

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	19 January 2021
Title:	Investing in Hampshire Fund Bids
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The purpose of this report is to seek approval for the award of grants from the Investing in Hampshire Fund, to projects which will contribute to the economic recovery and growth in Hampshire.

Recommendations

2. To approve an award of £85,000 to the Jane Austen's House Museum in Chawton, to enable 'heritage at risk' elements (total costs £170,000) of the proposed capital development plan to proceed conditional on the Jane Austen's House Trust confirming that it will provide the balance of the funding required.
3. To approve an award of up to £61,000 to the University of Southampton Science Park, to enable the piloting of an enhanced Catalyst Tech Start Up Programme (total costs £165,000), conditional on both Enterprise M3 LEP and Test Valley Borough Council confirming their respective contributions, with the total amount awarded by the County Council limited to 50% of the cash funding requirement for the proposal.

Executive Summary

4. In 2019 the Leader agreed to broaden the criteria for the Investing in Hampshire Fund to incorporate 'projects that will support economic development and business growth within Hampshire'.
5. In the context of the County Council's efforts to support economic recovery in the context of the current Covid19 pandemic, both of these proposals will contribute to that objective.
6. This report considers 2 requests for funding under the Investing in Hampshire Fund:
 - a) A contribution of £85,000 to the Jane Austen's House Museum in Chawton, to enable 'heritage at risk' elements of the proposed capital development plan to proceed.

- b) A contribution of up to £61,000 to the University of Southampton Science Park, to enable a pilot of an enhanced Catalyst Tech Start Up Programme.

Reclaiming Jane Austen's House for the 21st Century (Appendix 2)

7. The cottage in Chawton that is now Jane Austen's House Museum (JAHM) is the most treasured Austen site in the world. It was her home for 8 years until her death in 1817 and is where she revised and wrote all her published novels. It is the only house where Jane lived that is open to the public. The Museum celebrated its 70th anniversary in 2019. It is now constituted as a charitable incorporated organisation with a governing body of 8 trustees.
8. JAHM receives no regular funding from public bodies and is entirely dependent on revenue generated from visitors (admission charges and retail sales) to meet its running costs. Turnover is in the region of £500,000 pa. As a rule of thumb JAHM breaks even at around 40,000 visitors a year. In exceptionally good years up to 57,000 visitors have been attracted. Tourism South East has estimated that the Jane Austen "brand" attracted £21m in secondary spend in Hampshire during 2017.
9. In 2018, with some support from the National Lottery Heritage Fund (NLHF), JAHM developed a new business plan to achieve a sustained 40% increase in visitors, major improvements in the visitor experience and much enhanced education and outreach programmes.
10. This plan is dependent on significant capital investment in the Museum's buildings (including essential remedial work on the fabric of the Grade 1 listed house and outbuildings), reinterpretation of the collections and improved visitor facilities and core infrastructure. JAHM have been working towards a bid to the NLHF for a capital development grant for this major project, expected to cost in the region of £3.3m. However, whilst engagement with the NLHF team has been very positive and encouraging, due to the unprecedented circumstances NLHF has now suspended all of its major programmes and is concentrating its resources on assisting heritage organisations through the current emergency (with no indication of when any such programmes will resume). NLHF has advised JAHM move its proposed capital project forward in whatever way it can until the position becomes clearer. The revised approach now treats the capital development plan as a series of smaller scale, linked projects.
11. The most immediate and urgent need is to ensure the survival of the Museum in the short term. This is being achieved through various strands including:
 - a) A grant of £123,000 from the NLHF's Emergency Fund – this is supporting some of the Museum's essential running costs over the next 4 months, and will cover elements of a capital development programme including a new online ticketing and sales system, an "augmented reality" web platform to enhance the visitor experience online and on site, and a new online education offer.
 - b) A public Survival Appeal which has raised over £100,000 - this will be used to support running costs over the coming 2020/21 winter.
12. The next priority is to tackle the urgent "heritage at risk" elements of the capital development plan. This would involve stripping and re-hanging the existing

roofing tiles on the house, replacing leaking windows and stabilising the structures of other heritage buildings on the site. The cost of this work is estimated to be in the region of £170,000.

