

**Resources & Transformation Overview and Scrutiny Panel - 22  
January 2026**

**New Forest Enterprise Centre - Future Governance**

Purpose	For Information
Classification	Public
Executive Summary	The report assesses future governance options for the New Forest Enterprise Centre and identifies a Community Interest Company (CIC) as the preferred model. A CIC model would safeguard local benefit, strengthen community involvement and reinvest surpluses into economic development across the district. While the Board is keen to progress quickly, the Council must carefully evaluate regulatory, market and operational risks. The next step is to work with the board to define the scope for commissioning consultants to develop the proposal and recommend a way forward.
<b>Recommendation(s)</b>	<ol style="list-style-type: none"> <li><b>1. Panel members are asked to note and comment on the intention to explore the option to transition the New Forest Enterprise Centre to a Community Interest Company model; and</b></li> <li><b>2. support the next steps as presented in the report.</b></li> </ol>
Reasons for recommendation(s)	The recommendation to explore a CIC model for the New Forest Enterprise Centre reflects advantages such as protecting local benefit, keeping surpluses reinvested in enterprise support, aligning with the Centre’s original purpose, improving transparency, widening access to funding, increasing operational flexibility, and enabling tailored governance with ring-fenced community benefits.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate

Strategic Director(s)	Alan Bethune – Corporate Resources and S151 Officer
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## Introduction and background

1. The New Forest Enterprise Centre (NFEC) has played a key role in supporting local business and economic development since its establishment in 1990. Originally set up as a company limited by guarantee, its purpose was to provide space and support for enterprise in New Forest District.
2. The NFEC annual turnover is approximately £1m and generates a healthy surplus over and above operating costs. The operating costs include a ground rent payable to the District Council as landowner of the site. Over the years, surplus income from the Centre has been used to repay initial loans and fund recent refurbishment works, which are now complete.
3. With the Centre now set to generate surplus income, attention has turned to how best to use these funds to benefit the local area. A clause in the original lease agreement (between the Council and the NFEC) entitles the District Council to receive a share of the pre-tax surplus, but interpretations of this clause have varied. Officers have been encouraged to explore future governance options that ensure the Centre continues to deliver meaningful local impact.
4. This work is timely based on the repayment of the loan, the completion of the necessary maintenance and refurbishment works to the centre and has also now gained momentum due to the potential for local government reorganisation. If surplus funds are retained by the centre and/or returned to the Council without a clear local focus, they risk losing their connection to the Centre's original purpose.
5. In response, discussions have taken place with the Enterprise Centre Board (comprising 3 NFDC representatives<sup>1</sup> and 4 independent board members) and senior officers to consider alternative governance models. The preferred option proposed for further exploration supported by both the NFEC board and NFDC officers is transitioning the Centre to a Community Interest Company (CIC). A CIC is a type

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<sup>1</sup> Cllr Heron – Portfolio Holder, Cllr Tipp – Portfolio Holder, and Tim Guymer – Assistant Director Place Development

of social enterprise that uses its profits and assets for public good, with legal safeguards to ensure community benefit remains central.

6. The Board has shown strong interest in the CIC model, recognising its potential to protect local control and align with the Centre's founding goals. However, there is also a shared understanding that the decision must be informed by a structured appraisal of all options, including retaining the current model or returning to the Centre's innovation-focused roots.

### **Strategic Alignment of CIC Proposal**

7. The proposal to transition the New Forest Enterprise Centre to a CIC model aligns with a number of NFDC plans and strategies, including its Corporate Plan by strengthening community benefit, reinvesting surpluses locally, and supporting small business growth. It also reinforces the Council's economic development ambitions by enabling investment in training, apprenticeships, and innovation, while supporting vibrant local economies.
8. The approach complements the New Forest Skills Action Plan by directing resources toward priority groups and expanding opportunities for upskilling in key sectors. It fits the Transformation Programme by offering a more flexible and sustainable governance model, aligns with the Local Plan through promoting regeneration and sustainable placemaking, and supports the Place Development Strategy by enabling balanced social, environmental, and economic development.

