

Report for: Economy PDG

Date of Meeting: 7 March 2024

Subject: Flexible Workspace Provision Update

Cabinet Member: Cllr Steve Keable, Planning & Regeneration

Responsible Officer: Richard Marsh, Director of Place

Exempt: N/A

Wards Affected: All wards

Enclosures: N/A

Section 1 – Summary and Recommendation(s)

To update members on the viability study for the provision of flexible workspace in Tiverton town centre.

Recommendation(s):

That members note the contents of the report.

Section 2 – Report

1.0 Background Summary

1.1 Technology, transport costs and cuts and the impact of COVID has changed the way people work. Since the pandemic, the traditional office space, hours of work and commuting has changed drastically, with more people hybrid working and keeping their business running from home. It is evident that this change in pattern and approach to work is the new normal. This new ‘working from home’ model provides businesses with more freedom, greater choice and potentially greater benefits for the environment, economic performance and communities.

- 1.2 This new model offers drawbacks though. In addition to economic impacts with fewer workers coming into our town centres, home-workers themselves suffer disadvantages such as:
- difficulty separating home and work life
 - the initial expense of setting up a business at home or lack of space/resources to accommodate specialist equipment
 - domestic distractions and interruptions
 - impact on wellbeing due to isolation/loneliness
- 1.3 Micro businesses are looking for the benefit of flexible workspace, offering the ability to access equipment, network, or simply adapt their business from the kitchen table to an 'office space' whenever it suits them. According to NOMIS (National Online Manpower Information System (Office for National Statistics; UK)), in 2023, Mid Devon's economy comprised of 4,070 micro-businesses.
- 1.4 As part of our Economy Strategy and Shared Prosperity Fund (SPF) Delivery Plan, the Economic Development Team is looking to support proposals to bring forward or expand flexible workspace (Work Hubs) in rural locations and town centres in Mid Devon. In addition to the Work Hub Development Grant, funded through the SPF, the team commissioned Work Box CIC to undertake a study looking at work hub provision across the District and opportunities for a town centre facility with specific focus on the potential use of the former Market Centre site as a social work hub.

2.0 Work Hubs

- 2.1 A work hub is a flexible workspace offering an 'office when needed' service for modern micro businesses and mobile workers, including those who work from home. Shared facilities typically include bookable 'hot' desks, formal and informal meeting spaces, high speed secure broadband and costly or space-hungry professional equipment. Work hubs offer a professional front for a business; businesses can meet clients at a work hub, use its registered address, and have friendly, professional staff handle their phone calls and post.
- 2.2 Work hubs should not be confused with other types of workspace that also offer some form of flexible working/drop-in facilities. For example:
- **Community hubs.** These may have some drop-in working space but also host a range of community activities.
 - **Managed workspaces.** These are buildings dominated by traditional offices on tenancies, not open plan shared working areas.
 - **Innovation centres.** These offer various resources and services to entrepreneurs, start-ups, and established businesses in a collaborative environment where individuals or organisations can come together to exchange ideas, innovate, and develop their projects.

- **Incubation/learning centres.** These are focused on training people. Business Incubators provide start-ups and early-stage businesses with support and resources young companies find difficult to access. Their support might involve access to networks, investors and mentors, or co-working space alongside experienced professionals.
- **Cafés, libraries and hotels.** These are all places someone might use WiFi to work, or hold a meeting, but they usually don't offer a space only work hub members can use.