13. A 'Save Jane's Roof' campaign has been recently launched to attempt to raise funds towards the urgent roof repairs and other critical capital works to the buildings.
14. JAHM are seeking a £85,000 grant from the Investing in Hampshire Fund towards the £170,000 urgent 'heritage at risk elements' (see above). JAHM would contribute the remaining funds, from both the existing roof appeal and through funding secured from other trusts and foundations. The overall planned capital programme is, as stated above, circa £3.3M.
15. It should be noted that an approach was made to East Hampshire District Council to determine whether they are in a position to make a contribution to the cost of these urgent repair works. It has been suggested that whilst there is no current support available, the District Council would encourage an application to their Supporting Community Fund when the bidding round opens again in 2021.
16. JAHM is a unique cultural asset located in Hampshire that generates international interest and visits. It is one of the nation's most important literary heritage sites and celebrates the life and works of Hampshire's most famous daughter. Jane Austen's novels were inspired by her life in Hampshire and this investment will enable more residents of all ages to understand and appreciate this author's significance.
17. The increased capacity and improved experience at JAHM will potentially attract more domestic and international visitors and their associated spend, which will help grow the £3bn Hampshire visitor economy and support 10% of the county's total employment.
18. The investment would align with the Hampshire 2050 Commission of Inquiry, Economy theme – "to enable Hampshire to maintain its position as an attractive place where people want to visit, live, work and take advantage of the leisure and cultural offer".
19. JAHM is also a key partner for the HCC Visit Hampshire tourism service. Improved facilities and visitor experience will enable Visit Hampshire, in conjunction with the national tourist boards, to build on existing DCMS funded Discover England Fund activity to promote and attract more domestic and international visitors.

Enhanced Catalyst Programme Pilot - Supporting Tech Start-Ups in Hampshire (Appendix 3)

20. This proposal would enable a pilot of an enhanced programme to support technology start-ups in Hampshire, the programme being anchored in the University of Southampton Science Park at Chilworth, a key economic asset for the sub-region.
21. The existing programme leverages the expertise within the Science Park community through high level one to one mentoring and commercially focused weekly peer group workshops with world class business leaders. The

programme is targeted in key sectors including aerospace, marine and digital, all key sectors for Hampshire.

22. The Catalyst programme is delivered in partnership with SETsquared, which is a unique enterprise partnership and a dynamic collaboration between the five leading research-led UK universities of Bath, Bristol, Exeter, Southampton and Surrey. Ranked as the Global No. 1 Business Incubator, they provide a wide range of highly acclaimed support programmes to help turn ideas into thriving businesses:
23. Catalyst is a 6-month programme run on an annual / biannual basis. Entry to the programme is on a competitive basis, based on the strength of the business case put forward in the application and a pitch to a panel of judges.
24. Over the 8 years of the Catalyst programme, it has to date has supported 57 start-up companies and leveraged over £20M of grants and investments for the companies concerned.
25. The Catalyst Programme has seen numerous companies set up and flourish under the scheme, and they tend to start-up in incubator space at the Science Park and move on to larger offices in Hampshire.
26. The overall project cost is £165,000, with in-kind match of £43,000 from Southampton Science Park, and contributions from Enterprise M3 LEP (£20,000) and Test Valley Borough Council (£20,000). The County Council is able to consider supporting up to 50% of the cash funding requirement of the proposal up to the maximum figure of £61,000 (based on 50% of the cash costs).
27. This programme targets start-ups in the higher end of the economy, those which are knowledge-based and innovative. These types of company do not employ the numbers in other sectors such as tourism or retail. However, these are the businesses which have helped make the EM3 one of the highest performing LEP areas for exports, and it is high value, innovation-driven companies and their associated jobs and supply chains, which will provide a sustained recovery and growth in the region post COVID 19.
28. The proposal is focused on the distribution of targeted grant funding to technology businesses with the potential to grow significantly and create new, high quality, knowledge intensive jobs in Hampshire (estimated at 20 new jobs per cohort of companies supported).
29. The Catalyst Programme aligns with the Hampshire 2050 Commission of Inquiry, Economy theme:
 - a) Capitalise on Hampshire's university capacity to maximise local benefits from spin outs, start-ups, and emerging technologies
 - b) Retain more graduates living and working in Hampshire
 - c) Encourage the development of an effective innovation ecosystem in Hampshire.
30. The programme supports the University Science Park, which is a crucial economic asset for Hampshire and home to circa 100 technology orientated businesses, including many scale-ups in high innovation sectors.

