

# **ENVIRONMENT & ECONOMY OVERVIEW AND SCRUTINY PANEL**

## ***Panel Report***

### **Public**

**Date of Meeting:** 17<sup>th</sup> January 2013

**Title:** BUSINESS INTERACTION CENTRE

**Report of:** Jane Meek, Director of Economic Development

**Report reference:** ED 04 13

### **Summary:**

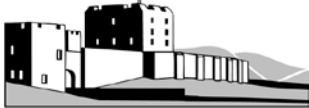
This report provides details on the proposal to set up a Business Interaction Centre (BIC) and the proposed contribution from Carlisle City Council of £100K towards capital costs.

### **Recommendations:**

Members are asked to scrutinise the report and make comments and recommendations on the proposals.

**Contact Officer:** Jane Meek

**Ext:** 7190



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: ECONOMY & ENTERPRISE

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Date of Meeting: 17th December 2012

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes/No

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Inside/Outside Policy Framework

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Title: **BUSINESS INTERACTION CENTRE**

Report of: **Jane Meek, Director of Economic Development**

Report reference: **ED 37 12**

### Summary:

To brief Members on the proposal to set up a Business Interaction Centre (BIC) and to seek approval to contribute £100,000 partnership funding towards the project.

### Recommendations:

1. A programme of works agreed with the University to deal with the dilapidations identified at Paternoster Row and Castle Street
2. That the City Council should contribute a maximum of £100,000 as partnership funding towards the BIC subject to:
3. That the BIC is delivered within a timescale agreed with the Portfolio Holder in conjunction with the Director of Economic Development
4. That the Portfolio Holder in conjunction with the Director of Economic Development and the Director of Resources is given delegated authority to approve the works necessary to deliver the BIC

Contact Officer: Jane Meek

Ext: 7190

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 A key priority for the Council is to support economic growth. In order to do this Carlisle needs to attract new investment into the City, develop an enterprising culture and raise skills levels. Skills are a particular issue identified by the Carlisle Economic Partnership that needs to be addressed if the City is going to attract inward investment. In order to achieve this the Council needs to work with partners to:-
- Provide effective skills development
  - Business Support
  - Retain graduates
  - Maximise the impact of having a local University
  - Attract businesses into the City Centre
  - Support SME's
- 1.2 A key partner is the University of Cumbria. The University's Corporate Plan outlines a vision to be a dynamic, creative and entrepreneurial University rooted in this area.
- 1.3 The University's Corporate Strategy has four core themes: Sustainability, Creativity, Employability and Enterprise. As part of this strategy the University wish to establish a Business Interaction Centre.

## **2. BUSINESS INTERACTION CENTRE**

- 2.1 The University are proposing that a BIC should be established in the City which will form the base of the University of Cumbria Business School in Carlisle. It is projected as a high profile entry point for businesses and employees seeking to access University expertise, particularly Business School and Arts, Business and Science expertise. It will include the Centre for Regional Economic Development (CRED), academics from the Business School based in Carlisle and business/student placement support and student enterprise. It will provide accommodation for academics and enterprise staff, students studying on business part time programmes and short courses, space for student study and access to resources, meeting space for research and consultancy engagements and incubation space for student and community enterprise. The BIC enables access to research and development services for local companies with some provision of rapid prototyping equipment and design services. This will introduce local

companies to the possibilities of additive manufacture and help create an appetite for a future FabLab. Details of the outputs from the BIC are set out in Appendix 1.

### **3. PARTNERS**

- 3.1 The University is working with a number of partners to deliver the BIC including Freerange Artists and the Chamber of Commerce.
- 3.2 Freerange Artists is a company which provide incubation space and support for business start ups in the creative industry sector. Rather than duplicate incubation expertise and capacity, the University aims to work with Freerange to add value to the incubation offer within Carlisle. Freerange will move their current clients and activity over to the BIC and work closely with UoC to design and develop a vibrant and entrepreneurial environment and community. This inclusive move will retain 6 companies in the City, comprising of 14 jobs. These companies have projections to recruit to a further 8 new positions before 2014.
- 3.3 The University are a partner with the Chamber of Commerce in the Cumbria Growth Hub and are working closely with them to provide joined up support to businesses. This will include access for 44 businesses to Growth Vouchers, to enable them to access a range of support from the University including workshops, events and collaborative networks, leadership interventions, coaching and innovation support. Students will also receive support from the University and the Chamber to develop business ideas.

