

Committees	Dated:
Culture Heritage and Libraries Operational Property and Projects Sub Committee	14 November 2022 23 November 2022
Subject: Small Business and Research Enterprise Centre and City Centre space swap	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3,4,5,7,10
Does this proposal require extra revenue and/or capital spending?	N
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Executive Director Environment / Director London Metropolitan Archives	For Decision
Report author: Simon McGinn, Assistant Director Partnership and Engagement Alexander Leader, Business Engagement Manager	

Summary

Following the pandemic, the Small Business Research and Enterprise Centre (SBREC) has changed its operating model to deliver a more hybrid service to reflect the needs of its users. The current ground floor footprint of the space occupied by SBREC in the Guildhall West Wing, is now not required to deliver a hybrid delivery model.

The City Centre is a service that is run for the City Corporation by New London Architecture as part of a five-year concession agreement expiring September 2025. The City Centre hosts a 1:500 scale model of the City and provides space that is utilised to host exhibitions, events and meetings to promote the City as a place to invest and do business. In addition to the City Model, NLA has a 1:1250 scale London Model that, following temporary housing in Coal Drops Yard, Kings Cross and most recently Stratford to celebrate the 10th anniversary of the 2012 Olympics, and was due to locate to a new home in the West End. Following the announcement of the Destination City strategy, NLA has revisited its business model and agreed to switch its next residency to the City to support the strategy and approached the City Corporation to see whether there were any temporary solutions that would provide for their Central London Model to be displayed in a larger space together with the City Model in a combined area that would allow an enhanced City Centre, whilst also supporting promotion of the Opportunity London campaign sponsored by the City Corporation, GLA and London Councils. The SBREC space has been identified as a larger space that would allow greater activation as an investor, visitor, and educational space, providing for an estimated 200,000 visitors a year.

As part of the concession agreement with NLA there is a three-month termination notice period that provides appropriate flexibility should proposals for refurbishment of

the West Wing need to be progressed. The existing concession agreement with NLA would be amended to allow for the move of the City Centre to the SBREC ground floor space for the remainder of the term.

It is considered that the delivery of the SBREC service would be more effectively provided from the existing self-contained City Centre space at ground and lower ground levels, providing accessible and appropriately connected space which could become an integrated small business centre. The space has dedicated kitchen and meeting room space that would provide for the ongoing event and training needs of users.

It is proposed that SBREC move to the City Centre space and the City Centre is reprovisioned in the ground floor SBREC space. If agreed, the move of SBREC and City Centre would take place in March 2023. The costs of moving SBREC to the City Centre has been identified as being £31,031 and can be paid for out of local risk budgets for the current financial year 2022/23. The City Centre costs of moving and fitting out the new space will be paid by NLA by utilising the annual management fee paid to them by the City Corporation for delivery of the City Centre service. This management fee is contained in existing local risk budgets and will be a significant investment from NLA at no additional cost to the City Corporation

Recommendation(s)

- I. To agree that SBREC is reprovisioned within the existing City Centre space and that the City Centre is reprovisioned within the current ground floor SBREC space.

Main Report

Background and current position

Small Business Research and Enterprise Centre

1. Like many other services during the pandemic, the Small Business Research and Enterprise Centre (SBREC) had to quickly change how it delivered its services. It was crucial that the service was able to support as many SME's as possible during that time and so all support was quickly moved to being delivered online. This support ranged from free webinars on various practical topics, online business advice and online business research support.
2. Now that SBREC's current space in the West Wing at the Guildhall has reopened for in-person support, there is still significant demand for online services to remain. This is making SBREC more accessible to SME's who are always time limited. However, it is evident that some support is always better delivered in-person and so for that reason the team are now running a hybrid delivery model. The hybrid delivery model offers a mixture of in-person research support, research training and business planning training, large in-person networking events, as well as offering remote access to business data through the subscription membership and an ever-growing webinar programme. The team

are also supporting the Samuel Wilson's Loan Trust which is a charitable loan scheme (administered by CoL) offering start-up business loans to young entrepreneurs in Greater London and other counties. SBREC oversees all operational aspects of the loan scheme including managing all enquiries and in-person group training combined with 1-2-1 support and advice which culminates in providing a report for the charity's Trustees for a loan decision.

