

# Southwold Enterprise Hub



## Business Plan

January 2019

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## Executive Summary

### Economic Background

Southwold is a unique coastal town. Its attractive streets with elegant Georgian buildings, its sandy beaches, pier and characterful beach huts draw more than 1.5m visitors annually, 42% of them during June to September, with a peak overnight visitor population of 15,000. Annual tourism spend is estimated at £50m.

However, such a successful tourism industry has significant negative consequences for the town. Demand for holiday homes has driven up property prices, and as a result, by 2011, 50% of Southwold's houses had no permanent residents, the highest level of any coastal town in the country. The resident population has halved since 1981, losing 12% since 2011 alone, and now stands at just 964. It is close to unsustainable.

Employment in the town is also dominated by the tourist economy; many jobs are low paid, seasonal and without career development prospects. For businesses, the economy is equally challenging. Demand from national retailers for space in the High Street has driven up rentals, with corresponding rises in business rates – up to 400% increases. Many independent retailers struggle to survive, particularly in the low season with so few residents to support them. For non-retailers, there are virtually no business premises in the town; those that do come on the market are in the High Street area, with rents comparable to central London rates.

### The Project

In response to the crisis facing Southwold, the Town Council, working with the Southwold Coastal Community Team, has devised a project, the 'Southwold Enterprise Hub'. It consists of two elements:

1. Creation of new office space to attract knowledge/creative industry businesses to set up in the town, offering higher-value sustainable employment;
2. Establishment of a Southwold Development Team to extend the visitor economy beyond peak season and to support businesses across the town to become more productive.

This project fits well with the overall CCF priority focused on stimulating regeneration and economic growth, in this case regenerating a key site in Southwold. The hub provides a unique workspace, incorporating business support services to encourage business start-ups, growth, diversification as well as safeguarding and creating jobs.

The Council reviewed its asset portfolio (the majority of which is held to support the community) and identified Station Yard, a 0.12ha brownfield site at the entrance to the town, for development. The existing buildings will be demolished, and two new buildings will form the Southwold Enterprise Hub, providing a retail outlet (for use by a local independent) and 15 offices of varying sizes rented as managed workspace. At maximum occupancy, it is projected there will be 37 businesses of which 15 will be new; 76 people will work at the Hub, with up to 36 new jobs created, the majority of which should be of higher value.

Two of the largest offices will be established as co-working space, ready to move into with all services in place, and supporting up to 24 single-person businesses. Evidence from other

coastal towns, particularly in Devon, show the enormous impact this can have on the self-employed, creating opportunities for collaboration, inspiration and creating an entrepreneurial hub of activity. Virtual tenancies will also be offered, allowing businesses to benefit from the cachet of the Southwold brand, and creating a pathway for those intending to move into the town in future.

Business support will be provided to all tenants of the Hub, including virtual, plus those elsewhere in the town. This will include advice and guidance, networking events, training and knowledge sharing to help businesses become more stable, productive and sustainable.

The Southwold Development Team will consist of a manager, a coordinator and an apprentice. The team will be embedded into the Hub with responsibility for leading the implementation of initiatives which improve the quality and economic viability of Southwold, including development of a new website. They will lead business and marketing activity to promote the message that "Southwold is a place to do business".

In addition, the Southwold Development Team will create new events and work with tourism businesses to develop products that extend the tourist season into the 'shoulder' months, helping to dilute the seasonality of the current visitor economy. This is intended initially to increase visitor footfall by just 4% in March – May and September – November by year three, bringing an additional 28,000 visitors and £1.125m into the town out-of-season.

### **Timetable**

The development project is planned to begin in 1Q19, with the capital works to the Station Yard site starting in 4Q19 and completing 16 months later, in 2Q20. The Development Team will be on board as early as 2Q19.

### **Costs & Funding**

The overall project, including capital works, marketing, staff etc, is expected to cost £2.911m, of which the capital element is £2.725m.

A grant of £995,000 is requested from the Coastal Communities Fund, 34% of the overall project budget. Match funding from the Council of £1.916m will be made up of £895k from a property sale, and £1.021m from a Public Works Board loan over 30 years.

In time, when the positive impact of the Development Team is evident, it is planned that these roles will become self-funded. The project has been informed by the success of Falmouth's Town Manager in this respect. Income from the managed workspace will initially help to fund the three Development Team roles, and in the longer term, as these become self-financing, will provide the scope for the Council to acquire further properties in the town for conversion to extend the Hub model.

### **Conclusion**

The Southwold Enterprise Hub is much greater than its physical footprint. By providing not only space, but support and leadership for the business community, combined with strategic development to help extend the visitor economy outside the peak season, Southwold Enterprise Hub is the first key step in helping Southwold become a more balanced, vibrant and sustainable community.

## 1. Introduction

This document has been prepared for Southwold Town Council's submission to the Coastal Communities Fund. It demonstrates a viable future for the Southwold Enterprise Hub through its creation of new business space in the town, strategic support for businesses and development of the visitor economy beyond the peak months.

## 2. Organisation Summary

Southwold Town Council was formed in 1974 following the local government reorganisation and was formerly known as Southwold Borough Council. They received their Order of Charter from Henry VII in 1489.

The Council currently comprises 12 local councillors elected to provide leadership and direction for the people of Southwold whilst recognising their social responsibilities to all in the community. Their vision for Southwold is for it to be *'the successful, vibrant, attractive town on the East Anglian coast, where people want to live, work and visit'*.

The Town Council meets at least monthly and its work is supported by a number of committees and working groups including Planning, Leisure and Environment, Finance and Governance, Highways, Landlords and Neighbourhood Plan. There has also been a working group established to support the Station Yard project which consists of all the Chairs of the working groups above as well as the town mayor, the CCT chair, officers from Waveney District Council and professional advisers.

The extensive work of the Town Council is supported as well as by those Councillors who work with other tiers of local government including the ward members for Waveney District Council and Suffolk Council who themselves are also Southwold town councillors. This provides the opportunity for integrated project development across all tiers of local government.

Individual Councillors also represent the Town Council on a variety of local organisations and charities within Southwold. This again enables integrated project development and also provides the other voluntary organisations with help and support and clear lines of communication with the Town Council.

The Town Council is very active and has developed its expertise in a range of areas supporting the local community. They manage the weekly street market along with several parks and gardens including play areas and unique diverse habitats including the marshes. They undertake beach cleaning and own and manage some local public conveniences and provide most of the town's bus shelters, memorial seats and litter bins.

They provide support and coordination for local events throughout the year including Christmas Lights and civic ceremonies and also run the town shuttle-bus service linking key town centre locations with the beach, pier, harbour, doctors surgery (in Reydon). They also

directly support many initiatives around the town including the network of Visitor Information Points which were established following the closure of the local Tourist Information Centre.

They have vast experience of managing a wide property portfolio consisting of varied properties from light industrial and commercial to retail and residential. Southwold Town Council currently owns 28 properties and 13 additional land assets, all of which serve the local community, with the residential properties providing homes for local families. The commercial portfolio includes retail premises providing key services for the resident community including a butcher's and greengrocer's, both of which support the local supply chain within the town.

The property portfolio entails extensive responsibilities/liabilities including statutory repairing obligations, landlord responsibilities, monitoring of rent collection and voids, all of which provide a sound experience base for managing the Station Yard project.

The Town Council has ambitious plans to maximise the benefits of localism and devolution for the local community which includes the plans contained within this application. They have developed their Town Council Strategy which focuses on projects that will enable them to deliver their vision. The actions from the strategy have also been linked to the key areas of the Neighbourhood Plan, which is currently being developed, and this will be one of the vehicles for delivery of the overall strategy along with the Coastal Community Team's Economic Plan.

The Council has established strong relationships with prominent town and district organisations working together to deliver an effective plan to safeguard and improve the local economy. The Council was also instrumental in the creation of Southwold CCT and is a key partner within the steering group which brings together a range of business and community representatives, spanning both the public and private sector. They were instrumental in supporting a town centre strategy and are part of delivering a number of projects involving tourism, arts and community assets.

The Town Council works with a number of partnerships to support the community including Suffolk Police and fund a local PCSO full time for Southwold. Although not the land owner, the Town Council is working in close partnership with the potential developers for other sites to the entrance to the town to ensure a coordinated and aesthetically-inviting overall approach to Southwold. Hastoe Housing is a potential interested party for one of the sites which would provide affordable housing for local families and those seeking to work within the town. This links to the Station Yard development by providing close access to business premises and sustainable employment opportunities.

Suffolk Wildlife Trust is working with the Council to develop a management plan to sustainably support the marshes and the common, important natural habitats and assets for the town.

The Council was successful with a recent application to the Coastal Revival Fund to support a feasibility study and sustainability plan on how to restore and regenerate the Southwold Boating Lake and surrounding lagoons and wildlife area. The aim of this is to provide evidence in order to attract future investment opportunities and is a key objective for the CCT.

The Town Council also has an established strong working relationship with Waveney District Council and, relevant to this application, with the Economic Development Team who were a key partner in the development of the CCT and the initiatives contained in the economic plan.

Waveney District Council has an excellent track record in managing and delivering a wide range of externally funded projects, including large scale regeneration programmes and smaller scale development projects. Recently, this has included the CCF funded Lowestoft Ness Regeneration Programme and securing Heritage Action Zone (Historic England) status for Lowestoft. Examples of EU-funded capital projects include the EFF £4 million funded redevelopment of Southwold Harbour as well as revenue-based LEADER tourism projects. The Economic Development Team has strong links with business support providers, including New Anglia's Growth Hub and alongside Suffolk County Council were partner in the development of managed workspace projects in Lowestoft.

As a result of all the above activity the Town Council has developed a strong team knowledgeable in project development, delivery and subsequent management and very capable of delivering the Southwold Enterprise Hub project. Looking forward, the Council has committed to supporting other initiatives in the CCT Economic Plan by acquiring additional delivery capacity through their support of the two development posts within this application.

The town council operates in an open and transparent way, all committee agendas and minutes are published monthly on their website. All committee meetings and full council are open to the public. The Town Council follow full public sector procurement rules.

### **3. Project Background**

#### ***Project development***

In 2014, Southwold Town Council instructed Ingleton Wood LLP to explore options for the potential redevelopment of the entrance to the Town, crossing the marshes from nearby Reydon. The area is an important location, being the first thing people see when they enter the town, and was a mixture of ad hoc development and redundant utility buildings. The Town Council was keen to build on the planning policies within Waveney District Council's Adopted Development Plan, to provide a locally-specific guide to influence future developments within the area and promote high quality design in this sensitive location.

The scheme overview developed by Ingleton Wood indicated how, in the fullness of time, the individual sites in the study area could be developed to provide a joined-up street pattern and, crucially, an appropriate entrance into Southwold.

