



REPORT TO EXECUTIVE

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PORTFOLIO AREA: ECONOMIC PROSPERITY

Date of Meeting: 17 OCTOBER 2002

Public

Key Decision: Yes

Recorded in Forward Plan: No

Inside Policy Framework Yes

Title: ECONOMIC DEVELOPMENT CHARGES REVIEW 2003/04
Report of: HEAD OF ECONOMIC DEVELOPMENT & CITY TREASURER
Report reference: EDU 23/02 AND FINANCIAL MEMO 2002/03 NO 60

Summary:

The report sets out proposals for the review of Economic Development Charges at the Carlisle Enterprise Centre, Brampton Business and Telecentre and advises Members of work to be undertaken to achieve a more thorough review of the operation of these premises. It also looks at the charges for the Assembly Rooms at the Old Town Hall.

Recommendations:

It is recommended that the charges referred to above are implemented from 01 April 2003 and that a further report giving options for implementing the recommendations of the Internal Audit reports into the Carlisle Enterprise Centre and the Brampton Business and Telecentre be submitted for further discussion to Overview and Scrutiny and to the Executive after February 2003.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 Each Service is required to carry out an annual review of its charges.
- 1.2 This Report proposes the review of charges within the Economic Development service for Carlisle Enterprise Centre, Brampton Business & Telecentre and the Assembly Room at the Old Town Hall.
- 1.3 The charges which have been reviewed are addressed separately below.
- 1.4 Attached at **Appendix A** is an extract from the summary of charges booklet, which shows the current and proposed level of charge for each of these services.

2. CORPORATE CHARGING POLICY

- 2.1 The Corporate Charging Policy, which was included as part of the Council's Budget Policy Framework for 2003/04 and was approved by Council at its meeting on 16 July 2002, sets an income target so as to produce an overall increase in income equal to inflation plus 1% (3.5%).
- 2.2 Therefore for 2003/04 each service is required to achieve a corporate target for income generation of 3.5% (RPI of 2.5% plus 1%) and the increases proposed have been set with this requirement in mind. In addition, the policy required Service Managers to investigate charges in line with the following overarching principles: Corporate Approach, Consistent Concessions and Income Targets including consideration of charging for services where this is not currently the case.

3. ENTERPRISE CENTRE

- 3.1 At the last review, the service charge was increased above inflation to £30 per month to equate to the actual cost of common services. Since then, the Council's Executive considered a position statement on the Enterprise Centre at its meeting on 25 March 2002. The report concluded that the objective of providing the Enterprise Centre at nil cost in operational terms had now been achieved, due to reduction in operating costs and increase in income. Joint work is currently under way with Property Services to assess appropriate rental levels and improve marketing, particularly to attract new tenants to the less popular units.
- 3.2 Internal Audit has programmed a further, more detailed piece of work for October and November 2002, reporting by February 2003, which will look at both the Enterprise Centre and the Brampton Business and Telecentre and will help to

shape the future direction of the centres. The extent of financial autonomy that can be given to the centres will be examined and within this the setting of charges is likely to be considered. In particular, Internal Audit has been asked to:

- ❑ Identify the nature and extent of the cost efficiencies that could be achieved through giving increased financial and managerial freedom to the two centres.
- ❑ Map and, where appropriate, design the financial systems that would allow the freedoms discussed above and meet the governance requirements of the City Council.
- ❑ Prepare a scheme of delegation to clarify the responsibilities and freedoms available to the Centre Managers.
- ❑ Identify the direct operating costs including the true costs currently included in the overheads carried by each Centre.
- ❑ Consider ways in which the two Centres could be financially sustainable in the long term

3.3. The service charge at the Enterprise Centre will need to be reviewed to incorporate the recommendations of Internal Audit and to reflect any changed circumstances. Whilst the objective should be to cover the costs of providing the service, the total rent and service charge need to be examined in the context of the market rate for units of this type and giving careful consideration of the impact on the tenants. It is proposed that such a review takes place following on from the Audit report early in the new year. In the meantime, the service charge for 2003/04 should be set to allow for an inflationary uplift only.

4. BRAMPTON BUSINESS and TELECENTRE

4.1 When the business centre was set up, before any charges were set a study was undertaken to ensure that the prices for the services charged were feasible and cost effective. The centre has been operating at least to budget level and has shown that it is able to recover its operational budget cost. At the last review, charges were amended to achieve an overall 4% increase. Charges were not increased across the board. Experience, user needs and market circumstances were taken into account to improve services where possible with costs being recovered from larger increases in some charges where this was considered appropriate.

