

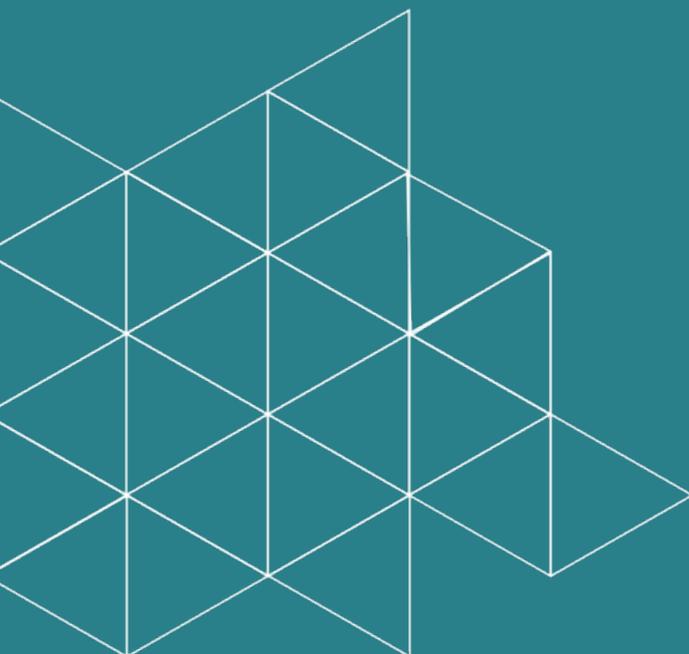
Enterprise Centres/Hubs

NATIONAL
SURVEY +
ACTION PLAN

COVID 19
IMPACT +
RECOVERY

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ABOUT NACEC



NACEC is the national representative organisation of community enterprise centres in Ireland. NACEC members are to the fore in delivering responsive, creative and innovative infrastructure economic development business models and solutions with a strong regional development focus.

www.enterprisecentres.ie

ABOUT OUR SURVEY

The Enterprise Centres/Hubs Covid-19 Impact and Recovery Survey (May 2020) provides a comprehensive snapshot of the significant issues facing enterprise centres/hubs across Ireland as a result of Covid-19. It captures and seeks supports for tangible solutions that will safely and strategically get our enterprising centres back to work, and back to what we do best, enabling businesses, regional economies and job creation.

Our national research study spans new and existing enterprise/technology centres, food/digital hubs, co-working / remote working hubs, college/university incubators in Ireland regardless of whether they are private, public (DACs and university hubs) or community-owned (CLGs), not-for-profits, social enterprises or NACEC members. The research received the active co-operation of key vested parties including:-

*Department of Business, Enterprise & Innovation
Department of Rural & Community Development
Department of Housing Planning and Local Government
Department of Communications, Climate Action and Environment
Teagasc – Agriculture & Food Development Authority
Regional Enterprise Plan
National Standards Authority of Ireland – NSAI
Irish Research & Development Group – IRDG
Telecommunications Software & Systems Group – TSSG
Irish Business & Employers Confederation – IBEC
Chambers Ireland
Irish Rural Link*

*Enterprise Ireland + Local Enterprise Offices
Local Development Companies
Local Authority
Western Development Commission
Atlantic Economic Corridor – AEC
Regional Skills Fora
Tech Ireland
Science Foundation Ireland – SFI
InterTradeIreland
Small Firms Association – SFI
Grow Remote
Scale Ireland*

Our survey was conducted in the period 12th - 16th May 2020 and was completed by 87 representatives of enterprise centres/hubs all across Ireland. Survey link: <https://www.surveymonkey.com/r/EntCentresCovid19ImpactandRecoverySurvey>

CONTEXT

Enterprise Centres are proven engines of entrepreneurship. Emerging in Ireland from the late 1970s, typically in areas of low employment and economic opportunity, they were founded through two approaches: -

- Reactive approach - in response to poor local economic performance or specific incidents, e.g. loss of major employers with a mission and solutions to stimulate job growth
- Proactive approach – in response to strengths and opportunities for regeneration and sector specialisation that are specific to their area

Entrepreneurship hubs, co-works, incubators and more, enterprise centres are best known for their provision of physical workspace to new and emerging businesses. Yet, enterprise centres are also prolific providers of formal and informal vocational education and provide community-based space to convene, cocreate and network. They offer tenants, early-stage entrepreneurs' and their communities access to structured enterprise and social innovation training courses and enable networking and supportive environments which help individuals establish and develop their businesses. Moreover, they work hard to subsidise all of the above and deliver equitable regional development. They have long been identified as valuable sources of business support, especially in areas of low employment or low economic opportunity. They can best be judged for their ability to build entrepreneurial communities or ecosystems.

Enterprise centres not only generate a steady flow of new businesses (with above-average job and wealth creation potential in a region), they provide the facilities for future of work initiatives such as remote working and redeployment. Launched in late October 2019, the National Association for Community Enterprise Centres Strategic Plan set a primary benchmark for the impact of community enterprise centres. At that time, NACEC's 120 members were supporting over 5,500 jobs in over 1,800 tenant businesses throughout the regions, with a wages contribution from these jobs put at €247.5 million per annum. Back then, our outlook was one of resilience in the face of Brexit, and 63% of centres had substantial capital investment or growth plans within the next two years, including the development of digital and co-working hubs.

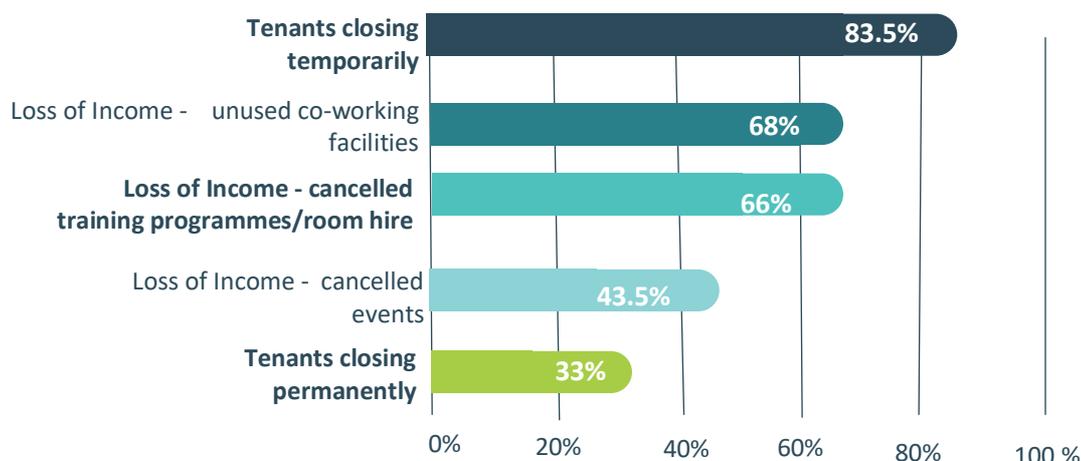


Our survey respondents are at the coalface of the disruption and devastating economic and personal impact arising from COVID- 19. While centres struggle to maintain their viability (87.8% of centres are experiencing a drop in income between 21 and 80%), they are supporting thousands of entrepreneurs to navigate the crisis. This report shares the robust data and evidence base, which propels solutions and positions our enterprise centres as vital conduits of recovery. NACEC is positioned to provide leadership and responsive solutions in our key areas of strength - working facilities, co-working, and remote working facilities, social enterprise solutions, reskilling programmes, community signposting etc.

