



BUSINESS IMPROVEMENT DISTRICTS

WELSH GOVERNMENT DEVELOPMENT SUPPORT
APPLICATION FORM

SUMMARY

Organisation name: Newport City Council

Location of proposed BID: Newport County Borough



SECTION A: GENERAL INFORMATION

1. Contact Details

Organisation Name: Newport City Council

Lead Contact Name and Position: Sarah Armstrong, Project Manager

Telephone Number(s): 01633 656565

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SECTION B: BUSINESS IMPROVEMENT DISTRICT

2. Your proposed BID is a:

- | | |
|-----------------------------------|-------------------------------------|
| Single Town / City Centre | <input type="checkbox"/> |
| Multiple Town Centres | <input type="checkbox"/> |
| Business Park / Industrial Estate | <input type="checkbox"/> |
| Tourism and Visitor | <input type="checkbox"/> |
| Single Business Sector | <input checked="" type="checkbox"/> |
| Rural | <input type="checkbox"/> |
| Other – please give details | |

Understanding and Analysis of Issues

3. Describe your proposed BID area and outline the issues facing your area.

This application is for a thematic BID focussing on the needs of the digital industries in Newport. It will cover the county of Newport.

At present digital businesses in Newport are disparate, often working in isolation. The creation of a thematic BID provides an opportunity to bring these businesses under one 'roof' to provide support through a number of means including, but not restricted to:

- Bringing businesses together to collectively identify issues and opportunities affecting their sector
- Marketing Newport as a digital destination for businesses
- Coordinating a marketing strategy to promote existing business

A Tech Nation Report (Tech City 2015), identified this region as home to the fifth fastest growing 'tech hub' in the UK and further NESTA research on the growth of technology clusters in the UK demonstrates high start-up rates in and around the capital city region. Coupled with emerging specialisms in data science, open data and cyber security; there is unique potential to connect the entire supply chain of digital services.

A further nation report (2018) highlighted a number of key points:

- It shows that Newport is achieving well with digital industries (in 2017) employing 1,820 individuals with a turnover of £192,815,000.
- It recognises that the growth of the digital sector impacts on wider employment opportunities with an increase in non tech jobs as well as tech jobs. The report showed (UK wide) that off 1.07m jobs in the digital sector, 0.23m of those were non tech, demonstrating that a fifth of the workforce came from other sectors i.e. HR, finance, administration.¹

The report surveyed local tech companies across the UK, asking them to score out of 10 on a range of topics. (All scores are an average of the responses received.) The below table shows the results for Newport in relation to Cardiff and Swansea. Given its proximity along the M4 corridor, and its link to the region through Great Western Cities, Bristol has also been included.

Whilst highlighting a number of positives, the survey identified a number of issues for the sector in Newport:

- Newport scored significantly less than the other 3 areas with regards to recruiting skilled workers, highlighting this as a potential issue
- Awareness of tech industries both nationally and internationally was seen as an

¹ 0.84m Digital tech jobs in digital tech sector 78.5% Source: ONS Annual Population Survey, Wave 4 2016, Waves 1-3 2017/ 1.07m total jobs in digital sector Source: ONS Business Structure Database, 2017/ Therefore 0.23m non digital tech jobs in digital sector 21.5%

issue in Newport, with International awareness scoring 35% below Bristol suggesting a need for better marketing for the industry.

- On a positive note, Newport scored highly for Transport Infrastructure demonstrating the need for excellent transport links
- Access to workspace was seen as a positive with Newport only marginally behind its neighbour Cardiff
- Likewise, Digital Infrastructure and Opportunities for High Growth Digital Businesses came a close 2nd to Bristol, and ahead of our Welsh neighbours Cardiff and Swansea
- The overall score recognised that Newport is in a strong position in South Wales, however whilst there are a number of positives for the region, there are some weaknesses around skills availability and awareness that require addressing.

The results of the survey are shown in Appendices A

Proposal Clarity and Quality

4. Describe how a BID will enhance the trading environment and profitability of businesses in your proposed BID area, outline its key aims and objectives and the opportunities for a BID to make a positive impact on the issues identified above.

Analysis shows that companies see marketing of their sector as a weakness. The BID will aim to bring digital businesses together to collectively identify key concerns and opportunities to improve their trading environment. It will be the role of the consultant to work with NCC Economic Development to identify those businesses, and bring them together to address these concerns as a collective.

Some outline objectives have been identified from the analysis above, but will be refined through further input from the NEN and consultation with local businesses.

Aim: to create a positive impact on the digital sector in Newport through the creation of a Business Improvement District, empowering the local digital sector to improve their economic environment.

Objective 1: To attract a skilled workforce

Objective 2: Raise awareness of Newport as a 'digital destination'

Objective 3: To increase the capacity of the local digital sector to drive through change to improve their economic environment

Deliverability

5. Please outline governance and management arrangements for the delivery of the process in your area.

Leadership and Management

The process will be overseen by NCC's Regeneration Team, who will be responsible for the procurement and overall management of the appointed consultant. A procurement process has started in line with NCC Procurement guidelines.

The Consultant will work closely with NCC's Economic Development team to liaise with identified businesses and engage them in the BID process.

