

Gloucestershire Economic Growth Joint Committee: Strategic Economic Development Fund (SEDF)

Expression of Interest/Application Template

Gloucestershire Economic Growth: Strategic Economic Development Fund (SEDF): This fund is for the benefit of the whole of Gloucestershire, and utilising funds from the current Gloucestershire Local Authority Business Rates Pool. It facilitates collective work on the economic development agenda and reflects the commitment of the Pool participants to drive economic investment which also links to the planning and infrastructure process. Eligibility criteria for the fund has been established and agreed by all participants, against which bids for funding are assessed.

Access to the Fund is for the principal stakeholders only – the Local Authorities and Local Enterprise Partnership, and any project or funding request will need to have a clearly identified sponsoring lead organisation/contact. Expression of Interest submissions should be completed and submitted for consideration by the Gloucestershire Economic Growth Joint Committee Senior Officer Support Group, at a relevant meeting. They will assess its potential against the criteria and whether a good strategic fit. This mirrors the same approach adopted for the consideration of new projects for the Gloucestershire Capital Investment Pipeline (CIP).

The award of funds must be agreed unanimously by each of the members of the Pool, as part of the Business Rates Pool standing item at the Gloucestershire Economic Joint Committee meetings.

Project Name:	
Developing Gloucestershire's Cyber-Tech Value Proposition	
Investment theme: <i>Tick the primary theme that best fits your project. If applicable, also tick a sub theme. If 'other' state and explain.</i>	
Primary Investment theme: Business Environment <input type="checkbox"/> Housing <input type="checkbox"/> Infrastructure <input type="checkbox"/> Place Shaping <input type="checkbox"/> Skills and Employment <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
Sub investment theme: Digital <input checked="" type="checkbox"/> Education <input type="checkbox"/> Employment <input type="checkbox"/> Energy <input type="checkbox"/> Housing <input type="checkbox"/> Regeneration <input type="checkbox"/> Transport <input type="checkbox"/> Other <input type="checkbox"/>	
Promoter Details:	
Promoter Organisation	Cheltenham Borough Council
Promoter Address	Municipal Offices Cheltenham
Primary Contact (name & job title)	Tim Atkins Managing Director Place & Growth
Email Address	Tim.atkins@cheltenham.gov.uk

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Contact Telephone Number

01242 264301

Project Summary (Max 250 words) *(Describe your project idea clearly and succinctly, including what the investment would buy, and why it would lead to economic growth for Gloucestershire. Include the potential timeframe, and any significant drivers or constraints related to the scheduling of the investment.*

Background:

In November 2019 GEGJC approved £200K of funds to support the ‘development and promotion of Gloucestershire as the UK home of cyber tech industry’. This start and finish engagement was highly successful and has been transformational in promoting Gloucestershire as a market leader in cyber sector, providing effective economic evidence to support this; showing that we have the strongest concentrations of cyber business in the UK outside London. It also launched a powerful marketing campaign that the Golden Valley – home of Cyber Central UK was the UK’s new cyber capital. On 16th September 2020 a report was made to the GEGJC regarding the outputs and progress. The link (<https://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=725&MId=9534&Ver=4>) provides the presentation / report made and minutes. A presentation of the findings / progress was also made to the GEG Scrutiny Committee in October 2020 (<https://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=731&MId=9540&Ver=4>). The video promotional video and other content can be accessed via www.goldenvalleyuk.com

Proposal:

Building on the success of the first engagement, following feedback from the GEGJC, its Senior Officer Group (SOG) and the GEGJC scrutiny committee there was strong support to continue this work, to drive forward the promotion and growth of the cyber sector to the benefit of the county.

It was clear that over the last 12 months there has been a significant increase in awareness of the importance of the cyber sector to Gloucestershire’s economic future following the launch of the Golden Valley Development. The benefits stretch across all parts of Gloucestershire. This is reflected in the LEP’s Local Industrial Strategy and the emergence of a significant number of investment schemes based on this sector across the county. The recent bids to the Getting Building Fund saw cyber related proposals from all districts and four of the five successful projects to receive funding were linked to employment growth in the sector.

It is proposed to build on the work undertaken in 2020. Evidence shows scope for significant employment growth potential at a time of great economic uncertainty. This engagement will assist in leading and co-ordinating the growth in this sector on a county-wide basis and maximises the potential economic benefits.