Station Yard is a Town Council-owned site within the parcels of land included within the 'Town Entrance' and identified for redevelopment. An options appraisal by the Council concluded that development as a business hub would meet more strategic aims and have greatest positive impact on the town. Ingleton Wood recognised that such redevelopment would provide an opportunity to protect the existing Victorian frontage on Station Road which incorporates Town Council-owned residential properties and retail premises<sup>1</sup>. Redevelopment could also improve the pedestrian connection through the site by developing a courtyard area. These factors have been incorporated within a planning application approved by Waveney District Council.

The project was identified in the CCT Economic Plan as a key action to be delivered.

### ***Economic backdrop***

Southwold, on Suffolk's east coast, is a unique place, a tourist destination of international renown. Over 1.5m trips were made to the town in 2017<sup>2</sup>, and annual visitor expenditure – on accommodation, shopping, food & drink and attractions - is estimated at just over £50m<sup>3</sup>. Peak visitor season is from June to September, with 42% of day trips and 37% of overnight stays taking place in these months<sup>4</sup>. However, research undertaken for the Coastal Communities Team's Economic Plan during 2017 showed that, whilst tourism is vital to the town's economy, it has significant negative consequences too.

Demand for holiday accommodation and second homes, coupled with the desirability of living in such an attractive location, have forced up house prices dramatically, with the house price to earnings ratio now twice that of London. Many younger people have been driven out, with the total number of permanent residents in steep decline for the last three decades (from 1,839 in 1981 to 1,098 in 2011<sup>5</sup>). In 2017 the resident population was 964, of which 53% were over 65, with 41% of working age<sup>6</sup>. Southwold's resident population is rapidly shrinking to a level that could make the community unsustainable.

Adjacent to Southwold is the town of Reydon, where house prices are slightly lower. Its population is larger (2,573), half of whom are of working age<sup>7</sup>. Surrounding Southwold is a rural hinterland, dotted with villages and hamlets, for which Southwold is the principal town.

Over 50% of Southwold's households had no 'usual residents' in 2011, the highest rate for any coastal community in England and Wales, compared with 38% in 2001<sup>8</sup>. A more recent consultation<sup>9</sup>, conducted by the Southwold Neighbourhood Plan team, found 8% of

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<sup>1</sup> Southwold Town Entrance Study, Ingleton Wood LLP

<sup>2</sup> Economic Impact of Tourism Report, 2017 – trips include day and overnight stays

<sup>3</sup> Economic Impact of Tourism Report, 2017 – figures net of travel expenditure

<sup>4</sup> Economic Impact of Tourism Report, 2017

<sup>5</sup> ONS Census 1981, 2011

<sup>6</sup> ONS estimate 2017

<sup>7</sup> ONS estimate 2017

<sup>8</sup> ONS (2014) 2011: Coastal Communities

<sup>9</sup> Southwold Neighbourhood Plan (2018)



properties were held vacant, having been acquired for investment purposes, with only 43% of residential properties in town used as primary homes.

As a consequence of the seasonality of the tourism trade, local independent services struggle to maintain their businesses in the off-peak months, due to the drop-off in visitor footfall which in turn increases reliance on a dwindling permanent resident population. In the recent Town Centre Strategy research, 35% of businesses reported that securing potential local customers was a problem for them, compared to just 3% in small towns nationally<sup>10</sup>.

Employment opportunities are also dominated by the tourism economy: 78% of jobs in the town are in the tourism sector<sup>11</sup>. Traditionally, the tourism sector offers below average earnings<sup>12</sup>, and Southwold is no exception to this. Although the town is a year-round destination, almost half of its visitors come between May-August<sup>13</sup>, resulting in seasonality of employment, with a significant dip outside the peak months. This over-reliance on seasonal trade creates capacity and sustainability issues at peak periods, and a corresponding reduction in employment/hours in the off-peak months. Low wages and unreliable employment make Southwold a less attractive place with fewer opportunities for residents.

For businesses in Southwold there are many challenges. Retail businesses on the High Street have faced up to 400% increases in business rates, as demand from national chains, keen to engage with the tourist footfall, has driven up the rental value of properties. This is seen as a significant negative by 89% of businesses surveyed in 2017<sup>14</sup>.

There is a significant gap regarding business leadership in Southwold as there is currently no local chamber or business group operating in the town. This results in businesses operating independently, missing opportunities to network and collaborate, or to share knowledge.

For non-tourism non-retail businesses, there is an overall lack of suitable premises, and particularly any that are not located within the expensive High Street area. Premises in the vicinity of the High Street often have suboptimal space in converted former residential properties with restricted access, and, as they mostly have A1/A2 permitted use as well as business use, are snapped up for retail or have rents that reflect the fierce demand for retail premises in this location. In December 2018, a single office was on the market in Southwold, with an unserviced rent of £32.44 per square foot – comparable to some central London prices<sup>15</sup>. This lack of suitable premises is considered a negative aspect by 51% businesses<sup>16</sup>.

The shortage of business premises has been an issue for many years. In the Southwold Town Plan consultation in 2013, 62% of businesses said there was inadequate provision for them in

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<sup>10</sup> Southwold Town Centre Strategy, People & Places (2018)

<sup>11</sup> NOMIS (2017)

<sup>12</sup> Eurostat: Structure of Earnings Survey (2014)

<sup>13</sup> Visit Suffolk/Destination Research Market Segmentation (2015)

<sup>14</sup> Southwold Business Confidence Survey (2017)

<sup>15</sup> Sources: Zoopla, Knight Frank (Jan 19)

<sup>16</sup> Southwold Business Confidence Survey (2017)

the town, and, in the same consultation, 84% of residents thought it important or very important that 'small flexible use premises were provided for small and start-up businesses' were provided. Since then, the King's Head pub has been converted into a retail outlet with three small offices at the rear, but otherwise, no new capacity has been delivered and there is none in the pipeline.

Similarly acknowledging the issue, the East Suffolk councils included this deliverable in their joint Economic Growth Plan: "ensuring that market and coastal towns have **appropriate levels and types of small business provision, and grow-on space**, recognising that there are market failures in this context and that a positive approach to enterprise provision will be important."<sup>17</sup>

All research to date has reached four recurring conclusions:

1. There is a need to extend the tourism season outside the peak months, but in a managed fashion to avoid exacerbating the negative aspects of tourism on the town.
2. Southwold must attract non-tourism business into the town offering higher value employment opportunities to help balance the economy and attract more residents to the build a sustainable population.
3. There is a scarcity of suitable accommodation for businesses within the town, despite the attraction of Southwold as a place to do business.
4. A united and proactive approach to galvanising the local business community is required.

### ***Strategic Response***

Southwold Town Council strategic planning work, undertaken in 2016 and 2017, identified several key priorities including:

- Diversify the local economy by establishing space for knowledge-based businesses
- Reverse the decline in resident population, achieving a more balanced age range; make the town a more attractive proposition for families to live and work
- Retain and enhance the natural and built environment
- Promote and maintain the independent character of the High Street<sup>18</sup>

Recent development in the town has made inroads into the housing issue, with new market housing being delivered alongside a substantial tranche of affordable homes, such that the current registered needs have been met.

Southwold's Coastal Community Team, formally established in January 2017 has embedded Southwold Town Councils priorities into their Economic plan. The CCT has as its vision:

*For Southwold to be the successful, vibrant, attractive town on the East Anglian coast, where people want to live, work and visit. To bring together various business, commercial and*

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<sup>17</sup> East Suffolk Economic Growth Plan 2018 - 2023

<sup>18</sup> Southwold Town Council 'Our Strategy for Southwold' Apr 16, updated July 17

*community interests to inspire and guide a co-ordinated approach to creating greater future economic prosperity for the town.*

## 4. Strategic Context

### *Identified gaps*

It is clear from the comprehensive research and extensive consultation conducted over the last five years, that there is a lack of strategic leadership and coordination to manage the economy of Southwold, beyond what the Town Council is able to do, and the District Council does on a wider East Suffolk basis.

The Chamber of Trade disbanded because of time constraints for independent business owners, who are struggling to sustain their own businesses (given the economic context within the town), and, as is seen in High Streets across the country, national chains rarely participate. This is particularly so in Southwold where many national chains' presence is carried as a loss leader, for marketing purposes alone, attracted specifically by the young, relatively affluent visitors who make up much of the tourist footfall.

The absence of a Chamber of Trade or similar body means that businesses in Southwold largely operate independently. There is little networking, and no support or development mechanism to help them improve their skills/knowledge and become more sustainable. The lack of networking also means that opportunities to cross-sell, and to create a vibrant supply chain, are missed.

Management of tourism is similarly lacking. There is no clear and consistent marketing strategy in place specifically for Southwold, and tourism – albeit hugely successful – exists without any official coordinating influence. This is thought to be a major contributing factor in the continuing seasonality of tourism, as there is no body developing visitor 'products' outside the peak months or working with tourism businesses to extend the footfall across the year<sup>19</sup>. The Suffolk Coast DMO covers all of East Suffolk but does not offer strategic planning and product development for individual destinations.

Looking at towns with similar challenges, Southwold CCT was inspired by Falmouth, and the successes that it has seen as a result of directly managing the town, leading businesses and driving its visitor economy.

*'A passive reliance on tourism will not be enough for seaside towns to fulfil their potential. What's needed is a transformation in the way seaside towns view themselves, as well as how they educate their children and manage their infrastructure.'*

*Seaside towns need entrepreneurs to bring ideas, jobs, and wealth to their communities; but entrepreneurs need talent, infrastructure, and public support to help them lead the revitalisation of seaside towns.'*

*"From ebb to flow – how entrepreneurs can turn the tide for Britain's seaside towns"*

Report for the Centre for Entrepreneurs, 2015

<sup>19</sup> East Suffolk Tourism Strategy (2017 – 2022)

Similar strategic leadership for Southwold, as a visitor destination and as a place to do business, is key.

### ***Coastal Communities Fund Outcomes***

The project supports CCF priorities:

- Delivering economic diversification/innovation through the provision of flexible start-up space, tailored business support to businesses;
- Addressing seasonality within the local economy through the appointment of dedicated resources to work with and support the industry, developing new initiatives to extend the traditional tourist season and strengthen local supply chains;
- Provide support for SMEs through access to targeted business support from an accredited provider, improvements to infrastructure in terms of business/office facilities and incubation support for new sole traders and micro businesses.

This project fits well with the overall CCF priority focused on stimulating regeneration and economic growth, in this case regenerating a key site in Southwold. The hub provides a unique workspace, incorporating business support services to encourage business start-ups, growth, diversification and safeguarding and creating jobs.

The project is fully supported by Southwold CCT and is one of the CCT's key deliverables within its economic plan. The project specifically supports the CCT's priority to "Maintain and promote the vitality of the High Street", managing the visitor economy more effectively, mitigating negative impacts in terms of an over-reliance on the visitor economy by delivering a marketing plan, extended events programme and initiatives to drive up out-of-season visits.