Strategic direction will be provided by the Newport Economic Network, which NCC sits on, providing a link back to its management arrangements.

Team and Experience

We will draw on a number of areas:

- The Regeneration team have extensive experience of project management, and supported the development of the Newport Now BID. The Economic Development Officer will support the consultant in liaising with identified businesses, and has extensive knowledge of the local business.
- NCC's Digital Manager will form part of the management group, providing technical support

Clarity of approach

- The NEN is made up of city wide organisations including University of South Wales, Wesley Clover, Coleg Gwent, and Newport Now; all organisations have a link in to the digital sector, whether that be services, or the provision of skills and training, and are represented by senior members that bring vast experience and knowledge, and will provide a steer to the process through collaboration with NCC and the appointed consultant.

Appreciation of BID process

- NCC supported the process to bring forth the Newport Now Business Improvement District, and therefore has a good understanding of the process. Newport Now is also represented on the NEN, and will bring to the table vast knowledge and appreciation of the BID process, and the role of the BID.
- We will expect the appointed consultation to demonstrate a clear understanding of the BID process as part of their tender submission.

Robust Procurement Process Undertaken

- Procurement of the consultant has started, and is being undertaken by NCC, in line with NCC procurement guidelines. As part of this process, three quotes for work will be requested from an NCC framework. The consultancy brief is attached for information.

Proposal for performance measurement

- The consultant will be required to provide information on performance management as part of their tender
- Upon appointment, reporting mechanisms will be established between NCC and the consultant, and performance management agreed.

6. What is your proposal for measuring the performance of the BID and its interventions, from establishing a baseline to regular monitoring and reporting?

1. Performance management procedures will be established at the outset with consultant
 - a. Initial meeting will set out requirements for reporting back to NCC and the NEN, and will set out the requirements of the feasibility including the setting of baselines for future monitoring
2. Regular reporting will take the form of:
 - a. Regular reports back to the NEN group
 - b. Monthly written reports to NCC and the NEN
 - c. Monthly 'catch up' meetings with NCC Project Officer
3. Feasibility will identify and establish a baseline for future monitoring
 - a. From this KPI's will be determined
 - b. A performance monitoring framework will also be considered for monitoring performance post ballot
4. These will form part of the monthly monitoring reports post feasibility, and will be

fed back to NCC and the NEN

7. Please describe the procurement process undertaken.

This will be in line with NCC's Gateway Procurement Process:

- Gateway Approval Form
- Business case signed off by Head of Service, Strategic Procurement and budget holder
- Should a framework not be in place, then in line with CSO's, a tender should advertised on Sell2Wales and published through e-tenderwales
- Full flow chart process attached as appendices A
- Tender brief attached as appendices B

8. Outline your financial proposal including total project cost, total contribution required from Welsh Government, match-funding sources and the details and outcome of the procurement process undertaken. Note – we require 25% match funding.

Breakdown of costs

Overall Project Cost			
	Financial Year		
Cost Description	2018/19 (£)	2019/20 (£)	
Capital per annum			
Revenue per annum			
Consultant	14,054	25,946	
Total Project Costs per annum	14,054	25,946	

Tenders / Quotes received

Supplier	£	Date
We are undertaking our procurement process		

Sources of funding

Sources of Funding			
Please provide source and amount of funding stating whether secured (S) or applied for (A).			
Financial year (specify)	2018/19 (£)	2019/20 (£)	
Capital (specify source):			
Revenue (specify source):			
NCC (A)	3,514	6,486	
Totals			
Funding requested from the Welsh Government	2018/19 (£)	2019/20 (£)	
Revenue per annum			
Welsh Government BID (A)	10,541	19,459	
Total Funding per annum	14,054	25,946	

Collaboration

9. Please detail how you intend to secure additional funding and support to deliver the implementation of the BID during the first term.

Match funding will be provided by NCC for the feasibility stage
During the first term following ballot, provision of staff time from NCC and BID members will be provided in kind.

10. Outline the current level of support for and understanding of BIDs by the business community in your proposed area. What evidence do you have to support this? What level of awareness raising and engagement has already taken place?

The BID proposes a thematic approach to the digital sector. To identify and consult with individual businesses across the whole county would have proven problematic; therefore in the first instance we have engaged with the Newport Economic Network (NEN).

The NEN was initially established by Newport City Council in 2014 as an informal group of partners across the city to co-ordinate discussions about economic growth in the city. The group structure was formalised in 2017, with Simon Gibson Chief executive of Wesley Clover as Chair. The purpose of the group is set out as:

“A collective of stakeholders with a mutual interest to promote and develop the economy of Newport. The network will identify key priorities, marshal resources and co-ordinate activity to deliver economic opportunities for all communities across the city.”

Within the group, 6 sector groups have been established including a group focusing on connectivity and digital. Organisations on this group have an interest in the digital sector in Newport i.e. USW has links in to the Software Academy based in Newport City Centre. NCC has engaged with the NEN to gauge the level of interest and support there may be for supporting a digital thematic BID for the City of Newport. The group are fully supportive of exploring the potential of a BID to support the digital sector in Newport, and the appointed consultants will work closely and be given direction from the NEN digital group to take the BID feasibility forward.