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Summary of benefits/outcomes that will be delivered (Max 250 words) *(Expanding on your summary, provide information on the tangible benefits or outcomes that would be delivered, leading to the growth of the Gloucestershire economy. These could address challenges or capitalise on opportunities, including those associated with improving productivity. List the expected benefits, estimated quantities and indicate the timescales).*

Support the delivery of Golden Valley / Cyber Central to put Gloucestershire at the forefront of the UK's mission to become a global sector leader, that over a 12 to 18month period will:

- Lead a joined-up county-wide approach to investment and accelerated growth in the cyber sector – including establishing a neutral ‘practitioners’ network for innovation assets in the all districts in the County.
- Work with GFirst LEP, DIT, DCMS and other relevant stakeholders, with the engagement of all districts to develop a compelling inward investment proposition for Cyber-Tech in Gloucestershire.
- Engage with and secure high value international businesses specialising in the sector as anchors for Cyber Central and to strengthen the county's employment offer.
- Engage with a range of government agencies and organisations from associated sectors as additional occupiers and participants in Gloucestershire's eco-system to further drive innovation and growth.
- Influence & drive regional & national agenda including positioning Golden Valley – home of Cyber Central and the Gloucestershire cyber eco-system as a UK flagship innovative development and a significant part of the Western Gateway Powerhouse.
- Develop and promote Cyber Central's and Gloucestershire's USP as the UK's sector leader and innovation home.
- Develop a business case for ‘The Agency’ – an innovative cyber attraction / spy museum / tech showcase providing a focal point for Gloucestershire's unique proposition and developing a diverse talent pipeline.
- Develop and grow the project team's specialist skills, knowledge & connections to maximise reach & influence within the sector and beyond.
- Establish a governance structure to ensure collaboration across the county's cyber ecosystem, co-ordinating the work of LEP Cyber Tech Sector Group, Cyber Leadership Board, Golden Valley Joint Programme Board (CBC / TBC / Homes England & GCC) to ensure joined-up approach and effective engagement between the Growth Committee, individual districts, other cyber led schemes / proposals (the Forum, GlosCol, Cirencester College, SGS Berkeley Green, University of Gloucestershire, Hartpury University & College etc).
- Work with all relevant bodies to develop the wider regional agenda for cyber-tech (Western Gateway) and national agenda.
- Working closely with the LEP and all district authorities, scope the first steps and outline of a digital strategy for Gloucestershire and the City Region.

The engagement will be led by Cheltenham Borough Council, working closely with the GFirst LEP and making regular reports to the GEGJC SOG and the LEP Inward Investment Programme Management Group.

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Strategic Fit (Max 150 words) *(Give the local, regional or national context for your project. Explain how it clearly aligns to the Strategic Economic Plan v2*

<https://www.qfirstlep.com/downloads/2018/sep-2-update2018v3.pdf>

and complements the local District strategies and delivery plans

- The National Cyber Security Strategy and Industrial Strategy set the national platform – placing significant importance on the growth of the UK Cyber & digital industry and highlighting Gloucestershire’s leading role.
- The **Comprehensive Spending Review**; the **Internal Review** of security, defence, development and foreign policy and the **UK R&D Roadmap** all highlight:
 - strengthening UK’s COVID-19 economic recovery by prioritising jobs and skills
 - levelling-up economic opportunity the country by investing in infrastructure, innovation and people
 - the importance of the UK becoming a scientific superpower
 - strengthening the UK’s place in the world

Gloucestershire is able to play a leading role for the UK by enabling cyber innovation and acceleration of job creation.
- The LEP’s Strategic Economic Plan (SEP) identifies the delivery of Cheltenham’s UK Cyber Park and the growth of the cyber industry as priorities it also highlights:
 - GCHQ / NSCS a key strength and development / growth of cyber skills as a key opportunity.
 - Section 2 – Releasing Gloucestershire’s Potential – identifies Cyber as the critical area that we should ‘play to our strengths’ stating that ‘Cyber is our specialism’
 - Productivity is increasing. If Cyber Central is delivered and growth of the market is realised – it will have a dramatic positive impact on productivity.
- Gloucestershire’s Local Industrial Strategy highlights Cyber-tech and digital as the number one sector for growth potential in the county.
- This bid will provide the expertise to support the development of this industry delivering against the policy framework.

Evidence of need or demand (Max 150 words) *(give details of the evidence you can reference that supports your case that there is a need or demand for this project)*