### **4. PROPERTY / LOCATION**

- 4.1 The University has been in discussion with the Council for some time now as to where the BIC should be located. The University has considered basing the BIC on one of its campuses i.e. Fusehill Street or Brampton Road. However, a base in the city centre would be more advantageous and it is proposed that the BIC should be located at Paternoster Row which the University currently lease from the City Council. Paternoster Row together with properties on Castle Street are currently leased from the City Council. It is proposed that the BIC should initially be located in Paternoster Row with Castle Street forming phase 2 of the project. They were originally leased to the University of Northumbria in 1992 to provide a satellite University Campus in Carlisle and subsequently to the University of Central Lancashire (UcLan until 1<sup>st</sup> August 2007) to provide academic and administrative facilities. They were passed to the University of Cumbria at its formation on 1<sup>st</sup> August 2007. The University mothballed the building in mid-2010 as part of

process of estate consolidation. It had been marketing both buildings for new tenants until they became subject to an option study for the location of a Business Interaction Centre (BIC). Paternoster Row is considered an ideal location as it would bring the BIC closer to its customers, enabling the business and student worlds to merge, raise its visibility; provide an attractive venue for business start-ups and contribute to the regeneration of the “cultural quarter”.

- 4.2 However, if the building is going to provide a modern, fit for purpose facility necessary for a BIC it will require approximately £160,000 capital expenditure. This will include the refurbishment of the building and the provision of IT software and infrastructure. The operating costs of the BIC are £180,000 in the first year rising 5% per annum (Appendix 2) and will be covered by the University. However, the University have asked for a contribution from the City Council of £100K towards the capital costs of the refurbishment of the building.
- 4.3 Both buildings require maintenance and improvement work to remediate the impact of dilapidations at the end of the current lease period. The University is appointing its own surveyors to work in conjunction with the City Council’s surveyors to appropriately apportion estimated dilapidations costs. It is anticipated that a programme of remedial improvement works will then be prepared for both buildings that will be funded and implemented throughout the remainder of the lease period.

## **5. COMMENTS OF THE DIRECTOR OF RESOURCES:-**

- 5.1 The Paternoster Row lease now has 5 years to run. The proposed range of uses which it is intended to provide from the Business Interaction Centre are already permitted under the existing lease without the need for further changes. However, the consent of the Council to any physical alterations and adaptations, necessitated by the refurbishment scheme to create the BIC facility, will be required under the terms of the lease. The leasing arrangements provide for the University to keep the premises in good repair and maintenance, and hand them back to the Council in this condition at the end of the lease. A recent dilapidations survey has shown the Paternoster Row buildings fall short of this, and that the University currently has an outstanding liability for disrepair assessed in the region of £185,000. In making a decision on any capital contribution to the initiative, the Council needs to be mindful of this responsibility.

## **6. CONCLUSION**

- 6.1 The development of a BIC is fundamental to a City with 'growth' aspirations. It will send a clear message to businesses both in the area and those looking to invest that Carlisle supports business. It will help address an identified need in the area by helping to raise skill levels and supporting SME's as well as providing opportunities for large businesses to liaise with the University on research and development.

The properties on Paternoster Row and Castle Street are situated in the Heritage and Cultural quarter in the City Centre and the development of the BIC in the area will make a valuable contribution to the vitality of the area.

## **7. REASONS FOR RECOMMENDATIONS**

1. Partnership funding towards the development of a BIC to address a key Council priority.
2. To ensure that the University's obligations are addressed.
3. To enable progress to be made to deliver a BIC.

## **8. IMPLICATIONS**

- Staffing/Resources –
- Financial – £100,000 has been earmarked in the provisional 2013/14 Capital Programme for this scheme however this will not be formally approved until February 2013.
- Legal – It can be seen from the content of the Report that the tenant of the Paternoster Row property is legally liable for approximately £185,000 of dilapidations repairs to the said property. The proposed contribution, effectively, offsets part of the University's liability. The contribution should be properly documented.

The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council's area.

The Council is able to incur expenditure, give financial assistance to any person and/or enter into agreements or arrangements with any person. In exercising the power, the Council must have regard to its Community Strategy.

