Shareholder Committee for Dorset Innovation Park Ltd

4 February 2026

Dorset Innovation Park Ltd Managing Director Update and Approval of Business Plan

For Decision

Report Author: Kevin Forshaw
Title: Dorset Innovation Park Managing Director

Report Status: Part Exempt Para 3

Brief Summary:
This report provides an update on the current situation at the Dorset Innovation Park Ltd ("the Company") and presents the 2026/27 annual business plan for approval by the Shareholder. The Shareholder is asked to note the content of this report and to continue its support for the Company.

Recommendation:
Shareholders are asked to:

a) Approve the presented 2026/27 annual business plan for Dorset Innovation Park Ltd, and:
b) Note the progress made on company development and the transition of responsibilities to Dorset Innovation Park Ltd, and support the continued cooperation between the Council and the Company.

Reason for Recommendation:
Progress continues to be sustained enabling the company to focus on developing a Business Plan and delivering a high-quality innovation park for the benefit of the council, its tenants and wider economic prosperity.

1. **Report**

1.1 This report provides an overview of the current position in relation to the work to date by the Company to establish both itself as an operational entity and on delivering the ambitions of the Shareholder for the Innovation Park.

1.2 Since the commencement of my employment in early October the Company have developed a strong working relationship with council officers and begun the transition process to get DIP Ltd ready to take on full responsibly for operation of the Innovation Park by approximately June 2026.

1.3 An additional member of staff was recruited temporarily via Connect to Dorset to bring some additional capacity. She has demonstrated huge potential and so we are looking to retain her full-time in an Office Manager type role to support me as MD, but also to ensure full compliance of the company.

1.4 The Company are also currently in the process of recruiting a full-time Property and Asset manager for the company who will have responsibility for managing the commercial property elements of the Innovation Park and supporting me on property and asset management issues.

1.5 An early priority has been tackling the issue of continuing losses with the BattleLab building and a paper presented to the MOD will now see a range of measures being implemented that will start to generate revenue in the building, without detracting from the key purpose of the building for MOD purposes. This includes partitioning up one area on the first floor to provide space for a new company on site, with plans being developed around a reinvigorated events programme.

1.6 In addition, good working relationships have been formed with MOD representatives on site, and those within the newly formed UK Defence Innovation. These, although at an early stage, are looking to shape a new way of partnership working to maximise the potential of BattleLab as a technology incubator to produce solutions for the rapidly growing UK Defence and Security sector.

1.7 Our focus currently is on drawing together the depth and breadth of Testing and Evaluation capability for uncrewed system development we have on site and in the wider south Dorset area as a unique selling point for the Park.

1.8 Conversations with both Further Education and Higher Education providers continue, with a view to working up the commercial case for both to have a permanent presence on site. This will support industry led Research and Development with specialist facilities, and a focus on Apprenticeship training to provide the future skilled workforce for new jobs being created on site.

1.9 We are aware of one, and possibly two, new major developments that are due to start on site in 2026, and are aware of a further project being currently explored by a private sector company. If they proceed they will support the vision of the Innovation Park as a centre for defence technology and manufacturing.

1.10 Dialogue with the Nuclear Decommissioning Agency's section of the wider site is now in place, and I and Non Exec Directors are involved in the council led master planning process for this land. I consider that the recent decision to purchase the neighbouring land at the entrance of the site will provide a new opportunity to look holistically at what this combined area can achieve for economic growth in the region.

1.11 There is a strong argument that the Company needs to lead on the development of a site wide master plan for the site which can then be used as the basis of discussion with a growing list of potential companies we are seeking to attract to the Park in future.

Annual Business Plan

1.12 The Business Plan is an exempt item and sets out how the Company will address the Shareholder requirements and begin the delivery of the private sector jobs set as Key Performance Indicators in the Shareholder Agreement.