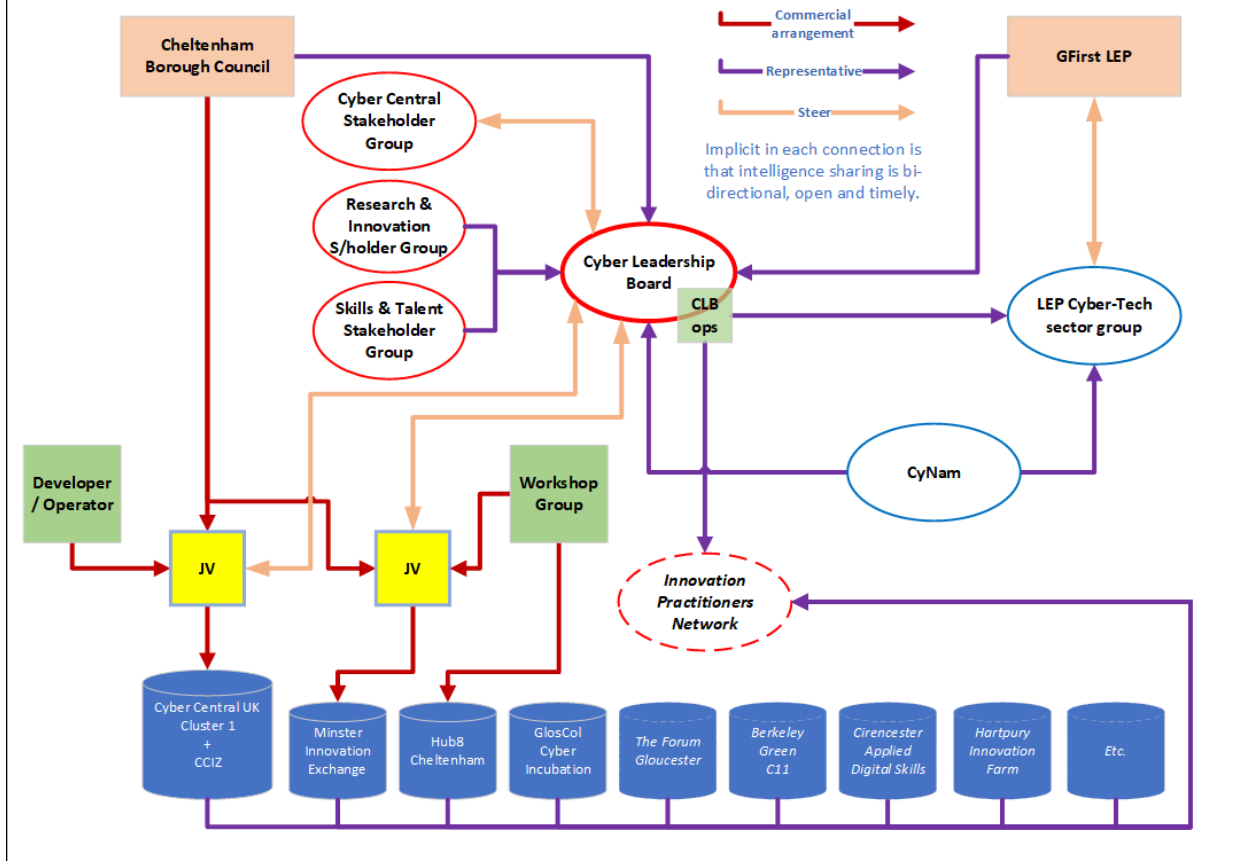
- The Hatch Regeneris report commissioned by the original engagement identifies Gloucestershire as having the greatest concentration of cyber businesses in the UK (outside London) with Cheltenham having 11 times the UK norm.
- Gloucestershire seeing significant growth in cyber businesses over the past 5 years and even stronger growth in jobs in the sector (35%) more than twice the UK average.
- Evidence that would see a further c.20,000 jobs from the delivery of Golden Valley / Cyber Central along with the ripple effect across the county.
- This is the key employment growth area within Gloucestershire’s Local Industrial Strategy.
- Cyber is at the forefront of county-wide employment growth evidenced by the Getting Building Fund – seeing 4 of the 5 projects that received funding focused on this sector and operated by some of the county’s largest employers – Cirencester College, GlosCol, Hartpury University & College and the Minster Innovation Exchange.
- Evidence base and priorities identified in the Gloucestershire SEP
- GCHQ and the National Cyber Security Centre are based in Cheltenham and 200 hectares of

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land is has been allocated adjacent to it for the development of the 'Cyber Central' Garden Community. This would be the heart / anchor of the county's unique offer / UK honeypot for cyber innovation.

- Cynam is the UK's largest Digital / Cyber based CIC – and has 350 + SMEs and Primes as members, demonstrating the considerable eco-system already in existence.
- HMG announced one of two National Cyber Innovation Centres to be located in Cheltenham.
- Significant HMG interest and support in growth of cyber security industry. Rapid growth in industry predicted. Once in a generation opportunity for Gloucestershire to take leading role in cyber innovation on global stage.
- Cyber Central has the potential to be the most significant hi-tech development in the UK, placing Gloucestershire on a global stage.