### **Recommended Option: Further explore transition to a Community Interest Company (CIC)**

9. The CIC model is recommended as the preferred option for further exploration due to its ability to safeguard local benefit, reinvest surpluses into the community, and align with the Enterprise Centre's original purpose of supporting local enterprise. It offers operational flexibility, access to funding, and enhanced community engagement. The CIC structure also ensures transparency through annual reporting and legal obligations to serve the public good.

### **Alternative Options Considered**

10. Retain as Company Limited by Guarantee - This option maintains the current structure. While this has been a sound model to date, and capable of continued to be operated in the future, the ownership of the Enterprise Centre itself would leave it open to external intervention in the future. Surplus income in the future could be

absorbed into statutory services, reducing broader local economic impact and detract from the core objectives of the Centre.

11. Return to Innovation Hub Model - this option re-establishes the Centre's original intent as a business innovation hub. While it supports start-ups and flexibility, it may reduce revenue and increase vacancy risks. It also requires a significant shift in tenant mix and operational strategy.

### **Consultation undertaken**

12. Consultation has taken place internally, including with the Section 151 Officer, and the Cabinet, including the Portfolio Holder for Finance and Corporate. Input thus far has focused primarily on financial implications, governance risks, and strategic alignment with council priorities. Discussions have also occurred within the Place Development team, who have led the appraisal process and authored this report.
13. External consultation has been focussed on engaging with the Enterprise Centre Board. Meeting notes indicate a keenness from the Board to move forward quickly in exploring the CIC model, with an emphasis on maintaining local control and community benefit.

### **Financial and resource implications**

14. Initial setup costs and legal fees are expected but will be funded by the Enterprise Centre. Several council officers will need to be fully engaged in the process to establish the CIC, with this being managed within existing workload prioritisation.
15. The ground rent income to the Council from the Enterprise Centre is expected to remain unimpacted by a change in ownership model, with regular rent reviews continuing to take place.
16. Procurement processes will need to comply with CIC regulations and maintain transparency. The CIC will be able to commission services independently, which may streamline procurement for local projects. The Council's procurement team will provide guidance during the transition to ensure compliance with public sector standards.

### **Legal implications**

17. Transitioning the New Forest Enterprise Centre to a Community Interest Company (CIC) model has several legal implications. A CIC is regulated and its formation requires submission of a community interest statement and annual reporting to demonstrate public benefit. Legal advice confirms that the Articles of Association would

need updating to remove outdated clauses, and embed community benefit obligations. The final decision as to whether to proceed will be taken by the Cabinet.

### **Risk assessment**

18. There are no identified direct risks to the council with regard a potential change in ownership model, albeit this will be kept under review as further details are available on the potential implications arising.

### **Environmental / Climate and nature implications**

19. No direct implications

### **Equalities implications**

20. While a formal Equalities Impact Assessment has not been completed, the proposal is expected to support inclusive outcomes by ensuring that surplus income is reinvested locally for community benefit. The CIC model promotes transparency, stakeholder engagement, and social value, which can help address inequalities in access to enterprise support and economic opportunity. The Centre currently hosts a diverse range of tenants, and the CIC structure is designed to maintain and enhance this diversity. Future governance arrangements will include mechanisms to ensure that equalities considerations are embedded in decision-making and annual reporting.

### **Crime and disorder implications**

21. None identified

### **Data protection / Information governance / ICT implications**

22. The recommendation to transition the New Forest Enterprise Centre to a Community Interest Company (CIC) model does not currently present any direct data protection, information governance, or ICT implications.

### **Conclusion and Next Steps**

23. On balance, transitioning to a CIC model offers the best opportunity to secure long-term community benefit, align with council strategies, and maintain operational sustainability.
24. To help inform further discussions, a feasibility study will be jointly commissioned by the Council and Board to assess the practical

implications of transitioning to a CIC model, alongside early engagement with the Enterprise Centre Board, staff and tenants to gather input and build support. A detailed transition plan will then be developed, covering legal, financial and operational requirements, as well as proposals for how future surpluses could be distributed to promote local enterprise in perpetuity. These elements will inform a fully considered decision-making report for the Council later this year, subject to prior endorsement by the Board.

**Appendices:**

None

**Background Papers:**

None