KEY FINDINGS

ACTIVITY + INCOME

TENANT CLOSURES - While the vast majority of enterprise centre respondents have tenants that have closed temporarily (83.5%), a stark finding is that **a third of centres (33%) have tenants that have closed permanently.**



Centres have experienced a significant loss of income across all core activities in the form of unused co-working facilities, cancelled training programmes, room hire and events. In terms of projecting a **CHANGE IN REVENUE AND OCCUPANCY**, the findings are stark..



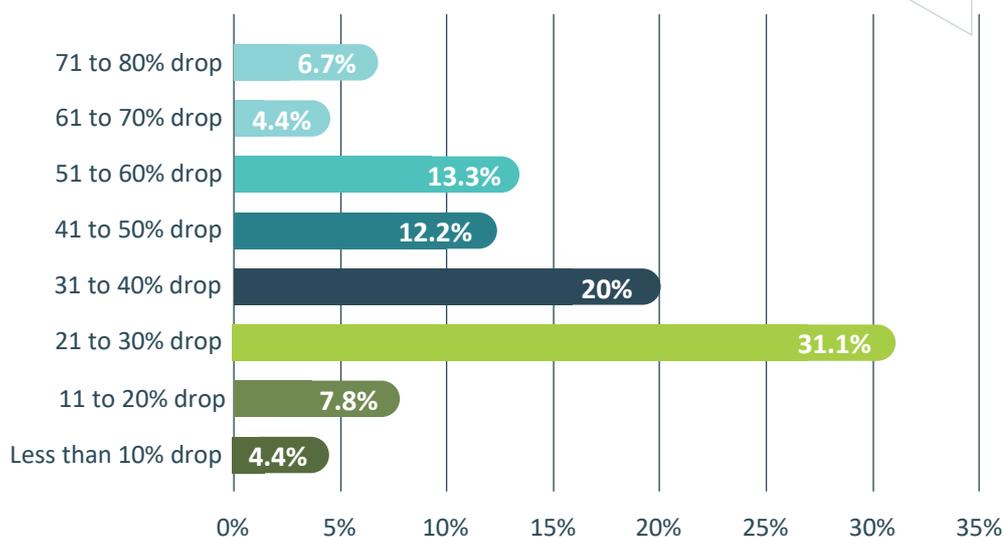
% DECLINE IN REVENUE



% DECLINE IN OCCUPANCY

In an optimistic view, 63% see some **OPPORTUNITIES TO INCREASE PARTS OF THEIR OPERATIONS.** Respondents cited their intention to increase co-working capacity and respond to demand for more private space/ soundproofed booths. In a generally held view, growing co-working membership facilities is forecast to commence with part-time arrangements, motivated by some people seeing working from home as less productive, socially isolating, and frustrated with broadband, before expanding to more full-time members as remote working becomes the norm. Respondents also highlighted that recessions spur Start-ups and new disruptive business models and enterprise hubs are often the first base for the same. The provision of meeting rooms and training facilities may also increase in a socially distant format.

We asked enterprise centres to quantify **HOW THIS LOSS OF ACTIVITY WOULD IMPACT THEIR INCOME IN 2020**. For 87.8% of centres, the income drop is between 21 and 80%. **One in four centres (25.5%) are experiencing a devastating income drop of 41 to 60%**, while 11.1% are experiencing a disastrous income drop between 61 and 80%.



“ We have two properties and 34 rentable units. Only 8 are now being used and generating rent. We estimate that we are down by 60% rent per month. Our open-plan co-working incubation unit is totally closed since April 1st; however, most people stopped coming in from March 18th. Some will never come back. ”

“We are hopeful that we will continue operations as normal albeit with reduced occupancy levels. We will continue to see clients negatively impacted due to the global economic slowdown and this is likely to become even more apparent in the second half of 2020 as the full global impact becomes clear and government supports are reduced. ”

“Potentially may close if: 1) significant numbers of tenants fail to return – companies are closed down, or they realise they can work successfully from home and put saved rent towards operating costs. Those companies cannot be replaced for similar reasons. 2) returning tenants request to pay a reduced rent.

With no patron organisation to make up any cash shortfall to cover operating costs, we could potentially be in breach of our obligations and negligent to carry on trading with potentially no way of trading out of its negative situation. We are currently conducting a Financial Risk Assessment. The likelihood of this situation arising is low-medium, but if it does occur, the consequences would be severe. ”

“ We should be able to continue trading post-Covid. The majority of our members have indicated they hope to resume once restrictions are lifted. Some will not return due to business sensation/job loss, some due to financial constraints/uncertainty. Some will down-grade membership type to reduce outgoings”.

“ The current loan moratorium and employee subsidy have offset some of the immediate loss of income but the financial implications on our business model are high. We're worried about being able to provide a full suite of enterprise support initiatives as loss of income could affect our ability to retain full-time staff members”.

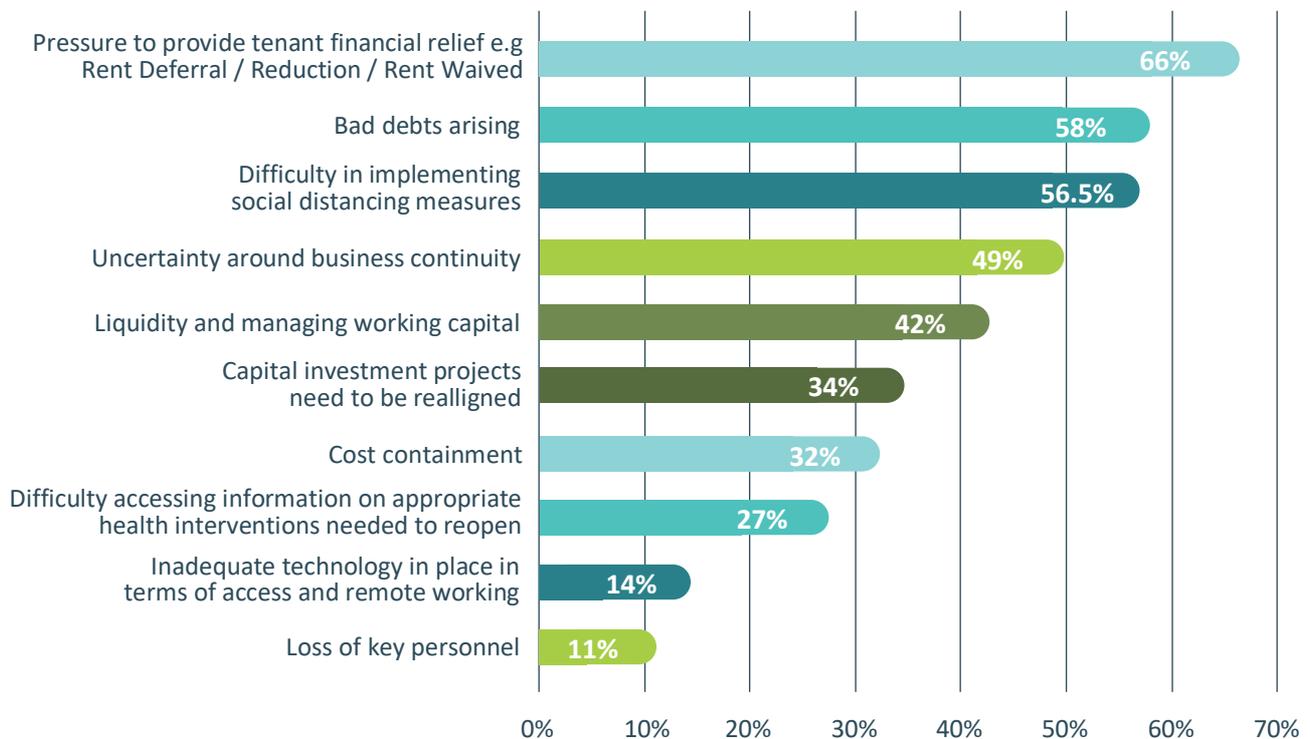
With the support of Enterprise Ireland's Regional Enterprise Development Fund and Urban and Rural Regional Development Funds, centres that are in the development/construction stage are facing distinct issues as highlighted by respondents.

