

**Agenda Item No:** 8 **Report No:** 105/13

**Report Title:** Newhaven Enterprise Centre – occupancy rates, arrivals and waiting lists

**Report To:** Audit and Standards Committee **Date:** 24 June 2013

**Ward(s) Affected:** All

**Report By:** Head of Audit and Performance

**Contact Officer**  
**Name:** David Heath  
**Post Title:** Head of Audit and Performance  
**E-mail:** [David.Heath@lewes.gov.uk](mailto:David.Heath@lewes.gov.uk)  
**Tel no:** 01273 484157

---

**Purpose of Report:**

- 1 To present to Councillors information on levels of occupancy, the frequency of new arrivals and the waiting lists of new applicants for the Newhaven Enterprise Centre (NEC).**

**Chair's Recommendation(s):**

- 1 To receive and consider the report.
- 2 To note the high occupancy rates for the majority of the period since early 2009 (see 7 and Appendix 1).
- 3 To note the current waiting list arrangements for applicants for vacancies (see 11).

---

**Reasons for Recommendations**

- 1** At its meeting on 18 March, the Audit and Standards Committee considered the Interim Report on the Council's Systems of Internal Control (48/13) by the Director of Finance that included a summary of the results of a recent internal audit of the Newhaven Enterprise Centre (NEC).
- 2** The discussion of the audit report explored the Letting Strategy for the NEC, including the current emphasis on the maximisation of income via the avoidance of empty units and the possible alternative strategy of encouraging small and starter businesses by seeking ways to have more established business move to other premises.
- 3** The Audit and Standards Committee requested that the Principal Audit Manager present a further report summarising the occupancy rates, the rates at which new arrivals have filled any vacancies and the extent of waiting lists of applicants for vacancies.

## **Background**

- 4 The NEC opened in November 2007 and provides 46 business units offering accommodation and support infrastructure packages for start up and more established small businesses. The centre is managed on behalf of LDC by Basepoint, and the relationship between the two bodies is governed by an Operational Management Agreement (OMA) first signed in September 2006 and a Deed of Variation signed in February 2010.
- 5 The LDC officer responsible for overseeing the agreement with Basepoint is the Corporate Head - Property, Regeneration and Enterprise, with support from Financial Services staff in respect of financial aspects of the agreement.

## **Occupancy rates**

- 6 Financial Services receive occupancy reports from Basepoint on a monthly basis, and occupancy levels are reviewed quarterly at meetings between LDC and Basepoint representatives. The monthly review data has been summarised to present the occupancy position at the end of each quarter since the start of 2008/09. This information is presented in the summary of NEC occupancy that is given at Appendix 1.
- 7 The NEC has been at or near full occupancy for most of the time since March 2009. The exception was the period between January and September 2010 when there were up to six vacant units. Occupancy was at 100% from April 2011 to December 2012, with the first vacancy arising on 1 December 2012 when a workshop became available.

## **Vacancies and new arrivals**

- 8 Vacant units are most often filled within 1 month of the previous occupier leaving, although units have occasionally been vacant for up to 2 months. There has been only one instance of a unit being vacant for more than three months – Unit 28, vacant from May to Sept 2010.

## **Waiting Lists**

- 9 Basepoint manage the day to day operation of the NEC, including dealing with enquiries and applications for vacant units. The previous Basepoint manager operated a waiting list that was analysed between those contacts that were very interested (red) in taking a vacant unit, the contacts that might be interested (green) and those that had not expressed an interest for some time (black). There was also a separate list of small firms that were only interested in single person units.
- 10 The last version of this waiting list (December 2012) showed 14 red contacts, 27 green and 31 black, with 21 entries on the single person list. The waiting list was a live file that was continually updated, and there is no historical data on past waiting lists.
- 11 The new Basepoint manager has introduced simpler waiting list arrangements that focus on those contacts that could move in immediately if a unit becomes available. The current list holds four entries, who are contacted via telephone

every month to check on their current situation. All the contacts on the previous waiting list receive a monthly email to keep them informed of the NEC facilities and the units that may be available in future.

### **Financial Implications**

- 12 There are no additional financial implications from this report, although it should be noted that any periods of less than full occupancy at the NEC will reduce the Council's income from this facility.

### **Sustainability Implications**

- 13 I have not completed the Sustainability Implications Questionnaire as this report is exempt from that requirement because it is an internal monitoring report.

### **Equality Screening**

- 14 This report is for information only and involves no key decisions. Therefore, screening for equality impacts is not required. However, if Internal Audit note equalities issues during their work these will be raised with the Equality Officer to ensure that appropriate equality impact screening is carried out.

### **Risk Management Implications**

- 15 The risk assessment shows that if the Audit Committee does not ensure the adequacy and effectiveness of the Council's systems of internal control there is a risk that key aspects of the Council's control environment, specifically the controls over the operation of the NEC will not comply with best practice standards.

### **Background Papers**

- 16 Report to the Audit and Standards Committee on 18 March 2013: Interim Report on the Council's Systems of Internal Control 2012/13.  
<http://cmis.lewes.gov.uk/CmisWebPublic/Binary.ashx?Document=6155>

### **Appendices**

- 17 Appendix 1: Summary of NEC occupancy since 2008/09

### Appendix 1: Summary of NEC occupancy since 2008/09

Year	2008/09				2009/10				2010/11			
Qtr ending	June	Sept	Dec	March	June	Sept	Dec	March	June*	Sept	Dec	March
Total units	45	45	45	45	45	45	45	45	46	46	46	46
Occupied units	36	38	35	43	44	45	44	40	41	40	46	45
Vacant units	9	7	10	2	1	0	1	4	5	6	0	1
Occupancy rate 1	80%	84%	78%	96%	98%	100%	98%	89%	89%	87%	100%	98%
Occupancy rate 2	N/A	N/A	N/A	N/A	93%	98%	93%	89%	87%	87%	100%	98%

Year	2011/12				2012/13			
Qtr ending	June	Sept	Dec	Mar	June	Sept	Dec	Mar
Total units	46	46	46	46	46	46	46	46
Vacant units	0	0	0	0	0	0	1	1
Occupancy rate 1	100%	100%	100%	100%	100%	100%	98%	98%
Occupancy rate 2	100%	100%	100%	100%	100%	100%	95%	93%

### Notes

\* Training room divided in 2010 to create an extra unit.

Occupancy rate 1: Occupied units as a proportion of total units.

Occupancy rate 2: Sq footage occupied as reported by Basepoint.