

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

### **1. INTRODUCTION**

- 1.1 Cabinet considered a report at its meeting on the 1<sup>st</sup> August 2018 relating to the funding of The Centre for Social Innovation CIC Business Centre Everton. The report set out the case for financially supporting the Centre for Social Innovation Community Interest Company (CIC) Business Centre located on the Otter Nurseries site at Everton. Cabinet agreed to provide £75,000 seed funding to support the delivery of Skills and Talent initiatives, the recruitment of a Director of Innovation, internal building costs and developing a Marketing Strategy including the implementation of brand development, a Website and PR and digital campaigns.
- 1.2 It is now over 2 years since the Council provided seed funding and it is considered appropriate for the recipient of the funding to provide the Panel with verbal update of progress over this period.

### **2. BACKGROUND**

- 2.1 The CIC occupies the South Efford House premises which have been vacant since the departure of the National Park Authority in 2011. Since 2018 the CIC known as 49 has bought a vacant employment site back into economic use, providing a range of business facilities including flexible workspace, meeting and conference rooms and business set-up services. The facilities have been designed to meet the needs of local, but particularly micro businesses that require short-term office space and/or those who are looking to expand their company from home working.
- 2.2 The Cabinet report of August 2018 set out that 49, the CIC, aimed in the first 3 years of being established to deliver 100 new jobs, create 50 new apprenticeships, take 60 businesses through the innovation growth programme and create 30 new start-ups. Within the centre there is also a 50 seater conference room which in 2018 was identified as a facility in short supply within in the New Forest. A 10 year lease has been taken on the premises.
- 2.3 Alongside the provision of physical business space, the intention in 2018 was that 49, the CIC, would work to deliver a series of business and training support programmes.
- 2.4 It is important to note that the Centre for Social Innovation is registered as a Community Interest Company (CIC) and as such is established as not for profit. Therefore, any funds generated by the building or its associated activities should be reinvested into its primary objectives.
- 2.5 In May 2018 Enterprise M3 Local Enterprise Partnership approved a £220,000 capital Growing Enterprise Fund loan which was subject to due diligence to undertake the initial refurbishment work at the South Efford House premises including fitting out the shared and co-working office and meeting conference facilities.
- 2.6 New Forest District Council received a request for joint seed fund with Hampshire County Council, the next phase of development for the project. The total revenue sum sought was £150,000 from HCC and £75,000 from New Forest District Council.

2.7 If approved the seed fund would help to deliver:

- Skills and Talent Incubator – A partnership between New Forest District Council, Brockenhurst and Totton College which will seek to deliver sector specific skills and apprenticeships directly in line with the needs of local business. The promotion and development of apprenticeships is seen as an important issue for the New Forest economy. The number of apprentices in the district has notably dropped since 2010 but they are seen as an important route to providing qualifications and work opportunities whilst allowing business to fill vacancies. The New Forest Group Training Association (GTA) established by the CIC will work to overcome the perceived barrier of the levy and provide an ‘earn while you learn’ alternative to the traditional university route. There will be a direct link between the apprentice opportunities created and the growth of high economic value enterprise enabled through the centre.
- Resource and Facilities – Recruitment of a Director of Innovation to implement work on innovation, technology and research and development strategies. This strongly reflects the ambition for New Forest District Council to encourage business which delivers high economic growth with low environmental impact. Furthermore it will promote the New Forest as a location in which innovative, disruptive and pioneering technologies are being encouraged; this has the potential to attract additional, related businesses with the opportunity for clusters to be formed. The seed funding would also support the initial building costs as the centre establishes.
- Marketing – Implementing of brand development, new website, PR and digital campaigns to attract targeted businesses and sectors

2.8 The Cabinet was advised that a number of caveats would be attached to the funding, if approved;

- New Forest District Council should only release its funds at such point which the Enterprise M3 due diligence has been completed
- The funding from New Forest District Council is co-dependent upon agreement from Hampshire County Council agreeing to support the project through their own mechanisms
- Payments will be staged with 50% of the funds issued ‘up-front’ with the remainder being payable upon completion of agreed milestones
- The centre should deliver its support in conjunction with identified business support networks including but not limited to the local Growth Hubs
- A clawback arrangement would be put in place to ensure that if for any reason the CIC ceased to operate within a short period of time, for example 3 years, each authority would seek to recover a proportion, if not all of the original seed funding
- Funding will only be awarded subject to confirmation either that Planning Permission (reference 11/97250) granted on 11th November 2011 has been implemented or there is regularisation through the grant of a new Planning Permission for the use.

2.9 Cabinet agreed a seed fund award of £75,000, Hampshire County Council also agreed a seed funding award of £150,000. The seed funding from New Forest District Council was subject to grant agreement between the Council and the CIC,49. The Agreement set out that the seed funding related to supporting the delivery of the following:

- (1) Skills and Talent Incubator which will seek to deliver sector specific skills and A apprenticeships directly in line with the needs of local business. This will be delivered through a partnership (called a Group Training Association (GTA)) between The Centre for Social Innovation CIC, New Forest District Council,

Brockenhurst and Totton College. The New Forest GTA established by the CIC will work to overcome the perceived barrier of the levy and provide an 'earn while you learn' alternative to the traditional university route. There will be a direct link between the apprentice opportunities created and the growth of high economic value enterprise enabled through centre.

- (2) Recruitment of a Director of Innovation to implement work on innovation, technology and research and development strategies. This role will also promote the New Forest as a location in which innovative, disruptive and pioneering technologies are being encouraged. The seed funding will also support the initial internal building costs as the centre establishes.
- (3) A Marketing Strategy including the implementation of brand development, a new dedicated website and PR and digital campaigns to attract targeted businesses and sectors. Business support which should deliver in conjunction with identified business support providers including but not limited to the Local Enterprise Partnership associated Growth Hubs.

2.10 Within the Agreement there was also a clause relating to the withholding, suspension or repayment of the grant. The clauses covered the event that the project did not start, or make progress, there was duplicate funding, the project was delivered in a negligent manner or the event that the recipient became insolvent or bankrupt.

2.11 Since the funding was granted there has been regular liaison between 49, CIC and the District Council. The Centre is complete and operational with the 49, CIC, having carried out a number of the initiatives listed in the Agreement.

### **3. FINANCIAL IMPLICATIONS**

3.1 None

### **4. CRIME & DISORDER, ENVIRONMENTAL AND QUALITY & DIVERSITY IMPLICATIONS**

4.1 None

### **5 RECOMMENDATIONS**

5.1 That the Scrutiny and Overview Panel note the report and consider the verbal update from the recipient of the seed funding.

#### **For further information contact:**

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#### **Background Papers:**

New Forest District Council Economic  
Development Strategy 2018-23