“COVID-19 has a huge impact on our centre build programme. We are looking at 5% of a contingency increase for the capital project at the bare minimum, without taking legal costs of dealing with contracts into account. This fundamentally changes our financial basis and puts us under severe pressure. We need to engage with our funders to explore additional avenues of support.”

“I see a delay in our income stream by about 5-6 months due to the ability to complete our capital build on time. Our operational costs will be extended with no income to match. Conscious that our focus is on build and cost mitigation with plans for tenant recruitment suffering as a result.”

“We only have 13 months left to get the hub up and running. If the consequent recession / depression leads to a freeze in recruitment plus downsizing, it could have the consequence of the hub not being a viable entity come the end of funding in June 2021. On the other hand, hopefully minds of employers and employees alike who may have been reluctant to trial alternative working practices have now been forced into experiencing the benefits of remote working and may be more open to our offer. It is difficult to predict which of these opposing forces will have the greater impact on our prospects of creating a viable entity within the next 12 months.”

In terms of **IMMEDIATE CONCERNS**, two-thirds of all enterprise centre respondents (66%) are under pressure to provide tenant financial relief (e.g. Rent Deferral / Reduction / Rent Waived). Given the level of tenant closures, be they temporary or permanent, 58% of centres are concerned about bad debts arising. Almost half are experiencing uncertainty around business continuity, followed by concerns about liquidity and managing working capital. Planned expansions are also subject to apprehension, with 36% of respondents citing that capital investment projects need to be realigned.



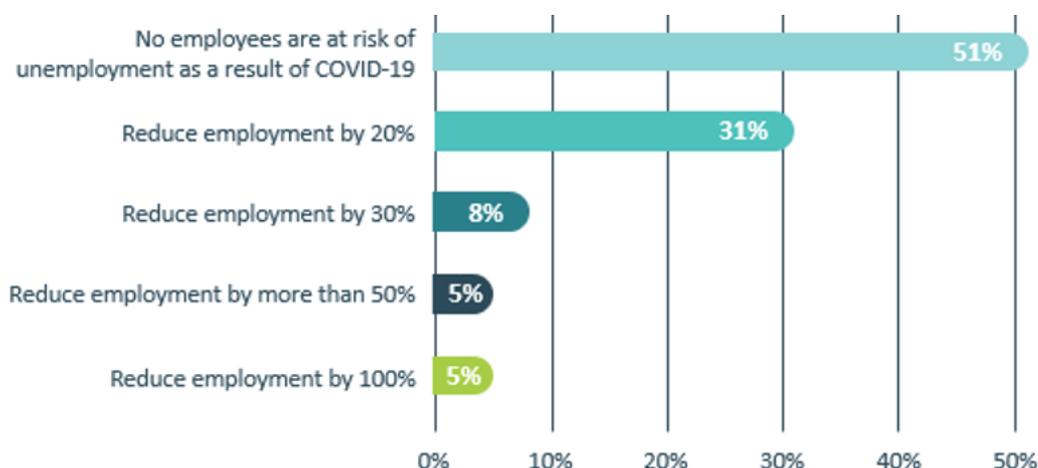
Going a little deeper, we asked respondents to share the **TOP 3 CHALLENGES FACING YOUR ENTERPRISE CENTRE IN THE PERIOD AHEAD**. The sentiment is best captured in a respondent quote

Tenants uncertainty = uncertainty = risk

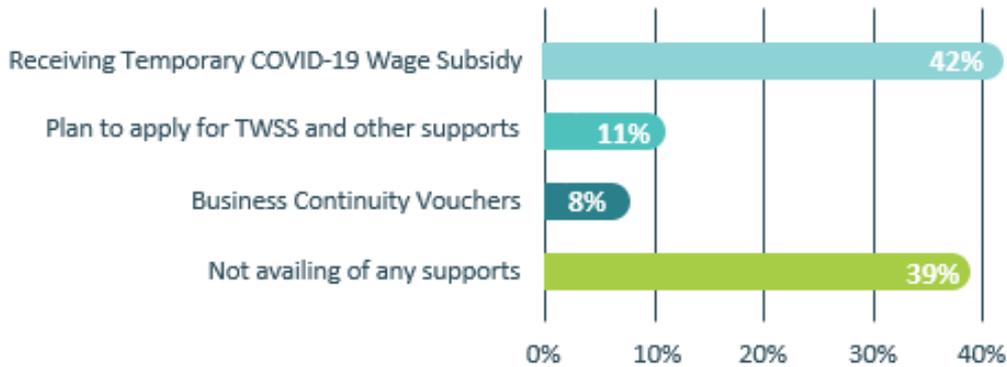
The challenges break down into the following critical areas of concern:-

FINANCIAL	WORKING ENVIRONMENT + OPERATIONS
Revenue and struggling tenants. Liquidity pressure through the loss of working capital due COVID-19 rent holidays leaving a dent in future finances	To keep the centre free of COVID-19.
Exhausting our reserve funds should we need to do extended rental deferrals and write-offs.	Re-opening: Safety of staff, clients, users must be assured.
Social distancing and remote home working could be the death knell for some co-working spaces.	Adopting new procedures to ensure a safe environment safe for all tenants + staff
Cost of the interventions required structurally and operationally	Adopting new procedures to ensure a safe environment safe for all tenants + staff
Managing bad debts, forgoing necessary rent reviews and lost income arising. Rents falling again just after getting them back up to a sustainable level	MARKETING + COMMUNICATIONS
Being in a position to capitalise on the opportunities that will exist post Covid-19	Exploring our USP given the new world. Building confidence
Building upgrades/ not been able to afford upgrades due to rental cutbacks from COVID-19	Getting people to come back in, recruitment of employers
Access to grants as a privately owned hub	We are building a community in this new environment
Urgent need to access funding – grants as opposed to loans.	Finding and supporting innovative start-ups and SMEs to engage with us in 2020-21.
INFRASTRUCTURE DEVELOPMENT	
Getting key infrastructural projects up and running asap Controlling costs, the delays are causing. Accessing contingency support funds.	

Like many businesses, enterprise centres are challenged in terms of risk of unemployment and layoffs as a result of COVID-19. 49% of respondents are expecting **STAFFING LEVELS** to reduce to varying degrees – see chart on following page. Of the 51% of respondent enterprise centres retaining employment levels, over half (51%) are availing of Government-backed employment supports (e.g. Regional Enterprise Development Fund backed management roles, Community Services Programmes). They express concerned that their time-limited employment period will be absorbed in 'fire-fighting' mode given the current crisis, and their primary developmental focus will be side-lined and challenged.



