

Stirling and Clackmannanshire City Region Deal

– *Digital District Phase 2 (Cowie) – Outline/Full Business Case*

Executive summary

This paper seeks Joint Committee approval of the Outline/Full Business Case for the Digital District Phase 2 (Cowie) Project. This project is part of the Regional Digital Hubs Programme of the City Region Deal.

Authors

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Recommendations

Joint Committee is asked to:

1. Approve Outline/Full Business Case for the Digital District Phase 2 (Cowie), and;
2. Note the activity that has commenced as part of the project.

Implications

None

Legal & Risk Implications and Mitigation

As part of City Region Deal Governance arrangements, approval of the Outline/Full Business Case by Joint Committee is required to draw down funding to progress with project delivery. The project, which has spent at risk, would suffer delay if approval is not given and match funding may be put at risk.

Background

1. This business case is seeking approval for funding of £0.5 million for the Cowie hub, as part of the Digital Regional Hubs programme.
2. Within ten years, the Stirling and Clackmannanshire City Region aims to be recognised as one of the UK's leading areas for digital technology and as a centre of excellence for digital skills.
3. The Cowie hub will complement the growing network of digital hubs across the city region area.
4. The investment will provide high quality business space which will allow new-start and growing companies in the region to stay local and create new and exciting opportunities.
5. The hub will also act as a base to provide a wide range of business support, including start-up and growth advice and entrepreneurial activities.
6. The hub and its associated activities will be supported by a wide range of partners, including Stirling Council, STEP and Codebase to initiative business activity through a tailored programme of support.
7. Digital projects across the city region are on track to deliver significant economic growth with a platform to build on at Codebase Stirling.
8. The city region's creative and digital sector has more than doubled in size in the last five years with jobs created at more than twice the rate across Scotland.

Considerations

9. The Cowie Hub will provide space, within a new community facility, for digital businesses to start-up and be supported via expert stakeholder engagement in their own locality. This will link in with similar facilities across the wider city region, both supported by the City Region Deal and by Delivery Partners.
10. The appendices to the Outline/Full Business Case contain tables summarising the alignment of the project to the wider City Region Deal outcomes. These are highlighted in this section and are available on request from the RPMO.
11. Under “Shared prosperity”, the Cowie Hub will enable start-ups, existing, and incoming businesses to have access to good quality, digitally enabled, flexible office space which is near to their preferred location. This will benefit the business base of the region and the local Cowie community.
12. The “Higher value jobs” objective will see supportive and collaborative business environments that enable sustainable business development, with an average of 20 full time equivalent (FTE) jobs at the Cowie Hub, with an average of 10 covered by Fair Work and Environmental pledges or commitments. Business support will be tailored to digital technology companies and delivered through the Cowie hub, benefiting the business base of the region and the local Cowie community. Over 15 years, 80 start-up companies will be supported or based at the Cowie hub.
13. This also supports “Inclusive economic growth”, which also – alongside the “Inclusive Skills Ecosystem” - ensures that inclusive growth is delivered by optimising contributions to skills and inclusion by all business support interventions. Strong regional skills pathways will be developed to ensure that our most excluded communities can access a streamlined educational journey and inclusion support to realise their potential. Learners and the Cowie Community will benefit.

Resource Implications

Financial Details

The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.	Yes
Finance Officers have been consulted and have agreed the financial implications as set out in the report.	Yes

Staffing

The full implications on staffing are set out in the report.	Yes
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Exempt Reports

Is this report exempt?	Yes
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Equalities Impact

Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes

Legality

It has been confirmed that in adopting the recommendations contained in this report, the Joint Committee is acting within its legal powers. Yes

Sustainability and Environmental

It has been confirmed that sustainability and environmental issues have been considered within the report. Yes

Policy Implications

None

Consultations

None

Background Papers

Have you used other documents to compile your report?

None

Appendices

Please list any appendices attached to this report. If there are no appendices, please state "none".

1. Digital District Phase 2 (Cowie) – Outline/Full Business Case

Approved by:

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Stirling and Clackmannanshire City Region Deal

Business Case Summary – Regional Digital Hub at
Cowie,
July 2022

Regional Digital Hub: Cowie

Purpose

The purpose of the paper is to outline the Regional Digital Hub for Cowie project and progress toward Joint Committee decision.

Regional Digital Hub: Cowie

This business case is seeking approval for funding of £0.5 million for the Cowie hub, as part of the Digital Regional Hubs programme. Within ten years, the Stirling and Clackmannanshire City Region aims to be recognised as one of the UK's leading areas for digital technology and as a centre of excellence for digital skills. The Cowie hub will complement the growing network of digital hubs across the city region area.

The investment will provide high quality business space which will allow new-start and growing companies in the region to stay local and create new and exciting opportunities. The hub will also act as a base to provide a wide range of business support, including start-up and growth advice and entrepreneurial activities. The hub and its associated activities will be supported by a wide range of partners, including Stirling Council, STEP and Codebase to initiative business activity through a tailored programme of support.

Digital projects across the city region are on track to deliver significant economic growth with a platform to build on at Codebase Stirling. The city region's creative and digital sector has more than doubled in size in the last five years with jobs created at more than twice the rate across Scotland.

