UKSPF Panel – Year One Mobilisation Plan

October 2022

Background

Whilst we wait for the UK government to review our UKSPF Investment Plan and provide feedback on its contents, its important that we consider how we start to mobilise, to ensure we are prepared when and if government informs us that we can commence implementation of our plan.

The reason this is important is because we have £155,568 of UKSPF funding that we need to defray in 2022/23. This sum is made up of investment into four discrete services:

1. **Business Improvement District Feasibility Studies:** £31,250 towards BID Feasibility Studies for Wickford & Billericay in 2022/23 (with the same amounts being set aside in 23/24 and 24/25 to progress to Business Cases for these two towns, should the feasibility studies prove positive and extend the model to Basildon TC, if deemed suitable).
2. **STEAM Partnership:** £46,934 towards the establishment of a STEAM Partnership in 2022/23 (with £212,924 to invest in total over the lifetime of the fund)
3. **Feasibility Studies:** £40,925 towards Feasibility Studies (with a further £20,833 to invest in 23/24 and £41,667 to invest in 24/25)
4. **Business Acceleration & Incubation Services:** £36,458 towards Business Acceleration & Incubation Services in 2022/23 (with circa £98,958 maximum to invest over the lifetime of the programme, potentially split across two discrete projects, as we have £46,875 in 22/23 and 23/24 combined and £52,083 in 24/25)

Introduction

The purpose of this paper is to secure the panels broad agreement to the scope of the services that we are seeking to commission, the approach for commissioning these services and the process we will use for selecting the chosen service providers.

As far as the last point is concerned, any process for selecting the recipients of funding will need to be based on the approach for procuring it but will also need to take account of the governance and assurance arrangements set out in the Basildon Borough UKSPF Investment Panel Terms of Reference (in particular, dealing with issues such as project appraisals, where the panel itself is the primary decision making body etc.).

Recommendation

That the Panel discuss and approve:

1. **The high level specifications for the four services that we are seeking to commission** – as detailed in this paper
2. **The process we are recommending to commission these services** – i.e., whether we utilise a service contract, grant contract, employed post etc.
3. **The process we will use for selecting the service providers/grant recipients** – i.e., the process for appraising proposals and awarding funds.

The Projects to be Commissioned

There are four projects that we need to start to commission if we are to achieve our 2022/23 spend profile, namely:

1. **Business Improvement District Feasibility Studies**
2. **STEAM Partnership**
3. **Feasibility Studies**
4. **Business Acceleration & Incubation Services**

For ease, each of the proposed services is set out in the Appendices of this document, for the panel to consider one by one. We look forward to the Panels views on each of these respective projects.

Appendix 1: Business Improvement District Feasibility Studies for Wickford & Billericay

In total, we allocated £93,750 to explore the potential of three Business Improvement Districts in Billericay, Wickford and Basildon (with the latter possibly also exploring links to Pitsea and Laindon, which are unlikely to be able to sustain a BID on their own, because of the lack of commercial tenants in the area).

When we set the above allocation of funding to explore the potential of establishing Business Improvement Districts in the three major Town Centres of Basildon Borough, we were guided by the work being undertaken in Brentwood, where the appointed consultant is undertaking a Feasibility Study on one town for circa £15,000 and estimates the same amount of funding would be needed again to develop the Business Case/Investment Prospectus.

The above figures do not account for the cost of running any referendums, should the feasibilities and the Business Cases prove viable, largely because it was difficult to justify supporting this from the UKSPF. That said, we understand that it is possible to recoup the cost of any referenda from a successful BID award.

In talking to a number of consultants about the process for exploring the potential of a BID, they have advised that it is often quite common for any initial discussions with local businesses about challenges and opportunities, as part of a feasibility process, to not necessarily emphasise that a BID might be the only solution, but rather focus mainly on exploring the current challenges and future opportunities for the Town Centre.

They also stressed to us that the purpose of undertaking a Feasibility Study was to test whether there were common needs/aspirations amongst local partners (i.e., it is perfectly acceptable if the answer from the feasibility study is that there is not a shared vision), that undertaking the work to develop a BID can often take 18 months to 2 years, but that it was vital to start by establishing a strong multi-agency 'Town Team' to oversee the development of such a study.

In preparation for commissioning some Feasibility Studies into the future of our major Town Centres in Basildon Borough, we have developed a shadow Town Team in Billericay (comprising County Councillors, District Councillors, Town Councillors and 3-4 local businesses), we are starting to develop the same in Wickford, and we will doubtless be guided by the work of the Basildon Consortium in Basildon Town Centre – an offshoot of the Creative Basildon Programme that is planning to organise a Discovery Workshop for Basildon Town Centre Stakeholders in October 2023.

- **What service are we seeking to commission**?

    We are looking to **commission up to three Consultants with a strong track record in undertaking BID Feasibility Studies and developing BID Business Cases**, to work with the three Town Teams we establish in Basildon Borough over the next 24-30 months to explore the potential of establishing BIDS in these three towns.

    Because we envisage there is some value in having the same consultant undertake the Feasibility Study and the Business Case - but also recognise that the decision to progress to Business Case needs to be influenced by the results of the Feasibility Study - we are retaining the right to not progress to the Business Case stage, or delay its implementation, if the Feasibility Study recommends this approach.

    The service we are looking to procure from these consultants encompasses:

    - A comprehensive BID feasibility study that will:
        - Identify the key challenges, needs and opportunities being experienced by businesses in the town centre being studied
        - Identify the key development opportunities that exist in the town centre being studied, that could potentially add value to the overall trajectory of the town centre
        - Determine whether a BID is feasible and appropriate for the town centre being studied
        - Identify the BID boundary, should the feasibility study conclude that a BID is potentially viable
        - Identify the potential income that might be raised through a BID levy
        - Establish whether local businesses have the appetite and interest to pursue a BID, as a result of the findings of the business consultation process

    Following the delivery of the Feasibility Study, the Town Team will take a view on the results of the Feasibility Study, and should they conclude that the approach appears to have merit, the appointed Consultant may be asked to develop a Business Plan for a BID in the Town.

If the Feasibility Study shows positive response, the consultant may subsequently be asked to prepare a detailed business plan, designed to:

- Assess the resources required to develop a BID
- Establish the governance, control and leadership arrangements
- Develop a high-level prospectus, which can be used to canvas support for the BID
- Develop a timetable for implementation of the BID

We envisage the Feasibility Study might ordinarily include:

- A Desk Top Report & Economic Assessment
- An analysis of business ratings data
- One to One Consultation
- Facilitated Workshops
- A Final feasibility study report, which sets out the feasibility or otherwise, of establishing a BID. This should include an analysis of potential BID Levy, a costed action plan with identified target objectives, outputs and performance indicators. Where a formal BID is not achievable, or the best option, alternative structures should be recommended with a clear rationale.

If the results of the Feasibility Study are positive, and the Town Team decide to progress to the development of a Business Plan, the results of the Feasibility Study should inform the Business Plan for the BID. The Business Plan should set out the services to be provided and the size and scope of the Business Improvement District. It will also set out who is liable for the levy, the amount of levy to be collected and how it is calculated. We would envisage the Business Plan including the following elements:

- Define the geographical area in which the proposed BID arrangements are to have effect
- Define what businesses are to be liable to the BID levy, how the amount of the BID levy is to be calculated and if the costs incurred in developing the BID proposals, holding of the ballot or implementing the BID are to be recovered through the BID levy
- Assessing the existing baseline services provided by the relevant billing authority or other public authority – baseline agreement with the billing authority
- Developing the programme – getting the right mix of projects and services to address the challenges and priorities that the businesses expressed – and evidence clear value for money as well as its additionality to existing public sector services
- Planning an inclusive consultation events for participants to reflect on the proposed business plan and programme
- Assess resources required to develop a BID, and provide financial management options for appraisal
- Establish governance, control and leadership arrangements
- Develop a prospectus and canvas support
- Develop a timetable for implementation of the BID

- **How do we propose to commission it?**

  We envisage the agreements we will establish with the consultants responsible for undertaking the feasibility studies being traditional service contracts, which will need to be openly procured (as their contract value will be between £15k and £30k).

- **How will we select the service providers?**

  We envisage that the consultants that will be responsible for undertaking this work will need to be selected by - and overseen by - the Town Teams in each of the three towns in question. Any other approach to commissioning these consultants would run the risk of undermining the development of these town teams, who we need to support to build their capacity. Because of this need, we are looking for the UKSPF Investment Panel to delegate the responsibility for the selection and appointment of these three consultants to the three Town Teams.

Appendix 2: STEAM Partnership

In total, over the period October 2022 – March 2025, we have allocated £212,924 to the establishment of a STEAM Partnership.

These costs have largely been split out as being sufficient to employ a Development Manager over the 29 months of the project lifetime (plus the associated costs and on costs of employing them) to co-ordinate and develop a public/private/academic sector STEAM partnership and provide an operational revenue budget of £9,538 in 22/23, £236 in 23/24 and £12,045 in 24/25 and a capital budget of £10,557 in 22/23, £10,000 in 23/24 and £10,000 in 24/25.

The Investment Plan makes clear that the core mission of this STEAM Partnership is to bring together public/ private/academic partners to:

1. Develop a shared and co-ordinated programme of tech inspiration activities (i.e., In school STEAM events, STEAM Festivals, Coding Clubs, STEM Ambassadors Programmes etc.) for parents, young people and careers leaders to inspire more people into tech careers (particularly vocational careers);
2. Explore opportunities to strengthen the local tech inspiration infrastructure (i.e., Science Centres, Maker Spaces, Fab Labs etc.); and
3. Explore opportunities to enhance the local tech entrepreneurship ecosystem, to stimulate more high value business start-ups in the borough

In our UKSPF Investment Plan, we talked about the need to create a holistic and pervasive 'whole system' solution to try and address the challenge of creating a stronger tech culture in the local area. In order to achieve this goal we would envisage the Development Manager needing to focus on the following tasks over the lifetime of the STEAM Partnership.

Year	Priorities	Targets
2022/23	• Establishment of the STEAM Partnership Board • Recruitment of the STEAM Development Manager • Development of the STEAM Partnership Action Plan • Establishment of Thematic Groups (Primary & Secondary School Fora, STEAM Festival & STEAM Ambassador Group and a Fundraising Group) • Commissioning of support services (Web, Marketing, PR etc)	• Partnership Board Established • STEAM Development Manager Appointed •
2023/24	• Partnership Development • Fundraising • Programme Delivery (Fora, Joint Events, In School Programmes)	• 8 organisations receiving grants • 50 organisations receiving non-financial support • 10 event delivered • 500 people attending events • £X funds secured (TBC)
2024/25	• Partnership Development • Fundraising • Programme Delivery (Fora, Joint Events, In School Programmes) • Sustainability Planning	• 8 organisations receiving grants • 50 organisations receiving non-financial support • 10 event delivered • 500 people attending events • £X funds secured (TBC) • 1 Sustainability Plan produced

- **What service are we seeking to commission**?

  Having worked with a similar role in other parts of the country before, in similar programmes, I would envisage the STEAM Partnership Development Managers role being chiefly focussed on:

  o **Partnership Development** – drawing in public / private and education partners to work together on joint initiatives in such a way that strengthens the overall governance of the partnership over time, possibly resulting in the establishment of a standalone/self-sustaining organisation
  o **Fundraising** – drawing funding into the partnership in such a way that both sustains the organisation that sits at the heart of the partnership, but also deepens the overall programme impact. This needs the funding secured to be both commercial sponsorship/philanthropic contributions and trust/charitable funding to sustain the management of the programme
  o **Programme Delivery** – being the curator of a high quality programme of STEAM inspiration activities, that improve in quality over time.

  As indicated above, a good outcome at the end of the 29 month programme would be for the Development Manager to have secured enough commitment from the partners to the delivery of the ongoing programme, that they are prepared to continue to contribute to the role of the Development Manager and their ongoing programme.

- **How do we propose to commission it?**

  Having spoken to our legal team about the most appropriate commissioning model for establishing the proposed STEAM Parentship, they have advised that they do not consider that a grant agreement route is wholly appropriate, because we aspire for the investment in the service to potentially prime the operation, we want control over the outcomes and because we may want an element of control over the Development Managers day-to-day work, to ensure the goal of trying to achieve sustainability is achieved.

  Therefore, they have suggested we look to either:

  o Use a company who offer the kind of STEAM Partnership development services we are looking for - and we engage them through a basic one stage tendering exercise, supported by our procurement team; OR

  o We go through the HR route of employing someone on a fixed term basis and get them to work into the STEAM Partnership Board, who would be responsible for directing their work.

  Based on the above options, given that I am not aware of any suitable potential supplier companies, my suggestion is that Basildon Council looks to employ the STEAM Development Co-ordinator on a fixed term contract, and we get them to report into the STEAM Partnership Board.

- **How will we select the service providers?**

  If the Panel are happy to sanction the above approach, we could nominate 3-4 members of the Panel to sit on the interview panel to interview and appoint the Development Manager.

Appendix 3: Feasibility Studies

Under the Communities and Place theme, we said in our UKSPF Investment Plan that we would explore the potential of funding a limited number of Feasibility Studies for physical regeneration/public realm schemes (including green/blue infrastructure), community spaces, active travel infrastructure, cultural/heritage assets, educational facilities, sport and leisure facility improvements etc.

Whilst the government has historically made available a significant amount of funding for capital development projects (through funding like Levelling-Up Funding, Cultural Development Funding, Towns Fund etc.), it has often been a real challenge for Basildon partners to bring forward bids for such initiatives because we have not necessarily been able to access the revenue funding needed to undertake Feasibility Studies and Treasury Green Book compliant Business Cases to bid for such Capital funding (both because resources are tight, but also because many organisations need to invest this funding 'at risk'). This has traditionally been a real challenge which UKSPF can potentially help us to address.

- **What service are we seeking to commission**?

    By allocating some UKSPF revenue funding to support the development of relevant feasibility studies in the Community and Place strand of UKSPF, we hoped that we might support a range of feasibility studies and /or Business Cases for physical regeneration schemes that might enable us to kick start the renewal and regeneration of the borough and get us into a strong position to bid for larger scale capital funding programmes.

    In particular, we were looking to support the development of feasibility studies for:
    - Physical town centre regeneration schemes
    - Improvements to existing, community and neighbourhood infrastructure, inc. Natural Environment Hubs
    - The creation & improvement of green spaces, community gardens, watercourses & embankments
    - Enhanced cultural, historic and heritage facilities
    - Built/landscaped environment schemes to 'design out crime'
    - Support for active travel infrastructure enhancements
    - Local sports facilities

    That said, with the limited UKSPF funding that we do have available, we will not be able to support all of the above initiatives and will need to be selective about which ones we chose to support.

- **How do we propose to commission it?**

    Our original assumption in this strand of work was that we would publish an open (rolling) call for proposals for Feasibility Study Grants of circa £10,000 - £20,000, that anyone could apply for, that we establish a sub-committee of the UKSPF Panel to appraise these proposals and that we then award a grant contract to any potential project sponsors to enable them to commission a suitable consultant to undertake the Feasibility Study using the grant they have received.

    However, this approach assumes that there are likely to be sufficient high quality applications coming from independent third-party organisations, rather than the Council being a potential proposer of such schemes itself. If the Council is to be the potential proposer of Feasibility Studies, a grant contract would not be the most appropriate way to go, but a more suitable approach would be for the council to be awarded the funds by the sub-committee of the Panel and the Council then establish a service contract with a suitable provider to undertake the study.

    In light of us wanting to be open to a variety of applicants, we suggest we publish a rolling Expression of Interest for Funding for Feasibility Studies, of circa £10,000-£20,000 each, establish an independent panel for appraising these EOIs and vary the approach to awarding funding depending on who the applicant is.

- **How will we select the service providers?**

    We would propose to establish an independent sub-committee of the UKSPF Panel to appraise the EOIs received.

Appendix 4: Business Acceleration & Incubation Services

In our UKSPF Investment Plan, we set aside circa £98,958 maximum to invest in Business Acceleration & Incubation Services over the lifetime of the programme, potentially split across two discrete projects;

- The first being worth £46,875 in 22/23 and 23/24
- And the second being worth £52,083 in 24/25

The purpose of these investments was to explore the potential of establishing some suitable innovation, incubation and business acceleration services, focussed strongly on stimulating the digital start-up sector in Basildon.

