

GFirst Local Enterprise Partnership

LEP Board Paper – 04th October 2016

Agenda Item 5 : Growth Hub Network Procurement September 2016

Purpose

The purpose of the paper is to update the Board:

- i. With the status of the procurement of Growth Hub Network Centres to date
- ii. Ask the Board to approve funding as set out in the recommendations, all proposals will be subject to further business case development, due diligence and final sign off prior to funding agreement development
- iii. Ask the Board to approve development of further businesses cases as specified

Progress to date

Expressions of Interest

On July 5th GFirst LEP announced the first call for EOIs for Network Centres. 15 proposals from across the county with a total value of £7,612,124m were returned. A sub group of the LEP Board and Growth Hub Management Boards met to agree a shortlist that would be invited to develop full business cases.

The sub group shortlisted 5 proposals to develop full business cases –

- Forest of Dean Entrepreneurs – to be combined with Gloucestershire Libraries
- Gloucestershire Libraries
- Hartpury College
- Royal Agricultural University
- Tewkesbury Borough Council

Five proposals were received from the Stroud District area – the sub group have tasked the project manager to undertake stakeholder engagement activity working with interested parties and the local council to develop appropriate solutions for the area. The first meeting will take place 30th September.

A further three projects from Cheltenham, Chipping Campden and Gloucestershire Enterprise Ltd were classed as ‘maybe’ and have been reviewed with the promoters based on the comments received from the sub group.

Full Business Cases

Full businesses cases were returned 9th September and all were scored against a set of criteria by representatives from the LEP, UoG, LEP and Growth Hub Management Boards. All proposals were invited to a ‘Dragon’s Den style session’ with the panel on 20th September and following the session the panel moderated their scoring and gave feedback with regards to the proposals.

This documents summaries the proposals, provides brief feedback from the panel and makes recommendations for consideration by the LEP Board from the Senior Growth Hub Network Project Manager.

Gloucestershire Libraries

Location	Countywide
Capital Ask	<u>£100,000</u>
Proposal	The development of 31 Tier 3 Growth centres across the countywide library network, including the development of two Innovation Laboratories.

This proposal for Tier 3 Growth Hubs will enhance and strengthen the libraries role and complement their current business offer. The County Council have already been investing in digital technology so the capital ask is for confidential pods, plasma screens and branding.

The Panel recognised the projects ability to support a comprehensive Tier 3 offer across the county and the strength of the library services in delivering front line signposting services.

Based on feedback from the panel the recommendation is to:

- **Provide full funding for the project**
- **Work with Gloucestershire Libraries to look at the development of further Innovation Laboratories at key sites which would require further funding**

Forest of Dean Entrepreneurs (FODE)– to be combined with Gloucestershire Libraries

Location	Forest of Dean
Capital Ask	<u>£30,000</u>
Proposal	Proposal - The proposal was developed in collaboration with the Gloucestershire Libraries proposal and will create two additional Tier 3 locations in the Bream and Mitcheldean Community libraries (Gloucestershire Libraries proposal will open libraries in Cinderford, Coleford, Lydney and Newent).

The Panel recognised Forest of Dean Entrepreneurs as a well established service in the Forest of Dean. Although the proposal sets out the provision of more FODE services it does not clearly evidence how the capital investment would support the delivery of Growth Hub services.

Based on feedback from the panel the recommendation is to:

- **Not provide funding for this project at this time**

- Gloucestershire Libraries are happy to offer their facilities to FODE so task them with prioritising Growth Hub developments in the Forest of Dean
- Subject to the demand and feedback from the four library venues then consider further investment, at which point the FODE proposal should be reconsidered
- Continue to work with stakeholders in the Forest of Dean to develop Growth Hub solutions

Royal Agricultural University

Location	South Cotswolds
Capital Ask	<u>£1,500,000</u>
Proposal	The development of 400sqm new build Tier1 and 2 Growth Hub centre to support the Growth Of the Rural economy in the South Cotswolds.

The proposal demonstrated good business and local authority backing for a Growth Hub Network centre in Cirencester.

The panel strongly supported the development of a Growth Hub in Cirencester but struggled to see the value for money against outputs within this proposal. The current proposal (subject to review of the outputs) offers a good Tier 2 solution but the Tier 1 proposal was not strong enough and did not demonstrate a level of specialist support for either Agritech or Rural Innovation so was not supported by the panel.

Based on feedback from the panel the recommendation is:

- **Due to the strong support for a Growth Hub development in Cirencester, fund the proposal up to a maximum value of £1,250,000. This should be subject to further work and evidence of greater value for money based on revised outputs and clarity of offer.**
- **As a condition of the funding task RAU with delivering a countywide Tier 1 rural and agritech Growth Hub solution in collaboration with Hartpury College covering the North West of the county.**

Hartpury College

Location	Hartpury College
Capital Ask	<u>£1,000,000</u>
Proposal	The development of a 535 sqm new build state of the art Tier 1 National Equine Growth Hub and Rural Growth Hub alongside an incubation unit for businesses in the rural sector with a particular focus on Agritech and Equine sectors.

The panel recognised the specialism of Hartpury's delivery and the potential to create a national centre of excellence for the equine industry. However as this is not a priority economic sector for the county so the panel questioned the extent to which Growth Hub funding should be used to support the

development of a national centre. The duplication of activity with the RAU project also led the panel to question the validity of having two rural and agri-tech focused Growth Hubs.

Based on feedback from the panel recommendation is to:

- **Not to fund the current proposal**
- **To support the pursuit of an National Equine Growth Hub and consider offering part funding which may enable Hartpury to secure additional funding to complete the proposed centre**
- **To task Hartpury College and the Royal Agricultural University to deliver a joint strategy to that provides agri-tech and rural business support on a countywide basis, consider funding for a Tier 2 or 3 centre at Hartpury that works with the RAU Rural Growth Hub to deliver to rural businesses in the West of the county**

Tewkesbury Borough Council

Location	Tewkesbury
Capital Ask	£377,712,000
Proposal	The refurbishment of 46.45 sqm of floor space within the Public Services Centre of the Council Offices providing a dedicated business space for a Tier2 Growth Hub.

The proposal forms part of the Council’s vision to transform their offices into a full Public Services centre. The panel felt the proposal can deliver a strong Tier 2 solution for the Tewkesbury area. The panel questioned the location of the proposed Hub being on the second floor - the presenters provided a satisfactory explanation for this current thinking. The panel also questioned the continuity and consistency of the Navigation service using four part time staff as set out in the proposal, further reassurance will be sought should the proposal develop.

Based on feedback from the panel recommendation is to:

- **Provide full funding for the project**
- **Work with Tewkesbury Borough Council to further develop the proposal, understand staffing of the Growth Hub and full refurbishment plans for the council offices**

Next Steps

The project manager also seeks approval from the Board to work with partners to develop full business cases without further Expressions of Interest calls: -

- For the Stroud District
- A Digital Growth Hub solution for Cheltenham combining Retail Lab and Growth Hub funding
- For Chipping Campden