The CCT Plan identified that a Town Centre strategy was required, so People & Places were commissioned to develop a document which identified the need for a dedicated resource to not only deliver the strategy but also bring together a strategic approach to the development of Southwold's economy and to reposition the 'Southwold brand' as a year-round visitor destination and 'a place to do business'.<sup>20</sup>

### ***Target Beneficiaries***

The project aims to support start-up businesses in the town, businesses that wish to expand, and, importantly, those from outside the area that want to relocate to the town or develop additional offices within the town. There are already several businesses in the town that have created new branches in Southwold, but the absence of suitable presence is a barrier to more businesses making the move and increasing employment in the town. Repeatedly, studies have shown that local businesses employing local people contribute 7x more to the local economy.

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<sup>20</sup> Town Centre Strategy, People & Places (2018)

The many assets of Southwold that attract visitors also have the potential to attract business owners making quality of life changes, particularly those from London and the South East (where property prices are even higher than Southwold, meaning that a major barrier is removed).

The East Suffolk councils' Economic Growth Plan and accompanying Delivery Plan recognise the importance of micro and SME's to the coastal economy, highlighting their potential growth, and the attraction of East Suffolk's unique location. It stresses the importance of having appropriate workspaces and premises for businesses, as well as the need to equip small business owners/managers with the skills they need to gain the confidence to invest and grow.

Research into the needs of small and micro-business beneficiaries included looking at projects in other coastal towns. The Devon Work Hubs programme, instigated by Devon County Council, has been particularly inspirational, leading to changes in the specifications for office space to be created in Southwold. Devon Work Hubs offer co-working space for individuals to use on a short-term hire basis. The positive impact and substantial benefits delivered to the individuals, to their businesses' viability, and to the towns that host them, are clear to see. The project has been so successful that new sites are springing up across the county<sup>21</sup>.

The local workforce, including those in Reydon and the rural hinterland, are key beneficiaries. Low-value seasonal work predominates in Southwold, with 40% of jobs in the town directly in tourism-related or retail businesses<sup>22</sup>. Meanwhile, 45% of workers resident in Southwold leave the town for work<sup>23</sup>. More businesses in the town, providing year-round higher-value employment will help attract and retain workers for the town, improve social mobility and strengthen the local economy.

The residents of Southwold are the third beneficiary grouping. Addressing the dwindling population is critical to ensuring the continuation of the community. Older people in particular need local services; without a critical mass of residents, services disappear and without services, fewer people wish or are able to live there. The predominance of second and holiday homes also has a negative impact on community, creating unexpected pockets of isolation in a bustling town. Local people living and/or working in the town contribute much more than just financially, by helping to run community activities.

### ***Options Considered - Station Yard***

The Station Yard site was highlighted as a development priority in Ingleton Wood's masterplan for the Town Gateway. Councillors considered a shortlist of nine alternative, viable, uses for the site against a list of weighted criteria developed from the priorities within their strategic plan:

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<sup>21</sup> [www.devonworkhubs.co.uk](http://www.devonworkhubs.co.uk)

<sup>22</sup> ONS Business Register & Employment Survey (2017)

<sup>23</sup> Southwold Neighbourhood Plan (2018)

- Economic diversification (broadens the local economy, creates higher value jobs, addresses seasonality/creates new patterns of tourism)
- Business growth (creates opportunities for business and job, generates/supports business growth)
- Strengthens community (attracts and retains young people, helps to address decline in resident population)
- Meets an identified need (does not replicate something already provided)
- Enhances the built environment (maintains local character, delivers an exciting/attractive gateway to the town)
- Sustainability/flexibility (sustainable financially & organisationally without undue burden on Council staff, flexibility to respond to future economic changes and shifting community needs)

By assessing the proposals against these criteria, developing Station Yard as a business hub with support for small businesses emerged as the most appropriate use for the site.

Other suitable locations for a business hub do not exist either within the Council's property portfolio or in the town to be developed; there are no greenfield sites allocated.

### ***Options Considered - Southwold Development Team***

Three options were considered as ways to create a strategic leadership for the town:

- Create a new team, hiring specifically for the role
- Reinstate the Chamber of Trade
- Undertake the work with existing Council staff

Reinstatement of the Chamber of Trade has already been attempted in the past, but with the pressures on local businesses (documented previously) this was not considered viable.

The existing Council staff do not have any capacity to take on further work, and certainly not on the full-time basis that is expected to be required to deliver results.

The only viable solution, therefore, is to create the roles as new positions, hiring individuals with the specific skills needed to succeed in the role.

## **5. Project Delivery**

Southwold Enterprise Hub will deliver new office space for small and micro businesses on the Station Yard site, provide business support onsite and across the town, and develop further the tourism economy to extend it beyond the peak months. The Southwold Development Team will provide a strategic business leadership, to make Southwold a place to do business, strengthen the business community. The project will directly create up to 36 higher value jobs and safeguard a further 40 as well as support existing businesses within the town.



## ***Station Yard Site – Current Use & Ownership***

Southwold Town Council owns Station Yard, a site located to the north-west edge of Southwold. Station Road is the main entry point to the town and continues on to form the main High Street.

Station Yard is close to good existing sustainable transport links and is in close proximity to the main Southwold High Street to the south, with its range of services and shops.

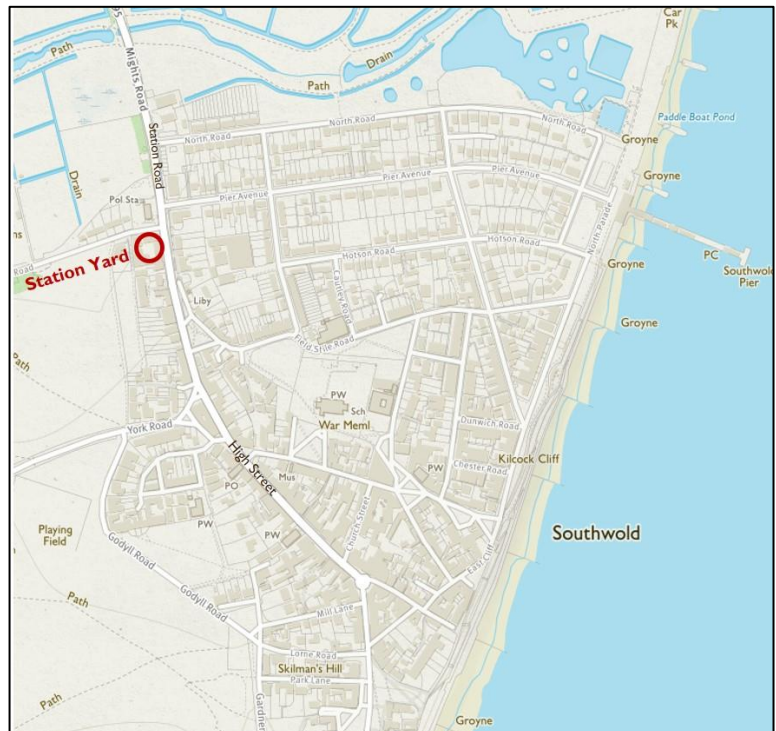
The site was first partially developed around 1903, with additional buildings appearing some time after 1947. Southwold railway station originally occupied the site immediately across the road, which is also targeted for redevelopment.

Today, Station Yard consists of three main buildings leased to separate businesses. On its Station Road frontage there is a convenience shopping outlet (an independent general store) and behind it are two buildings currently used as garages.

All the buildings are of poor design and constructed with low-grade materials; although the services themselves are important to local people, the buildings do nothing to enhance the initial appearance of Southwold as a town.

## ***Station Yard Development***

The existing site will be demolished, and two new buildings will provide just less than 600m<sup>2</sup> of usable space, forming the Southwold Enterprise Hub, a “Gateway” development at the entrance to the town.



The development has been designed by Ingleton Wood LLP. It includes one retail unit on the main Station Road frontage, plus up to 15 flexible business units, with access to shared facilities including a meeting room, kitchen, accessible toilets and shower. The current designs, on which planning permission has been granted, show two upstairs residential units. However, with market and



affordable housing delivered and bringing younger people into the town, there is no immediate need for these, and it has been decided to apply for change of use. This is in line with government policy and should not be an issue.

Half the units and all shared facilities are on the ground floor and are fully accessible to all. The design of the buildings utilises a steel framework to minimise the number of load-bearing walls, so that the buildings are future proofed against emerging needs and changing demands for space.

The units will range in sizes from 14m<sup>2</sup> (for 1 – 2 people) to 107m<sup>2</sup> (accommodating up to 15 people)<sup>24</sup>, and therefore can support start-up businesses as well as offering 'move on' accommodation for businesses as they grow. To increase further the provision for start-up businesses, two of the larger units will be deployed as co-working space for up to 24 individuals offering a first step for their new businesses. Dependent on the success of these, other office units in the Hub could readily convert to provide more space.

Units, with the exception of the co-working ones, will be developed as 'shell plus', meaning that they will have all infrastructure, cabling, lighting, carpeting etc in place, but no furnishings. Each unit has CCTV and a security alarm and is separately metered for utilities so that individual businesses can establish their own contracts; this is especially important for established or 'move on' businesses with existing preferred suppliers. In contrast, the co-working (shared space) units will be fitted out with office furniture, and will have a range of services available, from broadband to printing, making it straightforward for start-ups to move in.

The meeting room will have full AV support for presentations with adaptable conference furniture enabling a variety of meeting layouts up to boardroom style for 16 people.

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<sup>24</sup> Note that occupancy rates vary significantly dependent on the type of business occupying space, and the way in which they operate. Design agencies, architects etc tend to have lower density due to the equipment needed to be housed, and some businesses prefer an informal layout with breakout spaces too. All these can be accommodated within the current design.



Immediately adjacent is the kitchen, so that refreshments for meetings can be stored and delivered into the room as required.

Shared kitchen and shower facilities supplement the more basic services within each unit. Showering facilities are included to encourage cycling to work as part of the green travel policy for the town - currently only 2% of Southwold's working population cycle to work<sup>25</sup>.

Green technology will play an important role in the Hub. Photovoltaic panels are planned for two of the south-facing roofs; air source heat pumps are being investigated to support climate control for some of the units. Sedum will be planted on the flat roof of the meeting room, providing a more pleasant outlook for nearby buildings, improve air quality and provide nectar through their long flowering months.

There is no parking onsite, with the central courtyard landscaped to provide outside space for workers. Parking will be available in the new Millennium Foundation Car Park on the former police station site. A green travel plan will be embedded into the project. The Millennium site will also include a visitor centre and aims to improve access to the town by diverting traffic onto foot, and signposting different routes that can be taken.

The retail unit on the Station Road frontage replaces the existing independent convenience store, with significantly upgraded facilities. It is intended that the tenant of the current store will move into these new premises, continuing an important service for local residents.



The introduction of a large number of office workers immediately behind the store should deliver additional footfall to the shop – and the wider vicinity - helping to improve its year-round sustainability.

