

Programme Management Group

5th July 2018

Capital projects – Centre for Digital Creativity (CDC) – Item 6b

Programme Management Group members are asked to:

CONSIDER the details of the Centre for Digital Creativity (CDC) Project, the issues raised by the AECOM due diligence report and the proposed responses to these.

AGREE that expenditure from the Local Growth Fund (LGF) of £250k is approved for this project, subject to AECOM completing due diligence.

1. Background

- 1.1 A funding call was issued in March 2018 by Enterprise M3 for new projects, deliverable in 2018/19, that will help secure economic growth using the recycled funding from projects supported in the past through the Growing Enterprise Fund and some of the unallocated Local Growth Fund.
- 1.2 25 Expressions of Interest were received by the first closing date of 13th April. 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 The Centre for Digital Creativity (CDC) project was marked as an A category project and was approved to progress to due diligence by the Programme Management Group on 10th May 2018
- 1.4 Due diligence has been undertaken by Peter Holding of AECOM and a report received.

2. Details of the project

- 2.1 The CDC project is to provide incubation and R & D space, including sensory equipment for immersive technologies. The funding from EM3 will be used as capital to convert the ground floor of Royal Holloway's Computer Centre, which is being vacated, to create virtual reality labs, motion-capture spaces, test beds and hot desks for SMEs. This is phase 1 of a Centre for Digital Creativity - a new initiative by Royal Holloway designed to make a major contribution to the regional and national creative economy including an impact on local digital skills.
- 2.2 The University is seeking a grant of £250,000. Total project funding of £650k is required. Royal Holloway will underwrite the extra £400k if a bid to the Arts & Humanities Research Council (decision expected in July) is unsuccessful.

- 2.3 Royal Holloway would like to get phase 1 of the CDC underway and running in the Autumn of 2018. Phase 1 would, in the next 2-3 years approx., be integrated into phase 2, a larger legacy Centre for Digital Creativity hosted within a new £30m building on campus. Enabling phase 1 to go ahead now gives an impetus and early start to the whole project. The University has budgeted for the £30 million next stage costs.
- 2.4 Our R&D work packages will unlock untapped potential for innovation and growth, by linking two of the most important creative economy sub-sectors – Film, TV, Radio & Photography and IT, Software & Computer Services, worth over £50bn in GVA annually (DCMS 2017).
- 2.5 The major DCD project is led by Royal Holloway Partners include the University of the Creative Arts and Brunel. It is also supported by the National Film and TV School and regional businesses such as Pinewood, Sky, nDreams, Atom Universe, Business South and Heathrow.
- 2.6 It aims to support the vast number of SMEs in the region by increasing their R&D capacity for innovation, providing access to facilities and students that will enable growth via experimental and collaborative approaches to emergent technologies. It draws upon Royal Holloway's expertise in the digital fields (currently c£3m of research funding is held in the area), the expertise in gaming held by UCA and Brunel's Co-Innovate business stimulation project.
- 2.7 Collectively partners and collaborators represent over 1,000 companies within the Gateway Cluster M3-M4 region (outside London), who will benefit directly and indirectly from our R&D. This includes over 500 Screen South media businesses, 450 members of the Camberley based Frames Animation Collective, 200 Ukie games and 50 Pact TV members, 20 Immerse UK companies and a range of Business South members.

3. Independent scrutiny and Assurance

- 3.1 AECOM have carried out due diligence to consider the efficacy of the project and to review its outputs. A tight timescale in which Royal Holloway were asked to gather all the necessary planning documents mean AECOM have issued an interim report at this stage. Subject to approving the outstanding documents AECOM recommend approval of the project.

4. Summary and recommendation

- 4.1 PMG are asked to approve this project subject to the receipt of the outstanding information being received and a final recommendation from AECOM being given to proceed.

Sue Littlemore

28 June 2018