- Corporate –
- Risk Management –
- Environmental –
- Crime and Disorder –
- Impact on Customers –
- Equality and Diversity –

### Impact assessments

**Does the change have an impact on the following?**

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age		
Disability		
Race		
Gender/ Transgender		
Sexual Orientation		
Religion or belief		
Human Rights		
Health inequalities		
Rurality		

**If you consider there is either no impact or no negative impact, please give reasons:**

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**If an equality Impact is necessary, please contact the P&P team.**

**The Carlisle Business Interaction Centre (CBIC):  
A proposal from the University of Cumbria and 'Freerange Artists' to  
Carlisle City Council**

**What are we proposing?**

We wish to establish a Business Interaction Centre in Paternoster Row. The Carlisle Business Interaction Centre (BIC) is projected as a high profile entry point for businesses and employees seeking to access University expertise, particularly Business School and Arts, Business and Science expertise. It is planned as a unitary space at Paternoster Row that will encompass the Centre for Regional Economic Development (CRED), other academics in the Business School based in Carlisle and business/student placement support, and student enterprise. It will provide accommodation for academics and enterprise staff, students studying on business part time programmes and short courses, space for student study and access to resources, meeting space for research and consultancy engagements, and incubation space for student and community enterprise. It will form the base for the University of Cumbria Business School in Carlisle.

**What will the BIC deliver?**

**1. Short courses and events to support business and provide students with business skills**

- IT, Marketing, Exporting, Finance, Accounting
- Diversity and Equality
- HRM for SME

**2. Accredited part time courses for business education**

- MBA
- MBA Innovative Technology Solutions
- MA Business Management
- Postgraduate Certificate in Computing and IT
- BA (Hons) Retail Marketing Management
- FdA Professional Practice for Business (distance learning provision)

**3. Promotions and support of entrepreneurship and business start-up support**

- Short courses aimed at University of Cumbria students
- Support and advice for starting your own business

**4. Business incubation**

- In liaison with Freerange Artists
- Desk space and office space
- Reception and other amenities



- Advice and support in running a business start up
  - Aimed at University of Cumbria students and graduates and other in the Carlisle District Communities
5. Work placement service matching business needs with graduates and undergraduates
- ERDF funded project 'Unite with Business'
6. Consultancy and research
- Centre for Regional Economic Development staff team
  - Business School staff expertise in marketing, IT, HRM, finance, accounting.
  - knowledge transfer (e.g. consultancy, Knowledge Transfer Partnerships (KTPs) Innovation Vouchers and Growth Vouchers)

### **Why a BIC in Carlisle?**

The Economic Potential Study commissioned by Carlisle City Council on behalf of the Carlisle Economic Partnership states: 'A thriving City Centre is key to Carlisle unlocking further potential'.

Key issues identified include a working age population that has grown more slowly than the national average with limited higher level skills, lower average wages, less management grade positions compared to the UK as a whole, and an ageing population.

Carlisle needs to attract new investment into the City, develop the enterprising culture and raise skills levels, for example, stimulating growth in sectors which have been developing positively, including creative and digital industries, professional and business services, and ICT. The report emphasises the need to following:

- provide effective skills development
- provide business support
- retain graduates
- maximise the impact of having a local University, and
- attract businesses into the City Centre.

The draft Cumbria Local Enterprise Partnership (LEP) business plan also identifies the need to attract and retain graduates with higher level skills, and to support the growth of entrepreneurialism and business skills, encouraging business start-up and enabling a more enterprising workforce.

The proposed BIC will help deliver all of the above.

### **Why is the University of Cumbria proposing the BIC?**

The University's Corporate Plan outlines a vision to be a dynamic, creative and entrepreneurial university, rooted in our region. The University's mission is to provide and promote excellent and accessible higher education which enhances the lives of individuals and fosters the development of the communities to which the University belongs.

The University's recently signed off corporate strategy has four core themes: sustainability, creativity, employability and enterprise. The BIC is part of the strategy to improve student employability - the University recognises this will increasingly involve more students becoming their

own boss. The BIC is also a key part of the focus across the University on enterprise – rather than just providing good quality education for largely young full time undergraduates, the University has a vital role in providing CPD opportunities and knowledge transfer that helps the productivity and development of the businesses in its regions.

The Business School has recently been restructured, with greater focus on delivering value to the region's businesses and employees. The BIC will provide a business facing unit to spearhead the Business School's aim to *'become a key provider of higher education, training and continuing professional development to employers and employees in the North Lancashire and Cumbrian region'*.

