

Call for Proposals – Somerset Work Hubs Scheme

Deadline for Registration of Intention to Apply: 04/11/13

Deadline for Submission of Full Application Form: 06/12/13



1. Introduction

Technology, transport costs and quality of life factors are fundamentally changing the way we work. Whilst the traditional office space, hours of work and commuting continue to dominate our working practices, it is evident that growing numbers of people are pursuing a different approach to work – an approach that provides more freedom, greater choice and potentially greater benefits for communities, the environment and for economic performance.

This more flexible approach to work requires a new type of workspace, which offers an 'office when needed' service for micro-businesses and mobile workers, including those that are home-based. In Somerset, our economy encompasses:

- 22,000 Small to Medium sized Enterprises (SMEs) of which 90% are micro-businesses with fewer than 10 employees;
- 20,100 people aged 16-74 who work mainly at or from home; and
- 46,800 people who are self-employed, including 36,700 sole traders.

Somerset County Council, therefore, wishes to support proposals to bring forward flexible business workspace ('work hubs') in rural market towns and villages in Somerset. This is a competitive process, open to all sectors, to secure a package of financial and business support. Our intention is to support approximately three work hub proposals in different settlements. This does not include retrospectively funding existing work hubs.

The Somerset Work Hub Scheme forms part of the Heart of the South West Rural Growth Network Pilot, funded by the Department for Environment Food and Rural Affairs (Defra) and supported by the Heart of the South West Local Enterprise Partnership (HotSW LEP), Devon County Council (DCC) and Somerset County Council (SCC).

This document details the support on offer and the steps which need to be taken to make an application.

2. What is a work hub?

A work hub is designed to provide 'an office when needed' for home-based or mobile workers, commonly referred to as co-workers. This term can cover people in a wide range of employment from micro-businesses, start-ups and freelancers to public sector and corporate workers, voluntary organisations and mobile staff. Work hub proposals submitted to this call for proposals should, as a minimum, offer:

- A quality and professional workspace with a distinctive design and industry-standard equipment/facilities;
- Affordable and flexible (by the hour/day/month) all-in pricing which does not tie in the user to lengthy and complicated contracts;
- An antidote to isolated home-working, and a chance to meet, network and collaborate with like-minded individuals (a 'business buzz');
- A convenient location, close to homes and/or clients; and

- Support from the work hub operator, other users and potentially other agencies that specialise in business support.

3. What support is on offer?

There is £75,000 of funding available to support the establishment of approximately 3 financially sustainable work hubs in existing premises. This comprises £60,000 capital and £15,000 revenue funding. The grant can cover up to a maximum of 50% of total eligible costs. We envisage work hubs being operational by 1st October 2014 and all funding must be drawn down by 1st December 2014. Please note that grants will be provided against costs net of VAT. Each applicant should take independent legal advice with regard to the VAT and other tax implications.

In addition to the grant assistance, the following support is available:

- Business planning guidance for each registered applicant to aid completion of the full application form;
- A start-up support package for work hub operators that secure a grant; and
- Ongoing business advice and support services to work hub users via a Somerset County Council appointed provider and the Heart of the South West Rural Growth Network business support provision.

This is a competitive process and all applications will be assessed in line with the objective and weighted criteria outlined in section 9.

4. What types of works are eligible?

The focus of the Scheme is on supporting the conversion of space in an existing building to be used as a work hub.

Capital support can be provided for internal refurbishment and fit out costs directly related to establishing a work hub. This can include the related purchase of furniture and equipment as a minor proportion of the overall grant, e.g. lockable storage, desks and chairs, wifi and laser printer. For the purposes of this grant, the following activity is not eligible for capital support: lease or maintenance costs for items and purchase of consumables and IT cabling; laptops; and external building works.

Revenue support is available for costs directly associated with delivering the core services of a hub. Grant aid towards other business activities will not be supported. Examples of eligible expenditure include hub rental costs, business rates, staffing costs, internet service provision, marketing, cleaning etc., as well as the maintenance and lease of items such as desks and chairs, wifi equipment, laser printer etc.

Please note that:

- The applicant is responsible for ensuring that all necessary permissions are obtained, such as planning permission, building regulations consent and leaseholder/ landlord consents before any works commence; and
- Somerset County Council can neither retrospectively fund existing hubs nor grant aid work that has been started prior to a formal written grant offer being issued

5. What form can match funding take?

Match-funding may include:

- Cash contributions directly relating to the work hub proposal from the project owner or other investors/funders
- 'In-kind' contributions through paid staff/partner time directly supporting the work hub proposal. Hourly rates should be calculated on the basis of salary + National Insurance + superannuation and will need to be evidenced by timesheets and salary slips.
- Volunteer time directly supporting the work hub proposal. Please provide a description of the role and its proposed associated hourly value which should be in line with appropriate Somerset market rates.