4.2 No concessions are offered at the centre. Charges were set at the outset to reflect users' ability to pay bearing in mind that unemployed and unwaged people are part of the target group for the Centre. Meeting room charges assume business or

commercial users. Charitable and community users are catered for by the adjacent Community Centre and there is an unwritten agreement with the Community Association that they will service this need. This arrangement works well in practice.

- 4.3 There have been some developments at the centre since the last review, including the opening of the Wooden Hut, the hiring out of computers and use for conferences. Again, the centre is to be part of the review undertaken by Internal Audit (see para 3.2). Charges are recommended for these new areas, and the position can later be reviewed in line with the recommendations made in the Audit report. In addition, an overall increase to reflect inflation should be made for 2003/04 for existing charges, taking into account the considerations made in the earlier review based on the objectives for the service.

5. CARLISLE TIC - ASSEMBLY ROOM HIRE

- 5.1 The Executive has previously considered the outcome of a feasibility study into proposals to change the usage of the Assembly Rooms to include an exhibition/display attraction, at a cost to the Council of £40,000. It was resolved not to progress the matter. Without improvements to the premises, potential for alternative uses and hence a significant change in income is limited. Discussions are currently underway with Cumbria Institute of the Arts to look at the feasibility of providing a permanent gallery for the display of paintings by local Cumbrian artists. Otherwise, a continuation of the status quo, with evening and weekend hire by charitable and community organisations, would appear to be the most appropriate use for the premises and it is proposed that the current charges should be increased to allow for inflation from 01 April 2003.

6. FINANCIAL SUMMARY

The introduction of the charges suggested above together with any changes to the activity levels for each service is forecast to produce the following additional receipts in a full year:

Service	Original Estimate 2002/03	Estimate 2003/04	% increase
Enterprise Centre	19,480	20,160	3.5
Brampton Business Centre	20,640	21,360	3.5
Carlisle TIC – Assembly Room	9,390	9,720	3.5
TOTAL	49,510	51,240	3.5

7. CONSULTATION

7.1 Consultation to Date: none

7.2 Consultation proposed: Once more details are available from the Internal Audit report there will need to be consultation with users of the services. Also Corporate Resources Overview & Scrutiny will be consulted as part of the overall budget process.

8. STAFFING/RESOURCES COMMENTS

None at this stage

9. CITY TREASURER'S COMMENTS

The City Treasurer has been involved in the preparation of this report.

10. LEGAL COMMENTS

Not requested

11. CORPORATE COMMENTS

12. RISK MANAGEMENT ASSESSMENT

13. EQUALITY ISSUES

Charges for business units need to take into account the implications for employment and the wider benefits for the Carlisle economy. The Brampton Business and Telecentre and the Assembly Rooms are used by disadvantaged groups and their needs must be balanced with the need to raise income from the use of Council premises.

14. ENVIRONMENTAL IMPLICATIONS

15. CRIME AND DISORDER IMPLICATIONS

16. RECOMMENDATIONS

It is recommended that the charges referred to above are implemented from 01 April 2003 and that a further report giving options for implementing the recommendations of the Internal Audit reports into the Carlisle Enterprise Centre and the Brampton Business and Telecentre be submitted for further discussion to Overview and Scrutiny and to the Executive after February 2003.

17. REASONS FOR RECOMMENDATIONS

To allow the service charges to be considered as part of the Council's budget setting process.

APPENDIX "A"

CARLISLE ENTERPRISE CENTRE

Charges to Tenants:

	<u>Current Charge £</u>	<u>Proposed Charge £</u>
Total Monthly Service Charge	32.50	33.60
Word Processing (per A4 sheet)	2.50	2.60
Photocopying (per sheet) - A4	0.11	0.11
- A4 double - sided	0.13	0.13
- A3	0.19	0.20
- A3 double - sided	0.23	0.24
Fax Transmissions (per sheet)	0.55	0.57

Charges to Non Tenants:

Conference Room (per day)	from	23.20	24.00
	to	34.20	35.40
Coffee (per pot)		6.70	6.90

Estimated Total Income: £19,480 £20,160

APPENDIX "A"**IRTHING BRAMPTON BUSINESS CENTRE****Conference facilities:**

	<u>Current</u> <u>Charge</u> £	<u>Proposed</u> <u>Charge</u> £
Large Conference Room - per day	109.00	113.00
Meeting Room - per day	53.00	55.00
Tea/Coffee - per serving	0.00	0.00

50% discount for a half days (up to 5 hours) use of the conference/meeting rooms
 A 10% discount of the above charges is offered to City Council departments

For Business Centre Tenants:

Large Conference Room - per hour	6.81	7.05
Meeting Room - per hour	3.31	3.43

Equipment Hire:-

Data Projector	- per day	15.00	16.00
	- per week	25.00	26.00
TV&Video/OHP/Screen/Laptop/Digital Camera - up to 1		5.00	5.00

Other Room Bookings:

Telecentre - full day	300.00
Telecentre - half day (up to 5 hours)	150.00

Discount for William Howard School - £10 per hour

Telestudy - full day	180.00
Telestudy - half day (up to 5 hours)	90.00
Wooden Hut Workshop - per hour	10.00
Wooden Hut Craft Room - per hour	10.00

Photocopying/Laser printing:-

White A4 Paper:	1 - 10 sheets	0.09	0.10
	11 - 50 sheets	0.08	0.08
	51 + sheets	0.07	0.07
Coloured A4 Paper:	1 - 10 sheets	0.10	0.11
	11 - 50 sheets	0.09	0.10
	51 + sheets	0.08	0.08
White A4 Card:	1 - 10 sheets	0.10	0.11
	11 - 50 sheets	0.09	0.10
	51 + sheets	0.08	0.08
Coloured A4 Card:	1 - 10 sheets	0.12	0.13
	11 - 50 sheets	0.11	0.12
	51 + sheets	0.10	0.11
White A3:	1 - 10 sheets	0.11	0.12

APPENDIX "A"**IRTHING BRAMPTON BUSINESS CENTRE**

	<u>Current</u> <u>Charge</u> £	<u>Proposed</u> <u>Charge</u> £
	0.10	0.11
	0.09	0.10
Coloured A3:	0.12	0.13
1 - 10 sheets	0.11	0.12
11 - 50 sheets	0.10	0.11
51 + sheets	0.04	0.04
Second Side A4	0.06	0.06
Second Side A3	0.05	0.05
Own Paper - single sided	0.09	0.10
Own Paper - double sided	1.00	1.04
Colour Printing	2.05	2.12
Photo Paper		

Discounted rates apply to Brampton Community Association

Document Presentation:

Binding (including spine and transparent front and back cover)	1.00	1.04
- up to 20 pages	1.20	1.24
- 20 to 30 pages	1.40	1.45
- over 30 pages	0.50	0.52
Slide Binders	0.60	0.62
Laminating - A4	1.20	1.24
Laminating - A3		

APPENDIX "A"**IRTHING BRAMPTON BUSINESS CENTRE**

	<u>Current</u> <u>Charge</u> £	<u>Proposed</u> <u>Charge</u> £
Fax:		
Transmit to the UK	1.00	1.04
Transmit to the UK + extra page	0.26	0.27
Transmit to Europe	1.50	1.55
Transmit to Europe + extra page	0.51	0.53
Transmit to Outside Europe	2.10	2.17
Transmit to Outside Europe + extra page	0.50	0.52
Receive - per page	0.15	0.16
Internet:		
Connections per hour	free	free
E-mail per item	free	free
Miscellaneous:		
Disks - 3.5" (DSHD)	1.00	1.04
- Zip	15.40	15.94
Labels - 1 x 16 (including printing)	0.50	0.52
Overhead transparencies - Laser/photocopier	0.50	0.52
- Inkjet	1.20	1.24
Word processing/poster design per A4 sheet from	2.10	2.17
to	4.10	4.24
Charges to Tenants:		
Monthly Service Charge per unit/studio workshop	30.00	31.05
Estimated Total Income:	£20,640	£21,360

All charges at the Brampton Business Centre are subject to VAT at the standard rate

	<u>Current</u> <u>Charge</u> £	<u>Proposed</u> <u>Charge</u> £
OLD TOWN HALL VISITOR CENTRE		
Assembly Room Hire		
Charges per session as follows:		
Mornings 9.30 – 1.00	47.00	49.00
Afternoons 1.30 – 5.00	47.00	49.00
Mornings & Afternoons 9.30 – 5.00	93.00	96.00
Evenings 6.30 – 10.00	47.00	49.00
Evenings 6.30 – Midnight	93.00	96.00
Afternoons & Evenings 1.30 – 10.00	93.00	96.00
Each additional hour	16.00	17.00
Charge for use of - kitchen	16.00	17.00
- audio visual exp.	16.00	17.00
- screen or speakers	7.50	8.00

N.B. For uses by the following groups and organisations discounts of 62.5% for Mornings/Afternoons, 37.5% for Evenings and 50 % for double sessions including Evenings will be allowed:

- i. Registered Charities
- ii. O.A.P. Groups
- iii. Other community groups e.g. community organisations, unemployed groups etc.

Estimated Total Income:	£9,390	£9,720
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