### **Why in Paternoster Row?**

The University has considered basing the BIC on one of its campuses i.e. Fusehill Street or Brampton Road, however, it is felt by the Council and the University that a base in the city centre would be more advantageous as it (a) brings the BIC closer to its customers and raises its visibility, (b) offers an ideal location for the business and student worlds to merge, (c) is an attractive venue for business start-ups, (d) will help regenerate the 'cultural quarter'.

### **Who are our partners – and why?**

The University is committed to working together with relevant partners to the benefit of Carlisle. Partnerships are valuable because they allow more to be realised together than can be separately.

The BIC allows it to unlock the benefits of partnership working in the following ways. As a property owned by the City Council, the Paternoster Row building visibly represents the partnership between the University of Cumbria and Carlisle City Council that both parties believe is in the best interests of the city - supporting the development of enterprising skills, attitudes and behaviours, raising business and higher level skills, improving graduate attraction and retention, and taking to action a number of the recommendations in the Carlisle Economic Partnership Economic Potential study. Without the City Council's support the University cannot reactivate the building. The City Council will benefit from the use of currently moth-balled buildings, re-energising the development of the cultural quarter, and will be recognised by the business and student community in supporting enterprise, business and higher level skills development, through the BIC.

The BIC will also allow us to work in partnership with two further bodies:

First, Freerange Artists, to support the growth and development of the emerging creative and digital sector within Carlisle. Rather than duplicate incubation expertise and capacity, the University aims to work together with Freerange to optimise the incubation offer within Carlisle. .

Second, the Cumbria Chamber of Commerce. We aim to provide joined up support to businesses. As a partner with the Chamber in the Cumbria Growth Hub, we will be working closely together to provide a coherent offer to develop and support businesses in Carlisle, and more broadly across Cumbria. This will include access for 55 businesses to Growth Vouchers, to enable them to access a range of support from the University including workshops, events, collaborative networks, leadership interventions, coaching and innovation support. Students will also receive support from the University and the Chamber to develop business ideas.

Appendix 1 provides further detail on projected outputs.

### **How will the BIC be organised and managed?**

The BIC will be managed by a Centre Manager who will direct customer flows according to their needs. There will be the following staff groupings:

- Unite with Business (work placements)
- Centre for Regional Economic Development (consultancy and research)
- Enterprise and employability (knowledge transfer, start-up advice and short courses)
- Business School academics (accredited provision, consultancy, research)
- Incubation (incubation reception and support/advice)

Space will be divided into:

- Reception
- CRED offices
- Unite with Business/Enterprise/Employability
- Incubation space
- Meeting rooms
- Teaching and learning space
- Catering and public areas

### **What will the customer journeys be?**

1. Local businesses/employees via Reception would have access to:

- accredited courses and short courses offered in the BIC
- consultancy and research (CRED and Business School academics)
- KTP and other forms of the knowledge transfer
- Growth Vouchers to support cost of activity with the University (subject to success of ERDF Growth Hub project bid)
- skilled graduates for work placements

Businesses interested in accessing support from the BIC will be channelled through our Enterprise Services portal on our website ([www.cumbria.ac.uk/businessandemployers](http://www.cumbria.ac.uk/businessandemployers)), through communications with employers, and through signposting from partners to the BIC Centre Manager, to access provision and support. The BIC Centre Manager will undertake an initial diagnostic to understand needs to ensure that the business is directed to the right support - whether that be through the University, or a partner, such as the Chamber of Commerce or another partner in the Cumbria Growth Hub. We will work closely with partners to 'hide the wiring' for the business.

2. Existing UoC students and graduates via Reception would have access to:

- courses and advice on entrepreneurship and start ups
- work placement opportunities with local businesses
- incubation space

Students or graduates interested in accessing support from the BIC will be channelled through our Alumni communications and student communication to the BIC Centre Manager, to access provision and support. The Student Enterprise Co-ordinator will be pivotal in undertaking initial diagnostics to ensure that the individual accesses the appropriate support for their needs. It is envisaged that the University will work with the students and graduates to stimulate enterprising ideas and to develop skills, and bring in the Chamber of Commerce to provide business start-up support if eligible for the

business start-up programme, and also bring in Freerange when the business is in the creative and digital sector. We will work closely with partners to 'hide the wiring' for the student of graduate.