All other forms of in-kind contribution are ineligible. All match-funding must be evidenced by 1 December 2014.

6. Who can apply?

Discretionary work hub grants are available to organisations in the public, private, charity or social enterprise sectors. To be considered for a grant, organisations:

- Must be formally constituted;
- Must own the property, have a secure lease on the property or the evidenced clear prospect thereof (any works must have written permission from the leaseholder/landowner);
- Must not have received more than £136,000 of public sector grants or support over the last three years in order to comply with EU State Aid Regulation (please see section 3 of Annex B for more information on State Aid); and
- Must be prepared to cooperate with any due-diligence checks and to comply with the terms and conditions of the grant (please see section 4 of Annex B).

7. Where can work hubs be located?

This call for proposals is open to all towns and villages in Somerset, with the exception of Taunton, Bridgwater, Yeovil and Frome. This is in order to comply with established Heart of the South West Rural Growth Network population thresholds. Only one grant will be awarded per settlement (this being the highest scoring application) and, unless there is clear evidence of commensurate unmet market demand, we are unlikely to fund more than one hub within a 10 mile radius (this being the highest scoring application in that geography). Work hubs should be located in existing premises.

8. How to apply and deadlines

There is a maximum three-stage application process as outlined below. Please note that this process must be completed for each individual work hub proposal with any linkages / inter-dependencies across applications clearly identified.

Stage 1

Registration of an intention to apply by 5pm on 4th November 2013. This should take the form of an e-mail to Somerseteconomicdevelopment@somerset.gov.uk outlining:

- Applicant contact details (name, e-mail, telephone number and organisation)
- The full address of the proposed work hub; and
- Any queries in relation to the call for proposals.

Somerset County Council will then provide:

- Confirmation of your registration and a Microsoft Word version of the application form by return of e-mail;
- All registered applicants with written responses to all queries received in relation to the call for proposals by 5pm on 11th November 2013;
- Details of free business planning guidance to aid completion of the business plan required at the full application stage. The nature of this support will be determined by the number of registered applicants. All support will be available fairly and equally.

Stage 2

Submission of a fully completed and signed application form as well as all necessary supporting documentation by 5pm on 6th December 2013. Paper and electronic versions of the application should be submitted to:

Phil Merrick
Senior Economic Development Officer
Economy and Planning Group
County Hall
Taunton
Somerset
TA1 4DY
Somerseteconomicdevelopment@somerset.gov.uk

Stage 3

Somerset County Council also reserves the right (at its discretion) to carry out clarification meetings, interviews and/or site visits as part of the assessment process.

9. Selection process

Applications will be appraised in line with the following objective and weighted criteria:

Criterion	Application Form Reference	Weighting
Admissibility of the proposal: <ul style="list-style-type: none">• Confirmation that all funding for the work hub will be evidenced (including match-funding) and drawn down by 1st December 2014• Confirmation of State Aid compliance• Confirmation of ability to abide by Somerset County Council's key terms and conditions	2.7 , 3 and 4	Pass/Fail
Quality of work hub proposal: <ul style="list-style-type: none">• Location of the work hub• Target market for the work hub in line with evidenced local unmet demand• Work hub facilities and support available to businesses• Work hub operations, including opening hours, rental format and marketing• Skills and experience of the work hubs applicant/team	2.2, 2.3 and 2.4	45.00
Support for cross-cutting themes	2.5	5.00
Value for money, including cost and impact of the proposal	2.6 and 2.7	20.00
Approach to project management	2.8	10.00
Financial sustainability of the work hub beyond the funding period	2.9	20.00

Should multiple proposals come forward from one town or village, a maximum of one would be supported (this being the highest scoring application). Unless there is clear evidence of commensurate unmet market demand, we are unlikely to fund more than one hub within a 10 mile radius (this being the highest scoring application in that geography). Somerset County Council also reserves the right to: vary the support on offer; extend the process; and/or not to award at all if the quality of submissions is judged not to be satisfactory.

Preferred bidders will be required to complete a due diligence process and to contract with Somerset County Council. Any eventual grant monies will be paid in arrears upon provision by the recipient of supporting evidence. All project funding must be evidenced (including match-funding) and drawn down by 1st December 2014.

As mentioned above, please note that Somerset County Council can neither retrospectively fund existing work hubs nor grant aid work that has been started prior to a formal written grant offer being issued.

10. Further information

Please send any queries in relation to this call for proposals to

Somerseteconomicdevelopment@somerset.gov.uk by 5pm on 4th November 2013.

