

ECONOMIC DEVELOPMENT COMMITTEE

20 NOVEMBER 2019

NEWARK BEACON UPDATE

1.0 Purpose of Report

- 1.1 The purpose of this report is to update Members on the progress made at the Newark Beacon.

2.0 Background Information

- 2.1 On 1 October 2018, the management of Newark Beacon was brought in-house and a five year Business Plan (2018 – 2023) was subsequently approved by the Economic Development Committee (21 November 2018)

3.0 Update

Business Plan

- 3.1 The Business Plan set out a number of proposals and objectives over a five year timeline. There have been some delays within this 5 year programme, primarily due to the need to undertake essential works and staffing changes. However, the overall budgetary position remains positive compared to forecast.

Staffing Changes

- 3.2 As reported to Committee on 19 June 2019, currently both the Centre Manager and the Assistant Centre Manager are on 12 months maternity leave which commenced on March/April 2019. As a consequence, both a temporary Centre Manager and Assistant Centre Manager has been employed. A further member of staff is on a phased return to work following long term sick leave. Two new zero hours contract staff have been employed and have been trained to cover reception.

The forgoing has resulted in a considerable reduction in the use of agency staff to cover the management and operation of Newark Beacon and costs have reduced considerably.

Essential Works

- 3.3 Managing the Beacon over the last 12 months has enabled us to identify a range of essential works required to update and maintain the facility to the high standard of service offering we are striving for. We recognise the importance of providing this level of service in an attractive environment to retain existing businesses. Equally we are focussing on providing facilities that appeal to new organisations which may be attracted by new and innovative facilities. The following progress in respect of improvements to the Centre have been made:

Scheme	Status	Cost (approx.)
New website completed & operational	Complete	Nil
Fire Risk Assessment compliance	Complete	£2,000
Fire Alarm upgrade	Complete	£4,000
Telephone system upgrade	Complete	£4,000
Door Access System replacement	Complete	£4,000
Kitchen Equipment (Café)	Complete	£2,000
Kitchen Reorganisation/redecoration (improved storage)	Complete	£4,000
Redecoration (reception)	Complete	£1,200
Centre Signage replacement	Complete	£4,000
Shared Office/New Meeting Room (inc new Furniture & AV equipment)	Complete	£20,000
Conference facility upgrade inc. new AV equipment (NB this has replaced the option of the sliding wall and new AV previously reported at circa £20,000)	Complete	£4,000
Reception Upgrade	Complete	£2,000
Car Park Remarking	Complete	£1,000
Intruder Alarm upgrade	Complete	£1000
Communications Room upgrade	Complete	£2,000
Principal Toilet upgrade including Legionella compliance	In progress	£20,000
Carpet Replacement	Awaiting quotation	TBA
Kitchenette refurbishment (2)	To programme	Approx. £2,000
Telephone switches	To inspect and update	TBA

4.0 **Performance to Date**

4.1 **Rental Surplus**

The 2018/19 Outturn shows the following:

Rental Income which includes rent, virtual and services charges was budgeted as £365,530.

Actual achieved was £364,365 an unfavourable variance of £1,165.

4.2 **Auxiliary Surplus**

Auxiliary Income which includes catering, hot desking and hire charges was budgeted as £51,600. Actual achieved was £70,931 a favourable variance £19,331.

4.3 **Occupancy**

Occupancy in the twelve months since the Beacon management returned in-house has increased from 31 Offices Occupied (72%) to 38 of Offices Occupied (88%). There are 43 offices available in total meaning there are 5 offices vacant. This 18% increase in occupancy exceeds the Centre's target of 85% occupancy by April 2020 as set out in the Business Plan. The level of occupancy is welcomed. We monitor tenant management on a daily basis to ensure that we meet tenant expectations and retain the high degree of satisfaction that assists in retaining tenants. There is a need to continue to push the filling of vacant space.

4.4 Business Support

Business Support has increased from 2 businesses supported since October 2018 to 7 businesses to 31 March 2019 and from 1 April to 22 October, 9 businesses.

4.5 Digital Communications

The Communications Business Unit is working with the Beacon to develop marketing for the various social media platforms we wish to use. These will include LinkedIn, Instagram and News items on the website. A relaunch of Newark Beacon is proposed for January 2020 once the remaining works have been carried out.

4.6 Customer Satisfaction

Customer Satisfaction, which is an annual target, is currently being measured using a formalised process following the 12 month anniversary of taking over the Beacon management. We hope to have this feedback available to be able to report verbally at the meeting. We do manage a day to day customer engagement by actively communicating and inviting verbal feedback. Tenants have reported that they appreciate this engagement and they welcome the increase in communication.

5.0 Equalities Implications

5.1 Equalities impact assessments will be completed as appropriate for the activities and actions mentioned within this report.

6.0 Financial Implications FIN19-20/6445

6.1 Budgetary provision for the staffing of the Beacon, in the current financial year, will also need to be revisited by Officers in light of long term sickness and maternity cover requirements.

7.0 Community Plan – Alignment to Objectives

7.1 The in-house management of Newark Beacon was driven by the desire improve the quality of the service and business support available to the customer, as well as reduce expenditure and increase revenue in accordance with Newark and Sherwood's Commercial Strategy and Investment Plan.

8.0 Comments of Director

8.1 I continue to welcome and support the difference made since the Beacon was brought back in house in terms of occupancy and budget. The centre provides important accommodation to a number of businesses. There is a need to absorb temporary staffing costs within the 2019/20 budget, a matter which Officers will address. It is expected that the relaunch of the Beacon's advertising profile in 2020 will see additional take-up of vacant units.

9.0 RECOMMENDATIONS that:

- (a) Members note the report and the achievements made to date; and**
- (b) a further progress report be presented to Committee in June 2020.**

Reason for Recommendations

Ongoing reporting on the Business Plan

Background Papers

Nil

For further information please contact Steven Syddall/David Best on ext. 5385/5890

Matt Lamb

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