Business and Learning Hub

Consultancy & Research Report to the Looe Town Team from Horscroft Research Solutions with PFA Research Ltd

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All research and observation is made at the time of writing and is made in terms of available, spatial research and intelligence at that time.

1 Introduction and context

The Looe Town Teams has been successful in securing Town Vitality Funding from the Town Centre Revitalisation Fund. The aim is to use this funding to begin the process of researching the viability of a Business and Learning Hub to be situated in the Millpool Centre. It already has architect plans to work from, as well as an agreed upon site there. This report will inform that evolution; as both the survey and market evidence will inform what form the Hub takes.

In November 2021, the Town Team sought tenders from suitably qualified research and consultancy organisations, to help answer the following:

- To examine and deliver a report into the local business market for the need for super / ultra-fast fibre connected, environmentally friendly serviced office and hot desking space;
- To examine the business opportunities from inward investment of businesses not located within the area and outside of Cornwall focusing on high/tech, innovative businesses with strong social and environmental commitment context, evidence base and key issues opportunities;
- To examine learning and development/ employment opportunities within the town centre to include environmental and community learning opportunities.

In addition to this research brief, the Looe Town Team also sought proposals for a consultancy report to set out a business plan. PFA Research working with Horscroft Research Solutions submitted tenders for both projects in collaboration, and made the case that the two project briefs were inextricably linked. The project was awarded and launched as a single piece yet multi-faceted piece of work contained in this paper.

Throughout the report interpretation/implication of the data is made by the author in bold.

2 Executive Summary

The points below (by section) draw out the most salient parts of the report but should be cross referenced with the relevant section for more detail and context. These points are designed to give the casual reader a 'flavour' of the paper:

Section 1: Looe in context: population and economic activity:

- The 2011 Census indicated that Looe had a lower proportion of people of 'working age' and a higher proportion of who were of pensionable age.
- Generally, in south east Cornwall there is a trend of people post 65 staying in or returning to the labour market.
- Over the period 2004-21 the proportion of those participating in the Looe labour market has been falling with the South East Cornwall constituency having the lowest proportion of activity of any in the south west.
- Plymouth is less of an economic influence on the economies of Looe and Liskeard than it is Torpoint or Saltash. Plymouth (in terms of its overall economic performance) is a mid-ranking English city; but it does have a higher proportion of better paid jobs because of organisation agglomeration which act as a commuting attractor and artificially inflate GVA in south east Cornwall.
- In 2018 Looe was the lowest ranking town for economic activity of any coastal town in England.

Key messages: Looe is a self-contained town with an economy where tourism helps to sustain the viability of sectors such as retail – which in themselves need to develop market reach. Declining or stagnant economic activity are serious issues in a Cornish, south west and national context for the town. These are factors which justify market intervention to grow productive business opportunities.

Section 2: Looe in context: Business profile

- Just under one in five of businesses in Looe are broadly 'knowledge' based: ICT, finance & insurance, property, professional/scientific/technical and business administration/support.
- However, these sectors have declined in employment terms by almost 1% between 2016 and 2021.
- It is likely (although not 'proven') that these sectors will have a broad reliance on the tourism sector. 'Tourism' generates value further down the supply chain.
- The most significant business sectors in Looe (in relation to the rest of Cornwall) include Agriculture/Forestry/Fishing, Wholesale/Retail and Accommodation/Food.

Key messages: Potentially higher value businesses are not employing in volume and have scope/need to increase their productive viability through new markets. All sectors need 'knowledge' (e.g. technology, leadership etc) to prosper. Infrastructure is key to their delivery.

Section 3: Employees and employment

- There are high levels of self-employment in Agriculture, Forestry and Fishing; Construction and Information/Communication (2011 Population Census).
- Over time there is jobs shift away from Manufacturing, Construction and Transport/Storage to Health and Accommodation/Food.

Key messages: The sectors that serve and support 'tourism' tend toward self-employment and the challenge would be to increase job numbers against a background of risk and consequent responsibility for such employers. Millpool helps to 'de risk' growth opportunities. The shift also appears to be away to lower value employment but that is not to say that there will not be opportunities around health technologies. Diversification from tourism is needed in any Cornish or seaside town for a more sustainable, wider and better paid economy. The move toward self employment suggests a strong base of micro/self-employment that will need the right infrastructure if it chooses to grow or at least be sustained.

Section 4: Looe in context: Business turnover

- A quarter of all businesses in Looe are in the Accommodation and Food sector; less than one fifth in Retail. The two largest business sectors making up 41% of businesses.
- Potential 'knowledge' based sectors (ICT, finance & insurance, property, professional/scientific/technical and business administration/support) are 17% of businesses.
- Overall, 40% of businesses had a turnover of between £100k and £199k a year.
- In the business survey 17% of businesses had a turnover of between £100k and £249k.
- Both the business survey and official data suggest around a third of businesses have a turnover of less than £99k.
- In terms of turnover; 'growth potential' sectors include Business administration and support services; Agriculture/Forestry/Fishing and Manufacturing from this 'low' base.

Key messages: There is likely to be a lot of synergy between 'Accommodation and Food' (basically, 'Tourism') and Retail spend; and how these 'knowledge' sectors support them. But the 40% of businesses that have a turnover of over £100k does suggest some wider geographic markets and the small and likely niche Manufacturing sector suggests that space is needed for innovation and growth. This sector has highlighted significance in the business survey sample (13% from engineering & manufacturing and 7% from food and drink manufacturing) which the Cornwall Manufacturing Group cites as 'typical' of many places in Cornwall; innovation is manufacturing is mostly driven 'in house' and there are specific design related manufacturing companies in Cornwall, but what is missing is a location for cross design.

Section 5: Growth potential in context

- The business survey is illustrative that technology development can help support a future for the tourism industry and the acknowledgment of business interdependence which is a strong theme in its results.
- A lack of business support is a barrier to growth in Cornwall. This is particularly needed at the start of a business journey – the survey noted that 5% of respondents were still in their first year of trading.

- 23% of businesses in the survey (n27) were interested in a building that could support business and learning activity for them.
- 25% of the survey recognised the opportunity for co-location and collaboration.
- Cornwall historically has strong levels of business survival rates but also compromised productivity: employment volume rather than output growth which has been hidden by population growth.
- Cornwall Council's Non Domestic Rate database suggests that 3% of all Cornish businesses are based in Looe.
- In the Travel to Work Area the bulk of higher turnover businesses were in Liskeard.

Key messages: The broad tourism industry is not immune from needing to utilise technology to retain and grow its market share as younger people generally seek 'experiences' when on holiday. This offers opportunity for evolution in the supply chain but also requires training needs among the workforce. With the ending of various EU programmes, the sustainability of business support and access to it is in question. Millpool can offer a sympathetic support facility which combines up skilling with the day to day task of running and growing a business. The business survey does show a significant minority of respondents who want a building and would value a venue for collaboration; and this broadly supports the case for speculative development and the 'build them and they will come' approach found during research for this study. Looe needs volume and value and plays a significant role in the business complement of Cornwall with the opportunity to be able to support and service the Liskeard economy.

Section 6: Skills

- Level 4+ skills are relatively low in the Liskeard TTWA compared to Cornwall, Plymouth and the rest of the UK.
- The TTWA is on a downward trend for this metric compared to these other areas.
- 'Under employment' is likely to be an issue.
- Millpool has the opportunity to be become a 'proxy agglomerate'.

Key messages: L4+ skills presence does not necessarily indicate that those with them are working to capacity. The sector structure and jobs available will dictate how people can utliise their skills base; and the availability (and their ability) to be able to commute to places where their skills could be put to better use, resulting in higher reward. Evolution of the Cornish economy is focused on 'assets' which are driving productivity and these are often geographically specific (the University, geo thermal, innovation centres, food innovation) so Millpool can act as both a smaller proxy for those assets and a mini agglomerate which attracts business co-operation and value.

Section 7: Business needs and challenges

- Business administration and Arts/Entertainment are high growth potential sectors from a low base: although in terms of remuneration neither of them is particularly 'high'.
- Once a business in these sectors reaches a turnover of £50k there is evidence to suggest a higher rate of business failure.
- Generally, other seaside towns have seen business investment and sector growth; whereas Looe enterprise numbers are generally falling.

- Gains for Looe are focused on 'Information and Communication' and 'Arts and Entertainment'.

Key messages: 'Arts and Entertainment' has been successful in the west of Cornwall; creating an arc of growth in activity between Penzance, Redruth and Truro of national significance. Longstanding anchor investment (in some cases such as the Tate or the Hall for Cornwall going back to the 1990s) have supported the conditions for growth. One option or significant factor for the Millpool could be a focus on the 'Arts/Entertainment' and ICT sectors which also have a strong synergy. It is likely though that in the first instance the building would need to be more generic to attract occupation and use.

Section 8: Workspace

- During the first half of Local Plan delivery since 2010 there have been very little workspace delivered in the Liskeard and Looe Community Network Area; although Liskeard specifically does have pipeline/planning permission activity.
- Looe is less 'commutable' than Liskeard: without a mainline rail station and away from the A38.
- Workspace delivery has been a longstanding issue for Looe; with a lack of suitable supply and historic low commercial values.
- Energy costs could further influence the market for individual businesses.

Key messages: Without a workspace portfolio Looe can neither attract investment or grow a market within the town. Liskeard is the focus for growth to support its expanding population and the need for work; but more in the warehouse rather than office market. Looe's distance from strategic transport networks and inadequate internet connections further compounds its challenges. Market intervention is needed to create a market in an interesting place that investors may not be aware of.

Section 9: Inward investment

- Away from business parks, most demand is for small offices.
- Effective marketing is a key element to attract (and retain) businesses to Looe.
- Looe is not on investors' radars unless there is a personal connection. They key issue is infrastructure.
- Lifestyle is a driver. Looe has that offer/potential.
- UK Foreign Direct Investment in areas such as technology and the creative sectors do have resonance for Cornwall.
- New and bespoke workspace is evidenced to have secured relocation to Cornwall.
- Evidence from Cornwall Trade and Investment suggests that businesses are looking for infrastructure to facilitate relocation.

Key messages: A small and supported offer could be attractive to inward investors coupled with a sustained and coherent marketing approach for Looe. Infrastructure is a key element to secure relocation (workspace, internet, skills base) where transport logistics cannot compete. For investors there will be a need to tease out niche skills and there are hidden 'smart workers' in the town and the surrounding area who are already likely to have connections with inter/national companies. A

Millpool work hub could highlight the location USP that Looe has but there may need to the right partnerships developed to sustain the resource. Certainly, clustering around anchor businesses is much more challenging in the east than the west of Cornwall but hub workspace also has benefits such as technology access to GPs and consultants.

Section 10: Business requirements – superfast broadband

- Superfast is the key to economic resilience (e.g bad weather or a pandemic).
- But it already leaves something to de desired in Looe: only half of businesses surveyed are satisfied with bandwidth (52%) and little more satisfied with reliability (57%), though home users are more satisfied.

Key messages: The nature and reach of connectivity is an urgent issue needed to sustain and grow the local economy.

Section 11: Business requirements – workspace

- Flexible and low-cost workspace is needed for creative businesses.
- Town Centre footfall opportunities are important to the creative sector .
- Looe *could* become a mini Krowji (Redruth).
- Co-location could also take place with business services who support the sector.
- There may be opportunity to explore a partnership with the Plymouth University of Art.
- The creative sector would need/prefer a specifically staffed reception.
- Overall, the business survey indicated that the building and its supporting infrastructure had to have high environmental standards to support business models.

Key messages: This section is about business requirements in contrast to section 8 which was about development progress. But the two are linked: the lack of suitable and affordable provision forces people to work from home and be isolated from collaboration and support. 'Creative' businesses are a wide definition. With Krowji in Redruth and now the Hall for Cornwall in Truro (which is looking to expand its role in Cornwall and Devon) the need for a creative workspace facility and effective partnership in south east Cornwall is clear if this sector is an area that Looe Town Council wanted to focus on.

Section 12: Business requirements – incubation

- Case study for business incubation in the east of Cornwall proved inconclusive.
- But east Cornwall has fewer businesses engaged in knowledge intensive sectors.
- There is a need for job growth in these sectors because of the risk of automation in the labour market: perhaps a third of all jobs in south east Cornwall.
- Chicken and egg: these sorts of jobs create demand for quality, wired workspace.
- Lister and Amion study concluded that workspace needed to be flexible, high quality but not necessarily BREAAM excellent.
- However, BREEAM sends out a positive value message.
- Creating a workspace market supports speculative development and vice versa.

- Other employment sites in east Cornwall are not generally providing high quality private sector employment.
- Cornwall and the Isles of Scilly LEP region is the fifth lowest in terms of business innovation activity.
- Amion and Lister thought that this risk of displacement was slim.
- The top companies hiring in Looe appear to be distance employers.
- Home working can be insecure and poorly paid.

Key messages: 'Incubation' does not need to operate under the strict original rules of the three western innovation centres. Progress can be measured and support given to 'grow on' if the Millpool facility can support commercial viability in the rest of the market. At key stages in the business life cycle saving money on premises and external accessing of business support can be ploughed into other aspects of the business. Investing in a BREAAM excellent scheme early on sends out a positive message in terms of values and can reduce long term maintenance and energy costs. Looe needs to find ways (as does the wider east of Cornwall) to generate value employment and upskill the workforce.

Section 13: the business life cycle

- Cornish businesses do not necessarily sit in a conventional cycle.
- Business survival rates in Cornwall are generally good but births are declining.
- Self-employment has been trending toward decline in both Cornwall and the Liskeard TTWA, even before the pandemic.
- High growth potential businesses are prepared to pay for business support but still face challenges in terms of niche skills and leadership capacity.

Key messages: It takes time for a business to get to a 'high growth' position or potential. There is a wide menu of skills to be addressed for business: from basic literacy and numeracy, to communication and presentation and to innovation and leadership. All are needed for different stages of a business.

Section 14: policy context

- The 'Levelling Up' agenda recognises that every part of the UK has a part to play in achieving economic growth.
- Local Plan policy is about more sustainable economic growth for south east Cornwall coupled with a realistic approach to the influence of Plymouth.
- Millpool has a particular potential in terms of digital skills development: there are larger businesses in Cornwall and Plymouth where such skills are in demand.
- There is a significant proportion – albeit spread – of these type of jobs in south east Cornwall.

Key messages: the policy context and need is clear in supporting the development.

Section 15: Cultural drivers for environmentally enhanced and marketable workspace.

- Younger more 'tech savvy' workers are more mobile and less loyal to an employer.
- 55% of people in their 30s in the Liskeard TTWA had L4+ qualifications in 2020.

- Design of a building ideally needs to be co-produced.
- The right design aids and drives productivity.
- Businesses and employers are looking at innovative ways to offset the carbon impact of home working.
- Millpool *could* be marketed as an opportunity for businesses to 'downsize' into the available space.
- BREAAM has a capital cost which can be returned back through the project.
- BREAAM excellence has a cultural, productivity and market value for businesses.
- There are particular inflation pressures in the construction industry.
- The business survey illustrates that post Covid business puts more emphasis on the safe management and maintenance of workspace.

Key messages: This is about the building as a 'cultural driver', as a representative and facilitator of business activities and values in Looe and how it chimes with the culture and aspirations of entrepreneurs. This is important, particularly for younger people, where the Annual Population Survey indicates that in the year ending 2021 10,400 people aged 16-34 in the Liskeard TTWA were 'discouraged' from joining the labour market and remained economically inactive. Quality workspace aids productivity through creating the right conditions to develop knowledge while working.

Section 16: Sustainable Transport Infrastructure

- Workspace facilities need to provide supporting infrastructure such as cycle lockers and showers.
- The extension of cycling in the wider area is an opportunity.
- The proportion of people who live in Looe and continue to work or commute from there is roughly 50/50.
- The requirement for supporting infrastructure linked to sustainable travel is echoed in the NDP consultation.
- The affordability of car ownership helps make the case for workspace in Looe.
- Clustering activity at the Millpool opens up travel planning possibilities.
- Retail/Wholesale jobs in Looe are related to high private vehicle use.

Key messages: Millpool has the opportunity to contribute to more sustainable transport use and behaviour change which has physical and mental health benefits that not only impact positively on the health economy but also contribute to increased productivity. Social interaction at work relates to this and a facility that can support change in the sector proportions of the area may also make public transport provision more viable.

Section 17: Seaside towns comparison and context

- Looe is vulnerable in terms of economic/environmental shock.
- Liskeard TTWA has a high rate of self employment (in a south west context).
- Of comparative seaside towns in Cornwall, Looe had the highest direct employment in 'Accommodation and Food'.
- Perhaps over 80% of all jobs in Looe are 'reliant' on tourism.

- Other seaside towns in Cornwall have had infrastructure/workspace development to help with their diversification from tourism.
- There is a significant lack of a project of this kind in much of east Cornwall.
- Millpool, necessarily, would be a speculative development.

Key messages: Looe is disadvantaged compared to seaside towns in the rest of Cornwall and is too reliant on a vulnerable 'tourism' sector. Market intervention is more likely to be from the private sector when the opportunities are clearer (for example, Newquay, where entrepreneurs stay in the area or are attracted to the town because of their formative years there and the anchor/business opportunities apparent in the wider area.

Section 18: Monitoring

- The Millpool facility can support the unpredictability of 'gig economy' work with 'easy in & out' terms: but this may prove challenging for cash flow.
- Working from home can be a challenge in terms of individual work styles, interruptions, space and energy use: which is why a facility such as this is important especially in the context of the south east Cornwall economy.
- In revenue terms, specialist and non-specialist equipment provision at the Millpool would reduce the need for individual businesses to purchase their own.
- Uses need to compliment and be compatible with one another.

Key messages: How the building is used and the impact on employment and productivity will be essential to illustrating value for money and making the case for future investment, as well as better understanding the role and function of the local economy.

Section 19: The benefits of flexible working

- Widens access to talent pools
- Encourages and enables job retention with employers
- The facility would 'fit' the rural economic model
- It provides a basis for drawing in digital inclusivity
- It is reflective of modern working attitudes and productive sectors
- Helps support caring responsibilities

Key messages: Once again this is about the culture of a prospective work hub and its management; as well as the nature and delivery of its business support. Particularly, the type of facility that it is to be – balancing the costs of capital and revenue commitment against prospects for occupation based on need, opportunity and marketing. In the short term it is about enabling existing businesses in Looe (and the wider area) become more productive but in the longer term leading to an acceleration of performance.

Section 20: Funding

- Labour and material costs are at a record high.
- Inflation and predictions undermine cost estimates.
- Specifications linked to sector and client use will influence costs.

- The Shared Prosperity Fund is an obvious source: substantial non public sector funding is unlikely.
- Match funding to the SPF is not required but current feedback from Cornwall Council suggests that 20% would be useful.
- Cornwall Council Cabinet wants to see distribution of funding across Cornwall (around £45m a year over three years for context).

Key messages: Facilitation in supporting a bid to the Shared Prosperity Fund will be important in order to maximise output and outcome opportunities across the Fund and potentially develop a project that has strategic resonance beyond critical need in south east Cornwall: making the strategic point about the opportunity that the facility can offer the whole of Cornwall and the Isles of Scilly. Need and opportunity illustrated in this paper and the business survey will need to be expressed through optimum design which will influence capital costs and there are relationships to build with a range of training and business support providers. Currently there are 'unknowns' connected to the operation of the SPF which will become clearer.

Section 21: Conclusion

- Revenue costs would need to be defined in relation to prospective occupants. It is likely that the purchase of basic equipment (printers, coffee machine, break out comfort area etc) would provide some temptation for occupation but beyond that there may be the need for specialist equipment in the longer term for particular activities in a revenue budget.
- 'Displacement' may be a minimal risk and there is the opportunity for the facility to have a wider geographic resonance than 'just' Looe because of the lack of such opportunities for businesses in south/east Cornwall.
- Design needs to ensure space for 'noisy' and 'quiet' businesses and work styles and potentially allowing for maximising space flexibility.
- The is also a Cornwall context to the project (in terms of SPF outputs) and the opportunity to develop county wide partnerships.
- This is necessarily a speculative development but the range and quality of office space in the wider/area is poor and not fit for purpose.
- Looe is a town with a tourism offer but the wider sector needs to both diversify within and away from it: the bub will assist with funding and securing new markets.

Key messages: Need and opportunity has been identified and partnerships would need to be developed to enable long term success beyond the capital build but this is a speculative development.

Section 21: Recommendations

- Strong marketing messages would need to be developed: reaching both the 'over' and 'under' the radar businesses. Training and business growth organisation partnerships will assist with this.
- The metrics to make the case for need and opportunity are clear in this report and the business survey, but of course they do not guarantee occupation. That is why public sector anchor occupation (with the Millpool acting as a local hub for Cornwall Council and the NHS) can provide a consistent income in the early years of the project and act as a 'hook' to draw

other investors in. However, this requires an approach where public sector management is active in supporting employees develop and apply their skills and the active creation off co-production with other sectors in order to develop symbiotic career pathways. This is especially important considering the technology threat to some sectors and the reducing payroll of Cornwall Council.

- Monitoring the performance of occupants would be critical in achieving future funding opportunities and for the purpose of any grants. This will include basic SPF requirements such as moving toward Living Wage jobs, supporting more resilient supply chains, contributing to net zero etc. Beyond that there will be productivity indicators, job growth, numbers trained etc. Occupants would need to understand that accessing this kind of intelligence is part of the 'deal'.
- Develop the 'hub and spoke' relationship with Liskeard
- Aim for a more resilient south east Cornwall which can develop wide trading relationships rather than aspire to increasing commuting to better jobs in Plymouth.
- Reliable superfast broadband is an absolute must.
- Looe and Liskeard generally do not have provision for quality office space. The Millpool development could help kickstart a market although there will be a balance to be made between permanent users or occupiers and those who move on. The facility should nit restrict use (at least in the early years) in order to maximise financial viability.
- Accessing SPF in 2022/23 (by March 31st 2023) will be challenging. It is important to work with the Cornwall Council facilitator (to be appointed) and others to get the approach right.
- Develop training provider relationships

Key Messages: This will be a challenging but deliverable project based on identified need and opportunity in this report.

3 Looe in context: Population and economic activity

3.1 The population of Looe **parish** at the 2011 Population census was recorded at 5,112. This represented a decline of population since 2001 of just over 3%. Of Cornwall's largest nineteen towns; only Penzance and Torpoint (also both coastal) experienced population decline in the period.

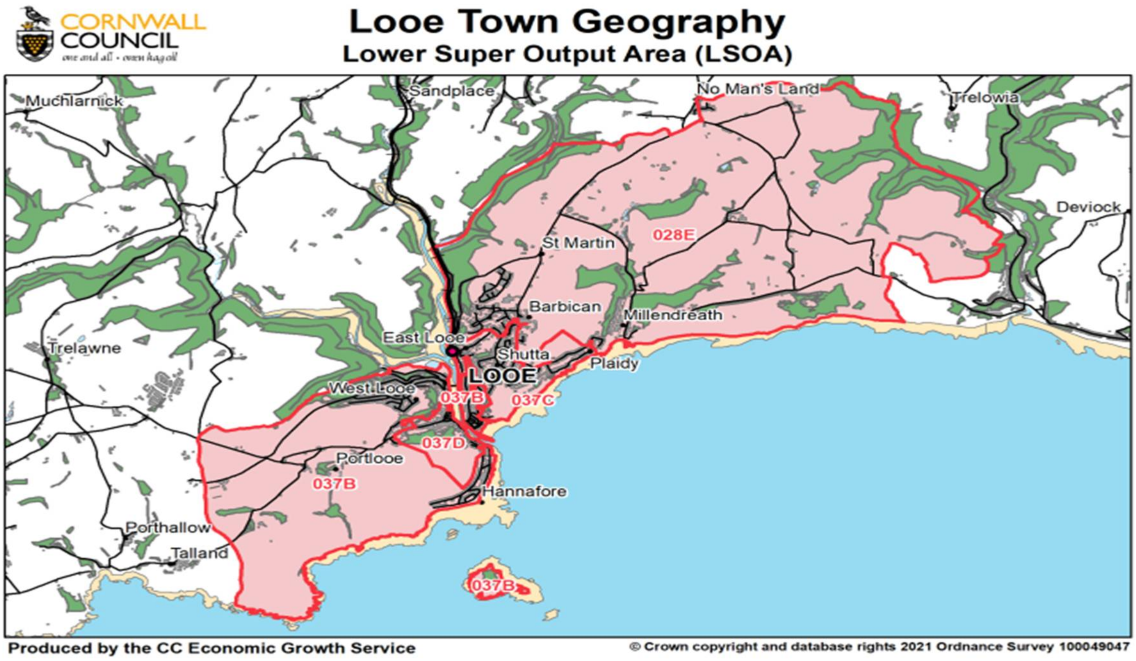


Figure 1

3.2 Of the 2011 population; 58.5% were of 'working age' which was slightly below the Cornish average of 61.5%. There was a significantly higher proportion of those of pensionable age in Looe at 28% compared to just under 22% for Cornwall as a whole.

3.3 This is important because participation in the labour market is one of the basic mechanisms to allow for productivity induced through knowledge and talent progression. The future economy, however, may not rely on volume but rather concentration of knowledge and the ability to enable prosperity for the wider population.

3.4 The geography of the **Lower Super Output Area** (LSOA, Figure 1) indicates a population figure of 5,524 (source: ONS) for mid 2019; which is indicative of a total population increase of just over 8% in the period since 2011.

3.5 Overall population numbers have implications for labour market activity and availability; including and tempered by those who choose (or are compelled) to work beyond the age of 65. Indicative data from the Annual Population Survey (APS) suggests a long-term trend toward over 65s remaining in the labour market – from less than 6% in 2004 to around 10% by 2021. This is illustrated in Figure 2 (below) for the Parliamentary Constituency of South East Cornwall (the lowest geography for which this data is available)

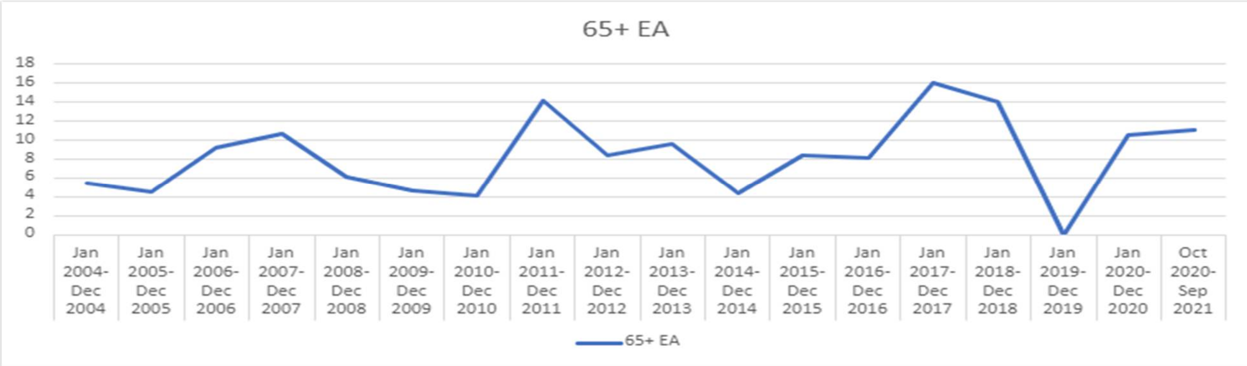


Figure 2

3.6 Taking a five-year average (2015-20) the number of employees in this area remained fairly constant each year at around 1,540; while the number of those in employment similarly was around 1,700. This is indicative of a broad difference of around 10% of people in employment who are/were self-employed but the Business Register and Employment Survey (BRES) excludes those who work in agriculture. **All of this is suggestive of a 'stagnant' labour market, in the sense that it is not growing, where logistic and transport issues *may* make the ability of local business to attract and access a range of talent more challenging and therefore stifles growth and increases in productivity. Workspace infrastructure can provide the basis for a reason to either locate in Looe or the business locally and (as this report will illustrate), appropriate space is negligible. The business survey appendix notes the number of resident responses of people (46% of the sample) who were over the age of 65 and no longer participated in the labour market.**

3.7 Despite apparent population growth estimated between 2011 and 2019 the raw comparison data (BRES) between 2015 and 2020 suggests that the number of people employed in that period decreased by over 8% and all those in employment by around 5%. These figures, however, exclude 'agriculture'.

3.8 Agriculture is reflective of a sector where people are likely to work past 'retirement age' but also where there could be a degree of sector diversification into other areas such as construction or direct selling (retail); but also, in terms of farm diversification for business occupancy of former agricultural buildings and that potential.

3.9 Data is not available at a Looe level on economic activity and employment (long term) aged 16 to 64 but the Annual Population Survey (APS) is a sample of seventeen years of data showing the peaks and troughs of this data in Figure 3.

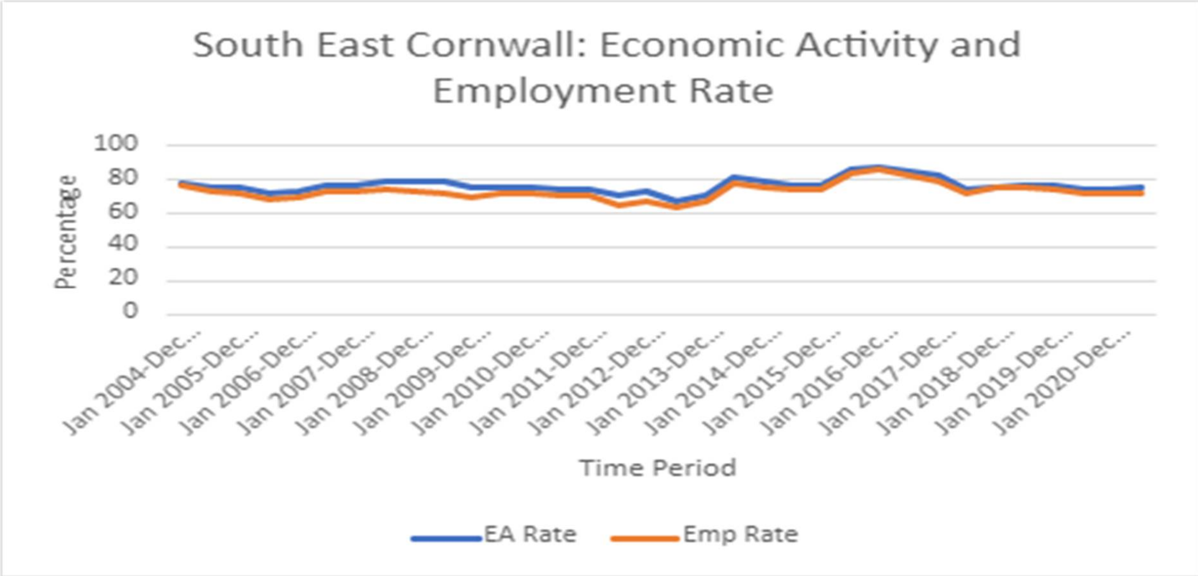


Figure 3

3.10 The economic activity rate in South East Cornwall was over 78% in 2004, falling and then rising before the 'Great Recession' pre-2010. It then fell to just over 67% by the time of the 2012 recession but increased to over 86% by 2016 and indicating 76% by 2021.

3.11 The gap between employment and economic activity rate averaged at 3.3% over the whole period. **This is broadly indicative of some potential productive capacity not being used in South East Cornwall over a long period. Further, it is unlikely that all those who are economically active and working are likely to be employed in roles commensurate with their skills or potential.**

3.12 Figure 4 compares historical economic activity by geographies. Caution should be noted that the Annual Population Survey uses samples and these would have latterly been impacted by the pandemic; but from the available geographies it is clear that (apart from 2016 & 2017) the South East Cornwall Parliamentary Constituency (in blue: the first 'bar' on the left) has consistently lagged behind the illustrated comparable geographies in terms of economic activity.

3.13 This has also included the Plymouth Travel to Work Area (that SE Cornwall neighbours) and illustrated by the middle grey bar being consistently higher over those two years. That would be expected in an urban area where labour markets are 'thicker' and job choice (but not necessarily quality) more numerous.

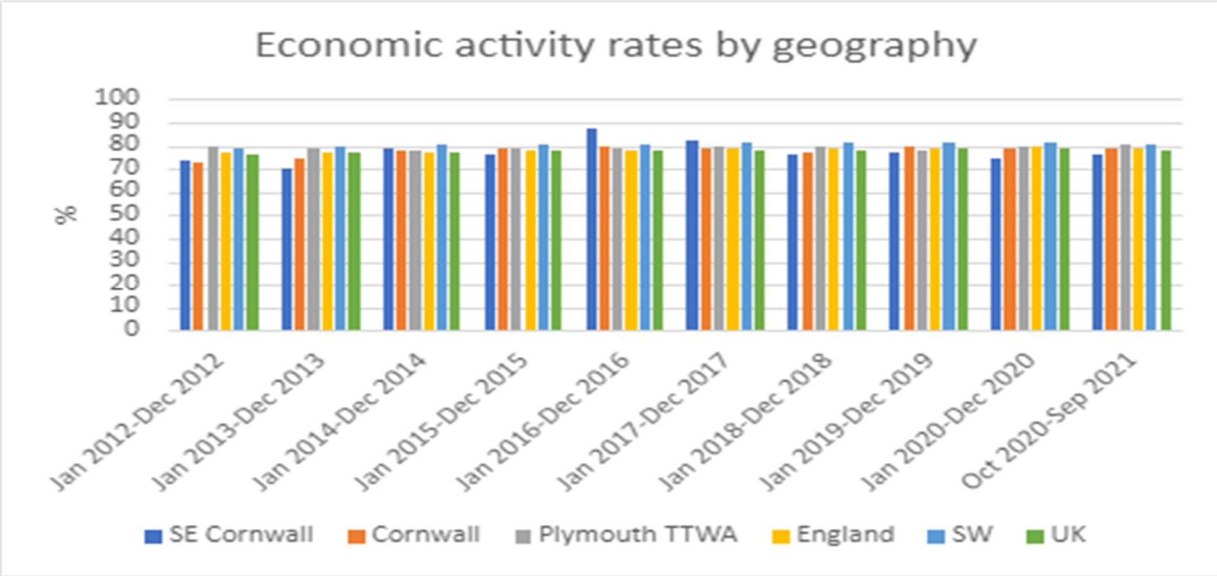


Figure 4 - Economic activity rate for people aged 16 to 64

3.14 However, 2020 data indicates that only 79.4% of Plymouth city were economically active (aged 16 to 64), equal to both Gateshead and Portsmouth, and the middle quintile of English cities for economic activity. This is important because of the commuting influence of Plymouth on parts of south east Cornwall. However, available data from the 2011 Population Census illustrates that most commuting origin to Plymouth comes from Saltash and Torpoint; with influence waning further west toward Looe. **Plymouth is less of an influence on the economies of Looe or Liskeard in the west of south east Cornwall; in any case higher salaries in Plymouth are likely to be the driving factor behind reward in the south east Cornwall parliamentary constituency which suggests that higher quality jobs in Plymouth are commuted to because of the lack of them in south east Cornwall.**

3.15 **So, access to quality and range of employment (particularly in digital or more highly productive sectors) may be more numerous in Plymouth than in Looe, although it is possible that the relative success of the city in providing employment is in terms of mass and lower-level professional roles rather than opportunity in digital or more highly skilled and productive roles. These – by definition – are likely to be less numerous but also do not need to be based in a city as has been the case for traditionally clustering economic activity and supply chains.** This concentration of professional roles is likely to be expected in a city and is particularly the case in:

- Manufacturing sector (proportion of 1.4 more jobs in the two Plymouth parliamentary constituencies compared to South East Cornwall)
- Construction (1.6)
- Information/Communication (1.6)
- Professional, Scientific and Technical (1.1)
- Business administration (1.1)
- Education (1.5)
- Health (2.5)

'Health' is unsurprising given the role of Derriford Hospital in Plymouth Moor View; but the closer alignment of the 'Business Administration' and 'professional/Scientific/Communication' sectors is indicative of opportunity for South East

Cornwall in a digital age. (All data above excludes 'Agriculture' in the percentages which is suppressed in the dataset).

3.16 Reflective of the broader point around economic activity is the fact that Looe is part of the Liskeard Travel to Work area illustrated in Figure 5 (below) which illustrates that the employment rate for those of 'working age' was only around 66% for the Liskeard TTWA (which includes Looe); whereas SE Cornwall itself was 72%. Both areas are considerably behind other geographies.

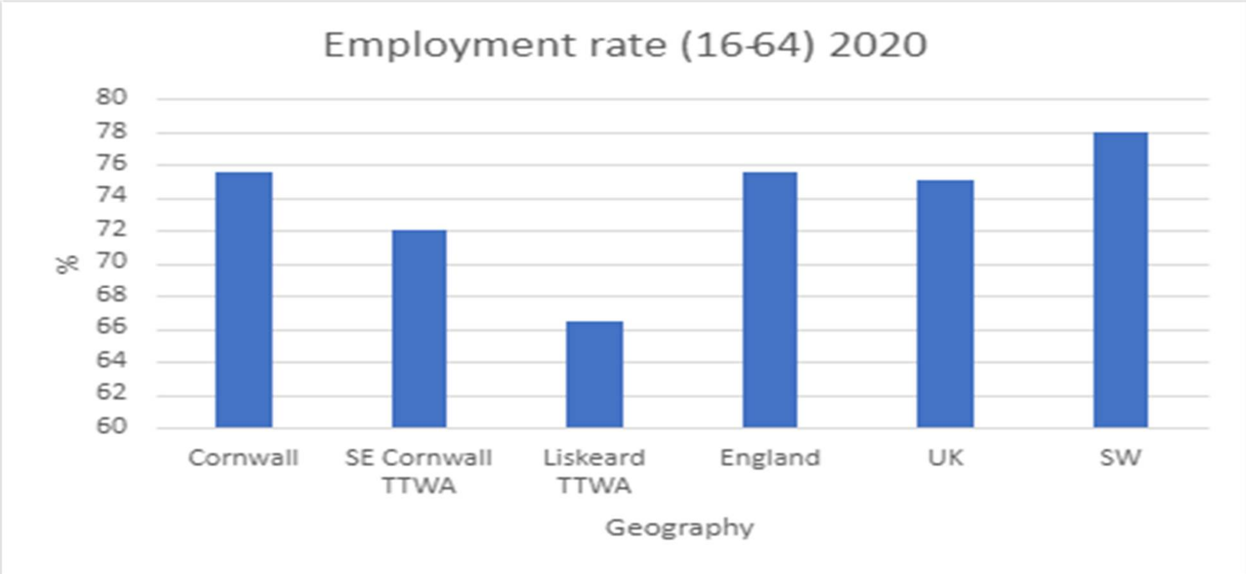


Figure 5

3.17 The geography of the Liskeard TTWA is reflected in Figure 6 (below) and includes the main settlements of Callington, Liskeard and Looe.

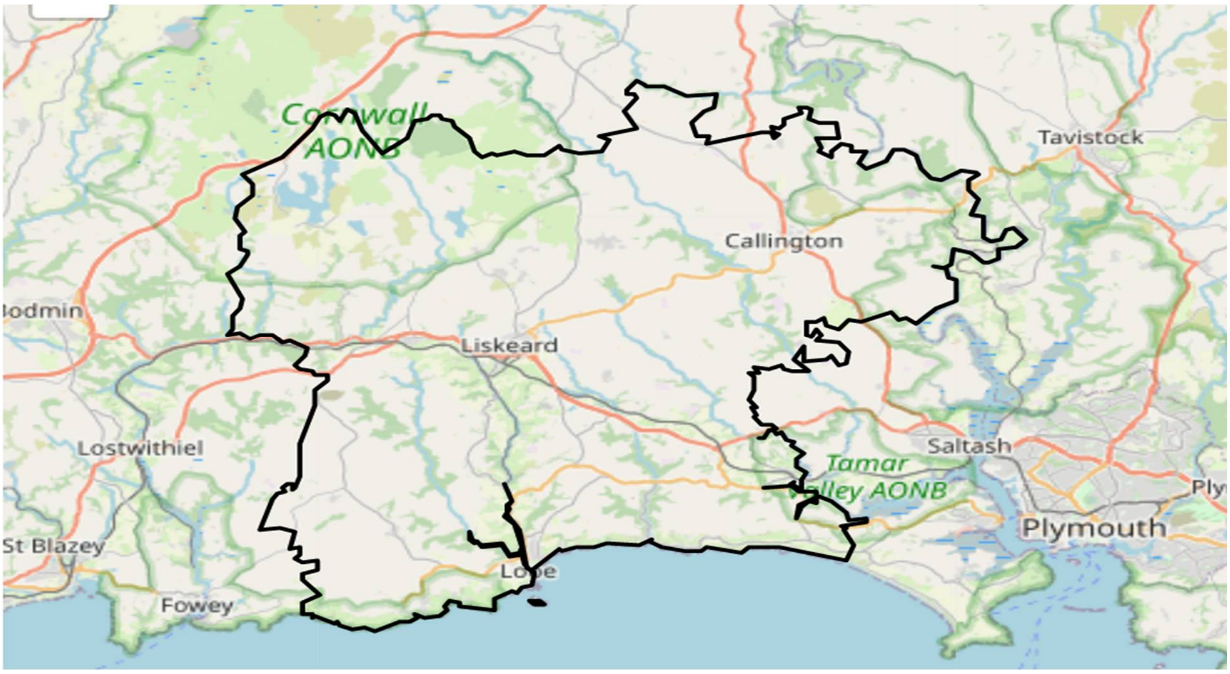


Figure 6

3.18 Specific economic activity in the TTWA has never really exceeded 70% in recent years (despite what are possibly outlier statistics in 2016) and is consistently lower than the figures reflected in comparable geographies in Figure 4 (1.12).

3.19 Within an England context (2018 estimates from Coastal towns, England) Looe was the third smallest coastal town behind Dartmouth and Seaton. Comparatively, it lacked a supply of people of 'working age' and in comparison, with a range of seaside towns nationally had actually seen static population growth and not significant (year on year) employment growth.

3.20 What this basic population and economic activity and participation data suggests is some growth estimated since 2011 (following a decline) for the Looe LSOAs but a potential decline in both labour market participation and overall employment where the ability to commute is an issue compounded by the distance between settlements where there are likely to be jobs, rurality and the cost to individuals of both private and (where available) public transport.

3.21 In addition, Liskeard has been successfully interventionist in supporting and growing its workspace complement on the edge of the town although this has not translated into a more 'vibrant' town centre. Callington is recognised as a focus for food and drink manufacturing and adding value to primary production; but Looe does not have either of these workspace strengths.

4 Looe in context: Business Profile

4.1 There were 350 businesses identified in the Looe MSOA in 2015. Main categories were 'Accommodation and food services' (26%), 'Wholesale, retail and motors' (24%), and 'Agriculture, forestry and fishing' (10%). **Both 'Accommodation and food services' and 'Wholesale, retail & motors' were over-represented in relation to the Cornish average. 'Professional, scientific & technical' and 'Administrative and support services' were under-represented** (source: UK Business Counts).