Because of the Enterprise Hub's location outside the designated High Street zone but adjacent to it, it will be more affordable for business start-ups, with lower rent and rateable values. However, its proximity to the High Street means that the commercial area is effectively extended to include the Enterprise Hub, benefiting both hub tenants and the businesses in between.

### ***Managed Workspace***

The Enterprise Hub will be run as managed workspace, with support from an experienced provider to coordinate all aspects of securing tenants, including legal and financial processes, as well as managing the facility day to day. The Town Council intends to take on an

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<sup>25</sup> Southwold Neighbourhood Plan, 2018-2038

apprentice for the project, to support the administration of the hub, as well as working within the wider Southwold Development and marketing roles.

Virtual tenancies will be offered, where remote businesses use the address and a central Southwold phone number, although located elsewhere. This capitalises on the cachet of a Southwold address<sup>26</sup> but will also enable businesses intending to relocate or expand into the Enterprise Hub to begin that process in advance. An additional higher-level virtual tenancy option will include access to business support services and networking (see below) and it is anticipated that this will help to develop a 'pipeline' of businesses to move into the Enterprise Hub as vacancies arise, particularly since virtual tenants will be given priority.

Tenants (including virtual) can hire the meeting room at a discounted rate. Use of all other facilities and services – bins, cleaning etc - is included in their monthly rental and service charge.

The meeting room will also be available for public hire; there is a significant shortage of quality business space for meetings in Southwold and this will be an important support for businesses across the town. Bookings will be managed by the workspace management team, with any additional catering requirements delivered by local providers. Use of the meeting room by businesses will bring clients into the town, who in turn may become visitors to the town too.

To ensure the benefits of the Hub are extended further in the town, the managed workspace provider will be required to use local suppliers for most services – such as cleaning, grounds maintenance, minor refurbishments and repairs.

Business support services, including informal and formal networking, training, masterclasses and advice and guidance, will be provided by a part-time adviser, working with the Southwold Development team (see below). The support will cover not only tenants and virtual tenants of the hub, but businesses across Southwold. This advisor will come on board prior to the completion of the construction project and will run through the first three years of occupation, by which time it is expected that the Southwold Development team will take over.

### ***Businesses Supported***

In designing the centre, consideration was given to creating spaces to meet the varying needs of the small and micro businesses likely to choose Southwold as their base. It is anticipated that the occupants of the Enterprise Hub will be a blend of:

- self-employed single-person businesses looking to move out of home-offices, either for better, more professional looking space in which to meet clients, or to improve their life-work balance by creating a gap between home and workplace
- start-ups (single or multi person) businesses requiring premises, perhaps even as new joint ventures with shared admin staff

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<sup>26</sup> Local businesses up to eight miles distant bring Southwold into their location details to benefit from the perceived value of the Southwold brand

- 'moving on' micro and small businesses that are expanding, taking on new staff, increasing their capacity or looking for more or better space
- a small number of established businesses that may expand marginally in new accommodation.

It is difficult, with so little business accommodation provision in the town currently to use as a basis, to be certain about the new jobs likely to be created from the above, but using the four groupings, and looking at other business hubs around the country, it is predicted that job creation will arise as follows:

Individuals using the co-working space – 60% of occupancy will be new jobs

Start-ups renting business units – 50%

Moving on businesses – 30%

Established businesses – 10%

Mapping these figures to the spaces provided and likely occupants, it is predicted there will be **15 new businesses** and around **36 full time new jobs** created at the Hub, the vast majority of which are expected to be higher value roles, and, importantly, not directly reliant on the visitor economy. See Appendix C for the occupancy model.

### ***Southwold Development Team***

Alongside the provision of office space, the project will directly appoint two dedicated management staff, a Southwold Development Manager and a Development Coordinator, as well as an apprentice to work part-time (50%) with this development team<sup>27</sup>. These **3 full-time resources** will bring a strategic approach to the development of Southwold's economy, filling gaps that might otherwise be covered by a Chamber of Trade. They will be embedded into the Hub with responsibility for leading the implementation of initiatives which improve the quality and economic viability of Southwold, including development of a new website. They will lead business and marketing activity to promote the message that "Southwold is a place to do business". See Appendix B for the draft job descriptions.

The Development team will work alongside the business support adviser, to help improve skills and expertise within local businesses around the town – this will include tourism-sector businesses, as they too will benefit from additional support. In time, the Development team will take over this role, working with local colleges and East Suffolk Council to utilise skills and expertise available there.

Evidence from the Devon Work Hubs shows that new businesses brought together into a workspace will begin to cooperate with each other, participate in joint ventures, and use each other's services as well as those in the town as a whole. The Southwold Development team will be tasked with enabling this leveraging to happen as quickly as possible, through organised networking events.

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<sup>27</sup> The apprentice will also work on day-to-day support of the Enterprise Hub including virtual tenancies.

In addition to helping strengthen and diversify the local business economy, the Southwold Development Management team will focus on the visitor economy to address some of the challenges the hugely successful tourism business presents for the town. A key deliverable will be the extension of the tourism season into the 'shoulder' months, by developing new products, themed trails, experiences and events, using Southwold's key assets, so that the seasonality of that trade is reduced, which in turn will help local services become more sustainable.

Development of 'shoulder' month tourism (March – May and September - November) is expected to increase visitor footfall by 4% in these months by 2023. This will result in **28,106** additional visitors (day = 27271, overnight = 835); related visitor spend will bring in an additional **£1.125m** from day visitors, with an estimated **£143,820** from overnight stays<sup>28</sup>.

They team will look to galvanise local businesses to become engaged and involved with town events in a coordinated manner. This will assist with the sustainability of the project by encouraging options for income generation by building on what currently exists and seeking new opportunities too.

The Southwold Development roles will be funded for the first two years by the project, but over time they are required to generate their own income to cover their costs. This will be achieved for the first few years from events income, membership fees and sponsorships, and supplemented by rental income from the Enterprise Hub, but as the role becomes more successful, and the business community is convinced of the benefit of having the team, a percentage of the rateable value of a property will become the fee payable. This model has been pioneered by the Falmouth Town Manager role, with considerable success. However, it is not expected that that position will be achieved for at least six years<sup>29</sup>.

### ***Existing Provision***

As noted above, business premises in Southwold are in short supply. The units within the Enterprise Hub will boost the supply, providing alternative accommodation for businesses that do not need to be close to the High Street (and leaving premises around the High Street for those who do want to be there, such as estate agents and other professional services).

A separate initiative is underway, part of the overall CCT economic plan, to redevelop the former Southwold Hospital in the town as the 'SouthGen community hub'. As well as a library, nursery and other community and food-related facilities there will be space for new community businesses to use on a hot-desk basis. The Enterprise Hub will therefore provide complementary 'move on' accommodation for these individuals/social enterprises when they are ready to occupy more permanent premises, rather than lose them from the town.

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<sup>28</sup> Base data from Economic Impact of Tourism Report (Destination Research) 2017

<sup>29</sup> Note that in the operating cost model, there is no switchover to a percentage of rateable value system, as further work is required to determine the rate required and the likely number of contributors. Falmouth's assistance will be sought in this.

In terms of managed workspace, the closest to Southwold are in Lowestoft (13 miles), Leiston (16 miles), Framlingham (21 miles) and Norwich (32 miles).

### **Timetable**

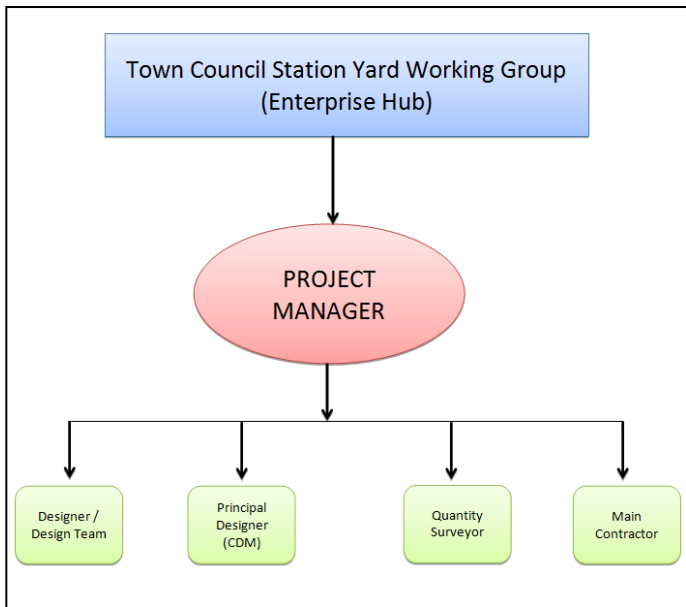
<b>April 2019 / March 2020</b>				
Package procurement (including project manager) for Station Yard capital build	1wk	01/04/2019	05/04/2019	SWTC
Advertise the Town Development Manager and Coordinator posts	3 wks	01/04/2019	19/04/2019	SWTC
Appoint designer to prepare tender package for Station Yard	5wks	08/04/2019	10/05/2019	SWTC
Appoint QS to prepare tender package for Station Yard	5wks	08/04/2019	10/05/2019	SWTC
Designer mobilisation for Station Yard	2wks	20/05/2019	31/05/2019	Designer
Prepare design fit for construction of Station Yard	12wks	03/06/2019	23/08/2019	Designer
Prepare Bill	14wks	03/06/2019	06/09/2019	QS
Appoint the Town Development Manager and Coordinator		01/07/2019		CCT management group/SWTC
Pre tender enquiries for Station Yard	2wks	26/08/2019	06/09/2019	QS
Delivery of Town Centre Strategy objectives commenced (Development posts)		22/08/2019		Southwold Development Manager
Issue Station Yard project to tender	0 days	09/09/2019	09/09/2019	SWTC
Tender	6wks	09/09/2019	18/10/2019	QS
Recruit apprentice	3wks	16/09/2019	11/10/2019	SWTC
Commence delivery/co-ordination of CCT Economic Plan priorities		07/10/2019		Southwold Development Manager/Visitor Economy co-ordinator
Enterprise Hub Marketing Strategy agreed and put in place to include the message that 'Southwold is a place to do business'		21/10/2019		Southwold Development Manager
Tender Interview for Station Yard	1wk	21/10/2019	25/10/2019	Designer, QS, SWTC
Tender appointment / contractor award for Station Yard	2wks	28/10/2019	15/11/2019	SWTC
Construction mobilisation at Station Yard	6wks	25/11/2019	03/01/2020	Contractor
Visitor Economy Marketing Strategy agreed and put in place to include out of season events and campaigns		16/12/2019		Visitor economy co-ordinator
Construction of Station Yard to begin	16mths	20/01/2020	05/04/2021	Contractor
Visit Southwold website live		03/02/2020		Visitor economy co-ordinator
<b>April 2020 / March 2021</b>				
Review of work programme undertaken since appointment and agree objectives for 2020/21		01/04/2020		Southwold Development Manager
Monitoring and evaluation of two development posts completed with 3 year sustainability forward plan produced		14/01/2021	01/03/2021	Southwold Development Manager
Completion	0days	05/04/2021		Contractor

## **6. Project Resources**

A Southwold Enterprise Hub project team will be established to deliver the capital project and the related revenue activities for the first two years. The team will be led by Southwold Town Council (Town Clerk), but, in recognition of the other demands of her role, an experienced

freelance project manager will be hired to oversee the project, managing progress, representing the client’s requirements day to day, resolving issues, managing risks, reporting progress and ensuring that expenditure is correctly recorded and grant reclaims processed, in a timely fashion.

