

2.29 Katikati Regional Digital Hub

Evaluation, Cover Sheet and Decision Form

Project:	Katikati Regional Digital Hub		FOR: Approve
Applicant:	Western Bay of Plenty District Council		PDU ID: Commercial
Application type:	Main PGF	(A) Total Project Value:	\$ Commercial Informa
Funding type:	Grant	(B) PGF Funding Sought:	\$ Commercial Informa
Entity Type:	Local Authority	(C) PGF Funding Recommended:	\$400,000
Region:	Bay of Plenty	(D) Applicant Contribution:	\$ Commercial Informa committed
Tier:	3 - Infrastructure	(D/A) Co-contribution Rate:	Commercia %
Sector:	Digital Connectivity		
Application Summary	<p>Western Bay of Plenty District Council (“WBOPDC”) is seeking funding to establish a Regional Digital Hub (RDH) in Katikati to support the uplift of digital capability in the local area. The hub, will operate out of the newly renovated local library and will provide services and programmes to build local digital capability in the community.</p> <p>This project will form the one of three rural ‘nodes’ in the Bay of Plenty’s digital enablement network and will work with Commercial Information to provide shared services and programmes to individuals in the rural community who would otherwise struggle to have access to such opportunities. The other two RDHs in the Bay of Plenty will be located in Opotiki and Murupara, as both are key service towns that serve a large rural population.</p>		

It is recommended that: SROs

Support the PDU recommendation to discuss \$400,000 grant from the PGF fund towards Katikati Regional Digital Hub, because:

- This is in line with the PGF allocated funding for Regional Digital Hubs (RDHs) in that it:
 - Is located in a key service town in a rural area
 - Will provide digital connectivity and create a place for business and community activity
- A regional digital hub will contribute significantly to the uplift of digital capability in Katikati and nearby areas. The hub will deliver training aimed at improving digital capability, to enable the local community to access and develop relevant skills for the job market.
- The application shows an intention to allow community input to be provided through the establishment of a community advisory group.
- The project makes use of a purpose built space in the newly built Katikati library and provides resource for the purpose built space to be completed.

- The applicant has committed to a co-contribution rate of ^{Commercial} % for the project.
- The project creates one full-time job as well a number of part-time roles.

Funding conditions:

- Confirmation of co-funding
- PDU approval of the final governance structure, expected project deliverables and financials
- Commitment to fund any shortfall if sponsorship is not adequate

Section A: Assessment against PGF local connectivity investment principles

How does the project demonstrate:

- **Accessibility:**
How does the initiative remove or reduce barriers to digital connectivity local communities and businesses currently face, and, promote opportunities associated with digital connectivity.

The purpose of the project is to build digital capability in the Katikati area and reduce the level of inequality in terms of skills and opportunity across the district. The regional digital hub will help to remove barriers such as access to devices and internet, access to training and reduce the impact of the geographical challenges for entrepreneurs in the regions (such as being able to connect with partners and customers in main centres).

The WBOPDC expects the regional digital hub to directly address issues such as a lack of:

- Activities that develop local talent and develop the digital capability of small/medium business owner's.
- Visibility of opportunities in digital tech, content creation and business growth.
- Activities to connect, empower and equip youth and small/medium business owners for success in the 21st century through the use of digital technology.
- Opportunities for new entrepreneurs to design, launch and grow new businesses.
- A local coordinated digital strategy.
- Digital literacy in the local area.
- Connection with regional digital and entrepreneurial development ecosystem hubs.
- Access to digital devices and skills.

- **Criticality:**
Is the regional digital hub a critical component for

The regional digital hub will help keep talent and business in the area, bridging a gap that would

supporting a wider PGF investment in the region?
How does the proposal promote wider regional goals?

otherwise see people leaving for larger centres.

Research undertaken by Priority One (the regional economic development agency for the Western Bay of Plenty) has indicated that there is potential for successful, specialised, high-tech manufacturing businesses that the establishment of a regional digital hub could help to unlock. Digital connectivity is viewed as a barrier to attracting high skilled labour to the regions.

Key PGF investments in the Bay of Plenty require the upskilling of labour from within the region and the attraction of high skilled labour. The regional digital hub is a key part of the overall PGF investment in the Bay of Plenty by providing vital infrastructure that enables locals to access further training.

The project supports the priorities of the Digital Enablement Project being undertaken by Tauranga City and WBOPDC. The Katikati regional digital hub will be the one of three rural 'nodes' in a digital enablement network being created through the Digital Enablement Project.

The Bay of Plenty Regional Economic Action Plan also recognises the need to establish world class infrastructure and skills as being a priority in order to catalyse economic development in the region. Additionally, the applicant has listed a number of regional strategies that the Katikati Regional Digital Hub aligns with including:

- **Commercial Information**
- SmartGrowth BOP
- Priority One Strategy
- Western Bay of Plenty District Communities Strategy
- Western Bay Digital Enablement Strategy

➤ Economically sustainable:
Is it likely the regional digital hub will be financially sustainable when PGF funding ends? PGF funding is limited to covering costs (part or full funding) of Regional Digital Hubs for up to 5 years.

WBOPDC will be responsible for and oversee the project having undertaken the development of the new library last year. The Council's financial position is considered adequate and the scale of this project is within the Council's overall capacity to manage

effectively.

The application includes a Gantt chart that covers community engagement, the operations team, brand development, governance & structure, space building and activities.

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[Redacted text]

The space is already allocated and fit-out is minimal.

The application identifies five milestones for the project; community engagement, recruitment, launch of the facility, commencement of capability training and report detailing activity and engagement in year one. Responsible owners include the project management team, WBOPDC and Priority One.

➤ Locally based priorities:
What specific needs of the local community does the Regional Digital Hub provide a solution to? How does the Regional Digital Hub intend to achieve this?

The project endeavours to address a lack of digital capability and access to digital services in Katikati and the surrounding rural community.

Improved access to digital services will make it more appealing for rangatahi to remain in Katikati as well as removing what is a significant barrier when trying to attract highly-skilled labour to the region. The applicant notes iwi want to reduce the exodus of rangatahi from the region and providing accessibility to digital services supports this.

A central hub also promotes collaboration amongst entrepreneurs, both with the Katikati region and beyond. This allows people to connect with a greater population to create more business opportunities.

Funding arrangements

Suggest a grant of up to \$400,000 from the PGF towards the Katikati Regional Digital Hub.

Confirmation of expected deliverables and associated payments is to be complete at the contracting stage.

Conflicts of interest, T&Cs and Due Diligence

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Supporting proposal:	Yes
Appendices:	Yes – Application
Author of paper:	MN, Investment Analyst, PDU Investment Team JH, Investment Director, PDU Investment Team

Document Will Be Proactively Released Separately