

Subject:	Brighton Digital Catapult Centre Project		
Date of Meeting:	17 November 2016		
Report of:	Executive Director for Economy, Environment & Culture		
Contact Officer:	Name:	Cheryl Finella	Tel: 29-1095
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report updates the Committee on progress to date on the development of the Digital Catapult Centre Brighton, and the council's role and contribution to the project.

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the progress being made in delivering the Digital Catapult in Brighton & Hove and the wider Coast to Capital area.
- 2.2 That the Committee supports the continued involvement of the City Council in the Digital Catapult and its work to support businesses and the growth of the sector.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Digital Catapult Centre Brighton (DCCB) is one of four regional Digital Catapults linked to the national Digital Catapult – part of Innovate UK (formerly Technology Strategy Board). The award of the regional catapults was via a national competitive competition; there were 17 bids.
- 3.2 The Brighton bid which was submitted by the Coast to Capital Local Enterprise Partnership (C2C LEP) and builds on the Brighton's existing strengths and reputation. It will lead to the creation of a leading edge Digital Catapult Centre located in Brighton along with a satellite centre at the Watts Building at the University of Brighton; both centres will be available to businesses from across the Coast to Capital area.
- 3.3 The Catapult will be a collaborative innovation and research platform for SMEs, large companies and the universities. The Centre will support the delivery of new ways of generating value from data and innovations in business models, products and services. The Digital Catapult Centre Brighton focuses specifically on projects that encourage innovation and value from real-time and location-

based data – known as the Internet of Place.

- 3.4 Currently located in the FuseBox at New England House and the Watts Building at the University of Brighton, the Catapult works with SMEs to help them grow and scale faster; it also helps larger corporates in their digital transformation. It does this through programmes of collaboration and open innovation, by bringing SME's together with large corporates who have market making opportunities and academics who have leading edge expertise. This innovation support is delivered by Wired Sussex through their own business along with technological expertise and contacts.
- 3.5 The Brighton catapult is and Research and Development Laboratory for local digital businesses. It is designed to help individual digital businesses and start-ups benefit from engagement with 4 key technologies and to create new products and services in so doing. Strategically, it aims to ensure that Brighton continues to be at the forefront of digital innovation and so grow the value of its knowledge economy. Those 4 technologies are Internet of Things, Big Data, 5G connectivity and Virtual Reality.
- 3.6 The Brighton Catapult brings those technologies, expertise and opportunities together around specific themes with commercial potential and these currently include retail innovation and positive ageing. Other themes will be developed with stakeholders and the National Digital Catapult Centre in London.
- 3.7 It runs events, communities of practice, workshops and residency programmes for businesses around these technologies and provides them with access to expertise and market knowledge through its relationships with 5 universities (Sussex, Brighton, Chichester, Surrey and UCA) and a range of corporates including Amex, Gatwick, IBM and others.
- 3.8 An example of this is the proposed 5G testbed which will enable SME's to develop and deliver new products and services using 5G technologies. Similarly Wired Sussex is looking at innovation in retail and how digital technologies can deliver a richer shopping experience for customers and help to halt the decline in visitors to traditional retail centres. Innovation in Augmented and Virtual Reality (AR and VR) has attracted many local businesses, start-ups and entrepreneurs to the Digital Catapult workshops including one held at the Old Market as part of the Digital Festival which received national coverage in the Guardian newspaper.
- 3.9 The FuseBox, which was refurbished through the Council led ReCreate EU project as an innovation space, will be expanded to an additional unit next door using Local Growth Funds to enable the space to accommodate the Digital Catapult Centre.
- 3.10 The Project is led by the C2C LEP in partnership with Wired Sussex, Brighton & Hove City Council (BHCC) and the University of Brighton. There is also Stakeholder Group which guides and advises on the strategic priorities and opportunities. This group includes American Express, Gatwick Airport, the Greater Brighton Economic Board, Surrey University 5GIC, University of Sussex, University of Chichester and UCA.