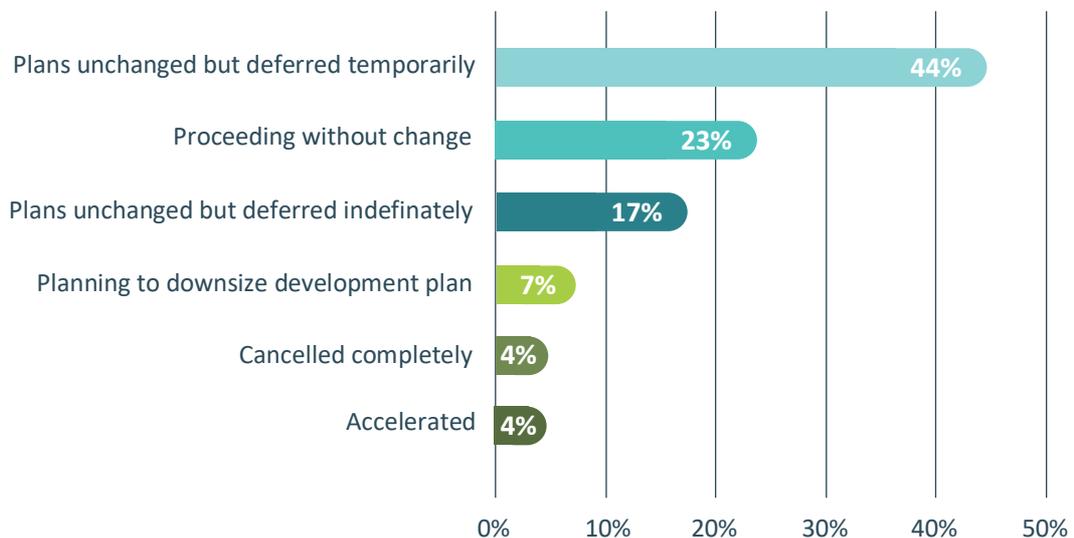
We asked centres if that are **AVAILING OF ANY OF THE GOVERNMENT FINANCIAL SUPPORTS** as yet. Currently, 42% of respondents are receiving the Temporary COVID- Wage Subsidy while a further 11% of respondents planning to apply in the coming weeks. 39% are not receiving any supports; in the main, these are our public body respondents and projects whose income has not dropped by 25%. Just 8% have availed of Business Continuity Vouchers with others citing uncertainty about their eligibility for same.



CAPITAL GROWTH PLANS

Coming into 2020, 63% of NACEC member centres had capital growth plans; however, the current crisis is clearly impacting the status of same.

It is reassuring that just 4% have cancelled their plans completely while 7% are planning to downsize their development plans. The majority intend to proceed, but plans are temporarily deferred (44%) or deferred indefinitely (17%). We call on the various Government departments and state bodies that are funding these growth plans to engage with each project in terms of reviewing proposals and funding timelines and making necessary lenient amendments to project contracts.



OPERATIONS

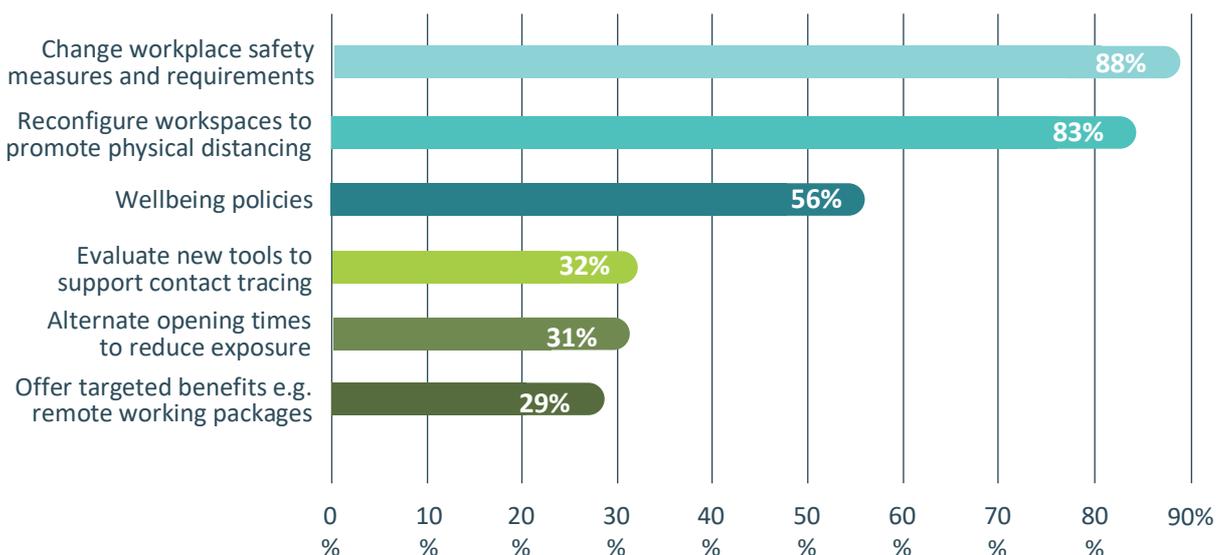
Agile and problem solvers at their core, enterprise centres are actively implementing **COVID-19 RELATED PREVENTIVE MEASURES TO KICKSTART RECOVERY** throughout the regions.



“We are a Coworking Space with no Essential Workers as members. We closed as per guidelines and will re-open as per guidelines. We have put a social distancing protocol in place for when we re-open, we are adding multiple sanitizing points, operating a one-way access and exit system. hands-free/remote door opening, deep cleaning and a twice daily clean of all common areas and surfaces. We are installing a self-assessment station at entry point with digital thermometer and questionnaire.”

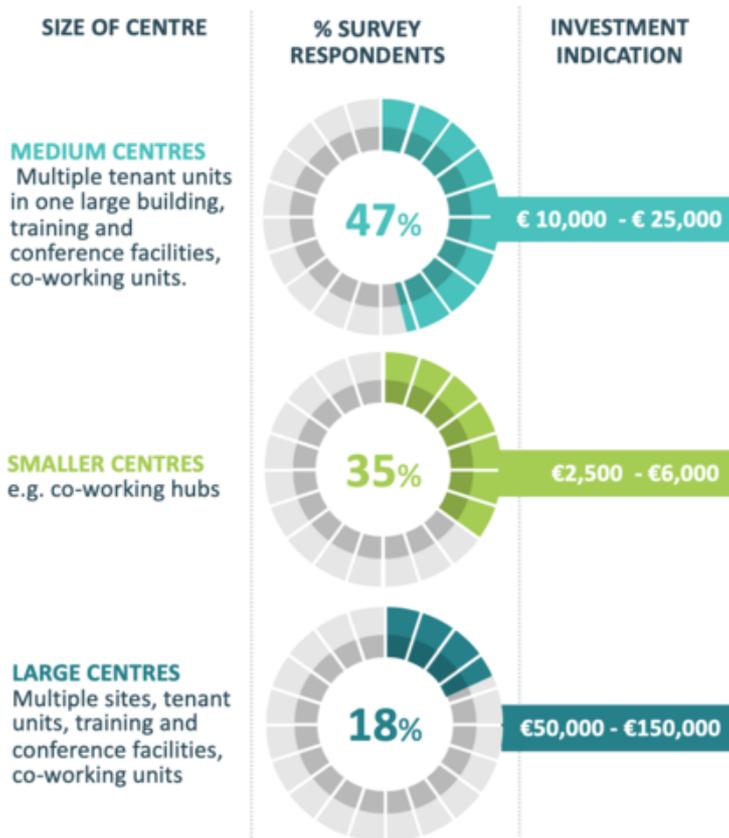
“Restrictions on visitors, use of zoom calls, reduced movement from one floor to the other by setting up temporary canteen on each floor, introduced clear desk policy so cleaning can be done easier.-free/remote door opening, deep cleaning and a twice daily clean of all common areas and surfaces.”