Somerset County Council will issue all registered applicants with written responses to all queries received in relation to the call for proposals by 5pm on 11th November 2013.

A copy of the application form and technical guidance on its completion are given in Annexes A and B respectively.

Further support around completion of the business plan is available as outlined in section 9.

Annex A



HEART OF THE SOUTH WEST

Local Enterprise Partnership



Somerset Work Hubs Scheme Application Form

In completing this form, applicants are encouraged to closely refer to the work hubs call for proposals document, including technical guidance given in Annex B.

1. Applicant Details

Project name	
Organisation name	
Main contact	
Position within organisation	
Organisation address and postcode	
Contact telephone number	
Contact e-mail address	
Website	
Trading name of organisation	
Registered company name number and VAT registration number (if applicable)	
Registered charity name and number (if applicable)	
Other type of organisation (please provide an explanation of the legal status)	
Brief description of organisation's main activities (maximum of 50 words)	

2. Project Details

Please place an 'x' in the box to confirm that you have attached a full business plan for your work hub proposal in a separate document of a maximum of 25 A4 pages in Arial size 12 font and that, as a minimum, this addresses the key requirements given below. Please note that applicants are encouraged to access a free one-to-one business advice session to ensure that a good quality business plan is submitted as part of this application.

☐

Business plan requirements:

2.1 Project summary

An overview of your proposal in a maximum of 200 words

2.2 Location of the work hub

- The full address and postcode of the building for which grant aid is sought
- Interest in the property – owner or leaseholder and length of lease
- Current use of the property
- Details of any necessary permissions and the associated status (secured or to be obtained) such as: planning permission; building regulations consent; leaseholder/landlord consent; change of use

2.3 Work hub proposal

- Target market for your work hub proposal, including the expected catchment area
- Work hub facilities, including the total space (in Square Metres) and number of desks dedicated to the work hub proposal
- Support available to work hub businesses, including promotion of networks/collaboration and a 'business buzz'
- Opening hours
- The proposed rental format and charging rates for your work hub proposal as well as evidence that these arrangements are appropriate to your target market
- A marketing strategy to include the proposition together with a marketing action plan detailing promotional activity
- A summary of the key individuals involved in operating the proposed work hub, their background skills and experience and details as to why they and the applicant organisation are well placed to operate a work hub
- Any proposals for potential collaboration with other Somerset work hubs funded through this Scheme

2.4 Demand for the work hub proposal

- A review of (any) existing local workspace provision and details as to how the work hub's offer differs
- Market intelligence to evidence local unmet demand for the work hub proposal amongst the target market

2.5 Support for cross-cutting themes

An outline of how your work hub proposal will impact on equality, health and safety, environmental sustainability and community safety

2.6 Work hub schedule and deliverables

- A work plan showing timing of project activities / milestones and their interdependencies
- Details of outputs and results expected to be achieved in each relevant quarter up to the end of March 2016 (including the target number of businesses using the work hub) and how these have been calculated

2.7 Costs and funding

- An explanation as to why funding is needed from the Somerset Work Hubs Scheme to bring the project forward
- The total budget for the project, including capital and revenue split
- The total capital and/or revenue funding requested (a maximum of 50% of total project costs) and an associated list of proposed investments (N.B. successful applicants will be asked to provide at least 3 quotes for all items they wish to purchase)
- Details of match-funding expenditure, source/s, status and capital/revenue split
- An outline expenditure profile for the project by month, clearly identifying requested investment and match-funding. Please also indicate any income forecast during the funding period. N.B We envisage work hubs being operational by 1st October 2014. All investment must be drawn down and all match-funding must be evidenced by 1st December 2014.
- Scenarios should the requested funding be reduced by: a) 5% and b) 10%

2.8 Project Management

- Project management systems and structures to be adopted
- Risk management, including identification of: risks; mitigation measures; risk 'owners'; and the residual likelihood and impact of each risk (low, medium or high).

2.9 Work hub sustainability beyond the funding period

Details as to how the work hub will continue to be resourced and operated beyond the initial funding period, including a three-year expenditure/cash-flow forecast from the end of the funding period and a supporting rationale

3. State Aid Declaration

In order for us to ensure compliance with EU State Aid Regulation, please provide details of all previous public sector funding received by your organisation within the current and previous two financial years

Source 1:	Amount £:	Date:
Source 2:	Amount £:	Date:
Source 3:	Amount £:	Date:
Other sources:	Amount £:	Date:

4. Declaration by the Applicant

I declare that, to the best of my knowledge and belief, the information given in this application form and in any supporting materials is correct. I confirm the organisation's ability to abide by Somerset County Council's (SCC) key terms and conditions. I understand that SCC will enter into a full contract with successful applicants and that the information in this application will form part of the contract.