All project finances will be managed by the Town Clerk who is the RFO for the Town Council.



Councillors have formed a steering group overseeing the project; it will meet monthly.

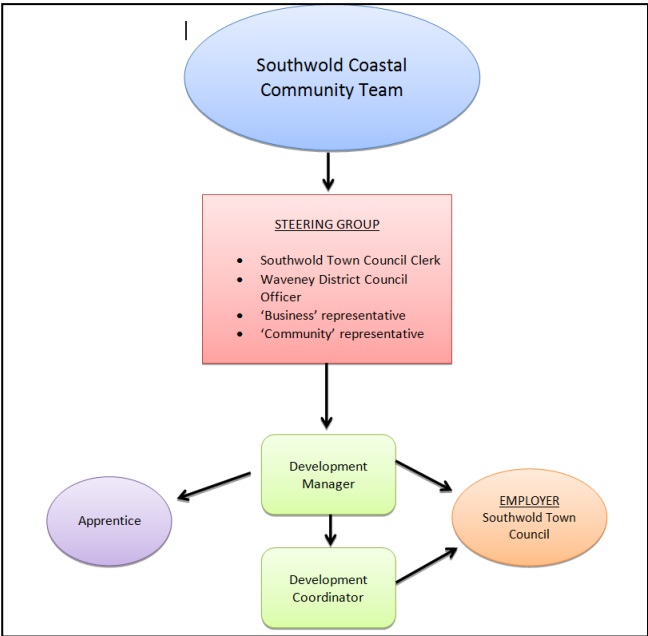
An architect will lead the design team, which will include a structural engineer, M&E engineers, CDM and others as required. The main construction contract, which will be let on a traditional basis, will be managed by a Quantity Surveyor as contract administrator. The QS will report to the client project manager, rather than to the design team leader.

All contracts for freelance staff will be procured according to the Council’s regulations, which at the lowest level will require competitive quotes, and at the highest, competitive tenders. The council will implement its policies and procedures associated with the project such as health and safety.

Staff resources on the project will include the two new Southwold Development roles – the Development Manager and the Development Coordinator. They will be recruited early in the project and will report to the Town Clerk. It is intended that they should be in position by early summer 2019. An apprentice will work with the Development team.

### 7. Project Costs

Project costs have increased by about £400k since the stage one application, with the inclusion of professional fees and higher contingency on the capital build. Specific provisional sums as well as a general contingency within the capital cost plan are to cover events such as



contamination and asbestos, which, if present, are likely to be expensive. It is felt that this is a more prudent approach than simply an all-purpose contingency.

Inflation has been calculated at 2.5% for the construction phase, as advised by the Quantity Surveyor. For the operational phase, it is again 2.5% per annum, although clearly it is difficult to predict far ahead, given the uncertainty of the current economic/political climate.

**The total project cost is £2,911,458.**

	Total Cost	2019-2020	2020-2021	2021-2022
<b>COSTS</b>		Year 1 dev project	Year 2 dev project	Year 3 (Station Yard goes live)
Construction project excl contingency & inflation as per RUA cost plan	£2,022,529	£ 200,122	£ 1,761,141	£ 61,266
Construction contract contingency	£ 315,000	£ 31,176	£ 274,279	£ 9,544
Construction contract inflation	£ 47,000	£ 4,652	£ 40,924	£ 1,424
Architect	£ 93,480	£ 60,762	£ 28,044	£ 4,674
M&E services engineer	£ 35,055	£ 24,539	£ 10,517	
Structural engineer	£ 35,055	£ 21,033	£ 14,022	
QS cost consultant	£ 52,583	£ 31,550	£ 15,775	£ 5,258
QS as contract administrator	£ 46,740	£ 4,674	£ 37,392	£ 4,674
Principal designer (CDM)	£ 5,843	£ 584	£ 5,258	
Building control	£ 4,674		£ 4,674	
Project manager	£ 60,000	£ 36,000	£ 24,000	
Fit Out: Meeting room equipment	£ 7,500			£ 7,500
<b>Station Yard Capital Project to opening</b>	<b>£2,725,458</b>	£ 415,091	£ 2,216,026	£ 94,341
Graphic design (Southwold brand)	£ 5,000	£ 5,000		
IT Development (website)	£ 15,000	£ 5,000	£ 10,000	
Staff salaries (Dev x2, 4 days/week avg)	£ 114,425	£ 48,349	£ 66,076	
Apprentice from 4Q19	£ 11,874	£ 3,893	£ 7,981	
Staff equipment (laptop, mobile)	£ 4,149	£ 2,960	£ 1,189	
Staff training	£ 2,552	£ 1,169	£ 1,384	
Recruitment	£ 1,000	£ 1,000		
Marketing materials, advert & PR	£ 13,000	£ 4,000	£ 9,000	
Events budget	£ 6,000	£ 1,000	£ 5,000	
Evaluation (set up baselines, market	£ 2,000	£ 2,000		
Business Support	£ 11,000		£ 11,000	
<b>Total revenue spend to opening</b>	<b>£ 186,000</b>	£ 74,370	£ 111,630	
<b>TOTAL COSTS</b>	<b>£2,911,458</b>			
<b>FUNDING PLAN</b>				
CCF funding requested	-£ 995,000			
Southwold Town Council reserves	-£ 895,000			
PWB Loan	£1,021,458			

## 8. Financial Appraisal

The total capital cost of the project is calculated as **£2,725,458**. The cost plan has been developed by Richard Utting Associates, a leading Cost Consultancy in Norwich, and based on



the detailed specifications from Ingleton Wood. It is included as a separate attachment to this business plan.

Revenue costs, prior to opening of the Southwold Enterprise Hub itself, are **£186,000**. These have been estimated by the project team based on their extensive experience of other similar projects.

### ***Operational Financials***

The operating budget is shown at Appendix D. It is split into two sections, one covering the cost and income for the Southwold Enterprise Hub buildings, and the second covering the Southwold Development Team costs and income. This allows Southwold Town Council and other stakeholders to see clearly the financial positions of each stream of the project separately, and to understand the impact of the 30 year PWB loan.

The Hub (office units, with business support and virtual tenancy), will make a loss of just over £38k in year one (ie 2021/22). This is mostly due to the high level of business rates for vacant properties. As tenancy rates ramp up, this amount will drop either because the tenant is paying them or because small business rate relief exempts them.

The Hub is projected to begin making a profit in its second year, provided tenancies come on board at the predicted rate. The number of businesses occupying the centre has been estimated very conservatively in the first few years, but it is expected that the demand will outstrip these projections by some margin.

In terms of the Southwold Development Team, costs will be covered by the project in the first two years. In year three, the operational loss is projected to be £46k, as it is not expected that there will be sufficient income generated from the various sources identified to cover the full costs by that time. The loss will be covered by Southwold Town Council in expectation of payback in subsequent years.

By year 3 of operation, the surplus generated by the Hub (£50k) will go towards offsetting the costs of the Development Team. This will continue to be the case until year five when the Development Team's income is expected to cover all its costs.

The whole operational project (both streams combined) is anticipated to have covered the initial cumulative losses by year four, (ie 2023/24 on current schedule). This means that, in time, the Council would be able to seek a further property in town for conversion to extend the Hub model further.

### ***Market Analysis***

As will be seen, charges to tenants or users of workspace are based on a per sq foot calculation that covers both rental and service charges. Market analysis of the rates was undertaken looking at all rental property available on the market within a 30-mile radius. Specific professional advice was also received from Durrant's, Southwold's leading estate agent with



offices around Suffolk and Norfolk, and NWes, a leading managed workspace provider with experience of running multiple sites around the East of England and in London.

The fees to be charged to co-workers using the shared space are broadly comparable to those using the Devon Work Hubs.

With regard to income to sustain the Southwold Development Team, at this stage only assumptions have been made on how this might be made up. However, the Council already receives income from events in the town (fees from stallholders, and charges for use of land, for example), and this gives clear indications of what could be expected in future. The option of sponsorship will also be explored with the high profile companies associated with Southwold.

As noted above, it is intended that the Development Team will become sufficiently successful that businesses will be willing to pay a percentage of their rateable value towards the cost. In Falmouth this is 1%; with rateable values as high as they are in Southwold, it is likely that the fee would be a fraction of this.

The cost model to year 3 of operation (2023/24 financial year) is shown at Appendix D.

## **9. Funding**

Match funding for the project will come solely from the Council.

The Council has sold an asset for £895,000, which had become vacant due to the death of a long-standing tenant. This income will go towards the project. However, the Council is unable to sell any further assets as these are all occupied properties serving the needs of the community, including providing key services and essential accommodation.

Therefore, the balance of £1.021m will be funded by the Council via a Public Works Board loan taken over a 30-year period from 3Q20 (with a total repayment of £1.44m). This will generate loan repayments of £61k annually, which the Council will service for the first three years. By the end of the third year of operation of the Hub, income from it should be sufficient to service the loan repayments directly.

## **10. Marketing, Communications & Sales**

Marketing of the Enterprise Hub's offices is scheduled to begin in year 2 of the capital project, in readiness for opening. The intention is to have several businesses in the pipeline prior to offices becoming ready. The marketing activity has several elements:

- Development of a new website for Southwold (a priority of the Southwold Development team)
- Advertising in key locations regionally

- A social media campaign around #Southwold; this will also be linked to the Southwold Development Team's efforts to promote the Southwold brand further, particularly on Instagram
- Marketing by the chosen managed workspace provider to their existing client base (particularly for those looking to open a Southwold branch or relocate to the town)
- Informal networking and business sessions in the town that begin to develop the pipeline of new and young businesses ready to move in
- Promotion of virtual tenancies as a first step towards a physical tenancy – some will never do so, but some will move.

## 11. Monitoring & Evaluation (Logic Model)

The project will embed evaluation from its inception through a robust monitoring approach. Our **logic model** clearly identifies the contextual conditions in Southwold, and maps the difference our project will make, how outputs have been identified and how these deliver the outcomes. This is provided as a separate document.

Baseline measurements will be captured as a specific task in the first three months of the development project, to allow repeated reflection and measurement against those baselines in subsequent years.

An evaluation report, containing measures against targets and an independent assessment of the successes and failures to date, will be produced at the end of the development project (4Q20) and will be repeated bi-annually thereafter. This will also include some elements of market research to establish attitudes and opinions both of business leaders and visitors.

