

**Programme Management Group
21 December 2018**

New Expressions of Interest for capital funding - Item 3

Programme Management Group members are asked to:

AGREE that in line with the PMG authority levels, the Camberley Login Business Café EOI 16 is approved and can proceed to completion of a full business case.

Current status

- 1.1 In April 2018, an Expression of Interest (EOI 16) was received from Surrey Heath Borough Council (SHBC) for the Camberley Login Business Café. At this time, the application was marked as a C category project. This arose for 3 main reasons; the application was for a grant (when it should have been a loan), the location required lease negotiation and details relating to the tenant/occupancy were unclear. SHBC were asked to review the EOI and to resubmit when ready.
- 1.2 SHBC have now resubmitted the EOI. The EOI is now for a loan rather than a grant, a new building and location has been identified and details on the proposed tenancy arrangements have been provided. The project has strategic fit for Enterprise M3 in supporting a key development within a Step-up town. The EOI has been subject to an independent assessment and marked as an A category project. Subject to PMG approval, this now requires the completion of a business case prior to due diligence.
- 1.3 Detail of the EOI is provided below

EOI16	<p>Project name – Login Business Café – Camberley Town Centre Applicant – Surrey Heath Borough Council (SHBC) Location – Camberley</p> <p>Loan funding of £1,500,000 from Enterprise M3 £500,000 from Surrey Heath Borough Council and contribution from Project Five.</p> <p>160 full time jobs (less than £10k per full time job created), 230 indirect jobs – total of 390 jobs over 3 years 2800 sqm of new Grade A office accommodation SHBC own the building. Planning will be required for change of use from retail to office. Initial designs have been produced.</p>
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The project seeks to establish a council owned co-working and flexible office space in Camberley Town centre, anchored by a thriving technology tenant and fully functioning commercial coffee shop. It will support the refurbishment of the redundant BHS building in the town centre into new flexible office space with a strong high street retail presence. The building will provide quality meeting rooms for local groups and businesses and flexible office accommodation for start-up and growing businesses. Communal space will be used to hold events, business clinics and networking sessions within a positive, supportive environment. The space will also house a commercial coffee shop.

Aside from these benefits, the project also allows for the growth and relocation of a notable local business, Project Five, who are an IT services company who provide IT support to both public and private companies. They have been based in Camberley since 2008. Employing 50 staff and with continued planned expansion, they have now outgrown their current premises. This project would see them stay in Camberley. Without this development, there is no alternative accommodation within the borough and they will look to relocate, possibly outside of the Enterprise M3 area. Project Five and their founder, Steve Coburn, will take on the lease of the space, run the Login Business Café and use the space for their company HQ. Business start-up clinics run by Surrey Chamber of Commerce are already held in the current offices of Project Five and these will continue in the new building.

It is anticipated that all SHBC business support services and those of its partners (Enterprise M3 Growth Hub, Surrey Chambers, Department for International Trade) will take place in the new facility.

The business case will need to confirm final project costs and size of loan requirement (£1.5million is the maximum and may be reduced), timescales and interest rates for loan repayment.

Deborah Wyatt
12th December 2018