

AGENDA

ECONOMIC AND COMMERCIAL DEVELOPMENT OVERVIEW & SCRUTINY COMMITTEE MEETING



Overview and Scrutiny

Date: Tuesday 25 February 2014
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors: Ash, Barned (Chairman), Cox, Cuming, Hogg, Naghi,
Newton, Paterson and Mrs Stockell

Page No.

- 1. The Committee to consider whether all items on the agenda should be webcast**
- 2. Apologies**
- 3. Notification of Substitute Members**
- 4. Notification of Visiting Members/Witnesses**
- 5. Disclosures by Members and Officers**
- 6. To consider whether any items should be taken in private because of the possible disclosure of exempt information**
- 7. Minutes of the Meeting held on 28th January 2014** **1 - 4**
- 8. Events Review - The Social** **5 - 11**
Interview with Luke Bendall, The Social Festival.
- 9. Events Review - Maidstone Area Arts Partnership** **12 - 13**
Interview with Ken Scott, Chair of Maidstone Area Arts Partnership.

Continued Over/:

Issued on 17 February 2014

Alison Broom

**Alison Broom, Chief Executive, Maidstone Borough Council,
Maidstone House, King Street, Maidstone Kent ME15 6JQ**

10. Enterprise Hub Update

14 - 24

Interview with Karen Franek, Principal Economic Development Officer.

11. Future Work Programme

25 - 32

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact Clare Wood on 01622 602491**. To find out more about the work of the Overview and Scrutiny Committees, please visit www.maidstone.gov.uk/osc

MAIDSTONE BOROUGH COUNCIL

Economic and Commercial Development Overview & Scrutiny Committee

MINUTES OF THE MEETING HELD ON TUESDAY 28 JANUARY 2014

Present: Councillor Paterson (Vice Chairman in the Chair),
and
Councillors Ash, Cox, Cuming, Hogg, Naghi and Paterson

Also Present: None

59. THE COMMITTEE TO CONSIDER WHETHER ALL ITEMS ON THE AGENDA SHOULD BE WEBCAST

RESOLVED: That all items should be webcast

60. APOLOGIES

It was noted that apologies were received from Councillors Barned and Newton. Councillor Hogg sent apologies for lateness.

61. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no substitute members.

62. NOTIFICATION OF VISITING MEMBERS/WITNESSES

There were no visiting members.

63. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures.

64. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION

RESOLVED: That all items on the agenda be taken in public as proposed.

65. MINUTES OF THE MEETING HELD ON 26TH NOVEMBER 2013

RESOLVED: That the minutes of the meeting of the 26th November 2013 be approved as a correct record and signed.

66. ECONOMIC & COMMERCIAL DEVELOPMENT IN MAIDSTONE

Dawn Hudd, Head of Economic and Commercial Development, was invited to speak on item 8:- Economic and Commercial Development in Maidstone.

Dawn Hudd informed the Committee that she was the newly appointed Head of Economic and Commercial Development and had been in post for two months. Dawn Hudd previously worked in a similar role at Canterbury City Council and was there for eight years.

Dawn Hudd's first impressions of Maidstone was that she was very impressed with the assets that Maidstone possessed, including:

- Its parks and open spaces;
- The Museum- including the recent renovation and extension;
- Investment in the public realm in the High Street; and
- Its strong retail offer.

Dawn Hudd informed the Committee that her initial priorities were:

- Filling vacant posts;
- 'Sweating the assets' in order to repay the investments that have already been made; and
- Prioritising projects to balance 'quick wins' with more medium and long term projects and investments.

Dawn Hudd had already filled two vacant posts. These were:

- Maidstone Cultural Services Manager- who would be responsible for managing the museum, the contract for the theatre and will be responsible for cultural events in the borough; and
- Commercial Projects Manager- responsible for driving the commercial culture across the organisation and increasing opportunities for income generation.

Members requested that a structure chart be circulated to them after the meeting so they could better understand the structure of Dawn Hudd's department.

The Committee asked Dawn Hudd how she could 'sell' any spend in her area to residents, as many of the services provided were non-statutory.

Dawn Hudd responded that she would demonstrate the economic impact and return on investment (both social and economic) for any projects. It was particularly important to highlight the importance of cultural services to contributing to good quality of life in the borough; which brings inward investment and spend through the visitor economy.

The Committee was interested to hear about the cultural events evaluation toolkit that Dawn Hudd was proposing to use to measure the impact of events in the Maidstone area. This was directly related to the Committee's review of the value of events in Maidstone.

Dawn Hudd explained that the toolkit being proposed was a standard approach used by many different local authorities. The toolkit had the following advantages:

- It is free;
- It is used across the UK; and
- It is used by funders and policymakers.

The toolkit asks a standard set of questions, for which robust data needs to be gathered over the period of the event. The toolkit then works out the economic impact and social return on investment for the event.

Members asked whether there was potential in the future for the organisation running the toolkit to start charging the Council for using the toolkit. Dawn Hudd responded that she didn't think this would happen, but if it did it would be easy to replicate the toolkit ourselves.

Members wanted to know if it was possible to enter past events into the toolkit to see the social return on investment and economic impact of these events. Dawn Hudd informed the committee that this would not be possible as the correct data had not been gathered for these events. Dawn Hudd highlighted that there were several case studies contained on the website that demonstrate how the toolkit works.

Councillor Hogg arrived at 19:25.

RESOLVED: That:

- a) The committee note the report and verbal update given by Dawn Hudd;
- b) The organisational structure of Dawn Hudd's department be circulated to members of the committee;
- c) The web address and case studies contained in the events toolkit be circulated to members; and
- d) That an update be given to the committee once the Maidstone Cultural Services Manager had been in post for three months.

67. FUTURE WORK PROGRAMME

The committee considered the future work programme.

The committee noted that a press release had been sent out with a call for evidence from the public on their experiences of events in the town. The press release resulted in coverage in the Kent Messenger. The deadline for submissions is the 28th February.

The committee suggested that it may be beneficial to arrange a visit to the museum to inspect the collections that are currently in storage. This should take place before the 30th May 2014, which is when the Cabinet Member for Economic and Commercial Development is due to make a decision on the collection development policy.

The committee considered the next meeting, when the following witnesses would be invited as part of the on-going review of events:

- The events manager at Medway Council; and
- The organisers of 'The Social' festival that was held on Mote Park in September 2013.

The committee clarified that the interview with the events manager at Medway Council should be focused around the following themes:

- What support Medway Council gives to those organising events in their area; and
- How they organise policing for the events as it is so different to how it is carried out in Maidstone.

The Committee clarified that the interview with the organiser of 'The Social' should focus on the following themes:

- Their evaluation of the support offered by Maidstone Borough Council when organising and running their event;
- The value of the event to the borough;
- Who benefitted from the event; and
- Who valued the event (ie was it valued by different communities, or valued by those inside or outside of the borough).

RESOLVED: That

- a) A visit be arranged for the Committee to the museum for the purpose of inspecting the collections prior to the Cabinet Member decision on collections on the 31st May 2014.

68. DURATION OF MEETING

6:32pm to 8:20pm

Maidstone Borough Council

Economic & Commercial Development Overview & Scrutiny Committee

Tuesday 25 February 2014

Events Review – The Social Festival

Report of: Sam Bailey, Research and Performance Officer

1. Introduction

- 1.1 At the Regeneration & Economic Development Overview & Scrutiny meeting on the 28 January 2014 the Committee agreed to invite witnesses from organisations that have previously run events in the borough. The evidence gathered from these witnesses will be used to inform the Committee's ongoing review into events in the borough.
- 1.2 In order to understand how the Council supports event organisers, the Committee agreed that they would interview representatives from organisations that hold events in the borough.

2. Recommendation

- 2.1 That Members interview Luke Bendall, organiser of The Social festival in relation to the review topic.

3. Reasons for Recommendation

- 3.1 The Committee has created a work programme for the municipal year. At their previous meeting held on 28 January 2014 Members agreed that it would be helpful to interview witnesses from organisations that hold events in the borough to inform their current review topic.
- 3.2 The Social Festival was held for the first time in 2013. The event was held over a weekend in September on Mote Park. Over 10,000 people attended the festival and the event was considered a success. Another event is being planned for 2014.

4. Impact on Corporate Objectives

- 4.1 The Committee will consider reports that deliver against the following Council priority:
 - For Maidstone to have a growing economy.
- 4.2 The Strategic Plan sets the Council's key objectives for the medium term and has a range of objectives which support the delivery of the Council's priorities. Actions to deliver these key objectives may

therefore include work that the Committee will consider over the next year.

THE SOCIAL



NEARLY 10 THOUSAND PEOPLE OVER 2 DAYS!

Setting new standards for Maidstone Kent.

The Social Festival 2013 was formed on the back of a friendship and work relationship of three people who had one common vision -

Putting the town they had lived and worked in for many years back on the map as the county town of Kent.

Following the success of the Radio 1 Big Weekend, Nic Fanciulli and Luke Bendall both realised, this could be done again, but on a local level.

initially several large venues in Maidstone were looked at. Firstly the Maidstone United football stadium and then the Millenium Park.

It was decided that these venues posed certain problems with regard to infrastructure and access and that would not be viable for a year one project.

Mote Park Maidstone was chosen as the site and the project of organising this amazing event was started.

Nic, Luke and Joe set about putting on an event that would be based on the town and local community, with special attention paid to local business where possible.

Over 80 percent of all suppliers were Kent based covering areas such as; fencing, marquee hire, medical supply and staffing to name but a few.

A worldwide marketing campaign began and people started talking. Many requests for interviews with several big music publications , ITV and National Radio followed.



THE MAIN ARENA



THE PEOPLE



ARENA 2

SOCIAL FACTS

Local business's report a rise in trade!



Minimal queuing!



Over 10000 pints of beer and cider consumed



All hotels within a 15 miles radius -SOLD OUT!



No reported crime or disorder.



Seth Troxler headline DJ -

“The most organised and friendly festival I’ve played at this year”

Local business sees best September Saturday!

MONEY ALL ROUND!

Festival week see's increase in business.

Having surveyed several key shops and services in Maidstone. The response was nothing but positive.

Even the week leading up to the festival saw day time shops sales in festival clothing and footwear purchases at a higher level. Local hairdressers also benefitted from this, with many customers asking for what has now been named - The festival cut.

Town centre bars and restaurants benefited from pre festival food and drink and after the festival most local bars, clubs and pubs saw an increase in trade.

With from out of town people booking out all hotels within a 15 mile radius, we as operators even found ourselves booking late rooms for Dj's friends, in locations up and down the M2 and as far away as Gillingham

Taxi's were the preferred form of transport and this was assisted by an on site pre-arrange taxi rank set up for all festival goers that attended the after party at Mote Park Leisure Centre.

We surveyed several town centre business's and some of their comments you will see down the right hand side of this page.

We are currently issuing advice on next year regarding booking hotels, tickets and public transport early.



GARY - EXPRESS CARS

GARY - EXPRESS CARS

"IN TOTAL WE SAW A 15% RISE IN COMPARISON TO OUR NORMAL SEPTEMBER TRADE.

WE WELCOME NEXT YEAR!

WELL DONE AND THANK YOU"



STEFF MUGGLETON INN

"WE WERE RAMMED!

FROM THE START OF THE DAY WE WERE BUSY AND WHEN THE FESTIVAL ENDED WE SAW A RISE. BUT THE DAY TIME WAS DEFINITELY THE BEST.

THE BUSIEST SATURDAY WE HAVE HAD FOR A WHILE."



JAMES - ASHES

"I WENT TO THE FESTIVAL DURING THE DAY AND HAD A FANTASTIC TIME! I CAME BACK TO THE PUB TO CHILL OUT AND UNWIND AND GOT THE BIGGEST SHOCK OF MY LIFE, WE WERE PACKED!

BEST SEPTEMBER SATURDAY I'VE EVER HAD.

THANK YOU SOCIAL."

Attention to service and standards pays off!

99% of all customers surveyed, happy looking forward to returning next year!

99% of all customers looking forward to returning next year!

reviewing the success of the event, it was found that the whole round festival experienced benefitted from our attention to detail with regard to the service side -

Entry and queuing was limited to 20 minutes, all though the majority queued for less.

Bar service was under 10 minutes and again most people being served within 10 minutes of deciding to have a drink.

Additional toilets were added and unlike most festivals, standards and queues were acceptable and minimal.

2014 planning is under away and we again will be focusing on these three key areas to continue improving the festival experience.

NO REPORTS OF PUBLIC DISORDER!

Having spoken with the Local Authorities including Council Licensing, Police Licensing and Environmental Health.

It was agreed all round that the event could not of gone much better.

PC Neil Barnes -

“We were pleased with how well the event went”

Steve Noble Licensing -

“In general you have set the standard for many to follow, we couldn't of asked for any more. Well done!”

The impact on local residents was a big focus point for us as a company.

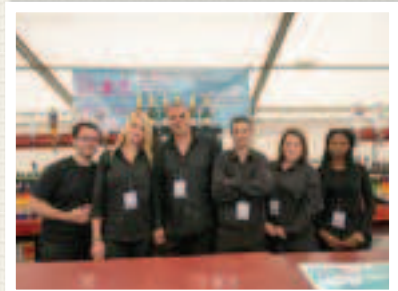
Having invited all local residents within a .5mile radius to one day of the weekend. Feedback from Mike Swaffer and the Environmental Protection Team, is that they were happy with how things went and monitored by our team.

Although complaints were received, we have been told these were minimal and within acceptable levels.

THE GANG



THE QUEUE TO MEET THE HEAD OF EVENT!



HAPPY STAFF, HAPPY CUSTOMERS!



STATE OF THE ART PRODUCTION



SISTER SLEDGE, VOTED BEST LIVE ACT!





We look forward to working with you again, we hope you enjoyed the festival as much as we did.

SEE YOU IN 2014!

WE COULDN'T
OF DONE IT
WITH OUT
YOU!

On a personal note - Nic, Joe and I would like to extend our thanks and gratitude to you for all the support we received from the authorities and volunteers, before, during and after the event.

You really set yourselves apart from other councils we have worked with in the past.

Many thanks for allowing us the opportunity to work with you.

Nic, Joe and Luke

Agenda Item 9

Maidstone Borough Council

Economic & Commercial Development Overview & Scrutiny Committee

Tuesday 25 February 2014

Events Review – Maidstone Area Arts Partnership

Report of: Sam Bailey, Research and Performance Officer

1. Introduction

- 1.1 At the Economic & Commercial Development Overview & Scrutiny meeting on the 28th January 2014 the Committee agreed to invite witnesses along from organisations that have previously put on events in the borough. The evidence gathered from these witnesses will be used to inform the Committee's ongoing review into events in the borough.
- 1.2 In order to understand how the Council supports event organisers, the Committee agreed that they would invite representatives from organisations that hold events in the borough.

2. Recommendation

- 2.1 That Members interview Ken Scott, Chair of Maidstone Arts Partnership in relation to the review topic.

3. Reasons for Recommendation

- 3.1 The Committee has created a work programme for the municipal year. At their previous meeting held on 28 January 2014 Members agreed that it would be helpful to interview witnesses from organisations that organise events in the borough to inform their current review topic.
- 3.2 Maidstone Arts Partnership are responsible for organising a variety of events in the borough such as the Brenchley Gardens Bandstand concerts throughout July and August. They have also worked in partnership with the Town Team on various events held in Jubilee Square.
- 3.3 Maidstone Arts Partnership's vision is 'of individuals and communities in Maidstone flourishing through the contribution of Arts and Culture'. Their mission is 'to represent and promote Arts and Culture in Maidstone and participate as a proactive partner in its artistic and cultural development'. Several of the partnerships objectives relate to the Committee's review objective:
 - Improve public awareness of artistic and cultural activities and its benefits to individuals and communities.

- Contribute to development of artistic and cultural initiatives for individual and wider community benefit.
- Partner with key agencies to implement artistic and cultural initiatives for individual and wider community benefit.

4. Impact on Corporate Objectives

4.1 The Committee will consider reports that deliver against the following Council priority:

- For Maidstone to have a growing economy.

4.2 The Strategic Plan sets the Council's key objectives for the medium term and has a range of objectives which support the delivery of the Council's priorities. Actions to deliver these key objectives may therefore include work that the Committee will consider over the next year.

Agenda Item 10

Maidstone Borough Council

Economic & Commercial Development Overview & Scrutiny Committee

Tuesday 25 February 2014

Maidstone Enterprise Hub

Report of: Sam Bailey, Research and Performance Officer

1. Introduction

- 1.1 The Council has agreed funding for an Enterprise Hub to provide flexible workspace for small and new start-up business.

2. Recommendation

- 2.1 The Committee is recommended to consider the update that will be given from Karen Franek, Principal Economic Development Officer and make recommendations accordingly.

3. Maidstone Enterprise Hub

- 3.1 The committee received an outline of the proposed project on the Enterprise Hub from John Foster, Economic Development and Regeneration Manager at the meeting held on 24 September 2013. An extract from the minutes of this meeting can be found below:

'Mr Foster explained to the Committee that the aim of the project was to provide an affordable and flexible business environment for small businesses, the self-employed and starter businesses with business support and advice available. The starting brief asked him to look at the cost of delivery against potential return on investment. Following a question from the committee Mr Foster told the committee that he had draft projections which had been assessed by a national expert and local industry leaders who had agreed the validity of the projections however Mr Foster emphasised that there was more work to be done.'

- 3.2 The Cabinet Member made a decision on funding the Enterprise Hub on 18 December 2013. The decision was that the Enterprise Hub Project should be progressed; with £700,000 of funding from the Capital Programme and that the preferred site should be the former Crown Post Office at 1 King Street. The full record of decision can be seen in Appendix A of this report. The establishment of a Maidstone Enterprise Hub directly relates to the Council's strategic priority 'for Maidstone to have a growing economy' as it would assist start-up businesses, those who want to develop and could encourage more business to the borough.

3. Impact on Corporate Objectives

- 3.1 The Committee will consider reports that deliver against the following Council priority:
- 'For Maidstone to have a growing economy.'
- 3.2 The Strategic Plan sets the Council's key objectives for the medium term and has a range of objectives which support the delivery of the Council's priorities. Actions to deliver these key objectives may therefore include work that the Committee will consider over the next year.

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 18 December 2013

MAIDSTONE ENTERPRISE HUB

Issue for Decision

To consider whether to establish an Enterprise Hub in Maidstone town centre.

Decision Made

- a) That the Enterprise Hub project be progressed;
- b) That the former Crown Post Office at 1 King Street be confirmed as the preferred location for the Enterprise Hub, as recommended by the Enterprise Hub Project Board;
- c) That the project be part funded to the sum of £700,000 by the Capital Programme;
- d) That a bid be submitted to KCC's Workspace Kent Challenge Fund to support the Enterprise Hub project;
- e) That delegated authority be given to the Head of Legal Services, in consultation with the Cabinet Member for Economic and Commercial Development, to agree lease terms with the Landlord of 1 King Street;
- f) That delegated authority be given to the Director of Regeneration and Communities to develop and agree the final design, specification and operational management plan for the Hub in consultation with the Cabinet Member for Economic and Commercial Development;
- g) That delegated authority be given to the Head of Legal Services to enter into a contract for the leasehold acquisition of 1 King Street (on terms to be agreed by the Director of Regeneration and Communities) subject to the bid to KCC being successful, and the Operational Management Plan being approved; and
- h) That, following a tender process, authority be given to the Head of Legal Services to enter into the necessary contracts for the refurbishment of 1 King Street, subject to g) above being completed.

Reasons for Decision

The impact of the recession has been particularly severe in Maidstone leading to a decline in the numbers of jobs and firms at rates worse than national and regional averages. As such there is a need for a project to emphasise and action Maidstone's commitment to support business growth, retain and support residents into employment and enhance skills. The provision of the Enterprise Hub would serve this purpose and fulfil this commitment.

The Borough continues to have one of the lowest business start rates in Kent with more business deaths than births. The UK Business Survey shows this is in stark contrast to a noticeable post 2008 recession decrease (-4.5%) in the overall ratio between births and deaths across Kent.

Reversing these trends is a strategic priority for Maidstone which has put in place a number of inter-dependant actions designed to support growth that is both sustainable and inclusive; create the conditions which enable businesses to start up, expand and survive and, attract new businesses into the area.

Establishing a customer-led affordable start-up workspace is an economic priority for Maidstone to address identified specific and generic barriers to business formation and survival across the Borough. These include:

- A lack of premises available on flexible enough terms;
- Too many micro businesses working in isolation with few natural clusters or opportunities for developing local supply chains;
- A lack of business skills, with little awareness of what is available, and the perceived high cost of engaging help; and,
- Pockets of persistent deprivation in and around the town centre, including High Street Ward in which the proposed Hub will be located.

Addressing these entrenched problems calls for a radical, holistic approach to stimulate enterprise and delivering business support, and creating and maintaining the structure and resources to enable partners to engage actively with the business and wider community.

The Maidstone Hub will achieve this by establishing a dynamic affordable workspace providing an inspiring and highly supportive environment to grow and sustain new start-ups and existing micro businesses across the Borough.

TAKING THE VISION FORWARD

Initial hub model research coupled with a property search (detailed below) was needed to inform the Council's first stage bid to Kent County Council for in principle funding. This was submitted in May with "Approval to Plan" granted in June. It is a capital-only fund for Incubator/Work Hub funding to provide flexible spaces for new and micro businesses and wrap around business support.

Business services that respond to the needs of the tenants must be an integral part of the accommodation offer in order to achieve added value and warrant public investment. The fund invites proposals from district partners for projects that deliver the needs of their locality.

MODEL RESEARCH

The Economic Development Unit undertook extensive research between February and April 2013 into local authority sponsored projects around the UK including site visits to Westminster Hub and later to the Greenwich Digital Enterprise Centre. This confirmed a number of common factors that dictate the success of such workspaces (and by definition the inability of the private sector alone to meet need).

This approach requires in excess of 10,000 sq ft to be sustainable as flexibility and affordability are paramount.

The Unit also looked at incubator and affordable workspace provision and delivery models across the UK; in Kent and within Maidstone, including serviced offices and business centres.

European and UK best practice has also been reviewed which showed that the most successful models for increasing business survival are those with highly flexible 'easy-in/easy-out' terms combined with high quality wrap-around support for the first two-three years and are enabled by the public sector working in partnership with the private sector and local support providers.

PROPERTY RESEARCH

An extensive property search was conducted. Consideration was given to the Council's own portfolio including Maidstone House; King Street multi-storey car park site; The Gateway and Chillington House. The latter was further investigated when looking at KCC property including the adjacent former library building in St Faith's Street.

All available freehold and leasehold serviced office space and empty office and commercial property in the town centre was also looked at including several buildings in Albion Place which offered 10,000sq.ft. or more. However the accommodation was over several floors and within existing inflexible fixed office layouts. The location is also on the periphery of the town centre away from the main centres of activity, services and attraction.

A number of small business centres/managed workspaces were also identified including Kent House, Link House and Barham Court. While these vary in size and flexibility of terms none are dedicated to start up/micro businesses and the accommodation is mainly within fixed office space. These locations could however be candidates for creating a pipeline of quality move on premises for businesses leaving the Hub after three to five years.

All available premises failed at least one of the critical search criteria: size, flexibility of terms and cost; flexibility of space; provision of wrap

around support; availability of dedicated meeting and seminar rooms; a presence and ability to be branded; close to amenities and available parking. Two possible locations remained for further consideration: The Gateway and the former Crown Post Office at 1 King Street.

NEXT STEPS

A Project Board and Project Team were set up in May 2013. Its terms of reference were: "To review the viability of establishing an Enterprise Hub in the Town Centre and provide confidence that the Council should commit capital and revenue expenditure to pursue the project." The Project Board progressed a number of work streams:

- Continuing negotiations with the landlords of the former Post Office to ascertain financial, operating, timing and development implications of any agreed terms in order to inform the desirability and/or efficacy of entering into a lease on 1 King Street;
- Considering the suitability and viability of The Gateway and identify funding sources;
- Ascertaining the likely demand and take up for an Enterprise Hub including tariff thresholds and tolerances;
- Reviewing financial forecasting based on building layouts to establish the long term viability of an Enterprise Hub (set out in the Exempt Appendix to the report of the Director of Regeneration and Communities);
- Reviewing schedules of works and capital costings including mechanical and electrical installations and other works to confirm or otherwise project capital costs in either location; and,
- Determining the most effective and beneficial management structure for the ongoing operation of the Enterprise Hub and delivery of business support.

Several visits were made to Maidstone between February and October by various companies and organisations exploring their possible involvement in the Enterprise Hub as set out in Appendix 2 to the report of the Director of Regeneration and Communities.

VIABILITY AND DEMAND STUDY

In September the Council appointed UK Workhub expert, Tim Dwelly, to carry out a viability and demand study to test the potential for an Enterprise Hub in Maidstone Town Centre. The brief included:

- Evidence of demand;
- A critical assessment of existing space available to start-up, micro and small businesses and whether the two identified properties would compete or meet unmet demand and be financially viable;
- An evaluation of The Gateway and former Crown Post Office buildings and the type of workspace they would best support; and,
- Evidence of the size and configuration of space required to meet the identified demand.

Tim Dwelly's final report, set out in Appendix 3 to the report of the Director of Regeneration and Communities, was released on 21st October 2013. Headline summary findings are shown below.

- Survey and focus groups both showed strong demand for a workhub facility in Maidstone and more than 90% of businesses surveyed online said they would pay to use a workhub.
- Analysis of the potential workhub catchment area shows 10.4% of the workforce is self-employed and home-based: a total of 9,339 businesses.
- Homeworking has grown 34% in Maidstone in ten years.
- Of the two options put forward, the former Crown Post Office was overwhelmingly preferred to The Gateway by local businesses and Tim Dwelly's view as stated in the report was: "The Gateway should be discounted as a location for a workhub." The main reasons being:
 - Lack of appeal to the target market;
 - Unusable space (28% of The Gateway cannot be put to practical use); and,
 - The location/design (large corporate building in shopping centre).
- The former Post Office in contrast "offers significant opportunity to create a unique, affordable and appealing location for a workhub."

The Maidstone Hub would be a hybrid model combining hot desk workspaces and informal and formal networking areas alongside anchor office tenants and a seminar and meeting room suite to maximise potential income streams and minimise the risks associated with workspace only facilities.

By providing desk space, with businesses paying a membership fee rather than letting or leasing fixed spaces, Hubs achieve higher space utilisation (businesses benefitting per sq ft). This is further enhanced as not all users spend 100% of their time at their workspace.

The proposed Membership Model will offer a range of highly flexible entry tariffs on a rolling monthly basis. The various types of membership proposed will enable members to move gradually from the more affordable tariffs to the more expensive tariffs as their business grows and for ad hoc project work.

The Hub would also have a suite of meeting rooms and events spaces: vitally important for businesses to offer impressive hosting facilities for clients, which could lead to them winning more sales and investments. This also offers the potential for maximizing revenue by competing in the events market and helps minimise risk.

PARTNERS

Maidstone has forged strong partnerships with a number of key support organisations to provide onsite wrap around support to businesses in the Hub. Together these organisations will help ensure additionality and remove duplication.

This partnership model will also maximize impact, ensure the Hub is a flagship facility within Maidstone and Kent, introduce a major step change

in business support and proactively break down barriers to enterprise and growth ensuring all fledgling, new and existing micro businesses have the knowledge and skills to start, grow and survive.

Organisation	Involvement with Hub
Kent Invicta Chamber of Commerce	Delivery partner Anchor tenant
Federation of Small Businesses	Kent & Medway Regional HQ Mid Kent Branch sponsorship of reception desk National FSB meeting place
Mid Kent College	Possible Hub facility management; IT support and work experience placements providing services to Hub members
The Kent Foundation for Young Entrepreneurs	Delivery partner and placement of young businesses in the Hub
BSK CIC	Delivery partner with on site presence
CXK Connexions	Possible anchor tenant
CAP Enterprise (Kent) CIC	Delivery partner for social enterprises and possible future tenant
Enterprise Foundation	Delivery partner targeting underrepresented groups

Co-locating support organisations alongside key anchor tenants and a broad membership will also ensure financial risks are minimized, income is maximised and private sector investment is leveraged.

Total project costs to refurbish the former Post Office are between £1.3m and £1.5m according to the initial findings of Harrisons who were commissioned to carry out feasibility, cost and condition surveys.

A successful "Approval to Plan" bid was made to KCC in May for £700,000. Headline terms as known currently are: £200,000 grant and a £500,000 interest-free loan with the majority (at least 80%) to be repaid by the end of the 2018/19 financial year.

This covers capital expenditure only. Maidstone Borough Council is expected to make a cash contribution as well as in-kind support including a revenue subsidy to cover the period between building development work and operational break even.

The next dates for submission of the "Approval to Spend" bid to KCC are: 17th January for decision 7th February and, 13th March for decision 3rd April.

OTHER CONSIDERATIONS AND BENEFITS

The primary brief has been to assess the viability of setting up an Enterprise Hub in terms of:

- Cost of delivery (purchase, conversion and management) against
- Potential return on any investment from the revenue generated.

However the wider benefits of workhubs are well documented, both in the role they play in stimulating local enterprise and, if targeted correctly, to community regeneration activities.

The former Crown Post Office offers the further economic development benefit of bringing a much loved local landmark building back into productive use after standing empty and deteriorating for eight years. It would also generate additional footfall and assist in regenerating the area which lies within the High Street Ward (one of the most deprived in Maidstone) and stands at the junction of three Conservation Areas.

EXIT STRATEGY

The Economic Development Team has been working with architects to look at possible future uses in order to mitigate any future financial risk to the Council: with a mixed use commercial/residential conversion identified as the most feasible.

The first floor is capable of conversion into between two and three units depending on specification. This part of the building already has a separate entrance from King Street. Building Control has confirmed that in principle this would be acceptable with a preference at this early stage for two units of a higher specification.

This approach is supported by The National Planning Policy Framework both in terms of the objectives supporting the vitality of Town Centres and residential development.

The remainder of the ground floor (former post office counter area) is capable of conversion into a small retail unit with the ground floor mezzanine level and rear covered car parking capable of conversion into small office units with on-site parking and/or small workshops.

Drawings of future possible uses were available at the meeting.

One of the major barriers to development of the former Post Office in the past – which has contributed to it being empty for more than eight years – has been the amount of work needed and compliance with BT's development brief. This barrier will have been removed from any future use.

Alternatives Considered and Why Rejected

Do nothing. This is not considered appropriate as Maidstone Council wants to tackle the myriad of barriers to business growth and survival in a coherent and effective way with the best chance of success.

Alternative Location. An extensive property search has been undertaken including consideration of the Council's own portfolio and that of Kent County Council along with all available freehold and leasehold serviced office space and empty office and commercial property in the town centre.

Several buildings in Albion Place were also considered as they offered 10,000 sq ft or more. However the accommodation is over a number of floors and within existing inflexible fixed office layouts. The location is also on the periphery of the town centre away from the main areas of activity and attraction.

All available premises failed at least one of the search criteria based on Maidstone's needs and KCC's bidding criteria: Size (minimum of 10,000 sq ft); flexibility of terms and costs; flexibility of space; provision of wrap around support; availability of dedicated seminar and meeting rooms; a presence and ability to be branded; close to amenities and availability of parking; within the town centre; bringing an existing building back into use. What private sector premises and services that exist do not meet the stated need.

Talks have also been held with existing providers of flexible workspace including Basepoint. These organisations are now beginning to re think their "office-based" approach and operating models. Existing smaller scale facilities – such as Fruitworks in Canterbury – have also faced difficulties largely as a result of being too small in scale to provide a networking critical mass; fairly sector specific and with no onsite support or meeting facilities of sufficient scale to generate further income.

Private sector approaches. Detailed discussions and consideration were given to three approaches from the private and voluntary sectors. In each case the proposals would not have met KCC's bidding criteria (set out in Appendix 4 to the report of the Director of Regeneration and Communities). Instead they would have provided "more of the same." Two of the proposals could also have resulted in possible unfair subsidies towards business expansion in breach of State Aid Rules. Both proposals also had a focus on individual serviced office space and were peripheral to the proposers own expansion needs. Both also verged on a sector bias to align with the proposer's business.

The Maidstone Hub Membership Model enables a higher than average density of entrepreneurs and businesses to benefit from the space. This is in comparison to models where there is a greater focus on individual office spaces – which represents most of the available space in Maidstone Town Centre.

The third proposal was also for fixed office space, with tenants' rents subsidised on a sliding scale by charitable funding. This was dependent on

50% plus of fixed tenants being drawn from sectors which met funders' charitable aims. The scale of the proposal was relatively small in its ambition with no upfront funding available and none available for at least 12 months. Elements of this proposal however are being considered in terms of a delivery vehicle to aid outreach to disadvantaged groups as the project progresses.

New build. This option was rejected on the grounds of high cost and not meeting KCC's Essential and Desirable Bidding Criteria.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 2 January 2014.
--

Maidstone Borough Council

Economic & Commercial Development Overview & Scrutiny Committee

Tuesday 25 February 2014

Future Work Programme & List of Forthcoming Decisions

Report of: Sam Bailey, Research and Performance Officer

1. Introduction

- 1.1 To consider the Committee's future work programme and the Forward Plan of Key Decisions.
- 1.2 To consider the update on the work programme given by the Research and Performance Officer.

2. Recommendation

- 2.1 That the Committee considers the draft future work programme, attached at **Appendix A**, to ensure that it is appropriate and covers all issues Members currently wish to consider within the Committee's remit.
- 2.2 That the Committee considers the sections of the List of forthcoming decisions relevant to the Committee at **Appendix B** and discuss whether these are items require further investigation or monitoring by the Committee.

3. Reasons for Recommendation

- 3.1 Throughout the course of the municipal year the Committee is asked to put forward work programme suggestions. These suggestions are planned into its annual work programme. Members are asked to consider the work programme at each meeting to ensure that remains appropriate and covers all issues Members currently wish to consider within the Committee's remit.
- 3.2 The Committee is reminded that the Constitution states under Overview and Scrutiny Procedure Rules number 9: Agenda items that 'Any Member of an Overview and Scrutiny Committee or Sub-Committee shall be entitled to give notice to the proper officer that he wishes an item relevant to the functions of the Committee or Sub-Committee to be included on the agenda for the next available meeting. On receipt of such a request the proper officer will ensure that it is included on the next available agenda.'

4 List of Forthcoming Decisions

- 4.1 The List of Forthcoming Decisions for December 2013 to June 2014 (**Appendix B**) contains the one decisions relevant to the Regeneration and Economic Development Overview and Scrutiny Committee' s current work programme and terms of reference.
- 4.2 Maidstone Museums' Collections Development Policy 2013 – 2018 is due for decision by the Cabinet Member for Economic & Commercial Development by Friday 30th May 2014. At the meeting on the 28th January 2014 members requested a visit to the museum in order to see the collections currently in storage. Some possible dates have been arranged, and members will have to decide which date is the most convenient.

5. Impact on Corporate Objectives

- 5.1 The Committee will primarily consider reports that deliver against the Council priority: 'For Maidstone to have a growing economy.'
- 5.2 The Strategic Plan sets the Council's key objectives for the medium term and has a range of objectives which support the delivery of the Council's priorities. Actions to deliver these key objectives may therefore include work that the Committee will consider throughout the coming year.

Appendices

- Draft work programme – Appendix A
- Forward Plan of Key Decisions – Appendix B
- SCRAIP Response Town Hall Foyer Lease – Appendix C

Economic & Commercial Development Overview and Scrutiny Committee Work Programme 2013-14

Meeting Date	Agenda Items	Details and desired outcome
25 June 2013	<ul style="list-style-type: none"> • Appointment of Chairman and Vice-Chairman • Cabinet Member Priorities for 2013/14 Municipal Year • Work Programming Workshop 2013-14 	<ul style="list-style-type: none"> • Appoint Chairman and Vice-Chairman for 2013-14 • Ascertain work plan for the year and strategic direction for the Council & Select and develop review topics focusing on achievable outcomes.
30 July 2013	Cancelled	Cancelled
27 August 2013	<ul style="list-style-type: none"> • Market Update • VIC Update • Economic Development Staff Structure 	<ul style="list-style-type: none"> • To review outcomes from previous scrutiny reviews • To understand to new structure for Economic Development
24 September 2013	<ul style="list-style-type: none"> • The State of Maidstone Economy • Regeneration and Economic Development Plan Update • Maidstone Enterprise Hub • Skill and Employability Work Programme update 	<ul style="list-style-type: none"> • Contextual information to aid understanding • Update on Regeneration & Economic Development Plan • To provide the committee with an overview of the project and expected outcomes.
22 October 2013	<ul style="list-style-type: none"> • Interview with Cabinet member for Economic & Commercial development- Vision for visitor economy • Interview with Cabinet member for Corporate Services – leasing of Town Hall Foyer • Agree review Scope 	<ul style="list-style-type: none"> • Follow up from the ViC review 2012 and provide background to events review • Follow up from the ViC review 2012
26 November 2013	<ul style="list-style-type: none"> • Interview with Alan Reading – Maidstone Tourism Association • Interview with Cllr Moss & Zena Cooke – Town hall foyer lease 	<ul style="list-style-type: none"> • Provide background and information about events review • Follow up from the ViC review 2012
24 December 2013	Cancelled	Cancelled
28 January 2014	<ul style="list-style-type: none"> • Interview with the new Head of Economic & 	<ul style="list-style-type: none"> • To inform the committee of strategic