Project Outputs and Outcomes

The inclusive growth drivers are grouped under 4 headings, shown in Table 1:

1. Infrastructure
2. Skills
3. Social Capital
4. Value/Quality of Jobs

Table 1: Cowie Hub inclusive growth drivers

Heading	Output	Outcome
Infrastructure	Digital District established	Gross Value Added (GVA)
	Digital hubs in place.	Additional employment figures
		Average earnings
		Sector growth
		Inward investment
		More companies trading internationally
Skills	Skills Pathway Plan created and delivered.	Residents will have better digital skills and prepared for opportunities to enter and progress in life and work.
	Supply chain interventions agreed and delivered.	This will be driven by the Skills Pathway Plan, helping to promote opportunities among our most excluded communities.
		Residents and local employees will have greater access to fair work.
		Greater access to fair work will be driven by the hubs providing opportunities for the benefits from the city deal's digital projects and growth in the digital economy to be spread across smaller towns and villages in the city region.
Social Capital	Community Benefit interventions agreed and delivered.	Residents who currently face exclusion will have fairer access to the labour market.
		The hubs will support 5,000 people to enable access to skills and training in digital technology related subjects. This includes providing skills and training opportunities targeting underrepresented groups in the city region supporting 2,500 women and 1,000 people with a disability

Value/Quality of Jobs	Community Benefit interventions agreed and delivered. This includes a progressive procurement strategy.	Residents who currently face exclusion will have fairer access to the labour market.
	The digital hubs will be co-located with local community services (including library services and community meeting space in some hubs).	The hubs in Cowie and Callander will redevelop and repurpose prominent town centre buildings that have fallen out of use. The hubs are likely to act as a catalyst for further investment in the heart of these communities.

Alignment with City Region Deal Outcomes

The appendices to the OBC/FBC contain tables summarising the alignment of the project to the wider City Region Deal outcomes. These are highlighted in this section.

Under “Shared prosperity”, the Cowie Hub will enable start-ups, existing, and incoming businesses to have access to good quality, digitally enabled, flexible office space which is near to their preferred location. This will benefit the business base of the region and the local Cowie community.

The “Higher value jobs” objective will see supportive and collaborative business environments that enable sustainable business development, with an average of 20 full time equivalent (FTE) jobs at the Cowie Hub, with an average of 10 covered by Fair Work and Environmental pledges or commitments. Business support will be tailored to digital technology companies and delivered through the Cowie hub, benefiting the business base of the region and the local Cowie community. Over 15 years, 80 start-up companies will be supported or based at the Cowie hub.

This also supports “Inclusive economic growth”, which also – alongside the “Inclusive Skills Ecosystem” - ensures that inclusive growth is delivered by optimising contributions to skills and inclusion by all business support interventions. Strong regional skills pathways will be developed to ensure that our most excluded communities can access a streamlined educational journey and inclusion support to realise their potential. Learners and the Cowie Community will benefit.

Evidence of Progress

Stirling Council have progressed the Cowie Hub by spending “at risk”. The Hub building is nearing completion and is expected to open in the summer of 2022.

Latest Position

The Regional Digital Hubs Programme was approved by Joint Committee in February 2022.

The 2nd iteration of the OBC was submitted to Governments on the 10th of June 2022. The feedback received for the 1st iteration from Governments was addressed and a response from Governments is expected in July 2022.

A briefing for Chief Officers and Joint Committee members has been arranged. A copy of the full OBC/FBC at its second iteration is available upon request from the RPMO.

Recommendation

It is recommended that Joint Committee:

- a) Note the progress of the Regional Digital Hub: Cowie OBC/FBC, and;
- b) Approve the OBC/FBC, subject to Government approval received.

Stirling and Clackmannanshire City Region Deal Digital District Phase 2

Cowie Regional Hub

- Background
- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case
- Outcomes and Impacts
- Next Steps



Stirling and Clackmannanshire City Region Deal Digital District Phase 2

Cowie Regional Hub Logic Model

Inputs	Activities	Outputs	Outcomes	Impacts
<p>Stirling and Clackmannanshire City Regional Deal funding</p> <p>Regeneration Capital Grant Fund</p> <p>Specialist digital technology and business support staff time and skills (Codebase Stirling)</p>	<p>Digital Regional Hub developed in Cowie</p> <p>Business support tailored to digital technology companies is developed and delivered throughout the city region</p> <p>Programme board established with partners to co-ordinate Regional Digital Hub and Digital District activities across the city region</p>	<p>High-quality and digitally enabled business space is delivered across the city region</p> <p>Businesses engage with tailored support programmes.</p> <p>An Inclusive Skills Ecosystem is developed</p>	<p>Enabling businesses with digitally enabled space in preferred locations</p> <p>Supportive and collaborative business environments</p> <p>Inclusive growth delivered by business support throughout the city region</p>	<p>Increased economic and inclusive growth, job creation, raised productivity, higher tax revenues, increased business R&D expenditure and improved environmental outcomes.</p>

Stirling and Clackmannanshire City Region Deal Digital District Phase 2

Cowie Regional Hub

Funding

Cowie	Funding (£m)
City Region Deal	£0.5
Stirling Council	£0.63
Regeneration Capital Grant Fund	£0.98
Total	£2.11

Timescales

- December 21 – Approval of Programme Level Business Case
- July 22 – Approval of Cowie Outline Business Case / Final Business Case
- October 22 - Project Complete on Site
- November 22 – Project Launch