3. The space requirements for SBREC have changed. Whilst having some physical space is important to support the hybrid service delivery, the team no longer needs the existing large physical footprint, with some of the existing footprint now no longer needed, and can therefore relocate to a smaller site. The current ground floor footprint occupies 680sqm and it is estimated that the space requirements could be reduced by a third to allow ongoing in person events, meetings, in person support and training. SBREC needs a flexible space that can be used in different ways to accommodate events, networking, research space and collaborative space. After reviewing the space available at the City Centre, which has a net usable area of 511sqm, it is considered that its services can be delivered from this space allowing for the appropriate flexibility needed. The relocation of SBREC to the City Centre space would also provide an opportunity to have a dedicated integrated small business centre which could support recently emerging ambitions to provide more support to small businesses.
4. The cost of fitting out the space for SBREC purposes relates primarily to providing new flooring and bringing the specification of power and data to the requisite standards, together with the associated move costs. The total cost for this would be £31,031 and due to a historical recharge received to the service, it will be paid for out of the local risk budgets for the current financial year.

City Centre

5. The City Centre (previously called the City Marketing Suite) has been run by NLA (previously sister company Pipers) for the City Corporation since the mid 1990's. In January 2020 the Corporate Asset Sub Committee agreed to approve the award of a concession contract for the provision of facilities management at the City Centre to New London Architecture for a period of three years with a two-year option to extend. The new contract was due to commence in April 2020 but due to the pandemic and the need to close the City Centre operation the contract was not agreed until September 2020 and will now expire in September 2025.
6. Following the agreement of the contract, the pandemic has resulted in difficult operating conditions for NLA to run the City Centre. The City Centre hosts a 1:500 scale model of the City and provides space that is utilised to host exhibitions, events and meetings to promote the City as a place to invest and do business. In person bookings and events are now on the increase and the City Model continues to form the centre piece of activity and interest. A key drawback of the existing City Centre space is that it provides a somewhat constrained environment for displaying the City Model meaning it has not been possible for

visitors to have 360-degree visibility of all sides of the model. NLA has been considering its business model post pandemic and having vacated its Store Street base in January 2021, has been reviewing whether to move its permanent home from the West End to the City. NLA has a 1:1250 scale Central London Model that, following temporary housing in Coal Drops Yard, Kings Cross and most recently Stratford to celebrate the 10th anniversary of the 2012 Olympics, and was due to locate to a new home in the West End. Following the recent announcement of the Destination City Strategy, NLA has taken the view that they wish to support Destination City by consolidating all their operations in the City, initially in a temporary home before finding permanent long-term space.

7. The vision of NLA is to create a new London centre for the built environment. NLA has identified the existing ground floor SBREC space as an area that could allow them to deliver the City Centre services, providing an enhanced area for showcasing the City Model, whilst also providing an opportunity to display the larger London Model which would be further extended to include the consolidated market site in the London Borough of Barking. The size and layout of the ground floor SBREC space would also allow appropriate space for exhibiting and hosting events and provides an opportunity to promote the Opportunity London campaign, currently supported by the City Corporation, GLA and London Councils and existing and emerging City Corporation strategies such as Destination City. The relocation of the City Centre into the larger SBREC space would allow for a significant scaling up of opportunities to bring a greater number of investors, businesses and visitors to the centre whilst providing an opportunity to establish a significant NLA schools learning resource to be utilised by those people/children who have an interest in the built environment. NLA have identified a target of 200,000 visitors per annum, which is significantly higher than the 50,000 people that visited the City Centre pre-pandemic.
8. NLA have confirmed that they would seek to utilise the existing annual management fee paid to them by the City Corporation, for undertaking the cost of the move and associated works in the new location, such as new flooring and lighting. This will be a significant investment at no cost to the City Corporation. The management fee is contained in the Environment Departments local risk budget. NLA will be seeking to re-open the entrance off Aldermanbury and have been in discussion with the Head of Security who is satisfied there will be sufficient controls at the point of entry to not warrant any additional security. Disable access into the new space will be from the east entrance, as is the case currently.
9. The current concession agreement is sufficiently flexibility to enable the parties to vary it to accommodate any decision by the City Corporation to bring forward proposals for refurbishment of the West Wing. At the expiry of the agreement in September 2025, it may be mutually convenient to extend the arrangement, but this will be subject to review and a further report.