4.2 In the period between 2015 and 2021 'Accommodation and food services' & 'Agriculture' remained stable proportions of businesses in the MSOA (26.3% and 10.3% respectively) while (perhaps unsurprisingly) retail and wholesale have dropped to 17.6%. **This may suggest some interplay between the agricultural and food industries locally and the ability for each to sustain the other, although 'retail' as a sector has been generally under pressure. In the long term agri tech and research will be areas where new products developed through primary production could become an opportunity for the area.** See: https://www.agritechcornwall.co.uk/case-studies/

4.3 'Professional and Scientific' and 'Administrative and Support Services' can be broadly construed as 'knowledge' or feasibly office based; as well as 'information and communication', 'finance & insurance', 'property', 'professional/scientific and technical' and 'business administration and support' which together account for 17.8% of all business units in the Looe LSOAs in 2021. **Knowledge-based industries are those sectors of the economy where value added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increased use of technology. Space to innovate and collaborate are key tools. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of how competitive an economy is and its future growth prospects. However, both numerically and in numbers this represents a decline on available 2016 data (18.6%) or a decline of 0.8%, so the opportunity for knowledge transfer between sectors and higher quality jobs in Looe has weakened over the five years 2016-21.**

4.4 The Eurostat definition of higher value knowledge economy sectors at a lower (two digit) Standard Industrial Classification is below, and is analysed later in this report. It is clearly wider that the overview given above and may exist in the 'under the radar' economy of people who are currently home working:

Table 1

NACE Rev. 2. codes 2 digit level	Sectors
High-technology manufacturing industries	**21** Manufacture of basic pharmaceutical products and pharmaceutical preparations **26** Manufacture of computer, electronic and optical products
Medium-high-technology manufacturing industries	**20** Manufacture of chemicals and chemical products **27** Manufacture of electrical equipment **28** Manufacture of machinery and equipment n.e.c. **29** Manufacture of motor vehicles, trailers and semi-trailers **30** Manufacture of other transport equipment
Knowledge-intensive services (KIS)	**50** Water transport **51** Air transport **59** Motion picture, video and television programme production, sound recording and music publishing activities **60** Programming and broadcasting activities **61** Telecommunications **62** Computer programming, consultancy and related activities **63** Information service activities **64** Financial service activities, except insurance and pension funding **65** Insurance, reinsurance and pension funding, except compulsory social security **66** Activities auxiliary to financial services and insurance activities **69** Legal and accounting activities **70** Activities of head offices; management consultancy activities **71** Architectural and engineering activities; technical testing and analysis **72** Scientific research and development **73** Advertising and market research **74** Other professional, scientific and technical activities **78** Employment activities **80** Security and investigation activities

Source: own construction based on Eurostat (2009)

4.5 There are a number of broad conclusions when understanding Looe MSOA sector data:

- **The Agriculture, Forestry & Fishing sector (at 10%) is around two thirds the size of Cornwall and half the size of the Liskeard TTWA. Therefore, 'agriculture' in Looe has some significance in its role within the TTWA and there may be opportunity to expand the role of businesses that can service it: not just in terms of broad administration, finance or support; but also, in terms of research to support sustainable processes, succession strategy and the technological future of the industry.**
- 'Manufacturing' matches the size of the Cornwall business profile, is slightly bigger than the Liskeard TTWA and around the same size as Plymouth. **This is an unusual strength for a seaside town but process, research and marketing are key to maintaining its competitiveness and opportunity for growth. In a discussion with Jon Howell of the Cornwall Manufacturers Group (August 12th 2022) he noted that they do not have members in Looe (they have members in Saltash and Liskeard) which is suggestive of smaller businesses in Looe. Location can depend on the range and space available and he was not aware of any demand for manufacturing workspace in Looe. That said, there are small product design companies around linked to manufacturing and the opportunity for cross working with creatives.**
- 'Construction' is about half the size of comparable geographies (Cornwall, SE Cornwall constituency, Liskeard and Plymouth TTWAs). **This is unusual where there may be opportunities to support other sectors (particularly but not exclusively tourism) so either suggests that the tourism sector in the Looe area is of a function not to need the support**

of the construction sector or, more likely, house building and maintenance activity are sourced from elsewhere.

- ‘Wholesale/Retail’: proportionally larger than the other comparison geographies and **indicative of the role that Looe has both servicing visitor and domestic demand. A challenge has been that ‘retail’ is not considered part of the knowledge economy and the fragmentation of employment hours within the sector; when in fact ‘knowledge’ is required around areas such as stock control, rotation, profiling and marketing; where technology has a crucial role in enabling local retail businesses to remain or become competitive.**
- Unsurprisingly, ‘accommodation and food’ is three times the size of the comparable geographies.
- **However; knowledge intensive business sectors are small or negligible including ‘information/communication’ (dominated by Plymouth TTWA), ‘finance and insurance’ (where there could be opportunities supporting other sectors in Looe, ‘professional/scientific/technical’ (the smallest of the comparable geographies) and the broad public sector (administration, defence, health and education). The lack of public sector anchors to develop business is a weakness for the town, although comparability in the ‘arts and entertainment’ sector with the other geographies is suggestive of an opportunity to grow creative and innovative skills.**

4.6 The comparable percentage breakdown of sector business unit size in the chosen comparable geographies is illustrated in Figure 7(below):

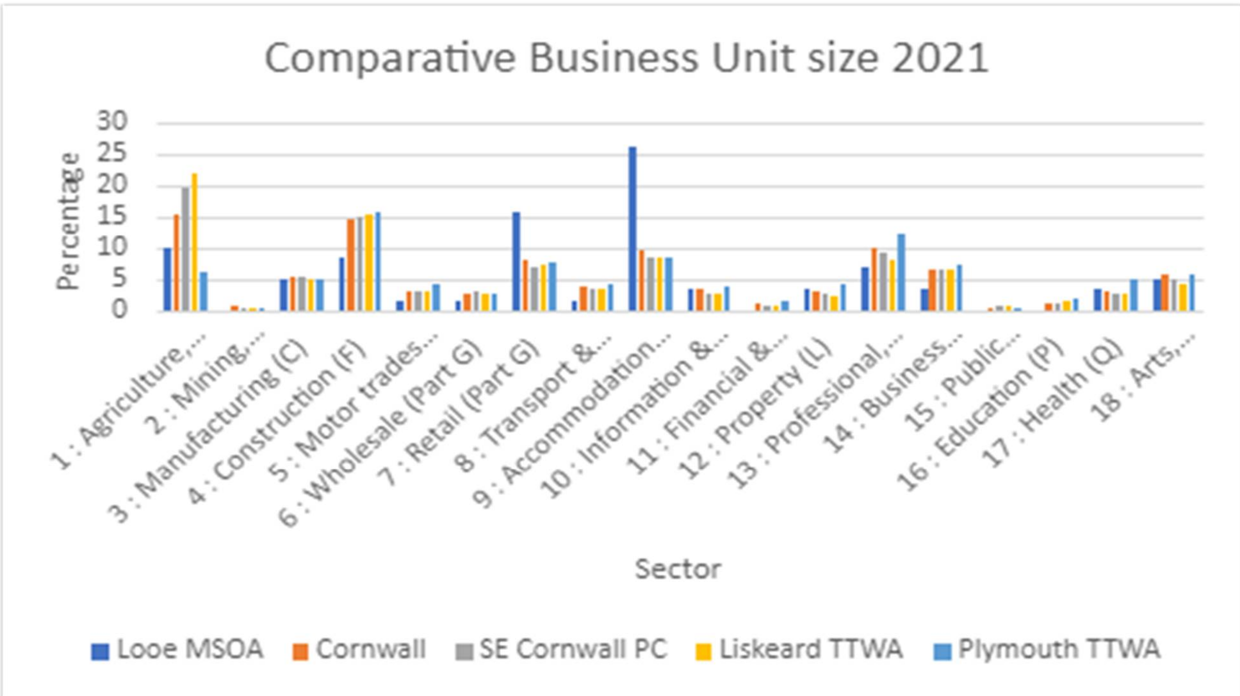


Figure 7

This clearly shows that the Looe MSOA has the highest proportion of business units (that is individual units of branches) in the ‘Accommodation and Food sector’ of all the comparable geographies, with significance also in ‘Retail’. But in areas such as ‘Manufacturing’, ‘Information and Communication Technology’, (unsurprisingly)’Property’, ‘Health’ and ‘Arts and Entertainment’ it has some numerical strength. The question is whether there is productive strength. *Note that these are proportions within their own geographies compared to each and not (of course) a numerical reflection.*

5 Looe in context: Employees and Employment

5.1 The 2011 Population Census showed that almost 1,800 people worked in Looe across three main sectors in the LSOAs that make up the town:

- Accommodation and Food Services 21%
- Wholesale, Retail & Motors 20%
- Health 11%

5.2 'Accommodation and Food' and 'Wholesale, Retail & Motors' had higher shares that the Cornwall average; particularly and unsurprisingly 'Accommodation and Food'

5.3 Almost two fifths of working people were self-employed; applying to over 90% of those in 'Agriculture, Forestry & Fishing', almost 80% in 'Construction' and 'Information and Communication' at almost 60%. **This suggests a strong base of micro/self-employment that will need the right infrastructure if it chooses to grow or at least be sustained.**

5.4 Post the 2011 Census (and awaiting the results of the 2021 Census) BRES gives an indication employee numbers: albeit a rounded sample: Across the LSOA geographies there may be some indication of the impact of the pandemic on total employment numbers. These had climbed from 925 in 2015 to 1,100 in 2016 before falling away (even before the pandemic – starting in 2018) to 850 in 2020.

5.5 Over the five years to 2020; numbers of jobs halved in Manufacturing, Construction and Transport & Storage, while there was a slight decline in Information and Communications. The sectors that gained were Health and Accommodation & Food. Public administration jobs all but disappeared and other sectors remained stable. **It is likely that 'Health' jobs were care rather than knowledge related, although knowledge transfer can upgrade and transform the responsibility of some of these roles. All of this is illustrative of the need to expand and diversify the economic base of Looe.**

5.6 Employee jobs are now concentrated in 'Retail', 'Accommodation & Food' and 'Health'. But in terms of 'knowledge' related sectors which have scope for higher productivity and impact; figure 8 is illustrative below. That is not to say that there is not a role for 'knowledge' to promote productivity where jobs are currently concentrated: indeed, it is a prerequisite to ensure that these sectors have a future and a role in supporting other sectors. **Areas of focus could include (for example) stock rotation and presentation in the retail sector or the use of new technology and learning new skills in the health sector.**

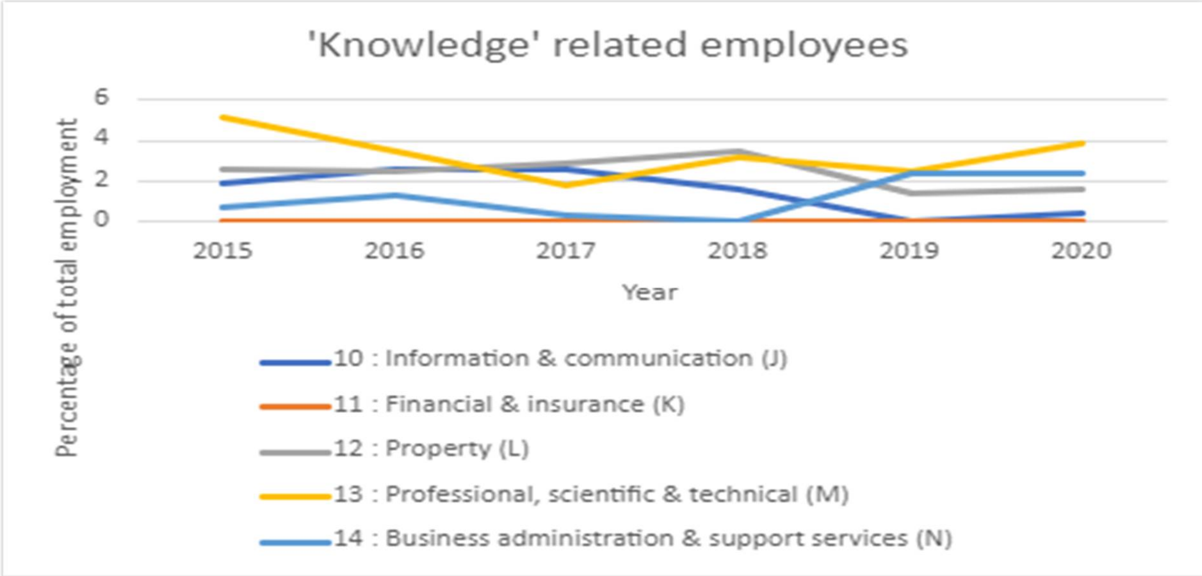


Figure 8

5.7 Figure 8 (above) shows a decline in most broad 'knowledge' sectors in the two Looe MSOAs, with a slight recovery for 'professional, scientific and technical' employees. Nonetheless, these sectors together accounted for 8.3% of Looe LSOA employees in 2020, compared to 10.3% in 2015. **These are examples of jobs more likely to require fully serviced workspace supported by an environment conducive to productivity.**

5.8 The data gap between 'employees' and 'employment' is indicative of the number of people in self-employment. This is often held as an indicator of entrepreneurialism but is also a feature of an economy where there is likely to be less employment choice and opportunity and people have to 'make' their own jobs.

5.9 In terms of overall employment, the number of people remained consistent in the two LSOAs at 1,050 in 2015 to 1,000 in 2020. Where there were the most gains (55 jobs) were in 'Accommodation and Food' with also a slight increase (15) in 'Health'. All other sectors saw a numerical decline in job numbers.

5.10 But in percentage terms these declines were negligible (based on the almost static total number of jobs in the two Looe LSOAs between 2015 and 2020). The significant change was the almost 6% increase in total 'Accommodation and Food' employment.

5.11 The total percentage share for employment across the main sectors of the two Looe LSOAs is illustrated in Figure 9 (below):

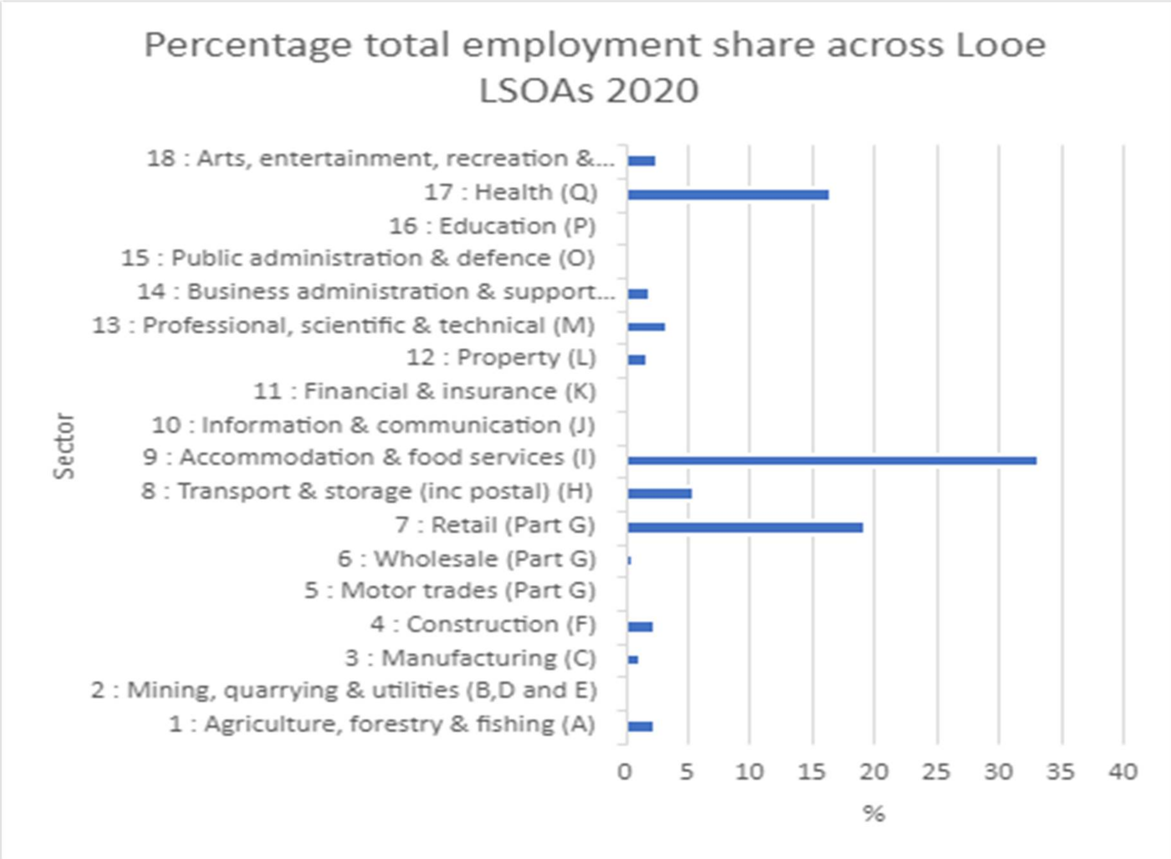


Figure 9

5.12 While these overall employment figures show the importance of Health, Accommodation & Food and Retail to Looe employment (in total around two thirds of all of it); sectors which may service and support them (Arts and Entertainment, Business Support, Property, Construction) largely make up the remaining third.

5.13 There is a need to understand these sector's reliance on the tourism sector and the degree of both local and wider custom that they generate; and what can or could be done to support their expansion. This is especially true in more vulnerable sectors such as Retail which nonetheless may have been retained in a seaside town such as Looe because of the specialist nature of its market or because seasonal trade can support it throughout the year.

5.14 **The number of overall employment/jobs in the 'knowledge' related sectors (see Figure 8) remained static between 2015 and 2020. The shift was in 'Professional, Scientific & Technical' jobs in terms of 'employees'; which is suggestive of a (nationally under-represented) small/micro business cluster that would benefit from the right support to aid economic diversification of Looe. This in turn could support more growth even in comparison with closer geographies through collaborative approaches.**

6 Looe in context: Business Turnover

6.1 Data for the Middle Lower Super Output Area (MSOA) geography (see Figure 10, below) suggests that Looe hosted 285 businesses with a registered turnover in 2020. This is a larger geographic area than the LSOA. 119 businesses (see appendix) were interviewed through the business survey.

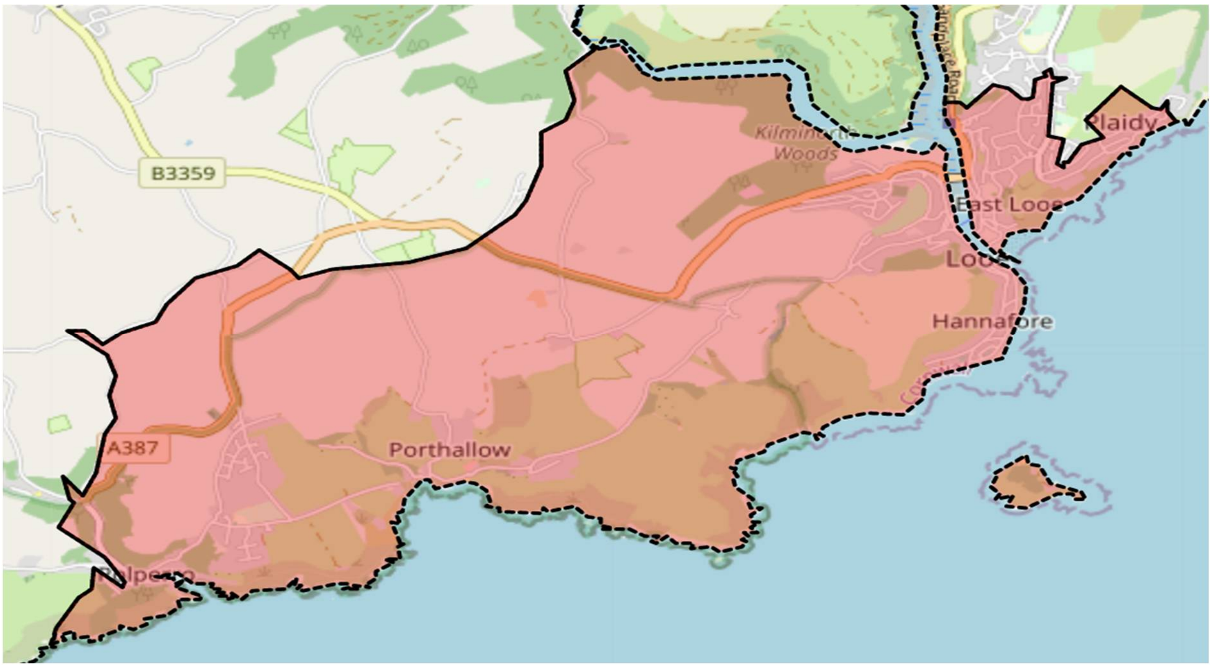


Figure 10

6.2 Of these 285 businesses, 'Accommodation and Food' dominate the numbers with around 26% of the total, followed by 'Retail' at 16%, but there is a spread of business activity across all sectors including 'Agriculture, Forestry and Fishing' at over 10%, 'Construction' at almost 9%, 'Professional, Scientific and Technical' at 7% and 'Manufacturing' and 'Arts and Entertainment' at just over 5% each. For our defined 'knowledge' sectors, they contributed a total of almost 17% of all businesses in the Looe MSOAs. All of the proportion data is illustrated in Figure 11 (below). Results for the business survey suggest that these figures are almost reversed: with a total of 25% operating in the 'Retail 'sector and at least 13% in 'Food' related sectors from the sample.

6.3 The MSOA includes a wider geographic area than the LSOA definition and includes Porthallow and Polperro. This may distort the Looe figures, but as the largest settlement in the area this rounded collected data is likely to focus on the town. This dataset is not available at an LSOA level

6.4 **Around 40% of all businesses had a turnover of between £100,000 and £199,000. This is the largest single figure for business turnover bands and is significant because it is likely at that level that growth can be accelerated if a business is growing or desiring growth, and may be more difficult to achieve without the right infrastructure. 17% of businesses in the sample from the business survey were operating with a turnover of between £100k and £249,999.**

6.5 However, it could be the nature of the sector: whether it is growth that is driving turnover or whether the consistent size and operation of the business which is enabling incremental change over a longer period. Around of third of the figures in this band were businesses in the 'Agriculture' sector and a further 17% were 'Retail'. These may largely provide some consistency over a long period of time but (of the remaining 53% of businesses in this band) around 13% were equally spread across our defined 'knowledge' sectors including 'Information and Communication', 'Scientific and Technical' and 'Property'. 'Property' will largely include estate agency and the holiday/second home market and will have strong linkage with tourism.

6.6 Sixty-five businesses had a turnover of £200,000 up to £999,000. Again, around one third were in the 'Accommodation and Food' sector and one fifth in 'Retail'. But of the remaining half or so businesses, 15% were 'Professional Services' or 'Business Administration' while around 7% each were 'Manufacturing' and 'Construction'. There were – in addition – five unspecified sector businesses with a turnover of more than £1m.

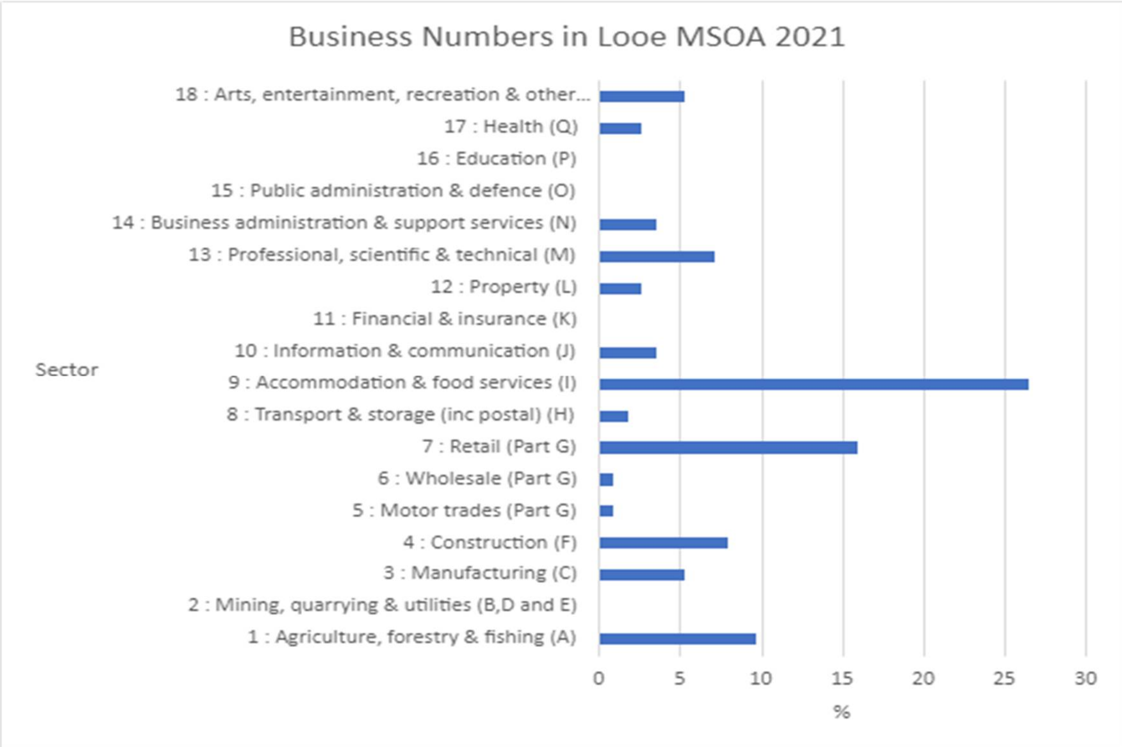


Figure 11 - source UK Business Counts

6.7 Around a third of businesses appeared to have a turnover of less than £99,000 (similar to the number in the business survey). These included 15 'Agriculture' businesses and 20 in 'Accommodation and Food'. 'Retail' only accounted for 10 businesses which suggests that the sector in the area is toward the 'medium and large' both in turnover and (as we have seen) in employment and may as a consequence be focused on national chains. Another 20 businesses are in the definition of the 'knowledge' sector.

6.8 Adding value and opportunity to businesses operating at this level is a challenge and part of the opportunity to develop the business market for Looe. Figure 12 (below) is illustrative of collective turnover data (by numbers) in the Looe MSOAs in 2021.

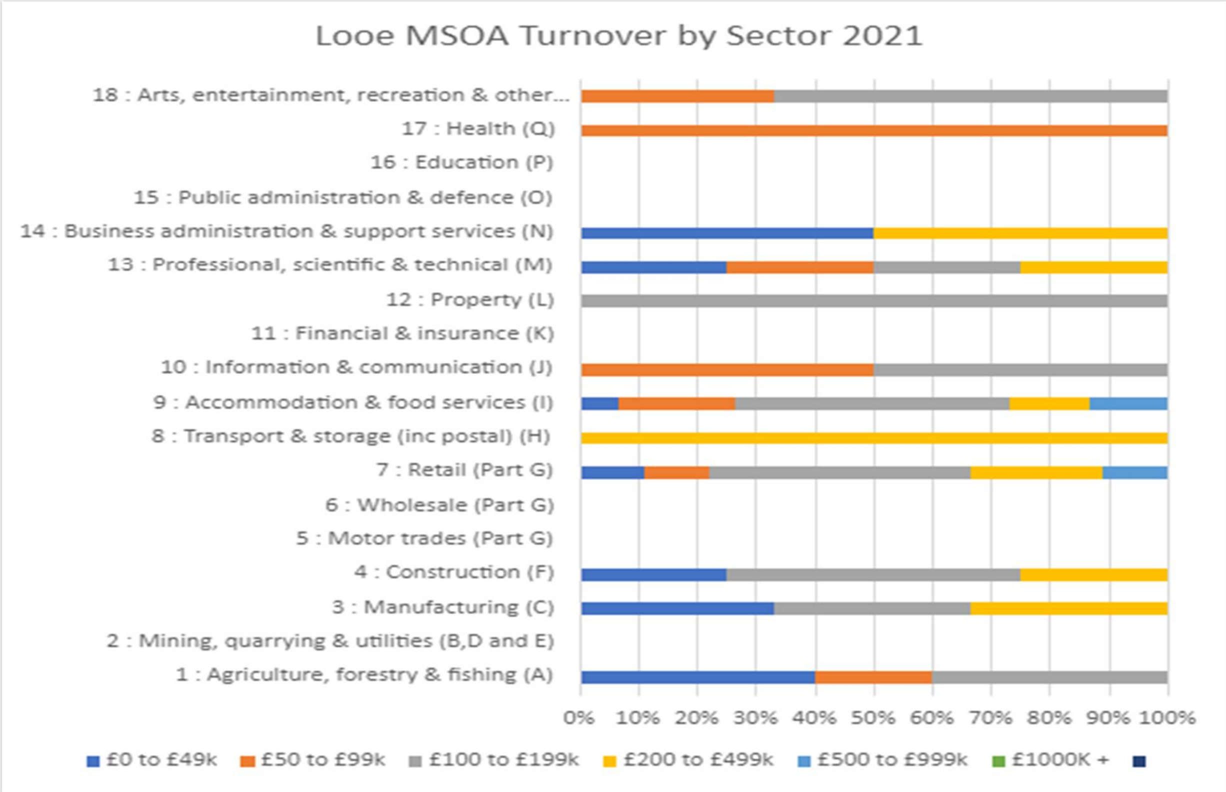


Figure 12 - source UK Business Counts

6.9 Most businesses in the Looe MSOA had a turnover (column total – grey) of between £100,000 and £199,000. This was especially true of the 'Arts & Entertainment' sector, 'Accommodation & Food Services', 'Retail' and 'Construction'. A smaller turnover of £50,000 to £59,000 also dominated 'Health' and was significant in 'Arts and duh' (orange): but also those sectors related to it such as Professional, Scientific and Technical and Information & Communication.

6.10 Because of the lack of sector specific business units where turnover is over £1m; the blue areas were the most significant for the Looe economy in terms of growth potential. The 'top three' were:

- Business administration and support services
- Agriculture, Forestry and Fishing
- Manufacturing

6.11 **The opportunity from these sectors is through added value in terms of knowledge, marketing, research and support. This needs business space to deliver it over and beyond where it may be operating at the moment; space (specifically) for collaboration and research.**

7 Growth potential in context

7.1 Whether a business has the potential to grow is influenced by a number of factors. Not least of these is whether the desire exists. Whether a business can ‘stand still’ is a moot point, as markets and tastes change. Tourism – for example – will include a market based on tradition and familiarity but time and aging of the customer base are potential brakes on that: families and younger people may be looking for ‘experiences’ while on holiday and these are likely to change with (in part) the technology that supports them. That said, the emerging marketing message and reach for Looe is based on a consistent and niche offer and there should be an opportunity to integrate that with the marketing of the Millpool centre as a place for co creation and support for the sector (for example, through creativity industries). The business survey noted that 42% of businesses overall in Looe saw tourism having a direct benefit to their business.

7.2 Market familiarity and offer may be one reason why ‘Tourism and Accommodation’ has remained a large and broadly consistent sector in Looe as it has in Cornwall overall; buoyed by the hot summer of 2018 and pandemic restrictions on international travel (and continuing passport difficulties accessing the EU). One issue is whether and how Looe can maximise its share of visitor numbers and gain from the widely perceived ‘over tourism’ experienced by other parts of Cornwall; but the second is how reliant are sectors and jobs on the broader tourism/accommodation & food sector. **A third question is how robust will the tourism market be in the medium long term as foreign travel opens up and the cost-of-living challenges in the UK economy mean that better value holidays may be accessed elsewhere? Therefore, there will be greater need for the industry to develop value through knowledge in areas such as customer care, developing experiences and linking with the natural environment.**

7.3 **If there is a reliance on the ‘tourism industry’, it means that the sector needs the establishment of new and agile market approaches through its relationship with other sectors to support sustainability. While this clearly has implications for infrastructure such as super/ultra-fast fibre broadband and the nature and availability of workspace; there are also other factors which act as gatekeepers to enable these infrastructure decisions.**

7.4 **The Cornwall and Isles of Scilly Investment Fund early assessment report (SQW, March 2020) highlights challenges such as access to business finance, a lack of startup collateral and ongoing business support capacity across all sectors. Micro/sole traders have little incentive to graduate from a spare room if the costs of growth are prohibitive or the process overly complicated and (in addition) start up business finance at this level can be predicated on loans, credit and/or the family home as a guarantee. Cooperative space needs to have a persuasive offer.**

7.5 The decision to expend financial resources on growth can impact on survival rates depending on factors such as the business market, skills availability and the wider economic situation. Overall, business survival rates in Cornwall (there is no lower geographic data available) are better than the south west and UK as a whole and allude to the points made later in this report about factors that influence the business ‘life cycle’.

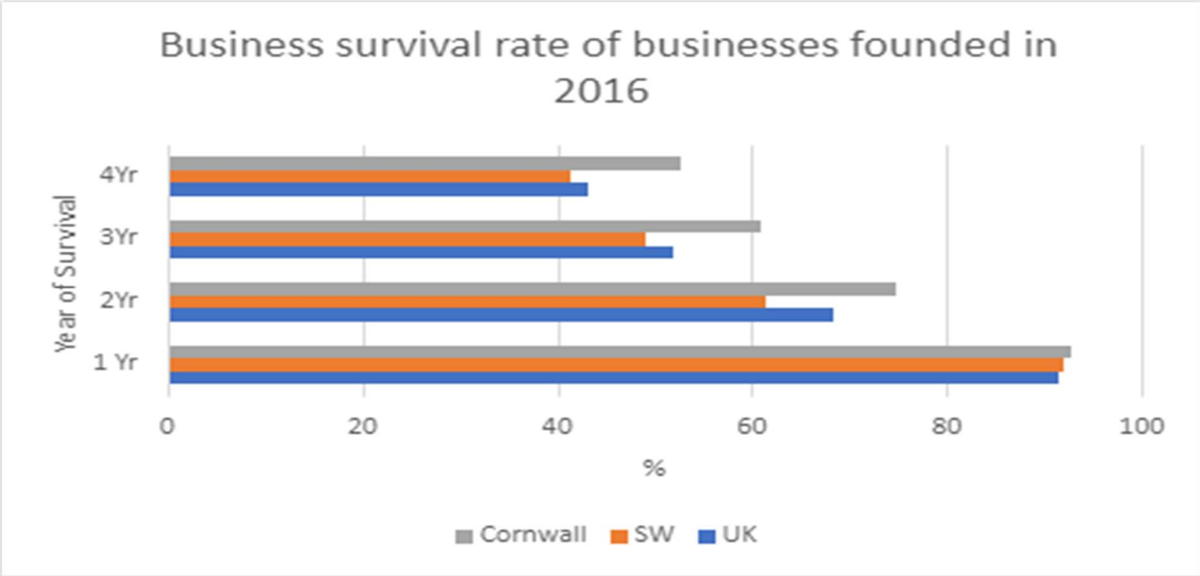


Figure 13

7.6 **Figure 13 (above) is illustrative of this. It shows percentage survival rates of enterprises founded in 2016. Although Cornish businesses on average survive the first year longer than their south west or UK counterparts, this does not become clearer until time moves on. This suggests that business support infrastructure is needed at the beginning of a business journey where a business may feel less confident or able to seek it (note that the business survey highlighted that 5% of the sample were still in their first year of trading. The business survey also found that 23% would be very or fairly interested in a building that supported business and learning activity for their business. Although a clear minority it suggests that any resource would need to market and appeal to start ups (possibly further afield than just Looe) but there were a further 25% of the sample that recognised the opportunity for co-location collaboration. 'Meeting facilities' and a 'new base for the business' were also recognised by a respective 18%.**

7.7 **However, Cornwall may disguise those figures in the sense that self or lifestyle employment is the only option for some (depending on their skills set and 'distance' from the labour market) and that such businesses may not be trading to a level of sustainability and growth in the 5 year plus period for reasons including semi retirement, other income and/or lifestyle. The focus of the data in Figure 13 (source Inter Departmental Business Register, ONS) are those businesses liable for VAT and PAYE: there will also be businesses 'under the radar' who do not generate enough income to pay taxes and therefore do not feature in this official data.**

7.8 For businesses founded in 2019 and which had been in operation for one year (2020) when the ONS IDBR data became available 91% of Cornwall businesses had survived for a year, compared to 90% for the SW and just over 88% at the UK level. This is suggestive of some slipping back on trends, possibly because of the impact of the pandemic **but is nonetheless indicative of strong survival rates in the first year of trading for new Cornwall and south west enterprises. This is one key moment when business infrastructure and support is needed: where an entrepreneur may be feeling isolated.**

7.9 The UK had just over 3 million active enterprises by the IDBR measure in 2020; with the south west just under 240,000 of these (8%) and Cornwall approaching 23,000 (9% of the SW total and 0.75% of the UK total – all figures rounded).

7.10 **Although not directly comparable (so data should be treated with caution) Non Domestic Business Rate (NDBR) data from Cornwall Council for the third quarter of 2021/22 suggests that there were 623 businesses with a Looe 'PL13' postcode operational and liable for business rates. This suggests something like approaching 3% of all businesses in Cornwall were in Looe and is indicative of the relative importance of the town to the Cornish economy.**

7.11 The issue is sector potential for growth. The IDBR indicates that between 2015 and 2020 just under an average of 13,000 UK businesses over the period experienced 'high growth'. 2020 was below average at just over 12,000 (12,090) which is perhaps one indicator of a downturn in prospects for the UK economy during the pandemic.

7.12 The draft Local Industrial Strategy for Cornwall and the Isles of Scilly identifies a number of sectors where the region can develop a competitive advantage. These include:

- Clean energy
- Data and Space
- Agri Food
- Geo resources (including minerals and mining)
- Visitor economy.

7.13 **The challenge will be that (with the exception of the 'Visitor economy' and 'Agri Food') these are likely to be high value but low employment sectors; but where added value can be captured in the supply chain. Secondly, the Strategy alludes to geographic specific resources or projects for these sectors – with the Food Enterprise Zone at Norton Barton (https://theartisanfoodvillage.com/) being the only clear example for east Cornwall with the purpose of growing food manufacturing and processing businesses for the Bodmin workspace market – which of course is no where near Looe.**

7.14 **However, the exceptions are specific opportunities for Looe and South East Cornwall especially if Visit Cornwall and wider tourism strategy is able to shift visitor demand from the more popular parts of Cornwall (for example 'Visit Cornwall' data for 2019 suggests that Looe got 61% the number of visitors that St.Ives did) and reduce 'over tourism' in some places.**

7.15 **The higher paid, productive opportunities are not customer facing; they demand digital and workspace solutions through research, diversification and increased quality and marketable production (Agri Food) and enhancing and interpreting the cultural offer for the visitor economy through offering experiences.**

7.16 'High Growth' UK businesses sectors are illustrated in Figure 14 (below):

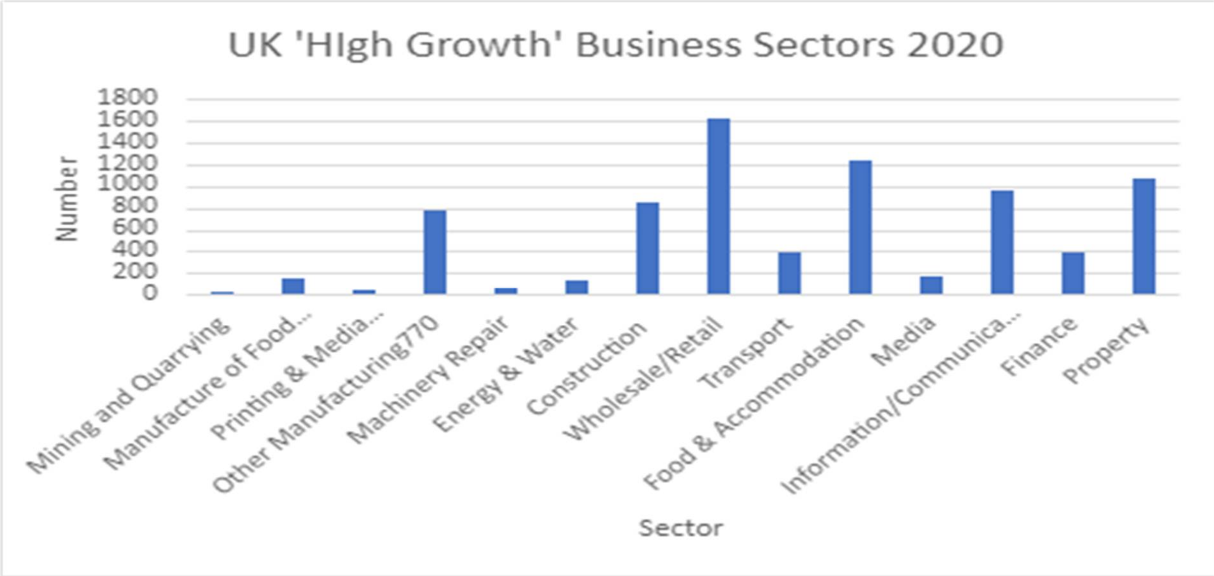


Figure 14

7.17 The graph represents 7,825 businesses in sectors which have resonance for both Cornwall and Looe (around two thirds of the total of high growth businesses in the UK).

7.18 What is 'high growth'? The Organisation for Economic Co-Operation and Development (OECD) defines a high growth business as a 'firm of 10 or more employees that grows either its employees or turnover by an average of more than 20% a year for three consecutive years'. The Scale-Up Institute defines high growth businesses which grow at 20% pa in either turnover or jobs growth for 3 years and typically which start from a base turnover of £1m.

7.19 **Section (4) established that those enterprises with a turnover of £1m+ in the Looe MSOA in 2020 numbered five in unspecified sectors (about 0.04% of the national total); but also, where there is opportunity in lower growth sectors.**

7.20 **The challenge for Looe is to be able to market itself as a place to relocate business, or at least grow business support to wider geographic areas. The Liskeard TTWA had 2,455 enterprises in 2021 which meant that almost 12% of its stock was in the Looe MSOA. 150 Liskeard TTWA enterprises had a turnover of more than £1m (about 6% of them) and (with only 5 in Looe) that indicates that the focus for these potentially 'high growth' businesses were in Liskeard itself, which has been successful in delivering new workspace, albeit largely not in the town centre. The connection with (and opportunity for) town centre regeneration should be an important consideration for the Millpool; and also, in terms of links with Liskeard.**

7.21 **Of the 150 enterprises in the Liskeard TTWA with a turnover of more than £1m the sectors that dominated were Health (almost 31% of the sector); Wholesale (29%), Motor Trades (13%) Transport & Storage (12%), Retail (11%). These proportions are to be expected in the context of the Cornish economy and are also (in part) reflective of the geographical position of the Travel to Work Area. They also allude to the range of other sectors in the area which (by default) will be dominated by enterprises with under £1m turnover such as Construction and those (specifically) which would lend themselves to office occupation, such as business administration.**

7.22 The Plymouth TTWA registered 9,800 enterprises in 2021; 880 of which (9%) had a turnover of more than £1m. Plymouth is dominated by 'Construction' (140), 'Retail/Wholesale' (160) and

'Health' (125); so (in its own way) also has a bend toward productivity in the service economy but with significance in 'Manufacturing' (90), 'Professional, Scientific and Technical' (65) and 'Business administration' (45).