Research suggests that Basildon has a larger concentration of ICT jobs than anywhere else in Essex, one quarter of Essex's creative jobs are in Basildon (with nearly 50% more jobs in this industry than our nearest comparator), and the creative industries doubled in size between 2009 and 2015 and are more specialised than anywhere else in Essex. Collectively, this data indicates there is some value in trying to build on the Digi-tech sector in the area.

- **What service are we seeking to commission**?

  We are seeking to support high-growth or high-potential start-ups in the Digital & Creative Industries sector to thrive. We will aim to achieve this by:

  1. Creating a collaborative community of ambitious, skilled entrepreneurs, who are growing their businesses.
  2. Showcase the diversity of entrepreneurial talent in the region to stakeholders and potential future entrepreneurs.
  3. Use the learning, impact and credibility to apply for bigger/longer term funding or connect with other relevant programmes.

  Recent learning from a deep dive into other accelerators nationally leads us to belieive that:

  - Attracting entrepreneurs is hard. The support landscape is busy and entrepreneurs are time-poor, so do not have time to research new offers. Having a ready-made mailing list of target entrepreneurs before we launch would be useful.
  - The main things that entrepreneurs are looking for when they join an accelerator is networks. When they say this, they mostly mean mentors, customers and investors. For an accelerator to run effectively we need to invest time in building and engaging with these networks or bring someone in who has them ready to activate.
  - Investment is a big draw. Some people leave accelerators to join one that offers investment, even though the support available was working for them.
  - A virtual accelerator may offer greater reach, but without visibility on the ground it's challenging to get the momentum. The buy-in and championing of <u>credible</u> local stakeholders (i.e. those that start-up owners trust) is vital.

  In light of the above, we would propose to use this funding to:

  - Engage/Explore - run some engagement events for start-up founders (or potential founders) in the region. Get some interesting speakers to draw a crowd and get start-ups in a room to see who's out there and what they need.
  - Delivery - Once we are clear on who the entrepreneurs are we are trying to target and what they need, we suggest utilising the full budget we have available in a short space of time to run a small scale pilot. The reason is that the mobilisation cost of an accelerator makes it difficult to deliver impact with small pots of funding over time.

  This structure of our delivery would be to focus on community/network building, making the criteria much broader than just securing investment, to attract a more diverse cohort. The aim of the programme would be to support companies to achieve goals like:

  1. Accelerate sales
  2. Raise funding (not necessarily investment)
  3. Build a strong network of other entrepreneurs and experts

4. Launch a new product/service
5. Grow the team

The brand of the delivery organisation/team has to be strong enough for people to trust that they have the networks and experience to open doors for them, whatever their goals are.

An portion of the budget for this one would go on marketing/outreach/community-building activities (regular meetups that may include the wider ecosystem etc.) This is to ensure that we attract people who are not the usual suspects. The idea of this programme is that we are filling a gap – trying to attract people who would not normally apply for/be eligible for an accelerator.

Because of the diversity of goals and potential beneficiaries, the topics on offer should be entrepreneur skills (like mindset, pricing, networking, negotiation etc) that are appropriate for everyone and will build a sustainable skills base. The execution element will be delivered 1:1 or in small groups to then apply the learning directly to their business and convert it into action. We suggest having a high-profile pitching competition at the end to showcase the cohort, perhaps with a small prize pot from a private sector sponsor.

As far as number is concerned, we suggest 8-10 entrepreneurs with a programme over 3-6 months. Heavy on execution and networking – less workshops, more direct 1:1 and group mentoring to push them forward, along with opportunities to connect with customers and advisers that they wouldn't meet otherwise.

- **How do we propose to commission it?**

Our sense is that the most appropriate approach to commissioning this service would be through an open tender, to draw a supplier into the area to deliver this pilot programme.

Whilst we could use an open call for grant funding, we sense a tender process is more likely to draw in the specialist expertise we need to deliver this programme.

- **How will we select the service providers?**

With the panels agreement, we would look to establish an appraisal sub-committee made up of suitable representatives of the UKSPF Investment Panel.