Indicator	Measure	By When (financial year)	Monitoring Approach
Direct FTEs created	39	2Q19 – 2 FTE 3Q19 – 1FTE 4Q22 – 28 FTE 2Q24 - 8 FTE Total = 39 by 2Q24	<ul style="list-style-type: none"> <li>• Town Council put in place quarterly review of occupation rates and new jobs created (apprentice created 3Q19 will take on this role)</li> </ul>
Indirect FTEs	5	4Q22 – 2.5 FTE 2Q24 – 2.5 FTE Total = 5 by 2Q24	<ul style="list-style-type: none"> <li>• Quarterly survey of new businesses in the Hub re use of local suppliers and services</li> <li>• Annual check of workspace provider's supplier list</li> </ul>
Safeguarded number of FTEs	50* (*40 at Hub and 10 in the town/ supply chain)	4Q20- 26 FTE 4Q22 – 6 FTE (supply chain) 2Q24 – 14FTE 2Q24 – 4 FTE (supply chain)	<ul style="list-style-type: none"> <li>• Annual check of NOMIS (ONS) data – used as baseline data</li> </ul>

Indicator	Measure	By When (financial year)	Monitoring Approach
Construction jobs FTE	18	4Q20 – 18FTE	<ul style="list-style-type: none"> <li>Review &amp; confirmation with main contractor</li> </ul>
Private businesses supported - direct	80 (business support package)	4Q20 – 50 4Q22 – 30 Total = 80 by 4Q22	<ul style="list-style-type: none"> <li>Register of businesses participating in support events &amp; networking</li> <li>Register of businesses receiving advice and guidance</li> <li>Businesses signing up to the new Southwold business group</li> </ul>
Private businesses supported - indirect	120	4Q20 – 20	<ul style="list-style-type: none"> <li>Hits on website and engagement on social media (increases annually)</li> <li>Business confidence increase</li> <li>Increase in visitor figures outside the main season</li> </ul>
Increase in sales	3%	4Q22 – 3%	<ul style="list-style-type: none"> <li>Baseline takings measured on specific nominated days with a series of retail outlets in the town, repeated at annual intervals (RPI and economic factors taken into account)</li> </ul>
New businesses started	15	4Q20 – 15	<ul style="list-style-type: none"> <li>Occupancy data from Hub and survey tenant businesses</li> </ul>
Social enterprises started	7	4Q20 - 7	<ul style="list-style-type: none"> <li>Social enterprises participating in business support services and networking</li> </ul>
Increase in visitor numbers	28,106	4Q20 – 2% (in a shoulder month) 4Q22 – 4% (shoulder month)	<ul style="list-style-type: none"> <li>Baseline from Destination Research, report recommissioned after two years,</li> <li>4% increase in visitors in the shoulder months (Mar – May &amp; Sep – Nov), both day trips and overnights (27271 + 835)</li> </ul>
New visitor expenditure	2%	4Q20 – 1% 4Q22 – 1%	<ul style="list-style-type: none"> <li>Destination Research baseline, report recommissioned after two years</li> <li>£41.26 average spend per day visitor (£1.125m) (Visit Suffolk data)</li> </ul>
New tourism events supported	7	4Q20 – 4 4Q22 – 3 7 in total	<ul style="list-style-type: none"> <li>No of events staged</li> </ul>
Apprenticeship started	3	2Q19 – 1 2Q21 - 1 2Q23 – 1	<ul style="list-style-type: none"> <li>Apprentice started</li> </ul>
Brownfield land developed	0.12ha	4Q20 – 0.12ha	<ul style="list-style-type: none"> <li>Completion of build on Station Yard site (Hub opens)</li> </ul>
New floorspace	587m <sup>2</sup>	4Q20 – 587m <sup>2</sup>	<ul style="list-style-type: none"> <li>Completion of build on Station Yard site (Hub opens)</li> </ul>

Indicator	Measure	By When (financial year)	Monitoring Approach
Physical projects supported	1	4Q20 – 1	<ul style="list-style-type: none"> <li>• Completion of build on Station Yard site (Hub opens)</li> </ul>
Individuals Supported	160	4Q20 – 100 4Q22 – 60 160 total	<ul style="list-style-type: none"> <li>• Count of individual small business owners and staff participating in support services</li> </ul>
Organisations supported – private businesses	80 (business support package)	4Q20 – 50 4Q22 – 30 Total = 80 by 4Q22	<ul style="list-style-type: none"> <li>• Register of businesses participating in support events &amp; networking</li> <li>• Register of businesses receiving advice and guidance</li> <li>• Businesses signing up to the new Southwold business group</li> </ul>
Public sector funding	£1.916m	4Q20 - £1.916m spent	<ul style="list-style-type: none"> <li>• Southwold Town Council's expenditure records for the project</li> </ul>

## 12. Risk Analysis

Risk assessment in this section is focused on two areas: the capital project risk and operational risk. Risks will be managed by the project manager and reported regularly to the working group.

Risk	Prob.	Impact	Existing Controls/Action required/Who
Development project risks			
Tenders come back higher than budget	L	M	<ul style="list-style-type: none"> <li>- A value engineering exercise will be undertaken with the lowest tender looking at ways to source cheaper alternative materials, sub-contractors etc. This will cause a delay to the start of the project.</li> </ul>
Capital costs overrun the budget	L	M	<ul style="list-style-type: none"> <li>- Costs developed by QS, reviewed by architect and by experienced capital project manager</li> <li>- 7.5% contingency on capital budget, plus specific contingencies for high cost individual risks (eg contamination)</li> <li>- QS will have tight control of costs, and report monthly, so early warnings will be given. This will enable decisions to be taken on changing scope or reducing spend on certain items.</li> </ul>
Construction project takes longer than planned	M	M	<ul style="list-style-type: none"> <li>- Experienced project manager, design team and QS on board to identify issues early and resolve them</li> <li>- Consider using one building prior to completion of the other (has downsides)</li> </ul>

<b>Risk</b>	<b>Prob.</b>	<b>Impact</b>	<b>Existing Controls/Action required/Who</b>
Site issues, eg archaeology, contaminated land, asbestos	L	M/H	<ul style="list-style-type: none"> <li>- Provision in capital budget to cover each of these individual risks</li> <li>- Major impact would be a delay to the project, with archaeology having the highest impact but lowest risk given the known history of the site and finds records locally</li> </ul>
VAT becomes liable on some/all of the project	L	H	<ul style="list-style-type: none"> <li>- Appropriate advice will be sought to confirm the assumption that zero VAT will be payable</li> <li>- In the unlikely event that VAT is incurred, the Council will have to fund the gap</li> </ul>
Unable to recruit suitable staff	M	H	<ul style="list-style-type: none"> <li>- Most likely to occur because salary offered is too low or job is considered too challenging</li> <li>- Southwold Town Council consider hiring a freelance person instead to cover the interim until a permanent employee can be found</li> <li>- Southwold Town Council to seek advice from HR and recruitment firms locally &amp; in Norwich to understand how best to position (and reward) the roles.</li> </ul>
Consultation/ engagement – key stakeholders/ community not supportive	L	M	<ul style="list-style-type: none"> <li>- Town Council working group established and will continue if funding secured</li> <li>- Steering Group to be established to oversee Development Team</li> <li>- Communication plan to be developed further</li> <li>- Consultation events in plan</li> <li>- Open days organised</li> </ul>
<b>Operational project risks</b>			
Business climate changes and demand for office space falls away, resulting in vacant units. Most likely due to major recession.	L	H	<ul style="list-style-type: none"> <li>- All research to date indicates a strong demand for office space, with the Southwold brand helping to support this</li> <li>- The Station Yard development has been designed for maximum flexibility and can be adapted so suit changed needs (more co-working etc)</li> <li>- There is flexibility in the operating costs model to reduce rental rates to increase attractiveness to market</li> <li>- All units could be repurposed as retail or creative spaces, although this could reduce the number of new jobs created but may see more individual businesses supported</li> </ul>

<b>Risk</b>	<b>Prob.</b>	<b>Impact</b>	<b>Existing Controls/Action required/Who</b>
Operating income is lower than anticipated	M	M	<ul style="list-style-type: none"> <li>- Most likely to occur from slow uptake of units due to changed market circumstances or simply longer notice periods for existing premises for established businesses</li> <li>- Increase marketing effort and consider special offers/free trials etc</li> </ul>
Operating costs are higher than projected	L	M	<ul style="list-style-type: none"> <li>- Most likely linked to slower take-up (with Council having to cover the business rates on vacant properties).</li> <li>- Southwold Town Council to approach business rates authority for discretionary rate relief to help reduce outgoings, whilst bearing the costs for longer</li> </ul>
Insufficient income is generated through events, sponsorship etc to sustain the Southwold Development team	M	M	<ul style="list-style-type: none"> <li>- Southwold TC subsidise for further/longer until the role is generating enough income</li> <li>- In the long term consider the roles becoming Council staff resources, covered by the precept.</li> </ul>
Hub is occupied by existing businesses relocating to better premises, but with very low job creation.	M	H	<ul style="list-style-type: none"> <li>- Managed workspace policy will be to give priority to new businesses or existing businesses intending to expand significantly, thus creating new jobs</li> </ul>

## A. Reference Documents

The following documents and research have been key to the development of this plan. Footnotes in the main text provide details where specific evidence has been referenced. Copies are available on request where they have not been submitted with this plan.

Document	Submitted
Devon Works Hub press article, Public Sector Executive magazine	✓
East Suffolk Economic Growth Plan 2018 - 2023	
Economic Impact of Tourism - Southwold (Destination Research), 2017	
From Ebb to Flow – how entrepreneurs can turn the tide for Britain’s seaside towns. A report for the Centre for Entrepreneurs 2015	
Project Logic Model	✓
Southwold Business Confidence Survey Winter 2017	
Southwold Coastal Community Team – Economic Plan 2017	✓
Southwold Coastal Community Team – Terms of Reference	✓
Southwold Neighbourhood Plan 2019 – 2038 (draft 2018)	✓
Southwold Town Centre Strategy – a Forward Framework (People & Places), Summary 2018	✓
Southwold Town Council Strategy for Southwold 2016	✓
Southwold Town Entrance Study (Ingleton Wood LLP) 2014	✓
Southwold Town Plan 2013	
Southwold Visitor Survey Winter 2017	
Visit Suffolk Market Segmentation 2015	

## B. Job Descriptions

### **SOUTHWOLD DEVELOPMENT MANAGER**

Organisation: Southwold Coastal Community Team

Place of work: Southwold

Salary details: £40,000 pro rata

Job term / Working Hours: to be determined

Appointment: Fixed Term for 2 years

#### **Main Purpose of Job:**

To lead and coordinate the implementation of initiatives which improve the quality and economic viability of Southwold by seeking to develop new products and events, leading business and marketing activity and repositioning the Southwold brand.