7.23 **Arguably then, in an age of digital communication there is room to displace business into Looe and south east Cornwall from the Plymouth Travel to Work area where previously factors such as continuing road bridge capacity and skills have continued to be a barrier which has seen some relocation (such as the National Blood Service) out of south east Cornwall and into Plymouth. For Cornwall as a whole, the £1m+ turnover bracket applies to 7% of its enterprises with the focus on 'Wholesale/Retail' (340), 'Construction' (290) and 'Health' (170) as the three largest sectors.**

7.24 **This would only be feasible for certain sectors that did not rely on transport logistics or 'anchor' institutions to support them and (in any case) may not be seen as politically desirable. But (in terms of hybrid and digital working) Looe may be able to offer a new workspace opportunity through Millpool acting as a foundation to kick start a commercial market in Looe and to develop its (albeit less frequent) commuter relationship with Plymouth.**

8 Skills

8.1 **Relative sector distribution between geographies is one reflection of the productivity capability between them; but the availability of jobs and related skills demand will drive the need of these sectors in areas such as research and development, as well as delivery of end product.**

8.2 The closest available geography available for this data to Looe is that of the Liskeard TTWA. Data available suggests that for the year ending January to December 2020 just 31% of the economically active in the 'working age' group of 16-64 had L4+ skills (graduate and above). Figure 15 illustrates the difference between geographies (source: Annual Population Survey)

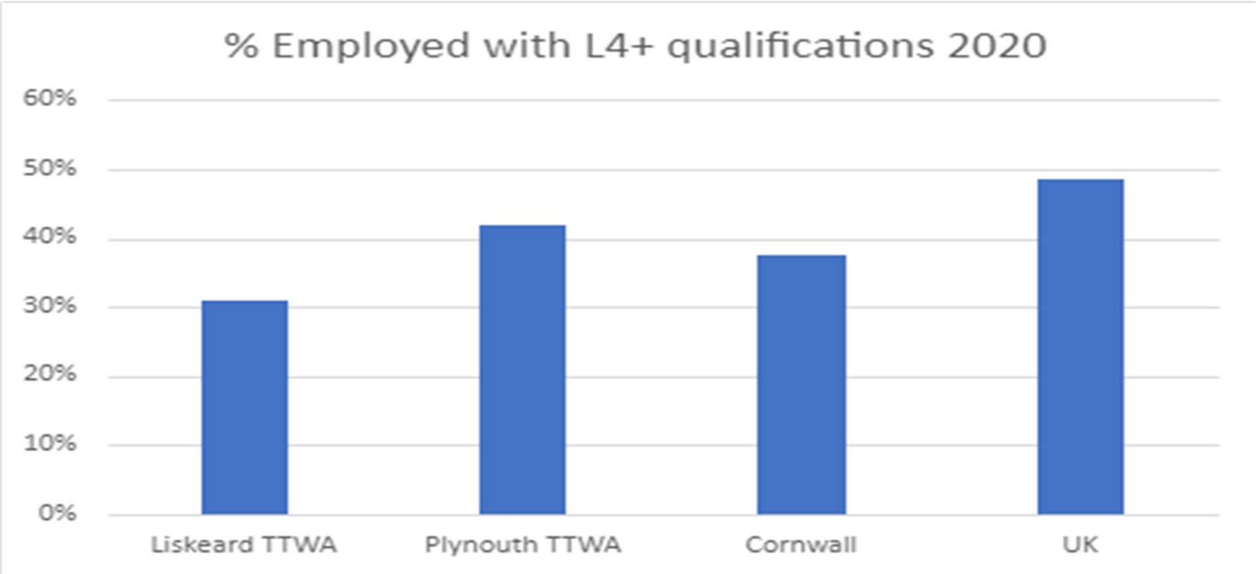


Figure 15

8.3 And over available time periods the data is illustrated in Figure 16:

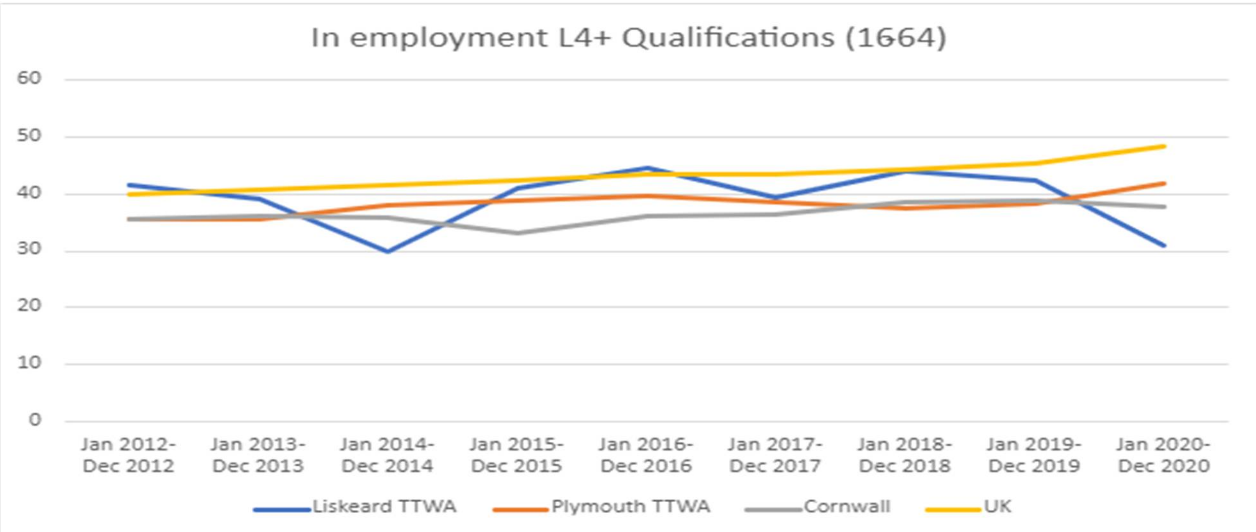


Figure 16

8.4 This shows that the higher qualifications of the UK and Plymouth workforces have steadily increased over the period 2012 to 2020; Cornwall has increased and plateaued and the smaller sample of Liskeard has been erratic but declined in recent years. However, **Liskeard TTWA has**

at times been above both the Cornwall and even touching UK economy averages but it does not necessarily mean that those who are working and have L4+ qualifications are in employment commensurate with their skills and education. Indeed, the relative sector profiles suggest that for the travel to work area that is the case and that there is a knowledge base not being capitalised on. In addition, 'thinner' labour markets (ie smaller or more dispersed) will – by definition – not have the skills available to them or the ability to necessarily deploy them because of accessibility issues. It should also be noted that the long-term trend of increasing numbers of working people in Cornwall with L4+ skills has faltered after 2019 but significantly declined in the Liskeard TTWA. *Data (as always) needs to be treated with caution as a three-year average/long term view of trends is needed: data for the year ending 2021 suggests that the percentage of people in employment with L4+ qualifications in the Liskeard TTWA has shot back up to 42% but a long-term trend needs to be established for confidence in the data.*

8.5 **This, of course, assumes that skills are accessed from those living in an area and are not available from commuting into it. This is an agglomeration factor; where a city or town acts as an attractor of knowledge which can in turn support other knowledge and business development. The issues for Looe are:**

- **Whether it can attract and grow opportunity businesses in sectors outlined in the Cornwall and Isles of Scilly draft Industrial Strategy**
- **Whether 'high growth' businesses are an opportunity and the amount of workspace likely to be demanded of them (knowledge businesses will not need vast space**
- **Whether the strategy should be to attract and support businesses with growth potential (less than £1m turnover)**
- **What multiplier impact there can be on the Looe economy and how it can capitalise on this more widely in south east/Cornwall**

8.6 **There are some key issues which are linked – strongly alluded to in the PFA Research surveys report/appendix (Section 3.3, pp21-22). Premises, marketing and skilled staff are all seen as instruments of productivity and growth; and there was particular regulatory training demand in areas such as health and safety and food hygiene that was required raised through the survey. The PFA research came across businesses that already had premises for training so this suggests that Millpool would need to provide:**

- **A regulatory training offer for those smaller businesses that do not have access/space**
- **A more sophisticated business support offer to plug a gap in the south east Cornwall market**

9 Business need challenges

9.1 Analysis by Blue Sky (2016) identified start up, early stage and development capital costs as the main issues for SMEs seeking to grow in Cornwall and the Isles of Scilly. The EU Growth Programme (2014-20) had invested between £60m and £90m in these areas of activity but the proportion of Growth Accelerator clients who reported finance as a barrier to growth between 2012 and 2015 in Cornwall and the Isles of Scilly was the highest of all LEP areas.

9.2 Approximately 1% of all UK private sector business is located in Cornwall and the Isles of Scilly whereas it attracts only 0.1% of equity investment.

9.3 'Business Live' (Cornwall Live, https://www.business-live.co.uk/partners/revealed-75-fastest-growing-firms-17132783) cited the 75 fastest growing businesses in Cornwall and Devon (2019) before the pandemic. Over half (43) were either based in Cornwall, Plymouth or the Cornwall/Devon border area. Popular location areas included Falmouth, Penryn and Newquay. Places like Truro, Redruth and Saltash also featured – perhaps because of cluster and connectivity opportunities. However, **the key message here is that high growth businesses are to be found in coastal areas although (out of the total list of 75) only 20 businesses had a turnover of less than £10m. Falmouth, Penryn and Newquay have all received strategic investment.**

9.4 Oxford Innovation (as a business support organisation in Cornwall) has been supporting businesses to grow; with less than a tenth of the high growth/£1m turnover in both rural and coastal areas.

9.5 Potential should not and is not restricted by size or turnover. Digging into the turnover data changes between 2016 and 2021 the growth in the Looe MSOA have been in the 'knowledge' sectors. All growth in those enterprises with a turnover up to £49,000 has been in 'Business administration' and (similarly) in the 'Arts and Entertainment' sector for enterprises with a turnover between £100,000 and £199,000. **The latter has a digital reach and cross sector performance potential; and links with the tourism and hospitality sector.**

9.6 **The data indicates a net loss of fifteen businesses across the £50,000 to £99,000 band so this is indicative of the need to provide support in the phase from immediate start up and fledgling growth toward longer term sustainability. These sectors lend themselves to B1 office space needs.**

9.7 Comparatively; the 'Business Live' evidence suggests a concentration of growth businesses in Newquay and Falmouth/Penryn. These are illustrated by the map in Figure 17 (below) of the respective MSOAs.

9.8 The changes by town are detailed below (by MSOA):

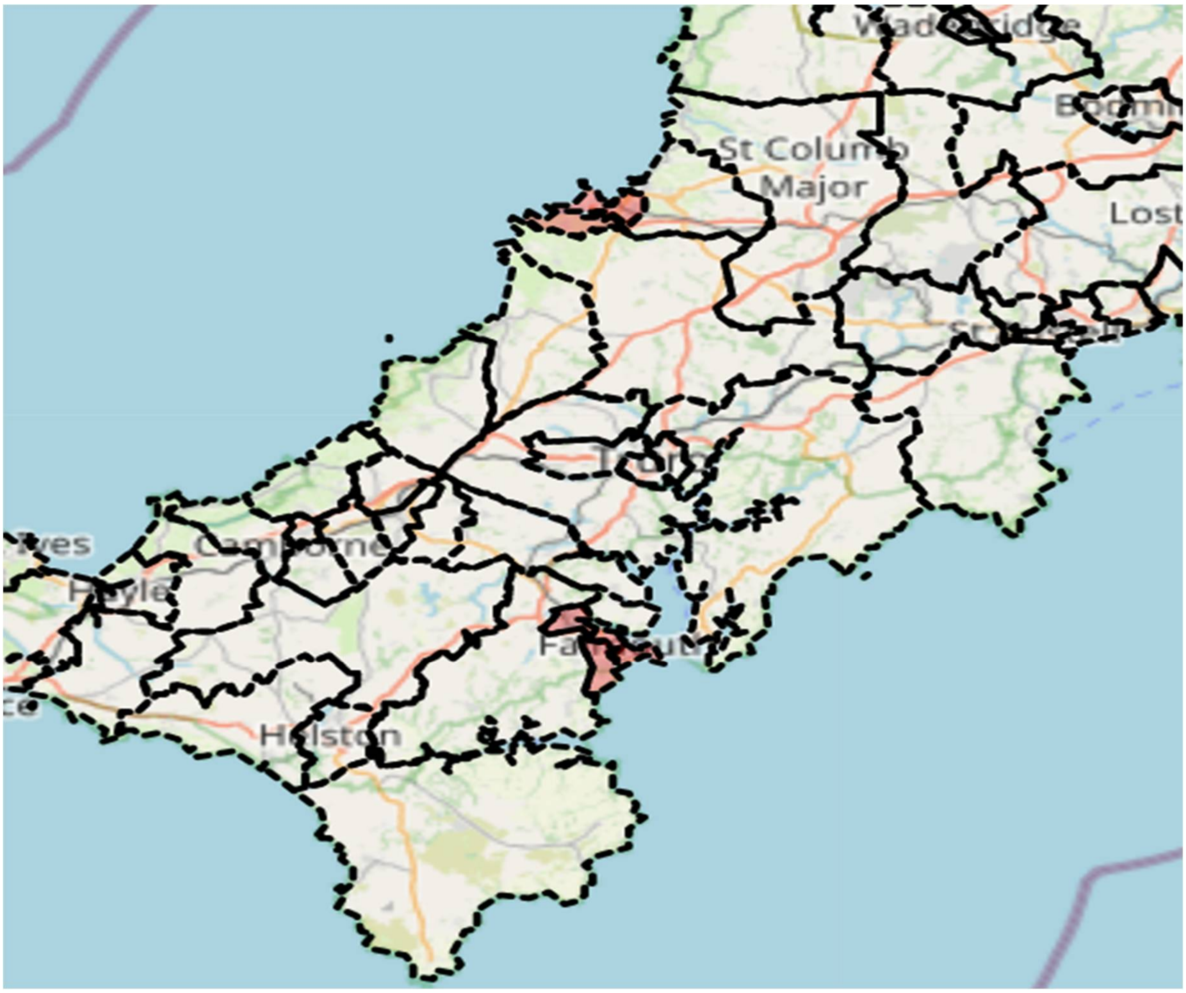


Figure 17

<u>Newquay</u>

MSOA20:

- Overall, the number of registered enterprises increased by over 7% between 2016 & 2021.
- There was strong recovery after the 2020 pandemic height: (6% on the year).
- Over the 2016 to 2020 period a third of the enterprise growth was in ‘Transportation & Storage’ and a third in ‘Professional, Scientific and Technical’.
- All of the ‘Transportation & Storage’ enterprises were concentrated on those with a turnover of £0-£49,000; half of those were in ‘Professional, Scientific and Technical’.
- ‘Retail’ and ‘Accommodation and Food’ accounted equally for all the growth in the £50,000 to £99,000 band.
- Enterprise numbers declined in the £100,000 to £199,000 band over the period by just over 6%.

MSOA21:

- Enterprise numbers increased by one third in the £0-£49,000 bracket.
- This was equally split between ‘Transport and Storage’, ‘Food and Accommodation’ and ‘Retail’.
- Enterprise growth in the £50,000 to £99,000 band over the period was 45%.
- This was equally split between ‘Manufacturing”, “Construction”, “Wholesale”, “Retail”, “Information and Communication” and “Arts and Entertainment”.

- There was a 25% increase in enterprise numbers in the £100,000 to £199,000 band.
- While 'Health' and 'Retail' were a small part of this; most of the focus was on 'knowledge' areas of the economy including 'Professional & Scientific' (10), 'Information & Communication' (5), 'Finance and Insurance' (5) and 'Property' (5).

Falmouth

MSOA 60

- Enterprise numbers increased by almost 9% between 2016 and 2021.
- Half of all this growth was focused on the 'Professional, Scientific & Technical' sector.
- A third was focused on 'Construction'.
- Modest growth (a net 5 enterprises) took place in the £0-£49,000 bracket.
- A third of this was in the 'Professional, Scientific and Technical' sector.
- In the £50,000 to £99,000 bracket there was a net loss of enterprises.
- But this included a small gain in 'Health' related jobs enterprises (5).

MSOA 62

- Enterprise numbers increased by 4% between 2016 and 2021.
- Growth was equally apportioned between 'Transport/Storage', 'Accommodation & Food', 'Property', 'Professional Services' and 'Business administration'.
- So 'knowledge' economy growth is three fifths of enterprise growth.
- There was a net loss of enterprises in the £0-£49,000 band.
- This included a small (5) gain in Transport and Storage enterprises.
- Enterprise numbers in the £50,000 to £99,000 band were net static.
- Although 'Construction' grew by 5.
- In the £100,000 to £199,000 band the number of enterprises grew by 13% over the period.
- Gains were focused on 'Professional & Scientific' and 'Business administration'.

MSOA 63

- Enterprise numbers increased by 3% between 2016 and 2021.
- 'Transport/Storage', 'Construction', 'Property' and 'Business administration' all experienced increases.
- There was a 23% increase in enterprises in the £0-£49,000 band.
- Focused equally on 'Transport & Storage' and 'Professional, Scientific & Technical'.
- During the period there was an 8% fall in enterprises in the £100,000 to £199,000 band.
- Three quarters of this fall was in 'Accommodation & Food' and 'Arts & Entertainment'.
- There was a small gain (5) in 'Professional, Scientific and Technical' enterprises.

MSOA 64

- Enterprise numbers up by 23% between 2016 and 2021.
- Growth in the £0-£49,000 band was small in 'Construction' (5) and 'Property' (5).
- Enterprise numbers in the £50,000 to £99,000 band increased by almost 56%.
- Equally split between 'Information & Communication', 'Accommodation and Food', 'Finance and Insurance', 'Health', 'Agriculture', 'Manufacturing' and 'Construction'.
- There was a net gain of 5 enterprises in the £100,000 to £199,000 band with the focus on 'Arts and Entertainment' and 'Property'.

9.9 ***Commentary:* Looe, Newquay and Falmouth are all various 'tourism' reliant towns with direct and multiplier enterprise activity and employment linked to the visitor economy. Clearly, business growth potential is not going to be in 'high growth'/£1m plus activity but from a much lower base which is what this data illustrates. While the pandemic (especially 2020) would have undoubtedly had an impact on business survival and progression, analysis of the data over the available five-year period at an MSOA level helps to build up a localised picture of activity within these three chosen towns for comparison.**

9.10 Overall enterprise formation was around twice as high in Newquay as it was in Falmouth (comparing 2021 with 2016) and this could be linked to Cornwall wide strategic economic policies focused on the Enterprise Zone and its impact; as well as (more widely) workspace availability.

9.11 Potentially linked to this (and the role of Cornwall Airport Newquay) is the largest sector growth in the town being in 'Transportation and Storage', but 'Professional, Scientific and Technical' also did well.

9.12 'MSOA 21' saw growth in the £100,000 to £199,000 band with a big focus on the 'knowledge' sectors. These sectors were significant in the overall business enterprise growth of Newquay and represent enterprise diversification away from a tourism dominated economy: particularly 'Professional, Scientific and Technical' and 'Business administration'.

9.13 However, it appears that gains in one part of the town were offset by losses in another. Whether this is 'displacement' is countered by the observation that 'Accommodation and Food' and 'Transport' related enterprises (perhaps linked) were being replaced by knowledge related enterprise jobs. Overall, though, this mixed picture is tempered by the observation that in one part of Newquay there is enterprise growth across sectors but not those generally attributed here to 'knowledge'.

9.14 **So, what do these comparisons mean for Looe? They may well suggest that critical mass is needed (population, enterprise numbers etc) to develop a higher value sector focused economy. Newquay has become a strategic focus for the evolution of the Cornish economy and in many ways (such as the maritime sector) Falmouth always has been. For Looe – compared to these two towns – the situation is more challenging:**

- **Overall, between 2016 and 2021 enterprise numbers *fell* by 3.4%.**
- **'Information and Communication' was the only sector where there was a gain.**
- **The losses were focused on the £50,000 to £99,000 band: 25% drop (where growth potential ought to being capitalised on).**
- **Where there were gains they were shared between the under £49,000 and over £100,000 bands.**
- **In the latter this was focused on 'arts and entertainment'.**

9.15 **Looe, then, has a more 'modest' economy when it comes to business growth and is (of course) a smaller and more remote place from strategic transport networks. Progress has to be measured from a lower level but sectors such as 'Information and Communication' and 'Arts and entertainment' are precisely those which require bespoke workspace and digital connectivity to overcome transport connectivity and relative isolation issues.**

10 Workspace

10.1 Figure 18 (below) is taken from the Cornwall Council 2020 Annual Monitoring Report:

Office Employment Space (M2)

Community Network Area	Target	Net Completions	Net Commitments	Residual to Target	% to Target
China Clay	13250	7883	5326	42	99.7%
Caradon	3667	971	620	2076	43.4%
Helston & South Kerrier	12417	557	8465	3395	72.7%
Camelford	3917	-929	408	4438	-13.3%
Wadebridge & Padstow	6667	1184	901	4582	31.3%
Cornwall Gateway	6917	1519	143	5255	24.0%
Falmouth & Penryn	25750	17308	3099	5343	79.3%
Bude	10583	1049	2674	6860	35.2%
Newquay & St Columb	27750	3690	16426	7634	72.5%
St. Blazey, Fowey and Lostwithi...	11833	2227	1431	8175	30.9%
St Agnes & Perranporth	15167	3778	1167	10222	32.6%
Launceston	14083	663	-217	13637	3.2%
Hayle & St Ives	19083	2441	1495	15148	20.6%
Bodmin	22833	4545	2951	15337	32.8%
Liskeard & Looe	20667	132	3639	16896	18.2%
West Penwith	16083	-2977	1463	17596	-9.4%
St Austell & Mevagissey	9750	-7526	-1345	18621	-91.0%
Truro and Roseland	38333	-2111	10091	30353	20.8%
Camborne, Pool, Illogan & Red...	80833	21745	10164	48924	39.5%
Total	80833	56149	68902	234532	34.8%

Figure 18 - source Annual Monitoring Report 2020: Cornwall Local Plan, Cornwall Council

10.2 Figure 18 illustrates how much office space has been delivered in each Community Network Area at the halfway point of the Cornwall Local Plan. Overall, there has been about two thirds of net completions compared to the Local Plan target. For the Liskeard and Looe area this is just 0.6%.

10.3 Apart from those CNAs where there has been a net loss of employment space, the Liskeard and Looe figure is the lowest in Cornwall for completions. Apart from the Camborne/Pool/Illogan/Redruth area (which is the major focus for jobs on employment sites in Cornwall); Falmouth and Penryn saw the greatest numerical net completions at over 17,000 Sqm compared to the just 132 in Liskeard and Looe.

10.4 **In terms of 'commitments' (employment space with planning permission or allocated), Newquay and St.Columb led the field with over 16,000 Sqm. Interestingly, Liskeard and Looe were fifth with just over 3,600 Sqm suggesting workspace delivery is in the pipeline but almost certainly focused on Liskeard.**

10.5 This leaves Liskeard and Looe with a residual target of almost 17,900 Sqm to 2030 and means that (overall) it has only completed 18% of the combined commitments and permissions/allocations.

10.6 **By the nature of where 'workspace' is located, the majority of both permissions and commitments are likely to be in Liskeard. The Town Council and Straton Creber delivered a**

demand assessment for employment space and an agricultural hub in 2018, partly in recognition of the town's significant agricultural economic hinterland and the opportunity to add value to that through food processing and marketing (https://www.liskeard.gov.uk/wp-content/uploads/7.-Agri-Hub-Employment-Land-Demand-Assessment)

10.7 **This contextualises the economic challenges for Looe:**

- **It is around two thirds the population of Liskeard.**
- **Liskeard is the 'main retail centre' for south east Cornwall.**
- **Commuting is more feasible for Liskeard workers along the A38 and a direct rail link.**
- **Other towns with high L4+ qualifications are likely to have more employment choice & willingness to commute.**
- **Its economic and employment role in relation to Liskeard and its role in south east/Cornwall.**

10.8 These points need to be explored with a wider context of the historical commercial workspace challenges for Cornwall as a whole:

- Truro (as Cornwall's administrative and retail centre characterised through anchor organisations and supporting infrastructure) is a popular and established office presence which attracts higher values and investment. There is also an extent of this in Saltash and Torpoint. For Truro (at least) in an era of distance working and reduction in public sector administration jobs this suggests significant challenges for its future.
- In a similar way, commercial premises and investment are at a premium when there is good connectivity to the A30 and – to a lesser extent – the A38 trunk roads.
- **Distinctive town-based economies may be less likely to attract strategic commercial development without it being linked to a specific purpose.**
- Previously, the public sector had been able to intervene in the market to enable commercial space (such as the Innovation Centres) that could support and spark off anchor institutions (the NHS, the University, a College) or capitalise on the growing strengths or character of a sector (perhaps 'under' the official data radar) in town. Kresen Kernow and its relationship with a growing cohort of creatives is a good example of this in Redruth. ***In some places (such as Looe) a degree of intervention may still be required to 'kick start' the market.***
- *C*ornwall has traditionally had a stronger owner occupier rather than investment market. *Owner occupation can be attractive to business with workspace as an asset rather than a rental drain on finances.* **The business survey evidences workspace ownership in Looe.**
- The industrial sector has been stronger than the office sector, particularly as logistics or tourism support has taken over from mining and engineering.
- A history of latent and hidden demand: home workers through to those concerned around the tax and bureaucracy implications of growing their business.
- Limited and focused inward investment from outside of Cornwall.

10.9 **Looe has the challenge of its coastal position (which is an 8 mile/13km drive to Liskeard), an hour's drive (41 miles/66km) to Truro and almost equally that distance to Plymouth. Workspace investment appears to have been negligible in the last decade and there are issues as to the utilisation of current employment sites in the town. Further, there is a need**

to diversify the economy away from its apparent reliance on tourism and/or enable tourism to drive a higher value economy that will require workspace.

10.10 The commercial market does not have a presence in Looe but there is at least anecdotal evidence to suggest (conversation with former Looe Town Clerk and Commercial Director Mel Colton-Dyer on March 1st 2022) that there are businesses operating from homes in Looe. The issue is one of incentive and support to enable sustainable growth, together with a willingness of businesses to become more productive. **The business survey illustrated that 43% of respondents were working from home all or some of the time but this wasn't necessarily those that had personal choice over their work location (about half of these worked for a business not owned by them).**

10.11 'Zoopla' (https://www.zoopla.co.uk/) on March 1st 2022 only had one office property available in Looe Town Centre. Despite that, demand is low and this is illustrated by the depressed price of the market compared with other centres alluded to in (8.8) in Figure 19 below. This illustrates median square foot price per annum at this time:

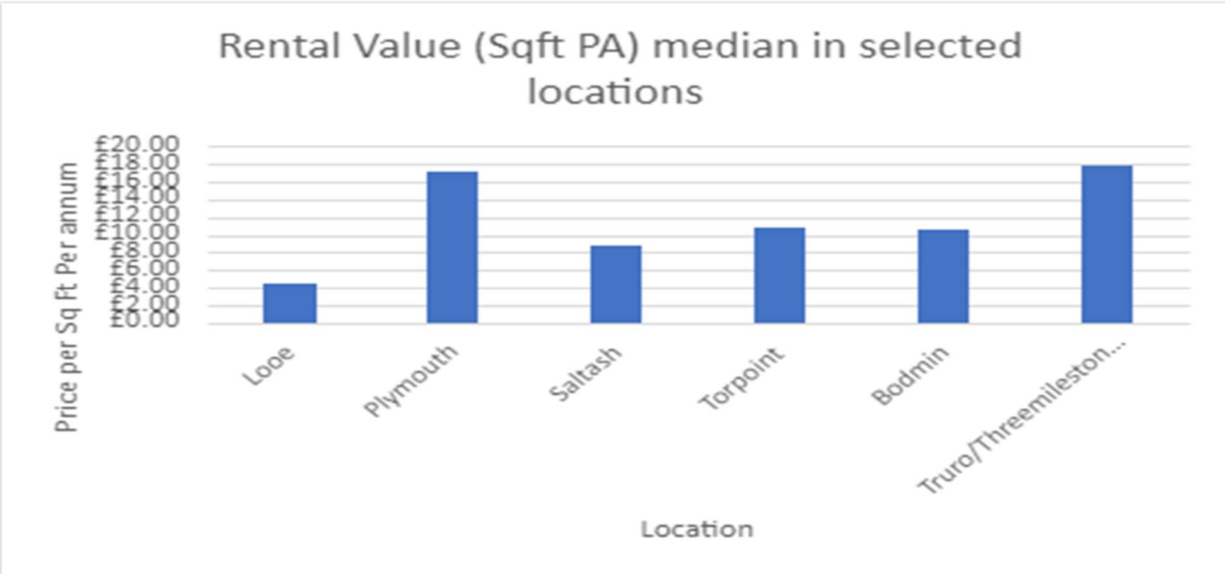


Figure 19

10.12 It should be noted that these medians are taken from a range of values in Truro linked to variance of location both within and on the 'outskirts' of the City. In Plymouth, the Royal William Yard commanded rents of up to £39 per sq ft, with Lemon Street in Truro not far behind on £35. Lack of capacity and access issues in Truro city centre has pushed demand to Threemilestone, Chacewater and even Scorrier (around £20, £16 and £22 respectively).

10.13 The economics of office space rental are challenging when considering the cost of business rates and energy on top of rental. In addition, as enterprises continue recovery from the pandemic and now face the economic consequences of the Russian invasion of Ukraine and the impact of cost-of-living rises/consumer choices, the conditions and incentive to occupy commercial space may be compromised. With the public sector arguably out of the investment market these are additional challenges for the commercial sector at a point where changing business practice may leave many 'knowledge' workers able to work from home as part of their employer's strategy.

10.14 **This is an opportunity for Looe. Increasingly, knowledge related businesses will be looking for points of collaboration rather than the costs of full-time occupation of employment space (and this may need to be encouraged). A much wider skills set across the digital, creative and business support landscape will demand space both for creation and collaboration on a flexible basis. These collaborations do not necessarily need to be in the same place but have the opportunity of Looe being at the fore front of a creative and digital cluster in south east Cornwall; so economically and socially challenged towns and villages can work together more effectively to create a localised, sustainable economy.**

10.15 This extends to other sectors such as retail where there is movement online and against the costs associated with premises. The issues facing the retail sector are generally well documented (even before the pandemic) but **Looe has benefited from its relative geographic isolation and distance (together with a retail market in part driven by visitors) in maintaining retail related business and employment activity.**

10.16 The Liskeard Town Council/Stratton Creber assessment included a business survey (2017) which assessed demand and showed that the town was second for offices in east Cornwall. Its business park was operating at full capacity but town centre rental levels were just £7.50.

10.17 Cornwall last had a full Employment Land Review to provide evidence for the evolution of the Local Plan in 2010/11. **Its conclusions noted that in places low levels of apparent demand are not matched by higher demand 'appearing' when premises are available and marketed attractively (prices and markets are sensitive). Latent demand is difficult to account for and traditional office space is not going to be attractive to growth sectors who require specifics linked to a modern working environment.**

10.18 The weakness of the Employment Land Review is that it was confined to a traditional view of employment land at the edge of town centres – some of which caters for office space which may not be in a sustainable or 'wired' location – rather than in the town centre and able to add value to other economic activity there.

10.19 A displacement driver will be the availability of a range of supporting 'infrastructure' for the needs of a particular business. Examples included:

- Spinaker alarms moving from Moss Side Callington to Saltash
- Solar Wet Suits moving from Plymouth to Saltash Parkway because of a lack of suitable workspace in the former

10.20 **'Infrastructure' is not just about workspace (although businesses may either want to combine or separate their 'productive' and 'back office' functions) but also about access to labour (skills) and supply chains. In a conversation between Stephen Horscroft and Liskeard Town Clerk Steven Vinson (on March 3rd 2022) the latter confirmed that there was opportunity for production in Liskeard to be serviced from elsewhere: such as Looe. The Trencreek and Liskeard business park extensions were part of Liskeard's strategy to capitalise on the A38 link.**

10.21 **The redevelopment of Liskeard cattle market is designed to add value to the town centre and the much-cited point (by retail expert Bill Grimsey) is that towns need a 'USP' to survive and prosper – that that they can no longer rely on their retail capacity. This is community/co-sharing workspace on a scale suitable for the town; but compliments Liskeard business park**

as a warehouse/industrial focus with *ancillary* office space to support it. The latter has capacity issues so additional phasing for workshops and offices remains a solution: however, it is ancillary in context and would not suit the profile or purpose of some sectors or businesses.

10.22 Workspace of a comparative nature for Looe is at Polean. The Local Plan Employment Land review noted that the site has access issues on a flood plain but (ten years later) heavy transport accessibility is less important than digital accessibility. The ELR noted that the 'site is suitable for small scale local business that may benefit from being in close proximity to users of the town centre car park', with this focus being on office/B1 use. In the decade since the Employment Land Review occupation of the employment site has increased from just Jewson, West Looe Town Trust and the Harbour Commissioners to include South Coast Bakery, Looe Rifle Club and a couple of individual occupiers. Halcrow looked at Polean in their site appraisal work of 2009 and noted the limited servicing, building quality mix and access issues that the site faced. **Of particular justification for alternative office space was their evaluation of difficult access and disruption in relation to the Millpool car park and its patronage during the summer months. This (and lorry access) have implications for any design of workspace at Millpool in terms of the need for sound proofing and the potential negative impact on any prospect of live/work occupation.**

10.23 The nature of the 'current' market in Liskeard can be contextualised by examining office space for rental a year ago (in March 2021) and what the outcome was in terms of current occupation. This gives an indication of potential occupiers linked to size:

Table 2 - Available commercial office premises in Liskeard (March 2021)

Address	Size	£ per Sq Ft PA	March 2022 Occupier/Sector	Notes
20 Pike Street	1069 Sq ft	£6.55	UK Holdings Ltd	Marketed as Retail/Office
7 – 9 Church Street	5760 Sq ft	£6.94	Unknown	Open plan office accommodation with 3 conference rooms
2, 3 & 7 Liskeard Enterprise Park	47/47/555 Sq ft	N/A	2: RG Pools & Leisure 3: Private occupier 7 & 8 Eccabi Ltd	Maintenance costs on top of the rental
Suite 1, Parade House	259 Sq ft	£14.98	Unknown	Office/Commercial
Suite 5, Parade House	N/A	N/A	Unknown	Office/Commercial
26 Fore Street	859 Sq ft	£14.55	Unknown	Office with Retail available
Unit 1 Oakland Mews	1900 Sq ft	£8.76	Kitto Groundworks James Lockyer Associates	7 offices in total were available (presumably c270 Sq ft each) . Record of only two occupiers as of Quarter 3 2021/22. Price does not include VAT

10.24 This snapshot is illustrative of a reasonably varied market in Liskeard at the time with a range of commercial values that averaged at just over £9 per Sq ft. Compared to Truro or Saltash this represents some market 'failure' but there are clearly premises that can command higher rents. **Provision of quality in Looe – providing facilities and features that do not exist in Liskeard, Saltash or Torpoint – could stimulate both demand and competition which raise rental values in the wider area.**

10.25 This was always the issue when there was public sector intervention (both county and district councils, EU intervention and the RDA) that they were arguably depressing private sector commercial rental values and detracting from occupation. But these were different times: pre the financial crisis and the impact of austerity on public sector and supply chain occupation, and the expansion of business that rely on or use digital technology for their services and/or productivity. Even in the relatively 'good times' however Stratton Creber had just two enquiries for office space on Liskeard Business Park between 2015 and 2017.

10.26 It is noteworthy that the range of identified occupiers include construction, leisure and investment companies. None of these would be out of place in terms of the current Looe economic profile but neither are they necessarily 'drivers' of productivity for the future Cornwall economy (although that is a generic point). In conversation with a representative of

Jeffreys (https://www.jefferys.uk.com) on March 4th 2022 they confirmed that the office market in the whole of south east Cornwall had 'not changed much in recent times' and the current issue was post pandemic more people working from home. Where there was an opportunity was where those working from home did not have the space or opportunity to do so to their satisfaction.

10.27 **Specifically for Looe, Jeffreys confirmed that there was 'no demand' and that the issue was the town's office occupation was by settled professionals such as solicitors who were servicing a domestic and tourism business economy. Looe was not a 'desired destination' but this may be because of lack of supply to stimulate demand. Jeffreys own website only indicated two commercial offices for rent (March 2022); one for over and including shop premises in the town centre, and the other (a more feasible proposition) of office and commercial space on the Quay with an equivalent rent of £7 per sq ft per annum (price competitive with Liskeard).**

10.28 In conversation with Greg Oldrieve (Vickery Holman) on March 11th 2022 he described what was a 'dramatic' under supply of employment space generally in Cornwall. This is characterised by 'insufficient' allocations in the wrong place which are both inadequate and not being delivered.

10.29 **This could well be because allocation has been based on a 'predict and supply' approach which cannot keep pace with change in how the economy operates and the need to service speculative demand.**

10.30 **In effect, planning needs to catch up with the impact of EU funding which has stimulated the conditions for the knowledge economy including wired workspace. EU investment has enabled project viability by creating and stimulating a market.**

10.31 Vickery Holman's property review for 2018/19 noted that office supply in Plymouth has been 'relatively low' with a consequent increase in 'out of town' rents. Companies that do have a requirement and are therefore limited in choice, are using hot desking and home working to meet this demand but with some evidence of increasing staff numbers will need some permanence of location to assist with growth.

10.32 Their report indicates that car parking will continue to be important for most occupiers. **If a section of the Millpool car park was specified for both business and visitor use this would assist with the marketing of a facility.**

10.33 In addition, the report speculated on the continuing desirability of 'out of town' locations to help service scattered demand from home workers. Both the impetus of EU funding and (oddly) the impact of the pandemic on working practices have pushed rents upward.

10.34 Full fibre means that a business does not need to be in Truro or close to Plymouth anymore if it trades through 'knowledge'. This can help overcome Looe's transport infrastructure challenges and perception about distance from markets. **As Greg Oldrieve put it, 'you are either on the A30 or in an interesting place'. Clearly, Looe (linked to her wider marketing ambitions) is in the latter.**

10.35 Mr. Oldrieve highlighted a number of workspace developments that Vickery Holman had delivered:

- C space (https://othership.com/listing/cspace/): co worker space in Newquay now occupied by Rio to support market changes focused on home working. Includes a surf rack, west room and café and focused on the fact that those who use it walk to work. C Space have international business connections.
- Seaton Studios (https://seatonstudios.com/index.html) have created a market for small creative hubs, almost like a 'mini Krowji' in south east Cornwall

10.36 The intention of both is to act as a catalyst for further investment through anchor presence.

10.37 Mr. Oldrieve cited the current market by different types of workspaces. The Hangar at Newquay (https://www.watergatebay.co.uk/the-hangar/) represents diversification by the Watergate Bay Hotel into delivering co-working space at the Aerohub. **Obviously, this is a unique environment in a centre for inward investment linked to an Enterprise Zone, an airport and workspace focused on highly productive sectors.** Rents here were currently £13.50 per sq ft but with an additional £6 per sq ft charge for maintenance, cleaning and energy use.

10.38 By way of comparison the Gateway (https://www.gatewaybusinesspark.co.uk/) site in Redruth (Barncoose) is £12 per sq ft plus exactly the same service charge and this is also replicated at Krowji where there is a waiting list **so there is evidence of some standard charges in the market.**

10.39 In conversation with Ruth Gawthorpe (CEO of the Smart Working Revolution, https://smartworkingrevolution.com/) on April 5th 2022, the environmental position of C Space (facing the Ocean at Newquay) is a unique selling point of which an aspect would be marketable at the Millpool. She subscribed to the view 'if we build it, they will come' but of course the history of innovative workspace in Cornwall has been slow to attract the right kind of occupiers – and the Innovation Centres have been the most obvious example of this. Patience, finance and flexibility is needed to reach the occupation goal but after a decade of delivery of innovative workspace market failure is less of an issue; although 'innovative' workspace in Looe specifically or south east Cornwall generally is not a given success.

10.40 C space was no exception (Stories - LEP invests £2m in Newquay C-Space project | Crowdfunder) and has evolved to become more of a meeting rather than workspace which is enabling networking and co-production. A bar is available at various times of the day, an outside pizza oven and the opportunity for locally sourced food to be brought in for meetings, events or general catering.

10.41 However, Ms. Gawthorpe noted that what was generally missing in networking/innovative workspace was cutting edge technology over and above what one would expect. For example, huge screens that can bring more reality to person-to-person meetings where (perhaps) products and processes need to be demonstrated. Indeed, this is on the road to virtual reality experiences which are practically relevant for distance workers in large organisations – to 'walk' the corridors or 'open' an office door.

10.42 The relevance of this is within the Smart Working Revolution (SMR) role of matching distance skills with major inter/national employers. They work with a number and **suggested that a dozen or so in Looe could be identified: perhaps as sub-contractors or more likely to fill operational roles in the first instance at an entry level. The ambition is for Cornwall to become the Smart Working capital of the UK for both national and local businesses (in**

Cornwall) even looking for skills from across the county where the cost or availability of transport may be a deterrent to the right candidate.

10.43 The ‘feel’ of Millpool (ideally and within design limitations linked to size) for such businesses has to be corporate so design could be multi-faceted to attract a range of business sectors and cultures. Certainly, this ‘corporate’ approach is important if looking for an anchor tenant such as in the legal sector, perhaps that their business customers want to be located close to. There is also the implication of the balance between quiet and creative space which can be the same or different propositions.

10.44 **‘Pop up’ corporate space or outreach may be subject to a monthly retainer as an income stream for Looe Town Council but can act as a test bed for inter/national organisations for a permanent base in Cornwall. This can also include roles with a starting salary of (say) just £20,000 which may give a foot hold in a large inter/national organisation for a career: but which rank as an improvement on unemployment or a portfolio of roles in the hospitality industry. There are opportunities in businesses such as Apple or Google where such entrant salaries could rapidly increase but (ideally) we need to understand what the complex skills sets are in Looe and the surrounding area.**

10.45 **SMR could activate this approach by targeting Looe as a place where people would be invited to submit their CVs to the SMR website and a talent map could be developed as a marketing opportunity to distance employers.**

10.46 SMR rightly regard smart working as a cluster in its own right. Many of those with portfolio careers in different sectors are ‘under the radar’ of earning enough to be liable for tax; so are not picked up as official data. Developing this ‘sector’ is one way forward for relatively remote coastal communities such as Looe where good job opportunities are often subject to moving or commuting – so people are forced to make their own self-employment.

10.47 Figure 20 (below) is the distribution of gross *weekly* pay at the lowest official geographic level possible relating to Looe – South East Cornwall Parliamentary Constituency. In terms of casual or portfolio employment workers may be ‘under the radar’ but earnings will not be consistent with an annual amount because they are more likely to be erratic due to the uncertain nature of work. While the median weekly gross figure was just over £500 it is clear that this applies to at least 40% of the sample. This is pay for residents of the constituency.