The Cyber Leadership Board has the opportunity to connect innovation assets across the County and make Gloucestershire 'greater than the sum of the parts' with the following proposed holistic ecosystem:



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Summary of the project costs and any sources of funding: *(Estimated total capital cost of the project, and (if available) list the main elements of the budget. Provide details of any potential or secured source(s) of funding and the likely shortfall.)*

- The value of the Bid is £200K. This represents a small contribution to the overall project costs that CBC is incurring for the delivery of the Golden Valley Development.
- These costs will directly support and grow the specialist work around the leadership and specialism regarding the cyber sector and engagement with key stakeholders, agencies and businesses. These will specifically include:
- Contribution towards the extended employment of Nick Sturge and Reid Derby (GCHQ secondee) – to lead the specialist sector engagement – academia, business & government (c. £70K over 12 month period).
- Contribution to GFirst LEP’s Head of Inward Investment’s time (Chris Lau) to lead inward investment and international/corporate engagement of cyber sector investors and operators. This would enable dedicated time to this engagement with the GFirst LEP providing some in-kind time but also enabling other aspects of his time to be backfilled (c.£20K).
- Development of business case for ‘The Agency’ cyber attraction / spy museum /tech showcase as part of the county’s unique proposition (c.£30K).
- Addendum to economic analysis / report - reviewing ripple effect and impact stimulus of growth at Golden Valley will have across Gloucestershire and identification of UK gaps that the delivery of Cyber central could address (c.£20k).
- Contribution to marketing and promotional material (and potential to link into the City Region Prospectus bid) – enable UK and international reach regarding cyber / digital innovation (c.£20K).
- Scope outline business case for Gloucestershire Digital Strategy (c.£20K) – examining scope for smart city innovation, linking county’s wide-spread digital capacity as part of longer term growth proposition.
- Support for over-arching programme management costs to support governance arrangements Cyber Leadership Board and Gloucestershire Cyber-Tech Sector Group (£20K).

Note: *the above values are estimates updates regarding the individual workstreams will be made in reports to the GEGJC SOG.*

Match funding:

Cheltenham Borough Council has invested significantly in supporting the progress of this project. It purchased the land at West Cheltenham for £37.5M, it has committed over £3M of revenue funding to progress the Golden Valley project, based on the transformational economic impact it could have to the long-term growth potential. Tewkesbury Borough council has supported the project delivery,

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it is a key partner of the Golden Valley Garden Community, with 50% of the site lying within its administrative area. TBC have made considerable financial contributions jointly adopted an SPD for the site – setting a high bar for development standards.

Homes England has to date provided £150K of capacity building funds and further funding maybe announced early this year (2021).

Gloucestershire County Council is currently delivery the WCTIS A40 transport improvements scheme from the Growth Deal 3 £22m award via GFirst LEP. GCC also is leading the J10 HIF improvement project with one of the county’s most significant infrastructure programmes.

The £200K sought as part of this bid is a relatively small amount to overall costs of progressing the project, however it will play a critical role in providing capacity and specialist skills to effectively engage with all districts and understand how growth in this sector can unlock economic benefit to all parts of the county.

Summary of the Revenue Investment(s) required *(Explain how the project would be deliverable and sustainable by explaining the sources of revenue funding to support the likely cost needed to deliver the project following the capital investment)*

All funding streams included in section above.

Project Status *(select from one of the following, and provide brief explanation)*

Concept Stage <i>(very early stages, requires considerable development before it could be considered for funding)</i>	
Outline Stage <i>(early stages, some detail clear but longer term aspiration which will need further development)</i>	
Developed Stage <i>(clear project plan, deliverable, but seeking funds)</i>	This project simply requires funding to progress. Project support team already in place (CBC & LEP), commercial advisor engaged, secondment in place and scope for extension subject to ongoing funding.
Mobilising Stage <i>(project moving close to delivery, which still has some challenges to</i>	

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<i>overcome)</i>	
Project Status: key milestones <i>(where applicable, provide brief notes on the current situation)</i>	
Promoter identified	As set out above, team is in place, however funding required to drive forward.
Full Business case available	
Planning Status	
Land Assembly (potential requirement for CPO)	
Confirmed Funding Sources	
Design Detail Stage	
Earliest Potential Start Date	

Key challenges/risks associated with Project *(give brief indication of the main challenges or risks associated with the successful delivery of this project)*

Challenge / Risk	Potential Impact / mitigation
Due to specialist nature of work and high security engagement with a large number of sector businesses and agencies would not be achieved?	The sector specialists engaged for this work will bring strong competitive advantage to Gloucestershire's USP. Provides a competitive edge, access and knowledge to a sector not possible via other routes.
Funding not approved	The potential and ripple effect of the Cyber Tech & digital growth in Gloucestershire will not be fulfilled.
Gloucestershire fails to maximise the economic potential arising from growth in this sector	This is a competitive sector and other cities / areas of the UK are seeking to upscale / attract businesses. Considerable government support and funding available for the development of this and related tech sectors.

Declaration by Applicant

I certify to the best of my knowledge the information submitted on this form is true and correct.

Signed (on behalf of Promoter)

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Date :- 08.01.21

Name and title: Tim Atkins MD Place & Growth

Sent to: (Name of organisation / person) Angela Presdee

Date submitted: 08.01.21

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