## Costs

Carlisle City Council is being asked to contribute £100k to the IT facilities and refurbishment of Paternoster Row, to create a high quality facility suitable for the activities described, including incubation facilities. The University will also contribute £60k capital, and cover the running costs of the facility year on year.

The capital budget has been developed on the advice of the Director of Estates and Facilities at the University of Cumbria and is as follows:

<b>Capital Expenditure</b>	<b>£</b>
Refurbishment of current facilities	60,000.00
Provision of IT hardware, software and infrastructure	90,000.00
Contingency Fund	10,000.00
<b>Sum of Capital Expenditure</b>	<b>160,000.00</b>
<b>Contribution</b>	
Carlisle City Council	100,000.00
University of Cumbria	60,000.00

The running cost budget has been developed on the advice of the Director of Estates and Facilities together with the HR rates currently in operation at the university.

They do not include costs for academics and research staff, or any costs incurred as separate items by any of the partners in this project. Costs are expected to rise on average at 5% per annum given today's economy and financial projections.

Income, in terms of research funding, consultancy projects, KTP or other substantive project funding would offset these costs. They would not be payable as an income stream to any of the CBIC partners.

Operating costs are therefore expected to be as per the following budget:

<b>Operating Cost Budget</b>					
	<b>Yr. 1</b>	<b>Yr. 2</b>	<b>Yr. 3</b>	<b>Yr. 4</b>	<b>Yr. 5</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent	66,000.00	69,300.00	72,765.00	76,403.25	80,223.41
Council tax, electric, gas, water, testing	13,000.00	13,650.00	14,332.50	15,049.13	15,801.58
IT/ Communications hardware maintenance and software upgrades	15,000.00	15,750.00	16,537.50	17,364.38	18,232.59
IT licence extensions to cover CBIC	4,000.00	4,200.00	4,410.00	4,630.50	4,862.03
Security/cleaning	18,000.00	18,900.00	19,845.00	20,837.25	21,879.11
Centre Manager	43,000.00	45,150.00	47,407.50	49,777.88	52,266.77
Reception	21,000.00	22,050.00	23,152.50	24,310.13	25,525.63
<b>Total running costs</b>	<b>180,000.00</b>	<b>189,000.00</b>	<b>198,450.00</b>	<b>208,372.50</b>	<b>218,791.13</b>