1.13 DIP Ltd's strategy for the first year of operation is to get the Park ready for growth to create significant high-value jobs, and to maximize return during the remaining Enterprise Zone status to 2040. This also creating wealth and extended supply chain efficiencies within the regional economy.

1.14 The plan for growth is based upon a range of additional developments that need to be put in place. Beyond making the park more visually appealing and ready for external investment these measures include a desire to get both permanent HE and FE presence on site to drive industry led R&D via specialist facilities, and to create the necessary skilled workforce via an apprenticeship training centre to fuel growth.

1.15 These measures will create the ideal location, space and infrastructure to support innovation and economic growth in defence, food and energy security.

1.16 The Business Plan financials set out that the Company administration and the Park operational costs can be covered from within the income raised from rent, service charges and retained business rates.

1.17 This assessment relies on the generation of retained business rates as predicted in the council's end of year assessment of the retained business rate income. It should also be noted that the government's recent changes to the ratings assessments may also have an impact on future retained business rate income.

1.18 As currently modelled the operation of the Company and the Innovation Park will have no adverse impact on the council's revenue position. It should be noted that the Company are currently recruiting for a Property and Assets Manager and that an early priority for this post will be a review of all commercial property income and expenditure. Consequently modelling for future Business Plan's may vary from the 2026/27 Plan.

1.19 The Business Plan sets out an intent to secure capital funding from the council to undertake works on site in the form of general site improvements, plot preparation works, and potentially new commercial units. The Company recognises that the council will need to consider capital business cases for this investment and take an appropriate governance decision.

1.20 However it should be noted that this additional investment is required to unleash the full potential of the Park and to generate the new private sector jobs set as a target within the Council Plan and Shareholder Agreement. Similarly an increased investment in the Park will bring an uplift in retained business rates over and above that achieved if no investment is made. The full impact and scope of these benefits will be presented in business cases for new council investment.

2. Alternative Options Considered

2.1 Not applicable

3. Legal Implications

3.1 Council officers and the Company are currently in negotiations regarding the Services Contract the council hold with the Company. This will set out the detailed specification of the services that the Company will be supplying to the council. These negotiations are ongoing and a further decision report will be brought to a subsequent Shareholder Committee.

4. **Financial Implications**

4.1 The council have previously agreed (Cabinet Report - Dorset Innovation Park - Arms Length Management Company Final.pdf) that the Company will be funded through a combination of retained business rates and Park income (where available). The Business Plan demonstrates that, based on predicted business rate income, the Company and Park operation and management can be fully funded from these sources.

4.2 There is an element of risk in that the full impact of government changes to the business rates assessment process have yet to be fully understood and this information will not be able to be calculated until the new financial year.

4.3 Any changes to the Company finances as a result of variations in business rate income will be considered in the 2027/28 Business Plan which will benefit from a full years Company operation and increased Company commercial capacity.

5. **Natural Environment, Climate & Ecology Implications**

5.1 There are no specific environmental implications arising from this report. Full environmental implications of specific council interventions will be considered through the appropriate governance decisions.

6. **Well-being and Health Implications**

6.1 There are no direct well-being or health implications from a decision to agreed the Company Business Plan. However, a reinvigorated Innovation Park will contribute to economic growth and lead to an increase in people's well-being through more and better paid employment, and access to skilled training and education opportunities.

7. **Other Implications**

7.1 There are no other implications arising from this report.

8. **Risk Assessment**

8.1 A risk assessment has been included within the Business Plan and sets out appropriate levels of mitigation for identified risks.

9. **Equalities Impact Assessment**

9.1 The Board has not conducted an Equality Impact Assessment for this report as the high level, strategic nature of the Business Plan precludes its consideration at this stage. However the potential equalities impacts are assessed as positive due to the principals outlined in the Business Plan, particularly to support economic growth, employment generation, and skills development.

10. Appendices

Appendix 1 – Exempt document - 2026/27 Dorset Innovation Park Ltd Business Plan

11. Background Papers

N/A