

19 NOVEMBER 2020

NEW FOREST DISTRICT COUNCIL

CORPORATE OVERVIEW AND SCRUTINY PANEL

Minutes of a meeting of the Corporate Overview and Scrutiny Panel held on Thursday, 19 November 2020

- * Cllr Alexis McEvoy (Chairman)
- * Cllr Alan Alvey (Vice-Chairman)

Councillors:

- * Fran Carpenter
- * Keith Craze
- * Sandra Delemare
- * Mahmoud Kangarani

Councillors:

- * Martyn Levitt
- * Alan O'Sullivan
- * Beverley Thorne
- * Derek Tipp

*Present

In attendance:

Councillors:

Michael Harris
Jeremy Heron
Barry Rickman

Also In Attendance

Mr Paul Sherry

Officers Attending:

Rob Beere, Alan Bethune, Andy Rogers, Manjit Sandhu and Claire Upton-Brown

Apologies

65 MINUTES

RESOLVED:

That the minutes of the meeting held on 24 September 2020 be signed by the Chairman as a correct record.

66 DECLARATIONS OF INTEREST

No declarations of interest were made by any member in connection with any agenda item.

67 PUBLIC PARTICIPATION

No issues were raised during the public participation period.

68 REVIEW OF PROGRESS AT THE CENTRE FOR SOCIAL INNOVATION CIC BUSINESS CENTRE, EVERTON

The Panel received an update on progress following the Cabinet approved grant in 2018 to the Centre for Social Innovation Community Interest Company business centre located on the Otter nurseries site at Everton.

Mr Sherry, founder and CEO of the Centre attended to give a verbal update. As well as the officer's report, Mr Sherry had submitted a written progress update for the Panel.

Mr Sherry complimented the Council for their quick response in helping businesses during Covid, which he knew was appreciated through his business contacts.

He explained that '49', was the Centre for Social Innovation, which was a business - led open innovation centre, focussed on innovation and business needs and how innovation, research and development can be commercialised into the market.

This was a private / public partnership launched December 2019. He explained that a number of factors came into play at that time, including Brexit, a change of LEP.

The grant funding was confirmed as £75k from HCC and match funding of £75k from NFDC (though had been misstated in the report).

Until February 2020, 20+ startup and early stage businesses had been at the unit, with a deal in the pipeline for 100% occupancy. Since lockdown, co-working businesses had gradually left. No conferences had been run. There was still demand at offices but no demand for co-working space. 8 businesses remained at the offices and NHS was occupying part of the premises. Job growth had suffered at Covid.

Mr Sherry summarised progress against the following NFDC expected outcomes which had been set out against the seed funding:

- **Skills and Talent Incubator** - Working with Brockenhurst College, and a number of local organisations such as Solent LEP, a training association, and Solent Apprenticeship Hub, and NFBP.
- **Resource and Facilities** – Recruited a Director of Innovation
- **Marketing** – Employed a local provider, to do brand and website development and digital campaigning.

The overall funding of £150k had been spent as follows:

- £50k on Marketing
- £36k on Innovation Director
- £10k Refurbishments
- £20k Business Manager employment
- £34k Mr Sherry's own consultant's fees

Mr Sherry summarised the impact of Covid. It was hoped that the future outlook would improve. The ground floor of the premises had been given over to the NHS.

Overall, the centre needed £400k over the next 2 years to further develop the R&D capability, sought from both private and public sources. Mr Sherry emphasised that this was a regional investment strategy with public and private investors with a focus on startups.

Whilst 49 had used public funding to launch the initiative, and in addition, Mr Sherry and his business partner had invested their own capital into the organisation. Some further public funding would be required to fulfil Government aspirations.

In answer to a question, Mr Sherry reported that no new apprenticeships had been created, as this depended on being able to create an academy. 26 jobs had indirectly been created as a result of involvement with the centre.

Mr Sherry was asked about the Green Tech businesses at 49. Mr Sherry felt there were opportunities as a result of Covid and green was at the heart of what they did. Mr Sherry also summarised his interest in social entrepreneurship and social investment.

Mr Sherry was asked how he could repay the £220k investment from the ME3 LEP. In answer he intended to cut overheads and grow revenue wherever possible. He had not been able to draw funds. There were some potential private investments expected to restart in January.

Some members felt that the information given lacked future projections or detail on whether targets had been met, and very little quantitative information on future plans, or comparisons with the performance of other similar centres. They also noted that only 26 jobs had been indirectly created, albeit over a 3 year target of 100, adjusted to allow for Covid. They felt that no further funds should be forwarded without further information.

Mr Sherry offered to provide further information and pointed to Covid and its impacts. He had no information on different operators which had different models.

The Chairman acknowledged that although the pandemic had an impact on outcomes, the results were still disappointing given a full year had elapsed before the pandemic and no apprenticeships or startups had been created.

Officers would take the information into consideration for future reference.

RESOLVED:

That the report be noted.

69 NEW FOREST FINANCIAL SUPPORT OVERVIEW

The Panel received a report on the financial support schemes that had been made available to the Council during the 2020/21 financial year to date. These included:

- Support to the Council with new expenditure pressures and income losses suffered during the pandemic (£6.8m)
- For the Council to administer financial support to businesses situated within the district (£92m)
- For the Council to administer financial support to New Forest residents impacted by the pandemic (£1.1m)
- Other funding

Details were also given on the High Street fund and the Discretionary Grant Fund, the latter fund of £3.6m would run to 2022.

Members thanked the team for their speedy and efficient way in which the various grants had been administered.

RESOLVED:

That the report be noted.

70 ICT STRATEGY & BUDGET UPDATE

The Panel received a progress update on the ICT strategy for 2018 to 2022.

Details were given on:

- Progress with the website
- Telephony system
- Smarter Working VPN
- Skype / 365
- Teams for Conferencing

RESOLVED:

- (a) That the Panel support the ICT Strategy and Budget Update detailed in this report which includes:
- an additional spend of £21,000 on Resilience & Security
 - an estimated additional spend of £100,000 for Microsoft Teams implementation
 - an estimated underspend of £147,000 for Applications.
- (b) That the Panel support the changes as outlined in 10.1, and the rephrasing of the budget as demonstrated in Table 2 (at 8.3), being reflected in Council's Medium Term Financial Plan.

71 PORTFOLIO HOLDERS' UPDATES

The Panel received an update from the portfolio holders on developments in their areas.

Cllr Rickman paid tribute to officers and Cabinet members for their efforts during the pandemic. Details of internal and external meetings were given including with HLOWLA. NFDC compared well with other authorities and were in a good financial position due to prudent management. He supported the Kickstart scheme and working with the Business partnership.

Cllr Heron explained that the budget and MTFP had been adjusted in response to the lockdowns with particular regard to the impact on revenue. Commercial investment projects were continuing but the situation was changing.

72 WORK PROGRAMME

The Panel reviewed its work programme the chairman reported that she would be attending the next meeting of the employee forum on 11th of December to discuss progression of a staff efficiency survey, and would report back.

CHAIRMAN