilation concerns- both in terms of air quality and unknown noise levels from the system. • No communal space creating less opportunities for interaction and networking within the hub space • No one on the ground to manage the space so loss of driving force for the hub / atmosphere
<p>Opportunities</p> <ul style="list-style-type: none"> • Investment in fabric of Town Hall • Facilitates networking opportunities and would aid Bideford Bay Chamber of Commerce's desired mentoring programme 	<p>Threats</p> <ul style="list-style-type: none"> • Risk of lack of uptake from future users. • Risks of inappropriate use spilling over to Town Hall, creating physical and reputational damage. • Potential time drain for CF / MF dealing with niggling concerns (an issue repeatedly faced by the work hub in Barnstaple) • No way of easily "managing" users, especially in case of inappropriate usage given the lack of returns to justify an on-site manager • Potential cost increase as works develop (leading to loss of income) • Reputational damage of poor end offer (to TDC + Economic Development team)

3. IMPLICATIONS

Legal Implications

GDPR regulations will apply in terms of the holding of users' contact details and ensuring that they have agreed for their e-mail addresses to be used for the purpose of sharing information about events and opportunities.

Financial Implications

The hub will require initial investment from Torridge District Council in order to renovate the Town Hall rooms and create a space which is fit for purpose. The initial stages of opening will have limited uptake as the user community grows, and so there is a likelihood that there will be a need for initial revenue input to cover expenses such as cleaning costs and tea / coffee provision.

Ultimately the goal should be for the hub to cover its own costs and allow reinvestment in the facility and the community within. However, that will only be the case if a significant number of users are enticed in to the hub. That will depend on the delivery of a high-quality hub space and also the development of an active network of events and mentoring around the physical offer.

The hub will be operated through an external booking system which will also process payment. This will reduce officer time within both the Economic Development and Finance teams but will lead to the loss of a small amount of income. This hands-off management could cause issues in the long-run if there are instances of inappropriate use, causing both reputational damage and time drains for the Economic Development team.

Human Resources Implications

The hub will require significant initial input from the Economic Development Officer and Economic Development Project Officer, as well as from the Property team to oversee works. The economic development team will need to be involved in the ongoing management of the hub and in the development of an events calendar, although this should also be supported by users and by business organisations such as the Bideford Bay Chamber of Commerce and Federation of Small Businesses.

The finance team will also be required for the processing of the hub's financial affairs, although payments will be directed through a management site which will reduce the impact on Torridge District Council staff.

Sustainability/Biodiversity Implications

N/A

Equality/Diversity

The Work Hub will be available to all to use. As part of the works improvements will be made to both Town Hall access and to these rooms.

Risk Management

All businesses and investments come with risk. However, the immediate gain is that Devon County Council will invest in the wellbeing of the Town Hall, ensuring that degradation of the spaces is reversed and does not worsen. Opening the hub will have a positive impact on the appearance of TDC and its level of support and provision to the community. However, this perspective will be reversed if the space does not provide value for money or a high quality provision. It was this risk of not being able to maximise the impact of TDC's investment that was the final factor which influenced seeking additional funds from the Communities and Resources committee in order to do the best possible job in creating the space. There are also reputational risks to TDC if the hub is mis-used.

A full risk assessment was submitted as part of the funding application.

Compliance with Policies and Strategies

Locally, this project makes strong strategic sense:

- It meets the goals within Priority 1 (Place) of the *Northern Devon Economic Strategy, 2014–2020* to provide strategic employment sites, to provide skills support infrastructure and bring investment into town centres.

- It furthers Priority 2 (People) of the *Northern Devon Economic Strategy, 2014 – 2020* by promoting a spirit of enterprise, supporting entrepreneurs and providing information and links to additional opportunities, including to recruiting apprentices.
- It enhances accessibility for business support provision to our invisible business community and supports growth, key threads of Priority 3 (Business & Enterprise) of the *Northern Devon Economic Strategy, 2014 – 2020*.
- It benefits the *Bideford Coastal Communities Team's Economic Plan 2018 – 2025* by addressing 3 of the 4 key objectives- supporting the development of Marketing and Events (which includes the development of “more business opportunity and employment”), Public Realm (“enhanced facilities... for visitors, businesses and residents within the town centre”) and Town Management (“Discernible momentum created within the regeneration of the town through strong leadership, drive and communication”).
- It supports the *Heart of the South West Strategic Economic Plan 2014-2030* (HOTSW LEP) by helping to create the conditions for growth through new enterprise infrastructure and by making it easier to start-up and grow a business.
- It supports the *Heart of the South West Productivity Strategy 2018, Stepping Up to the Challenge*, by creating new high quality environment and infrastructure to enable businesses to start up and grow, and by increasing access to start-up business advice.
- It supports the Devon County Council *Strategy for Growth 2013-2020* and the *Northern Devon Economic Strategy 2014-2020* by creating flexible infrastructure for businesses and increasing access to the Rural Work Hub Network.
- It responds to the *SW Rural Productivity Commission – Key findings and recommendations 2017* by investing in a Work Hub with improved digital connectivity with opportunities for creating ‘*agglomeration effects and economies of scale*’ to help rebalance the economy.
- It supports significant growth projections for new homes and employment within the *North Devon & Torridge Local Plan 2011-2031 Publication Draft June 2014* by supporting new business start-ups in the area.
- It complements and does not duplicate current workspace provision in the area, particularly at Caddsdwn in Bideford, addressing a gap in support and infrastructure for pre-start and home-working micro-businesses. By linking to the workspace proposition at Caddsdwn, the Work Hub will be able to offer future grow-on space as well as pre-start and start-up facilities.

Data Protection (GDPR) Implications

Permission will need to be sought from all applicants for their business and contact details to be stored for 2 years in order to facilitate monitoring and ongoing contact, as well as to use their details to raise awareness of networking and training events.

Lead Member Views

“Torridge is a district with small business at its heart and that must never be forgotten. We must also encourage the creation of new businesses and support them to grow, through premises, advice and providing the best possible environment for them to develop. The Bideford Work Hub is an essential step to connect more to many of our invisible businesses, connect them to each other and provide additional opportunities and employment”. Councillor Bob Hicks, Lead Member for the Economy.

Date of Consultation- 26.3.19

4. CONCLUSIONS

The Bideford Work Hub has the potential to be beneficial to the micro business scene within Torridge through the provision of cheap, flexible working space. Yet beyond those micro businesses who will look to utilise the space itself on a day to day basis, the hub can provide an in-town venue for events, networking and to dynamise the local business community. It also provides a clear indication of Torridge District Council’s desire to support businesses, providing a significant psychological statement of intent.

However, it has become apparent that the Town Hall rooms are not the correct, long-term site for the Work Hub. The provision will be adequate but not necessarily of the highest quality. There are a number of points which create significant concerns of reputational damage and that the finances would not be well spent.

The concept of a work hub in Bideford is still one with significant potential benefits to the business community of Torridge. Additional investigations should be conducted to find a site which has the potential to generate sufficient returns to warrant an on-site manager who would be able to effectively deal with issues and also inter-connect businesses in order to increase the impact of the hub.

5. RECOMMENDATIONS

- That the Work Hub in Bideford Town Hall is not delivered.
- Additional investigations be conducted to identify an alternative site with the potential for an on-site manager.

SUPPORTING INFORMATION

Consultations:	Date of Consultation – 27.3.19 Officers Consulted – Head of Paid Service, Strategic Manager (Resources), Legal Services Manager, Planning and Economy Manager
Contact Officer:	Economic Development Officer