Proposals

10. It is proposed that SBREC move to the City Centre space and the City Centre is reprovisioned in the ground floor SBREC space. If agreed, the move of SBREC

and City Centre would take place in March 2023 and the cost met from local risk budgets.

Options

11. The existing SBREC and City Centre services could remain in their existing locations, but this would result in existing space been ineffective for the purpose of delivering their respective services. The current quantum of space occupied by SBREC is no longer needed and a move to the City Centre space would provide for a stand-alone business centre for SME's which would support ongoing development of SME services. NLA consider a move of the City Centre to the SBREC space would provide significant opportunities to deliver a more comprehensive service to promote the City and London as a place to do invest and do business. The space would provide for both the City Model and Central London Model to be displayed alongside exhibition space that in combination would generate much increased footfall and an appropriate space for the City to support promotion of Opportunity London and our strategic policies such as Destination City.

Corporate & Strategic Implications

- **Strategic implications:** the relocation of SBREC into a dedicated small business unit will result in the more effective delivery of services which will provide opportunities to further develop services to SME's as part of a new emerging SME Strategy. The space provides an opportunity to welcome individuals and businesses through individual support, training, and events and through this will support individuals having equal opportunities and reaching their full potential, provide appropriate community facilities and support the business community in doing business in the Square Mile (Corporate Plan Outcomes 3,4,5)

The relocation and expansion of the City Centre to deliver an enhanced offer will support the ongoing Opportunity London campaign, Destination City the Climate Action Strategy and, the emerging City Pan 2040 and aligns with the City Corporation's corporate priorities in terms of supporting *a thriving economy , inspire enterprise, excellence, creativity and collaboration* and will be instrumental in helping to support our aspirations to create *a global hub for innovation in financial and professional services, commerce and culture* (Corporate Plan Outcomes 7 and 10)

- **Financial implications:** the cost of moving SBREC to the City Centre, £31,031 will be met from SBREC's local risk budget. The cost of moving the City Centre to the SBREC space will be paid by NLA through utilising the management fee paid to NLA for delivering the City Centre services which is met from the Environment Departments local risk budget.
- **Resource implications:** none identified
- **Legal implications:** the existing concession agreement with NLA to deliver the facilities management services would be updated as part of a change control procedure contained in the existing agreement.

- **Risk implications:** none identified
- **Equalities implications:** the proposed relocation of SBREC and the City Centre will not negatively impact on people protected by existing equality legislation. Both the spaces are accessible to disabled people through existing arrangements with access to the existing SBREC space from the level west wing entrance and access to the existing City Centre at grade with recently replaced platform lift to lower levels.
- **Climate implications:** none identified
- **Security implications:** NLA will be seeking to re-open the entrance off Aldermanbury and have been in discussion with the Head of Security who is satisfied there will be sufficient controls at the point of entry to not warrant any additional security. Arrangement for the new SBREC space will align with existing controls

Conclusion

12. The proposed exchange of space between SBREC and the City Centre would provide for more effective and efficient delivery of services. Following the pandemic and move towards a more hybrid offer all of the existing SBREC space is no longer required for it to deliver its services. By moving into the City Centre space, SBREC will be able to deliver an appropriate and welcoming environment to support SME's and the emerging SME strategy.
13. The move of the City Centre to the SBREC space will provide a more appropriate environment from which to support the promotion of the City as a place to invest and do business. NLA will invest in upgrading the space at no additional cost to the City Corporation and through that investment will be able to co-locate the Central London Model alongside the City Model, curate appropriate exhibitions and an education programme with ambitions to bring in over 200,000 visitors a year. The new enhanced City Centre will be a key area of focus that will support the Destination City strategy

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