

BOARD MEETING January 11th 2019

Open

Title: Local Growth Fund: Business and Skills Capital Allocation

Purpose: For Board Members to consider recommendations to award Local Growth Fund to successful bidders for Business and Skills Capital priority projects.

Recommendation: That Board Members note the content of this report, consider the project assessments contained in the Stage 2 report by Hatch Regeneris and decide upon allocation of LGF funds to individual or a combination of shortlisted proposals.

- 1 **Local Growth Fund** – At BTVLEP board on 24th July 2018, members approved an open call inviting expressions of interest from organisations and scheme promoters seeking an allocation of up to £2m (capital) for Business and Skills initiatives to build upon some of the key sector strengths of the Buckinghamshire economy and that support the priorities of the National Industrial Strategy and emerging Buckinghamshire Local Industrial Strategy.

An open call for expressions of interest was announced in August 2018, applications were particularly welcome from partnerships between public, private, academic or community organisations that have well advanced schemes with a minimum of 50% match funding. All schemes require to demonstrate they can be delivered by March 2021.

A total of five Expressions of Interest were received:-

Bucks New University – **‘Buckinghamshire Life Sciences Innovation Centre’**

- This project is an extension to the existing LGF funded Buckinghamshire Life Sciences Innovation Centre, to provide additional incubation space for innovators and businesses in the health and social care sector. The scheme involves expansion of facilities at the BNU campus in High Wycombe to complete the 2nd floor South Wing, which is currently redundant space.
- The proposed scheme has strong potential to align with LEP priorities to stimulate high growth firms by providing incubation space that supports all stages of the innovation ecosystem for the health and social care sector.
- Amount of LGF grant requested **£275,000** against a total project cost of **£547,000**

Bucks New University – **‘Buckinghamshire Creates @ Pinewood’**

- This project will expand delivery of a learning and education facility by offering a new suite of Apprenticeships, Graduate and Postgraduate courses which are to be developed with the Creative and Cultural Industries (CCI) sector. This facility will be created at Pinewood Studios as part of the creative industries cluster within Buckinghamshire.

- This scheme has strong potential to align well with LEP priorities and National Industrial Strategy and particularly around people, skills and training.
- Amount LGF Grant requested **£1,645,000** against a total project cost of **£3,357,000**.

London Medical Education Academy – **‘Medical Education Centre for Surgical Skills’**

- This scheme aims to establish the UK’s largest and best connected education centre for human cadaveric dissection, facilitating training of estimated 10,000 surgeons annually.
- This project has potential significant merit in terms of strategic alignment with LEP priorities and National Industrial Strategy, driving employment and growth in the region by creating new jobs and investment opportunities in the healthcare sector.
- Amount of LGF Grant requested **£2,175,000** towards a total project cost of **£4.350,000**.

National Film and Television School – **‘National Centre for Immersive Storytelling’**

- The National Film and Television School and delivery partners, were recently chosen to run a new industry centre of excellence in immersive storytelling. The proposal will deliver training in action, providing opportunities for creative learning through taking part in immersive productions that tackle creative and technical challenges. This unique scheme will enable the centre to become Britain’s first ever national hub for training in immersive technologies.
- The project has potential to deliver strategic benefits aligned to LEP priorities and National Industrial Strategy around people, skills, digital and creative technologies.
- Amount LGF Grant requested **£288.073** against a total project cost of **£502,107**

University of Buckingham – **‘School of Computing and Centre for Artificial Intelligence’**

- The project will provide a new centre for training and applied research in Artificial Intelligence and immersive technologies at the University of Buckingham campus.
- The overall strategic alignment of the scheme is strong, focusing on people, skills and digital innovation and technology.
- Amount LGF Grant requested **£2,000,000** towards a total project cost of **£6,000,000**.

Hatch Regeneris was appointed by BTVLEP to conduct a two stage independent appraisal of each proposal.

Stage 1 – initial sift of the five expressions of interests (Eols) received and preparation of a short paper with a summary of each bid and a recommended shortlist.

Stage 2 – full evaluation of the shortlisted submissions, with a full report and recommendations to go to BTVLEP Board.

For stage 1 of the appraisal each scheme was assessed against the following criteria and prioritised accordingly.

1. **Strategic alignment** – the scheme’s fit against local, regional and national policy aims and objectives;
2. **Evidence of need / demand** – whether there is a case for change to be made and if there exists unmet demand, and the benefits resulting from delivery; and
3. **Evidence of deliverability** – assesses whether the necessary foundations (i.e. costs, funding, management and sustainability) are present to ensure scheme delivery and success

The summary and conclusions of the Stage 1 appraisal including prioritised shortlist was presented at the November 2018 board meeting. Board Members agreed to invite full business case submissions from all five applicants and to increase the total available LGF Capital grant to £4m utilising additional unallocated funds previously earmarked for the business loan fund.

Applicants were notified of this decision and were invited to submit detailed scheme business cases by 19th December and offered additional guidance and support from Hatch Regeneris in preparing their submissions. Full business cases were received for all five schemes and were forwarded to Hatch Regeneris for Stage 2 evaluation.

The submitted business cases are being currently independently evaluated by Hatch Regeneris adopting the principles of the standard HM Treasury 'Green Book' model.

1. Strategic case
2. Economic Case
3. Commercial Case
4. Financial Case
5. Management Case

Copies of the review assessment will be provided for members in advance of the meeting and Jon Bunney from Hatch Regeneris will be present at the meeting to provide summary of the assessment findings including a steer as to which projects should be prioritised for investment and why. Copies of the full business cases for the 5 applications are attached as **Appendixes 1-5** to this report.

Board members are invited to consider the results of the Stage 2 Evaluation and recommendations to award LGF Grant funding to priority schemes.

Members are asked to:-

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