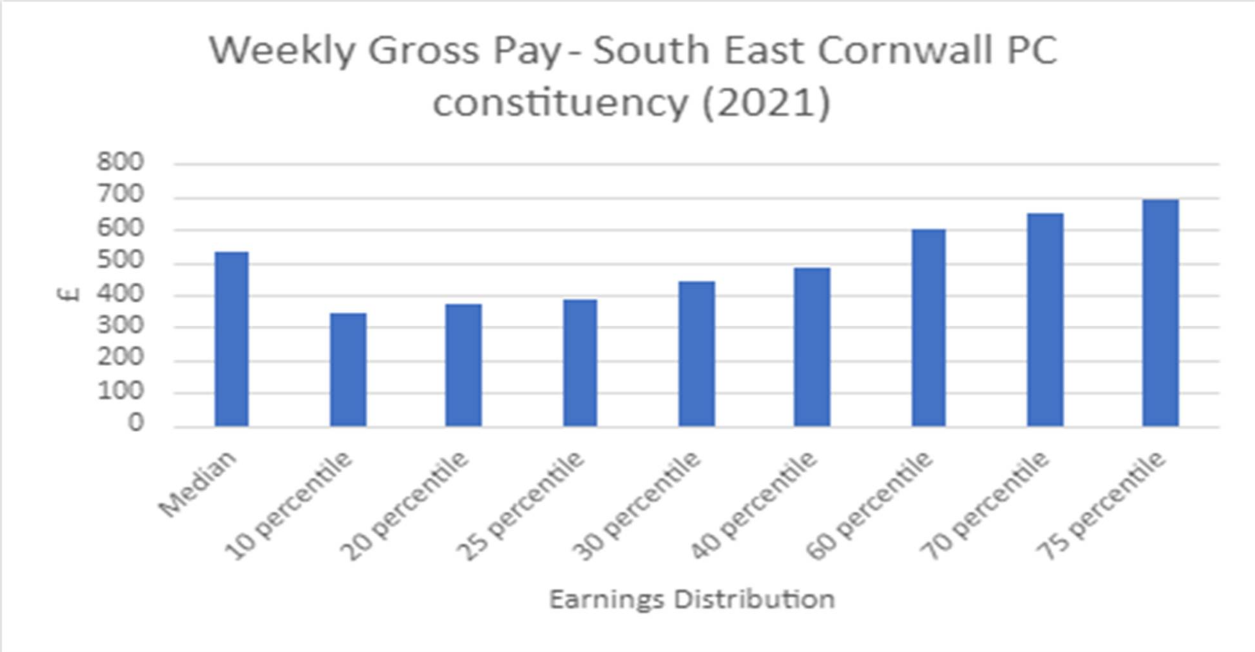


Figure 20

10.48 Ms. Gawthorpe also speculated that delivery costs for the ongoing project could be reduced by having (for example) a 'virtual' reception staffed by a robot or Artificial Intelligence (AI) (with perhaps the ability to get human back up for customers that may have difficulty) which could incorporate booking and security checks and (if a robot) provide a novelty/attractiveness to market the building. Administrative time can be (anyway) reduced through automated booking in for visitors (as exists in the Innovation Centres).

11 Inward Investment

11.1 In 2008 (before the global recession/banking crisis) 127 companies relocated into Cornwall delivering 760 jobs. It is not clear whether all or some of these jobs were 'net gain' or whether they would have been relocated with the Firm. According to analysis by Nathaniel Lichfield for Cornwall Council (Employment Land Review 2011), the vast majority of demand was for small office accommodation of less than 100 Sqm. **This a general rule for office demand in Cornwall and matches the nature of supply away from those business parks or other facilities that may offer larger space, and is an opportunity for a small town such as Looe with an attractive marketing approach which could be developed to support business marketing.**

11.2 **Within UK relocations have previously been be related to 'lifestyle' businesses where micro employment is a consequence of inward migration and small-scale relocations are unlikely to use commercial agents – although this is not exclusively the case by any means. These are more likely to be businesses which are 'under the radar' and not facilitated by Invest in Cornwall (now Cornwall Trade and Investment). The ELR reveals that the median rent for office space in 2008 in the former Caradon was between £4 and £9 per sqft; so, in terms of the minimal amount of information we have for Looe in 2022 that has barely changed.**

11.3 At a UK level Foreign Direct Investment delivered 55,319 new jobs in 2020/21 and safeguarded 18,187 (a ratio of around 3:1). In terms of significance for opportunity sectors in Cornwall just over 18,000 of these jobs were in technology and life sciences (around one third of the total) and around 6% (c3,300) were in the creative sector. For every 'technology' job one in twenty were safeguarded in the UK.

11.4 This information is only available on a 'regional' basis from the UK Department of Trade, the lowest region being southern England where data is available.

11.5 **For Cornwall, 'Invest in Cornwall' (Cornwall Development Company) 2014/15 Foreign Direct Investment (FDI) data is available which showed that 9 companies relocated to Cornwall; significantly facilitated by the availability of the Innovation Centres and other significant and quality workspace or infrastructure in Newquay, Hayle and Torpoint (which had been introduced through public sector investment). As of March 2022; eight of these businesses were still operating in Cornwall.**

11.6 For UK origin investment 2014/15 brought 17 companies into Cornwall. While (again) technology parks, bespoke business space and other associated infrastructure linked to their sector facilitated the relocation; there is no reason why relocations should not be an opportunity for Looe if demand can be stimulated and appropriate supply facilitated. Seven of these businesses were in the 'Technology' sector where there is a cluster opportunity in Looe and each will have a supply chain relationship in Cornwall.

11.7 **By March 2022 13 of these remain in Cornwall. The ones that are no longer here include businesses involved in mechanical repairs, event management and recycling: where physical proximity to market is a key issue. Other than one technology company, the rest have been retained – either directly or with a head office elsewhere focused around areas of activity such as technology or design.**

11.8 Inward investment confidence is dependent on the right workspace, the right business support, the right supply opportunities and the right skills. The latter is important for the long-term churn and growth of the business as it seeks to both replace natural wastage and recruit new staff. In total the now named 'Cornwall Trade and Investment' has facilitated 300 jobs into Cornwall adding £9m of GVA to the economy. While FDI has declined nationally by 17%, attraction to Cornwall has been retained and 42 of these businesses have been attracted between mid 2019 and mid 2021. **Lifestyle is a common driver but secondary to business drivers such as growth facilitators, infrastructure, talent availability and infrastructure.** There is some evidence of recruitment after (ie within Cornwall) by UK and FDI businesses who have relocated, as well as export support to key sectors through supply chains. **This suggests, then, that flexible and wired workspace in Looe would be a 'gamble', a first step, an attractor to establish what is needed and required by investing business. It suggests that home grown clustering (from home working or other established businesses) would need to be the catalyst to enable investment confidence.**

11.9 Inward investment since 2016 into Cornwall to March 2022 is illustrated in the Figure 21 below:

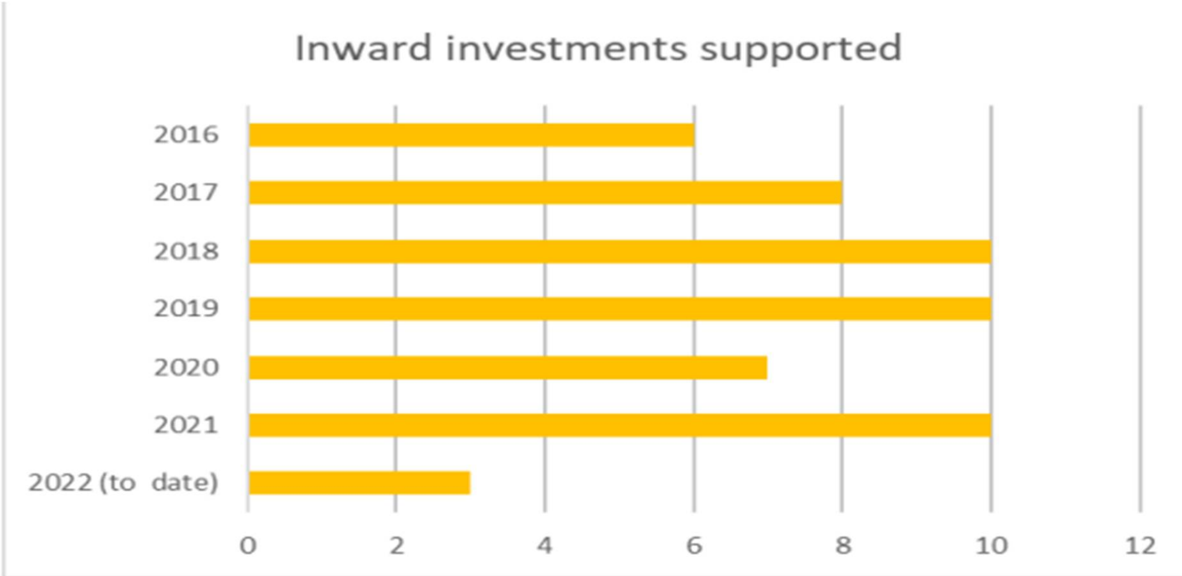


Figure 21 - source Cornwall Trade and Investment

11.10 The Figure indicates that 54 companies have been secured into Cornwall by 'Cornwall Trade and Investment' over the period. Interestingly, none of the businesses relocated with a workforce (based on anecdotal intelligence supplied by CTI in their email to Stephen Horscroft on April 27th 2022); so, the jobs created would have been within Cornwall. While over a third of these were to Truro (perhaps from a 'recognition' perspective and the range of workspace and logistical solutions available); another third was to a range of seaside settlements. The most significant of these was Newquay (9) which is also a strategic Cornish town, while 5 relocated to Falmouth/Penryn. It is notable that out of the 54 only 4 relocated to the east of St.Austell: Precision Grazing (Bodmin), Cornish Essential Oils (Callington), Greenwall Environmental Group Holdings (Padstow) and Teija Eilola (St.Breward).

11.11 As examples, each of these companies had reason to be in Cornwall. Precision Grazing adds value to agricultural production through their innovative work in pasture feed for livestock (research and development); Greenwall measures the content of asbestos in building materials; and Teija Eilola is on-line clothes ordering service. Just in these examples; workspace, broadband and knowledge are all factors which were available in their relocations. Agriculture, Construction and Creativity were Cornish reputations which underpinned their move.

11.12 In discussion with the Director of Cornwall Trade and Investment (Nicola Llyod) on May 18th 2022 she raised the current context for inward investment in Cornwall of 'full employment' (and the difficulty of recruiting the right and 'niche' skills in the Cornish economy), the logistical issues for doing business (especially away from the A30) and the relative attractiveness of Plymouth nearby (with a larger range and choice of workspace, labour supply and closer trunk road access).

11.13 While these were an indication of pressure on the 'Manufacturing' sector in Cornwall there were opportunities around the knowledge related opportunities around marketing, design, technology and systems related to it. Ms. Lloyd cited Oxford Innovation research that suggested employment in the Manufacturing, Construction and Transport/Storage sectors has lost jobs as turnover has increased. Although (see section 12) these sectors were not at the highest risk of automation and they were currently (particularly Construction) experiencing shortages in some key roles; there was nonetheless a potential for turnover growth focused on design, technology and climate change mitigation – knowledge related jobs that could support these sectors to become more productive.

11.14 In terms of delivery co working space at Millpool, Ms. Lloyd made the point that the space would need to offer 'more comfort than being at home'. This may seem an obvious point but in these times of possible multiple adults and/or students working at home, unsuitable space, domestic and broadband interruptions/competition it is a salient one.

11.15 **However, Ms. Lloyd did confirm that Cornwall Trade and Investment do not get enquiries about Looe. Partly, there may be an argument that if there was something in the town to market 'they would come'. This is also to do with the wider marketing strategy for the town. Investors tend to have a firm idea of where they would like to relocate to but 'marketing visibility will help in the long term'.**

11.16 In terms of this marketing; Looe's proximity to both Liskeard and Plymouth would 'help'. She cited the Company 'Don't Cry Wolf' (https://dontcrywolf.com/); London based but which has established a presence in Truro (as part of the fifty-business creative cluster at the Old Bakery Studios) to recruit and retain talent, while working with multi nationals such as Coca Cola and Adidas.

11.17 **One of the reasons (perhaps) for the strong co working facility presence in Newquay is because its Business Improvement District (BID) has focused both on changing the perception of the town and because some of those younger people who had grown up around the festival culture of it had decided to stay and develop their business ideas.**

11.18 **Ms. Lloyd suggested that a way co working space in Looe could get traction is to partner with an established part of the market (such as Newquay's C- Space) which focused on growing to become an inter/national Company. This would bring a confidence to building a market for home workers, micros and the (broad definition of) creatives to occupy the Millpool. However, the 'price' may be the income stream and policy control that Looe Town Council and others in the town may wish to see with the space. This would, however, defuse risk and would base the space on learning and experience.**

11.19 Currently (and this has been a market feature for a few years) there are strong opportunities in the evolution of health technologies. However, businesses tend to like to be either around anchor institutions (such as the Royal Cornwall Hospital, Health and Wellbeing Innovation Centre and Knowledge Spa in Truro) or the University in Penryn and/or other businesses. There may be an opportunity in building an anchor business space through working more widely in south/east Cornwall to attract some key operatives.

11.20 **Ms. Lloyd suggested that Millpool could also offer more than just a direct opportunity for business. For example, 'elephant kiosks' which hold health technology for testing and can be linked to an individual GP. This may be attractive for both busy local people who can then minimise time taken for GP visits; and for people on holiday if they are able to contact their GP. It may make a useful opportunity to be explored with the local Primary Care Network.**

11.21 In addition, Wildanet are running a community engagement scheme to ensure no one gets digitally left behind so the facility could offer a place for people to be able to go to be supported for digital inclusion.

12 Business requirements: superfast broadband

12.1 PFA Research produced a report into the impact of the three phases of superfast broadband programmes on Cornwall between 2011 and 2020 (https://www.superfastcornwall.org/wp-content/uploads/2020/10/Superfast-Evaluation-Report-Final-Issued-160920). These EU Programmes ensured that businesses became more productive in their processes (such as video conferencing) which may have protected many of them during the pandemic.

12.2 PFA Research estimated that by July 2020 over 34,000 Cornish businesses were connected, including 17,000 which are registered businesses (around 70% of those who pay VAT and PAYE). In total the programme effectively delivered 5,300 additional jobs and £235.8m of GVA over the period; with a further 8,410 jobs safeguarded and an additional £374m of economic impact. **Living Wage job delivery will be an important outcome from Shared Prosperity Fund (SPF) investment.**

12.3 Where there was a 50/50 split in terms of surveyed businesses was around whether Superfast had enabled greater innovation among businesses (and therefore productivity). This is a wider issue for business and goes hand in hand with quality, flexible or bespoke workspace.

12.4 Looe is one of those places in Cornwall which is due to be served with ultra-fast broadband between 2021 and 2026 as part of a suite of places which are either coastal or characterised as more socially deprived through BT investment; and where inward investment may have been less of an opportunity, except on business parks which were 'divorced' from the towns.

12.5 Certainly (and unsurprisingly) the business survey indicated that 88% of respondents felt that Broadband connectivity was either 'essential' or 'very important' for their business although only around half were satisfied with the speed of their connection, **and this was echoed by 72% in the Looe business survey as part of this work.**

12.6 For the second half of the business survey (concentrating specifically on residents working from home) around two thirds of the sample were satisfied/very satisfied with their internet bandwith and its reliability. It appears though that the vast majority were using a 'domestic' line for their work with only one respondent having a dedicated business connection. **This fell into the fifties percent for the Looe business survey which is illustrative of a particular challenge that workspace in Looe has.**

13 Business Requirements: Workspace

13.1 This is the nub of this paper and the central issue under consideration. However, 'workspace' is only one element of a comprehensive approach to business support and enabling productivity so it cannot be considered in isolation. Moreover, it will have resonance for some sectors more than others and is not always 'demand' driven in the sense that there will be latent demand that is not catered for (for example in terms of home working) or is not responsive in terms of the balance between what the market/business can afford and its aspirations to grow.

13.2 One such example is the creative demand workspace study (Penzance and Liskeard) **prepared by Creative Kernow on behalf of Cornwall Council in November 2019. This focused on the fast-growing creative sector in the tow towns which had been enabled by strong and reliable internet connections and the renaissance of Cornish identity; coupled with a greater focus on quality of life. Key findings included:**

- 95% of the sector had less than 10 employees.
- There was a desire for flexible low-cost space.
- Most creative workspace tenancies are for a minimum of six months.
- 60% of the sample in the study were looking for individual space at a starting rate of £40 per month.
- Broadband reliability and bandwith was essential.
- Falmouth University was increasing the creative sector reputation in Cornwall and demand for workspace.
- Diversity of creative occupiers drives connectivity and innovation between them.
- 'Creative' is a sector (because of its output) is more likely to drive public footfall *and potentially spend.*
- There are over 200 creative businesses in south east Cornwall.
- **As alluded to in the business survey** the 'vast majority' of creatives use their homes for business activity.

13.3 **Fundamentally, the Bazelgette independent review of creative industries in the UK ([Independent Review of the Creative Industries - GOV.UK (www.gov.uk)]) had identified a number of productivity driver requirements for the sector in 2017, of which workspace was one. 'Low cost' and 'flexibility' are recurring themes which will therefore provide a challenge to a provider seeking to service this market in developing a sustainable income stream. This echoes the Liskeard/Penzance study.**

13.4 **Penzance TTWA benefits from 'thicker' creativity activity and proximity to anchor institutions such as Tate Cornwall and the Newlyn School of Art. In addition, the University at Falmouth has become a source of post and under graduate activity which had stimulated workspace demand in places such as Krowji (Redruth) and the Penryn Innovation Centre and 'AIR' buildings focused on technology, digital and creative businesses.**

13.5 **The study illustrated that both towns wanted to be 'known' for their creativity with 65% (overall) being interested in renting workspace and 78% wanting personal space to work among the creatives surveyed. This represents a snapshot of latent demand and included 30 creative businesses based in Liskeard.**

13.6 Much of this is a demand for larger space and/or collaborative space which would have the additional opportunity of offering teaching or holiday opportunities for visitors as well as bringing knowledge and disciplines together.

13.7 However, specialist design was needed such as sound proofing and messy areas which were not always compatible with other artistic operations or those businesses seeking to serve the sector.

13.8 Unanimously, they wanted to be in the centre of the town and associated with its wider regeneration and recognised the importance of links with those sectors such that serviced or supported them. **In essence, this provided a 'big idea' to add value to what was already in the town (retail and other services) and provide a reason to generate footfall there as has happened with the Buttermarket in Redruth town centre. This observation is also important to Looe which is seeking to grow its visitor profile and sustain its retail complement. The visual arts can need a showcase where they can reach customers who are willing and able to spend.** Estimated weekly footfall in Looe Town Centre (source: Town and Place AI) is only two thirds of the average for a basket of 18 Cornish towns (as of June 14^{th} 2022).

13.9 Visual art can increasingly employ digital technology which will influence the type of space that it chooses. Size of business is but one issue where 95% of the creative sector employs less than 10 people.

13.10 For Cornwall, the number of business 'units' (that is, individual units of activity rather than specific enterprises – so could include branches) of activity in the following areas (including Standard Industrial Classification - SIC – code) illustrated in Table 3. This is deliberately not exhaustive, but designed to feature those parts of creative activity which may be more likely to require workspace.

Table 3 - SIC and sub sector for 'creative' activities

59111 : Motion picture production activities
59112 : Video production activities
59113 : Television programme production activities
59120 : Motion picture, video and television programme post-production activities
59131 : Motion picture distribution activities
59132 : Video distribution activities
59133 : Television programme distribution activities
59140 : Motion picture projection activities
60100 : Radio broadcasting
60200 : Television programming and broadcasting activities
63110 : Data processing, hosting and related activities
63120 : Web portals
63990 : Other information service activities nec
5821 : Publishing of computer games
582 : Software publishing
592 : Sound recording and music publishing activities
58210 : Publishing of computer games
59200 : Sound recording and music publishing activities
5829 : Other software publishing
5920 : Sound recording and music publishing activities
90020 : Support activities to performing arts
90 : Creative, arts and entertainment activities
9002 : Support activities to performing arts
R : Arts, entertainment and recreation
18 : Arts, entertainment, recreation & other services (R,S,T and U)
900 : Creative, arts and entertainment activities
90010 : Performing arts
9004 : Operation of arts facilities
9001 : Performing arts

13.11 Cornwall increased its Unit representation in these areas by almost 7% between 2010 to 2021. The focus is on these sub sectors of the creative band as more likely to require ‘workspace’. 77% of them (2021) employ four or less people and a further 15% between five and nine, leaving 8% employing ten or over. In total (then) 92% of employing units in these sectors in 2021 employed nine or less people.

13.12 For the Looe MSOA 2010 data is not available; but the total number of employing units in these sectors actually fell from 35 to 30 between 2016 and 2021 (a fall of 14%). It is an unfortunate feature of the official data that all ascribed Units are in the genetic ‘Arts, Entertainment and Recreation’ sub sector so it is difficult to assess the particular workspace or other needs of this sub sector.

13.13 It should not be forgotten that all of this data is official and based on survey work which becomes less reliable the more localised an area. Again, demand is likely to be latent and hidden but the official data does indicate that in 2021 around 1% of Cornwall’s creative sector employment was based in Looe. Employment is likely to be in business units that employed four or less people so there is an issue about how additional value and productivity can be gained from this size band and stimulated to grow.

13.14 Figure 22 (below) illustrates the geographies of MSOAs in the Penzance area (the second major area of study for the 2019 the creative demand workplace study alongside Liskeard).

Figure 22

13.15 The vagaries of this sample, official data show that between 2016 and 2021 in these three MSOAs covering Penzance, the number of employing units increased from 25 (all employing less than 5 people) to 30.

13.16 For ‘Redruth’ (captured in Figure 23 below) are again the MSOAs which contribute to the geography of the town:

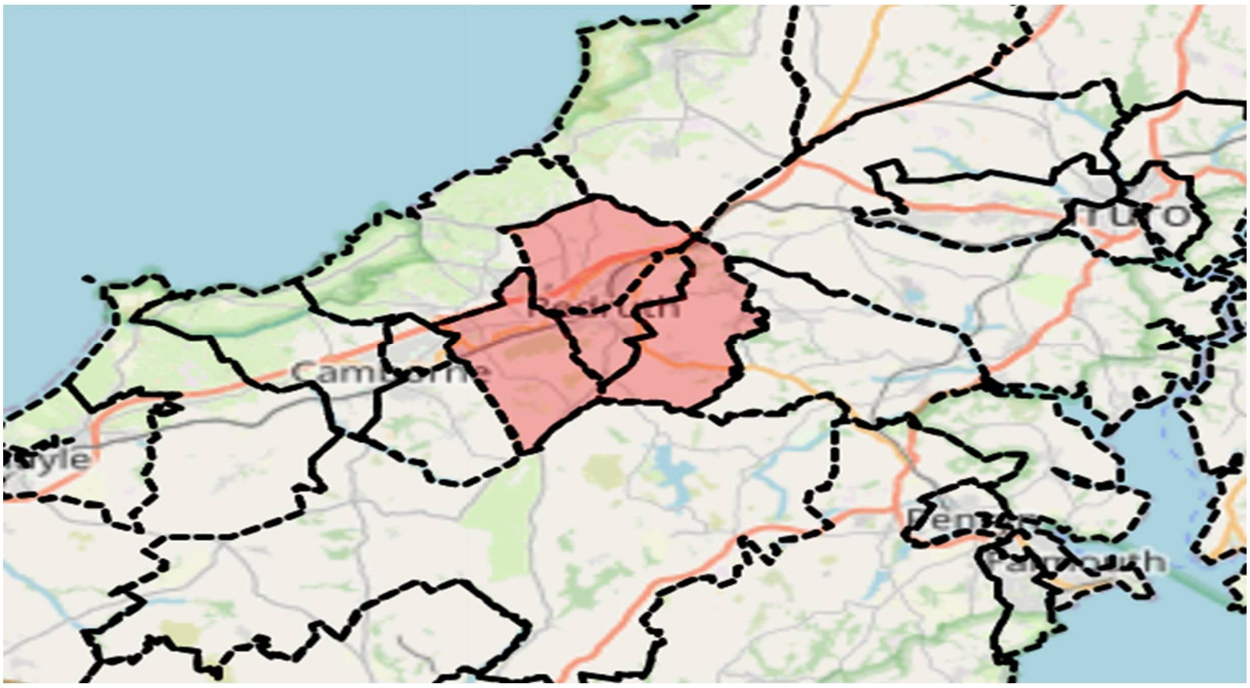


Figure 23

13.17 The data suggests that the number of employing Units remained static at 30 between 2016 and 2021.

13.18 So, what does this collection of data suggest for Looe, Penzance and Redruth? These comparisons with Looe were selected to illustrate the impact (in the case of Penzance and Redruth) of policy and investment on creative clusters. The 'health warning' is of course that official data in a rural area (in this case from the UK Business Counts) focuses on those businesses that pay VAT and PAYE so there will be many businesses under the 'tax radar' that may at least cautiously aspire to growth through tools such as shared workspace such as Krowji in Redruth and the construction of creative workspace in Penzance.

13.19 **There are strong creative clusters in both towns. The Buttermarket in Redruth and other artistic activity is helping to drive the retail offer and has acted as a catalyst to a Heritage Activity Zone. In the case of Penzance, the town is looking for it to become a 'service capital' to creatives across west Penwith, which has been identified of national significance within the UK ([The Geography of Creativity in the UK | Nesta).](https://www.nesta.org.uk)**

13.20 **On paper; Looe has the same number of creative employing Units as Penzance in 2021: 30.**

13.21 **It is a resource like the Buttermarket which is an answer to Arts Council England research that shorter leases and relocation costs have resulted in precarious and logistical challenges for creative hubs.** Indeed, both Krowji and Causewayhead, Penzance are indicative of an approach to provide stability and a presence for creatives. Krowji has a waiting list and has contributed to significant change in the real profile and town centre activity of Redruth. **Looe could be a 'mini Krowji' hub for creatives who are inspired by the natural environment and physical proximity to the sea and associated activities. One specific option for the Millpool could be gallery space (perhaps linked to retail space at the back of it) which could encourage a cohort of creatives across the area; with visitors wanting to take home something with provenance from their 'happy place'. This could also support specialist retailing in the rest of the town.**

13.22 **Bazelgette argued that flexible, low-cost workspaces were essential and that local authorities and LEPs prioritise digital connectivity for visual related businesses in the sector (eg web, visual and TV production activities).** The report also alluded to the link between the visual arts and recognisible sectors such as architecture and the benefits of co-location. **Developing the creative skills in a sector like this in Looe could be one opportunity. Co-location (including with supply and service chains) and co-production are ways in which enterprises can both save finance and collaborate and learn in order to develop new markets.**

13.23 It is important to note – in this context – that as of 2021 these creative Units make up around 10% of all in Cornwall; so they have a substantial opportunity to influence and support activity in other sectors.

13.24 In addition, demand is supported by the finding in the creative study that Falmouth graduates were four times more likely to be running their own business with 25% of them self-employed after six months of graduating against less than 6% across the UK. Krowji already hosts 38 businesses set up by alumni of the University and anticipates continue demand. **This is suggestive of demand but also raises the issue of opportunity for south east Cornish students of the Plymouth University of Art who wish to return and live in the area running a business from workspace. Workspace at the University is already provided for students.**

13.25 Further, for Looe, the synergy between creative industries and the tourism sector is evident through the high number of visitors who include culture related activities in their visits to Cornwall and the development of partnerships between accommodation providers and the cultural sector: **around 20% of visitors engaged with the arts and cultural sector in Cornwall in 2016.**

13.26 The study also found that there were eighteen cultural workspaces across Cornwall and Plymouth where 'significant numbers' involved in the cultural sector locally were renting space. These included Ocean Studios in Plymouth and Liskeard's Liskerrett Centre which both provide a combination of arts studios with mixed creative and office spaces.

13.27 Occupancy is maintained at over 95% and focused on those parts of the sector which are more 'friendly' in terms of noise or mess; with income derived from public sector use of other facilities on site or overall rent to be ploughed back into activity.

13.28 **Therefore, this indicates a gap in the market but also a distance from Looe either to Plymouth or Liskeard which does not support the local economy or its diversification opportunities and the opportunity to compliment other sectors such as tourism. Certainly, facilities such as a staffed reception (which would include Krowji or – indeed – the Innovation Centres) are seen as critical to many in the creative sector to receive clients and project professionalism; as well as broadband for a host of reasons. Therefore, a creative sector focus would not be best served by the use of AI in reception.**

13.29 The reasoning for workspace focus in Liskeard was not only to protect and enhance its retail role but also recognise that its population (and, therefore, economic activity) was growing faster than its job numbers and to provide some economic infrastructure to enable and support that. Particularly – with the creative sector in an 'anchor' role, survey work that accompanied the creative workspace study indicated that 84% of businesses were in the visual, digital &

design or performing arts: therefore, they required human engagement to enjoy the product of labour wherever that 'product' was showcased.

13.30 The study indicated that in the town Liskeard had a surplus of dated office space. This is a common issue for many Cornish towns with accessibility being a negative issue for space above shops to be converted into business use.

13.31 **The report also noted (of importance to Looe) that *'existing creative businesses expressing an interest in workspace in Liskeard were prepared to travel further and were keen to overcome the isolation that they felt being scattered over a large area of south east Cornwall and into Devon. Stakeholder research suggests that Liskeard's engagement with its hinterland will be crucial to the success of workspace projects and gaining future demand'*.**

13.32 **In other words, willingness to travel in a large rural area could work in Looe's favour if it can both compliment Liskeard and/or offer space to clients east, west and within Looe.** The report found (contrary to the official data) that there was greater diversity of creative practice in Liskeard than there was in Penzance **which is suggestive of far more flexible space and terms to be provided in Looe.**

13.33 Figure 3.21 of the PFA Research business survey report supports this. It illustrates that Millpool would need to appeal to the 15% (of the sample) who either had a home business and/or the 21% who were homes based (not just creatives). Almost two thirds of the sample operated from dedicated premises (although most of these were in the accommodation/leisure sector – perhaps unsurprisingly) and with 51% owning their own premises there was **perhaps no incentive to rent or use outreach (although training and business support could obviously be one).** Indeed 97% felt their premises were suitable for current needs but this dropped slightly to 86% when asked about future needs. **The Cornwall Employment Land Review noted that owning premises was an option that many were undertaking in order to provide both an asset and financial security/predictability to the business.** An issue of business predictability was picked up by the survey –70% of respondents picked up on the issue of business rates as an important or essential challenge. **In a setting with an educational/skills orientated partner it may be possible to negate these or – at least – find a way that for small and micro businesses there could be a reduction through collective occupation. Indeed, the survey picked up on a number of points in the same vein where the Millpool premises could be beneficial:**

- **46% wanting car parking for electric vehicles**
- **53% access to specialist or high skilled labour**
- **68% wanting premises that were low carbon and supported organisation environmental commitments**
- **77% wanting energy efficient premises**
- **69% wanting facilities which raised Looe's business/commerce profile**

13.34 **Despite the strong relationship between existing premises and their occupiers it is unlikely that these premises would be able to provide such productivity and environmental solutions. Running costs and environmental reputation as a marketing standard were key.** However, only three of the sample – specifically – were looking to move from home into premises **although this could change if there was the proposition of a hybrid model that would save rather than cost money.** The survey also suggests some evidence that without the 'right' solutions some businesses in Looe were not committed to the town or even south east/Cornwall.

14 Business requirements: Incubation

14.1 Thomas Lister and Amion produced a report in 2017 regarding the demand for an Innovation Centre in east Cornwall. Innovation Centres had already become established in Truro, Penryn and Pool; linked to anchor institutions and seeking to grow sector specific businesses so that they could move on (within three years) to high quality grow on space. Some terms and conditions were later relaxed but the principle around the provision of business support has continued.

14.2 Take up – especially – in Pool and Treliske was initially slow and the strict rules around occupation and sector were relaxed to facilitate take up and enable links between business in broad sector categories: for example, medical supplies in Treliske, Truro (the Health and Wellbeing Innovation Centre) rather than space based purely on knowledge. The lack of market provision for grow on space has also prolonged occupation in some instances where creating a churn of occupation has been challenging.

14.3 Lister and Amion were not able to conclude whether demand existed for an Innovation Centre in the same way that they presented in west Cornwall for the east. **In any case, anchor institutions (such as the Royal Cornwall Hospital, Cornwall College or the University) were not so 'obvious' in the east.**

14.4 Indeed, the study found that a sector rather than an 'employer/business' led approach was preferable in east Cornwall. **Certainly, one of the features of the Cornish economy is the cross-cutting nature of sector impact on others. The multiplier impact of tourism on food and construction (for example) or the creative sector on IT and publishing.**

14.5 In this way innovation supports productivity (which is a many faceted concept). Innovation includes high skilled workers, training, research and development and the right workspace for it all to function in.

14.6 The Lister and Amion study noted that 'east Cornwall has fewer businesses engaged in knowledge intensive sectors'. Sections 1 and 2 have already touched on a definition of 'knowledge' related sectors and established that Looe does have some sector advantage. Characteristics of a 'knowledge economy' can include (primary source, OECD):

- Knowledge and information are the key driver of productivity.
- Growth in high technology investment and industries.
- Growth in knowledge intensive service sectors such as education, communications and information.
- Growth in demand for higher skilled labour / University degrees.
- Innovation is driven by both producers and users (for example, open-source platforms/ customer feedback) rather than top-down linear systems.
- Knowledge spillovers from one industry to another (mulipliers and supply chains).
- Nature of knowledge economy, related to the process of globalisation and global diffusion of knowledge.
- Knowledge economy and high-tech industry raise scope for increased automation of production processes leading to rapid changes in the labour market: as the labour market develops higher skills and there is an impact on higher quality jobs.

14.7 Many of these factors are recognised by national and Cornwall local economic strategy. They can be (but are not necessarily) place specific (e.g Goonhilly or Newquay Cornwall Airport), but these 'anchors' are designed to impact the whole of the Cornish economy.

14.8 Sectors such as health and education (despite being largely in the public sector) have a role to play in terms of research and innovation; and supply chains are strong in some areas (such as food production) where there is a process between field and plate that adds value within a Cornish context. Alongside this 'brand' is the input of inward investment which – as illustrated – can develop a presence and add value in its relationship with the rest of the Cornish economy.

14.9 Research by Cornwall Council in July 2021 (sourcing the 'Burning Glass' database) looked at occupation vacancy rates across Cornwall (where there were more than fifty per 'job' type) which were at risk of automation. These include many staples to be found in a seaside town such as Looe and are illustrated in Table 4 (source Cornwall Council via Burning Glass)

Table 4

Occupation	No's
Kitchen and catering assistants	258
Sales and retail assistants	207
Book-keepers, payroll managers and wages clerks	191
Chartered and certified accountants	189
Receptionists	141
Waiters and waitresses	85
Elementary construction occupations	76
Elementary administration occupations n.e.c.	65

14.10 Indeed, many of these occupations are typical for the Cornish economy and although they cannot be compared on a 'like for like' basis in terms of published occupancy data through the Annual Population Survey (APS) a 'best match' approach suggests that in 2021 these vacancies would be part of around 104,000 jobs in Cornwall or 40% of the total which were at 'high risk' of automation. These go over and beyond 'elementary' roles in various sectors and illustrate a threat to a range of specific occupations to be found in Looe.

14.11 **For Looe and the Liskeard travel to work area there is suppression of some occupation data but for the South East Cornwall Parliamentary Constituency (where data was available for 2021) this could equate to almost 12,000 jobs at 'high risk of automation' or just over 11% of the Cornwall total or perhaps around a third of all jobs in South East Cornwall (keeping in mind that some occupation sectors are suppressed so their numbers are not revealed).**

14.12 **This risk is indicative of the need for a quality supply of workspace in the Looe area (which is already likely to have a significant share of 'at risk' occupations) to increase productivity opportunities for such roles, if not find routes to replace them and act as a catalyst to create more workspace demand in the long term.**

14.13 Where there are 'knowledge economy' occupations across Cornwall they are defined as the following:

- Science, research, engineering, technology and health professionals
- Teaching and Education professionals
- Business, media and public service professionals
- Science, research, engineering and technology associate professionals
- Culture, media and sport professionals
- Business and public service associate professionals

14.14 Which (in 2021) contributed 63,000 or 24% of all jobs in the Cornish economy. At least 7,200 of these (11% of this figure) were in the South East Cornwall Parliamentary Constituency area.

14.15 **Long term growth in these occupation areas is more likely to generate demand for wired office space that needs to be supported by a range of infrastructure that such occupations would demand or need: including conference facilities, a staffed reception, room for equipment etc.**

14.16 It is likely that because the Looe and South East Cornwall professional occupation data is suppressed (due to smaller numbers making them theoretically 'identifiable') that more than 7,200 occupations in South East Cornwall were 'knowledge' related. **Without the necessary speculative infrastructure this number cannot grow through collaboration and the ability to generate markets.**

14.17 A key finding of the Lister/Amion study is that **demand is generated through speculative workspace development. Build it and they will come (echoing the opinion of Greg Oldrieve). Wired office space in other south east Cornwall towns is often on business parks divorced from the town centre and informal spaces (such as cafes) where people can collaborate. Occupation is through lack of choice elsewhere.**

14.18 **Certainly, both the Pool and Treliske Innovation Centres have taken time to fill their capacity. Clearly, a smaller workspace project in Looe would not necessarily take that time.** As of 2020 the Innovation Centres were running at 85/90% capacity but with relaxed rules for enforcing churn into grow on space.

14.19 As part of 'supporting infrastructure' business and skill support programmes have the ability to generate a pipeline of potential occupiers and skills for workspace. **With considerable focus in the west of Cornwall (such as Launchpad at the University) the capacity is not necessarily available in east Cornwall generally and Looe specifically at the moment, and thought has to be given on how business support capacity can be provided and enabled in east Cornwall.**

14.20 Lister and Amion confirmed (already established in this report) that there was little in the way of office space and particular space for SMEs in east Cornwall and that there was a 'weak office market related to converted/period premises and accommodation in industrial locations'. **This is what projects such as Beacon Technology Park in Bodmin were or the Cattle Market project in Liskeard is seeking to address.**

14.21 Unfortunately, as of the third quarter of the 2021/22 Non-Domestic Rate Database held by Cornwall Council the occupiers of Beacon Technology Park are all public sector – Cornwall Partnership NHS Trust, Cornwall and Devon Police and Cornwall Council. **While the public**

sector can act as anchor tenants there is no sense that the 'technology' element of the park is being fulfilled over and above the fact that these public sector employers will include people in knowledge related and high skilled occupations. The opportunity is around co-production and the transfer of skills between the public, private and voluntary and community sectors. In the early years of a commercial project there is also the opportunity for the public sector to provide a regular and consistent income and a continuing place for those in the sector who live 'locally' or are visiting the area to use it as a base or hybrid resource for work and accessing the support services that they need to do their job.

14.22 The Lister/Amion report also concluded that workspace needs to be 'flexible and high quality but not necessarily BREEAM excellent'. **What this means in reality is that space will need to contract or grow with a knowledge related business as its markets or collaborations dictate. 'Easy' in or out clauses have to be balanced with the prospective landlord, ensuring that it has a continuation of income; some of which will inevitably have to be used for business support both with occupiers and potentially prospective occupiers in the town to encourage a long term, non-time limited use. 'BREEAM excellence' has been seen as another cost to the development and construction industry but can in fact be varied in the design and construction phase to suit circumstance; but nonetheless sustainable environmental design is a reflection on the value and ethics of occupiers and can reduce costs to the business and the project in terms of operation.**

14.23 The report also noted a lack of displacement impact in terms of what office workspace had been provided. **Clearly, there could be the opportunity of quality workspace in Looe enabling some displacement or grow on from Liskeard but the continuing and current market would suggest that it would be about generating a market from speculation and building up rental income as occupiers grew their business, balanced with enabled business support costs both in terms of provided infrastructure and other services such as a reception.** As the report observed '*there is...a lack of small high quality workspace provision and some clear level of demand for high quality workspace,* ***stronger for workshops that offices,*** *which could provide space to support innovative new companies with a wider support network'.*

14.24 East Cornwall has 15 employment sites where office related employment is also present. Of these some (such as most notably Bodmin Parkway) have a mix of individual named occupiers who would need to be spoken to in order to understand exactly what they did. Others (such as Beacon) are dominated by the public sector. Retail and Construction are common sector occupiers, although in terms of both 'knowledge' has a role to play in respectively developing markets and approaching design.

14.25 **So, other employment sites in east Cornwall designed to support and provide for an innovative and productive economy are not delivering or functioning in that way. It remains to be seen what Liskeard Cattle Market will deliver but there is clearly a market opportunity for Looe linked to its 'USP' of being a desirable coastal place to do business. According to UK Innovation survey data for 2016-18 Cornwall and the Isles of Scilly is the fifth joint lowest LEP region in England for participating in innovation activities.**

14.26 These include product and process innovation, strategy and marketing, internal research and development, collaboration and achieving new goods to market as a percentage of turnover. However, Cornwall is around the English average in terms of rates of collaboration **so this is**

indicative of business support needing to provide opportunity to expand other areas of innovation activity. A project in Looe could contribute to the Cornwall 'whole'.

14.27 **It is instructive that the Amion/Lister study found that an 'innovation centre' would be preferable to a 'hub and spoke' approach in east Cornwall. Certainly, achieving the required space in Looe to provide a full range of innovation and business support would of course be challenging but this nonetheless presents a market opportunity in some aspects. The work found that there was a great need to be able to share knowledge between businesses and sectors and it has been illustrated in this report than current employment space in east Cornwall is not providing for a variety of occupants or sectors**.

