

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

16th FEBRAURY 2011

LOW CARBON TASK AND FINISH GROUP – VISIT TO EVOLVE BUSINESS CENTRE

REPORT OF THE CHIEF EXECUTIVE

1. Purpose of the report

- 1.1 To provide feedback on a visit by the Task and Finish Group to meet with a number of technology companies based at the Evolve Business Centre.
- 1.2 To receive a short presentation from Mr Joe Olabode of PCI Services on the work of his firm and his views on the facilities on offer at the Evolve Centre.
- 1.3 To note the current work programme for the Low Carbon Place Task and Finish group during the 2010-11 Council year.

2. Background

- 2.1 At the Committees meeting on the 22nd September 2010, it was agreed that a core task and finish group would be established to investigate the Low Carbon Place aspect of the Policy Review.
- 2.2 Councillors Bell, Cuthbert, P Gibson, Mordey, Snowdon and A Wright were nominated to serve on the group. It was agreed that a work programme would be developed and included on the main Committee agenda. All Members of the Committee are able to attend any evidence gathering sessions of interest.

3. Progress update

- 3.1 On 4 February 2011, members of the Group visited the Evolve Business Centre based at Rainton Bridge South Business Park. The visit provided members with the opportunity to view the facilities on offer at the Centre and also meet and speak with four firms currently based there. The visit was hosted by Tom Hurst, Chief Investment Officer from the Business and Investment Team
- 3.2 The Evolve Business Centre is a new state of the art e-commerce centre designed specifically to meet the needs of the areas technology based companies. The Centre is intended as a developing hub for

knowledge based information and communication technology businesses.

- 3.3 Evolve's aim is to support and enable SaaS (Software as a Service), ISV's (Independent Software Vendors) and technology companies to develop and grow; providing an ideal environment for technology companies to use as a base and networking centre.
- 3.4 The building provides high quality office space spread over three floors and is globally connected with the highest possible standard of broadband telecommunications infrastructure. Businesses also have access to fully equipped meeting, training and conference facilities as well as a prestigious boardroom. Business support, information and advice is available from the Council's Business Investment Team,
- 3.5 The Centre plays a key role in nurturing new technology companies and ensuring that businesses do not leave the area due to a lack of infrastructure restricting their growth.

PCI Services

- 3.6 Mr Joe Olabode of PCI Services IT Solutions noted that the company provided the SME business community with professional consultancy, implementation and support services. He had previously been located in Newcastle and Gateshead but had relocated to Sunderland in 2006. Much of this was down to the excellent facilities on offer at the Centre and the support provided to businesses. The firm has managed to remain in profit despite the economic downturn and prospects for the future looked healthy. The long term goal was to build the business in Sunderland and build upon the strong personal relationships and trust that had been developed with clients. This was felt to be vital to the company's long term success.
- 3.7 Mr Olabode referred to the help and support that had been provided by the Council and the good mutual relationship that had developed over the years. In terms of what else could be provided by the Council, Mr Olabode referred to the importance of the Software City concept having real substance and identity. It was important that the new development at Tavistock should tie in and link up with the facilities at Evolve in order to avoid any danger of fragmentation.

ON TRAC Ltd

- 3.8 Mr Peter Johnson, Business Development Director explained that the company developed web-based information systems for companies to help them to gather and deliver information to their employees, customers and supply chain partners. The Company had had a successful year and were now well positioned to become the UK's principal supplier of intelligent data interrogation on demand. Mr Johnson noted that the software sector was an area where rapid

growth in turnover could be achieved in a relatively small timescale with a consequent benefit for the local area.

- 3.9 The key to success was to identify a niche market and then get to know that market really well. Also vital was operating from a well equipped prestige building which provided potential clients with confidence in the ability of the firm to do business.
- 3.10 The provision of high quality infrastructure was also important and reference was made to the lack of a high quality hotel in the area which could be used by visiting clients.
- 3.11 In relation to what else the Council could provide, Mr Johnson felt that technology companies were often short of marketing skills and that the Council should be looking to further bolster the good service already provided.

Guroo Ltd

- 3.12 Jonathan Wells, Managing Director noted that the company specialised in providing e-learning resources for schools. The company had tapped into a growing market for e-learning resources nationally and good prospects existed for its growth internationally – particularly in the US. The firm is committed staying in the area and is keen to employ people locally as the standard of the workforce and skills levels were high. The company were particularly impressed with the support provided and the facilities available at the Evolve Centre.
- 3.13 In relation to what else the Council could provide, Mr Wells referred to the companies satisfaction with the level of support currently provided, the flexibility provided by the design and layout of the building and the importance maintaining a high profile locally. Also important was the infrastructure and environment of an area in terms of schools, housing, transport links and leisure facilities. All of these factors were important in determining the location of a company.
- 3.14 It was felt that the Council should be further promoting the technology facilities available in the city and the progress that had been made. It was suggested that more events could be held within the city to promote inward investment and that this should be given a higher priority in terms of the Council's marketing and promotion.

The Test Factory

- 3.15 Kevin Beales noted that the Test Factory provides a service to clients which enables them to create and manage their own online tests such as identifying training needs, post training assessment, inductions, testing product knowledge, compliance and recruitment.

- 3.16 The key reason for the company locating in the area was the Council's commitment to the Software City concept and the support and guidance that was provided. The firm employs 20 full time staff. The local workforce possessed the necessary skills and the building provided high quality infrastructure. The flexibility of the building also meant that the firm could grow while still being located in the building and with the minimum of disruption. The firm had a high potential for growth and access to a growing global market
- 3.17 In terms of what else the Council could provide, Mr Beales referred to the importance of developing and embedding the Software City concept. It was hoped that this could provide the basis for self perpetuating growth and success - with new innovation breeding further innovation. It was important that there was a very visible commitment to the growth of the software sector as part of the local economy. While only in existence for 3 years, it was felt that a lot had already been achieved and that potential existed for its further development, particularly when the economy emerges from the present downturn. It was also important that there was clarity on the implications of the Regional Growth Fund and its potential for local businesses.

4 Task and Finish Group Work Programme

- 4.1 The Task and Finish Group work programme is included as Appendix A of this report.
- 4.2 This is a flexible document and can be added to or amended throughout the course of the year. The views of members are sought on contents of the programme.

5 Recommendation

- 5.1 That Members note the information in the report and contained in the work programme and consider any additions to the work programme.

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