Strategic Alignment and Linkages

11. Please describe the links you have with other regeneration and economic development initiatives in your area and how these complement your BID?

The **National Software Academy** was set up to address a recognised national shortage of skills in the industry, the Software academy, based in Newport provides students opportunity to work on real life projects, to gain industry experience from experts, and to interact with real businesses throughout their studies. *“One of the many strengths of the NSA is its close links with industry which will help to attract high quality businesses to Newport and the region, therefore bringing wider economic benefit²s.* **Councillor Debbie Wilcox, Leader of Newport City Council:**

The Academy provides an opportunity to engage with the sector via the BID, helping to address a skills need as identified in Q3.

The **Cardiff Capital Region** identifies Digital within its City Deal Plan. It states that ‘innovation will also be a central theme within the Cardiff Capital Region’s ambition to deliver an outstanding digital infrastructure and wider ecosystem to support economic growth.’

² <https://businessnewswales.com/national-software-academy-expansion-secures-long-term-investment-newport/>

It sees the region as becoming one of the fastest growing tech hubs in the UK, and talks of facilitating collaboration between stakeholders to identify and exploit opportunities.

The development of a BID in this sector would go some way to support this vision, and will provide a framework for collaboration between stakeholders across Newport, empowering them to be able to exploit appropriate opportunities.

Newport's Economic Growth Strategy recognises that Successful cities need to become more specialised, innovative, connected and productive. It states that 'Evidence shows Newport to have one of the highest digital clusters in Wales³, with Digital Technologies - particularly hardware and telecoms - identified as a growth sector for the area. Consideration should be given to how this sector is strengthened through the provision of an appropriately skilled workforce, through the availability of financial support, and through tailored support to businesses in the region.'

12. Please describe how your proposal supports the economic regeneration within the context of *Prosperity for All* and the Welsh Government's well-being objectives.

Prosperity for All:

The proposal will support the digital sector, increasing their capacity to work together and improve upon the economic environment. Increasing their capacity and promoting/ appropriate marketing of the sector will improve and increase turnover of these businesses with more of their services being procured within Newport.

Wellbeing objectives:

Prosperous and secure: the BID will provide a mechanism to support digital businesses in Newport, to enable them to build their capacity and become more prosperous

Healthy and active: Build healthier

communities and better environments

Ambitious and learning: The BID will help to build ambition within the sector, bringing businesses together gives them added strength. It allows them to be more ambitious in identifying and resolving issues that affect them. The BID can work with the NEN and other organisations to identify skills need and provision.

United and connected: A successful BID will strengthen Newport's digital sector across the UK, and further. It will allow the sector to consider those areas it needs to improve, and in doing so strengthens its national and international position in the digital sector

13. Please use the space below to provide any additional information in support of your application, not already covered.

The Digital BID is uniquely innovative in that it directly supports a sector, not based on geography, but on its sectoral status. Given the nature of this proposal, and the

³ National Institute of Economic and Social Research: Measuring the UK's Digital Economy. **Figure 4:** Location quotients of digital economy companies by Travel to Work Area, 2012.

wide scope of businesses contained within this sector, it has proven difficult to engage with individual businesses at this stage, therefore we engaged with larger organisations via the NEN that have strong links back into Newport's digital sector and who could provide us direction. The role of the consultant will be to work with the NEN organisations to further identify and bring together digital businesses across Newport, to form a thematic BID. In doing so, this BID would be the first of its kind in Wales, and across the UK, setting out a framework for potential future thematic BID's

SECTION C: DECLARATION

Declaration (this must be completed and signed)

I, Sarah Armstrong..... being duly authorised by
Keir Duffin, Head of Regeneration Investment and Housing... apply for funding of
£ 30,000.....

towards the cost of the project described in this application.

Name (Print): Keir Duffin

Signature:

.....

Position in Organisation (Director of Finance or similar):

Head of Regeneration, Investment and Housing

Date: 20th July 2018

Maximum word count: 2,000

Email or post your completed Application Form to the Welsh Government by **Friday 20 July 2018**.

Vanessa.naughton@gov.wales
or

Vanessa Naughton
Homes & Places Division,
Welsh Government,
Rhodfa Padarn,
Llanbadarn Fawr,
Aberystwyth,
Ceredigion.
SY23 3UR

Appendices A

Highest score

Lowest score



Category	Newport	Cardiff	Swansea	Bristol
Recruiting skilled workers	3.77	4.03	3.83	4.53
Accessing finance	5.29	4.64	5.19	4.34
Accessing mentoring	6.25	5.81	5.50	5.90
Digital Infrastructure	6.70	6.22	5.31	7.18
Transport Infrastructure	5.46	5.43	2.81	5.23
National Awareness of local tech	4.45	4.58	4.13	5.75
International awareness of local tech	2.68	2.92	3.13	4.09
Opportunities for High Growth Digital Businesses	6.52	6.48	5.31	6.80
Access to workspace	6.80	6.88	6.25	4.73
Overall score	5.32	5.22	4.56	5.39

Appendices B: Tender brief