

Programme Management Group

5th July 2018

New Expressions of Interest for 2018/19 funding – Item 5

Programme Management Group members are asked to:

AGREE that in line with the PMG authority level of £3 million of funding per project, all projects ranked as category 'A' are approved and proceed immediately to due diligence.

NOTE that the fund will be remain open until the next closing date of 10 August 2018 and partners are made aware of this ongoing opportunity. A further closing date of Friday 12 October 2018 has also been notified.

Background

- 1.1 A call was issued in March 2018, for new projects, deliverable in 2018/19 that will help secure economic growth in the short term, using some of the recycled funding from projects supported in the past through the Growing Enterprise Fund and some of the unallocated Local Growth Fund.
- 1.2 All bids were independently assessed and provided an initial ranking of projects as A, B or C. An A project is a well written proposal that is deliverable within 2018/19, provides economic outputs, has a strategic fit for Enterprise M3 and is costed appropriately. A B project remains deliverable but questions remain over one or more areas of the proposal either cost, strategic fit and/or outputs. A C project has 3 or more areas of concern within the bid and should not be progressed within 2018/19.
- 1.3 25 Expressions of Interest were received in April and a further closing date set of Friday 8th June.

2. Status update

- 2.1 Two new Expressions of Interest were received by 8th June with a total value of £1.367million. These are
 - EOI 26 – Making STEM accessible to all - Winchester Science Centre
 - EOI 27 – Aldershot Games Hub
- 2.2 EOI 26 has been assessed as a category B project. This arises as the figures within the application are not consistent and need to be reviewed with the applicant. The

overall budget costs have included ongoing activity staffing costs and marketing/communications budget. It is not clear within the application what the Enterprise M3 funding will be specifically used for and this requires clarification. The applicant has also not included the 1% application fee.

There was no Enterprise M3 involvement in this project prior to the submission. This has now been resolved and Jordan Tame will be working with the applicant to resolve the stated challenges.

2.4 EOI 27 has been assessed as a category A project. This project supports the ongoing growth in the digital economy in the Enterprise M3 area and provides physical and support infrastructure to facilitate the retention and growth in the sector. The project is deliverable and represents good value for money; a spend of £867k will provide 130 high value digital jobs at an approximate cost of £7k per job.

2.5 Further detail on both projects is provided below

EOI 26	<p>Project name – Making STEM accessible to all Applicant – Winchester Science Centre (WSC) Location – Winchester Grant funding of £500,000 which acts as the 30% match to the Wellcome Trust fund – see below 8 jobs created, £500k annual economic impact to local area</p> <p>£2.4 million of public sector funding sought through Wellcome Trust’s Inspiring Science Fund, a joint initiative between BEIS and the Wellcome Trust to help UK science centres improve their public offer and the impact they make. WSC has applied for £2.4m, representing 70% of the total project cost, from this fund. The outcome of this bid will be known in July 2018 following which the remaining 30% needs to be identified. Over £500k has been pledged through private sector/other trust support</p> <p>The total project will support improvements to building development at Winchester Science Centre and provide the following</p> <ul style="list-style-type: none"> • A 200-capacity South Downs Conference Centre / multi-purpose performance space. The site will become a regional skills base working with Hampshire Futures, Hampshire County Council, Winchester City Council and others to deliver STEM teacher CPD and STEM networking/conferencing events. • A reimagined multi-sensory STEM exhibition, developed in partnership with individuals and partner organisations within the Enterprise M3 region. • The UK’s most accessible planetarium experience; state-of-the-art technology will be used to upgrade the planetarium system making WSC the leader in accessible planetaria. • Physical changes to the building, including a new large-capacity lift, a Changing Places facility, additional seating and an improved acoustic experience.
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EOI 27	<p>Project name – Aldershot Games Hub Applicant – Rushmoor Borough Council Location – Aldershot Grant funding of £867,000 (£827k capital, £40k revenue) £1.27million of match 130 high value jobs created</p> <p>This project follows an initial EM3 Growth Deal 3 funding allocation in 2016 of £1.2M to support the development of a Games Hub and associated specialist residential development. The Council has explored 7 different possible locations either for new-build or renovation. The preferred location is now identified as the Old Town Hall.</p> <p>Funding will support the restoration and refurbishment of the Old Town Hall in Aldershot to establish a collaborative workspace for digital businesses. This is a key regeneration project for Rushmoor Borough Council alongside supporting the retention and growth of digital businesses within the area. A demand survey for this project has occurred alongside high levels of business engagement.</p> <p>The Games/Digital Hub will not make a revenue surplus until 2021 whilst its need is apparent now. Instead, it is believed that the Hub will kick-start the growth and development of a significant number of games/digital enterprises that will make a significant contribution to the local economy. If a loan were proposed, the desk/room rates that would need to be charged in order to service the repayments of the loan would act as a disincentive to users which will undermine the purpose of the Hub, as desk charges was often quoted in the demand survey as a key determinant of decisions re future usage of this or any other Hub.</p>
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2.6 Since the last meeting, further work has also been undertaken by Gary Thompson on a B category project EOI 22. This is a commercially sensitive project which will be discussed in detail at the meeting.

In summary, this was originally marked as a B project as it was felt the project should be a loan rather than a grant. This discussion has occurred with the applicant and it has been identified that a loan will not be feasible. The reasons for this will be shared at the meeting.

This is a strategically significant project and requires discussion at the PMG to identify whether an A rating can be agreed and proceed to Due Diligence.