

## **EM3 LEP – Bid for funding – Surrey Heath Online Retail Experience (SHORE)**

### **Summary**

Enterprise M3 LEP has launched a call for projects that help to support re-starting the economy post-COVID19.

The Council's Economic Development team have been working in partnership with Alibaba (the world's largest retailer and e-commerce company) to plan a 'Live Commerce' platform for Surrey Heath businesses to help with this recovery and to aid with any future pandemic isolation precautions.

The platform would create a single portal for all current and future Surrey Heath businesses to promote and sell their products and services, take online bookings and reservations all on an even footing. A main focus of the platform will be the built in 'Live Commerce' streaming which allows businesses to showcase products, offers and promotions; like a QVC shopping channel for the digital age, this functionality can also be used to deliver webinars and classes from service based businesses.

As a pilot for Alibaba, they have made clear that they want to deliver the project in a modular fashion, enabling future bolt-ons of new technology and functionality including 5G.

We see this platform as the perfect way to blend online and offline sales, with retailers being able to live stream to encourage physical visits for special promotions or being able to switch to, a uniquely engaging, online only mode should further social distancing/isolation be necessary in the future.

In China, Alibaba's ecommerce platform, Taobao, boasts 4,000 livestream hosts, who generate 150,000 hours of content each day, and On Singles' Day (11 November) 2019 over 50% of merchants on Alibaba-owned retail website Tmall embraced live streaming, to the tune of almost 20 billion yuan (\$2.9 billion) of sales. However, in the West such platforms do not yet exist; this project would be the first of its kind for Alibaba in the UK and would be quickly scalable to the rest of the region once tested. It should also be noted that Alibaba is very keen to look at how virtual reality and augmented reality could work on this platform over 5G giving further opportunity for collaboration.

Also part of the project partnership is Bubbl, an Innovate UK backed product who's technology plugs in to any app to offer geolocation targeted dynamic mobile content distribution. Once launched, retailers and town centre managers would be able to use the technology, via a borough app, to proximity market video, image and audio content to visitors offering unparalleled advertising opportunities for businesses. Alongside this the technology also offers a number of safety benefits such as greater reach for issues such as missing persons, lost children, evacuation etc. It would also have significant advantages during COVID-19 isolation to allow targeted messaging for pharmacy and food parcel services.

Montagu Evans and the BID have already pledged support for the project and will help the Council work with businesses to promote understanding of the tools and utilisation of the technology in a way that is right for their business.

A successful bid would enable us to build all this functionality for the borough and develop a Borough App which encompasses both the Alibaba product and Bubbl functionality giving an unparalleled experience for new and existing businesses and a much-improved experience for the customer. The Borough App also allows for future Council initiatives to be added as required.

All LEP bids require match funded contributions for which we seek Council approval.

**Portfolio: Business & Transformation**

**Date Portfolio Holder signed off report: 15 June 2020 (by the Leader)**

**Wards Affected: All**

**Recommendation**

The Executive is advised to RESOLVE that

- (i) the bid to the EM3 Local Enterprise Partnership for 'Supporting Town Centre Funds' be endorsed; and
- (ii) the Council's financial contribution to the overall LEP bid, including staffing resource be noted.

The Executive is advised to RECOMMEND to Full Council that the Capital Programme be amended by £10,000 to fund the Council's contribution towards the Surrey Heath Online Retail Experience project.

**1. Key Issues**

- 1.1 The COVID19 pandemic has accelerated some of the issues and uncertainty facing physical retailers as the purpose of the high-street continues to evolve. The concern for Surrey Heath is heightened for the Council due to our significant investment and reliance in the sector.
- 1.2 It is important for Surrey Heath Borough Council to continue to identify methods to support businesses in the borough and innovate to ensure we remain a location that is attractive to new and existing businesses.
- 1.3 Enterprise M3 LEP has launched a Supporting Town Centres call for projects up-to £100,000 that help re-start the local economy.
- 1.4 Surrey Heath Borough Council have been working with the world's largest e-commerce company Alibaba and start-up technology company Bubbl to form a bid to the LEP for a borough app that houses a UK first live-commerce and proximity marketing platform for businesses to be able to promote and sell from.

- 1.5 All LEP bids require a match funded contribution from partners which we have calculated as follows, for the Council we propose £10,000 cash and £40,000 in contribution; primarily staff costs to support the initial build and ongoing promotion;

Partner	Cash	Contribution
SHBC	£10,000	£40,000
Camberley BID	£20,000	
Montagu Evans		£30,000
Alibaba		£65,000
Enterprise M3	£80,000	
Total Project Costs	£250,000	

## 2. Resource Implications

- 2.1 Should the LEP bid be successful the Council would be required to invest £10,000 but also allow for staff time to establish and promote the project to businesses and consumers.
- 2.2 Primarily the emphasis will be the responsibility on the Economic Development team to grow usage but other teams in the Council will also be required to support, including IT and Marketing and Communications.

## 3. Options

- 3.1 Approve the Council contribution of £10,000 and appropriate staff resource.
- 3.2 Refuse the Council contribution of £10,000 and appropriate staff resource.

## 4. Proposals

- 4.1 The Economic Development team proposes that Council approve a project contribution of £10,000 and appropriate staff resource for delivery.

## 5. Supporting Information

- 5.1 Submitted LEP Bid attached as Annex A

## 6. Corporate Objectives And Key Priorities

- 6.1 We believe this project supports all four of the Council's challenges as set out in the five-year strategy.

## 7. Policy Framework

7.1 The primary purpose of the project is to support the economic recovery of the borough but is also devised in line with the Economic Development Strategy and Council's five-year plan.

## **8. Legal Issues**

8.1 The proposed project is a first of its kind in the UK and whilst successful overseas it has the potential to raise issues not immediately identified. It is proposed that liability be weighted toward technology partners as part of the contract framework.

## **9. Governance**

9.1 If successful the project will have due regard to all appropriate governance.

## **10. Risk Management**

10.1 A full risk assessment will be produced as part of the project management.

## **11. Equalities Impact**

11.1 This project will be accessible to all businesses in the borough regardless of size and turnover.

## **12. Human Rights**

12.1 No issues identified.

## **13. Consultation**

13.1 Views and considerations have been sought from project partners Montagu Evans and Camberley BID. It has not been possible to consult with retailers due to the uncertainty of the bid success.

## **14. PR And Marketing**

14.1 Internal support for PR and Marketing will be required.

## **15. Officer Comments**

15.1 The need for funding is dependent on approval from the EM3 LEP

<b>Annexes</b>	Annex A - Submitted LEP bid
<b>Background Papers</b>	N/A
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