14.28 In terms of the Amion/Lister assessment of the various strengths of east Cornwall towns it noted that stakeholders had cited it as a 'place of environmental quality' and that it had a 'significant concentration of movers and shakers'. **Marketing and teasing out these influencers, their roles in business and how they could influence business growth in the town are important opportunities. The opportunity – whether desirable or not – for 'displacement' from other Cornish towns is slim and there is certainly an opportunity about how Looe is starting to market itself connecting in effectively with strategic Cornwall work on investing into the area. Often this is driven by workspace needs which of course Looe can largely not provide at the moment; but an amount of wired workspace by the sea in an area with good facilities and which is projecting itself inter/nationally is something to be articulated and marketed. Indeed, investment is more likely than displacement because of the range of good quality office related facilities in other areas which are not providing for an inward investment market.**

14.29 These conclusions are reflected in the nature of the job vacancies available in Looe available from [Looe salary stats | Adzuna] (as of June 1st 2022):

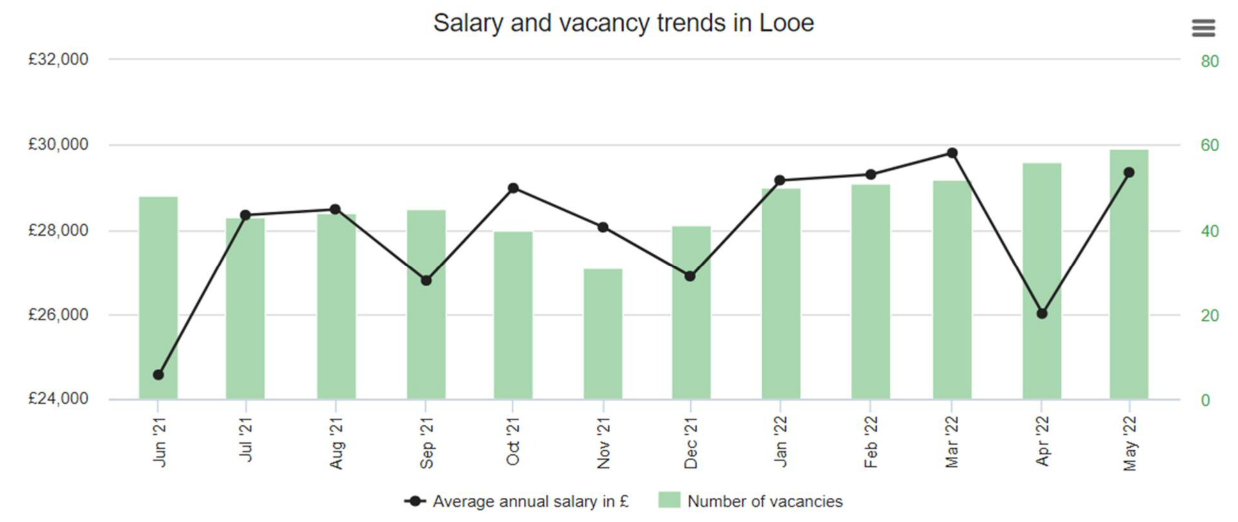


Figure 24

14.30 The chart (above - Figure 24) captures an increasing trend of job vacancies since the autumn of 2021 and following the worst of the economic impact of the pandemic. In May 2022 59 vacancies were advertised in Looe compared to a recent low point of 31 in November 2021. Gross average salaries in May 2022 stood at £29,348 (above official samples) but the context for this is illustrated in the next chart (Figure 25) of the top five companies hiring in Looe as of June 1st 2022:

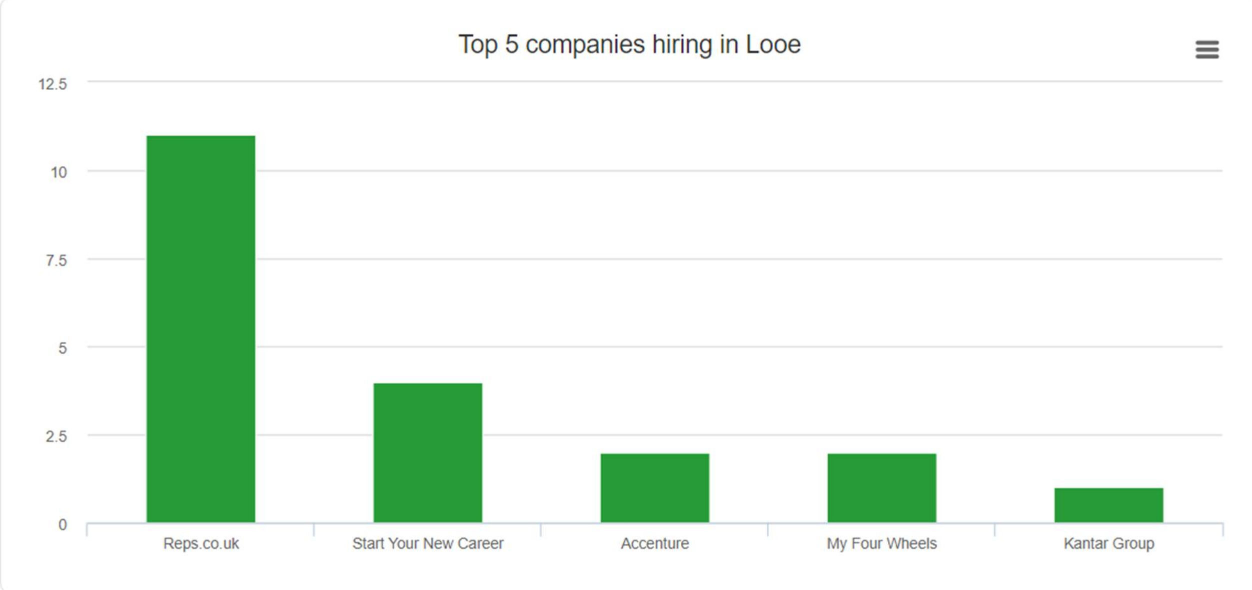


Figure 25

Note that this chart is captured from the Adzuna website and the vertical bar represents the number of vacancies by employer.

14.31 None of these would be necessarily recognisable to the casual reader:

- Reps.co.uk is an organisation that facilitates home working businesses
- Similarly, Starttyournewcareer.co.uk is about facilitating home working franchising
- Accenture is an IT company
- 'My Four Wheels' is a recruitment vehicle for driving instructors
- Kantar group and Accenture are large and international market research organisations.

14.32 **So, there are issues here about the quality of employment available in Looe when examining the twenty or so vacancies available through its top 5 hiring companies (as of June 1st 2022). Home working franchises can be insecure and poorly paid, with high turnover and suiting particular parts of the labour market only. Many of these Firms are likely to have a high vacancy churn with people leaving for other roles creating vacancies, rather than new jobs being created. Driving instructors are a popular recruitment role for self-employment, well paid if a consistent business model can be adopted and in high demand following the pandemic generated backlog. A number of these roles could be operated from shared workspace if the companies were willing to contemplate that; and while individuals may well benefit from this the employers (because of their casual nature and perhaps reliance on turnover because of their business model) may not. What these vacancies do illustrate though is the lack of private sector firms in Cornwall seeking vacancies in Looe to improve their capacity.**

14.33 **It is likely that market research recruitment is looking for applicants in a high turnover sector and//or where casual employment is an issue.** Around a third of all vacancies in Cornwall (according to Burning Glass) are in the NHS, Caring and Sales professions which also have a high churn. Looe will be no different in that respect.

15 The Business Life Cycle

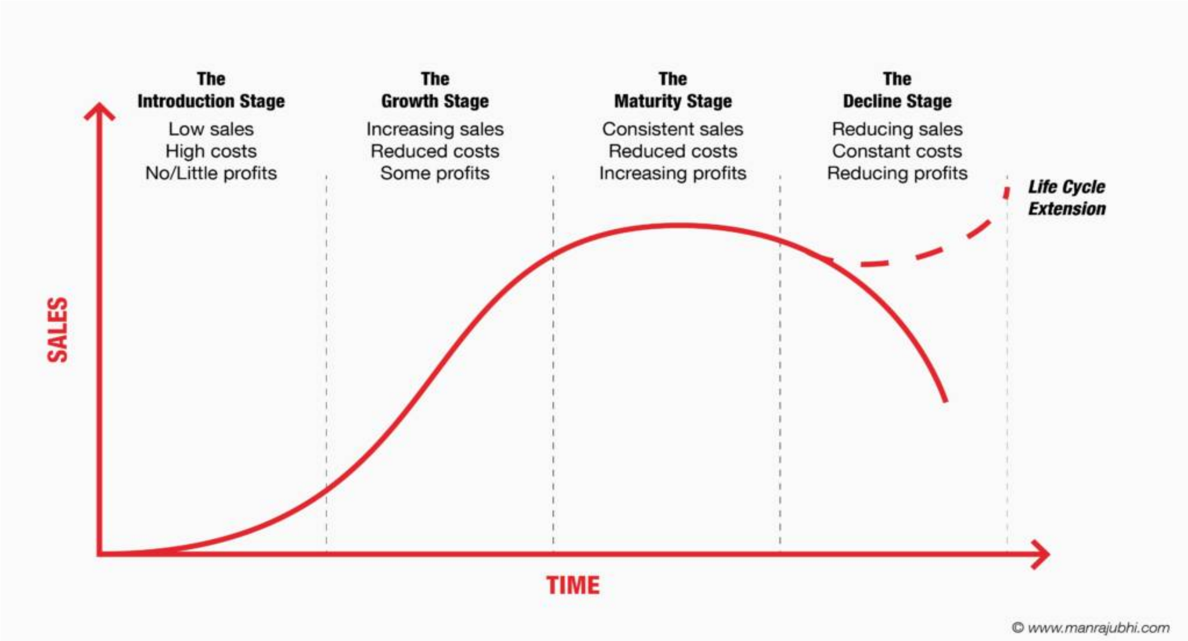


Figure 26

15.1 Figure 26 (above) is illustrative of the conventional/text book business life cycle. Progress is reliant on a number of factors including those illustrated in the figure but also related to them:

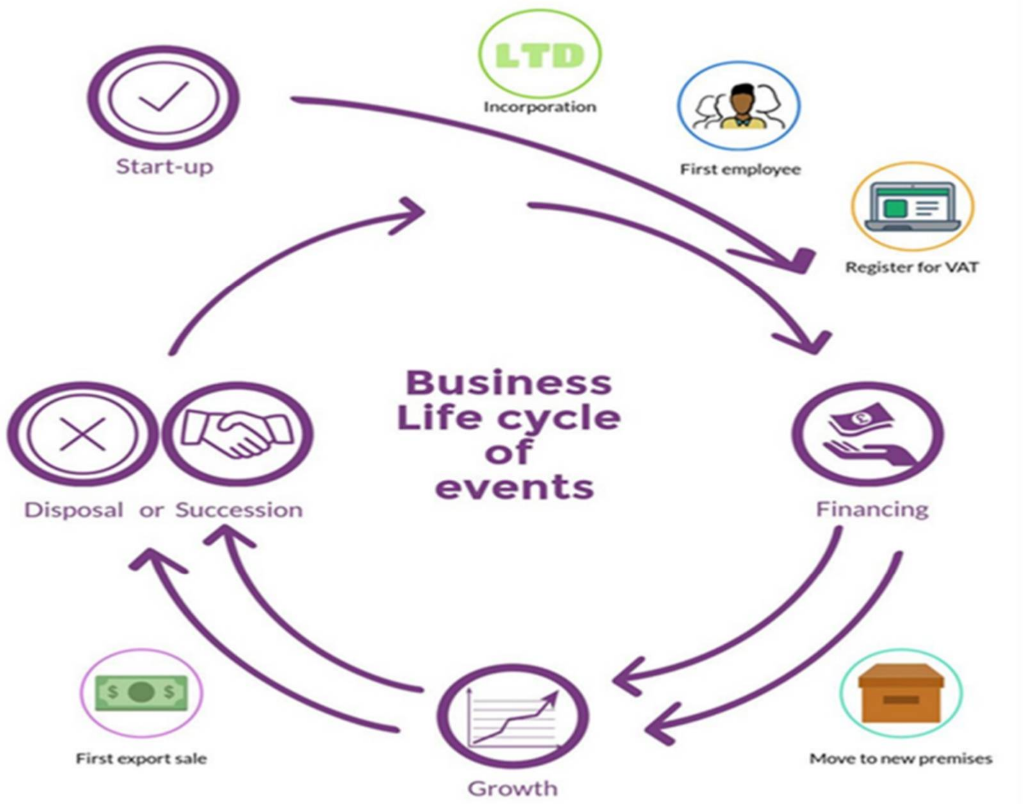
- Access to markets
- Transport costs
- Logistical issues and connectivity
- Location and reach of competitors
- Uniqueness of product
- Quality of product
- Startup costs related to the nature of the business/sector
- Business taxes
- Premises costs
- Access to skilled labour: could be freelance support at the right time/just in time
- Just in time opportunity for supplies (linked to transport and logistics)
- The nature and quality of business support infrastructure
- Origin and sustainability of business finance

15.2 Costs attached with the 'introduction' stage include basic business finance for things such as insurance and tools to market the business to customers. The 'growth stage' is somewhat transitional where sales are increasing but profit lags behind in terms of factors such as payment receipt, chasing payment and offsetting against the outlay to start the business. The space between 'maturity' and 'decline' can relate to where the market starts to shake out those with a product that becomes less appealing to customers: perhaps because others are more innovative, anticipate or enable trends (are market responsive) or simply because the market is saturated. Issues such as the call in of business finance will also be of influence as will macro factors such as interest rates.

15.3 **Understanding where businesses lie in this cycle is complex; let alone in terms of Cornish businesses. For Cornwall there are particular factors at play which have greater resonance especially where there is no economic agglomeration which anchor institutions or infrastructure can provide.**

15.4 A number of the factors listed in (13.1) benefit from economies of scale or not having to be concerned about them as a business which is operating in occupied space. These include business and premises costs as well as the 'nature of quality of business support infrastructure' which includes everything from on-site catering facilities, to comfort and the sharing of costly equipment. These and other issues are addressed in subsequent sections of this report.

15.5 Figure 27 (below) puts key events into context in terms of a likely (although not one size fits all) representation of the business life cycle. 'Moving to new' premises can include graduation from home working or moving to larger premises because of an increase in business activity. However, this also applies to existing businesses where shared space and co working or co production can introduce a new cycle of opportunity. If a business can reach a four- or five-year survival rate in Cornwall its opportunity for long term survival is greatly enhanced; but business deaths before the four- or five-year point suggest that infrastructure and support may be missing. Not all business models have sustainability but co working and co-production (where the 'product' can be enhanced, not threatened) can support this. So, there is a need to support businesses re-evaluate their purpose in their early years and (as part of that) expand leadership experience which is one facet of increasing productivity. It is about all businesses (at whatever their life cycle) having the opportunity to challenge themselves and be challenged (in a non-combative way) in order to evaluate themselves against benchmarks and perhaps in a more 'honest' way.



Source: OTS

Figure 27

15.6 'Exports' are an important opportunity for business. These can be 'physical' (influenced by infrastructure) or 'knowledge' based. HMRC data for 2018 suggest that Cornwall and the Isles of Scilly exports less goods that all but two other LEP regions. 1,127 businesses were engaged in export to the EU (this was pre-Brexit) and 769 to non-EU countries.

15.7 57% of all C&IoS export goods went to the EU, compared to 49% for the whole of the UK. Cornwall's three biggest exporting sub sectors were:

- Chemicals and related (44% of exports went to the EU)
- Machinery and Transport equipment (34% of exports went to the EU)
- Crude materials (35% of exports went to the EU)
- Food and live animals (8% of exports went to the EU: but 61% of these were fish)

15.8 **Analysis of these sectors (Business Register and Employment Survey) suggests that leaving the EU on January 31st 2020 did not harm sector employment in these areas. Although much of the data (because attributable to small sub sectors) is suppressed (and for Looe and Liskeard TTWA small) it suggests that employment increased in these areas of activity:**

- Looe MSOA (up 33%)
- Liskeard TTWA (up 20%)
- Plymouth TTWA (static)
- Cornwall and the Isles of Scilly (up 7%)

15.9 With missing data and suppression, the Looe and Liskeard **figures should be treated with caution** and it is likely that sufficient time has not expired since Brexit for impact on exports (and therefore employment) to be felt in these sectors. **Support for them through infrastructure and the ability to develop new markets will be important.**

15.10 One indicator of the business life cycle is business survival rates. ONS Business Demography data for enterprise births in Cornwall is illustrated below in Figure 28:

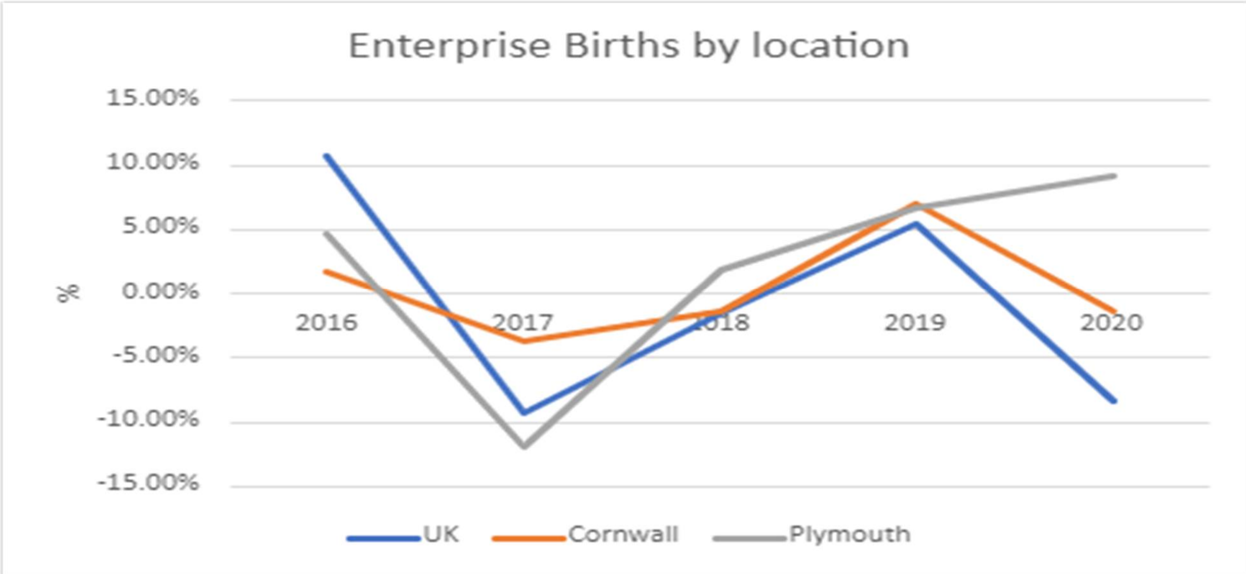


Figure 28

15.11 Figure 28 compares (in percentage terms) each year of enterprise formation activity with the previous year. UK performance fell by almost 10% between 2015 and 2017 and temporary recovery has been mirrored in this overall performance decline to 2020 with over 66,000 less enterprises being formed then than in 2015.

15.12 For Cornwall there has been a broad trajectory of increase over the period, albeit 2017 being generally a tough year. This is also reflected in the performance of Plymouth.

15.13 **These are all likely to be 'above the radar businesses' and are reflective of a startup culture in the south west generally but Cornwall specifically with the challenge of how far and to what extent these businesses operate in order to become more productive, not just in terms of what infrastructure can assist them to enable to do this but also whether they wish to or our capable of doing it. Supported workspace may be one driving factor but we do not have this official data available at any sub-Cornwall level.**

15.14 **Business survival may be indicative of a 'captive market', high numbers of self-employment and a highly self-contained labour market 'trading with itself' in Cornwall generally and deep rural areas such as south east Cornwall specifically. What this does not do is generate significant further demand for workspace; but speculative space is needed to find ways to drive productivity and assist growth of self employment – both 'over' and 'under' the radar.**

15.15 **In reality, the challenge for Cornish business is that some are likely to move across and back in the business cycle**. Variables for failure can include a number of things: from the market no longer being a tenable proposition through to a lack of sustainable business finance. Micros are more likely to fall back on the home as an asset for the business and it will depend on what startup costs are associated with it: for example, materials, and ongoing costs. **Supported business premises negates this**.

15.16 The issue for Cornwall is not one of business 'survival' (which is consistently longer than the average in the UK – if a business gets past its first year in Cornwall long term survival is far more likely). It's about building that business to a productive level that will increase wages and salaries and the number of jobs attached to it.

15.17 Median income for the self-employed in Cornwall (source: HMRC) was £13,600 a year the last time specific Cornish data was published in 2017/18. The Association of Independent Professional and Self Employed (Supporting the UK's self-employed and freelance community | IPSE) estimated that across the UK the self-employed lost an average of 76% of their income during the pandemic. **This was especially true of the new self-employed: precisely the cohort that need the most intensive business support.** Within an England seaside town context (see 1.19) employment growth was running well above the median (9% compared with 1%) but is clearly linked to self-employment feeding a need for people to have to create their own jobs when employed opportunities are less.

15.18 Figure 29 illustrates the number of people (aged 16 to 64) who were self-employed at a Cornwall and Liskeard Travel to Work Area level (year ending September) between 2012 and 2021. This illustrates that in Liskeard TTWA self-employment has been consistently above the Cornwall average. This could be a sign of shifting to inactivity or a generally healthier employment market; but note the 2020/21 period when the Liskeard TTWA more or less retained its share of self-employment while the Cornish median dropped in relation to the impact of the pandemic. **This is illustrative of the reliance that the TTWA area has on self-employment and the need to find ways to create productive and business growth from it.**

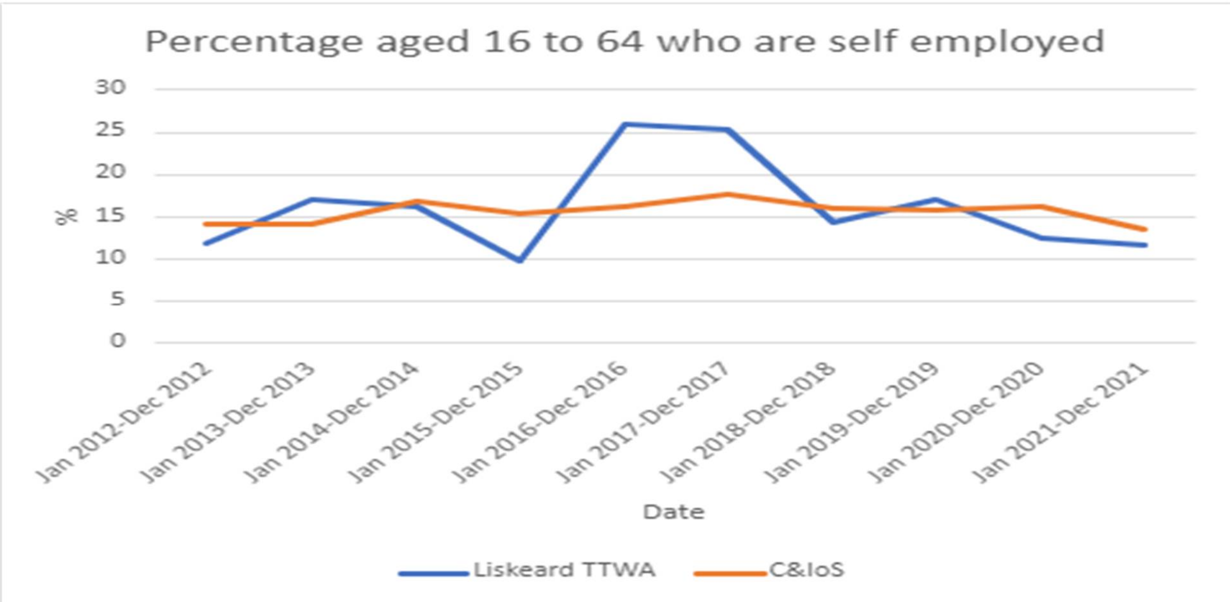


Figure 29

15.19 In 2017 the four most western LEPs in England commissioned a report into the issues and solutions to 'scale up' businesses (Cios lep scale up research report by Cornwall and Isles of Scilly Local Enterprise Partnership - Issuu) in partnership with respective Growth Hubs. The report articulated barriers to high potential business growth but also that these types of businesses were prepared to pay for business support (not least because they were in the position to be able to do so). This was over and beyond infrastructure issues and including factors such as supporting leadership and management capacity to enable business growth.

15.20 Such businesses are at the maturity/succession stage and face four key challenges:

- Skills: difficulty in recruiting into technical and customer facing roles
- Capital: difficulty in attracting growth capital
- Management: skill set limitations
- Relationships: problems negotiating entry into larger organisations (linked to succession)

15.21 **While the report details solutions to these a suitably constituted shared workspace offers the opportunity to share key skills among businesses (for example, accounting or human resources) and can provide supported learning opportunities for leaders and managers (as with the innovation centres) dependent on the evolution of partnerships. Relationship facilitation can come through (for example) economies of scale such as developing on site supply chains. Sector skills analysis (including construction, technical and creative) are suggesting that there are not enough people with the specialist skills to fill roles and it is likely that more elementary roles (such as care) will become increasingly dependent on technology to increase productivity – and perhaps justify higher pay.**

15.22 Businesses in the 'scale up' bracket only represent in the region of 1% of Cornish businesses but nonetheless the economic impact in terms of productivity, salaries and spending power is significant. They are defined by having at least 10 employees at the start of their growth period, with an average growth in employment or turnover greater than 20% per annum over a sustained three-year period.

15.23 **It is therefore arguable that is only early stage and startup businesses in Cornwall that are well catered for in terms of business support, although not necessarily the other major need: that of 'workspace'. Of the twenty-four fastest growing scale ups which are 'visible' in Cornwall and the Isles of Scilly (source: Visible Scaleup Companies in England - ScaleUp Institute) two are in the construction sector are based in Liskeard (Steve Hoskin and Fred Champion).**

15.24 **While the Millpool or any other relatively small workspace would not be able to accommodate a scale up they *could* accommodate an aspect or consequence of the business; or there could be learning to examine what high growth functionality could be located at Looe.**

15.25 According to Business Cornwall (2019) the top five scale up companies in Cornwall (both in terms of turnover – which included Fred Champion) and in terms of staff growth accounted in for around 17,000 staff (and a turnover of £1.2b): although not all of this would match with official data numbers on staff.

15.26 **However, the key point is that businesses such as these were more likely to be innovative, have 'twice' the number of apprentices and generally higher quality jobs with additional spending power. Looe needs some of this or a replication of it.**

15.27 **Such businesses represent an extreme example of scale up based on its official definition, at the high end of the business cycle. A number of these businesses (including Happy Days Nurseries, Teagle, Greenbank, Helston Garages , Fal Fish and Fred Champion) have been operating for decades so arguably this kind of growth takes time. But the right infrastructure and support is key to it and they have in effect 'incubated' outside of innovation centres.**

15.28 **Accessing infrastructure, alongside attracting talent and developing management and leadership skills are together critical for business growth. Most businesses want to grow and the space and infrastructure to collaborate to achieve that is critical. This applies equally to SMEs who can achieve growth both through co production and co-location knowledge transfer and collaboration; but also, the consequent use of tools such as shared procurement or back-office support. Accountants and solicitors (for example) are already operating in Looe and could be incentivised to move to Millpool as an anchor tenant(s).**

15.29 The issues faced by businesses in Cornwall and the Isles of Scilly seeking to 'scale up' are articulated in the LEP/Growth Hub report. Of the higher-than-average response (6.3% of asked businesses in Cornwall and the Isles of Scilly compared to a 2.8% average across the four LEPs) **C&IoS particularly picked up on infrastructure and uniquely on premises as barriers to growth** (note: across all businesses surveyed who wanted to scale up in some form). This data is taken from the report and illustrated in Figure 30 (below) as a percentage proportion of those surveyed:

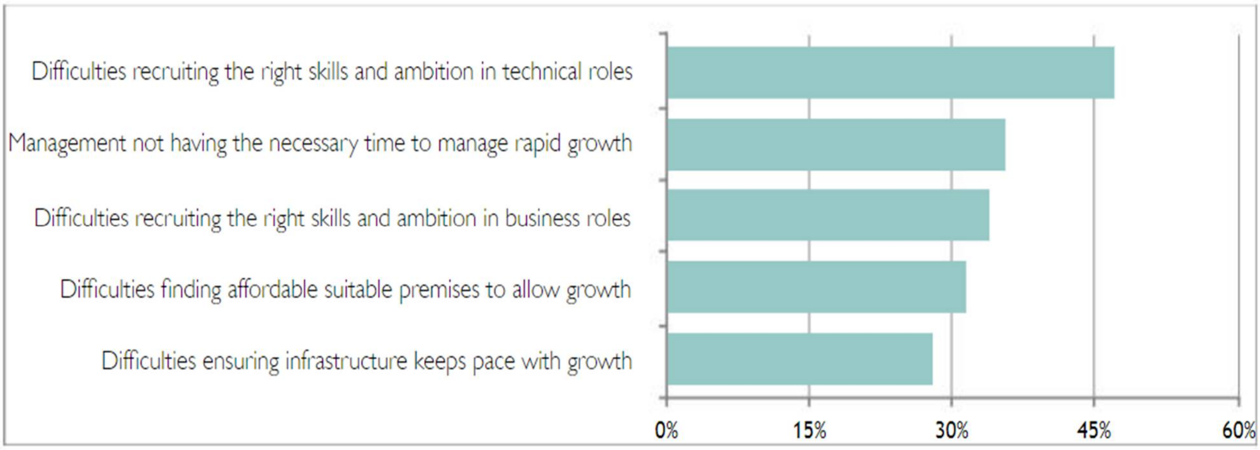


Figure 30

16 Policy context

Table 5 (below) summarises the appropriate national, Cornwall and local strategies in terms of their relevance in delivering workspace/a workhub in Looe:

Table 5

National	
National Planning Policy Framework (NPPF)	Economy Building a 'strong, competitive economy which takes 'account of local business needs' and 'opportunity for development'. Planning should help 'address barriers to investment, be flexible enough to accommodate needs not supported elsewhere including 'clusters, networks of knowledge, data driven, creative or high technology industries. Specific Rural Economy Planning should support economic development through 'the sustainable growth and expansion of all types of business both through 'conversion and well-designed new buildings 'and the retention and development of accessible local services and community facilities' Town Centre Vitality 'Retain and enhance existing markets and where appropriate introduce new ones'; 'allocate a range of suitable sites in town centres to meet the scale and type of development needed looking at least 10 years ahead; where not possible allocate at edge of centre sites' Promoting healthy and safe communities Support development that 'promotes social interaction'; 'plan positively for shared spaces'; 'guard against the unnecessary loss of valued services'. Other relevant areas include (note: author's italics): • Promote sustainable transport (*Millpool is at the hub of planned cycle links and within walking distance of the town centre)* • Support high quality communications *(generating a demand for workspace through market intervention would strengthen the case for high quality superfast broadband connectivity in the area)* • Making effective use of land (*the re use and upgrade of an under used building)* • Similarly, 'promote and support development of under used buildings'.
UK Industrial Strategy	This is the overarching strategy for a number of Government initiatives and is based on the objective to 'boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industry and infrastructure'. This includes: • Investment in Broadband • Investing in local areas • Help to achieve 'net zero' • Support the evolution of high-quality skills • Support and incentivise development of creative ideas & technologies • Continue Government support for startups and scale ups

	• Attract the brightest and best people to boost growth. *High quality workspace and related facilities and infrastructure can attract and retain a workforce who feel valued.*
Levelling Up White Paper	*Part of the expression of the UKIS, although wider in its remit and recognising the links between social, environmental and economic. Its 12 'missions' aim to close 'regional' gaps but in particular these have resonance for the delivery of quality workspace in Looe:* • Improve productivity and pay • 5G coverage for the majority of the population • Narrow differences in healthy life expectancy *(62.6 years in Cornwall)* • Develop path to ownership for renters *(in part this will be as a result of projects which lift pay)* • Investment in research and development outside the South East to increase by 40% *(typically, less than 2% is spent on R&D by Firms in Cornwall)* • Improve well being • Bring local public transport *(and by definition accessibility)* closer to the London standard • 200,000 more people a year completing high quality training • Increasing pride in place
Cornwall	
The Cornwall Plan 2020 –2050	• A creative, zero carbon Cornwall with an inclusive economy • Thriving places • Education, equality and entrepreneurship • Healthy, safe and resilient communities • A digital revolution for sustainable living
Draft Local Industrial Strategy	*In effect has superseded other Cornwall and Isles of Scilly economic strategy documents to become 'the' economic strategy.* The aim of the strategy is to enable inclusive, clean and circular economic solutions through a creative and knowledge driven economy focused on innovation and environmental growth. This will result in increased productivity, an improved quality of life and a carbon neutral economy expressed through the opportunities that Cornwall and the Isles of Scilly have in renewable energy, its wider natural environment, data & space, the visitor economy and agri food.
Cornwall Creative manifesto 2021-25	Recognises the extent of creatives across the Cornish economy to include designers, museums, writers, actors, painters and architects. The creative economy is facilitated by people working together and in part specifically delivered by building 'more places, spaces and offices where creative people can work together'.
Covid 19 Economic Recovery Plan 2019-21	Although the Plan appears 'time limited' what is in it recognises and articulates other strategies around the transformation required for the Cornall and Isles of Scilly economy. It notes that because of its reliance on the broad service economy, Covid has had a greater impact on the region than many other areas. Research by Cornwall Council indicates that the value of the economy fell by around a quarter during the period.

	Business infrastructure is recognised as a key element of recovery and immediate aims include support for town centres, rural and coastal vitality; and improved employment and skills provision. In part this will be achieved by reducing the need to travel and the contribution of that and other measures through the provision of net zero infrastructure. In evolving a more holistic approach to social, environmental and economic development towns should become 'hubs with better digital facilities'. There is a specific aim to deliver increased workspace provision including dispersed creative hubs and co-production and local supply opportunities; in part through the change of use of buildings
Climate Change Action Plan 2019	Although primarily a strategy around how Cornwall Council can use its influence and powers to address climate change; it recognises the need to transition based on Cornwall's potential and synergising economic and other sector activity in Cornwall. In part this will be achieved through the design and development of low carbon investment and infrastructure which can in turn deliver 'decent and high value work'.
Maritime Strategy 2019 -2023	This represents the third iteration of a Cornwall Council strategy that has been in existence since 2012 and which seeks to illustrate complimentary themes across a one of the largest maritime economies in the UK (*of which Looe is a significant element of within Cornwall).* Its relevant priorities include: • Encouraging marine enterprise and innovation • Evolving healthy and resilient communities • A placed based approach – *building on strengths* • *The intrinsic value of high value maritime and coastal assets which also support a range of economic sectors and opportunities.*
Connecting Cornwall 2030 (Local Transport Plan)	Although (in early 2022) the Local Transport Plan is being reviewed it contains some broad themes that have resonance with other relevant strategies. These include the objective of supporting economic prosperity by improving transport links; but nonetheless the strategy is about the 'vitality and integrity' of Cornwall's town and rural communities through (in part) them becoming 'market leaders' with innovative businesses and through low carbon technologies and a network of small and medium sized businesses
Cornwall Local Plan 2010 to 2030	'The Plan supports the expansion of existing businesses and the growth of new sectors to strengthen the economy'. This aim is met through a number of relevant (paraphrased) objectives: • Objective 2: Enhance the cultural and tourist offer....as a year-round destination focus. • Objective 5: The provision of jobs in local communities • Objective 6: Ensure that infrastructure is provided that will enable development to benefit the local community • Objective 9: Reduction of energy use (and sustainable sourcing) and maximising the use of previously used land Spatial strategy in Policy 2 of the Plan summarises the policy thrust of the Plan: • Providing proportionality in terms of jobs and homes • Supporting the expansion of existing businesses

	- Safeguarding waterfront sites for marine related businesses - Maximising economic growth arising from strategic investment in Cornwall *: that is, localised opportunities from (for example) the University* - Supporting employment schemes that break seasonal cycles - Supporting opportunity in *Cornwall's 'knowledge economy growth sectors'* - Supporting the provision of work hubs - Supporting the development of south east Cornwall to meet its own needs and how it benefits from its relationship with Plymouth
Cornwall and Isles of Scilly LEP Skills Strategy	Recognises that the development of digital skills are both a core requirement for school leavers and an accelerated requirement for businesses following the pandemic. Progression pathways need to be better understood and the workforce generally needs to become more productive. Cornwall and the Isles of Scilly has a particular need to diversify and expand its manufacturing, technical and creative sectors
Good Growth Investment Plan for Cornwall and the Isles of Scilly: Implementation of the UK SPF	The Shared Prosperity Fund will focus both on resilience and prosperity over the initial period of 2022 to 2025. In her introduction to the strategy Linda Taylor, leader of Cornwall Council, states 'Business Innovation, vibrant creativity, outstanding environment and career opportunities are spread across Cornwall but equality of opportunity to access them is not' . The focus is on support for community & place, local business and people & skills in order to boost productivity and living standards, spread opportunities and improve public services. The focus is on those sectors that can deliver higher value and the enabling or real Living Wage jobs.
Local	
Looe Area Community Action Plan 2007	*Although this Plan is now 15 years old its principles still have relevance:* - Stronger diversified economy built around the 'key industry' of tourism. *Encouragement and acknowledgment of* 'entrepreneurial spirit and innovation' - The need for 'good quality education, training and skills development' - Less reliance on the private car & reducing commuting - A safe, clean area to live and work - Better opportunities for all 'Best use' of natural resources - Provide a better range of additional business units
Draft Looe Neighbourhoood Development Plan 2021	Purpose: - Provide the planning support for the revitalisation of the town's maritime and coastal based economy. - Meet current community needs without prejudicing those of the future - Significantly reduce the environmental impact of development - Maintain the towns very special character One of the outcomes of consultation to support the Plan was people's desire for more job opportunities including in information & communications and arts & entertainment.

	Of 75 businesses that responded; 71 were looking for improved workspace, broadband, parking, increased footfall, increased business opportunities and the redevelopment of the Polean site for leisure and office space. The Millpool and Polean are highlighted in the Plan for their economic potential; supported by a large car park and a range of community and leisure facilities in the area and within walking distance of the town centre. The DNDP aspires toward sustainable connectivity and a reduction in car use, not least because of the access and safety issues throughout the immediate area. The plan recognises that the area has the potential and capacity to support community and economic growth in Looe and highlights that masterplanning has already considered a number of options including extra care facilities, more intensive industrial and community use; **all of which the Millpool Centre could provide support to through complimentary activity.** (Note: author emphasis) Polean is speculated as an eco-business park and innovation hub for small/medium sized businesses through flexible commercial units to support growing local firms and home workers, incubation space and the provision of training: resulting in support for the evolution and attraction of high value jobs. The vision for Looe is ‘By 2030, Looe will be a community that has revitalised its maritime and coastal based economy into one that brings prosperity to all and significantly reduces its impact on the environment, whilst maintaining its special character’

16.1 Whatever the spatial level of these strategies there are golden threads that run through them for justification for workspace delivery. National strategies realise that there is an imperative to deliver a more competitive economy but that this cannot be done without the maximum contribution of every part of the United Kingdom – not least in order to be able to promote social inclusion – which is a longstanding theme and challenge for coastal communities.

16.2 National themes such as the knowledge economy can be driven by regions such as Cornwall and the Isles of Scilly through a mix of environmental and human assets; but can only be delivered through the right infrastructure to stimulate and diversify local economies.

16.3 This realisation is (in turn) is recognised through the draft Local Industrial Strategy but Cornwall and Isles of Scilly wide and specific Looe strategies (and community consultation) articulate a desire to change economic performance enabled through the right supporting infrastructure.

16.4 **Local Plan policy is about a more ‘sustainable’ south east Cornwall (able to ‘meet its own needs) and benefiting from its relationship with Plymouth. There is limited evidence of a symbiotic relationship between the two and the impact of Plymouth on workspace viability and desirability is largely confined to proximity in Saltash and especially Torpoint. It is in these places that evidence from the 2011 Population Census illustrates that over 50% of the workforce commute to Plymouth; but this influence wanes the further west into south east Cornwall one goes. This is one of the reasons why Liskeard is developing its economic strategy around workspace as a response to its own population growth to reduce the threat**

of increased commuting and leakage to Plymouth. This is also the issue for Looe which is away from strategic transport networks.

16.5 Net commuting from Cornwall to Plymouth is only around 3,500 persons. Cornwall is (at 2011) one of the most self-contained labour markets in the UK with around 92% of the working population both living and working in Cornwall. **Greater labour self-containment aided by improved infrastructure can bring benefit to local economies and supply chains depending on sector focus: the issue is not one of commuting volume but trade relationships with other places.**

16.6 **However, the aspirations for Millpool and Polean are very wide (although there may be merit in looking at the two – and adjoining land – together) but evidence in this report is an opportunity to evolve some focus.**

16.7 In 2022 the 'Cornwall and Isles of Scilly Digital Skills assessment' was published by the Digital Skills Partnership. It noted that Cornwall was home to the fastest growing tech sector in the south west peninsula but that there was also a simultaneous recruitment crisis for the sector **and, quite possibly, a retention crisis as skills set where there was high demand could shift from one employer to a portfolio of employment and command higher salaries.**

16.8 This was not about 'any' set of digital skills. The report noted that they were a basic requirement for most roles but that there was also both higher level 'general' skills needed and specialist ones which could command higher salaries. Four of the report's recommendations are particularly salient for this paper, in terms of the role that the Millpool could play:

- Cornwall and the Isles of Scilly need more software developers. This will be achieved by working through and with schools and through blended learning programmes with employers and other agencies.
- Collaboration is needed among larger employers in the digital/tech workforce to address skills gaps. **This is also likely to be the case among smaller employers who are likely to find it harder to 'reach' their required labour market.**
- The basics – such as data literacy – need to be addressed by all employers.
- Support for workforce planning is needed (helping to grow local talent and succession planning).
- Co-development programmes across employers to potentially share scare skills.
- 'Bootcamp' approaches to get prospective employers and employees quickly up to speed in terms of requisite skills.

16.9 There is a strong relationship between creative/cultural and digital skills. The report identified 1,460 digital/tech organisations in C&IoS employing 4,830 people between them; with 48% employed in the computer programming and consultancy sub sector. **Major clusters for Cornwall are significant – space tech, agri tech and marine tech with the latter two having a stronger spatial relevance to south east Cornwall.**

16.10 The report identified over 650 vacancies for a range of digital tech jobs in 2021 (source: Burning Glass) but did admit that this may be an underestimate compared to (for example) LinkedIn (the professional social media site) numbers. Nonetheless some of these roles commanded salaries which were higher than the Cornwall or parliamentary figures at (for example) over

£39,000 for a software developer, £45,000+ for an IT Project Manager and £44,000 for a Programmer.

16.11 **There were a number of Cornish (for example; Cornwall Council, Coastline Housing, NHS) employers where these skills were in demand and regional to south east Cornwall (Pico Technology, Plymouth University, South East Cornwall multi academy trust, General All-Purpose Plastics, Lillium Direct and Raytheon) where this skills set was also in demand. There is therefore a need for an ongoing 'work hub' at the Millpool to create partnerships with a range of employers to deliver opportunities locally and anchor the possibility for expansion of their interests in the area.**

16.12 It is worth noting that 'Culture, media and sport' occupations were 3.3% of the South East Cornwall Parliamentary Constituency workforce in 2021 (source: Annual Population Survey) and almost 29% of all jobs in that sector in Cornwall. For Camborne and Redruth the figure was 3.6% so the south east is surprisingly not that far behind.

16.13 But digging into specifics (according to BRES, 2020) Looe only had 25 jobs in computer programming and related activities and did not have digital skills jobs in areas such as film, TV and music; radio; photography; information services; electronics manufacture; publishing; the repair of computer & communication equipment; telecommunications or wholesale of computers & electronics as sectors highlighted in the Digital Skills Assessment.

16.14 **However, with just 25 jobs in this sub sector the average for Cornish wards was 20; but the areas where there were over 100 jobs in this sub sector included Bude, Mabe, Perranporth, Pool & Tehidy and St.Mawgan and Colan: all areas with significant workspace infrastructure and business support.** This sub sector alone contributed significantly to the total number of occupations in each ward highlighted in 16.14.

17 Workspace and environmental quality

17.1 Cornwall Council's Employment Land Review included an assessment of workspace quality based on the previous (to the National Planning Policy Framework) Planning Policy Statement 4 (PPS4) articulation by the then Office of the Deputy Prime Minister in 2004 (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7722/147540)

17.2 This included a range of criteria including age and accessibility. Arguably, in a digital area the latter (at least) is less of any issue for some sectors in the twenty first century although the environmental quality of the building is crucial to potential occupiers of offices. It makes a statement about the business, how it values its workforce and its scope and ability to operate and grow.