Signed:	
Name and title:	
Status of signatory:	
On behalf of:	
Date:	

Annex B – Technical Guidance on Completion of the Application Form

This guidance is intended to aid completion of the Somerset Work Hubs Scheme application form and should be read in conjunction with the wider call for proposals document.

Section 2 – Business Plan

2.3 – Work hub proposal

In developing proposals, applicants are encouraged to consider existing work hub models and resources. The following links may be useful in this regard:

- <http://www.flexibility.co.uk/downloads/Workhubs-finalreport.pdf>
- <http://www.devonworkhubs.co.uk/hub-finder>
- <http://www.devonworkhubs.co.uk/interior-design-manual-1>
- <http://www.devonworkhubs.co.uk/marketing-toolkit-2>

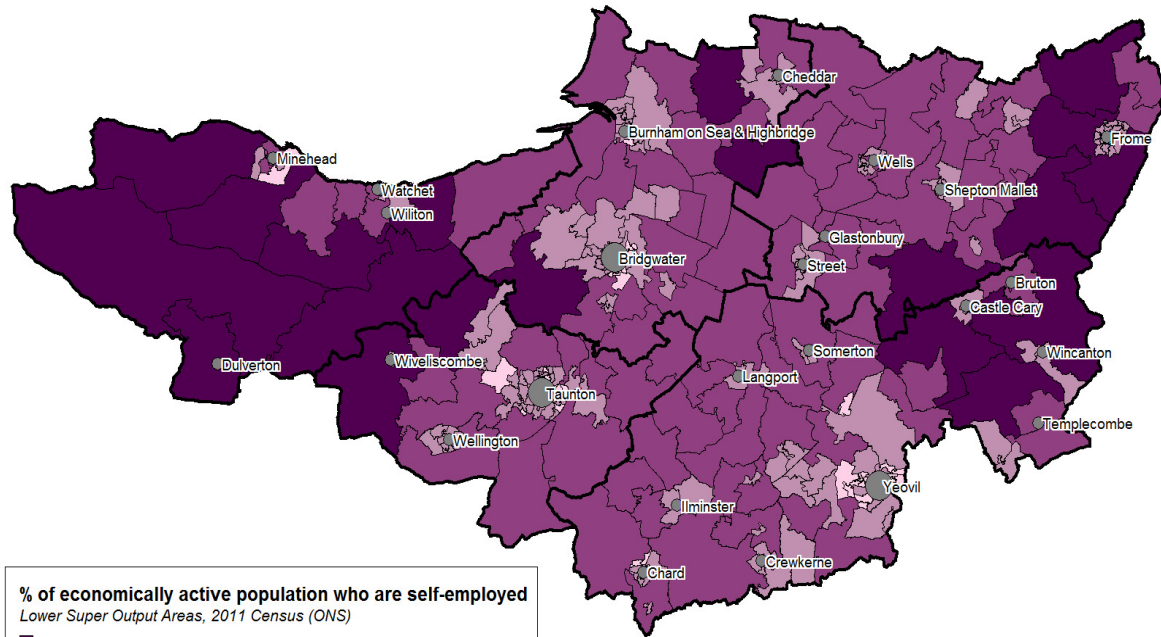
Information on the roll-out of Superfast Broadband in Somerset can be found at the following links - <http://www.connectingdevonandsomerset.co.uk/where-and-when/> and <http://www.connectingdevonandsomerset.co.uk/final-coverage-map/>

2.4 – Local demand for the work hub proposal

The following maps provide information on some of the key economic characteristics of relevance to the establishment of work hubs: self-employment, sole traders, homeworking, business location and micro-businesses. Please note that any economic statistics cited in this section should be complemented by:

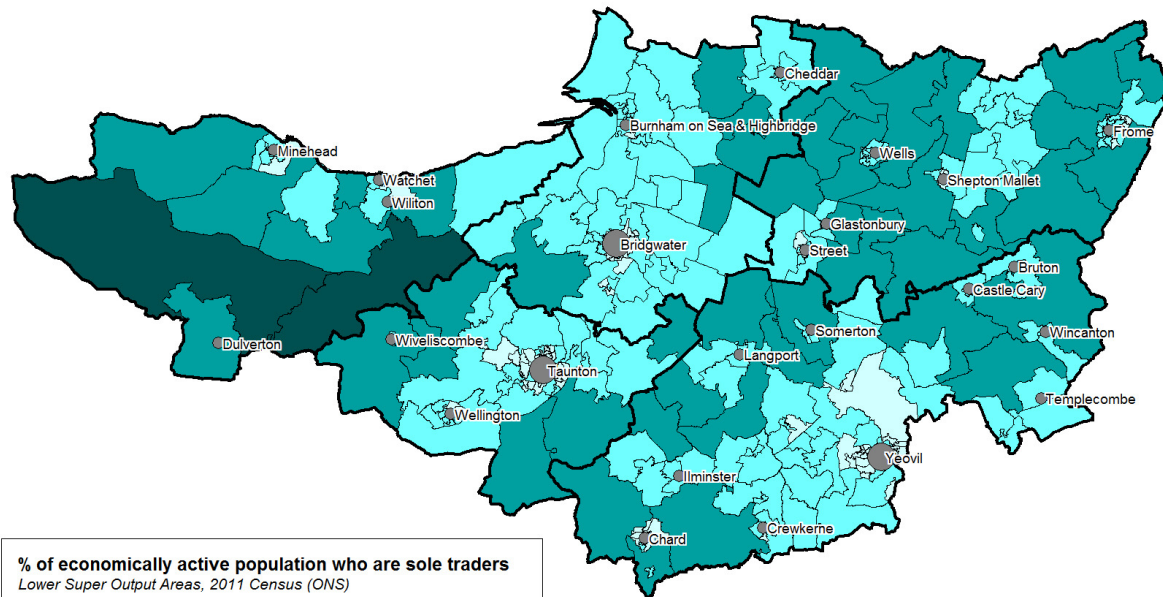
- A review of (any) existing local workspace provision and details as to how the work hub's offer differs; and
- Market intelligence to evidence local unmet demand for the work hub proposal amongst the target market

Map 1: Self-employment in Somerset



Somerset County Council. Crown copyright and database right (2013).
 Ordnance Survey 100038382.

Map 2: Sole traders in Somerset



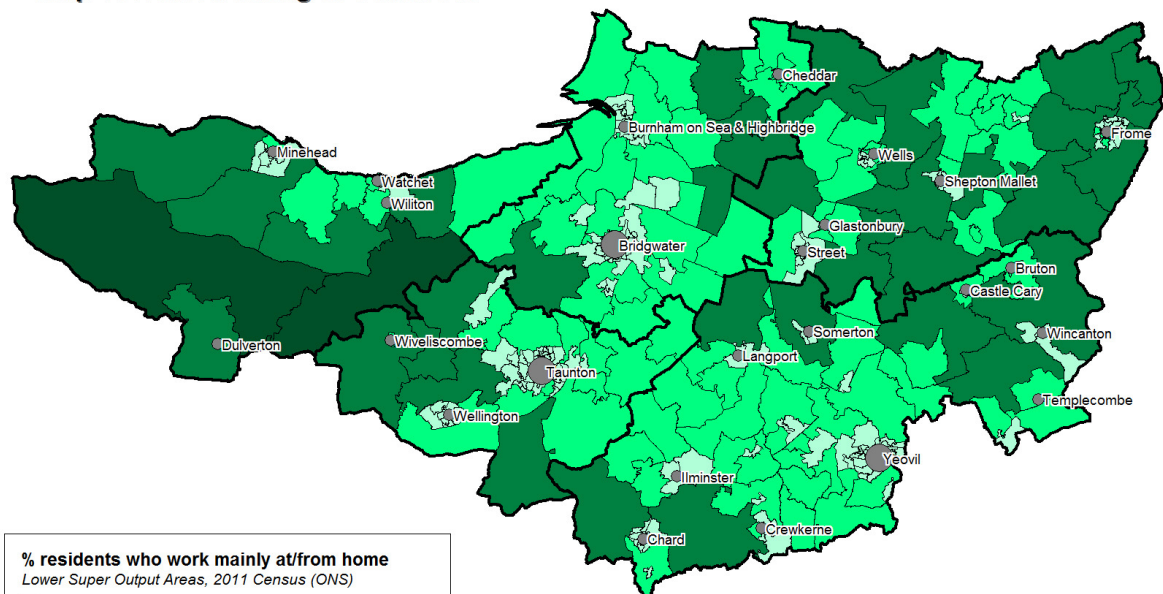
% of economically active population who are sole traders
Lower Super Output Areas, 2011 Census (ONS)

- More than 30%
- 20.1 to 30%
- 10.1 to 20%
- Up to 10%

□ District Boundary

Somerset County Council. Crown copyright and database right (2013).
Ordnance Survey 100038382.
NB. The number of sole traders for these purposes is taken from the Census data for 'self-employed persons with no employees'.

