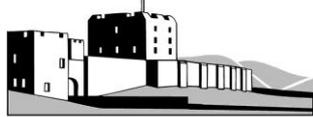


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ENVIRONMENT & ECONOMY OVERVIEW & SCRUTINY PANEL

Panel Report

Public

Date of Meeting: 2nd August 2012

Title: Update of the Management of the Enterprise Centre following the Review of its operation.

Report of: Director , Economic Development

Report reference: ED 28/12

Summary: This Report updates the Overview & Scrutiny Panel on the management, administrative and operational issues of the Enterprise Centre following the review of the Centre as concluded in March 2012. It also updates the position with regard to repairs and maintenance of the building.

Questions for / input required from Scrutiny:

Recommendations:

1. That the Overview & Scrutiny Panel notes the new management, administrative and operational arrangements that have been put in place for the Enterprise Centre as a result of the Review of the Centre as completed in March 2012.
2. That the Overview & Scrutiny Panel notes the position regarding the progress made with certain repairs and maintenance of the Centre and the ongoing position with the schedule of planned repairs.

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

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1. Background.

- 1.1** As part of the ongoing Transformation Programme of the City Council a full review of the Enterprise Centre and the services it offers was carried out and completed in March 2012. The scope and methodology of the Review was reported to the Environment & Economy Scrutiny Panel at its meeting of 3rd April 2012 (Ref: ED.15/12)
- 1.2** Additionally the Environment & Economy Scrutiny Panel, through a Task Group, carried out a review of the Enterprise Centre with regard to the purpose of the building, the services offered, occupancy levels, maintenance issues and marketing of the Centre. This Report was completed in November 2011.
- 1.3** This Report now sets out the management, operational and administrative arrangements that have been put in place as a result of the Review and how these new arrangements continue to support the tenants within the building.
- 1.4** This Report also gives an update and clarifies the position regarding repairs and maintenance for the centre and clarifies these costs.

2 Management, Operation and Administration of the Enterprise Centre

- 2.1** As previously reported the scope of the Review of the Enterprise was wide ranging and looked at every aspect of the operation and management of the building and the services provided to tenants. The most tangible outcome of the Review was that the centre is now to be managed centrally from the Civic Centre. This has resulted in the loss of the two on site posts of Centre Manager and Administrative Assistant. The last of these two post holders leaves in mid August.
- 2.2** To ensure that the City Council continues to provide a suitable service to the tenants in the centre a team of officers has worked collaboratively to develop a new regime of management and operation of the building, together with more efficient administrative processes for the tenants.

A series of meetings and consultation events have taken place with tenants to ensure that they have been fully engaged during the transition from on-site management to management from the Civic Centre.

This began during April, culminating in an open meeting on 25th June 2012 at the

Enterprise Centre, to which all the tenants were invited. Individual meetings have also taken place with individual tenants as and when required.

The main areas of concern raised by the tenants related to Health and Safety, building security, and business continuity which have all been addressed within the revised service provision as set out below.

2.3 The resultant situation regarding service provision for the tenants falls into the following categories:

No change to services / operation of the building:

- Occupational agreements to continue on a 'Tenancy at Will' ensuring "Easy in, Easy out" situation for tenants
- Access to the building for tenants 24 hours per day, 365 days a year.
- Car parking allocation in either the car park to the rear or in the nearby car park off Lamplugh Street
- A secure reception area for visitors to the building
- Continuation of the Planned and Reactive maintenance programme for the building
- Out of hour's Emergency Call out maintenance contract in place.
- The centre continues to be featured on the City Council website and available commercial property schedule

Enhanced or new service provision for tenants

- Enhanced external signage and lighting
- Individual post boxes for incoming mail which comply with Royal Mail and Police approved security regulations.
- Free conference & meeting room hire for tenants, based on a self booking system
- Additional CCTV provision: 3 new cameras' / additional recording duration to provide enhanced coverage on the entry /entry routes.
- Intercom facility for each unit to enable direct contact with any visitors to the centre at either the main James Street or loading bay entrance, and therefore allow zoned access into the building.
- Weekly scheduled inspections of the building by a member of the Building & Facilities team.
- Introduction of a simple online report form, hosted on the City Council web site, to enable tenants to raise any issues affecting their tenancy. For those who do

not have internet access, a phone has been installed. This is linked directly to Customer Services, who will then submit a report form on the callers behalf to a dedicated Enterprise Centre Inbox which is regularly monitored by officers.. The response time for any non-emergency issue reported will be 1 day, 1 week or 1 month.