31. The synergy between potential public sector funding channels and the pre-existing Catalyst business support model creates the opportunity to provide a step-change in the growth and success of tech start-ups in the region.
32. When completed, a full evaluation of the performance of this pilot programme would be undertaken, and if successful, a business case can be developed to attract longer term funding from the LEP, Innovate UK or other sources.
33. The technology sector has been leading investment activity since the COVID 19 pandemic began, with the highest levels of investment going to start-ups operating in life sciences, artificial intelligence, digital security and green tech, and by supporting this programme we can improve strategic profiling, building strong and internationally recognised companies. Supporting this programme would sit well amongst any wider economic recovery plans for Hampshire.

Financial Arrangements

34. An award to the Jane Austen House Museum would be conditional on the written commitment of the Trust to provide the balance of funding required.
35. An award to the University of Southampton Science Park would be conditional on the Enterprise M3 LEP and Test Valley Borough Council confirming their respective contributions, with the total amount awarded by the County Council limited to 50% of the cash funding requirement for the proposal.
36. Any awards approved under the Investing in Hampshire Fund are only paid out after evidence has been provided to the Director of Corporate Resources of appropriate expenditure on the relevant project.

Legal Implications

37. Subject to certain restrictions, the County Council has the power under Section 1 of the Localism Act 2011 to do anything that individuals generally may do including the power to give grants.

Grants Criteria

38. A copy of the criteria used for considering grants from the Investing in Hampshire fund is attached as Appendix 1 to this report.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Not applicable	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u> Not applicable	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The proposals covered by this decision report are deemed not to have any impact in relation to equalities. However, these projects if supported will all have a positive impact on the economic prosperity of Hampshire and its local communities, through increased employment opportunities, and therefore have been deemed to have a positive impact in relation to the County Council's poverty related policies.

FUNDING CRITERIA FOR INVESTING IN HAMPSHIRE

The following criteria should be taken into account when considering a request for funding.

1. Assistance will be considered only in response to direct applications from properly constituted organisations seeking assistance for one-off funding only. The application must show that the organisation is properly and legally organised and has its own bank account. Funding would only be awarded if the proposal was to support activity within agreed County Council priorities.
2. Applications will be considered for the items listed below, where these are within agreed priorities and generally only where other substantial funding exists:
 - Specific capital projects for the improvement or maintenance of significant assets or facilities within Hampshire
 - Projects that will support economic development and business growth within Hampshire.
3. Other applications will be considered at the absolute discretion of the Leader where he considers that the award will make a contribution for the wider benefit of Hampshire and its residents.
4. The wider economic and other benefits to the residents of Hampshire should be considered together with any complementary benefits for Hampshire County Council.
5. Awards will not usually be made in respect of applications from the following:-
 - Government Institutions
 - Schools
 - Overseas and out of County organisations which have no direct Hampshire involvement
 - Bodies requesting funds for onward distribution to other charities e.g. mayoral appeals, carnivals, fetes, or for their own fundraising events.
6. Apart from exceptional circumstances, the requesting body would be expected to provide their own funding towards the project.
7. As a general rule, grants in excess of £250,000 will not be awarded unless significant benefits and funding are available. In exceptional cases, where the benefits are significant and directly relate to services and functions

close to the County Council's key objectives, then an award greater than the level above would be considered.

8. Given the longer-term nature of capital projects, requests can be considered well in advance, but funding will only be released once evidence of capital expenditure has been provided to the County Council or other arrangements made, consistent with the agreement of the Director of Corporate Resources.