2.3 Across the District, the following locations offer a form of hub-style flexible workspace:

| Location | Hub Name | Type | Key Features |
|------------------|-----------------------|----------------------------|---|
| Crediton | The Bookery | Work Hub | <ul style="list-style-type: none"> • Bookable 'hot' desks • Bookable meeting room |
| Crediton | The White Room | Managed Workspace | <ul style="list-style-type: none"> • Rentable offices • Bookable exhibition space |
| Crediton | Elephant on the Green | Community Hub | <ul style="list-style-type: none"> • Bookable office space • Rentable kitchen and dining room for pop-up events |
| Cullompton | The Hayridge | Library | <ul style="list-style-type: none"> • Bookable meeting rooms |
| Cullompton | Coach House Arts | Community Hub | <ul style="list-style-type: none"> • Bookable workshop (artist) space |
| Cullompton | The Nook | Work Hub | <ul style="list-style-type: none"> • Bookable 'hot' desks • Bookable meeting rooms • Rentable offices |
| Morchurch Bishop | Memorial Hall | Work Hub | <ul style="list-style-type: none"> • Bookable 'hot' desks |
| Tiverton | COTIE @ Petroc | Business Innovation Centre | <ul style="list-style-type: none"> • Conference facilities • Access to digital technology • Developing lab space |
| Tiverton | The Old Bakery | Managed Workspace | <ul style="list-style-type: none"> • Rentable offices |

2.4 In addition to the above, we are aware of two places that formerly offered co-workspaces in Tiverton in recent years. Centre Space was an arts-focused community hub using the same Market Centre building that is currently being considered for a new work hub. It closed during the pandemic. Oak Hub at the site of a former church closed after the building owners sold it at the end of the pandemic. A further former work hub used to operate in Hemyock (Blackdown Business Centre) but closed in 2022.

2.5 It is recognised that there are other forms of flexible or 'shared' workspace (such as bookable therapy rooms, community spaces including village, school or church halls, leisure facilities, town squares, markets, pay-to-trade Salon

Stations and Science Parks). Although these all offer benefits of flexible provision, they are not relevant for the purpose/focus of this study.

3.0 The 'Issue'

- 3.1 The perceived and actual lack of affordable and accessible employment space within the Mid Devon district, and specifically within Tiverton, is affecting business formation, growth and success. Furthermore, Tiverton sees a low level of new business formation and growth – limiting opportunities for residents to develop their own successful commercial enterprises and also limiting the levels of indigenous economic growth within the district.
- 3.2 This is affecting the economic success of the town and, unless addressed, will mean that the district continues to have a low business formation rate and increases the likely continuation of the low-wage economy which is currently prevalent within Mid Devon.
- 3.3 Alongside this, UK Government reports that although since the pandemic restrictions lifted, home-working has decreased from pandemic levels, they are still higher than pre-pandemic with statistics from September 2022 showing that around 1 in 5 (22%) of the British workforce worked at least one day from home in the previous week and around 1 in 8 (13%) worked from home exclusively. More employers are embracing hybrid working models and with the Great Western Railway line to London and Plymouth just out of town, there is an increasing opportunity for Mid Devon residents to access higher-waged remote employment. There is an opportunity to reconnect these employees with their local town through facilitated work hubs offering access to equipment not readily available in most home offices.

4.0 Vision

- 4.1 The Vision is to address this issue by proactively supporting the continued operation and formation of flexible workspaces within the district. It is hoped that these will encourage increased levels of business start-up and entrepreneurship within the district whilst also supporting businesses in terms of opportunities for collaboration and co-location.
- 4.2 It is expected that the workspace facilities will be focused within the principal market towns but that a 'hub and spoke' model will be established whereby smaller/occasional facilities will be established within more rural location – linked to the centres in the principal market towns in order to create a functioning network of workspaces throughout the district.
- 4.3 Whilst opportunities already exist within Cullompton and Crediton to support existing business/innovation centres, it is expected that a more interventionist approach may need to be taken in Tiverton owing to the lack of

existing/established facilities (noting that Petroc College is now proactively developing its own Innovation Centre facility on its education campus on the edge of Tiverton).

4.4 Aims and objectives of the overall district-wide workspace project/work:

4.4.1 To directly:

- Support business formation within Mid Devon.
- Support existing businesses within Mid Devon to continue to grow, collaborate and diversify in order to support their survival and continued success.
- Boost local entrepreneurship, collaboration and innovation – especially in key sectors
- Support the delivery of our SPF and Rural England Prosperity Funding (REPF) programmes
- Support the realisation of key objectives within the Economic Strategy, Local Plan and Corporate Strategy.
- Create a long term and sustainable business model for enterprise, innovation and business incubation within Mid Devon.