- A Revised and updated Tenants's Handbook
- Direct invoicing of rental & service charge with optional quarterly billing for electrical supplies (conditional on payment history)

These improvements and adaptations have been funded to the tune of c£25,000 from the within the Council budget covering planned enhancements to council properties. The two main costs incurred are in respect of the new post boxes and Audio Intercom system.

Removal of Services

- Manned reception – In practice most businesses handle any incoming calls directly. Provision has been made for any visitors to the centre (including deliveries) to be able to contact the individual business using the new intercom system.
- Franking Facility – a phased withdrawal with the main user being offered the option to take on the machine,
- Photocopying services – limited use by tenants with more cost effective solutions available in the locality
- Council broadband supply – limited use by tenants and a phased withdrawal to the end of September

3. Repairs and Maintenance of the Building

3.1 As previously reported the general layout, age and nature of the Enterprise Centre buildings continues to present problems in relation to repairs and maintenance. An annual maintenance budget of £37,000 remains in place.

3.2 In line with the Task Group Report progress has been made over recent months in respect of the following items;

- Ongoing repair work to all roof areas especially the flat roof
- Clearance of gutters and downspouts reducing risk of flooding
- Improvement of external appearance of the building including cleaning and painting of railings, doors, windows rain water goods and signage.

- Rolling programme of work to restore the sandstone masonry work especially on the front elevation.
- Update/upgrade of fire escape routes and signage to comply with current legislation and accommodate managerial changes
- Fixed wire test completed throughout the building with favourable outcome although some remedial work will be required.
- Basement: Significant progress made after a five year discussion with the tenants (Electricity North West / United Utilities) for them to address the problems causing flooding and gas emissions, and the foul water drainage outfall problem. Previous estimate of £50,000 to remedy this now reduced to c £6,000.

3.3 In respect of a planned repairs and maintenance schedule the latest position has not changed significantly from that previously reported to the Overview & Scrutiny Panel in April. The latest schedule is out as Appendix 1 to this Report and sets out items of repair / maintenance and the up to date estimated cost.

In respect of the detailed elements it should be noted that:

- The roofing cost estimates now include full roof insulation required to comply with building regulations Part L and ensuring adequate gradients and roof drainage. (This was not previously included in the figures advised to the Task Group)
- The costs associated with the major foul drainage in James Street have substantially reduced due to the issue now being in the process of being resolved with United Utilities.(Reduction from £50,000 to c £6,000)
- The electrical costs include for upgrading all parts of the building, both tenants units and common parts (previous figures advised to the Task Group only included common parts)
- Additional insulation work is required by the European Performance of Buildings Directive regulations which require that buildings for let need to achieve a higher classification on the energy performance certificate (minimum “E”, currently “G”)

3.4 The major repair and maintenance issue continues to be the poor condition of the roof and the problems of water ingress that occurs from this. The recent period of wet weather has seen several incidents of leaks and both the costs and inconvenience of these to tenants continue to be an issue.

To address this problem it is clear that substantial capital investment needs to be made on roof repair / replacement, but there is currently no funding earmarked in the 2012 / 13 capital programme. This will need to be considered as part of the 2013 / 14 budget process.

4. Future Support for Enterprise and Small Business

4.1 The Enterprise Centre will continue to play a significant part in the support for small business in the Carlisle area, especially those that want flexible affordable space adjacent to the city centre.

5. Recommendations

i) That the Overview & Scrutiny Panel notes the new management, administrative and operational arrangements that have been put in place for the Enterprise Centre as a result of the Centre as completed in March 2012.

ii) That the Overview & Scrutiny Panel notes the position regarding the progress made with certain repairs and maintenance of the Centre and the ongoing position with the schedule of planned repairs.

Appendix 1 – Repairs & Maintenance Schedule.

Revenue budgets		x 5 years
Planned maintenance (per annum)	£22,700	£113,500
Reactive maintenance (per annum)	£15,300	£76,500

Capital Works to Fabric of Building

From 5 year plan

Flat roof re-covering - main roof	£120,000
Re-slating / leadwork replacement - engine shed	£96,000
Re-slating / leadwork old school building	£30,000
Lift overhaul / replacement	£80,000
Stone repairs / re-pointing	£10,000
Fire Alarm replacement	£15,000
Major foul drain replacement in James Street	£6,000
Water service pipe relining	£10,000
Replace electric heating with heat pumps	£120,000
Electrical wiring remedial works	£7,000
Full Electrical rewiring	£75,000
Window replacements	£50,000
Structure external insulation	£150,000
Total	£769,000

Timescale

Short Term Capital Work (1-5 years)	£288,000
Medium term capital work (5-10 yrs)	£356,000
Long term capital work (10 - 15 yrs)	£125,000
	£769,000