#### **Key Responsibilities:**

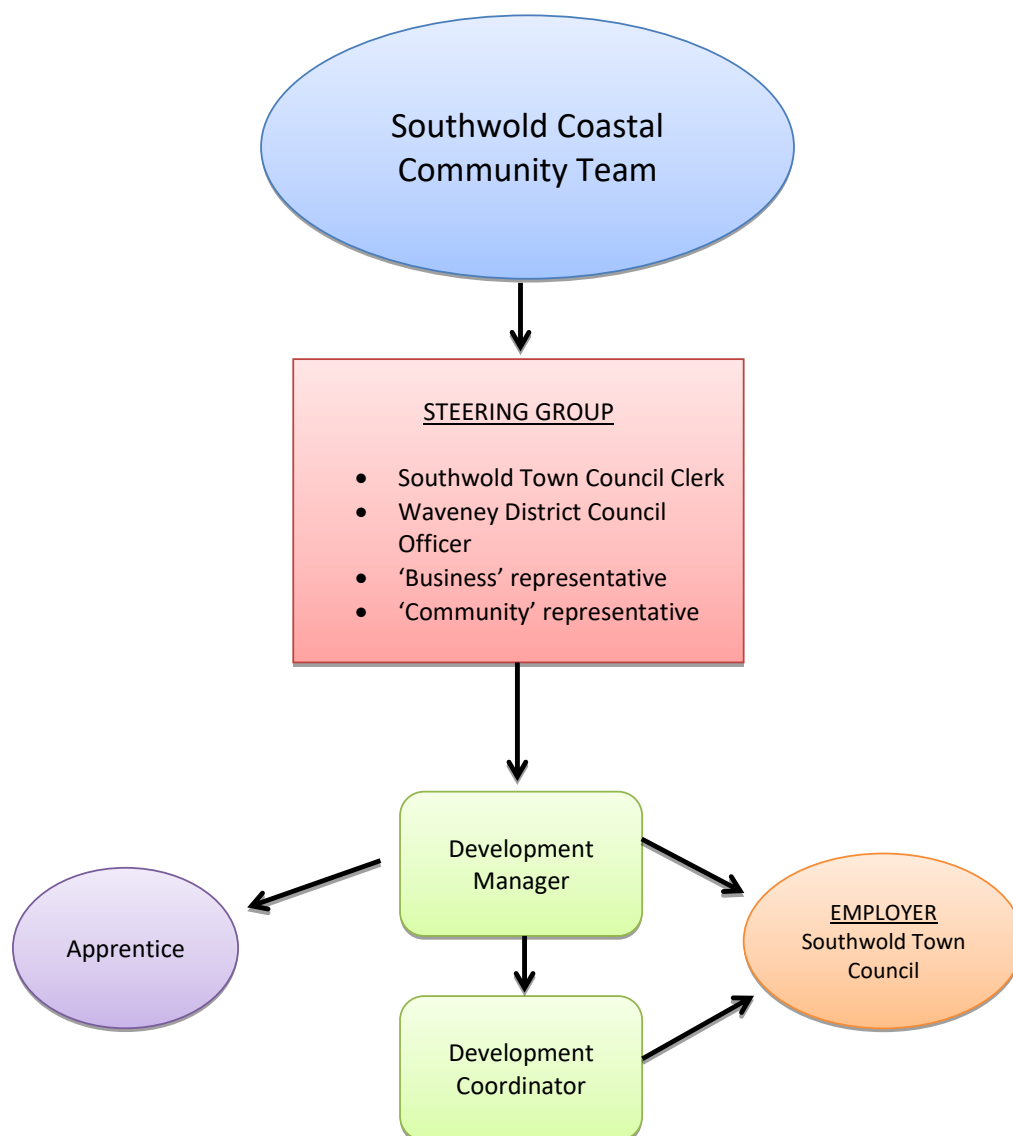
1. Develop a new marketing strategy (to include social media) with products and opportunities created linked to key themes and places of interest including products, history and landscape helping to extend the visitor season.
2. Work with the Southwold Coastal Community Team (CCT) and the Station Yard Enterprise Hub project team to create and then promote the message that 'Southwold is a place to do business'
3. To establish a mechanism for coordinating relationships and partnerships amongst the business community to develop and improve business to business connectivity and relationships through networking and access to advice and guidance
4. Work with the relevant organisations to enhance the existing events calendar and develop new events that celebrate Southwold's particular strengths and assets e.g. food and drink, natural environment, heritage to increase the footfall and spend in the Town particularly focused on out of season activity.
5. Engage a wider audience with the Southwold brand by strengthening links with neighbouring Destination Management Organisations including The Suffolk Coast, Visit Suffolk and The Broads.
6. To plan, coordinate and lead in implementing a programme of improvements, actions and innovations to boost community engagement and cement local community partnership in line with recommendations made in the Southwold Town Centre Strategy.
7. To coordinate and implement the relevant aspects of the Southwold CCT economic plan around facilitating visitor economy and event initiatives in order to increase and vary visitation, length of stay and occupancy rates in Southwold.
8. To be aware of potential funding sources and prepare funding bids for particular projects as appropriate opportunities arise.



1. To monitor and review town centre management activities and produce performance reports on a regular basis for the management group.
2. To prepare and deliver a three year business and marketing strategy with targets which will include a sustainability plan for the project including resources.
3. To develop opportunities for the town to learn from other areas or work with other coastal community teams where there are commonalities.
4. To establish and promote links with local and national media to ensure Southwold has a positive image.

**Reporting Structure:**

**Responsible For: Southwold Development Coordinator and Apprentice**  
**Manages a budget of: £45,000 over two years**



## Personal Specification

	Essential	Desirable
<b>Knowledge and Experience</b>	<ul style="list-style-type: none"> <li>• Computer literate</li> <li>• Proven experience in developing and maintaining effective business relationships between internal stakeholders, industry, other levels of government and the community.</li> <li>• Knowledge of the local area and its strengths, weaknesses, opportunities and threats</li> <li>• Understanding of business and strategic marketing</li> </ul>	<ul style="list-style-type: none"> <li>• An understanding of the role of national and local government in the development of tourism</li> </ul>
<b>Skills and Abilities:</b>	<ul style="list-style-type: none"> <li>• Able to work independently and use initiative</li> <li>• Ability to accept changing priorities</li> <li>• Ability to work under pressure</li> <li>• Ability to work to and meet deadlines</li> <li>• Be self-motivated and flexible with the ability to multi-task</li> </ul>	<ul style="list-style-type: none"> <li>• An understanding of social media tools and how to use them effectively</li> </ul>
<b>Education and Training</b>		<ul style="list-style-type: none"> <li>• Possess a degree or qualification in a tourism, Events, Marketing or related field or have relevant experience in working with tourism businesses at a local, regional or national level.</li> </ul>
<b>Other Requirements</b>	<ul style="list-style-type: none"> <li>• Ability to be able to adapt to changing and seasonal patterns of demand of the role</li> <li>• An ability to relate effectively with other officials, external agencies, elected members and the public</li> <li>• Present a professional appearance – as dealing with the public.</li> </ul>	

## **SOUTHWOLD DEVELOPMENT COORDINATOR**

Organisation: Southwold Coastal Community Team

Place of work: Southwold

Salary details: £25,000 pro rata

Job term / Working Hours: to be determined

Appointment: Fixed Term for 2 years

### **Main Purpose of Job:**

To support the coordination and delivery of initiatives which improve the quality and economic viability of Southwold by seeking to develop new products and events, leading business and marketing activity and repositioning the Southwold brand.

### **Key Responsibilities:**

1. To support the Southwold Development Manager on the delivery of projects as assigned within Southwold Coastal Community Team Economic Plan.
2. To assist in delivering marketing activities to promote Southwold as a visitor destination and as a 'location to do business'.
3. To establish and maintain a Visit Southwold website and other suitable technologies to encourage visitor engagement and increase interaction.
4. To create social media pages generating news, discussions and engagement from both businesses and visitors from the town.
5. To liaise closely with all Visitor Information Points (VIPs) in the Town and ensure there is a consistent approach to 'Southwold' information (both hard copy and electronic) across all.
6. To market the Town through appropriate media opportunities including local, national press and social media.
7. To establish and maintain information on local events.
8. To support the organisation of a number of events and professional marketing initiatives in order to increase the footfall in the Towns particularly focused on out of season activity.
9. To liaise with tour operators to promote Southwold as a destination.
10. To assist the Development Manager to coordinate meetings and activity.

Personal Specification		
	Essential	Desirable
<b>Knowledge and Experience</b>	<ul style="list-style-type: none"> <li>• Computer literate</li> <li>• Knowledge of the local area and its strengths, weaknesses, opportunities and threats</li> </ul>	<ul style="list-style-type: none"> <li>• An understanding of the role of national and local government in the development of tourism</li> <li>• Experience in developing and maintaining effective business relationships between internal stakeholders, industry, other levels of government and the community.</li> <li>• Understanding of business and strategic marketing</li> </ul>
<b>Skills and Abilities:</b>	<ul style="list-style-type: none"> <li>• Able to work independently and use initiative</li> <li>• Ability to accept changing priorities</li> <li>• Ability to work under pressure</li> <li>• Ability to work to and meet deadlines</li> <li>• Be self-motivated and flexible with the ability to multi-task</li> <li>• An understanding of social media tools and how to use them effectively</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Education and Training</b>		<ul style="list-style-type: none"> <li>• Possess a degree or qualification in a tourism, Events, Marketing or related field or have relevant experience in working with tourism businesses at a local, regional or national level.</li> </ul>
<b>Other Requirements</b>	<ul style="list-style-type: none"> <li>• Ability to be able to adapt to changing and seasonal patterns of demand of the role</li> <li>• An ability to relate effectively with other officials, external agencies, elected members and the public</li> <li>• Present a professional appearance – as dealing with the public.</li> </ul>	

## **SOUTHWOLD DEVELOPMENT APPRENTICE**

Organisation: Southwold Development Team

Place of work: Southwold

Salary detail:

Job term / Working Hours: to be determined

Appointment: to be determined

### **Main Purpose of Job:**

To support the coordination and delivery of the Southwold Enterprise Hub project.

