

**PHOENIX ENTERPRISE CENTRE - SERVICE LEVEL AGREEMENT (SLA)
2007 - 08**

EXECUTIVE MEMBER: Cllr Cath Giel
LEAD OFFICER: Mike Tichford – Head of Regeneration
REPORT AUTHOR: Diane Ward – Regeneration Projects Officer

Summary:

This report seeks approval for the Service Level Agreement drawn up with Phoenix Enterprise Centre for 2007-08.

Recommendation:

To approve the Service Level Agreement for 2007-08 (Appendix A)

The decision to act as accountable body for the refurbishment of Phase 2 of Phoenix Court be delegated to the Corporate Director of Economic Prosperity & Sustainability and agree the delegation of approvals (see 8.4) to enable deadlines to be met .

1. INTRODUCTION

1.1 The Phoenix Enterprise Centre (Formerly Cleator Moor Business Centre) currently leases three CBC buildings and is the managing agent for a fourth on the Town Square in Cleator Moor for the purpose of encouraging the start up and expansion of small businesses.

1.2 An SLA is required to formalise the agreement and conditions attached to CBC support for PEC.

2. ARGUMENT

2.1 The SLA ensures that the support given to PEC is targeted to achieving specific outputs which support the Council's corporate plan, in particular contributing directly to 'support the development of sustainable local businesses' (3.1.2) and contribute to reducing worklessness through support for the unemployed (2.3.8)

2.2 The SLA is also needed to ensure PEC work towards achieving the outputs linked to the ERDF funding received by the Council for the refurbishment of the former Cleator Moor Co-op building. The overall targets must be achieved

by September 2008, it is important therefore that a significant proportion are achieved during the period of this SLA.

2.3 PEC has seen a significant drop in occupancy over the first half of 2007. The Council needs to support PEC to reverse this trend whilst ensuring its buildings are managed appropriately. Whilst the target occupancy levels may be considered relatively high, without such targets occupancy levels could drop even further and the buildings become unsustainable if the occupancy levels drop below 60% for a prolonged period of time.

2.4 the advice and guidance target is based on previous years experience.

3. OPTIONS TO BE CONSIDERED

3.1 Without the SLA the Council has no influence on the achievement of the outputs it has committed to as a condition of the ERDF grant awarded. If these outputs fail to be achieved, this could trigger clawback of grant from the Council.

3.2 Without the SLA, the council contribution to supporting small businesses and encouraging people back into work would be significantly reduced, which contradicts the aims set out in the Corporate Plan.

4. CONCLUSIONS

4.1 The SLA is necessary for the Council to retain any influence over the achievement of the targets listed.

5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

5.1 Provision has been made within Economic Development Base Budget for the £3,500 grant attached to the signing of the SLA.

6. PROJECT AND RISK MANAGEMENT

6.1 The major risk at present is clawback of the ERDF grant if The Council fails to achieve the outputs attached to the funding. It is imperative therefore that both The Council and PEC sign up to the SLA as soon as possible to ensure commitment of both parties to achieving the targets and outputs listed in the SLA.

6.2 The SLA outlines the information required and the appropriate communication expected with the Council. The risk of the project defaulting is thus reduced provided the SLA is actively monitored.

7. IMPACT ON CORPORATE PLAN

- 7.1 Support to PEC through the SLA will impact on both 'support the development of sustainable local businesses' (3.1.2) and contribute to reducing worklessness through support for the unemployed (2.3.8)

8. PHOENIX COURT REFURBISHMENT

- 8.1 Due to the situation regarding the Leconfield Industrial Estate and the earmarked funding for improvements to the site currently being withdrawn, there is a potential under spend in the current round of ERDF funding. Consequently there is now a need to identify alternative proposals, at very short notice, in order to utilise the available grant funding and ensure it is neither lost to the town or indeed the Borough. PEC are considering putting forward a proposal for the refurbishment of Phase 2, Phoenix Court, a building owned by Copeland Borough Council and leased to PEC. This opportunity helps both PEC and small businesses in the quality of accommodation on offer, whilst improving a council building. If approved the funding would need to be defrayed by the end of June 2008.
- 8.2 PEC have asked if the Council would act as Accountable Body on the proposed £600,000 scheme in order to achieve best value through the reclamation of the VAT, which would considerably enhance the scheme. This decision needs to be made once all aspects of the scheme are in place, but will need to be made swiftly to meet the tight deadline. Therefore we are asking for this decision to be delegated to the Head of Economic Prosperity & Sustainability who will make the decision once all the relevant information is available to do so.
- 8.3 If the decision is for the council to act as Accountable Body, an administration fee will be charged by CBC to cover any costs incurred relating to the project. CBC would also project manage the scheme to ensure deadlines are met and therefore avoid any clawback or fines for non-compliance.
- 8.4 Council procedures will be followed in respect of Contract Standing Orders and Financial Regulations, however due to the expected very tight deadline Members may also be prepared to delegate approval of tender lists and tenders to the Chief Executive and Head of Legal and Democratic Services in consultation with the portfolio holder and OSC chair.