In terms of **PLANNING THE TRANSITION BACK TO OPERATIONS**, centres are working on



With **83% of centres requiring reconfiguration of workspaces to promote physical distancing**, the arising capital cost is inevitable. At the same time, the reduction in income capacity represents a double 'hit' to the viability of centres. From a capital perspective, such measures come at a cost.

We asked respondents to share the **ANTICIPATED INVESTMENT NECESSARY TO OPERATE TO A MAXIMUM AND SAFE CAPACITY.**



Note: this indicative investment cost is focused on capital costs only.

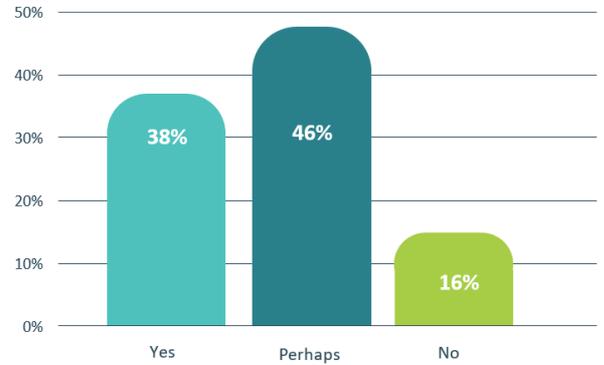
The range of investment breaks down into three categories:-

CAPITAL	INCREASED STAFFING
Construction/ renovations to work units, co-working spaces, congregation areas, canteens etc.	Extra staff members to monitor the access to and from the building.
Technology upgrades - high-quality video conferencing facilities for meeting rooms (screens, cameras, microphones and software)	Increased cleaning routines Increasing administration volumes and compliance costs.
Screens, dividers, modular cabins. Perspex screening at individual desks and front of house	CONSUMABLES
Hgh-Res Thermal Imaging Cameras at main entry/exit point for detecting body temperatures.	Cleaning products and hand sanitisers
Controlled and hands-free access to all meeting/event/common area spaces to facilitate social distancing	PPE
Air handling process units	Signage



“We are adding multiple sanitizing points, operating a one-way access and exit system. hands-free/remote door opening, deep cleaning and a twice daily clean of all common areas and surfaces. We are installing a self-assessment station at entry point with digital thermometer and questionnaire. We are customising desks, air handling process, hands-free access points, larger kitchen area, more small meeting rooms/areas”.

Respondents were asked were they interested in **BULK BUYING** for appropriate interventions to achieve shared solutions and economies of scale. Just 16% of respondents were not interested in such an arrangement with 38% immediately interested, and 46% are interested subject to procurement and their Board approval. To assist centres in navigating their technology, health, safety and personnel decisions in the period ahead, 27% of centre respondents have accessed specialist advice while 49% have yet to obtain such advice.



TENANTS

It is useful to put into context the scope of the support provided by NACEC members as captured in the Strategic Plan 2019 – 2021. More than a landlord, enterprise centres are an essential conduit for enterprising regions

SPACE TO WORK

- 94% offer own door office units
- 71% offer co-working space/ hot desking / digital hub workspace
- 66 % offer manufacturing/ industrial space

SPACE TO LEARN

- 94% offer training or training facilities or both
- 64% offer mentoring services
- Learning collaborations are in place on a regional basis with 3rd level colleges, educational & training boards

SPACE TO INNOVATE

- Impressively, 44% of centres are focused on facilitating SME innovation offering timeshare kitchens, co- creation labs, MakerSpace, wet labs or other innovation access facilities

SPACE TO CONNECT

- 20% offer access to investors
- 64% offer networking events
- 74.5% offer support services to non-tenants
- 54% offer dedicated collaboration programmes for tenants and wider enterprise community



VALUE ADDED SERVICES

- 62% offer managed reception and other value-added services e.g. onsite creche
- 68% of centres have full time managers in place. 4% have subcontract mangers and 16% have part-time mangers

SPACE TO GROW

- 60% of tenants who leave our enterprise centres continue to grow and create employment in our communities
- At least 28% of businesses leaving Enterprise Centres did so to move to a larger premises

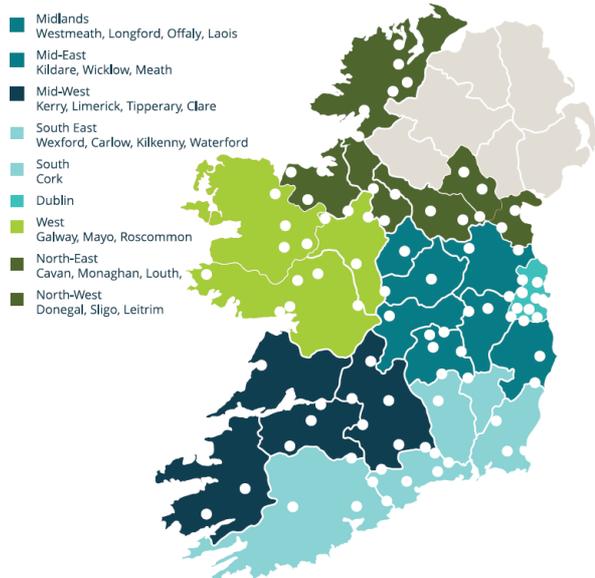
SPACE TO LAND

- 48% offer facilities suitable for soft landing of FDI or growing companies in a region

INTERNATIONAL LINKS

- National Enterprise Network, UK (our equivalent UK counterpart
- Enterprise Northern Ireland (our Northern Ireland counterpart) and
- University Industry Interaction Network
- Global connections being formalised

NACEC has members in every county in a regional cluster approach aligned to Enterprise Ireland's regional structure.



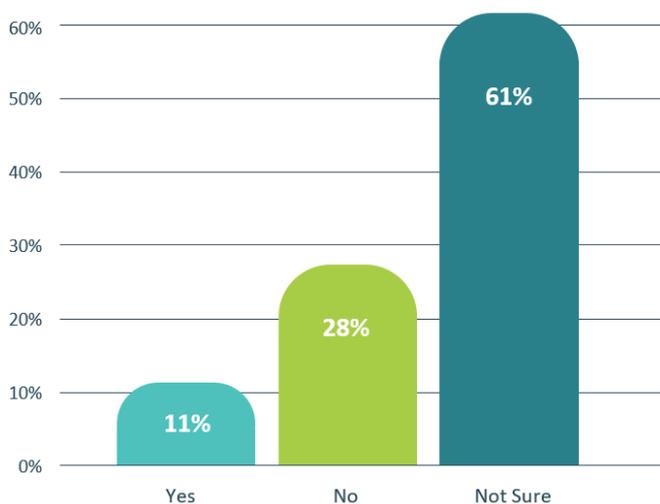
At the end of 2019, its members

- Supported 5,500 + jobs in regional economies in over 1,800 businesses, empowering them to make an economic impact in the area. The wages contribution alone from these jobs was determined as €247.5 million per annum.
- 76% provided support services to the broader entrepreneur base in their area (non-tenants)
- Spearhead economic growth in their communities, 88% of NACEC members support community projects in their area, facilitating social innovation and entrepreneurship, upskilling and community transformation

The scope of this research far extends the NACEC structure; hence the broader impact is ever more significant. In terms of support their tenant base, enterprise centres/hubs are responding in both financial and advisory way.