17.3 High speed and reliable broadband will be one of the infrastructure expectations of any business seeking workspace, but this needs to be matched with a workforce that has the right skills and motivation (including being best able to utilise technology for improved productivity). Part of this motivation is generated by the type of workspace and 'comfort' that they are operating in. Younger and perhaps more highly and relevantly skilled (and mobile) employees will be looking to an employer to be socially responsible. In addition, the 'great resignation' of the pandemic is illustrative of the times that we live in: that talent is prepared to take more risks in the face of lack of certainty and be reward balanced against what they may value in life. According to limited data available from the Annual Population Survey for the Liskeard Travel to Work Area in 2020; 55% of people in their 30s had qualifications at Level 4 or high, compared to just 35% of those aged 50 to 64. **This is an underused resource.**

17.4 Design, then, can be done in conjunction with employees and employers. Retrofitting a building can have sustainable value if materials can be re-used and re-designed into it without going to landfill, saving a project money. **Designing in flexibility in the way that space is used will be important for successive clients in the Millpool and there will need to be the right budgetary processes in place to support periodic capital reinvestment.**

17.5 Provision includes space for collaboration, break out, storage, specialist materials etc., as well as room for focused tasks and confidential meetings. This is also true for confidential virtual meetings which require a degree of extra concentration to be effective, free of disturbance. Exact space requirements will vary by sector and business which is why internal design and modification would need to be flexible.

17.6 Nonetheless, natural light balanced against the potential for solar panels in a high-quality environmental area which the Millpool represents (and is a marketing opportunity) will be added and expected benefits of the project. This can be extended to 'biophilic' design which literally brings the outside in and has the opportunity of supporting native species, oxygen penetration and self-watering/recycling systems as part of it. Imaginative design can connect the outside with the inside and studies have shown that this can support cognitive function, physical and mental health; which all in turn benefit wellbeing, creativity and productivity. (Biophilic Design – BRE Trust). This approach to design can also reduce energy bills and will be an important consideration in terms of upfront costs balanced against a long-term saving in an age of costly energy.

Figure 31

17.7 This can also assist with air quality which in turn can reduce air borne sickness and can contribute to good acoustics necessary for general concentration through to specialist, sector activities. Creative related businesses (for example) will not be successful without the right designed and flexible space for comfort and collaboration. These are the keys to productivity: not a lone worker hunched over a desk for the entire working day. Indeed, in addition flexible and longer hour access to the building may be needed, especially for creatives who cannot be constrained by a '9 to 5', but this will bring with it implications for security.

17.8 Millpool has the opportunity of making a case that both compliments home working and potentially shifts the 'under the radar' home workers in Looe back into an 'office' environment; on the basis of likely additional energy and intellectual isolation costs of home working; where there is less likely to be sustainable measures in place that can use resources efficiently and save money. Home investment for such measures may be prohibitive for individual and family budgets but can be achieved for collective use through a project such as Millpool.

17.9 For those businesses in Looe and the wider area who are operating from the office, energy and transport costs (as of 2022) provide an imperative to reduce these overheads. Home working will mean that some space capacity (which they are still paying for) will be under utilised; so, there is an opportunity to market Millpool if such potential clients can be identified linked to their flexibility of work stations and potential abandonment of (unsuitable) commercial space.

17.10 This also true of the prospects for inward investment. There is some evidence to suggest (From peak city to ghost town: the urban centres hit hardest by Covid-19 | Financial Times (ft.com)) that a city such as London (and other international cities) have borne the brunt of the shift to home working and that may have driven net inward migration to popular places such as Cornwall.

17.11 Even before the impact of the pandemic net migration into Cornwall from the rest of the UK in 2018/19 was the highest that it had been since 2003 with one exception (2016-17). Although people migrate for different reasons (and such modern, detailed data on such reasons is not available) the FT research suggests that London empty desks are costing firms around £13b a year, linked to the increased value of office space in the capital. Academics generally agree that the motivation to move to Cornwall is primarily environmental (rather than economic) and there is a disconnect between mean house prices (in excess of £330,000 in September 2021; while average gross wages were under £30,000 in the South East Cornwall Parliamentary Constituency in 2021, both according to ONS). Of 73 MSOAs in Cornwall Looe was mid table in terms of median housing expense (36th). **This does suggest some 'wealth' in the community which can be applied to business investment but that it may be tied to housing equity so that entrepreneurs need some additional support with overheads.**

17.12 While this is and remains a marketing opportunity the motivations for relocation (lifestyle) may not be the best reason to increase productivity and may not add job or supply chain opportunities. There are also consequences in terms of the impact on house prices which may not appear as challenging in Looe as it does in other parts of Cornwall.

17.13 This point is generally articulated by Cornwall Council in their response to a parliamentary commission on foreign direct investment in February 2021: 'Research by Britain's Leading Edge2 shows that, to date, government has concentrated much of its infrastructure and innovation investment; its catapults and core funding for essential local services in areas away from the periphery. Under the levelling up agenda, the government has now committed to reducing the regional inequalities in the UK. The main goal is to raise productivity so that everyone across the country can benefit from levelling up. To achieve this aim the Office for Investment needs to recognise that the "trickle down" benefit of FDI has a spatial limit and whilst there are clear agglomeration benefits that accrue to areas surrounding any FDI investment the benefit does not reach many of the areas that are in need of levelling up. Therefore, the future location of any FDI needs to be carefully considered to balance levelling up and wider economic development objectives. Empowerment comes with a certain degree of self-sufficiency. As government works to support the development of local economies, it will create new investment capacity in these regions'. **It is unlikely that the size and function of many FDI opportunities would immediately touch a place like Looe, although they could Liskeard, so there is an opportunity for inter-relationship if the east of Cornwall (generally) becomes more recognised and desirable for inward investment. However, the 'levelling up' proposition is suggestive of the fact that all places need investment in infrastructure to enable them to contribute and ensure social and economic inclusion.** Further, page 17 of the appendix suggests (through the survey) that innovative practice in Looe businesses is healthy. **Clearly (of course) this is a self-reporting survey and official data across innovation indicators for Cornwall does not suggest that this is the case: nonetheless there is an opportunity through the Millbrook resource to monitor innovative activity and impact as a research and lobbying tool for Looe and south east Cornwall.**

17.14 More than a quarter of businesses (27%) expect remote working to reduce their carbon footprint by more than 50%, according to CapGemini analysis. But research by the IEA suggests that it only works if the employee's commute was longer than 6km; any shorter, and the higher emissions generated by working from home could offset the savings. The sustainability of each individual's set-up at home varies according to geography and season, but the IEA also estimates that a day working from home could increase household energy consumption by between 7% and 23% compared with a day at the office. **The point here is that workspace aimed at home workers in Looe would more likely be utilised by people walking to work. The issue would be visiting customers or suppliers (depending on the business profile).**

17.15 A 2020 homeworking emissions whitepaper suggests that this will have to change. The report warns that in 2020, UK firms were at risk of collectively under-reporting an estimated 470,000 tonnes of carbon because of employees' unaccounted-for energy use at home. "Corporates," the report says, "will be expected to fully and robustly account for the impacts of increased homeworking."

17.16 **Many businesses are now looking at how to redefine the sustainability impact of hybrid working practices where employees split their working week between the office, home and/or anywhere else. Increasingly, this will mean that their employees' impact is included in their overall sustainability reporting – and firms will have to find innovative ways to reduce or offset that impact. This may not be viewed as so critical for micro and small Firms but could become increasingly so as ethical decision making in supply chains and customer views become increasingly important. Further, there are opportunities for 'pop up' arms length or agency businesses to access skills in Cornwall by employers based elsewhere (such as Shopify or Amazon); and the identification of people with portfolio careers who both could provide an anchor presence in the Millpool. With both such possibilities there are ethical and local competition consequential issues to be considered. Such 'portfolio' roles may not be in a particular or single sector and it depends on the range of skills within a business or owned by an individual as to how these are deployed.**

17.17 **If the Millpool is predominantly a collaborative space for 'local' businesses it *may* be that video conferencing will not be subject to such intense use (albeit facilities will still be expected) which according to (Turn the camera off during your online chats to drastically cut emissions - Energy Live News) can have more carbon emission impact than voice only calls. Facility management arrangements will have a role to play in educating and enabling behaviour change.**

17.18 **The Millpool opportunity is that with office occupancy down employers may wish to move to smaller and cheaper physical locations that balance with staff/home working rotation; maximising the use of space for workers and balancing it with the points made earlier about health and wellbeing. Employers will weigh up the benefits against logistics and supply chains but in this way the project could provide an anchor for other appropriate commercial office development in the area.**

17.19 The FSB south west policy report (January 2022) illustrates how a strong creative and events sector can boost the challenge that retail can have in towns and cites the Grimsey2 report which highlighted the partnership between Liskeard Town Council and Plymouth College of Art (now University) in their mutual strengthening of the creative sector in the town. **The FSB report noted that people and business were looking for buildings which could express the 'USP' of the town in question.**

Broadband

17.20 PFA Research conducted the final evaluation report into EU investment into the Superfast Cornwall programme, published in September 2020 (https://www.superfastcornwall.org/wp-content/uploads/2020/10/Superfast-Evaluation-Report-Final-Issued-160920). Around half of businesses surveyed were using web-based tools for collaboration and it had enabled around one third of those surveyed to become more productive.

17.21 However, it was instructive that around 40% of respondents wanted business support to maximise benefit through developing new processes for productivity. Accessibility to such a resource is vital. But, for others, there was evidence of growth in both turnover and sales and general market expansion. **This is critical for firms in places like Looe where physical access to markets is more difficult to achieve because of distance and logistic costs.**

17.22 **Modern, wired workspace can ensure that businesses and sectors remain resilient at times of crisis including the pandemic and increasing road transport costs.** Not just that, but Looe has been one of the most challenged towns in Cornwall specifically and the south west generally in terms of severe weather and flooding impacting on its economy. The Cornwall Resilience Study (Cornwall Council, 2013) examined the economic impact of a wave of storms during 2012 and found that they had cost the Cornish economy at least £56m. This figure would be substantially higher but there were data gaps.

17.23 But the cumulative positive impact of superfast broadband up to July 2020 was measured at FTE 5,300 jobs across Cornwall and £235.8m of increased GVA. In addition, safeguarded jobs amounted to 8,410 and £374m of GVA (source: PFA Research). At a time of increased unpredictability in terms of weather and inter/national events, Superfast Broadband can 'fill the gaps' that would have existed a decade ago.

17.24 BT Openreach is planning to extend Ultrafast Broadband to a number of outstanding places in the period to 2027, including Looe. There may be issues around prohibitive upfront costs (at least £12,000) unless businesses could come together in a building to share such a cost. This is also an inward investment cost that needs to be weighed up by prospective relocators against other factors such as the age of the building they are considering (in a wider geographical market) which will be off putting to footloose investors and is – in effect – another argument to 'grow your own'.

17.25 In discussion with Ian Calvert (the Chief Executive of Wildanet.com on March 21st 2022) he explained how they had already been talking to Looe Town Council about the Millpool Centre. Wildanet are already offering free network access to around twenty community buildings in Cornwall and (in partnership with Cornwall Council) access to a digital inclusion advice centre as well as digital equipment on loan for up to three years. **This is important because it allows the excluded to have access to resources that can help them develop their business ideas without prohibitive up-front costs; but businesses may also need some support to safeguard those 'savings' for investment later on.**

17.26 Wildanet – as a Liskeard based company – recognise the complimentary opportunity between the two towns and that their connecting of Looe (taking about three months after the end of the summer season) will spark demand for commercial space. Space in the Millpool for video conferencing can be given over to people for medical or banking appointments when it is not being used and reduce the need to travel; and also has the potential to support 'productivity' in the Health Primary Care Network. In addition, the provision of public WiFi in the town will provide an opportunity to add value to the visitor experience by facilitating on line payments and providing a means for both personal and visitor entertainment experiences. This is particularly important for smaller independent traders and provides scope for diversification in the retail and tourism sector; but also demanding new skills.

BREAAM excellence

17.27 One factor which is a 'badge' of environmental quality is the potential for 'BREAAM' excellence; that is, the 'Building, Research, Establishment Environmental Assessment Method' devised by the Building Research Establishment (https://www.bre.ac/?infinity=ict2~net~gaw~ar~560887671289~kw~bre%20training~mt~b~cmp~BRE%20Academy%20BRAND~ag~BRE%20Academy%20Brand&gclid=Cj0KCQjw0PWRBhDKARIsAPKHFGhwXOCztAJKQI2n5l8xR4ZF2kXkaYrn8gxWW_h0B008o785VrXL-xAaAhVaEALw_wcB) in 1990.

17.28 BREAAM's cost implications were a matter of regular debate among the Cornwall and Isles of Scilly Sites and Premises group in the early 2000s. This group was a mix of then local authorities, the South West Regional Development Agency and private sector developers and agents. BREAAM was a source of debate because of the upfront cost of its components in a commercial market that had a history of failure; but for investment opportunity through EU and RDA funding, and particular intervention by the former North Cornwall and Caradon District Councils. There was some concern amongst the private sector that public sector investment was skewing commercial viability, but simultaneously without it there would have likely not been the intervention that has led to high value business occupation.

17.29 At the time of writing that was between ten and twenty years ago and the digital age has acted as a game changer for commercial viability. Sector growth based on the use of technology is arguably more viable that those service or logistic related sectors who rely on transport and/or industrial buildings for their continued operation. Certainly, the anecdotal view of the RDA at the time was that there was more 'value' in delivering fewer but higher paid jobs through commercial property rather than volume associated with lower paid and 'traditional' industries; although, of course, without job volume endemic social and labour market issues such as economic inactivity cannot be addressed.

17.30 However, as an economic evaluation of the SWRDA performance in 2011 stated (https://www.bristol.ac.uk/media-library/sites/red/migrated/documents/the-economics-story) following its abolition, GDP/GVA growth was based on consumption generated though population growth and not through productivity or innovation.

17.31 This, in turn, has its impact on housing affordability and the ability of local entrepreneurs to be able to function even from home; with housing sometimes acting as a capital asset to support or guarantee a business. Digital businesses have access to a much wider market and are not constrained by geography. Increases in housing costs and the challenges of accessibility will damage local economies where people cannot access or afford to live locally.

17.32 It would seem odd, then, to deliver wired workspace without other features that simultaneously enhanced the working environment. BREAAM is about the environmental/social/economic triple bottom line and assessment of it is based on a number of factors including the management of the space, health & wellbeing, energy consumption & efficiency, water consumption, transport related issues, materials & waste (both in and after the construction phase), land use, ecology and pollution impact & mitigation. This is about both the construction and the occupation phase and the reputation of both in terms of values and economics. **Indeed, it is not just about the 'working environment' but also about how wired workspace can digitally transform a business which can all become monitoring baselines/KPIs for a project:**

- **Enabling agility and adaptability**
- **Linked to the ability to respond to changing customer behaviours**
- **An ability to market and sell products and services**
- **A connected increase in productivity**
- **An ability to compete without being necessarily hampered by size or transport logistics**
- **The creation of a digital brand**
- **The enablement of collaboration**
- **Quality space for learning and development interaction**
- **Space where an employee feels they are part of a professional organisation**
- **For Graduates and young people a vibrant introduction to the world of work**
- **Reduction of overhead costs for businesses (e.g expensive equipment which is shared)**
- **Access to mentoring and business support**
- **Access/collaboration with a mobile workforce**
- **Opportunity to retain skilled workers and evolve skills**
- **Providing additional out of hours community space (dependent on workspace demand)**
- **Aiding local startups and assisting in their sustainability**
- **Servicing the gig economy led (in part) by the decline of skilled local government jobs**
- **Space for visiting civil servants to work or even relocate**
- **Security to support equality of opportunity among entrepreneurs**
- **Co-production can act as a combative tool against Artificial Intelligence reducing job numbers**
- **Creating and sustaining higher paid jobs**
- **Identifying and lengthening supply chains**

17.33 Although a voluntary approach for development it did gain traction under the period of EU funding for Cornwall and the Isles of Scilly (particularly Objective One, 2000 to 2006) because of the match funding arising from it and the RDA (for example, the development of White River Place in St. Austell).

17.34 A 2015 RICS report 'Going for Green' cited in https://tools.breeam.com/filelibrary/Briefing%20Papers/BREEAM-Briefing-Paper----The-Value-of-BREEAM--November-2016----123864 found that BREEAM certification had an 80% market share across Europe for sustainable building certification. The same paper illustrated that increased capital costs for office development ranged from 0.2% for a 'very good' certification to 0.8% for 'excellent' and 9.8% for 'outstanding'. Standards are summarised in Table 6 (below):

Table 6 – source Scoring and Rating BREEAM assessed buildings

	Minimum standards by BREEAM rating level				
BREEAM issue	PASS	GOOD	VERY GOOD	EXCELLENT	OUTSTANDING
Man 01: Sustainable procurement	One credit	One credit	One credit	One credit	Two credits
Man 02: Responsible construction practices	None	None	None	One credit	Two credits
Man 04: Stakeholder participation	None	None	None	One credit (Building user information)	One credit (Building user information)
Hea 01: Visual comfort	Criterion 1 only	Criterion 1 only	Criterion 1 only	Criterion 1 only	Criterion 1 only
Hea 04: Water quality	Criterion 1 only	Criterion 1 only	Criterion 1 only	Criterion 1 only	Criterion 1 only
Ene 01: Reduction of CO_2 emissions	None	None	None	Six credits[1]	Ten credits[1]
Ene 02: Energy monitoring	None	None	One credit (First sub-metering credit)	One credit (First sub-metering credit)	One credit (First sub-metering credit)
Ene 04: Low or zero carbon technologies	None	None	None	One credit	One credit
Wat 01: Water consumption	None	One credit	One credit	One credit	Two credits
Wat 02: Water monitoring	None	Criterion 1 only	Criterion 1 only	Criterion 1 only	Criterion 1 only
Mat 03: Responsible Sourcing	Criterion 3 only	Criterion 3 only	Criterion 3 only	Criterion 3 only	Criterion 3 only
Wst 01: Construction waste management	None	None	None	None	One credit
Wst 03: Operational waste	None	None	None	One credit	One credit
LE 03: Mitigating ecological impact	None	None	One credit	One credit	One credit

17.35 'The Value of BREEAM' briefing paper estimated that an average 2% higher capital cost for development would be paid back within two years through rental value and the premium attached to that. The criteria make good business practice in terms of selected elements below (and are not just about up front capital costs):

- Sustainable procurement: Reputation, shorter supply chains, just in time feasibility/cost reduction.
- Responsible construction practices: Health & Safety additional benefit, reduction in disruption, more regard and support for the development process
- Stakeholder participation: can incorporate good ideas into the development, local knowledge, reduction in potential opposition and respect in the community
- Visual comfort: further enables public support and negative reaction against development that is generally viewed as 'out of place' or inappropriate. **This is especially important considering the location of the Millpool Centre in visually and welcoming part of Looe and on the edge of the AONB and where its 'position' is important as part of the visual assets of the town.**
- Reduction of C02 emissions: essential to reduce both construction and operating costs against a backdrop of rapidly increasing energy prices.
- Mitigating ecological impact: the climate emergency

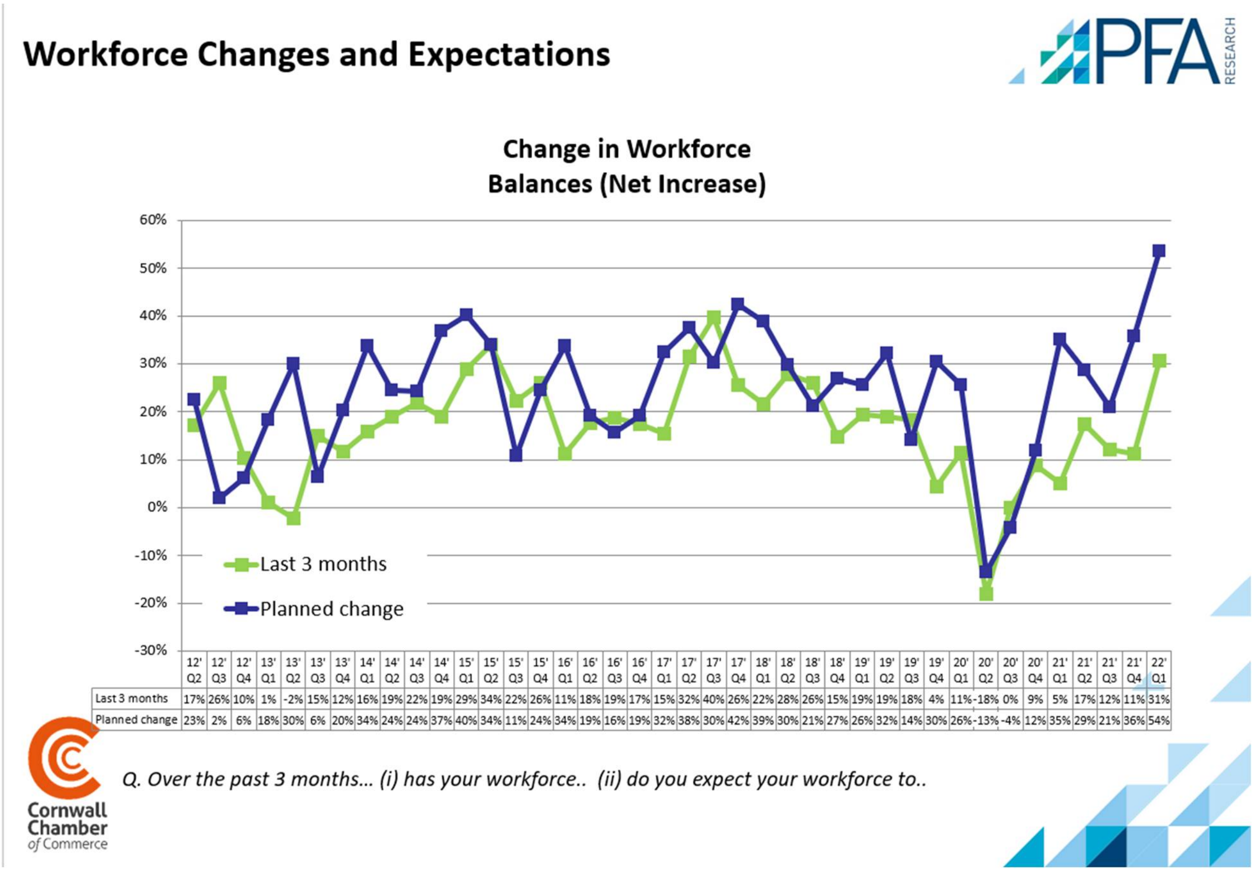
17.36 In 2013 the World Green Building Council (https://www.worldgbc.org/) suggested that certification had increased sales prices by 30% compared to 'conventional' buildings and rental values had increased by 25%.

17.37 **Relative historic market failure in Cornwall makes recoup a risk balanced against how long Looe Town Council would be willing to recoup BREEAM investment standards (if at all) and the willingness to support up front costs.**

17.38 **The 'Value of BREEAM' benchmarking paper suggests that survey work indicated that 43% of occupiers of commercial premises which had seen this investment had seen its value in terms of cost savings; which in turn had generated behaviour changes around themes such as climate intelligent controls and smart metering.**

17.39 The construction values of a building in question together with occupier or landlord additionality not only can support operational savings and the marketability of the premises to higher value occupants; but can also represent value in terms of increased productivity and reduced absence. The World Green Building Council report on 'Health and Wellbeing in Offices' (Green offices that keep staff healthy and happy are improving productivity & boosting businesses' bottom line, finds report | World Green Building Council (worldgbc.org) cites factors such as indoor air quality, thermal comfort and lighting as having a significant positive financial impact on business in these terms. **Staff costs are typically 90% of a business expenditure and other overheads (such as office running costs and energy) will clearly have an impact on the number of staff employed and the wage that the employer can afford to pay them I.e, how much the final 10% can be varied.**

17.40 The range and extent of BREEAM excellent and other environmental policies for office buildings in Cornwall would need research in order to understand whether there is a link between these and workforce impact/productivity. Tracking of the Quarterly Economic Survey (produced by PFA Research on behalf of the Cornwall Chamber of Commerce) examines whether employers are likely to recruit in the next quarter compared against what happened in the previous. The ten-year track between 2012 and 2022 is illustrated in Figure 32 (below):



	12' Q2	12' Q3	12' Q4	13' Q1	13' Q2	13' Q3	13' Q4	14' Q1	14' Q2	14' Q3	14' Q4	15' Q1	15' Q2	15' Q3	15' Q4	16' Q1	16' Q2	16' Q3	16' Q4	17' Q1
Last 3 months	17%	26%	10%	1%	-2%	15%	12%	16%	19%	22%	19%	29%	34%	22%	26%	11%	18%	19%	17%	15%
Planned change	23%	2%	6%	18%	30%	6%	20%	34%	24%	24%	37%	40%	34%	11%	24%	34%	19%	16%	19%	32%

	17' Q2	17' Q3	17' Q4	18' Q1	18' Q2	18' Q3	18' Q4	19' Q1	19' Q2	19' Q3	19' Q4	20' Q1	20' Q2	20' Q3	20' Q4	21' Q1	21' Q2	21' Q3	21' Q4	22' Q1
Last 3 months	32%	40%	26%	22%	28%	26%	15%	19%	19%	18%	4%	11%	-18%	0%	9%	5%	17%	12%	11%	31%
Planned change	38%	30%	42%	39%	30%	21%	27%	26%	32%	14%	30%	26%	-13%	-4%	12%	35%	29%	21%	36%	54%

Figure 32

17.41 Although there are 'cheaper' alternatives; BREAAM is the longest running independent benchmarking approach to sustainable design and performance in the UK. In summary:

- It provides an excellence in sustainable design and performance of workspace over and above regulatory compliance: providing exciting and marketable opportunity for investment. **Performance of space is key to a productive workforce, and productivity can drive additional support employment and generate supply chain value.**
- It provides a widely recognised comparator against other workspace buildings and their performance. **This can attract investment and the workforce that follows with it.**
- It provides a 'shop window' market for quality and an ability to monitor relevant performance against baselines; providing a route map for continuous improvement and the 'future proofing' of workspace quality. **This can help a business in terms of recruitment and retention.**
- Improved design and the monitoring of performance dovetails with worker and business productivity.
- Independent and widespread benchmarking communicates credibility.

17.42 An update to BREEAM guidance in 2018 gave a modelling overview of guidance around savings through such projects (https://files.bregroup.com/breeam/briefingpapers/Delivering-Sustainable-Buildings-Savings-and-Payback-Office-Case-Study-BREEAM-NC-2018_BREEAM_BRE_115359_BriefingPaper). The update included relatively straight forward additions such as dual flush toilets and reduced flow. **Areas of activity such as this support business margins (such as against water consumption/meters) which allow for less money to be spent on operational costs and it being spent on the business itself.**

17.43 However, this BREAAM update makes the central point that proper management of a BREEAM building can reduce operational costs (**and increase reputation gain)** focused on energy and water consumption. Included in the analysis are maintenance and capital replacement costs but does not include VAT, statutory/standing charges (an increased element of energy costs from April 2022) and tax implications. **The 2018 work envisaged pay back 'within 5 years' but modelling for the hub and types of occupation and their need for resource use will now both probably exceed this time horizon. Another factor to consider is the opportunity to offset carbon created through activity such as tree planting.**

17.44 With the exception of the 2010/11 recession and the impact of the pandemic there has nonetheless been an upward tick in recruitment and expectations over the quarterly periods (as illustrated above). This will of course be influenced by a variety of factors but the cumulative impact of 'overheads' is clearly going to be one of them. These can be reduced through building in environmental sustainability at the beginning of a capital project. Expected price changes over future three months (from the same survey) are illustrated in Figure 33 (below):

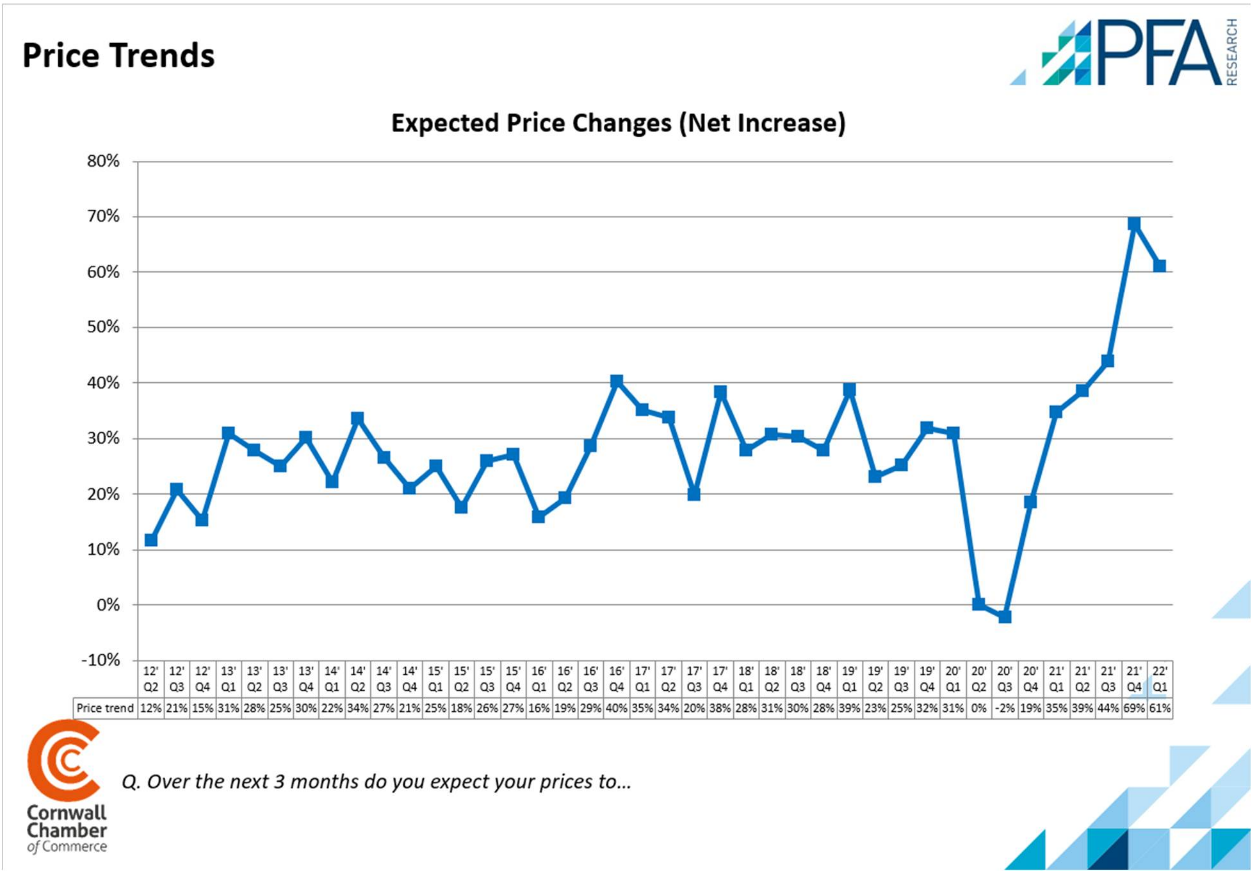


Figure 33

17.45 Quarter 1 of 2022 is before the Russian invasion of Ukraine but nonetheless shows expected price changes increasing since the third quarter of 2020 (in the pandemic). This will be both in terms of business to consumer and business to business activity which means an impact on those businesses with higher overheads who are purchasing from others and consumers looking for the best deal and not wanting to purchase from those businesses who are more rapidly increasing prices because of overheads. Overheads will also be influenced by general taxation, specific business rates and inflation issues.

17.46 Therefore, productivity will include the ability of an employee to 'produce' more in comfortable surroundings which aid their creativity. This is arguably especially important for the knowledge economy.

Knowledge Economy

17.47 Eurostat has published a definition of higher value knowledge related sectors which are illustrated in Table 7 (below):

Table 7

NACE Rev. 2. codes 2 digit level	Sectors
High-technology manufacturing industries	**21** Manufacture of basic pharmaceutical products and pharmaceutical preparations **26** Manufacture of computer, electronic and optical products
Medium-high-technology manufacturing industries	**20** Manufacture of chemicals and chemical products **27** Manufacture of electrical equipment **28** Manufacture of machinery and equipment n.e.c. **29** Manufacture of motor vehicles, trailers and semi-trailers **30** Manufacture of other transport equipment
Knowledge-intensive services (KIS)	**50** Water transport **51** Air transport **59** Motion picture, video and television programme production, sound recording and music publishing activities **60** Programming and broadcasting activities **61** Telecommunications **62** Computer programming, consultancy and related activities **63** Information service activities **64** Financial service activities, except insurance and pension funding **65** Insurance, reinsurance and pension funding, except compulsory social security **66** Activities auxiliary to financial services and insurance activities **69** Legal and accounting activities **70** Activities of head offices; management consultancy activities **71** Architectural and engineering activities; technical testing and analysis **72** Scientific research and development **73** Advertising and market research **74** Other professional, scientific and technical activities **78** Employment activities **80** Security and investigation activities

Source: own construction based on Eurostat (2009)

17.48 **This is a deeper and specific definition of the knowledge economy than discussed in section 2. Of almost 28,000 jobs in these sectors in Cornwall in 2020; just 75 were located in the Looe MSOA (the sixth lowest of seventy-three in Cornwall).** Of these, around a quarter were in 'computer programming and consultancy' and a fifth apiece in 'legal and accounting' and 'architectural engineering'.

17.49 This official data is a clear indication of the underperformance of Looe in relation to even the rest of the Cornwall economy which has diversity over all categories of sectors illustrated in table 5 (with the exception of pharmaceuticals). **Lack of suitable workspace could be a factor in Looe's poor performance for job numbers in these knowledge areas of activity. Indeed, the dataset suggests the highest proportion of these knowledge jobs are in Truro and Falmouth where there has been significant investment in workspace over the last twenty years (almost 5,400 jobs) albeit aided by larger employers including in the public sector and anchor institutions. Following the pandemic, a number of these jobs may have been dispersed away from these centres.**

17.50 However, despite its proximity to a major College and industrial estates, just 30 jobs in Camborne town west fall into the Figure 5 categories illustrated earlier in this document. **So, it is the type of workspace that is available that can help drive local economies and Looe has clear need – based on these figures – to diversify and strengthen its higher value economic base.**

17.51 There has been much discussion in the past (Cornwall and Isles of Scilly Sites and Premises Group) of cheaper alternatives to BREEAM and its relevance. The nature of the workspace market two decades ago (before digitisation) arguably meant that such investment was not worthwhile when knowledge related or technical businesses were more likely to cluster closer and traditionally to cities. Broadband and related sectors have changed that and made Cornwall a player: for example, the annual 'Tech Nation' report in 2018 (https://technation.io/insights/report-2018/truro-redruth/) illustrated that digital/tech turnover had increased by around a third in the Truro and Redruth Travel to Work Area between 2014 and 2017. EU investment in appropriate workspace has been a key enabler of that and provides confidence for investors and businesses in an appropriate shop window for their enterprise.

17.52 Contextually, section 3.2 (page 12) of the supporting PFA Research surveys report/appendix illustrates the ongoing impact of the Covid pandemic on working practices in Looe and provided a **further justification for the Millbrook resource.** The survey work took place during a period of prolonged pandemic recovery although 60% of businesses in the sample said that they had not been impacted in the long term. Of the remaining 40%, a third were **using their premises differently in terms of cleaning regimes, customer screens, shifts in opening hours and the provision of PPE. It is these approaches that provide customer and 'B2B' business confidence and have resonance in expectation for workspace at Millbrook.**

17.53 Indeed, the business survey indicates that future business confidence (confident or highly confident) in Looe is very high (95%). **This is illustrative of a positive, 'can do' attitude toward the future of the economy although a pessimist could interpret this as complacency, in the sense that this confidence could be based on an assumption that existing markets and business methods will continue to perform as they have done so in the past.**

17.54 Tourism 'product' could be part of this. 42% of the responding sample saw 'tourism' as a key driver of customers and footfall across the town (Visit Cornwall estimated in 2019 that 'tourism' supported 1,800 jobs in the local economy) and also (of resonance to the importance of environmental issues to businesses) 41% cited the location of the town at the seaside as an economic driver.

18 Sustainable Transport Infrastructure

18.1 Table 6 (17.34) indicates the importance of sustainable transport infrastructure and how it both directly and indirectly compliments workspace. Indirectly; in terms of methods to reduce C02 emissions and mitigating the ecological impact through and by travel choices (by, for example, employer policies that enable such choices to be made) and (directly) through the inclusion of measures such as cycling storage and equipment facilities and/or showers in the workspace.

18.2 These are features which image conscious businesses and a modern, creative workforce would expect. Coupled with cheaper and more accessible public transport in Cornwall (https://www.cornwall.gov.uk/council-news/transport-streets-and-waste/council-welcomes-reduced-bus-fare-initiatives-in-boost-to-low-carbon-travel/) and connectivity improvements through the Looe Valley trails (https://letstalk.cornwall.gov.uk/looe-valley-trails) across the south east Cornwall region there are opportunities to ensure that new workspace can promote opportunities for affordable and sustainable travel into its marketing.

18.3 Figure 34 (below) shows the distance traveled to work by residents of the Looe MSOA at the latest available 2011 Census:

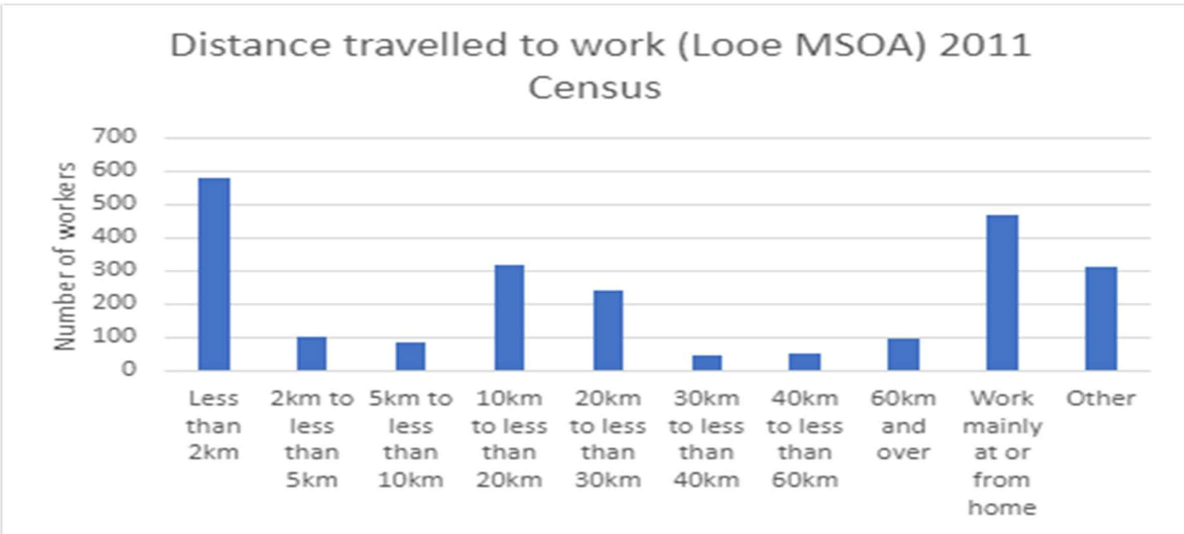
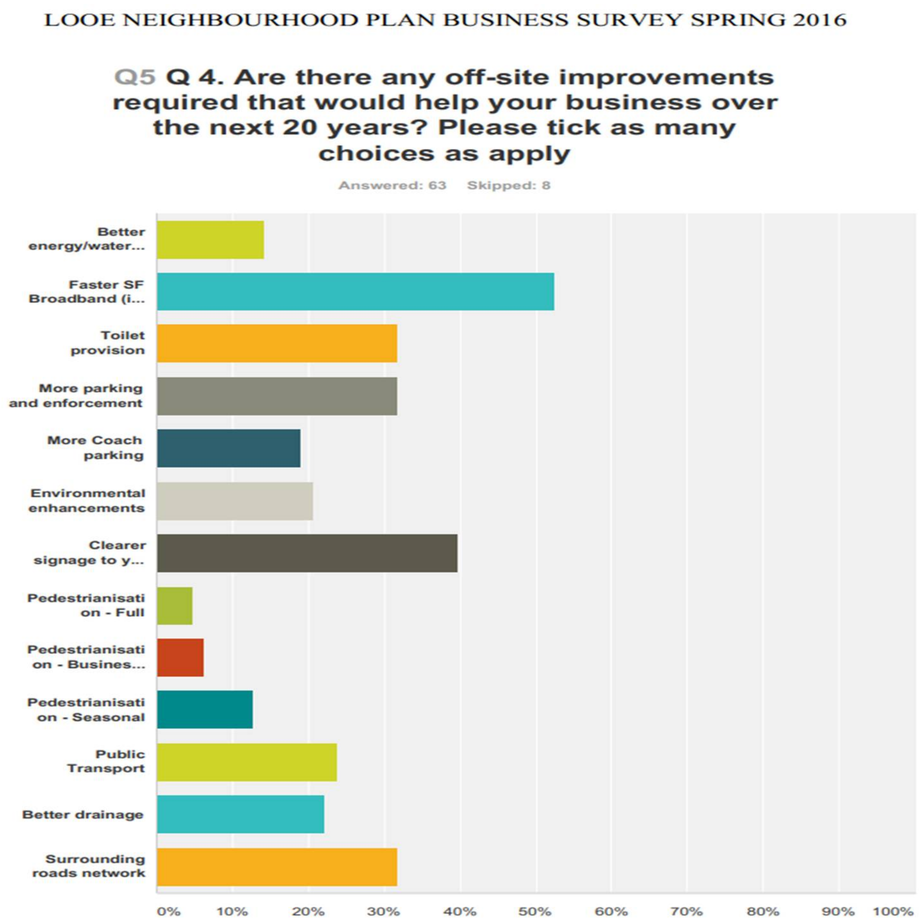


Figure 34

18.4 At the time, this was very much a working population (people aged 16 to 74) who lived and worked in the Looe area. 29% traveled 2km or less (1.2 miles) to work, extending to 34% and 37% respectively for under 5km (3.1 miles) and 10km (6.2 miles). When added to the number of people working at or mainly from home (23%), over half of all working people were certainly working within the town. The home working survey (covered in the appendix) suggests that the median distance travelled to work in 2022 (from its sample) is 17.7km (which is the third highest column in the above figure).

18.5 Slightly overlapping that are the two thirds who work more than 10km away. Car and public transport modes are more likely at this distance. This suggests a highly self-contained labour market which is likely to have become more so as digitisation has expanded since 2011, and the pandemic and new job types have appeared over the last decade more generally. It is also suggestive of relative isolation of jobs and tasks away from the opportunity of co-production that can be found in larger organisations which dampens the opportunity for productivity gains.