## Recommendation

## Appendix 1: Projected CBIC Outputs

	2012-2013	2013-2014	2014-2015
<b>Credit Bearing Provision</b>	<ul style="list-style-type: none"> <li>Development and validation of curriculum for 2013-2014</li> <li>Transfer current MBA part time delivery to Paternoster Row (February 2013)</li> <li>Relocation of teaching staff to CBIC by July 2013</li> </ul>	<ul style="list-style-type: none"> <li>Commence delivery of BA (Hons) International Business Management (final year award)</li> <li>Commence delivery of BA (Hons) Retail Marketing Management</li> <li>Commence delivery of BSc (Hons) Computing and IT (final year award)</li> <li>Commence delivery of MBA part time block delivery mode</li> <li>Commence delivery of Postgraduate Diploma in Computing and IT part time block delivery</li> </ul>	<ul style="list-style-type: none"> <li>Commence delivery of Foundation Degrees in               <ul style="list-style-type: none"> <li>(i) Professional Practice for Business with pathways in                   <ul style="list-style-type: none"> <li>E Commerce</li> <li>Marketing</li> <li>Management</li> <li>Environmental Management</li> <li>Project Management</li> </ul> </li> </ul> </li> <li>via               <ul style="list-style-type: none"> <li>Distance learning</li> <li>Blended Learning</li> <li>Part time block delivery</li> </ul> </li> </ul>
<b>Short Course Provision</b>	<ul style="list-style-type: none"> <li>Development and discussion of appropriate course delivery with stakeholders</li> <li>Development of short courses</li> <li>Delivery of one short course by July 2013</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of a programme of eight short courses</li> <li>Evaluation of demand and delivery</li> <li>Development of 2014-2015 offer</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of a programme of eight short courses</li> <li>Evaluation of demand and delivery</li> </ul>
<b>Business Seminar Series</b>	<ul style="list-style-type: none"> <li>Relocation of CRED seminar series to Paternoster Row</li> <li>Three events linked to ILS</li> <li>Evaluation of seminar series</li> <li>Development of 2013-2014 series of events</li> <li>Relocation of CRED staff to CBIC by July 2013</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of 2013-14 series of seminars</li> <li>Evaluation of seminar series</li> <li>Development of 2014-2015 series of events</li> </ul>	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
<b>Work Placement Service</b>	<ul style="list-style-type: none"> <li>Relocation of Unite with Business personnel to CBIC by February 2013</li> <li>Development of work placement opportunities with local businesses (20 short placements)</li> <li>Development &amp; delivery of short course for students seeking employment skills</li> <li>Match of placements to students</li> <li>Development of student and employer advertising</li> <li>Hosting of business assessment/interview days</li> <li>Development of placement 'paperwork'</li> <li>Seeking of further funding arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Development of work placement opportunities with local businesses (40 short placements)</li> <li>Development of 30 sandwich placement opportunities</li> <li>Development &amp; delivery of short course for students seeking employment skills</li> <li>Match of placements to students</li> <li>Hosting of business assessment/interview days</li> <li>Visits to student placements for risk assessment, learning contracts</li> <li>Development of work placement systems and delivery in association with academics &amp; evaluation</li> <li>Seeking of employer sponsorship for placement costs</li> </ul>	<ul style="list-style-type: none"> <li>Development of work placement opportunities with local businesses (60 short placements)</li> <li>Development of 60 sandwich placement opportunities</li> <li>Development &amp; delivery of short course for students seeking employment skills</li> <li>Match of placements to students</li> <li>Hosting of business assessment/interview days</li> <li>Visits to student placements for risk assessment, learning contracts</li> <li>Match of placements to students</li> <li>Hosting of business assessment/interview days</li> </ul>
<b>Incubation space and support</b>	<ul style="list-style-type: none"> <li>Provision of hot desk space for 15 potential student entrepreneurs</li> <li>Provision of incubation 'corals' &amp; filing space for five new businesses</li> <li>Provision of incubation units for four existing businesses currently with Freerange</li> </ul>	<ul style="list-style-type: none"> <li>Provision of hot desk space for 25 potential student entrepreneurs</li> <li>Provision of incubation 'corals' &amp; filing space for five upgrading businesses from last year's hot desk users</li> <li>Provision of incubation units for four follow on businesses</li> </ul>	<ul style="list-style-type: none"> <li>Developments according to space</li> <li>Upgrades from hot desk to corals to incubator to external space to be monitored. Expect a minimum of one business per year to move out.</li> <li>Search for external funding to support on-going costs of service</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Provision of reception services to hot desk and incubator customers</li> <li>▪ Creation of relationships with banking, marketing, web design and other related services for on-going support</li> <li>▪ Search for external funding to support on-going costs of service</li> </ul>	<p>from last year's corals</p> <ul style="list-style-type: none"> <li>▪ Provision of reception services to hot desk and incubator customers</li> <li>▪ One business to have moved to permanent premises outside incubation space due to growth</li> <li>▪ Dedicated provision of services from providers via timetable on site appointments</li> <li>▪ Search for external funding to support on-going costs of service</li> </ul>	
<b>Consultancy and Research</b>	<ul style="list-style-type: none"> <li>▪ Relocation of CRED to Paternoster Row by July 2013</li> <li>▪ PhD student for regional development to be appointed</li> <li>▪ Three funded bids to be won by CRED team</li> <li>▪ Relocation of KTP office into Paternoster Row</li> <li>▪ Two new KTP to be developed this year</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4 KTP in Arts, Science and Business</li> <li>▪ 6 Innovation Voucher Schemes</li> <li>▪ 4 funded bids to the value of £40,000 for CRED development</li> </ul>	<ul style="list-style-type: none"> <li>▪ TBC dependant on length of other bid development work.</li> </ul>
<b>Student Enterprise</b>	<ul style="list-style-type: none"> <li>▪ Relocate University Enterprise office to Paternoster Row by June 2013</li> <li>▪ Development of New Enterprise development (NED)Course</li> <li>▪ Delivery of NED to 15 students graduating in July 2013</li> <li>▪ 10-15 students to be supported through UnLtd to bid for social enterprise grants</li> <li>▪ 2 students to be developed into hot desk incubation space for 2013-2014</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delivery of NED to 50 students graduating in July 2014</li> <li>▪ 6 students to be developed into hot desk incubation space for 2014-2015</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delivery of NED to 80 students graduating in July 2015</li> </ul>