With **66% of respondent enterprise centres under pressure to provide tenant financial relief** (e.g. Rent Deferral / Reduction / Rent Waived), many have put in place individual tenant arrangements as appropriate. Yet this comes with significant financial pressure on centres in terms of reducing cash reserves. For one centre, a membership pause and discounts arising accounts to €40k to date. Enterprise centre staff are also providing advisory and mentoring services and bringing in specialist advice. For example, one centre has engaged a Health & Safety consultant to provide information to clients offering support within their own business set-up and staffing issues while another is offering daily webinars (social and training), and access to their mentor network of 50 mentors to support individual businesses.

We asked **RESPONDENTS IF CURRENT STIMULUS FUNDING IS SUFFICIENT TO ENDURE THE VIABILITY OF THEIR TENANTS.**



The commentary feedback is clear. While funding of 100% will be taken up, financial packages requiring matching funding or loans will depend on the ability of the business to repay, which at this time is an unknown.

“They need grants not loans” and “Real pain points will begin to emerge as things begin to restart”.



“In many cases companies are utilising Government supports. However cash flow is being hit hard and matching of government subsidies or committing to long term debt to navigate through short to medium term uncertainty is simply not viable for many SMEs especially startups and early stage scaleups. There needs to be a greater focus on supporting Micro Businesses and SMEs who are not currently EI, IDA or LEO clients but who have potentially viable and sustainable business models with the ability to sustain jobs. Not all businesses need a mentor or more consulting support, most just need low cost short to medium cashflow support. Community Enterprise Centres are the backbone and lifeblood of many communities and regions nationwide and are probably best placed to decide how best to support their viable tenants and external clients. A dedicated fund of €5m could be made available to the sector to help enterprise centres to adapt their facilities / services to get their tenants / external clients back to work, and find more creative ways to support the communities they serve e.g. remote working for the wider community, allocate financial supports and deliver relevant services to their viable tenants / clients.”

“Enterprise Centres have a specific role in stimulating the restart of our SMEs. Loans are welcome but repayability is going to curtail many and close others.”

“There needs to be a another form of emergency financing for viable startups and early stage scaleups that includes short term government back investment funding etc and tax holidays across the board for all micro / SME businesses affected by Covid-19.”

“There are currently no supports available to the food industry. The basic ones are the digital food economy, an online training and the trading online vouchers from LEO. Insignificant in the scheme of things..”

“If the tenants dont have any clients, they cannot trade or provide services, therefore have no income. €350/wk for people laid off is not stimulating the economy - it will potentially keep a team together, but nothing more..”

RESPONDING AS A COMMUNITY

We have seen some really encouraging projects coming forward from **the 83 % of our respondent enterprise centres who are going above and beyond their core role in supporting the wider community in the COVID-19 response**. Examples include:-

- Created 'Open for business' Website 100 plus companies listed
- We set up a YouTube channel and developed instructional videos on how to use technology for older people.
- We established a Peer Support group for businesses which meet once a week on Zoom, and we help to co-ordinate the local Chef Aid/ Meals on Wheels service which provided 800 meals to the local area in April. It is continuing through May.
- Maker space volunteers have been working and supplying visors /masks for front-line staff in hospitals, free of charge.
- Our facilities have been made available free of charge to local voluntary organisations. They are providing valuable services to support the community such as food collection and delivery very services etc.
- Providing a Helpline, Food Bank support, production of visors and distribution of care packages for the older people
- Free access to our online programming and virtual accelerator programmes
- We have given car park spaces to an adjacent hospital if required. Some tenants are working directly with HSE and supporting essential services
- Online support through information sharing for businesses in operation; supply of laptops to schools; coordination of 3D mask printing
- We have 13 members signed up to the Community Call Initiative
- Providing our outside grounds for walking and running
- Our largest room is being used as a PPE factory for the last six weeks- 3d printers are running seven days a week, making face-shield components and assembly/dispatch. We are also providing parking spaces to local COVID-19 testing centre staff.

PLANNING AHEAD

We asked respondents, in your role of supporting start-ups and remote workers in the post-COVID environment, **WHAT OPPORTUNITIES DO YOU FORESEE FOR YOUR CENTRE?** The responses are clear; while centres are enthusiastic and primed to make a difference in kickstarting their regional economies, they are mindful of the investment required. A series of key themes of opportunities arise, we share the views of respondents.

STRENGTHEN OUR ROLE AS "BASE OF CHOICE" FOR REMOTE WORKERS

- The crisis has brought remote working into the mainstream, and it increasingly accepted as a realistic proposition by many employers and employees who previously may not have been open to the workability of remote as a viable alternative. We see our case and offer strengthened in that regard. We envisage co-working will increase as businesses downsize to reduce costs. With home working establishing itself, we foresee city-based companies providing budgets for remote workers to find a desk close to home.
- As a national enterprise centre/hub collective, we can offer national coverage of standards-based hotdesk space facilities. A modest investment in the standardisation of facilities to best practice accessibility and safety guidelines with investment in a centralised online booking/tracking and payments system will give companies and remote workers confidence. It also accelerates future of work trends in the regions.
- Enormous opportunities for supporting start-ups and remote workers seeking to avoid the commutes to urban centres, assuming facilities and services can be adapted and made safe to do so.

"I see an increase in requests for hot desks as more people will be forced to work from home but still seek some social interactions. If the correct incentives & resources are in place I do see an opportunity for individuals to explore more start-ups but the climate may not be right for this at the moment. I see an increase in remote teams taking offices as we offer flexibility in our facilities which suits those who will now work unconventional hours."

"I see hubs playing a central role in creating connected communities for remote workers and providing services as needed (ie networking opportunities (online and offline), high quality video conferencing facilities, podcast facilities etc). I believe a membership type model should be incorporated into the tradition landlord type model as less people will want and need to use the physical space on a regular basis. Promotion and support of outdoor meetings is an area to be explored.."

A word of caution, remote working is not a one size fits all solution. A small number of hubs are struggling to succeed in the provision of same, *"we had struggled to have more than 3 or 4 hot desk users before this. I've yet to see a hint of increased demand for the product. We need financial support to offset the drop in income. With the capital and preventive maintenance on hold, the fabrication of the centre will suffer"*.

STRENGTHEN OUR ROLE AS TRAINING HUBS

Finance Minister Paschal Donohoe, TD has predicted high unemployment for years to come and described the oncoming economic crisis as more comparable to the recession of the 1980s than the financial crash. According to Trading Economics global macro models and analysts expectations¹, the unemployment rate Ireland is forecast to stand at 25% by the end of this quarter and 18% in 12 months. In the long-term, the Ireland Unemployment

¹ <https://tradingeconomics.com/ireland/unemployment-rate?embed/forecast>

Rate is projected to trend around 9.5% in 2021 and 7.5% in 2022, according to their econometric models.