Map 3: Homeworking in Somerset



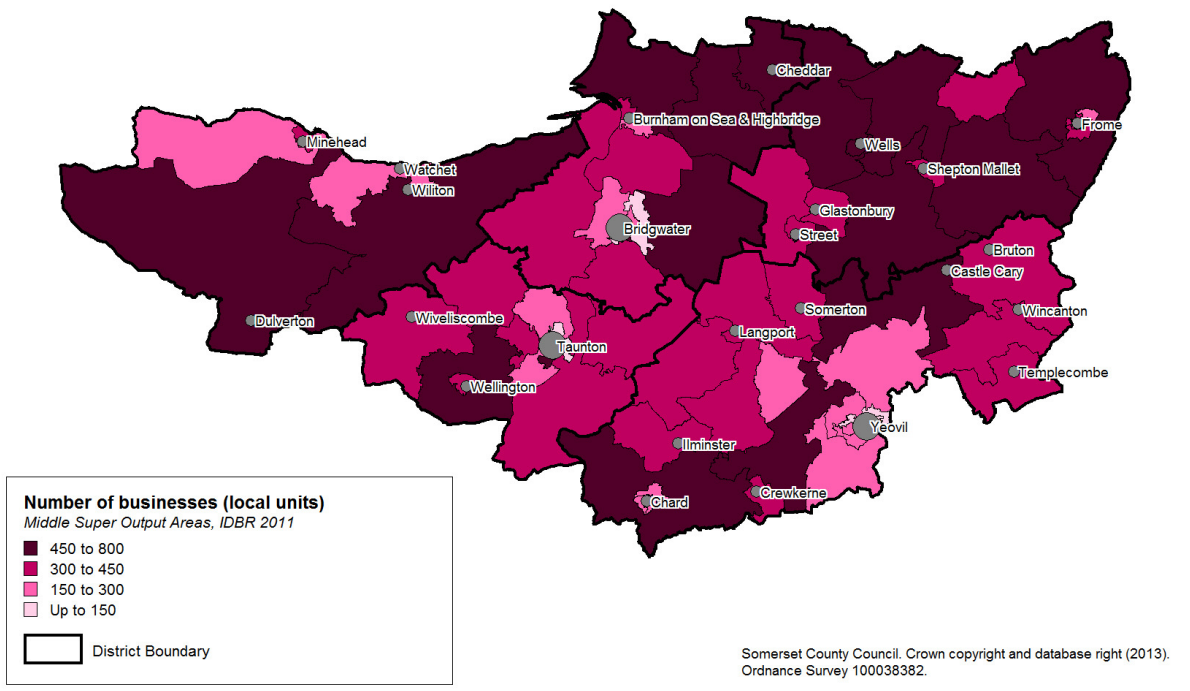
% residents who work mainly at/from home
Lower Super Output Areas, 2011 Census (ONS)