18.6 Proximity to work destination is not a guarantee of more sustainable travel modes. Without flexible patterns of working enabled by employers or workspace infrastructure (coupled with time poverty, weather patterns and other commitments) people may choose to commute in ways other than by walking or on a bicycle. Figure 35 is taken from the business survey conducted in relation to the Looe Neighbourhood Development Plan in 2016



Answer Choices	Responses	
Better energy/water supply	14.29%	9
Faster SF Broadband (i.e. Fibre-to-the-Premises (FTTP at 300mbps)	52.38%	33
Toilet provision	31.75%	20
More parking and enforcement	31.75%	20
More Coach parking	19.05%	12
Environmental enhancements	20.63%	13

Figure 35

18.7 This question showed that 32% of respondents wanted more parking and enforcement (possibly to allow for customers and tourists); significantly over 50% wanted faster broadband and over 20% wanted improved public transport. Lack of access to personal transport is a barrier for some in Cornwall (regardless of their skills) in accessing employment and training. Over 350 people aged 16-64 did not have access to a car or van in Looe (source: 2011 Population Census): two thirds of them were women. With the cost of driving lessons at around £30 an hour and the cost of running a car (all aspects) around £2000 a year (source: Kwik Fit survey 2018); affordability in a low wage economy is not always an option. Reducing congestion, carbon emissions and extending electric car charging infrastructure are all imperatives which could be supported by the provision of local workspace and the associated infrastructure at Millpool.

18.8 Electrification of the private car fleet and the development of driverless technology may empower greater mobility depending on the economic costs. Speculatively; this may allow for greater mobility among those who are currently not so in the future (depending on cost and access) which could be to the detriment of a town like Looe in trying to retain and attract skilled labour. However, the fact that between half and two thirds of the Looe workforce are active in or around the town is suggestive of the need for space for jobs and training to grow 'over' and 'under' the 'radar' (official data) businesses and indeed attract an element of commuting into Looe. As of the 2011 Population Census almost 1,200 people worked in Looe: 48% of them commuted in from elsewhere but the vast majority of these (97%) were from elsewhere in Cornwall and the Isles of Scilly: less than 2% were from Plymouth.

18.9 **Arguably, there is a 'healthy' commuter/local worker balance in Looe of around 50/50%. Of course, there will be complex and historic reasons for this including job availability, skills required, personal choices, lifestyle and supporting infrastructure for locating a business. Indeed, there is a link between that infrastructure and job availability but it is interesting to note that as a town (and therefore a centre of employment) of those who are commuting in most are from rural areas (certainly in the eastern half of Cornwall) with just 11% coming from the towns of Bodmin, Liskeard and Torpoint where there has been more recent and ongoing investment in workspace. Of this number, three quarters commute from Liskeard but the intention of investment into workspace in this town is not (primarily) to reduce commuting but to provide workspace to support a growing population. This has been missing from Looe.**

18.10 Figure 36 is illustrative of the method used to travel to work by people in Looe (both within the town and in terms of further afield commuting):

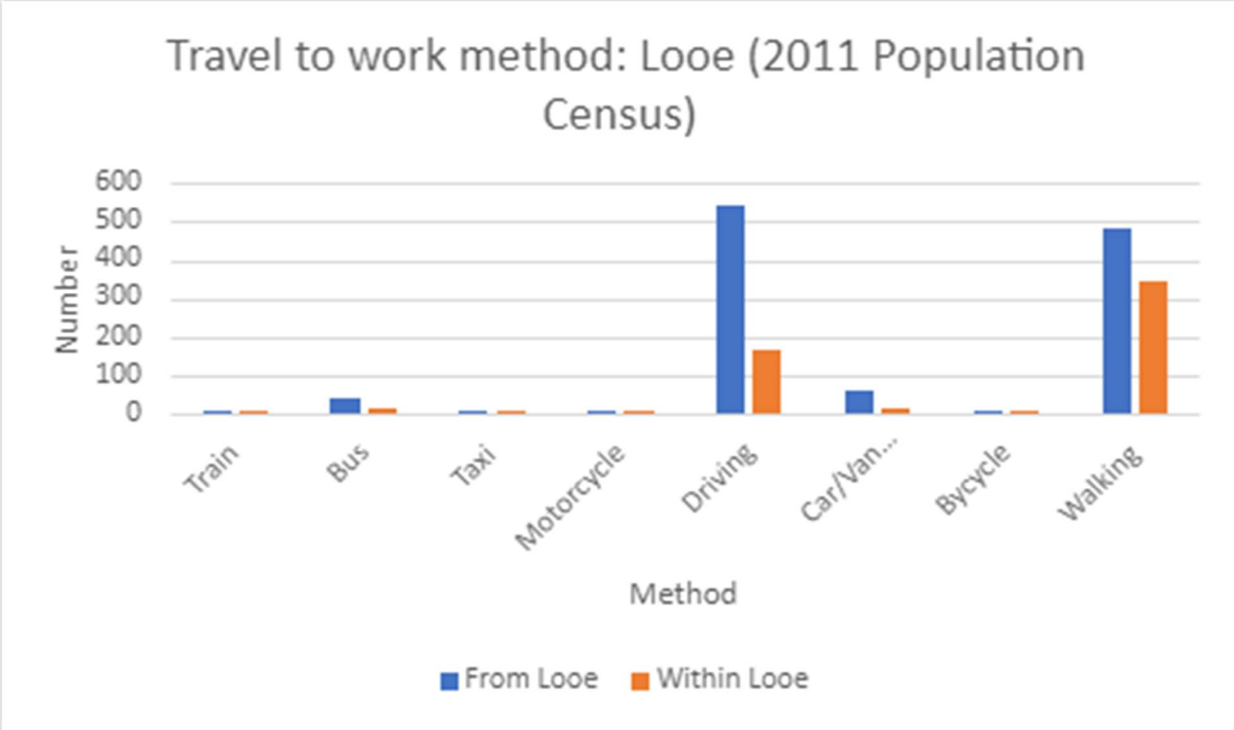


Figure 36

18.11 This dovetails with the 'distance traveled to work' data illustrated in paragraph 18.3 which was illustrative of both short journeys made (more likely to be walking) and a similar third of journeys made by car (10 to 20km). Figure 36 illustrates that almost 550 people drove to work from Looe to elsewhere, with an additional 60 as passengers; while almost 170 drove within Looe. It should be noted that the *type* of jobs made influence local mobility: such as construction or agriculture.

18.12 In terms of walking to work, over 480 people did from Looe who worked elsewhere but – perhaps curiously – almost 350 (less) walked within Looe to work.

18.13 In total almost 800 people (792) were either car/van drivers or passengers for work from Looe: whether within the town or accessing somewhere else (a ratio of about 25 to 75%). However, the Looe MSOA had a high level of 'sustainability' because the 34.4% who drove or were car/van passengers for work represented the eighth least car use of all MSOAs in Cornwall with Penzance (St.Clare)) the least at 26.4%; and Grampound/St.Newlyn East and Cubert the highest with 53%. **This strongly suggests, then, a need for workspace for a Looe as a town that is not particularly 'mobile', yet does attract commuters in and where there is still reasonably high car use 'locally' to Looe for work: all of which *could* be reduced with new workspace that attracted new businesses or expanded those already operating locally but were no 'car driven'.**

18.14 The business survey noted that 21% of respondents cited transport and accessibility for the town as important issues for them; but 31% wanted to see more emphasis on parking as a business improvement (a key opportunity at Millpool) and **(from the perspective of new workspace)** 23% would like to see 'improvements to infrastructure' with a specific 19% wanting to see more businesses attracted to Looe. **In such an event – at least in the short term – where they source their labour would be a factor.**

Travel planning

18.15 This is an essential element in the consideration of any workspace provision. The Chartered Institute of Highways and Transportation (August 2019) (https://www.ciht.org.uk/media/10218/ciht-better-planning-a4_updated_linked) provides a wealth of information to be considered in the role of development in promoting sustainability. Examples include new workspace such as 'The Frames' in Shoreditch, London, where the BREAAM standard for cycle storage and lockers has been exceeded (showers and changing facilities are included). **The point being is that use and growth are anticipated, and this is especially true of a building that would expect multiple rather than necessarily static use during the day, with it servicing a greater capacity of people rather than the traditional 'planning densities' for office buildings**.

18.16 Travel planning is an essential element of delivering sustainable workspace and is delivered through information, facilities and incentives. **The existence and quality of food and drink, comfort and entertainment facilities on site are not just there to support productivity, co-production or cultural expectations; they are also there as an incentive to change behaviour in terms of transport use and patronage. The purpose of any development that involves the use of or occupation by people is to address local barriers to access and encourage walking and cycling; as well as use of public transport and the inclusion of cycling facilities on trains (especially the Looe/Liskeard branch line) and buses. There may also be an opportunity to enable public transport frequency to become more viable.**

18.17 **Travel plans have traditionally been tick box exercises submitted to the local authority to help support/justify a development but not monitored either by the applicant/occupier or the local authority. They risk becoming an aspiration list where nothing is done to ensure stated intention.** Cornwall Council provides specific guidance (https://www.cornwall.gov.uk/transport-parking-and-streets/sustainable-transport/travel-plans/) , although a local authority such as Slough (https://www.slough.gov.uk/downloads/file/195/travel-plan-monitoring) has endeavored to do so, the role can be labour intensive in austere times.

18.18 **Incentivising, encouraging and enabling behaviour change would therefore be down to the initiative of the management of the Millpool Centre. However, this would need to be undertaken in terms of maximising community engagement in recognition of the symbiotic opportunities for the rest of Looe:** a community (as we have seen) where there appears to be car reliance even for shorter journeys.

18.19 ONS/Labour Force Survey data for October to December 2019 is available down to a Travel to Work Area level. At a rural area (again) much of the sample data is missing for Travel to Work Areas in Cornwall but for the 'top three' Occupational groups (Managers, Professionals, Technicians and Associate Professionals) approximately 3,000 travel by car or van to work (around 9% of the estimated total number of workers in the Liskeard Travel to Work Area); so among the 8,000 total in these professional groups 37% are commuting by car. **That does suggest (across the whole of the Liskeard Travel to Work Area) a high level of either professional self-containment and/or homeworking. A health warning though – this will include people in professional but likely mobile roles such as 'farm managers'. On this basis, the demand for professionally focused sector workspace would be justified in the TTWA.**

18.20 Sector related data for the TTWA is virtually nonexistent from this dataset, but where it is published does give some clues as to the relative 'transport sustainability' of them; illustrated in Table 8:

Table 8 - Source ONS

	Penzance		Redruth/ Truro		St. Austell/ Newquay		Liskeard	
	'Car'	**Total**	**'Car'**	**'Total'**	**'Car'**	**'Total'**	**'Car'**	**Total**
Manufacturing			5000	5000	4000	4000	3000	3000
Construction			4000	4000				
Wholesale/Retail			4000	5000	7000	9000	4000	5000
Accommodation/ Food			3000	4000				
Transport/Storage			3000	4000				
Public admin/ Defence			3000	3000	4000	4000		
Education	4000	5000	5000	5000	5000	6000	3000	4000
Health and Social Work			4000	5000	9000	10000	5000	5000
Professional/ Service/Technical	2000	2000						
Admin and Support Services					3000	4000		

18.21 This limited rounded data (but more up to date that the 2011 Population Census) indicates a number of points:

- An 'education' cluster in the Penzance Travel to Work Area where 80% of work journeys are made by a private vehicle.
- A 'Professional, Service & Technical' cluster in the Penzance TTWA where vehicle journeys are exclusive for work.
- There is limited sector data for the Penzance TTWA.
- 80% of 'Retail/Wholesale jobs' are accessed by private vehicle in the Redruth/Truro TTWA.
- 75% of 'accommodation and food and also 'transport and storage' jobs are accessed by private transport in the Redruth and Truro TTWA.
- 80% of 'Health and Social' work jobs are accessed by private vehicle in the Redruth and Truro TTWA.
- In the the St. Austell and Newquay TTWA almost 78% of jobs (based on the available data) in 'Wholesale and Retail' are accessed by a private vehicle.
- 83% of the St. Austell and Newquay TTWA jobs in 'Education' are accessed through a private vehicle.
- 90% of 'Health and Social Work' jobs in the St. Austell and Newquay TTWA are accessed by private vehicle.
- 75% of 'Health and Social Work' jobs in the St. Austell and Newquay TTWA are accessed by private vehicle.
- In **Liskeard TTWA** 80% of Retail/Wholesale jobs are accessed by private vehicle.
- In **Liskeard TTWA** 75% of Education jobs are accessed by private vehicle.

18.22 Where there are comparisons on this sector data (and they are difficult because of their inconsistency of comparability between travel to work areas) the **Liskeard TTWA has the fewest private vehicle movements to work in the 'Education' sector. Broadly, for a sector that can support business that is a degree of sustainability to develop in the travel to work area, although specific data for Looe is not available.**

18.23 Non sector collated data is available for all travel to work areas in Cornwall from the Labour Force Survey (October to December 2019) which show the relative sustainability of each one. These are illustrated in Figure 37:

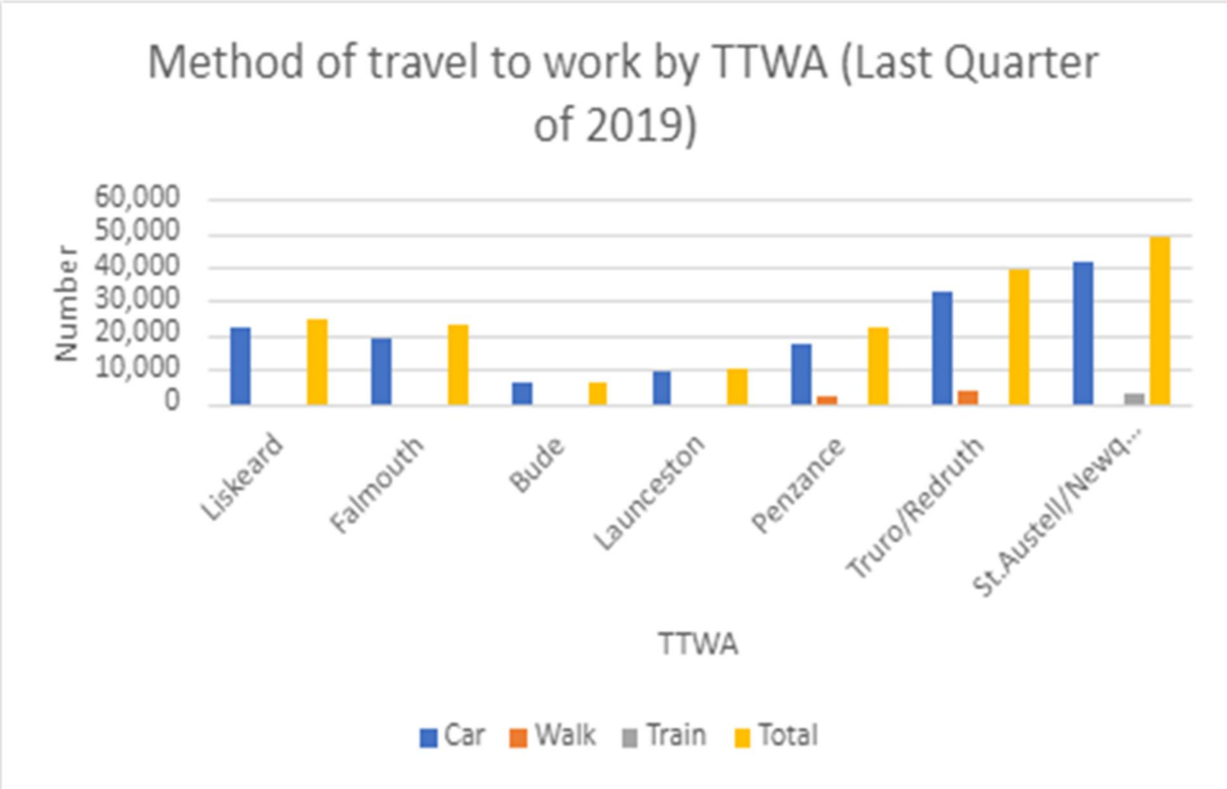


Figure 37

18.24 What is illustrated are travel to work areas where data is available (availability will be due to rounding and confidentiality). Most car journeys for work are made in the St.Austell and Newquay TTWA, but the sample was big enough to estimate that 3,000 traveled by train in this TTWA. Truro and Redruth had a relatively large number (around 4,000) who walked to work, as did Penzance with 3,000. **Liskeard,** Falmouth and Penzance all had broadly comparable numbers who used a vehicle for to work and (on available data) **Liskeard was the third biggest travel to work area in terms of the total number of workers.**

18.25 Plymouth (like Bude and Launceston) TTWA are split across Cornwall and Devon and is not included in the Figure so as not to distort the data: 130,000 work in this Travel to Work Area for which 97,000 travel to work by car.

18.26 **What this data suggests is that those travel to work areas with significant retail or commercial workspace are more likely to develop jobs that can be accessed by means other than the private car: in total around 26,000 jobs or around 15% of the total number identified. The Liskeard TTWA has around a tenth of the 26,000. Based on previous evidence it is likely that the bulk of these journeys are not focused on Looe (out of the two).**

18.27 The Chartered Institute of Highways and Transportation report highlighted the fact that **in terms of masterplanning the Millpool/Polean area a focus is needed to enable an approach to facilitate no car movement to improve quality of life, creativity and productivity. Connectivity with public transport modes is a key part of this.**

18.28 **The report also found that improvement in health and wellbeing is facilitated by transport choices that move away from the private car which improves labour productivity.**

18.29 **Specifically, the CIHT notes what they call the 'scourge of predict and provide'. That is, the approach of strategic planning to provide infrastructure based on what has happened before which is a barrier to delivering workspace for the unknown qualities and quantities of the knowledge economy; so, this is an argument for 'provide and they will come' which is secured through the right marketing approaches.**

18.30 Operational costs for bus public transport in rural areas are expensive and prohibitive with complex journeys. However, reliability and alternatives/ guarantee on journey times can be one of the targets set by a comprehensive BREEAM approach and practical travel planning will be enhanced through setting transport related targets and monitoring activity and response.

18.31 However, for those running a business or working from home: 72% of that sample would be interested in a training courses that focused on IT skills (including higher level), website design and the creation of on line commerce. **These are key to enabling greater productivity in the local economy and of course there are economies of scale by delivering them from a facility such as Millpool;** although practical interest is limited to 16% of respondents being 'fairly' or 'very' interested 'in such a facility.

19 Seaside towns comparison and context

19.1 Seaside towns within the UK had a range of economic and social challenges before the decade of austerity or the impact of the pandemic. Research by Cornwall Council on the impact of Covid ([The Cornwall We Know | Let's Talk Cornwall)](#) during 2020 indicated that the Cornish economy as a whole had shrunk by a quarter leading to the need for business support and increased benefit claims. **A break in 'business as usual' will impact on innovation and productivity and mean (for some businesses) a loss in customer base.** High self-employment rates in seaside areas area associated with reliance and opportunity arising from the visitor economy which cuts across sectors.

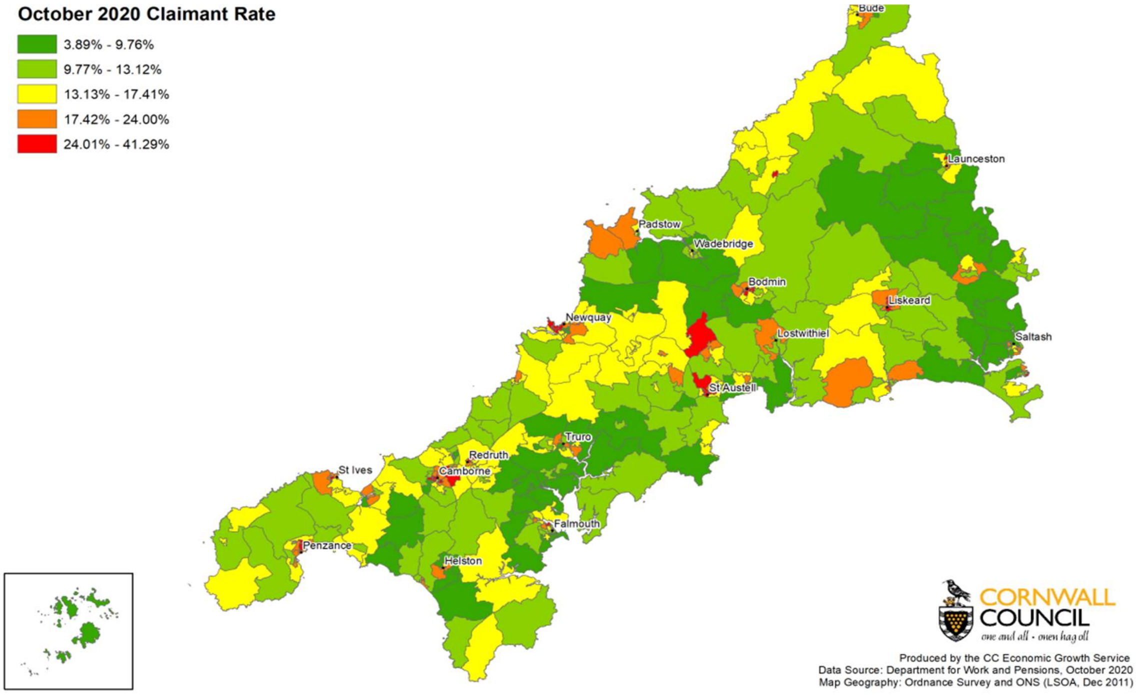


Figure 38

19.2 Figure 38 (taken from the report – above) shows a significant increase in Universal Credit claimant rates in coastal towns (including Looe and its environs) in October 2020.

19.3 **The Liskeard Travel to Work Area self-employment rate (source: Annual Population Survey) has averaged 23.8% over the decade between 2012 and 2021 and appears to have some recovery following the impact of the pandemic, but has not reached the levels that it was in the mid 2010s. Of thirty-four travel to work areas in the south west 'region', Liskeard is the 9th highest in terms of self-employment (2021) and had remained above the 'regional' average for the duration of the decade.**

19.4 From the Cornwall Council Covid impact report, although data is not available for Looe, it is clear that the pandemic impacted on the economies of a number of Cornish seaside towns including 56% of those employed in Newquay, 48% in St.Ives, 42% in Penzance and 40% in Falmouth. Each of these economies (in order) is more reliant on 'tourism' and this is illustrated below in terms of the number of jobs (2020) in the Accommodation and Food sector in each seaside town (by MSOA) in Cornwall:

- Bude 17.5%

- Padstow 33.3%
- Newquay 31.9%
- **Looe 46.7%**
- St.Ives 33.3%
- Hayle 17.1%
- Falmouth/Penryn 19.8%
- Penzance/Newlyn 28.0%

19.5 Clearly 'tourism' is not confined to the Accommodation and Food sector as there will be multipliers or leakage to other sectors (such as retail, construction, arts and marketing) from tourism spending. **But what this does illustrate is that with the pandemic furloughing 56% of Newquay jobs where less than 32% are employed in Accommodation and Food; in Looe where almost 47% are employed in this sector the impact (taking the same ratio) could have been in terms of over 80% of all jobs.**

19.6 **This is another point toward the need for economic diversification through infrastructure provision in Looe.** There is a historical perspective to the spread of 'Accommodation and Food' sector size across Cornish seaside towns:

- Bude has benefited from the legacy of South West Regional Development Agency (SWRDA) investment in high tech business space through the Tripos project. It provided sufficient capacity for local, small high tech business incubation to remain in the area after Tripos closed as a business in 2008. But (like many seaside and rural areas particularly in Cornwall) average household income remains low compared to England because the twice as many skilled trade jobs there are in Bude (than the English average) are micro or self-employed (again twice that of the English average (source: An Economic Plan for Bude 2018-23). **With the exception of St.Ives, Bude has the highest number of people employed in the 'Professional, Scientific and Technical' sector (over 6% in 2020) than any of the other identified Cornish seaside towns.** In order to add value to this legacy the Plan includes a £666k project to deliver workspace for creative and collaborative enterprise for both local freelancers and an intended attraction for international investment. More recently, ten small workspace units were built at the Bude Stratton Business Park and are now all occupied. Bude already has https://www.thehive-bude.co.uk/ which opened in 2016 for freelancers so there is clearly demand being met in the town.

- Padstow Neighbourhood Plan (submission version) in 2021 for the period to 2030 does not focus significantly on employment but does note the importance of the Trecerus industrial estate but with policy enabling town centre diversification to housing based on economic viability assessment. A survey of Trecerus occupants in 2018 suggested some common themes among many of the longstanding occupiers including the fact that many were micro businesses who did have aspiration for larger premises, and that access to skills was an issue. Despite this; Padstow had the largest proportion of Cornish seaside town jobs in business support services at 7.5%.

- Newquay had a similar proportion of jobs in 'Accommodation and Food' to Padstow in 2020 but has had a greater focus on workspace and housing development in its role as a strategic Cornish town in the Local Plan. Besides C-Space (https://cspace.com/) (introduced in paragraph 8.40); Newquay has a range of wired and flexible workspace which include Kowel Gwenan at Newquay Orchard (https://newquayorchard.co.uk/kowel-gwenen-the-beehive/); Mor (https://www.morworkspace.co.uk/); the Hangor co-working space at the Aerohub (https://www.watergatebay.co.uk/the-hangar/); Pentire House (https://pentire.house/) and Ho House (The HOHouse— Shared Desk Space in Newquay, Cornwall). It is likely that good transport connectivity and lifetsyle perceptions associated with Newquay are helping to support this supply of flexible workspace; but the high instance of furlough leads to speculation about the relationship between them and the wider 'tourism' sector. However, it is likely that micro/self-employed and digitally based jobs will be 'under the radar' of officially sourced data.

- St. Ives (again) is similar to Newquay and Padstow in terms of the proportion of jobs in 'Accommodation and Food'. It receives a high proportion of visitors to Cornwall which has (in part) been cultivated from a highly recognised brand and the impact over three years of the Tate. Culture, digital and support jobs are evidenced in St. Ives: particularly the 5.6% employed in 'Arts and Entertainment'. St.IvesSt. Ives Workstation CIC will be opening 'Bayspace' in 2022 (https://bayspace-stives.com/), reusing a historic and quality building on the edge of town and close to both the bus and rail terminal.

- Hayle has the lowest proportion of people working in 'Accommodation and Food' (17.1% in 2020) but a hospital presence means that 20% of local jobs are in 'Health'. The Marine Renewables Park (now on phase 2 - https://yourtenderteam.co.uk/contracts/new-workspace-units-and-refurbishment-works-at-hayle-marine-renewables-business-park-north-quay-hayle-tr27-4dd/) offers flexible space and the town had also previously experienced a 'pop up innovation centre' (https://www.aticornwallinnovation.co.uk/2021/08/12/hayle-pop-up-innovation-centre-now-open/). This project sees a 'pop up innovation centre' move from town to town every three months which (in conversation with project manager Paul Rogers on May 3rd 2022 was 'not long enough' and switched to 6 months for the second phase of the project). The desire has been to locate in visible footfall locations and (as of May 2022) they have been located in Truro, providing space for four different CICs. Penzance was extremely well used as a pop-up resource (reflective of need outlined elsewhere in this report) and the EU funded project has invested in equipment such as a 3D printer as a marketing draw for business use. The project has been fully funded so able to boost business productivity in each town.

- Falmouth/Penryn is a longstanding strategic town from the days of the Cornwall Structure Plan, the South West Regional Spatial Strategy and now the Cornwall Local Plan. Its relatively low level of employment in 'accommodation and food' (despite having some of the largest employing food related companies in Cornwall) is because of its economic diversity which focuses on major employers such as Pendennis Shipyard and the University. The University, in particular, is linked to on site incubation facilities such as 'Launchpad' which is focused high SME growth aspiration (https://www.falmouth.ac.uk/launchpad) and post graduate education; with media sector focused incubation through the Penryn Innovation Centre. This is one of three complimentary (https://cornwallinnovation.co.uk/centre/tremough-innovation-centre/) centres in Cornwall run through Plymouth University (the others being in Truro and Pool). Because of the economic diversity of the town it offers a number of flexible working spaces including: https://fastnet-house.co.uk/, https://www.facebook.com/RosyaSpace/?_rdr and https://www.workthere.com/en-gb/spaces/tremough-innovation-centre-cwi03/; albeit aimed at different markets.

- Penzance/Newlyn are part of one of Cornwall's largest urban conurbations and an area with potential around both creativity and renewable energy, with recent and ongoing investment in transport infrastructure. Research work by the Perfect Moment consultancy in 2018 noted the lack of serviced office space in Penzance town centre and the opportunity for it to service the wider creative and cultural economy in west Cornwall. Traditionally, support services in Penzance around business administration existed around the fishing industry and local government (both of which have shrunk in terms of employment over the last decade). The obvious example of flexible workspace on offer in Penzance is the 'Workbox' (https://www.spacing.com/location/6404_1) with its sister office in Truro. There is also a specific creative cluster under construction (https://www.cornwall.gov.uk/council-news/council-budgets-and-economy/construction-underway-on-new-penzance-creative-workspace/), physically and strategically placed between the shops and cafes of the town centre, the College and one of the most deprived estates in Cornwall.

19.7 **This summary is important because a case can be made between the diversification of local economies away from 'accommodation and food' to areas of activity which induce greater productivity and therefore reward. With the exception of Liskeard (obviously not a coastal town), Looe is conspicuous by its absence in this list and (as one of Cornwall's seaside towns) clearly most in need of economic diversification to reduce 'reliance' on tourism related sectors; increasing both productivity value but also capitalising (as some of these other town examples have done) on local USPs to grow the economy.**

19.8 The Table 9 (below) is a summary of the workspaces highlighted in (17.6) with pricing and what is offered. These comparators can be useful in setting an approach for Looe and for testing against potential demand (all prices are correct at the time of research in April 2022).

Table 9

Workspace	Price	Facilities	Focus
The Hive, Newquay	£282 (including VAT) PCM	Up to 7 days a week occupancy (between 2 and 5) Professional email address Superfast Broadband Unlimited Tea & Coffee Reserved workspace Key access (24/7) Co-working space	Freelancers, start ups and small businesses. *'You can take a 5 minute walk from the office to the coastal path to absorb the fresh air and the breathtaking views'*
C Space, Newquay	£20 PCM	1 hr PM business support. Access to resources. Flexible 4 days PCM access to meeting space Discounts available	Repurposed building enabled through the C&IoS LEP as an HQ for the Cornwall Crowdfunder
	£200 PCM	Extensive business support. Unlimited access to co production space resource. Flexible 4 days PCM access to meeting space	
	£250 PCM	Dedicated and priority access to space but in return for the payment of business rates. Opportunity to take part in incubation programmes	
	Free	Access to intelligence Support for young entrepreneurs. Access to 'opportunities' board' 10% discount on selected events. Networking.	

The Orchard, Newquay	£20 per day	Business Support Networking	
	£120 PCM	100 hours hot desk workspace. Meeting room hire 2 hours per month. Printing 100 A4 sheets. Unlimited use of phone booth.	
	£200 PCM	Dedicated workspace 5 days a week. Meeting room hire 4 hours per month. Printing 200 A4 sheets. Unlimited use of phone booth. Minimum 3 month commitment.	
	Subsidised	Subsidised membership for start ups which is being explored.	
	Operator	Depends on business but unlimited use of site and use of the brand.	
The Hangar, Newquay	£18,£24,£30, £48	Half day private desk, shared desk, booth, fish tank respectively)	Full & Half day includes wi-fi, printer, free parking & EV charging
	£30, £36, £42, £90	Full day (as above)	
	£96, £102, £108	Weekly (up to & inclusive of booth)	
	£192, £204, £216	Monthly (up to & inclusive of booth)	Both include access to kitchen & free tea and coffee
	£48, £72	Half Day (Fish Tank & Board room)	6 people
		Full Day (£90 and £114) as above	15 people. Both include Wi-fi, AV equipment, free parking, light lunches.
Pentire House, Newquay	£20 day passes but the majority rented out monthly (POA)		Includes workspace and Innovation space
MOR, Newquay	Office (1-2 people) £660 (Inc VAT) (2-3) £714 (inc VAT)	Both PCM.	Inclusive of Utilities & meeting space. Additional people = £65 pp PCM.

			Short term lettings available
	Co- Working: Dedicated desk - £195pcm Average 4.5 hours per day (95 per month) £150 PCM		9-5.30 5 days per week
	Virtual Office		Work remotely (not in MOR) but with the benefit of a work address and secure storage)
	Event Space: Meeting Room 1 person (9-5) £54 (inc VAT); 2 people (60), 3 (£66)		Early or late entry requirements incur £30 (inc VAT) per hour. All options have complimentary refreshment and meeting room facilities access.
Ho House Newquay	Desk space 'from £165' a month.		Includes a Pilates studio and Hairdresser; board racks and bike racks
Bayspace, St.Ives	TBC		Not yet opened: see case study (17.9)
Hayle (Marine Energy Park)	7 industrial units with office space (177-223 sqm) equivalent of £1,000 pcm Specific neighbouring office space & supporting facilities Equiv £1,800 PCM		Focused on marine/marine tech. Strictly speaking not open flexible space for the market but indicative of a highly skilled and specialised.sector
Fastnet House (Falmouth/Penryn)	Offices from £395 PCM, Dedicated Workspace £250 On demand Workspace £150 Meeting and Event facilities POA		Flexible, short term contracts available
Rosya, Falmouth	£10 a day £180 a month for a regular desk		Can be booked via a secure system on Facebook. Available by the hour.

			4 desks available. 2 single working spaces and a larger area for up to 2 to share.
Workbox, Penzance	£210 (inc VAT) PCM for a Reserved Desk. £480 Office Ongoing, Unlimited membership £144 Unlimited (just for one month) £180 Weekly rate £72 Daily Rate £24 Secure Mailbox £18 With Forwarding £25		Truro facility varies charges
Rame Innovation Centre	Dedicated desk £150 PCM Hot Desk/Open Plan: £20 a day £50 a week £100 a month		Not – officially – a 'seaside town' but certainly a coastal settlement in an isolated peninsula. Mentoring and business accelerator programmes available
'Hailer', St.Agnes	Daily rate £10; £170 for a month hire	All the usual facilities including 'music'	

19.9 Case Study:' 'Bayspace' is the conversion of a former solicitor's office and strategically placed building of heritage value in St.Ives; next door to the bus station and a two minute walk from the 'train station. The project (https://bayspace-stives.com/) is being driven by St.Ives Workstation CIC and is due to open in September 2022 following the appointment of a Promotional Director. The facility would consist of specialised cluster spaces supported by provided back-office functions including finance and administration; and development capacity which would be the basis for a hub with 'spoke' facilities throughout the community network area (which includes Carbis Bay, Lelant, Hayle and St.Erth as larger settlements). The ambition is for these 'spokes' to form mini hubs of their own to fan out across these towns, villages and other smaller settlements.

19.10 Following the appointment of a Marketing Officer a membership and pricing model will be developed. It will include (for example) bike parking and charging facilities on the premises and non membership hot desking; where people can book a desk for a basic fee. On line booking would also be available for meeting rooms and other facilities on a 'first come' basis. This space can also be used for external events and training. Fixed and permanent workspace would be available for up to seven people. As of July 2022 a number of high level roles continue to be advertised.

19.11 Every single space in the building is different in order to enable maximum use. The CIC has made a conscious decision not to encourage use by tourists except, perhaps, at management discretion in order that someone could catch up on their emails if there was space for a limited time. The space is there to support community economic development and attract investment into St.Ives .

19.12 One reason for largely excluding tourists is the impact that they could have had on broadband width. St.Ives is using 'leased line' which allows variety of application use by businesses, dedicated to the facility, to reflect the potential for a range of businesses using the facility. This is a more expensive solution and will need to be reflected in the pricing; but is clearly allowing for the workstation to keep their options open at this stage.

19.13 **According to Rowena Swallow (one of the CIC Directors) Brexit and inflation are (unsurprisingly) challenges in delivering the building because of the pressure that they have put on construction costs. The conversion is costing £3.5m; including £1m of seed funding for revenue costs (posts and a development programme), as well as a financial 'cushion' before the doors opened.**

19.14 While the finance is coming from the Coastal Communities Fund there will also be a need to support the relocation costs of the Promotional Director. According to Rowena, one major challenge is finding someone in Cornwall with the right skills set for a project like this. Another cost is one of insurance against busy contractors having to raise their prices because of pressures on them.

19.15 **There is considerable interest in the building and Directors are being contacted 'two or three times a day' about the potential for use. This is a mix of potential clients – some already live in the area, some wish to relocate, some just want specific days. Projects such as this (which encourage relocation) *could* have a further detrimental impact on an already pressured housing market. Alternatively, one example was cited of three professional people who are sharing a home together (perhaps because of these very costs) but work in very different sectors so cannot work at home together and have therefore expressed an interest in the workstation.**

19.16 For the three Innovation Centres outputs include an increase in the number of employees and grow on occupation of new office space (which in turn generates business rate revenue for public services, including education and economic development). The latest full evaluation is here (Cornwall Innovation Centres Impact - A Report - Cornwall Innovation) and can be summarised (toward the end of the last decade) below:

> *The latest figures show that each of the three Innovation Centres run at 85%-90% occupancy, currently providing accommodation to 150 local businesses. Typical churn rate averages around 10% per year across all three Centres. That is lower than anticipated given the flexibility of the offering due primarily to the lack of affordable alternatives. According to the latest estimates, the businesses support circa 1,000 FTE jobs, and with an associated turnover of £43m. Tenant businesses continue to experience strong job and turnover growth. Whilst there are a range of reasons why businesses have experienced growth, good quality accommodation is cited by many as an important factor.*

A recent evaluation estimated that since 2012 the three centres have supported a gross increase in Gross Value Added of circa £28.5m, increasing strongly in most recent years.

19.17 Internet literature review suggests that co-working space (unsurprisingly) takes time to become 'profitable' and that there are connected thresholds linked to patronage and economies of scale. **This suggests that any funding approach needs to be based on a period of time to allow 'profitability' and a circular return into the asset: although longer term this could be used for other projects depending on the envisaged ownership of the asset.** A research report by the Live Work Foundation (commissioned by Cornwall Council and the SWRDA in 2009) envisaged that Cornwall Council staff could work remotely in clusters of co-working space: something that in some respects has come true through the 'permanence' of home working following the pandemic but has not been enabled through localised clusters and co-production with the private and voluntary and community sectors as mooted in that report. Facilitation of such premises by a Town Council would appear rare.

19.18 Co-working space (by nature of the collaboration that it is trying to encourage) will enable 'innovation' but it is less likely that clients will want to or be able to move on: especially if workspace is in short supply (as it appears to be in the Looe area) or the consequent overhead cost is prohibitive in terms of income. Some sectors (such as creative roles) are more likely to lend themselves to micro/freelancers or collaboration so that there is an 'easy in/easy out' approach to workloads and projects. Figure 39 (below) is an example in terms of the number of self-employed people in each TTWA in the south west in 2021:

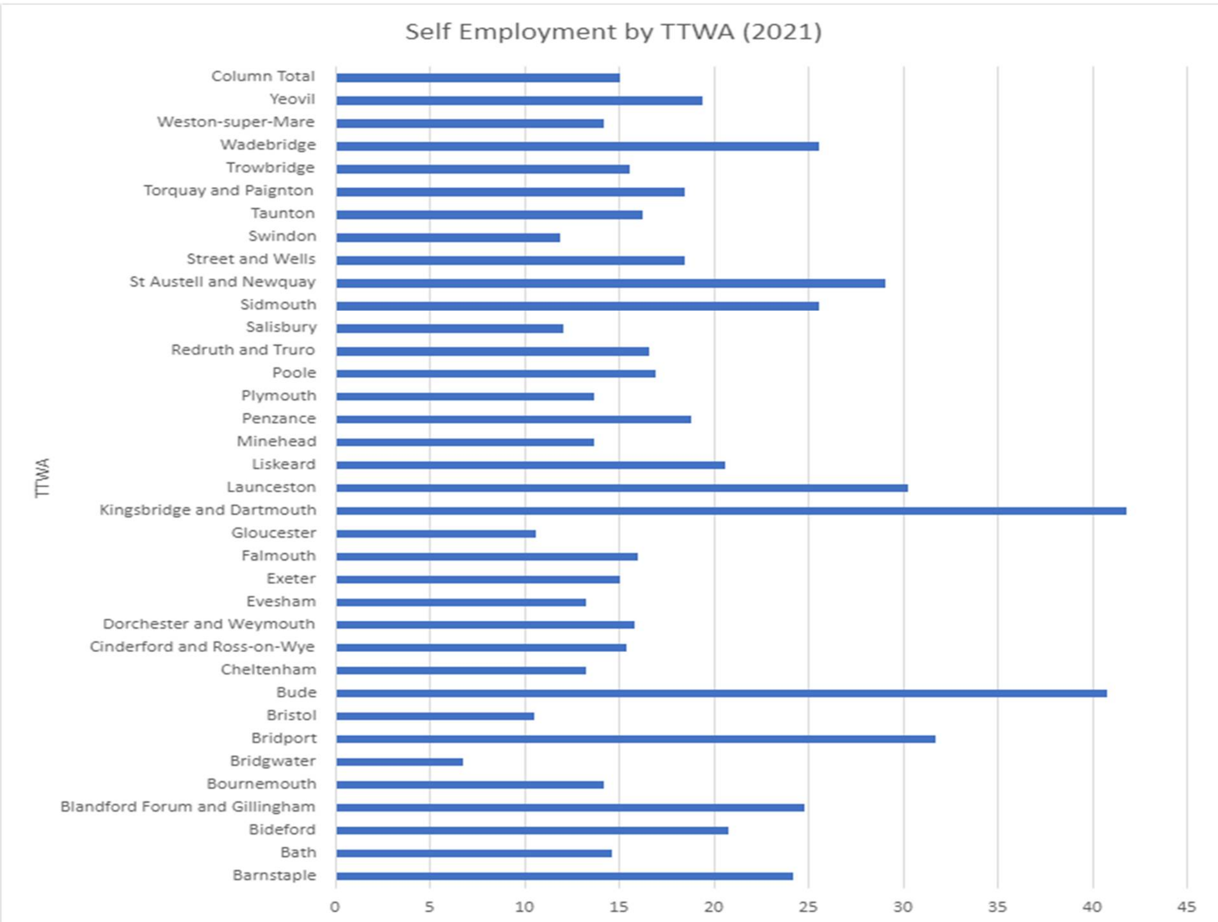


Figure 39

19.19 Liskeard TTWA is higher than the south west median ('column total') with 16.6% of workers self-employed compared to 14.6%. Bude is the highest in Cornwall and one of the highest in the south west (perhaps linked to in migration and the housing market) while St.Austell and Newquay (with its relatively large numbers of co working spaces) is also high. There is unlikely to be one factor that drives self-employment: it will be a mix of opportunity, necessity, lifestyle, logistics and infrastructure availability.

