

Enterprise M3 Programme Management Group

15th October 2020

Esports – Queen Mary’s College (QMC) – Item 6a

Programme Management Group members are asked to:

AGREE that the LEP enter into a legal agreement with the Queen Mary’s College Basingstoke project and allocate £228,000 from the Local Growth Fund for this project.

1 Summary

- 1.1 The LEP has established a process whereby promoters of schemes that have been provisionally allocated Local Growth Fund (LGF) should submit completed full business cases to the Programme Management Group (PMG) for further consideration. For schemes seeking less than £3m LGF, PMG has delegated authority to approve the allocation of this funding directly to projects.
- 1.2 Queen Mary’s College submitted an Expression of Interest to become the leading Esports BTEC provider in the South East and this has been progressed to the due diligence stage. The total cost of the scheme is £460,000 with Enterprise M3 funding of £228,000 sought.
- 1.3 The Esports (electronic sports) BTEC is an organised and inclusive qualification that is open to all, regardless of gender and physical ability. It can improve confidence, strategic thinking, problem solving abilities, reading comprehension and phonics skills and can help with the development of digital and cyber skills. Skills can be transferred across into physical sports and schoolwork, and Esports offers a multitude of career pathways. Most importantly it focusses on team management and business skills which are crucial for our economic development and recovery.
- 1.4 This exciting project will create a base for the provision of Esports education at the heart of the M3 corridor, providing education for young people and equipping them with future workplace skills. It builds on the work we are doing in the Games and Immersive Tech sector and will provide a further strength behind our Games and Immersive Technology High Potential Opportunity in trade and international links. This key sector is highlighted as an area of growth within our Revive and Renew Plan.
- 1.5 This investment will create a facility, the first in the South East, that offers 415 sqm of dedicated learning space that will enable an increasing year on year number of students to gain an opportunity to engage in a new BTEC qualification in Esports which will be unique to Basingstoke.

2 The Esports Project

- 2.1 This project is focussed on developing skills in one of our key sectors – Emerging Technology. This project will be the first of its kind within the region. It is endorsed and supported by **BELONG** which was previously owned by Game and is now owned by Vindex a New York based Esports infrastructure specialist.
- 2.2 This project has also attracted interest from other industry recognised global technology companies for example HP who have agreed to offer hardware as well as links for scholarship routes and work experience. They have also agreed to engage in ‘traditional’ networking to increase the Colleges access to other global industry contacts

- 2.3 The investment made by the EM3 LEP and QMC will enable the future proofing of a facility by remodelling an unused floor of a teaching block. Students will gain technical skills by engaging in projects to build PC's as well as use the hardware to engage with the Esports curriculum course. A peer learning element will be attached to this activity as older students will support the younger year groups to engage in STEAM subjects (Science, Technology, Engineering, Arts and Maths) though supported technical application, motivation, and inspiration within these subjects.
- 2.4 The new BTEC qualification in Esports is skills focussed which is a much-needed area of development for our young people. By working with industry leaders, the college will ensure that the curriculum meets both local and national business need. There are no other Colleges either locally or nationally currently proposing this type of venture. As the Esports industry is projected to generate revenues of \$1.1 billion dollars in 2020 this is an insightful project with great sustainability prospects

3 Esports – Scrutiny

- 3.1 AECOM reviewed the Expression of Interest and has considered this a satisfactory project and raised comments and questions with the scheme promoter who responded to these, both in writing and through e-meetings with the project team at AECOM and QMC. AECOM have raised issues on the procurement process and state aid and all issues have been satisfactorily addressed The College were asked to confirm that match funding has been allocated to this project. This has been received and we are satisfied that this funding is allocated within the College budget.
- 3.2 The need for an Esports Hub has strengthened during the Covid-19 pandemic and the sector has shown reliance in ability to deliver throughout this. The Esports sector is one of the few sectors which has not experienced an economic slowdown. On 8th June 2020, a Government paper was released on the future of the economy and digital skills. This highlighted the potential for the Esports sector to become a national strength in the UK and aid economic recovery post Covid.

4 Funding

- 4.1 The total cost of the scheme identified in the Expression of Interest is £460,000 with LGF of up to £228,000 being sought. All funding is expected to be drawn down in this financial year. Should this scheme be successful in being awarded the Grant funding sought then the College will enter into a tendering process which will be finalised by November 2020. Construction will start on site by December 2020. Equipment has already been ordered. I have spoken to the College and they are 'good to go' with the project anticipated to take 3 months. With built in contingency this project will be completed by the end of March 2021.

£m	2020-21	Total
Funded Scheme	460,000	460,000
EM3 LEP Funding	228,000	228,000
QMC Match Funding	232,000	232,000
	of which 36,000 is a contribution from BELONG	
Total		460,000

- 4.2 The key outputs for this project are that the College will deliver skills focussed BTEC qualifications providing young people with vital digital skills. It will create future opportunities for young people in Basingstoke in an emerging digital sector that is growing and resilient to the current climate. The project will create 20 direct additional jobs and 20 indirect and induced jobs.

- 4.3 The College have enrolled 25 students this year in anticipation of this funding with an additional 65 enrolled on a voluntary enrichment course which is the foundation to the Esports BETC qualification. A conservative estimate to attract a further 75 learners for autumn 2021 is likely to be surpassed based on the attendance on the enrichment course.
- 4.4 The College has been selected to be part of World Education Week as one of only three Colleges in the UK.

5 Conclusion and Recommendations

- 5.1 The due diligence review undertaken by AECOM has concluded that this project is viable and recommends that a grant should be approved when the EM3 has received satisfactory answers to questions posed. Satisfactory answers have been received.

Criteria	Assessment	Comments
Strategic Fit	Very Good	The Enterprise M3 plays a key part in the UK's successful digital economy. This project will support the first dedicated learning facility in the South East to deliver qualifications in Esports. It will also enable our future workforce to be work ready by developing a range of skills that Students can draw upon.
Low Carbon	Good	The College have worked with the Carbon Trust and will be replacing light fittings, using acoustic and thermal blankets for insulation, replacing doors, and reusing or recycling waste
Digital	Very good	This project brings an exciting new digital concept to the EM3 which will put the College on the national map as a provider of a new BTEC course in Esports offering a comprehensive opportunity to students to engage in the digital economy at a local, national and international level
Impact of the Scheme	Very Good	The project will have a huge impact on the educational development of students. It will increase both technical and soft skills and impact on learning across the curriculum. The introduction of peer learning will increase motivation and inspiration to younger year groups. This is the first of its kind for the EM3 region and as such will increase both the LEP and Colleges profile
Percentage of Match Funding	Very good	Match funding exceeding 50% is guaranteed for this project
Past Performance of Scheme Promoter	Good	This is the EM3's first investment with this College. However, the College has undertaken remodelling works in other areas of the campus. This project has been well thought through and has attracted a lot of interest including enquiry from the LEP network

- 5.2 The Programme Management Group is asked to **AGREE** that the LEP enters into a legal agreement with Queen Mary's College and awards the College £228,000.00 from the Local Growth Fund for this project.

Jeannie Satchell, Head of Careers and Enterprise
6th October 2020