- More than 15%
- 10.1 to 15%
- 5.1 to 10%
- Up to 5%

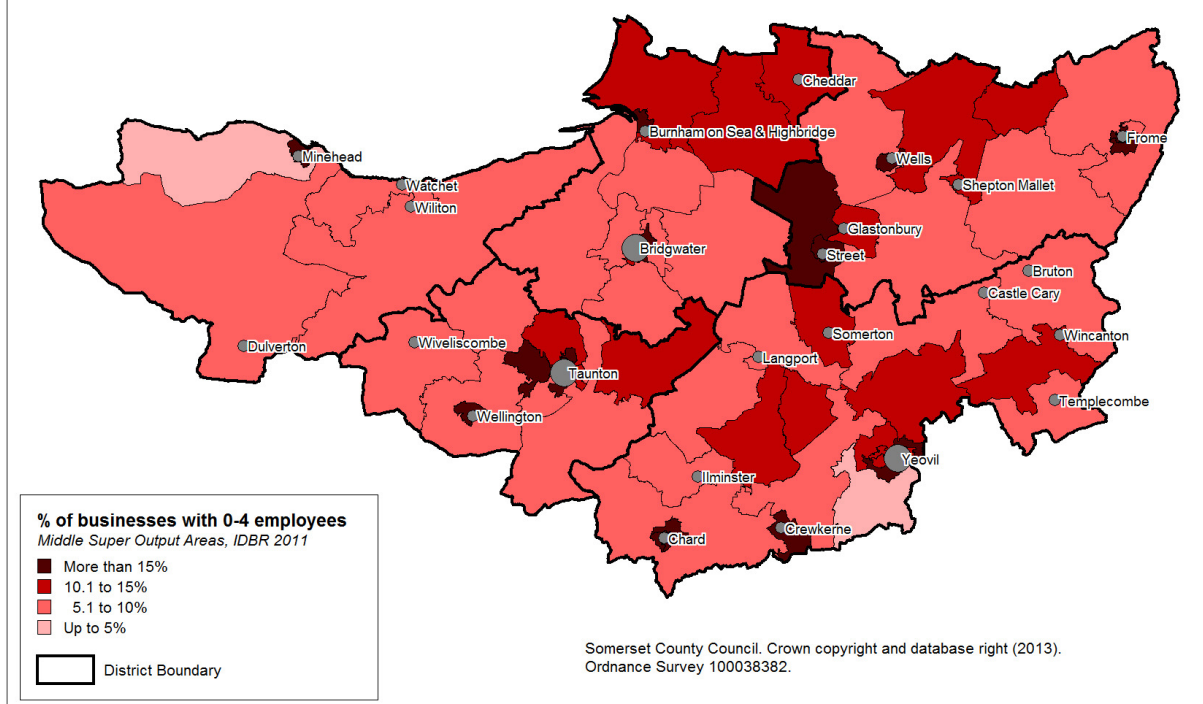
□ District Boundary

Somerset County Council. Crown copyright and database right (2013).
Ordnance Survey 100038382.

Map 4: Number of businesses in Somerset



Map 5: Small businesses in Somerset



2.5 Support for cross-cutting themes

Please use this tabular format to outline how your work hub proposal will impact on equality, health and safety, environmental sustainability and community safety.

Identified potential negative impact or positive opportunity	Resultant Action	Action owner	Action timeframe	Expected outcome from the action

Further guidance for each theme is given below:

Equality

Consideration should be given to how work hubs proposals will mitigate any potential negative impact on and positively promote equality of opportunity, notably with regard to protected characteristics. **This should include details of the accessibility of the work hub and what steps will be taken to make reasonable adjustments for disabled people.** Protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity,
- Race (including ethnicity or national origin, colour, nationality and gypsies and travellers),
- Religion or belief
- Sex
- Sexual orientation
- Carers through association with disability and gender
- Rurality (adopted by Somerset County Council)
- Military status (adopted by Somerset County Council)

Sustainability:

Consideration should be given to if/how work hub proposals can reasonably:

- Promote sustainable use of energy, water, minerals and materials
- Promote sustainable waste management
- Reduce/minimise pollution to air, land and water
- Reduce/minimise factors that contribute to Climate Change
- Promote protection of and access to the natural environment
- Promote travel choices that do not rely on the car
- Promote a strong, diverse and sustainable local economy
- Meet local needs locally

Community Safety:

Consideration should be given to if/how work hub proposals can reasonably:

- Promote personal safety and reduced fear of crime
- Help prevent crime and disorder
- Promote quality of life and wellbeing

Health and Safety:

Please state how the establishment and ongoing management of the hub will ensure compliance with the Health and Safety at Work Act 1974

2.6 – Work hub schedule and deliverables

Core output indicators to be considered and their definitions are given below. **Please note that applicants:**

- **Are not obliged to identify an output against each indicator; and**
- **Are free to identify other outputs, results and impacts arising from the work hub proposal.**

We appreciate that outputs will be commensurate to the scale of activity.

<u>Indicator</u>	<u>Definition</u>
Number of new networks established and/or individuals engaged in a network	<ul style="list-style-type: none">• ‘Network’: A formal or informal grouping of inter-regional bodies sharing common aims/target groups/ambitions and active in a particular field, discipline or sector• Number of new networks established – This output is counted when a new network is established and the process of setting it up has been funded through the project• Individuals engaged in a network - Number of individuals (from an existing business or pre-start) who have registered as members of a network (as defined above) that is part of the work hub project. Only one individual can be counted from a given organisation or business.
New and upgraded floorspace	<ul style="list-style-type: none">• Unit of measurement is area in Square Metres of new and upgraded floor space• ‘Floorspace’: The entire area inside the external walls of the hub including corridors, lifts, service accommodation• ‘Upgraded buildings’: refurbished, improved or adapted for productive use as part of the project <p>This should be counted on the practical completion of the works</p>
Businesses and individuals assisted	<p>‘Assists’ are categorised as follows:</p> <ul style="list-style-type: none">• Three hours of support• 1 day / 6 hours of support or a grant, or equivalent, of at least £500• 2 days / 12 hours of support or a grant, or equivalent, of at least £1,000.