The Local Growth funding will be used for the following costs:

- Building works and remodelling at New England House to create the new Digital Catapult Centre Brighton, including changes to the FuseBox unit and adding additional space from the unit next door, to create an enlarged and combined FuseBox and Digital Catapult Centre Brighton. This will include visual remodelling to meet the requirements of the National Digital Catapult.
 - Remodelling of space in the Watts Building of the University of Brighton
 - ICT, audio and other technical equipment for the two centres
 - Fixtures and fittings for the new centres
 - Wireless and digital transmission equipment linking New England House to Watts.
 - Audio/ visual equipment
 - Telecommunications equipment
- 3.11 BHCC is the landlord for New England House. The Council is contributing towards the service charge and offering a three year rent-free period on the Digital Catapult portion of the commercial unit. This will help ensure the success of the project, for the benefit of our digital community, while income lost through the rent-free period will be offset through capital improvements made to New England House as part of the Digital Catapult project. BHCC will also have representation on the Digital Catapult steering group.
- 3.12 C2C LEP has appointed Wired Sussex as the lead delivery partner manage the day-to-day delivery of the Catapult Centre. Wired Sussex has considerable experience of delivering innovative and successful projects in the creative, digital and IT sector. Wired Sussex is the industry lead for the Brighton Fuse and is the founder and manager of the FuseBox; it also developed the FuseBoc24 start-up programme. Wired Sussex will also lead business engagement, ensuring the wider SME community across the area participates. It will provide a central communications function to the project and the wider LEP area and to national audiences.
- 3.13 A cooperation agreement which will be signed by all parties' (known as the Digital Catapult Centre Brighton Consortium (DCCBC), sets out the management and oversight of the project. A steering group Chaired by a Board member of the C2C LEP and attended by all delivery partners and the National Digital Catapult will set the direction of the project and agree the approach to establishing and developing networks of innovation and how individual research and innovation projects will be initiated and delivered.
- 3.14 The refurbishment of the new Digital Catapult spaces is scheduled for February 2017. In the interim the project has been able to meet its Key Performance Indicators by working in the existing FuseBox space. The ability to meet the longer term key performance indicators for the project is predicated on the expansion of the FuseBox space to accommodate the Digital Catapult Centre and the construction and kitting out of the Research and Innovation Demonstrator Hub at the University of Brighton.

3.15 Progress to date has been very positive with the following outcomes being reported.

Activity	Total SME's	Notes
Information days	350	Including Communities of Practice which bring together a group of people who are interested in a specific theme to explore possibilities and collaborate on new ideas. We have Communities of Practices around VR technologies, Internet of Things and Blockchain. These groups are very popular and the last meetup had over 100 sign ups. Breakfast Dropins are an informal way of engaging with DCCB. Each session includes a guest speaker from our community, an update from DCCB and facilitated attendee networking. Over 100 attendees engage with us through these events
Ideas creation/ workshops/ sandpits	116	We have run a series of events and activities to help SMEs think about new business opportunities and to connect corporates with solutions to their business needs. This has includes a Care Clinic (one day intensive event) which brought together representatives from the care sector and SMEs to understand the challenges that the care sector faces and what technological solutions/business opportunities there may be.
Hackathons / Bootcamps/Pitstops	17	PitStops bring together large corporates who have challenges/market making opportunities, academics who have deep expertise and SMEs who have spark and agility to develop solutions together around a specific challenge areas with a view to developing new products and services. DCCB successfully ran a PitStop around The Future of The High Street which brought together American Express and Tesco together with SMEs to look at how technology may support retail innovation. 5 SMEs were supported after this event to develop their products and services. Following on from this DCCB is in talks with Redevco about how technology could be embedded into the new Hannington Lanes development in Brighton

3.16 The next steps for the project will be the start and completion of the building works and the ongoing engagement and collaboration between the project partners and Coast to Capital businesses.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The creative digital IT sector is the fastest growing sector in Brighton & Hove and while it does not employ a large number of people currently it is already considered to be strong brand for the city with potential to grow.