Given this significant increase in unemployment and a need for retraining pathways, we are ready to support education partners and accelerate our role as training delivery agents. Centre outlook is interesting...

- Training income may grow again. We are ideally placed, in community settings, to both run and host in-person and online training programmes
- Add to the range of training services we provide, with a strengthened focus on online learning and online media through streamed events.
- Mentoring and management support provided through trained centre personnel. We are the ideal incubators for entrepreneurs who may have lost their job during this pandemic and social enterprises which have developed innovative community-based solutions which have the potential to extend on a permanent basis.

NEW AREAS OF INNOVATIVE BUSINESS DEVELOPMENT

- Enterprise centres and hubs have been to the fore in providing innovative and low threshold access to time-share facilities such as digital labs, maker spaces, fab labs, kitchens and wet labs will help generate a new generation of lean start-ups. As part of a post-COVID-19 restart and acceleration programme, through combining access to space and equipment with specialist training and development programmes, they could support start-ups with low-cost entrepreneurship business models.
- A shifting in the co-working hub business model, moving to more virtual memberships and offerings and working more closely with remote-friendly corporates. Flexible working will rise in popularity. Key will be a connected hub, not just infrastructure, but people.
- Companies will continue to require to be part of a community that delivers target supports and connections to assist in their growth. There are opportunities around developing this community and broadening our supports to a broader remote base. There are opportunities to develop and promote our individual 'front door' units where companies can have their own environment while still being part of a community. The flexibility and supports and low cost that we offer will become even more valuable to companies as they start to recover from this crisis

In light of the [Government announcement of Ireland's five-stage plan](#) to ease COVID-19 restrictions over 100 days, we asked respondents to share their **VIEWS ON TIMELINES, EXPERIENCE AND STRATEGIES FOR GETTING COMPANIES BACK INTO THEIR FACILITIES**. The Government accepts the recommendations of NPHE, and the overall framework is dependent on public health advice.

1 (Commencing 18th May) **2** 8th June **3** 29th June **4** 20th July **5** 10th August

Economic Activity & Work

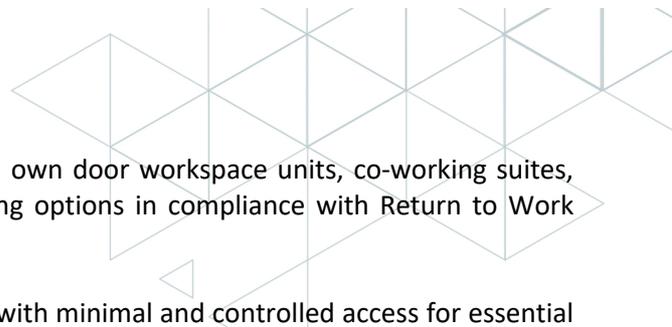
Phased return of outdoor workers
Remote working continues
for all that can do so.

Limited return to onsite working subject
to compliance capability
Remote working continues
for all that can do so.

Return to low-interaction work.
Remote working continues
for all that can do so.

Return to work where employees
cannot remote work.
Staggered hours.
Remote working continues
for all that can do so.

Phased return to work
across all sectors.
Remote working continues
for all that can do so.



Depending on the facilities offered by enterprise centres and hubs, own door workspace units, co-working suites, shared lab facilities, etc., respondents are assessing their re-opening options in compliance with Return to Work Guidelines.

Many centres with own door workspace units have remained open (with minimal and controlled access for essential businesses) throughout the crisis. They envisage entrepreneurs will slowly integrate their workforce physically on-site up to phases 4 or 5. That is if it is financially possible for them to do so, remember, a third of centres (33%) have tenants that have closed permanently. Tenants that have been able to trade have been doing so from home - they may have lost some clients and business, but these will return. For those tenant businesses that are temporarily closed/downsized, will they still have a business by Stage 5 10th August? This puts centres under intense pressure for reduced rent periods which are not aligned to their cash flow projections, supports such as the wage subsidy or commercial rates waiver. As costs for necessary capital investment and operations increase, our revenue continues to decrease.

In the main, those with co-working facilities expect to start scaling up with limited numbers of hot-deskers between stages 3 – 5. Some have adapted and invested to re-open in Phase 2 on the 8th June with reduced opening hours initially for a period as they introduce environment and behaviour changes. Others have concerns *"I like to idea of getting business back in a phased fashion. We are in a prime position of helping remote workers that would prefer not to start the drive up and down to Dublin again. But we are stuck in a Catch 22 situation. Do we allow in Hot Deskers at the risk of our existing residents or do we refuse hot deskers and miss the opportunity to get them to become fuller time tenants"*.

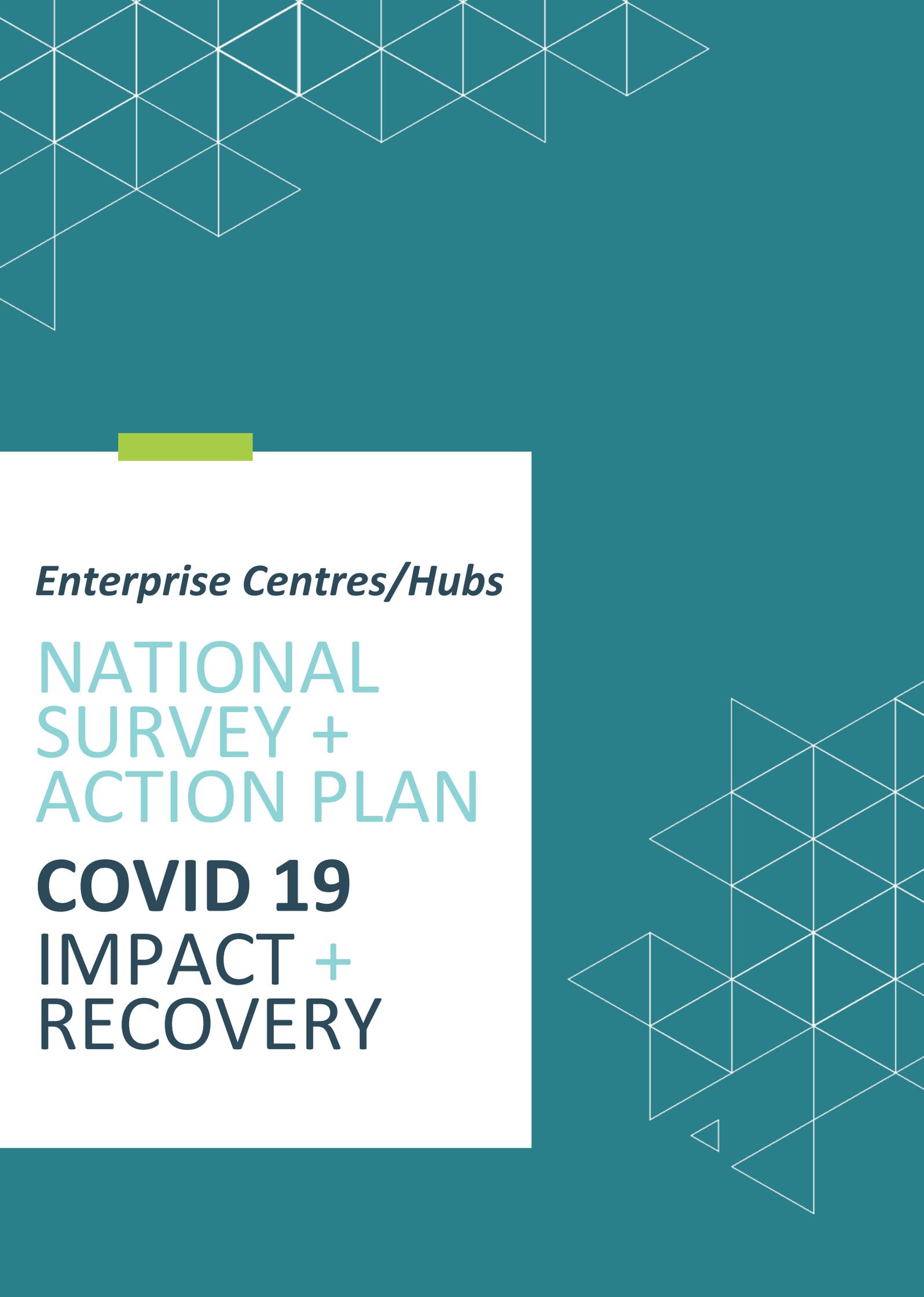
"It is difficult to see and 'real numbers' returning to the centre before Q4. Across all stages 'continue to work remotely' has featured. Centres are going to have to put significant investment measures in place to give member companies reassurance and confidence to return. This is going to put more pressure on centre finances. There is uncertainty as to the duration of Government support for employees - will the scheme be continued past mid June. In summary, while it is good to have a plan it is going to continue to be very challenging for centres and for member companies until 2021 and if we are in recession at the end of this crisis it will provide more challenges."