### **Key Responsibilities:**

The type of activities you will be expected to undertake might include:

- Assisting with the delivery of projects to deadlines, effectively prioritising work that you are responsible for.
- Assisting with the planning, organisation and delivery of communications about projects and initiatives.
- Organising and attending project meetings, team meetings, working groups and forums
- Producing agenda's and facilitating meetings including producing action lists, etc
- Developing or helping to develop reports and briefing papers
- Developing marketing and promotional materials both hard copy and electronic
- The development and organisation of community engagement events or other events related to the placement.
- Contributing to the wider work of the development team as appropriate, this might include getting involved in some of the day to day activities the team deliver, helping out with other projects, etc

**This list is not exhaustive and main tasks, objectives and performance measurements may change upon recruitment.**

Personal Specification		
	Essential	Desirable
<b>Knowledge and Experience</b>	<ul style="list-style-type: none"> <li>• Computer literate</li> <li>• Knowledge of the local area</li> </ul>	<ul style="list-style-type: none"> <li>• An understanding of the role of national and local government in the development of tourism</li> </ul>
<b>Skills and Abilities:</b>	<ul style="list-style-type: none"> <li>• Able to work well as part of a team as well as use own initiative</li> <li>• Ability to work to and meet deadlines</li> <li>• Be self-motivated and flexible with the ability to multi-task</li> <li>• An understanding of social media tools and how to use them effectively</li> <li>• Good working knowledge of basic office products</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Education and Training</b>		<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Other Requirements</b>	<ul style="list-style-type: none"> <li>• Ability to be able to adapt to changing and seasonal patterns of demand of the role</li> <li>• Present a professional appearance – as dealing with the public.</li> </ul>	

## C. Occupancy Rates

The following model was developed to understand how different businesses would occupy the available spaces, and to calculate the likely number of occupants, new businesses and new jobs created.

<b>Southwold Enterprise Hub</b>						
<b>Projected Occupancy Rates, New Jobs</b>						
	Office					
Unit	Area m2	Likely Use	Occupancy	New Jobs	Tenant type	Notes
1	35.34	move on	4	1	design/architect	design/architect = generic description for lower density required
2	40.83	established	6	1	knowledge/creative	knowledge/creative = generic description for higher density acceptable
3	32.10	start up	5	2	knowledge/creative	
4	40.00	move on	4	1	design/architect	
5	43.68	move on	6	2	knowledge/creative	
6	36.00	start up	5	4	knowledge/creative	
7	36.00	start up	5	3	knowledge/creative	
8	106.62	co-working	15	9	co-working	
9	60.79	co-working	9	5	co-working	co-working describes single desks/shared printer etc for new micro businesses
10	18.29	start up	3	1	knowledge/creative	
11	13.99	start up	2	2	design/architect	
12	32.65	move on	5	1	knowledge/creative	
13	28.24	move on	4	1	knowledge/creative	
14	17.09	start up	2	1	design/architect	
15	16.35	start up	2	1	knowledge/creative	
	557.97		76	36		
		Businesses	37			
		of which new	15			
<b>Notes</b>						
1. Three things affect occupancy level: area of space, type of business, individual preference. Most businesses go for the maximum density feasible to						
2. Two densities have been used: 6.96m2 per person (ideal for modern business use = 75sqft), 9.29m2 (management preference, or businesses with lots of equipment)						
3. The densities are described as knowledge/creative (+ co-working, which is the same), and design/architect. These are just shorthand terms to describe the two density levels, ie architects need space!						
4. Units have been renumbered, to remove duplicate 7, and to number the rooms in the flats to be used as offices with shared loo etc.						
5. Use is categorised as co-working = individuals setting up business or moving up, start up = first step into office space, move on = a growing business expanding, established = a relocater, who may grow marginally						
6. Each use has different 'new job' multiplier. co-working = 60%, start up = 50%, move on = 30% and established = 10%.						
7. New businesses are highlighted in blue.						

## D. Operating Costs

Operating Costs for the Southwold Enterprise Hub (Managed Workspace; Development Team; loan repayments) to project year 5 (4Q23/4)

Southwold Enterprise Hub Operating Costs																					
Managed Workspace costs & income	Revenue	Project Year 3 (2021/22)						Revenue	Project Year 4 (2022/23)						Revenue	Project Year 5 (2023/24)					
	per Sqft	Qtr1 Apr 21	Qtr2	Qtr3	Qtr4	Total	Forecast RPI	per Sqft	Qtr1 Apr 22	Qtr2	Qtr3	Qtr4	Total	Forecast RPI	per Sqft	Qtr1 Apr 23	Qtr2	Qtr3	Qtr4	Total	Forecast RPI
Occupancy - Commercial		35.00%	40.00%	43.00%	46.00%	41.00%			50.00%	55.00%	60.00%	65.00%	57.50%			70.00%	75.00%	80.00%	85.00%	77.50%	
Occupancy - Existing Shop		100.00%	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%	100.00%	100.00%	
Virtual Tenancy		6	8	10	12				14	16	18	20				22	24	26	28		
Operating Income																					
Rental (Existing Shop)	£ 7.95	1,425	1,425	1,425	1,425	5,700		£ 8.19	1,468	1,468	1,468	1,468	5,871		£ 8.43	1,512	1,512	1,512	1,512	6,047	
Rental (Offices/Shops)	£ 22.00	12,570	14,366	15,443	16,521	58,901		£ 22.66	18,496	20,346	22,195	24,045	85,083		£ 23.34	26,672	28,577	30,482	32,387	118,117	
Service Charge (Commercial Only)	£ 5.27	3,343	3,820	4,107	4,393	15,663		£ 5.40	4,895	5,384	5,874	6,363	22,515		£ 5.54	7,024	7,525	8,027	8,529	31,105	
Virtual Tenancy	£50.00	900	1,200	1,500	1,800	5,400		£ 51.25	2,153	2,460	2,768	3,075	10,455		£ 52.53	3,467	3,782	4,097	4,413	15,759	
Meeting Room Income	160	976	976	976	976	3,904		£ 164.00	1,501	1,501	1,501	1,501	6,002		£ 168.10	2,051	2,051	2,051	2,051	8,203	
Operating income		19,214	21,787	23,451	25,115	89,567			28,512	31,158	33,805	36,451	129,926			40,725	43,447	46,169	48,891	179,232	
Operating Costs																					
Business Rates			(20,942)	(20,024)	(19,107)	(60,073)	2.5%		(17,883)	(16,353)	(14,823)	(13,293)	(62,352)	2.5%		(11,764)	(10,234)	(8,704)	(7,174)	(37,876)	2.5%
Utilities		(4,250)	(4,250)	(4,250)	(4,250)	(17,000)	2.5%		(4,356)	(4,356)	(4,356)	(4,356)	(17,425)	2.5%		(4,465)	(4,465)	(4,465)	(4,465)	(17,861)	2.5%
Telecoms & Connectivity		(338)	(338)	(338)	(338)	(1,350)	2.5%		(346)	(346)	(346)	(346)	(1,384)	2.5%		(355)	(355)	(355)	(355)	(1,418)	2.5%
Maintenance		(1,150)	(1,150)	(1,150)	(1,150)	(4,600)	2.5%		(1,179)	(1,179)	(1,179)	(1,179)	(4,715)	2.5%		(1,208)	(1,208)	(1,208)	(1,208)	(4,833)	2.5%
Security Costs		(750)	(750)	(750)	(750)	(3,000)	2.5%		(769)	(769)	(769)	(769)	(3,075)	2.5%		(788)	(788)	(788)	(788)	(3,152)	2.5%
Property cleaning & Waste		(1,313)	(1,313)	(1,313)	(1,313)	(5,250)	2.5%		(1,345)	(1,345)	(1,345)	(1,345)	(5,381)	2.5%		(1,379)	(1,379)	(1,379)	(1,379)	(5,516)	2.5%
Property insurance		(750)	(750)	(750)	(750)	(3,000)	2.5%		(769)	(769)	(769)	(769)	(3,075)	2.5%		(788)	(788)	(788)	(788)	(3,152)	2.5%
Miscellaneous Expenses		(500)	(500)	(500)	(500)	(2,000)	2.5%		(513)	(513)	(513)	(513)	(2,050)	2.5%		(525)	(525)	(525)	(525)	(2,101)	2.5%
Marketing		(1,750)	(1,750)	(1,750)	(1,750)	(7,000)	2.5%						3,000	2.5%						3,000	2.5%
Business Support Provision (hub & town)		(3,000)	(3,000)	(3,000)	(3,000)	(12,000)	2.5%		(3,075)	(3,075)	(3,075)	(3,075)	(12,300)	2.5%		(3,152)	(3,152)	(3,152)	(3,152)	(12,608)	2.5%
Staff (apprentice) 50%		(1,023)	(1,023)	(1,023)	(1,023)	(4,090)	2.5%		(1,048)	(1,048)	(1,048)	(1,048)	(4,192)	2.5%		(1,074)	(1,074)	(1,074)	(1,074)	(4,297)	2.5%
Block Management		(2,000)	(2,000)	(2,000)	(2,000)	(8,000)	2.5%		(2,050)	(2,050)	(2,050)	(2,050)	(8,200)	2.5%		(2,101)	(2,101)	(2,101)	(2,101)	(8,405)	2.5%
Operating costs		(16,823)	(37,765)	(36,847)	(35,929)	(127,363)			(33,332)	(31,802)	(30,273)	(28,743)	(121,150)			(27,599)	(26,069)	(24,540)	(23,010)	(98,218)	
Gross Profit Managed Workspace		2,391	(15,978)	(13,396)	(10,814)	(37,796)			(4,820)	(644)	3,532	7,709	8,777			13,126	17,377	21,629	25,881	81,013	
Managed Workspace Cumulative Profit/(Loss)						(37,796)							(29,019)							51,994	
Southwold Development costs & income																					
Income																					
Income for Southwold Dev Manager & Coordinator		10,000	10,000	10,000	10,000	40,000			13,000	13,000	13,000	13,000	52,000			17,000	17,000	17,000	17,000	68,000	
Costs																					
Staff (apprentice) 50%		(1,023)	(1,023)	(1,023)	(1,023)	(4,090)	2.5%		(1,048)	(1,048)	(1,048)	(1,048)	(4,192)	2.5%		(1,074)	(1,074)	(1,074)	(1,074)	(4,297)	2.5%
Southwold Dev Manager & Dev Coordinator		(17,047)	(17,047)	(17,047)	(17,047)	(68,187)	2.5%		(17,473)	(17,473)	(17,473)	(17,473)	(69,892)	2.5%		(17,910)	(17,910)	(17,910)	(17,910)	(71,639)	2.5%
Total costs		(18,069)	(18,069)	(18,069)	(18,069)	(72,277)			(18,521)	(18,521)	(18,521)	(18,521)	(74,084)			(18,984)	(18,984)	(18,984)	(18,984)	(75,936)	
Gross Profit Business Development		(8,069)	(8,069)	(8,069)	(8,069)	(32,277)			(5,521)	(5,521)	(5,521)	(5,521)	(22,084)			(1,984)	(1,984)	(1,984)	(1,984)	(7,936)	
Development Team Cumulative Profit/(Loss)						(32,277)							(54,361)							(62,297)	
Annual gross profit/loss for combined project						(70,073)							(13,307)							73,077	
Loan repayments		(30,500)		(30,500)		(61,000)			(30,500)		(30,500)		(61,000)			(30,500)		(30,500)		(61,000)	
Cumulative loan repayments						(61,000)							(122,000)							(183,000)	
Total cumulative position combined project						(131,073)							(205,380)							(193,303)	