List of Consultees: Steven Tickner - Accountant, Cllr T Knowles, Fergus McMorro - Director of Economic Prosperity & Sustainability, Chris Lloyd - Business Development Manager

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	n/a
Impact on Sustainability	2.1
Impact on Rural Proofing	n/a
Health and Safety Implications	n/a
Project and Risk Management	2.2
Impact on Equality and Diversity Issues	n/a
Children and Young Persons Implications	n/a
Human Rights Act Implications	n/a

Please say if this report will require the making of a Key Decision NO

SERVICE LEVEL AGREEMENT – 2007/2008

Between: Copeland Borough Council

and: Phoenix Enterprise Centre

1.0 INTRODUCTION

- 1.1 This agreement between Copeland Borough Council (The Council) and Phoenix Enterprise Centre (The Enterprise Centre) sets out the undertakings made and the level of services to be provided to local businesses and unemployed people by the Enterprise Centre in return for the financial support provided by the Council.
- 1.2 The Agreement is made by the Council in accordance with its powers under Section 33 of the Local Government Act and Housing Act 1989.

2.0 LENGTH OF AGREEMENT

- 2.1 This Agreement covers the twelve month period from 1 April 2007 to 31 March 2008. It may be reviewed at any time at the request of either party but can only be varied by agreement of both parties.

3.0 GRANT FROM COPELAND BOROUGH COUNCIL

- 3.1 Copeland Borough Council will pay the Enterprise Centre the sum of £3,500 as a grant for the financial year 2007/2008.
- 3.2 The grant will be paid in one instalment payable on the ratification of this agreement.
- 3.3 The grant will be used solely to defray expenditure necessarily incurred by the Enterprise Centre in providing the services detailed in this Service Level Agreement.

4.0 SERVICES TO BE PROVIDED

- 4.1 The Enterprise Centre has two main aims:
- Managed support of workspace units for start up and small businesses
 - Delivery of advice and guidance services to unemployed adults

- 4.2 The Enterprise Centre will provide support and advice to businesses in Cleator Moor Workspace Phase 1 and 2, Phoenix Court and the refurbished Co-op through the Centre Manager including advice on good business practice, access to expert advice, availability of grants and other forms of assistance and a central administration service.
- 4.3 The Enterprise Centre will through the Centre Manager provide a vocational guidance and advice service from the Enterprise Centre and from other locations as may be agreed, to unemployed adults resident within the Borough. The Centre Manager will also offer services to individuals and businesses where redundancies have occurred or are likely. These services include an information and referral desk, one to one interviews, support with CVs and job applications, and ongoing mentoring as required.
- 4.4 The Enterprise Centre will use its best endeavours to achieve the following targets and activities in 2007/2008:
 1. Achieve 70% occupancy of the available floor-space in Phases 1 & 2 of Phoenix Court.
 2. Achieve average 80% occupancy at Phoenix House.
 3. Support a minimum of 115 jobs in the workspace (increase from 100 in 2006/7)
 4. Provide advice and guidance service to 375 unemployed people

The following outputs are also required as a condition of the ERDF grant for the Co-op refurbishment and it is therefore appropriate that they form part of this agreement.

1. Create 12 new jobs
(+20 more by Sept 2008)
2. Safeguard 8 jobs
3. Generate £420,000 increase in business turnover
(+ an additional £828,563 by Sept 2008)
4. Safeguard business turnover of £110,000
(+ an additional £106,195 by Sept 2008)

5.0 CONDITIONS OF GRANT

- 5.1 The Enterprise Centre shall make any relevant management information available to the Council to enable the Council to satisfy itself that the Enterprise Centre's performance of the described services are to a satisfactory standard, such standard being decided conclusively by the Council.
- 5.2 In particular, the Enterprise Centre will:
 - Hold regular meetings of its Management Committee and inform the Council of these meetings and provide the Council with agendas and minutes.

- Maintain proper audited accounts and ensure that funds are used only for the purposes for which they are given. Within 7 days of the agreement being signed the Enterprise Centre will forward a copy of the latest available audited accounts to the Head of Regeneration.
- Seek to ensure appropriate information/ evidence is collected and made available to support the outputs claimed in relation to jobs created and safeguarded, and the level of sales achieved by sub-tenants in line with the conditions of the ERDF grant used to refurbish Phoenix House.
- Provide quarterly statistics and a narrative report with relevant evidence, on the advice given to unemployed residents of the Borough and on occupancy of the Enterprise Centre.

6.0 MONITORING AND DEFAULT

- 6.1 Representatives from the Council and the Enterprise Centre shall hold a meeting at least every six months in order to review the quality and cost effectiveness of the service provided, and to agree any necessary action. These meetings are to be organised through the Head of Regeneration who will act as principal point of contact with the Enterprise Centre.
- 6.2 In the event of the Enterprise Centre defaulting on the terms of the agreement the Council reserves the right to reduce or withdraw grant aid without further notice.

Signed..... Date.....
On behalf of Phoenix Enterprise Centre

Signed Date
On behalf of Copeland Borough Council