

Report to	Cabinet	Item
	17 October 2012	
Report of	Head of city development services	11
Subject	Future Arrangements for the Operation of Norwich Enterprise Centre	

Purpose

Cabinet are asked to consider options and approve action for the future operational arrangements of Norwich Enterprise Centre, 4B Guildhall Hill, Norwich.

Recommendation

To approve extension of the existing operational agreement for Norwich Enterprise Centre and its continued operation as a hub for enterprise and business support centre in Norwich by Norfolk & Waveney Enterprise Services Limited (NWES).

Corporate and service priorities

The report helps to meet the corporate priority A prosperous city and the service plan priority Jobs Growth

Financial implications

Nil. The recommended course of action is revenue neutral.

Ward/s: All wards

Cabinet member: Councillor Arthur - Leader

Contact officers

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Background documents

None

Report

Background

1. Norwich Enterprise Centre was opened in early 2008 on 4b Guildhall Hill; the building had previously been unoccupied for several years and was fully refurbished as a part of a flagship project within Norwich's successful LEGI Programme. The purpose of the Centre is to provide a hub for the delivery of mentoring, training and advice services to support business start-up and growth in Norwich and the surrounding hinterland.
2. The building is owned by Norwich City Council, capital works to refurbish the Centre were fully funded by LEGI and EEDA's Investing in Communities Fund. LEGI funding also purchased a 15 year lease on the building (to 31 March 2022) in order to secure its role as a sustainable Enterprise Centre beyond the lifetime of LEGI funding.
3. Following refurbishment, an initial five year agreement for a business support provider to manage the Centre and provide business start-up support was put out to tender and secured by Norfolk & Waveney Enterprise Services (NWES). Under the terms of the agreement, during the first two years (2008 and 2009), the managing organisation received a management fee (funded by LEGI) with a requirement for it to develop sustainable income streams to cover the operational costs of the building and provision of business support services beyond the lifetime of LEGI funding - effectively becoming revenue-neutral and operational at no cost to Norwich City Council by the end of 2009.
4. The initial five year period of operation will come to an end on 31 March 2013; Cabinet is asked to review arrangements for the building for the 10 years that remain on the lease with a view to either;
 - continuing current arrangements via an extension to the current operating agreement with NWES for a further period of 5 (or 10) years; or
 - seeking a new arrangement with an alternative provider of business support services

Norwich Enterprise Centre Activity 2008-12

5. The level of activity below at the centre reflects the nature of changing funding over the 4 years the centre has been open.

Norwich Enterprise Centre Activity	2008/ 9	2009/ 10	2010/ 11	2011/ 12
Visitors	2817	3619	2810	1920
Business Start-Ups	84	171	181	47
Business Advice Sessions	1427	1640	1312	908
Business Skills Training Sessions	492	1098	817	198

6. Analysing these figures it is clear that in the peak years of Norwich LEGI funding business start levels were particularly high. This was also a period when significant additional EEDA funding notably for Women's Enterprise Coaching activity was also available to NWES. The reduction in business starts in 2011/12 reflects this funding change and an increase in lighter touch engagements
7. Business support training currently attracts very little funding. Government policy is very much geared towards individuals "self-serving" – ie accessing the information that they need to start a business via websites or using their own resources to pay for any support that they need from the private sector. As a result, with only Barclays-sponsored workshops and commercially priced options available, the level of training sessions has reduced considerably. The level of advice sessions in the current funding climate is still high even though it is also much reduced on previous peak years.
8. LEGI marketing came to an end in March 2011 and this has impacted on visitors to the centre. To summarise:
 - Delivery at the centre has achieved some impressive results over the last four years.
 - The amount of support available through the centre has decreased since March 2011 but in the current funding climate that is expected and the level of support available still exceeds what is available elsewhere in Norfolk and Suffolk by a considerable margin.
 - The source of the funding is all completely different to that prior to March 2011 – NWES have recently been successful in attracting funding from the Regional Growth Fund, Barclays and DWP and this funded support is all available from Norwich Enterprise Centre as their operational base.
 - Looking forward NWES have in place programmes that will be able to continue providing support from the centre for the next 3 years although they are still seeking additional support to increase the offer available.

Options for 2013 onwards

9. There have been significant changes in the business support landscape since 2008 which will have a bearing on arrangements for the next few years:
10. The national Government-funded Business Link service has been closed and now exists only as a web-based information portal.
11. Many local and national business support providers and publicly-funded business support projects have folded due to significant contraction in European and public funding. Many other organisations continue to operate with very little capacity and a considerable degree of financial insecurity.

12. Regional Development Agencies – previously major funders of business support - have been abolished and replaced by Local Enterprise Partnerships (LEPs) – LEPs are not financially resourced to the level of RDAs and as such do not directly commission or provide business support.
13. At a local level, there are now very few organisations providing free business start-up support and there is very limited capacity in the support that is available.
14. NWES have been successful in securing funding to provide business support in a very difficult environment; as a result what is currently on offer at Norwich Enterprise Centre equals or exceeds any other business support available in the New Anglia LEP area of Norfolk and Suffolk, there are also strong linkages in place to other specialised support and funding.
15. It is extremely unlikely that any other provider has access to this level of external funding at present and as such, without significant levels of revenue funding in addition to a rent-free building, replacing current arrangements with a new provider would be likely to result in reduced levels of free business support offered from Norwich Enterprise Centre.
16. In addition, weaknesses in business support provision mean that there is no guarantee that a costly re-tender process (with no revenue funding on offer) would attract a new provider to Norwich Enterprise Centre but could risk losing the current provider.
17. For this reason it is recommended that Cabinet agrees to continue current arrangements via an extension to the current operating agreement with NWES for a further period of 5 years.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:

Cabinet

Committee date:

17 October 2012

Head of service:

Andy Watt

Report subject:

Future Operational Arrangements for Norwich Enterprise Centre

Date assessed:

30 August 2012

Description:

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The recommendation to continue current arrangements for the Enterprise Centre is revenue neutral.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The recommendation to continue current arrangements would mean that services offered at Norwich Enterprise Centre are unchanged.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Retaining the current provider (NWES) will also retain the business support services that are currently on offer and that the Enterprise Centre will remain a hub for business support activities in Norwich.
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Norwich Enterprise Centre's location is highly sustainable in terms of the availability of public transport
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment

Positive

The recommended course of action will maintain a city centre hub of free and subsidised business support in Norwich.

Negative

Neutral

Issues