4.4.2 To indirectly:

- Support vibrancy and business activity within our existing town/commercial centres – i.e. bring in more businesses/people to town centres to support other businesses within the town (such as cafés), supporting their long term viability and survival rate and supporting our residents, businesses and the Council.

5.0 The Market Centre

- 5.1 As an MDDC-owned asset, the Market Centre offers a unique opportunity for potential investment as a work hub. Its location in the heart of the town centre with nearby amenities make it easy to access and ideally placed to encourage town centre vitality.



6.0 The Study

6.1 The team has commissioned Work Box CIC to undertake a viability study looking at opportunities for work hub provision across the District and the potential use of the former Market Centre site as a work hub. The study will identify gaps in our current provision, how different work hub offers could complement each other and operating models should we pursue a potential facility in Tiverton.

6.2 Micro-businesses and home-workers have been completing a survey to identify the demand for a work hub in Tiverton. We have received 60 responses so far and initial feedback has been positive, for example:

- *“I am keen to explore a shared working option and would love something like this in Tiverton. I expect I would use it one to two days a week, mostly to have interaction and be in an environment more conducive to being productive.”*
- *“I run a networking event in Exeter and would love to be able to be part of this coworking space and events in my home town.”*
- *“I would like a dedicated workspace that isn’t at home but close by”*
- *“I am looking for a working space that I can walk to on a daily basis (for exercise) and for a change of scene and interaction with others.”*

6.3 In addition to viability, the study is also looking at addressing specific needs and challenges relating to a potential Tiverton project:

- Operation model: how to operate a centre within Tiverton i.e; should it be Council-run (noting the risk associated with this), should it be run by an operator, will there be market interest and, if so, how would this operator be identified?

- Relationship with nearby hubs; how a new Work Hub in Tiverton town centre can complement the developing Innovation Centre at Petroc? The ambition would be to have a productive and collaborative working relationship between these two centres such that opportunities were developed for networking opportunities and to encourage the 'grow on' from the Market Centre to the Petroc centre – effectively allowing a business escalator arrangement within Tiverton.
- Use: how can the Market Centre become a focal point for business support activities and enterprise within the town and encourage links with the market (e.g. creative enterprises) and other town centre businesses?
- Features: what infrastructure and physical features does a new hub need to provide? How can it support active travel and other environmental benefits? How can SPF and REPF be used to support this?

6.4 A detailed report is expected to be completed by the end of February 2024. Alongside this, we will verbally present key findings from the study to the PDG.

Financial Implications

The report is an information report and does not of itself have any financial implications and require any decisions. The report is however providing members with information which is pertinent to the utilisation of SPF and REPF monies.

It is hoped that the report demonstrates that the Economy and Growth team is achieving in line with expectations in terms of the successful utilisation of SPF/REPF monies and other financial resources.

Legal Implications

There are no legal implications arising from this information report.

We have double checked and there are no covenants in the deeds regarding the Market Centre to restrict its use. It is understood, however, that based on the previous usage of the building, the current Planning Use Class is F2 (Local Community Use), which if the proposal for a work hub proves viable, will require a Planning Application for Change of Use to E (Commercial, Business and Service – Eg(i) Office Use).

Risk Assessment

There are no further risks associated with the updates in this report that have not already been reported.

Impact on Climate Change

Any works undertaken to the Market Centre will consider environmental impact. Consultations include proposals for e-bike charging and the potential for solar panels (subject to Planning Permission).

Equalities Impact Assessment

Work hubs help address technological divides by allowing access to equipment and/or services that home-workers would not otherwise have.

Relationship to Corporate Plan

This project supports the corporate objectives for the economy:

- Bringing new businesses into the District
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector (in this case, business tourism)

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 27 Feb 2024

Statutory Officer: Maria DeLeiburne

Agreed on behalf of the Monitoring Officer

Date: 27 Feb 2024

Chief Officer: Richard Marsh

Agreed by Corporate Director

Date: 27 Feb 2024

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 27 Feb 2024

Cabinet member notified: yes

Section 4 - Contact Details and Background Papers

Contact: Zoë Lentell, Economic Development Team Leader

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Background papers: