
MANAGED WORKSPACE DEVELOPMENTS

1 SUMMARY

- 1.1 In July 1999 ,a consultancy company, Business Environments, were appointed to study demand for managed workspace in the District. The study was funded by the Essex Training and Enterprise Council.
- 1.2 The study is summarised in Appendix 1 and its recommendations are contained in paragraphs 2.1 to 2. 6. Suggested recommendations from Council officers on follow up actions are contained in paragraph 4.1 below.
- 1.3 The involvement of the Council in the provision of managed workspace is discretionary rather a statutory responsibility.

2 CONSULTANTS' RECOMMENDATIONS

- 2.1 The consultants concluded that the provision of managed workspace in the District should be pursued. A development with a mix of office and industrial uses was their preference. They recommended a development of between 10,000 and 20,000 sq ft, with unit sizes ranging from 100 to 500 sq ft. The report suggested that a site in Rayleigh on the A127 would be first choice, which might attract businesses from Southend and Castle Point. Rochford town centre was second choice.
- 2.2 The consultants recommended that the Council should take lead responsibility in acquiring a suitable property and in securing funding for the detailed feasibility study required.
- 2.3 The report further suggested that the Council's planning policy should support the conversion of redundant farm buildings into commercial properties and recommended an approach to the East of England Development Agency (EEDA) to create a 'redundant building grant' programme applicable to farm buildings.
- 2.4 The consultants recommended that the Council pursue actively the delivery of a more balanced portfolio of premises within the District, adding to the stock of small units in the 500-2000 sq ft range, achieved through planning gain on sites like the Rochford Business Park .

3 FURTHER ACTION AND CONSIDERATION

- 3.1 Initial contacts have been made with EEDA to ascertain whether the Agency might be interested in funding the detailed feasibility study required of a particular building for possible use as managed

workspace and/or the acquisition and conversion of a building.

4 CRIME AND DISORDER IMPLICATIONS

- 4.1 There may be implications for the Council's Crime and Disorder strategy in that increased employment opportunities in the District, which will flow from the proposed provision of managed workspace, should help reduce the amount of crime and disorder.

5 ENVIRONMENTAL IMPLICATIONS

- 5.1 There will be environmental implications of the proposal. The return of a wholly or partly unused building to productive use would represent an environmental gain.

6 RESOURCE IMPLICATIONS

- 6.1 The proposal to hold a seminar has resource implications. The presentation by the consultants of their findings will involve a limited additional cost above the amount already spent. If Members agree to develop proposals for managed workspace in the District there are resource implications. The District may be involved in organising the funding of a more detailed feasibility study on any proposed site brought forward. The Council may also be involved in underwriting a head lease on the property chosen for the managed workspace.
- 6.2 There may also be staffing implications since the District may be expected to meet a share of the cost of providing management / necessary business support which is an integral part of managed workspace. While Business Enterprise Agency South East Essex (BEASEE) has indicated its willingness to take on this role, it is unlikely to be cost free.

7 LEGAL IMPLICATIONS

- 7.1 There will be legal implications especially if the Council is asked to underwrite a head lease on a property.

8 PARISH IMPLICATIONS

- 8.1 As the managed workspace will be a District resource there are implications for all the Parishes in the District.

9 RECOMMENDATIONS

- 9.1 It is proposed that the Sub-Committee **RECOMMENDS:**

- (1) That the Council organises a seminar on the provision of managed workspace.

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- (2) that the Council consider the possibility that managed workspace provision could be achieved through planning gain, for example ,in the development of the Rochford Business Park.
 - (3) That the Council should continue to investigate possibilities for securing funding for a more detailed feasibility study of a site chosen. (HCPI)

Shaun Scrutton

Head of Corporate Policy and Initiatives

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Background Papers:

None.

For further information please contact Keith Blackburn on (01702) 318104.

Appendix 1 –summary of consultants' report

Rochford District Council had observed that among the small number of industrial units available in the District none provided support directly to the new start and small businesses who were the main occupiers .

The consultants worked closely with estate agents, business support agencies and managed workspace operators in neighbouring areas ,viz : Basildon ; Southend and Chelmsford, and some small businesses. The consultants examined possible location options for managed workspace in the District : within Rochford town centre; within vacant industrial properties in Rochford and Rayleigh and a purpose built facility.

The report noted that very small businesses dominate the area's business base-78% of local companies employ less than 10 people 84% of them are service related. Even though Rochford lies within the London-Tilbury-Southend A127 corridor (a principal corridor for economic development in Essex) the limited availability of development land emphasised the need to work closely with existing and emerging businesses.

The consultants reviewed the latest available statistics of enterprises registered for VAT. From 1994 to 1997 Rochford had a rate of creation of new businesses close to the Essex average, higher than Castle Point or Southend. The survival rate of these businesses was also better in Rochford. Manufacturing and construction locally had gained new businesses over these years; wholesaling and retailing had increased in the area, against

national trends. The service sector ,particularly general business activities and personal services, had shown considerable growth.

The report reviewed the Essex Employers Survey for 1998,noting that 4.5% of Rochford's businesses had plans to relocate, mainly to larger premises in the District. Meeting companies' expansion plans within the District has been a problem, prompting companies to move to neighbouring Districts where new property development is taking place.

Demand is difficult to establish. Many agents do not monitor requests for small scale space due to its volatility. Much property demand at this level is met by informal channels such as word of mouth. The consultants concluded, drawing on their experience elsewhere, that demand is likely to increase :if regeneration activities lead to increased economic activity ; if there are increasing business start ups; if local companies have faced

property problems and relocated elsewhere as a result and there is strong demand for managed workspace in neighbouring localities. These factors are present in Rochford. Between 1997 and 1999 the space left over from the previous recession had gradually been taken, reducing the amount of space available for new business and the opportunities to convert buildings to managed workspace. Local agents receive few enquiries for managed workspace.

The consultants spoke to operators of managed workspace in neighbouring Districts. It appeared their facilities were not meeting the requirements of small and new start businesses from Rochford. The BEASEE, which runs part of the Southend Seedbed Centre, estimated that 20% of the annual 250 enquiries for managed workspace come from Rochford. This suggested that start up businesses from Rochford may find premises further afield, eg in London.

The success of managed workspace in neighbouring Districts suggested it should succeed in Rochford. The consultants spoke to a number of small businesses, who would welcome managed workspace. The banks felt that the quality of the business ideas brought forward, and the likely survival rate, would improve if a more readily available supply of business support in the District existed which managed workspace could bring about.

The consultants noted that Rochford's proximity to Southend may deter provision. There are several areas where an authority close to a larger authority has provided managed workspace successfully. One example in this region is Ipswich and Suffolk Coastal which has three managed workspaces in its area.