

Budget Option 2019/20 – 2020/21

Cumulative savings

Reference: RE 12

RiDO Business Centres Income generation	2018/19 £'000	2019/20 £'000	2020/21 £'000
Increased income from business centre licence fees	15	35	56

Director Responsible for Delivery	Strategic Director Regeneration and Environment
--	---

Cabinet Portfolio Holder	Cllr Denise Lelliott
---------------------------------	----------------------

Finance Business Partner	Dawn Upstone
---------------------------------	--------------

Proposal Description	Increase in income from licence fees paid by business centre tenants and an increase in occupancy levels
-----------------------------	--

Details of Proposal (including implications on service delivery)	<p>Increased licence fees in RiDO business centres have been agreed as part of budget proposals in previous years, most recently, in addition to increases already agreed, an additional 2% increase for 2017/18 and a further 2% in 2018/19.</p> <p>These ASRs have been successfully delivered and although the cost to tenants has increased, occupancy levels have remained high.</p> <p>Licence fees currently range from £11.34 per square foot per annum for some of the larger workshop units at Matrix in Dinnington to £15.90 per square foot per annum for a small office at Fusion adjacent to Magna.</p> <p>Although the service is conscious that its clients and customers are small and new start businesses which need to operate tight control of overheads and other expenses it is considered that the benefits clients receive from locating</p>
---	---

	<p>in the business centre environment does provide scope for:</p> <ul style="list-style-type: none"> • additional further annual increases in licence fees; and • higher income forecasts based on positive assessment of the ability of the business centres to retain high occupancy levels – effectively an assessment that the current good performance of the business centres can be maintained over the longer term <p>The savings will be delivered by a combination of a 3% increase charges in 2019/20, 2020/21 and 2021/22 and an increase in income resulting from current higher levels of occupancy being maintained year to year.</p> <p>A 3% increase in rental charges for a “typical” 350 sq ft workshop unit is approximately £11 per month.</p>
<p>Implications on other Services (identify which services and possible impact)</p>	<p>None</p>
<p>Support required from Corporate Services – Finance, HR, Legal, ICT (please specify)</p>	<p>None.</p>
<p>Reduction in Staffing Posts (FTEs)</p>	<p>None</p>
<p>Reduction in Head Count</p>	<p>None</p>

<p>Decision Maker : Either Cabinet or Officer/Management Action</p>	
--	--