19.20 **'Pop up' space across Cornish towns has demonstrated that there is a demand but free facilities do not test whether pricing could at as a deterrent. Flexible office space appears to be price sensitive and linked to the market conditions in each town. Newquay has similarities in terms of pricing but also a relative wealth of flexible space, indicative of both demand (as a strategic destination), but also a willingness not to price one another out of the market. It also appears to have some distinct markets applied to each including innovation, creativity or more 'high end' functions linked to the airport. Where there is a sector focus (Hayle: which is not – strictly speaking – flexible space) there is the ability to charge a higher amount to ensure that this sector focus remains and to be reflective of the high productivity nature of the marine/technology sector. Fastnet House in Falmouth borders on some of the more expensive charges of the comparators, perhaps reflective of the need for grow on space from the Innovation Centre in the town for non specialised sectors otherwise addressed.**

19.21 **MOR (Newquay) is at the high end of charging costs and appears to cater for a mix of development and marketing companies where collaboration is an essential part of their operation. At the other end of the scale, the small Rosya space (marketed through Facebook) is just £10 a day or £180 per month for a regular desk, supported by the basic features that a business may expect.**

19.22 **The 'Workbox' (Penzance and Truro) is also 'high end' in terms of charging and this may be reflective of both the lack of office space in Penzance and the opportunity for growth and existing activity in the west Cornwall digital creative sector which extends in an arch between Penzance, Redruth and Truro.**

19.23 **In addition to seaside towns, there are a range of work spaces in other Cornish towns which include the Old Bakery Studios in Truro (home to around 50 creative businesses) and Our Distrikt Truro (for freelancers and start ups); Enterprise Space for Advanced Manufacturing (ESAM) and St.Austell business park (marketed with free parking) ,and the Jubilee Warehouse in Penryn (individual space for businesses but with a co working area); and some looser co-working space at Bodmin library. The point being is that there are varied models which seek to take advantage of clusters already in the area (erg Penzance, St.Ives and Truro); promote a larger/sector opportunity (St.Austell , Hayle or Bude); harness lifestyle opportunities (Newquay) , or a mixture of the three. A number of these projects are fairly longstanding before the impact of the pandemic and the 'great recession' led to a change in many business working practices and a revaluation of lifestyles by individuals and families.** 'Hailer' in St.Agnes (for a day hire) is at the affordable end of the market in a commuting seaside town (to Truro) which is home to a range of professionals who may be prepared to take this more occasional cost (although employers may reimburse them). Public and private sector collaboration facilitated through co working space was one of the aims of the Live Work Foundation Cornwall Council/SWRDA study in 2010 to try and (unsuccessfully as it turned out) ‘sell’ the idea to Cornwall Council even though since then office costs have been one of the areas targeted for cost savings.

19.24 **However, it is notable that there is little capacity in the east of Cornwall which is why Looe is an opportunity. Rame is the exception: with a broader definition of ‘innovation’ than the innovation centres but also servicing a legacy of investment (similar to the situation in Bude) from the SWRDA in workspace and the arguable geographic proximity to Plymouth. Overall, official data suggests that there could be a sector/latent demand and the issue is what is ‘under the radar’ (in terms of home working) that could be provided with space to be supported and grow at the Millpool. Non sector specific space is cheaper (as one would expect) than that which caters for high growth opportunity businesses. Sliding scales and easy in/out opportunities for renting casual space (perhaps where a micro need dedicated space away from home to concentrate on a task or collaboration is needed) are a characteristic of the non-sector specific space.**

19.25 **Pricing for a proposal in Looe would need to be market tested and applied to local opportunity: increasing productivity and growth from home working and other micros in the area (collaboration) rather than innovation or sector space. Charging policy would also need to be considered against the nature of the offer and the way that offered facilities are configured against available space and the nature of design; and the length of payback considerations and management options that Looe Town Council may have. However, the https://www.afreespace.com/ website noted in July 2022 that average occupancy levels had been increasing during the summer heatwave because of air conditioning not available in most homes – again, another example of the value of the offer beyond merely space.**

19.26 The report of the House of Lords Select Committee on Seaside Towns (https://publications.parliament.uk/pa/ld201719/ldselect/ldseaside/320/32002.htm) provides context for the workspace issue: **illustrating that an asset such as new workspace can act as an anchor for further regeneration.** It is not – just – about economic opportunity arising from new or growth potential sectors but also that **digital connectivity and skills are important in the sustainability of the ‘hospitality’ sector and (together with physical infrastructure) can also enable access to career paths through further and higher education which (otherwise) distance deprivation would deny opportunity.**

19.27 **The report also emphasised that successful regeneration came as a package of measures *(alluded to with reference to BREAAM)* through both sustainable design measures and the increase of cultural capital; all facilitated through community leadership.** National examples given include Seaminster (near Southport) which has reached out to their diaspora for marketing and investment; and the evolution of a creative quarter in Folkestone. **Therefore, the provision of a capital asset is only part of the story: enabling economic diversification is key to tackling seasonal employment issues.** Figure 40 (below) illustrates the seasonality of the Looe MSOA claimant count between 2013 and 2021:

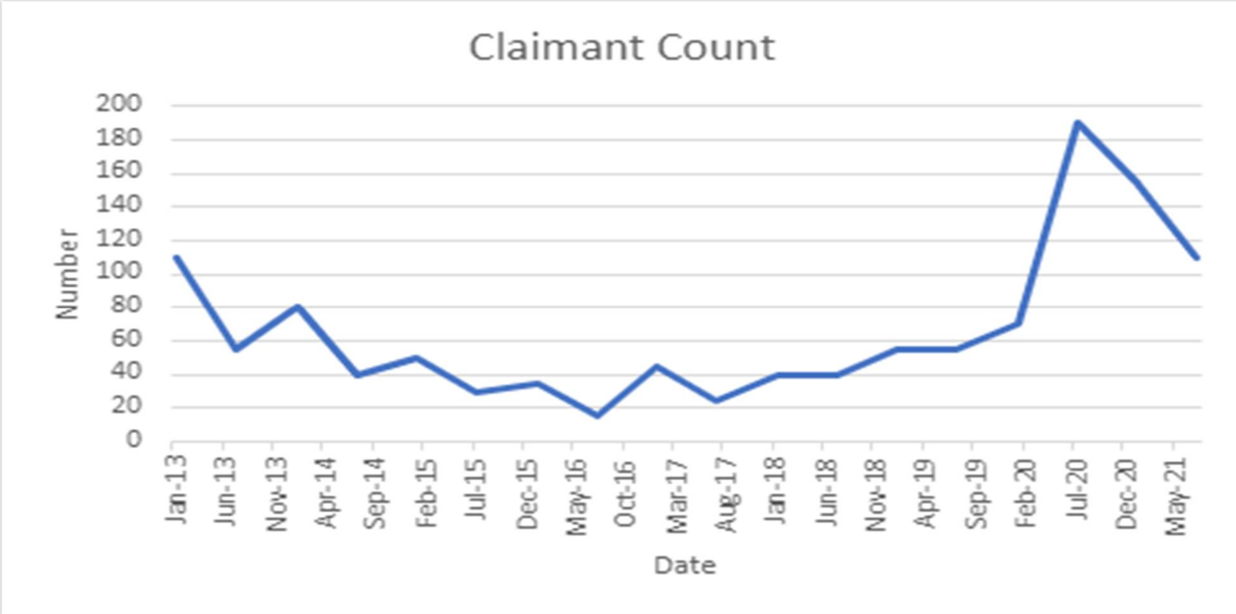


Figure 40

19.28 The spike by the summer of 2020 is linked to the impact of the pandemic and furlough; but there is a clear seasonal 'unemployment' issue for Looe which spikes in the winter months, and a general upward tick in the claimant count since 2017.

19.29 ONS analysis of the 2011 Population Census illustrates a correlation between shares of older people (65+) and lower economic activity (places like Falmouth, Penryn and Looe). Nearby Polperro had one of the highest levels of self-employment of any seaside town in England (41%) and there is often a correlation between self-employment and second home ownership and general affordability (Tintagel, Rock, Falmouth and Mylor). **Therefore, co working space provision will be attractive to younger workers who may be living with parents and need the space to flourish. In the wider locality the provision of co working space in south east Cornwall which is largely devoid of it *could* lead to some change demand and provision in the housing market.**

19.30 The part of the supporting survey (provided as Appendix) that focused on home working households is not particularly helpful in offering further evidence. 46% of the sample were 'above working age' (ie over 65) and retired but there were another 46% who worked in some capacity. Of these, 28% have a business which is run from home with half of these working there most of the time. Most could 'work anywhere' but none indicated that they would have a need for additional or alternative workspace in the next three years. **These were service and not 'knowledge' related businesses so were not capturing the target market for this project. This is suggestive, then, of the Millpool being a speculative development.**

19.31 **There is clearly a variety of flexible workspace in just seaside towns across Cornwall. The analysis has largely ignored the Innovation Centres (Penryn, Truro and Pool) as these have been focused on supporting, larger and already more productive businesses on their productivity journey and/or as a focus for (limited) inward investment opportunity. There are evaluations for how successful these have been and to make the case for grow on space; but for hybrid and co working space there has been no such evaluation; partly because the economic value output is likely to be different. As of July 2022 the Hall for Cornwall is opening 'Husa' for creatives, entrepreneurs, social enterprises, freelancers and small**

businesses; but focused on digital, data and arts performance related businesses. However, prospective occupants also include the voluntary and community sector which suggests that Husa is flexible in its initial occupation policy in order to gain market traction. Promoting collaboration is a key aim which (of course) is where the added value from co-operative workspace comes from in terms of enabling innovation and greater productivity: factors which lead to job growth.

20 Monitoring issues for a successful project

20.1 Independent knowledge workers would be supported by the Millpool facility and (depending on composition, management and delivery) *could* be on a trajectory to growth. Creatives are more likely to be solo workers and those that on occasion need to collaborate and learn together. Therefore, the wide sector is a source for innovation and transferable skills. The unpredictability of work and contracts in the broader 'gig' economy is reason for the attractiveness of co working space and supporting infrastructure: where expensive and specialist equipment which would otherwise be prohibitive to purchase by a single business can be shared and insured by the 'umbrella' business.

20.2 In addition, consistent working from home can be a source of social isolation and have psychological impact; as well as providing a source of domestic conflict. This can diminish productivity, as can the inability (for whatever reason) to limit working hours and unhelpful mix between domestic and work duties. Space for specialist equipment, meetings and collaboration are also likely to be compromised especially in modern smaller homes with a smaller footprint. Domestic energy costs are also rising and may in future impact on the ability of people to continue to work from home – whether simply charging their laptop or needing energy to support more energy hungry equipment such as specialist printers.

20.3 **Therefore, co working space may well assist Looe in becoming a destination town for those further from it in order to reduce the risks of working isolation and costs – and can also find ways to boost the broader economy by their presence there during the working day. This prospect would need to be considered in relation to sustainable transport policies.**

20.4 For early-stage entrepreneurs (particularly those whose work is related to technological change) the rapidity of change means that they will face particular challenges in terms of mastering and growing their business. While co location may be helpful; business support in this regard will be more so. This can be physical or virtual but does blur the lines with the role of an innovation centre so it is likely that the 'under the radar' and evidenced business cohort in Looe will influence the nature and extent of this. Certainly, one cannot underestimate the importance of informal shared space (such as a kitchen) in order to provide for mutual/social support and conversation that can lead to something more tangible. Design of the whole building will be as important as provision of co working as a principle in order to deliver the right working environment and innovation outputs. Consideration can also be given for provision of space to 'play' or even nap in order to enable breaks that can result in stronger mental activity.

20.5 To an extent technology is unpredictable but the market for co working space in Cornwall is not crowded – yet – particularly in south/east Cornwall. Monitoring and refining the offer will become a long term, critical requirement for the project in order to cultivate Looe as the investment centre of choice; in order to understand both the progress and aspirations of the occupants and the impact of their work. This should be both in terms of economic indicators but also social impact (for example creating opportunity for local people and business, social inclusion etc).

20.6 The move away from the 'office' and toward home working; together with the likely continuing restructuring of larger businesses will increasingly make home and co-working spaces the ‘norm’ for particular sectors highlighted in this report. That ‘norm’ will increase supply in order to service it (especially if Cornwall retains and increases its attractiveness as a place to move to or ‘do business’) and it is possible that in a competitive market some co working spaces may fail. A focus on the approach and marketing of the space will be important (section 17 is illustrative of the range of offer and resources) linked to the growth and sustainability of businesses in the Looe area and its environs.

20.7 The commercial choice will evolve and be influenced by both the terms offered and occupancy. A web designer may not wish to continue to use the facility if they are sharing it with (for example) someone who simply inputs data all day. Yet, the ‘data inputter’ may be the original anchor tenant. Of more significance is where there are cultural and activity clashes: Tremough Innovation Centre has seen previous clashes between businesses that have a social work ethic (chatter, music, visitors etc) and (say) digital creatives who need to do voice overs or editing: some would come in overnight to work when the offices were silent. **This would suggest the need to look carefully at occupancy and not be tempted to ‘pack’ in order to address financial considerations.** ‘Future gazing’ considerations (such as the role of virtual technology/augmented reality) could also have a part to play; but long-term tenancy is less likely to have a role in complimentary discovery of other interesting coworkers/businesses as familiarity overtakes this; compared with fluent and informal use of the space. This is part of the value role of sharing a co working space.

20.8 Monitoring the use of the space in terms of the local and near regional commercial/office environment will also be important. This seems to be in short or nonexistent supply in the Looe area but commercial agents previously complained (when there was public sector intervention in the market) that they skewed the market. There will also be the question of whether businesses using co working space in Looe would want to enable the savings accrued (by sharing services and equipment) to (for example) employ additional people. Cornwall Council piloted a scheme which provided some inconclusive evidence that a short ‘holiday’ from paying the Non-Domestic Rate enabled targeted businesses to invest in training and taking on an extra employee. This could be part of the opportunity of co working space and part of the overall monitoring approach: through seeing how money saved has enabled the business to operate or grow. It could become part of the longer-term criteria for occupation of space.

21 The benefits of flexible working

21.1 Many of these have already been illustrated in this report but are backed up by research. McKinsey and Company in 'Reimagining the office and work life after Covid 19' cited their US research that over 80% of people enjoyed working from home and almost 70% felt they were as if not more productive doing so. For organisations (as has already been illustrated) they have realise that they can access wider talent pools (unconstrained by geography) which also reduces estate costs and provide for new approaches to productivity. The 'threat' is to cohesive corporate culture but when it comes to the reality of productivity it is down to what suits the individual to maximise their performance.

21.2 Technology is the driven to facilitate this – to keep people in touch and to use methods such as virtual whiteboards and viral break out spaces to replicate removed face to face activity.

21.3 Flexonomics produced 'the economic and fiscal logic of flexible working' in November 2021. In it they note that requests to business from individuals which are refused for flexible working cost's the UK in the region of £1.7bn a year (through resignation or reduced productivity/interest in roles); but where flexibility is enabled absence rates are reduced. Selected sectors are also highlighted where flexibility has enabled productivity gains (and where many have resonance to Cornwall and Looe) in Figure 41:

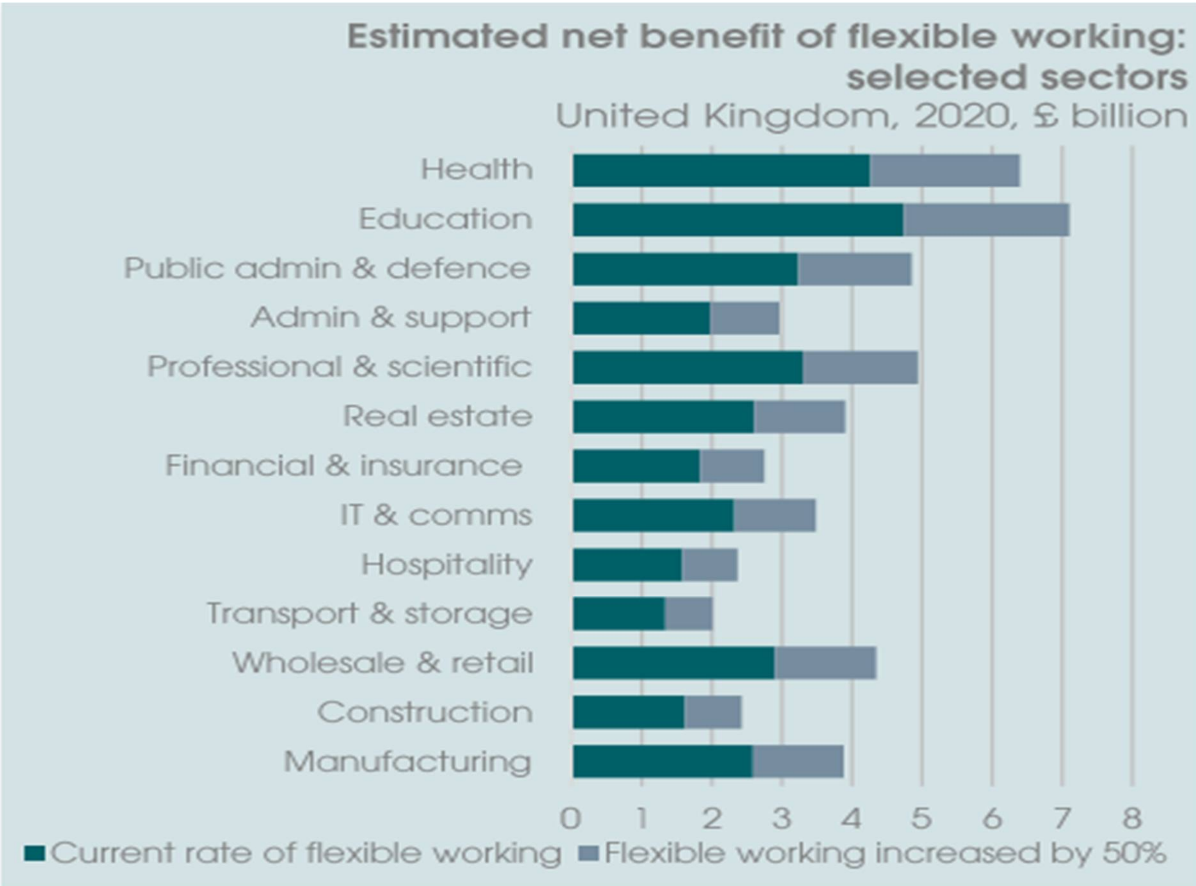


Figure 41

21.4 The report also highlighted synergy with current economic realities:

- Enabling the attraction and retention of talent
- Engaging and networking employees and businesses

- Enabling more agile business models
- Reducing wage inflation through overhead savings and reducing resignations
- Addressing worker time poverty and mental health issues
- Improvement of job satisfaction
- Particular expectations of young people
- Addressing hard to fill vacancies
- Recruitment and retention supports UK Government taxation income
- Equalises opportunity through reducing the fear or actuality that flexible working will be career damaging.

21.5 Increased flexibility enabled through workspace models will support Government policy of 'levelling up': 'in areas of the country with a limited job market, for example rural or coastal communities, higher levels of hybrid and remote working offer the opportunity for roles that may previously have only been available in urban centres to be done from anywhere. Indeed, where a person resides compared to where an employer is located will likely become much less of a consideration when applying for jobs that lend themselves to remote working. This would help distribute some higher paid jobs across the country, providing a boost to the local economy as workers spend more of their income locally'.

21.6 These points have been highlighted in a July 2022 report from Wildanet and Curia 'Connecting Cornwall' which highlights that 62,000 people in Cornwall (around 10% of the population) have 'never used the internet'. **This is a form of social exclusion which (as we have seen) is detrimental to both basic labour market progress and the ability to connect with and use day-to-day services. The cost of computer equipment and monthly internet subscription is another 'utility cost' which detracts from hard pressed monthly budgets.**

21.7 Figure 42 is taken from 'Connecting Cornwall' and illustrates the challenge (and the case for) wired workspace in Looe to boost the economy of the south east Cornwall region:

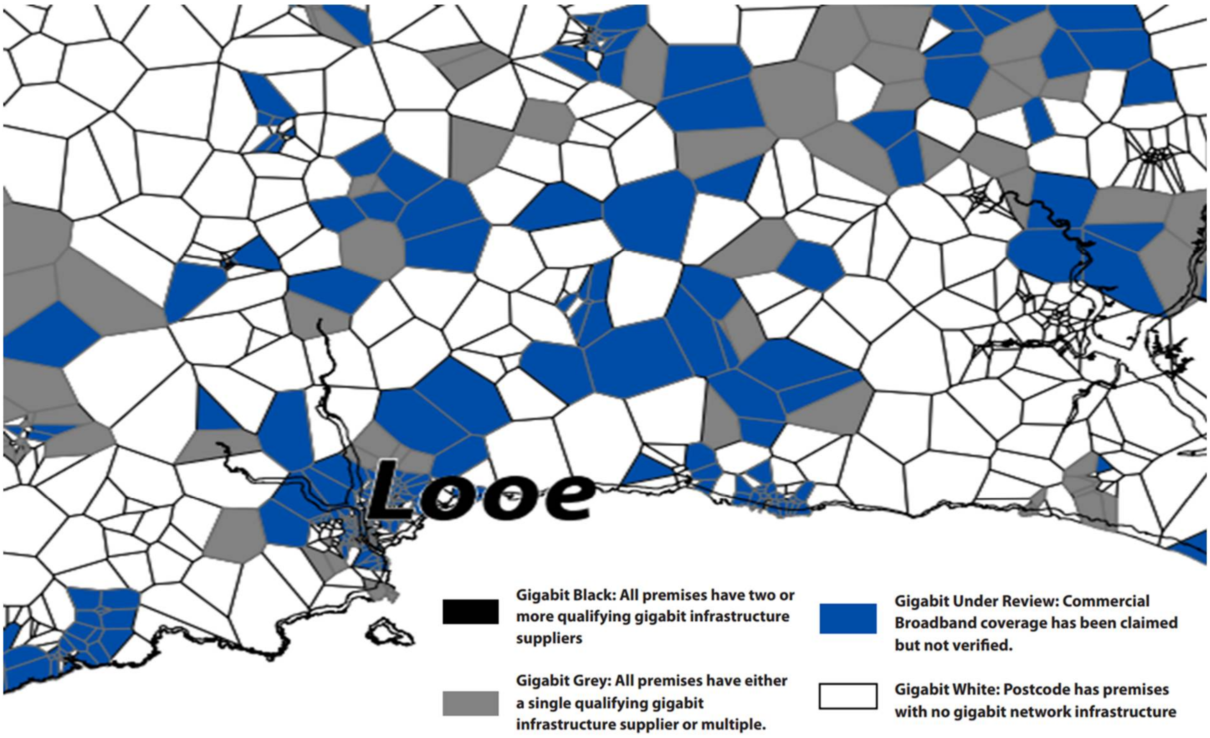


Figure 42 – source DCMS UK gigabit-programme for Cornwall and Isles of Scilly Public Review, February 2022

21.8 The report highlights that £615m of new GVA and £111m of safeguarded GVA could be generated per annum in Cornwall by 2030 which would have a projected impact of £222.25 on *wellbeing* per household per annum. **In addition, connectivity for business and the ability to work from home will increase productivity and the opportunity to garner business taxation; as well as the viability of private sector commercial investment.** The report highlights that digital inclusion saves public sector resources (time, first human interaction etc) and enables areas such as remote health and social care. **This reduces the need and cost of travel (carbon savings) and provides greater productivity opportunities for both medical professionals and those who use their time to seek help.**

21.9 A gigabit programme also allows for local products and services to be made available over the internet and the opportunity for both ‘visible’ and ‘home working’ businesses to break out of a smaller geographical area which is their barrier to growth or (indeed) reaching parts of that area (south/east Cornwall) where internet connectivity is currently poor.

21.10 **With health and the environment inter linked opportunity and growth sectors for Cornwall there is also specific opportunity benefit for Looe and south east Cornwall** where ‘£30m of savings’ (highlighted by the report) could be reinvested. This is part of the ‘wellbeing’ dividend highlighted by the report which includes opportunities for education and training to enable a more productive economy. Wildanet/Curia research in this area is also consistent with other research which suggests that for every £1 spent on digital inclusion, there is an average return of £15. This includes social, wellbeing and economic impact. (Good Things Foundation).

22 Funding

22.1 In a phone call between Cllr Armand Toms and Stephen Horscroft on June 29th 2022; Cllr Toms confirmed that the estimate for a capital build in the summer of 2021 (a year previously) for the Millpool project was £1.5m. Market capacity and inflation (especially in the construction sector) would have rendered that figure a year on.

22.2 According to BEIS material and labour costings; material cost levels are climbing to record highs. Local/Cornwall/South West sourcing is a BREAAM principle but also one that can cut down the cost of procurement miles and develop a strong relationship with the business/es procured from.

22.3 Clearly, the specifications of the project will be influenced by the nature and extent of the demand which will be focused on in the 'recommendations' section. This is also about future proofing aspirations for the project in the longer term. Funding dependent of course – but earlier ordering of materials will act as am insurance against price rises in their particular sector.

22.4 One obvious source of funding (which has been rumoured since before the UK left the EU) has been the **Shared Prosperity Fund (SPF).** The prospectus for this Fund has now been published and a summary is here (https://democracy.cornwall.gov.uk/documents/s158984/Shared%20Prosperity%20Fund%20-%20Cornwall%20and%20Isles%20of%20Scilly%20Good%20Growth%20SPF%20Investment%20Plan%20-%20Appendix%201.pdf). This £132m fund has a number of inter-connected themes which include a £5m+ allocation for 'community hubs', £1.5m for 'digital connectivity' and almost £19m fir strategic business, enterprise and research & development.

22.5 It is an outcome focused approach around projects contributing to a Cornwall 'net zero' economy and the viability of a real living wage in Cornwall, as well as 'strong communities' and the opportunity for people to 'age well'. **There are several implications here for (not just the design of the building) but also how it operates in terms of engagement with users and clients. The 'BREEAM' chapter has resonance here; but also (in terms of a 'real living wage') the justification for that through higher productivity through skills and marketing. Clearly, the Millpool hub has a community as well as a business role in terms of how it interacts with that local community (without displacing from community halls) and enabling socio-economic infrastructure to support 'good aging' in that community.**

22.6 The SPF also has diverse aims such as 'empowering local leaders' and 'increasing functional literacy' in adults. **The Millpool project potentially fulfills this diversity as business growth within the project would be about creating local business leaders and the role of Looe as a business powerhouse for south east Cornwall.**

22.7 Importantly, there is no 'formal' match funding requirements for the SPF but local authorities are 'strongly encouraged' to consider this. **In terms of the likely capital (and revenue) sums required and the limited (in respect of previous EU funding) overall funding pot for Cornwall it will likely be critical that the project satisfies multiple aim potential as well as seeking match funding pots. These of course could be by negotiation (for example the potential of C Space raised earlier in this document), other potential match funding pots (highlighted later)**

or potentially (depending on decisions to be taken) Cornwall Council match funding. This issue – overall – has yet to be addressed.

22.8 Where the Millpool project would be strong is in the required need to demonstrate 'additionality' and an intolerance of 'displacement'. **This paper has established that private sector commercial space is not functioning as a market in the Looe area and that the intervention of such a project could contribute to kickstarting a private sector market through demand generated by growth of business in the Millpool (albeit likely to be over a number of years). Investment in the project is likely to be one way of addressing predictions of economic recession and difficulty but (as we have seen) pricing and the offer will be critical in order to tempt use from home workers, micros and larger businesses into use. The business and home working surveys suggest that this would be a speculative use. The 'displacement' aim should be a more sustainable south east/Cornwall economy based on Cornwall strategic economic strategy.**

22.9 One of the themes of the SPF is 'community and place'. This includes increasing skills in the workforce **(in this case it would not be skill levels per se but particular, niche skills that need to be addressed).** In addition, the sub themes include increased workforce participation **(as of the year ending December 2021 the percentage of people aged 16 to 64 in the South East Cornwall Parliamentary Constituency was 29.7% - the highest of any parliamentary constituency in the south west – and above the national average)** ***(Source Annual Population Survey);*** increased wages **(artificially inflated in the south east constituency because of the influence of Plymouth);** and increased levels of functional numeracy and literacy. **It is this last point that is illustrative of the fact that the Millpool resource *may* need to focus both on growing niche skills (and general skills to increase productivity) and more 'basic' skills to enable people to enter, stay in and progress in the labour market.**

22.10 **A discussion between Stephen Horscroft and David Rodda (Cornwall Council's Economic Development Manager) on May 31st 2022 suggested that flexible work hubs would be eligible under the 'community and place' strand but the project would need to be applied for, contracted and spent by March 2025. Specifically, if the model of the workspace was more business rather than community orientated (in effect it is both with the focus being on business) then it would be through the 'local business strand'.**

22.11 With Cornwall Council only settling on SPF related policy in the summer of 2022 (after the delayed announcement on the SPF) it is likely that there will be a development window for projects over the next few months that would be ready to 'go' in 2023. Each year will have an annual allocation from the SPF which is likely to need to be spent in that year. Issues that will need to be addressed include match funding (but we do not know the intervention rate), planning, cash flow/business plan and proof of delivery of high value jobs. **There would obviously be a 'pre' stage to all of this in terms of community and business engagement (not just in Looe but further afield), and building on the preparatory work that had been undertaken through the business and residents survey; as well as with other stakeholders.**

22.12 **However, for 'workspace' it is likely that there will be 'calls' for projects which is likely to happen in the 2022/23 financial year and be on a first come first served basis for consideration. Cornwall Council are still formulating their decision-making process for SPF.**

This will also relate to Cornwall Council's Local Investment Strategy around how the revenues from their asset disposal are used (in part) to support local economic growth.

22.13 **The May 31st discussion suggested that calls could be as early as August/September 2022.** Impact/issues to address include how the Millpool workspace would provide an agglomeration benefit (something which has featured highly in this report); making the case for the benefits off clustering (again, featured in this report) and how outreach would be delivered to businesses in Looe (the evidence for which sits in the business and household surveys). This also alludes to other factors such as how business productivity could be improved (for example the courses and skills required locally) and would include considerations not necessarily thought about (such as the importance of a 'commute' - no matter what it looks like – to boost productivity; whether HR and other supporting functions could be recruited from a third party (the C-space point) and how the location of this new resource could support a local/circular economy for the Pound in Looe.

22.14 **Match funding is a challenging issue in that obvious and high enough sources are not clear from a 'Grantfinder' search. Although match funding will not be a requirement within the Cornwall and Isles of Scilly Shared Prosperity Fund Investment Plan (as of late July 2022 being written) the broad assumption is that there will be an average 20% intervention rate. Less would be considered and (where this is not possible) fulfilling the criteria as widely and strongly as possible would be a powerful alternative (discussion with Economic Growth Manager David Rodda, 27th July 2022).**

22.15 At Cornwall Council's Cabinet discussion on the SPF (July 20th 2022) the point was made by the Economy Cabinet member that it was about 'levelling up the UK'. **Indeed, any application to the SPF from Looe or south east Cornwall more generally should highlight the opportunity to 'level up' the area in relation to the rest of Cornwall. Although metrics such as pay and GVA are generally higher than the rest of Cornwall (due to the complexity of the Plymouth 'influence'/agglomeration) as this paper has illustrated this is a complex subject and there will be a need to 'go behind' and explain metrics to make the case for intervention around workspace at the Millpool.**

22.16 One metric which was always to the detriment of south/east Cornwall under EU funding was the lack of relative population density (compared to west Cornwall) so it was much more difficult (for example) to make the case around 'thicker' areas of deprivation or economic performance. The Cornwall Council Cabinet discussion highlighted that this is not the case now and that all parts of Cornwall and the Isles of Scilly will have the opportunity to access SPF based on the merits of their project.

22.17 The SPF represents a pot of £132m over three years for Cornwall and the Isles of Scilly (approximately £44m a year). Themes for focus include business infrastructure, research and development, skills & training, cultural regeneration and communities and place. **The Millpool project can make the case to fit of all these criteria depending on deliberation of this report.**

22.18 There are also umbrella objectives which will need to be addressed: projects which can demonstrate that they are 'net zero', that support the real living wage and contribute to nature recovery. **The Millpool project can deliver all three in terms of design and the integration of opportunities for growth in the natural environment into the design of the building (see**

BREEAM chapter); as well as promoting and monitoring moves toward the real living wage through the work done by business usage of the building as a specific and articulated target.

22.19 There is also an expectation that Cornwall, Town and Parish Councillors would work together to support project development and – although the support of the local MP would not be vital – it would be helpful. **Cornwall Council are keen to engage communities and get the SPF out to those places that had not benefited from EU money in the past and there will also be money available in the Implementation Framework to assist communities/organisations in making bid.**

22.20 The thrust is toward a simpler process through an email expression of interest and the 'Good Growth' website which is (at late July 2022) being constructed. Final decision making will rest with the Economic Prosperity Board.

23 Conclusion

23.1 What is currently missing from this analysis is consideration of revenue costs which will be focused on the internal (and potentially externally in terms of the relationship with the natural environment and how the externality of the building supports occupiers and business support) operations/decisions in terms of occupation and support in the building.

23.2 There is much here for Looe Town Council and its partners (the wider business/community) to consider and this may not just be focused on the town but the opportunity for it provide a greater economic functionality in south east Cornwall and how the Millpool resource could connect into the rest of Cornwall. These decisions will impact of the eventual evolution of a business plan and this report, recommendations and subsequent Town Council decisions would need to be reflected in the work of the architect and the business plan, supported by the survey.

23.3 There is clearly demand for such a facility even though evidenced by a minority of respondents to the business survey. Clearly, there is a strong element of speculation to attract use and investment which is evidenced in this report and of course was the case with facilities such as the Innovation centres which took time to be occupied and where use criteria had to be modified.

23.4 East Cornwall has lost out in previous EU funding rounds because it did not have a critical mass of ‘need’ that could be demonstrated in deeper and wider rural areas than west Cornwall which is punctuated by a number of towns. Looe, especially, needs to be ‘levelled up’ within Cornwall, let alone Cornwall in the rest of the UK, and is economically isolated both in terms of connectivity and performance in comparison with other east Cornwall towns.

23.5 Looe is a town whose economy is stagnating and which needs to re-invent itself and kickstart its commercial market future. Evidence within this paper suggests that market intervention is needed to do just that as Looe is an ‘interesting’ rather than at first sight a place to invest in. It is part of a wider marketing strategy for the town as a whole.

23.6 Hybrid working, business support, incubation and sector specific have all been various models highlighted in this paper. To maximise feasibility Millpool may need to be all three in the first instance but Looe clearly has a ‘knowledge’ and sector opportunity base to grow from. The focus may be dictated by how to maximise the revenue stream needed to ‘pay down’ the Town Council financial contribution if this is in fact the case.

23.7 In **population** terms the town has limited population growth which is a contributory factor to economic activity. Population growth per se does not necessarily increase economic activity or (especially) productive economic activity but the paper has illustrated that higher level skills (L4+) broadly sit with younger people in area. The challenges include creating an employment market for the people of Looe and the surrounding area (so Looe develops more functionality) and enabling better quality and longer term secure jobs based on up skilling; both diversifying away from and adding value to the ‘tourism’ industry (food and accommodation). In 1991 the population of Looe was around 5,290, so it has only grown by 4% in the 18 years to 2019, compared to an accelerated 8% between 2011 and 2019. This ‘acceleration’ suggests the need for more and productive jobs to support a growing population.

23.8 The Millpool project faces some obvious **environmental constraints** which will need to be addressed in terms of architect design responding to the demand assessment of the hub and linked research study. These include its positioning against a cliff, the threat of flooding in the area and the large Millpool car park at the front of the building which is especially used by visitors during the summer months. However, this size allows the opportunity for parking space and electric charging for vehicles and bikes for users of the work hub and there is also the opportunity to create ambiance through a balcony to the front of the building. This could add to its attractiveness and ability to market the working conditions. With a Well Being hub now located in the area there is an opportunity to link mental and physical well being at work into the project and be bold in highlighting the importance of these matters as positive contributory factors to productivity.

23.9 The whole of this report recognises and illustrates the **economic opportunity** that this project holds for (not just Looe) but the whole of south east Cornwall and the wider area of Cornwall. There are no comparable hubs in the east of Cornwall which has lost out in terms of funding for related workspace projects during EU funding and there is a need to find ways to match high level skills and performance opportunity with collaborative workspace which can operate in a multi functional and flexible way; stimulating the currently weak commercial property market in the wider east Cornwall region and creating added value markets which can reduce the need to travel from Looe for work but also (conversely) encourage Looe as a destination for work, productivity and investment.

23.10 Looe is a fairly self contained labour market compared to its eastern neighbours such as Saltash and Torpoint where there are high levels of out commuting to Plymouth – reflecting the range and quality of jobs on offer. This self containment is also in contrast to Truro where a workforce is attracted into the city each day (largely for the same reasons) but also enabled by the range and choice of commercial property. **Transport and modal shift,** including reducing the need to travel, are front and centre to the rationale for the hub in that digital related sectors and encouraging collaboration reduce the need to travel and micro and home businesses in Looe that require space to meet, collaborate or specific tools and equipment can access them through the hub as a selling point. Having a workspace focus in Looe can make public transport connectivity more frequent and viable and such things (together with realistic and monitored travel plans) will be part of the **Key Performance Indicators** to be monitored.

23.11 **Market failure** issues have also be addressed in this report. This has been a persistent challenge for Cornish workspace even before Covid and digitisation. In fact, places which are close to the A30 (which still in terms of assessing the quality of premises) are loosing their competitive advantage as businesses convert to home working or hybrid models to reduce overhead costs. This has also opened up the employment market for distance workers and the retaining (or receiving of people into an area) with skills for a local, national or international employer without them having to move. With a commercial asset Looe becomes an even more 'interesting place' which is then somewhere that people will recognise as an investment opportunity. Clearly, such things do have implications for the housing market, but market failure is also reflected in the lack of choice of affordable and commercial properties leading to home working for micro businesses. This is not always an option they may want to pursue and incentives and charging approaches can persuade them into a hub.

24 Recommendations

24.1 This last point is the most salient. The ‘under the radar’ nature of the Looe economy highlighted in the business survey and the seeds of opportunity around the ‘knowledge economy’ are opportunity drivers for a work hub at the Millpool.

24.2 There is a challenge in terms of the optimum design is enabling flexibility to fulfill sector opportunities highlighted in this report. The basics include private office and collaborative space; sound proofing for operational compatibility; and business support on site and virtually to enable and create the conditions for growth.

24.3 These design factors will influence the budget for the building at a time of inflation pressures but it is clear that Looe makes a significant but suppressed contribution to the Cornish economy and that south east Cornwall (because of the scattered nature of its population) has not received funding for infrastructure in the way that many towns in west and central Cornwall have through EU and other funding over the last couple of decades.

24.4 The metrics of this are clear for a Shared Prosperity Fund application. These include low productivity, higher level skills (especially among younger people) and the waning ‘influence’ of Plymouth the further east one travels in the south east Cornwall constituency.

24.5 Indeed, the Millpool workspace offers the opportunity to create some baselines and monitor activity where specific Looe intelligence may be either (sample wise) unreliable in terms of official data or non existent.

24.6 Certainly, Liskeard has been able to develop a strategic approach toward both ‘industrial’ workspace and projects (such as the cattle market) to be able to support its growing population, historically challenged retail offer and this distance from the influence of Plymouth. The greater ‘resilience’ aim of the Shared Prosperity Fund should be expressed in how south east Cornwall becomes less ‘reliant’ for commuting for better quality jobs to Plymouth. The most obvious example of this is the raising of median earned resident incomes in the south east Cornwall parliamentary constituency.

24.7 In this regard, Millpool could become a ‘spoke’ to hubs (such as the artistic community at the ‘Liskeard Cattle Market’) with particular functionality to service and support such projects in particular ways and to also facilitate grow on space as part of an approach that sees towns and communities in south east Cornwall work together in a virtual way.

24.8 Beyond this is the opportunity to develop such partnerships within Cornwall and beyond but with the essential of superfast broadband connectivity. Businesses and entrepreneurs demand and expect that. If there is not the cohort of potential business use for the Millpool facility in Looe then there is also the opportunity to market and attract people to an ‘interesting place’.

24.9 Technology costs need to be considered as part of any bid including the costing of any specialist equipment to attract use. There is an inevitability of speculation for this: the business survey did indicate some interest in using a work hub facility but this of course would have to translate from intention to actual sign up and would need to be placed in the right area in terms of affordability.

24.10 There are two groups of businesses who would benefit/be interested in the facility. One (as already highlighted) are micro home working businesses who claim that they would be interested in such a facility. On this basis there is some consistency with points raised during the 2016 Neighbourhood Plan consultation (about the need for support resources). Since that time (and probably aided by the pandemic and general growth in the 'creative' sector) there has and continues to be an increase in these type of facilities across Cornwall but noticeably not in its east: which in itself is a massive geographical area. There is not a 'thick mass' of business or labour market in Looe/south/east Cornwall and the number of those in 'knowledge' related occupations or enterprises is not necessarily significant, but nonetheless present. This makes it an imperative opportunity to provide the speculative infrastructure to support business development and provide for a 'hub' where a case has previously not been made.

24.11 Connected to this point is the second group of businesses who are already functioning in (perhaps) inadequate/not fit for purpose workspace or who see the challenges of inflation and energy costs meaning that they need to look for alternative models of delivery. There is a 'risk' here of 'displacement' from commercial property already in operation and likely from the wider geographic area. This would likely be another chapter – but the likelihood is that such places will be back filled with activity or converted to residential.

24.12 The commercial premises market is changing. A hub facility is important for Looe Town Council and local taxpayers because it can bring into full use an under used building and (in time) provide value for money for local taxpayers and (as a monitored issue) generate local procurement and consequence of wages spend. BUT, the Town Council will need to be confident that it can 'speculate to accumulate' . Hubs and innovation centres have been based on various demand assessments but it is probably clear that in Looe and its environs demand is not significant enough to guarantee 100% occupation from day 1 so there will need to be a marketing campaign and to understand how other hubs recruited. Certainly, the nature of the business support 'offer' (equipment, business support, working environment) will demonstrate value to the potential user and help set a pricing scale for return on investment and reinvestment into the business model. How this particular point works will be subject to the details of the Shared Prosperity Fund.

24.13 The spend for the first year of the SPF needs to be allocated by March 31st 2023 (although at the time of writing spend requirements are not clear). Consideration by Looe Town Council of this report, architect costings , marketing, planning permission all take time. Clearly, once there is a ball park budget (with sufficient contingency because of the fast pace of change due to inflation pressures) an Expression of Interest could be submitted earlier and this will also be subject to discussion with a locally appointed facilitator by Cornwall Council.

24.14 Partnerships with another hub could provide the marketing and cash flow opportunities needed by the project and offer the opportunity to link sector and job advancement across Cornwall or beyond. Partnerships should also be cultivated with training providers (such as the Cornwall Marine Network) who (in their case) work over and beyond their immediate sector and as of August 2021 are offering courses to people to support them into distance working opportunities in Cornwall.

24.15 **Doing nothing is not an option.** There is a dearth of appropriate commercial space in the Looe and wider area to support even the existing business profile. The aspects of the 'knowledge economy' that have been teased out in this study and the research – coupled with the lack of viable and usable commercial space – suggest in the data that the local economy is under represented in sectors which can broadly be described as 'knowledge' related. Looe cannot rely on its tourism product in age of economic shock or Covid 19. While it is a popular product where patronage could be expanded and there are opportunities in areas such as cultural tourism, higher value diversification is needed to raise wage levels, develop security (through digitally accessed new markets) and expand sector diversity. **Minimum** 're-vamping' of the Millpool is unlikely to give the wow factor that is need to put Looe on the map for investment and make it worthwhile for home based micros to contemplate using the space either permanently or as part of a hybrid solution.