- 4.2 The decision to compete to become a Digital Catapult centre was based on the advantages that it would bring to the wider business community and not just the digital sector. Catapult centres are there for all businesses, large and small, looking to undertake late stage research and development and commercialise traditional academic research.
- 4.3 The Digital Catapult is one of only eleven centres across the country, each with their own distinct area of focus, for example Energy Systems is the focus in the Birmingham Catapult and Satellite Applications is the focus in the Oxford Catapult.
- 4.4 The advent of the Digital Catapult in Brighton further cements the city's reputation as a vibrant digital business hub.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation with the business community was undertaken by the Coast to Capital LEP and the project partners prior to submission of the bid.

6. CONCLUSION

- 6.1 Committee is asked to note the progress being made in delivering the Digital Catapult for Brighton & Hove and for businesses in the Coast to Capital area.
- 6.2 Committee is asked to support the ongoing engagement of the City Council in the development and delivery of the Digital Catapult project outcomes.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 BHCC received an allocation of £158,750 from the Local Growth Fund towards the refurbishment and extension of the FuseBox. Of this £23,990 was allocated to Wired Sussex to undertake the initial adaptation of the space and purchase of equipment to allow the project to start prior to the more extensive building works. The remaining £134,760 will be used for the building works and project management.
- 7.2 BHCC is contributing towards the service charge and offering a three year rent- and service charge free period, equivalent to £186,081 over three years on the Digital Catapult portion of the commercial unit. The rent free period will be granted subject to formal confirmation of the capital funding for the units and oversight of capital works by Brighton and Hove City Council. This rent and service charge free period will help ensure the success of the project, for the benefit of our digital community, while income lost through the rent-free period will be offset through the capital improvements made to New England House as part of the Digital Catapult project.

- 7.3 BHCC's contribution to the project is for three-years after which responsibility for the ongoing operation of the Digital Catapult will fall to Wired Sussex in liaison with the Coast to Capital LEP.

Finance Officer Consulted: Name Steven Bedford

Date: 31/10/16

Legal Implications:

- 7.4 A Co-operation Agreement which sets out the roles, rights and responsibilities of partners in relation to the Digital Catapult Centre Brighton Consortium will be entered into. Each party will be bound to the others to deliver their respective responsibilities under the agreement.
- 7.5 West Sussex County Council (WSSC) acts as the Accountable body for the LEP funding. WSSC requires Coast to Capital LEP, Brighton & Hove City Council and the University of Brighton (who act together as the Delivery Body) to enter into a Funding Agreement. The Funding agreement defines the terms under which the funds allocated to the Delivery Body can be spent or clawed back.
- 7.6 The Council is providing a 5-year lease to Wired Sussex who will act as nominee for the DCCB in provision of space at New England House. The Council will provide an 'in-kind' contribution to the project of a three-year rent-free period of part of Wired Sussex's space and discounted service charge.

Lawyer Consulted:

Name Oliver Asha

Date: 27/10/16

Equalities Implications:

- 7.7 Access to the Digital Catapult Brighton Centre will be on a fair, open and transparent basis. Marketing and promotion will be through a range of media, including social media, with the aim of reaching the broadest possible business audience across the Coast to Capital geography.

Sustainability Implications:

- 7.8 Technology will play a significant part in making sustainability relevant to businesses in areas such as economics, finance, data management, standards, transparency and assurance. Digital applications can save time and cost, reduce the use of scarce resources and increase efficiency. The research and innovation being developed through the Catapult will be looking at solutions to a range of challenges including sustainability.

Crime & Disorder Implications:

- 7.9 There are no crime and disorder implications relating to this project

Risk and Opportunity Management Implications:

- 7.10 Measures will be put in place via the Co-operation Agreement to monitor and manage risk. The involvement of BHCC on the project steering group will help to ensure that there is early warning of issues. Project partners have committed to working as part of the consortium to ensure that the project deliverables are

achieved.

Public Health Implications:

- 7.11 There are no public health implications for the project

Corporate / Citywide Implications:

- 7.12 The benefits of the project will accrue to businesses in the City, the City Region and the wider Coast to Capital area by providing a physical and virtual space that fosters collaboration between businesses, universities and other experts leading to knowledge exchange, product innovation and business growth

SUPPORTING DOCUMENTATION

Appendices:

1. The Digital Catapult Centre Brighton Year One (at May 2016) project update from Wired Sussex