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 17 DECEMBER 2012**

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**EX.168/12 BUSINESS INTERACTION CENTRE**  
(Key Decision)

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules; and Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, this item was included on the Agenda as a Key Decision, although not in the Notice of Executive Key Decisions)

**Portfolio** Economy and Enterprise

**Relevant Overview and Scrutiny Panel** Environment and Economy

**Subject Matter**

The Economy and Enterprise Portfolio Holder submitted report ED.37/12 briefing Members on a proposal to set up a Business Interaction Centre (BIC) and seeking approval for a contribution of £100,000 partnership funding towards the project.

The Economy and Enterprise Portfolio Holder outlined the background to the matter, commenting that it was evident that the Government currently in place had no plan for growth; and the Chancellor of the Exchequer had no interest in the north of England. He emphasised that supporting economic growth was a key priority for the Council. In order to do that, Carlisle needed to attract new investment to the City; develop an enterprising culture and raise skills levels. He added that the Carlisle Economic Partnership had identified skills as a particular issue which needed to be addressed if the City was to attract inward investment.

The University of Cumbria was a key partner. The University's Corporate Strategy had four core themes: Sustainability, Creativity, Employability and Enterprise, and the University wished to establish a BIC as part of that Strategy.

The Economy and Enterprise Portfolio Holder explained that the University was proposing that a BIC should be established in the City which would form the base of the University of Cumbria Business School in Carlisle, details of which were provided. It was projected as a high profile entry point for businesses and employees seeking to access University expertise, particularly Business School and Arts, Business and Science expertise. He drew attention to Appendix 1 which detailed the outputs from the BIC, adding that the University was working with a number of partners to deliver the BIC.



The University had also been in discussion with the Council for some time as to where the BIC should be located and had given consideration to one of its campuses i.e. Fusehill Street or Brampton Road. However, a base in the city centre would be more advantageous and it was proposed that the BIC should be located at Paternoster Row which the University currently leased from the City Council. Paternoster Row was considered to be an ideal location as it would bring the BIC closer to its customers, enabling the business and student worlds to merge; raise its visibility; provide an attractive venue for business start-ups and contribute to the regeneration of the “cultural quarter”.

If the building was to provide a modern, fit for purpose facility necessary for a BIC approximately £160,000 capital expenditure would be required. That would include the refurbishment of the building and provision of IT software and infrastructure. The operating costs of the BIC, which would be covered by the University, would be £180,000 in the first year, rising 5% per annum (Appendix 2). However, the University had asked for a contribution from the City Council of £100,000 towards the capital costs of the refurbishment of the building.

Both buildings required maintenance improvement work to remediate the impact of dilapidations at the end of the current lease period, and it was anticipated that a programme of remedial improvement works would be prepared, funded and implemented throughout the remainder of the lease period.

The Economy and Enterprise Portfolio Holder also highlighted the comments of the Director of Resources, as detailed within the report.

He stressed that the development of a BIC was fundamental to a City with ‘growth’ aspirations. It would send a clear message to businesses both in the area and those looking to invest that Carlisle supported business. In addition, a BIC would help to address an identified need in the area, by helping to raise skill levels and supporting SMEs, as well as providing opportunities for large businesses to liaise with the University on research and development.

In conclusion, the Economy and Enterprise Portfolio Holder moved the recommendations, which were seconded by the Culture, Health, Leisure and Young People Portfolio Holder.

**Summary of options rejected**    None

## **DECISION**

That the Executive approved:

1. A programme of works agreed with the University to deal with the dilapidations identified at Paternoster Row and Castle Street.

2. That the City Council should contribute a maximum of £100,000 as partnership funding towards the Business Interaction Centre, subject to:
3. The BIC being delivered within a timescale agreed with the Portfolio Holder in conjunction with the Director of Economic Development.
4. That the Portfolio Holder, in conjunction with the Director of Economic Development and the Director of Resources, be given delegated authority to approve the works necessary to deliver the BIC.

#### **Reasons for Decision**

1. Partnership funding towards the development of a BIC to address a key Council priority
2. To ensure that the University's obligations are addressed
3. To enable progress to be made to deliver a BIC