	Commercial Services	direction of the economic and commercial functions
25 February 2014	<ul style="list-style-type: none"> • Maidstone Enterprise Hub Update • Events review – The Social – Outcomes • Ken Scott – Maidstone Area Arts Partnership 	<ul style="list-style-type: none"> • Progress update –requested by cmt • Provide background and information about events review
25 March 2014	<ul style="list-style-type: none"> • Skill and Employability Work Programme Update • Events Review Draft Report 	<ul style="list-style-type: none"> • To provide the committee with an update on the project and outcomes to date. • Agree final amendment prior to submission to Cabinet
22 April 2014	<ul style="list-style-type: none"> • Evaluations of Cabinet Member Priorities for 2013/14 Municipal Year • Review of the year 	<ul style="list-style-type: none"> • Ascertain progress made on Cabinet member Priorities • Ascertain cmts contribution



29

LIST OF FORTHCOMING DECISIONS

Democratic Services Team
E: democraticservices@maidstone.gov.uk

Publication Date: **23 January 2014**

List of Forthcoming Decisions

INTRODUCTION

This document sets out the decisions to be taken by the Executive and various Committees of Maidstone Borough Council on a rolling basis. This document will be published as updated with new decisions required to be made.

KEY DECISIONS

A key decision is an executive decision which is likely to:

- Result in the Maidstone Borough Council incurring expenditure or making savings which is equal to the value of £250,000 or more; or
- Have significant effect on communities living or working in an area comprising one or more wards in Maidstone.

At Maidstone Borough Council, decisions which we regard as “Key Decisions” because they are likely to have a “significant” effect either in financial terms or on the community include:

- (1) Decisions about expenditure or savings which equal or are more than £250,000.
- (2) Budget reports.
- (3) Policy framework reports.
- (4) Adoption of new policies plans, strategies or changes to established policies, plans or strategies.
- (5) Approval of portfolio plans.
- (6) Decisions that involve significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether Borough-wide or in a particular locality.
- (7) Changes in fees and charges.
- (8) Proposals relating to changes in staff structure affecting more than one section.

Each entry identifies, for that “key decision” –

- the decision maker
- the date on which the decision is due to be taken
- the subject matter of the decision and a brief summary
- the reason it is a key decision
- to whom representations (about the decision) can be made

List of Forthcoming Decisions

- whether the decision will be taken in public or private
- what reports/papers are, or will be, available for public inspection

EXECUTIVE DECISIONS

The Cabinet collectively makes its decisions at a meeting and individual portfolio holders make decisions independently. In addition, Officers can make key decisions and an entry for each of these will be included in this list.

DECISIONS WHICH THE CABINET INTENDS TO MAKE IN PRIVATE

The Cabinet hereby gives notice that it intends to meet in private after its public meeting to consider reports and/or appendices which contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended). The private meeting of the Cabinet is open only to Members of the Cabinet, other Councillors and Council officers.

31 Reports and/or appendices to decisions which the Cabinet will take at its private meeting are indicated in the list below, with the reasons for the decision being made in private. Any person is able to make representations to the Cabinet if he/she believes the decision should instead be made in the public Cabinet meeting. If you want to make such representations, please email janetbarnes@maidstone.gov.uk. You will then be sent a response in reply to your representations. Both your representations and the Executive's response will be published on the Council's website at least 5 working days before the Cabinet meeting.

ACCESS TO CABINET REPORTS

Reports to be considered at the Cabinet's public meeting will be available on the Council's website (www.maidstone.gov.uk) a minimum of 5 working days before the meeting.

HOW CAN I CONTRIBUTE TO THE DECISION-MAKING PROCESS?

The Council actively encourages people to express their views on decisions it plans to make. This can be done by writing directly to the appropriate Officer or Cabinet Member (details of whom are shown in the list below).

Alternatively, the Cabinet are contactable via our website (www.maidstone.gov.uk) where you can submit a question to the Leader of the Council. There is also the opportunity to invite the Leader of the Council to speak at a function you may be organising.

List of Forthcoming Decisions

Decision Maker and Date of When Decision is Due to be Made:	Title of Report and Brief Summary:	Key Decision and reason (if applicable):	Contact Officer:	Public or Private (if Private the reason why)	Documents to be submitted (other relevant documents may be submitted)
<p>Cabinet Member for Economic and Commercial Development</p> <p>Due Date: Friday 30 May 2014</p>	<p>Maidstone Museums' Collections Development Policy 2013 - 2018</p> <p>To consider the approval of a revised Collections Development Policy for the Council's museums</p>	<p>KEY Reason: Policies, Plans, Strategies</p>	<p>Dawn Hudd dawnhudd@maidstone.gov.uk</p>	<p>Public</p>	<p>Maidstone Museums' Collections Development Policy 2013-2018 Maidstone Museums' Collections Development Policy 2013-2018</p>