	<p>'Assists' should distinguish between:</p> <ul style="list-style-type: none"> • Assistance to individuals to start a business – active counselling, mentoring, information provision or other non-financial assistance. • Assistance to existing SME businesses to improve performance – active consultancy advice or other non-financial assistance <p>The same business/individual can not be counted more than once.</p>
Women supported	As above, for women only. This can be a sub-set of the outputs above or a separate output target, but needs to be clearly specified either way.
Number of jobs created	<ul style="list-style-type: none"> • 'New': must not have existed in the area or with that employer in the UK before the project and should be a direct result of the project. • 'Permanent': Must have a life expectancy of at least 1 year from the point at which it is created • 'FTE': Paid work of 30 hours or more per week. Convert part time jobs to FTE either: <ul style="list-style-type: none"> ○ On a pro-rata basis based on hours worked or ○ 2 part time jobs = 1 FTE, where not other information available • Jobs are counted when the jobs followed after the project intervention has ended, e.g. when: <ul style="list-style-type: none"> ○ A new, permanent, FTE/equivalent, paid job is created/attracted to the region and the post filled. ○ A business grows as the result of business advice. <p>Exclusions:</p> <ul style="list-style-type: none"> • Jobs to set up or deliver the project, e.g. management/administrative staff • Construction jobs integral to the delivery of a project, even if they last for more than a year • Seasonal jobs which are incidental to the project • Transferred jobs which are a result of a company moving either within the region or from other English regions or UK devolved administrations are not new jobs.
Number of jobs safeguarded	<ul style="list-style-type: none"> • 'Job safeguarded': must be a permanent, paid, full-time equivalent (FTE) job which is at risk • 'At risk': Forecast to be lost normally within 1 year, i.e. the jobs at risk must be specified, or if sector is in long-term decline a longer period might be appropriate (where project is proposing to undertake pre-emptive action). • 'Permanent': With a life expectancy of at least 1 year from the point at which it is created • 'FTE': Paid work of 30 hours or more per week (convert as

	above) A 'safeguarded job' is a job which was considered as 'at risk' when the project or project intervention was approved, but is still in existence at the time of counting, and is no longer 'at risk' of being lost within a year'. The job must not be counted again if it is filled over time by different individuals
Number of businesses created on completion	Number of businesses created as a direct result of the project

Section 3 – State Aid Declaration

Organisations may be considered for assistance under the De Minimis Regulation (Regulation 1998/2006). This may allow an enterprise to receive up to €200,000 de minimis aid over any period of three fiscal years.

To establish whether you are eligible to receive de minimis aid you must declare the full amount of de minimis aid which you have already been granted during the previous two fiscal years and the current fiscal year.

Any assistance you may have received from a public body could potentially be de minimis aid. This might include assistance received from central, regional or devolved governments, as well as from other agencies or local councils.

You should have received a letter informing you if you were given assistance under the de minimis regulation. If you are unsure as to whether or not any public assistance you have received is de minimis aid, please contact the granting body to clarify.

Please provide information about any public assistance under €200,000 you have received in the last three years.

The following is not a comprehensive list of all possible forms of aid. However, it should provide an indication of some of the most common forms of de minimis aid which you may have been awarded over the past three years.

Possible forms of aid:

- State grants;
- Interest rate relief;
- Tax relief;
- Tax credits;
- State guarantees or holdings;
- State provision of goods or services on preferential terms;
- Direct subsidies;

- Tax exemptions;
- Preferential interest rates;
- Guarantees of loans on especially favourable terms;
- Acquisition of land or buildings either gratuitously or on favourable terms;
- Provision of goods and services on preferential terms;
- Indemnities against operating losses;
- Reimbursement of costs in the event of success;
- State guarantees, whether direct or indirect, to credit operations preferential re-discount rates;
- Dividend guarantees;
- Preferential public ordering;
- Reduction of, or exemption from charges or taxes, including accelerated depreciation and the reduction of social contributions;
- Deferred collection of fiscal or social contributions;
- Assistance financed by special levies;
- Capital transfers;
- Certain State holdings in the capital of undertakings

Section 4 – Declaration by the Applicant

Before completing and signing the declaration, please note the key terms and condition of the grant as given below. A full contract will be entered into with the successful applicants and a copy of the draft contract is available on request.

- The grant is a one-off payment for delivery of the agreed work hub proposal and can not be used for any other purpose. Any eventual proposed changes or alterations must be communicated to and approved by Somerset County Council.
- All grant monies will be paid in arrears on receipt from the applicant of supporting evidence.
- All funding for the project must be evidenced (including match-funding) and drawn down by 1st December 2014
- Grant beneficiaries will keep separate, accurate and up-to-date account and records of the receipt and expenditure of grant monies and will keep all documentation (including invoices, receipts and accounts) relating to the grant for at least six years.
- Any public communication and publicity of the work hub must acknowledge the support of Somerset County Council and the Heart of the South West Rural Growth Network and conform to any branding guidelines.
- Successful applicants will be required to provide quarterly monitoring reports and a final report as well as to fully participate in monitoring and evaluation exercises/visits as required by Somerset County Council and/or the Heart of the South West Rural Growth Network. This will include recording beneficiary data.

- Successful applicants will effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by them arising out of this activity. This must include:
 - public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Service; and
 - employer's liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Service.