

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Economic Development Committee** held in the Civic Suite, Castle House, Great North Road, Newark, Notts NG24 1BY on Wednesday, 20 June 2018 at 6.00 pm.

PRESENT: Councillor K Girling (Chairman)
Councillor Mrs P Rainbow (Vice-Chairman)

Councillor R Blaney, Councillor Mrs R Crowe, Councillor J Lee,
Councillor N Mitchell, Councillor P Peacock, Councillor F Taylor,
Councillor T Wendels and Councillor Mrs Y Woodhead

APOLOGIES FOR Councillor T Roberts
ABSENCE:

12 EXCLUSION OF THE PRESS AND PUBLIC

That, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of part 1 of Schedule 12A of the Act.

13 NEWARK BEACON - BUSINESS INNOVATION CENTRE

The Committee considered the exempt report presented by the Business Manager Planning Policy in relation to the operation of the Business Innovation Centre, its staff and its finances.

The report set before Members an options appraisal for the future running of the Newark Beacon Business Innovation Centre (BIC), a business case for running the service 'in house' and a recommendation that Committee recommend this approach to Policy & Finance Committee.

The Economic Development Committee agreed on 28 March 2018 that the Commercials Team review the options available for the future running of the BIC and that a business case be brought to a future committee.

The report detailed the operational performance, the future approach and proposals.

The report also detailed the preferred approach as follows:

The Business Case identified that running the BIC in house would provide the best solution and a timetable had been established to achieve that. It set out that a steering group of relevant officers was established to manage the Transfer. Officers had already begun a dialogue with Oxford Innovations. Particularly important was an understanding of the systems and infrastructure which the District Council would need to have in place for the 1 October when it assumed responsibility for managing the centre. Existing staff would TUPE across to the District Council and it was anticipated that any review to staffing would take place once the Council had begun to understand the operations of the centre.

It was proposed that a business plan setting out the long term aims of the Council in managing the centre would be presented to September Economic Development Committee for consideration.

The District and the County Council were also keen to explore with Homes England the potential to buy them out of their role within the centre. Once the BIC became sustainable 75% of any surplus would need to be passed onto Homes England. The business case estimated that over the lifetime of the agreement this would result in circa £10.5 million pounds being passed to the agency. It was therefore proposed that Policy & Finance Committee give delegated authority to the Deputy Chief Executive to conduct negotiations alongside colleagues from the County Council and Mansfield District Council with Homes England with a view to them surrendering their interest in the Business Innovation Centres.

The results of the negotiations to be reported to Policy & Finance Committee and in the situation where a financial settlement was required the necessary approvals would be sort.

Members supported the proposals to bring the management of the BIC in house and commented that the Council could run it more efficiently. A detailed report was requested to be submitted to the September meeting of the Committee detailing how the Council were going to run the Centre.

Members discussed a number of issues in relation to how the BIC would be run in the future, to what extent it would be an innovation centre or serviced office accommodation, how long leases would be and the nature of the business support. It was commented that the Council needed to differentiate itself from other suppliers in the town. It was felt that careful consideration would need to be given to the impact on business units within the Council.

It was further suggested that the update report should be clear as to the position with Nottinghamshire County Council and Homes England and 88% of the finance had been funded by the two organisations and they would want to be involved in the decisions on the centre.

The Chairman confirmed that a plan needed to be put in place regarding how the centre would be run.

The Business Manager Planning Policy commented that in terms of involvement of partners the funding agreement was silent on how the BIC would be run. The funding agreement does not stipulate that meetings should be held. It was commented that Homes England was not as committed as EMDA. Work was being undertaken as to how the Centre would be run and the Growth Investment Team would be used to help establish that, although it was confirmed that they needed to be commercially focused, with a mixed approach and establish a Unique Selling Point (USP).

The Deputy Chief Executive and Director - Resources commented that the Council needed to sever the ties with NCC and Homes England that would give the Council ownership and the ability to retain 100% of any surplus. It was commented that the focus should be to negotiate an exit out of the agreement.

The Business Manager Planning Policy confirmed that NCC and the District Council had shared the losses with the centre during the initial period of the BIC operation. During the period covered by the Memorandum of Understanding the Council had carried the losses.

AGREED (unanimously) the Committee recommend the proposed approach set out as in the above minute and in Appendix B to the report, to the Policy & Finance Committee.

Meeting closed at 7.53 pm.

Chairman