"Most of our clients are service industry to the worst hit areas of business, e.g. catering, printing, medical and education. As their industries recover they will get back to work. This could be Sept/Oct. All we can do is hold their hands over the coming months and get them in shape to tackle a very new uncharted future. Standing still is not an option!"

"The sooner we get back to work the better! We operate in a sector that depends on activity in the wider economy. We will be ready when regulations allow us to open, and we will help our clients in any way we can in the meantime."

Centres do not see training programmes in their current format resuming until Phase 4 or 5, which is a loss of income for the centres and given the challenge of large numbers of unemployed and retraining needs, investment in online and blended learning formats is necessary.

While centres welcome the timeline, they emphasise that it has raised a lot of practical questions for our tenants and for centres who as the owners and management of the centres carry the responsibility to ensure that all necessary precautions are taken to ensure safety for everyone. The situation will be fluid for some time, the essential investments need to be made without delay, and for that to happen, we need Government support and to prepare our marketing and communications strategy. Respondents also highlighted that the availability of childcare is a significant factor in tenants and centre staff availability to return to work.



Enterprise Centres/Hubs

NATIONAL
SURVEY +
ACTION PLAN

COVID 19
IMPACT +
RECOVERY



ENTERPRISE CENTRES and HUBS are ambitious to get back to what they do best – leading and enabling enterprise impact, creating connected environments for working and co-working and acting as powerhouses of regional enterprise activity and job creation.

Based on our extensive sector survey, we need to take action across four key areas:-

1. ACCESS TO EXPERTISE AND FINANCIAL RESOURCES

Financial supports are crucial to enterprise centre survival and growth. A stimulus package of **€5 million** has been carefully designed with the across robust solutions to ensure our future viability.

- Adapt facilities and workspaces to facilitate standards-based enterprise space and co-working opportunities that lie ahead. The breakdown of the capital investment cost across centre size is outlined on page 10 with an overall capital investment needed by 87 centres is calculated at **€2.5 million**.
- Provide a community-based training environment to assist businesses to navigate their way out of the COVID-19 crisis effectively. Financial assistance is required to update training facilities and technology in terms of hardware, AV, software licensing and staff training. A fund of **€1 million** is needed to future proof the ICT capacity of enterprise centres in the context of online training and virtual networking.
- Support for a national hot desk booking system and communications campaign. Cost forecast as **€200,000**.
- Equip centres to support viable clients directly, through agile subsidised supports, rent subsidies, and delivery of Restart Acceleration Programmes. Cost forecast as **€500,000** for 2020- 2021.
- Stimulus financial reliefs, e.g. VAT relief for companies and individuals to use regional hubs as a remote work / second site solution

2. LEADING STANDARDS, REASSURING USERS

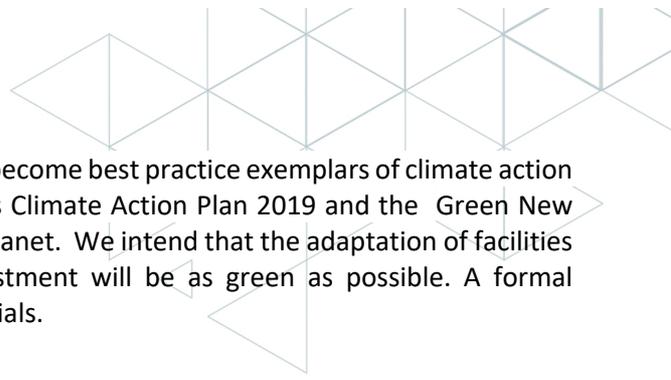
It is clear that in the recovery and return to work period, businesses and employees need to have full confidence in their working environment, the assurance to know that every possible health and safety standard is in place for their protection. Respondents have quantified their investments, but with depleted financial reserves, they need support in the form of capital grants to create these workspaces. In its Strategic Plan, NACEC has prioritised the introduction of the first quality standards framework for enterprise centres in Ireland and beyond. It is now time to accelerate this mechanism that will support the future of work and indeed, the national realisation of the potential of co-working. Developing and implementing standards for 2020 - 2021 has been costed at **€300,000**.

Aligned to a quality standards framework, the development of a central integrated booking system and aligned co-working hub network is now urgent. We take influence from the work underway on a county-wide central booking system in Co. Laois and the Atlantic Economic Corridor's progression of a central booking/payment system across enterprise hubs. NACEC are poised to deliver on this significant undertaking.

3. FUTURE-PROOFING AS WE NAVIGATE CHANGE

In 2020, enterprise centres and hubs, like all actors within our economy, are facing increasing challenges relating to the climate crisis. Over 75% of centres have experienced increased costs since 2018, primarily in utilities (NACEC Strategic Plan), and compliance with ever stricter regulations on energy use, waste disposal etc. is a constant task. Smart enterprise centres have begun transforming challenges into opportunities, converting to renewable energy, deploying innovative low-carbon technologies, sustainably sourcing resources, etc., but more *needs* to be done. More importantly, more *can* be done.

As we recalibrate for a post-COVID-19 future, our enterprise centres are in a position to not only improve their centres' environmental performance but to reach and teach thousands of micro and small enterprises to adopt sustainable practices, to add value to their business model while simultaneously helping construct a more climate-neutral future.



Enterprise centres have the opportunity in the new climate reality to become best practice exemplars of climate action and sustainability. In so doing, we can deliver on the Government's Climate Action Plan 2019 and the Green New Deal for Europe plan to build a fairer economy while protecting our planet. We intend that the adaptation of facilities and workspaces and the capital investment and operational investment will be as green as possible. A formal benchmark process will be introduced to prove our greening credentials.

4. ASTUTE MARKETING AND COMMUNICATIONS

Building on the foundation of transparent and accountable standards, we will work on a targeted marketing and communications campaign, advocating centres and hubs and the benefits they provide to employees and employers via remote working but within a professional, safe and socially nutritious environment.