

**PHOENIX ENTERPRISE CENTRE - SERVICE LEVEL AGREEMENT 2008 - 09**

**EXECUTIVE MEMBER:** Cllr Cath Giel  
**LEAD OFFICER:** Fergus McMorrow – Director of Development  
**REPORT AUTHOR:** Diane Ward – Regeneration Projects Officer

**Summary:**

This report seeks approval of the Service Level Agreement (SLA) drawn up with Phoenix Enterprise Centre (PEC) for 2008-09.

**Recommendation:**

To approve the Service Level Agreement for 2008-09 (Appendix A)

**1. INTRODUCTION**

- 1.1 PEC currently leases three buildings from The Council 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 between Copeland Borough Council (CBC) and 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 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 attached to the ERDF funding must be achieved by September 2008.
- 2.3 The Council should support PEC to ensure maximum occupancy is achieved across all of the buildings leased (although Phase 2 is currently empty pending refurbishment) and ensure the buildings are managed appropriately.

- 2.4 Support to PEC is one way the Council can support work to nurture and develop small businesses.
- 2.4 the advice and guidance target is based on previous years figures.
- 2.5 PEC achievements in relation to the 2007/08 SLA are given in Appendix B

### **3. OPTIONS TO BE CONSIDERED**

- 3.1 To continue with the SLA: the SLA is needed to ensure the Council has some influence over the achievement of the outputs it has committed to as a condition of the ERDF grant awarded to the refurbishment of the former Cleator Moor Co-op. If these outputs fail to be achieved, this could trigger clawback of ERDF grant from the Council.
- 3.2 Discontinue with the SLA: Without the SLA, the Council would have no influence over the achievement of the outputs it has committed to as a condition of the ERDF grant. In addition, without an SLA the Council's 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. T

### **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 the 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)

**List of Consultees:** Georgina Ayling – Interim CFO, Cllr C Giel, Cllr T Knowles, Steve Smith - Interim Head of Regeneration, Fergus McMorrow – Director of Development, Sayon Yaidoo – Interim Economic 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
Monitoring Officers Comments	I'll be producing similar draft SLAs for the CAB and Community Law Centre for this meeting, so I have no concerns over the format. Just a thought though- is it worthwhile saying that the £3,500 will only be paid after production of the latest audited accounts?
S.151 Officer Comments	I don't believe that the payment would be subject to audited accounts but we may wish to have a clawback subject to certain conditions not being.

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

**SERVICE LEVEL AGREEMENT – 2008/2009**

**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 2008 to 31 March 2009. 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 2008/2009:
1. Achieve 80% occupancy of the available floor-space in Phase 1 of Phoenix Court.
  2. On refurbishment of Phase 2 of Phoenix Court, achieve 70% occupancy of available floor-space
  3. Achieve average 80% occupancy at Phoenix House.
  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 former co-op refurbishment and it is therefore appropriate that they form part of this agreement. These targets should be achieved by September 2008

1. 22.7 new jobs created
2. £1,192,859 increase in business turnover generated

## **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