



# The Ludgate Hub (Ireland) Working Document



*This case study was prepared in the framework of the ENRD Thematic Work on Smart and Competitive Rural Businesses ([https://enrd.ec.europa.eu/thematic-work/smart-and-competitive-rural-areas/rural-businesses\\_en](https://enrd.ec.europa.eu/thematic-work/smart-and-competitive-rural-areas/rural-businesses_en)) that was running between August 2016 and July 2017. A comparative case study was developed entitled 'Revitalising rural areas through digitisation' based on the experience of the Ludgate Hub and other two rural digital hub examples: #hellodigital (Scotland) & Cocotte Numérique (France) – see separate case examples.*

## FACTS

**Location:** Skibbereen, Ireland

**Timing of the initiative:** From 15/07/15 (ongoing)

**EAFRD-funding:** None

**Other public funding:** 3% capital grant by the local authority (€50,000)

**Website:** <https://www.ludgate.ie/>

**Contact:** The Ludgate Hub Skibbereen (info@ludgate.ie)

### Summary of main results:

- ✓ Attracted **15 new members** to permanently move to West Cork with their families; enabled 11 rural retailers to trade online; employed over 11 people over the year; 25 co-working companies were engaged per year.
- ✓ The Ludgate Hub National Digital Week attracts **1600 attendees** every year.
- ✓ The hub supported **2,800 bed nights** in the local area due to Ludgate events and operations.
- ✓ The Ludgate Hub delivered **coding classes and digital innovation classes** to 25 and 15 students respectively, iPad training for 45 people, supported 'coder dojo' club for 65 kids.
- ✓ Attracted more than 250 people to the hub / month and supported **15 community groups** in the area.
- ✓ The Ludgate Hub transformed the rural area making it more attractive to people and businesses, it formulated a **digital strategy and created a vision** for the new generations.





### Short description of the project

The Ludgate Hub is in Skibbereen, in the periphery Cork in the South West of Ireland. Skibbereen was selected as a **pilot town by SIRO**, a joint venture company between ESB and Vodafone to deliver a 100% fibre-to-the-building broadband network, **to install for the first time in an Irish rural town 1GB of internet connectivity**. With a 1000MB connection the Ludgate Hub utilises the digital age for job creation and innovation. Before the project Skibbereen had very low-level broadband and some areas had no fibre connection. Skibbereen was also the only town in West Cork that does not have an e-centre or enterprise park and has limited opportunities to facilitate incoming mobile workers.

The hub was **initiated by a board of eleven local people** operating on a pro-bono basis. The Hub building was once a cinema from 1941-1981, then a bakery, and in the mid-90s was left unoccupied. Board member John Field made the Bakery Building available to the initiative. The hub which is in the centre of Skibbereen town is now a **beacon of innovation** and has already started to encourage fringe enterprises as a spin off.

The Ludgate Board is determined to achieve all ambitious goals, ultimately resulting in **a return of the diaspora**, creating an ecosystem of creativity and innovation, and progressing the facilitation of job growth via digital technology. The long-term vision is to make Skibbereen a **hotspot for technology start-ups and multinationals to locate and prosper**.



## 1. SETTING UP A RURAL DIGITAL HUB

### 1.1 Conditions that make it possible to set up a rural digital hub

The Ludgate Hub was only made possible due to many conditions:

#### a) Broadband connection

Broadband connection was the utmost important factor to the success of the project. The 1GB connection, not only put Skibbereen on par with urban areas but excelled the rural town further than urban areas. The 1GB fibre connection allows seamless usage of bandwidth amongst the users. SIRO<sup>1</sup> built and has managed the fibre-to-the-building network and open access is offered to all authorised broadband providers in Ireland. This means that consumers and businesses can sign-up to SIRO through their service provider.

#### b) Skibbereen's geographical position & scenic location

Skibbereen is located 100kms from its nearest large urban centre (Cork City). This means that the town displays very little displacement of workers and employment needs to be found within the catchment area. This creates a busy town atmosphere with cafes, restaurants and shops full throughout the day.

Skibbereen is in the heart of West Cork, known by many as the 'Riviera of Ireland'. The town is located 2km from the coastline in the South West of Ireland along the Wild Atlantic Way. The topography is lush, hilly and the area has an extensive coastline (550kms) with many peninsulas and inhabited islands. The area has a mild climate with less rain than the North West of Ireland making it an attractive place to live. The area is known best for tourism, outdoor activities, and artisan food.

#### c) Good local services

Skibbereen offers a variety of accessible services and an alternative to larger towns. In contrast with cities where services are overloaded by high population demand, Skibbereen represents a very attractive alternative place where to live. For example, the town has several primary schools (ages 4-12) and secondary schools (ages 12-18) with capacity to take on new students. The availability of education for young families is a very attractive offer for those working in Dublin city and acts as a pull factor to the area.

#### d) Appropriate space & building & equipment

Over three sites were considered before deciding to re-develop an 10,000 square feet old bakery building. The building was donated for use by a board member of the group. **Placed in the centre of the town** the selected building is near places for lunch, shopping and relaxation. Would not be the same if the building was in a 'green field' site or in an enterprise park for example.

At the hub, all members receive two fixed **ethernet ports** per desk, and a shared or **private wifi network**. The IT and broadband systems are monitored and managed remotely by an IT Solutions company (Aspira). Costs for this are quite expensive but they form an important part of the service provision ensuring strict firewall and security systems.

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<sup>1</sup> SIRO is a joint venture company between ESB and Vodafone to deliver and is Ireland's largest Fibre-to-the-Building (FTTB) operator. SIRO is the only network in Ireland that uses the existing electricity network to provide 100% fibre broadband directly into your home or business, enabling speeds of 1 Gigabit per second.



The hub **does not provide devices (e.g. desktops or laptops)** but can rent devices to users. All users are liable to purchase their own devices and have adequate device insurance. Servers, communications cabinets, back-up battery system and printers are leased.

The building is furnished with **repeater systems** allowing mobile phone reception otherwise blocked by the metal plated raised floor installed to roll out an underfloor electric wiring and ethernet systems.

### 1.2 Who initiates and is involved?

The initiative has been developed by a **steering group consisting of a group of local entrepreneurs, digital ambassadors and business owners of local enterprises**. The board of 11 members who created the project all work on a pro-bono basis; their expertise and international network was a crucial part of the success of the project. To help the board and the management team, the group found members of the public to help with the project through **voluntary ambassador roles**.

The board, created in November 2015, felt it was important that the initiative came from the ‘bottom up’ and for this reason **engaged the local community from the very early stages** of the hub creation. The hub’s first meetings involved various stakeholders who were asked to help to shape the plan for the project, including: local business and service providers, retailers, teachers, farmers, students and local authority officials. Meetings were transparent, inclusive and informative which led to trust and a significant support from the community. By keeping the community informed it gained significant support from the beginning as the population felt the project was theirs from the start.

### 1.3 What resources are needed?

#### a) Financial resources

The building was donated by one of the board members. The board members donated funds towards the modification of the building and the operational costs. Corporate sponsors were sought to further support the development of the hub and to contribute towards the operational costs.

To comply with fire and access regulations **approximately €1.7 million euros was spent** on modification of the building, furniture, internal IT networks and systems, display screens, common areas, decor, video conferencing suite, operational costs including wages and servers:

- 84% was **private funding** contributed by the Ludgate Board (all are equal shareholders but do not take remuneration or profits from the company)
- 13% was also private funding contributed by corporate sponsorship
- Only the 3% was **public money** contributed by a once off local authority grant.

#### b) Human resources

To set up the Ludgate Hub it needed the resources of **two full time staff and a board of 11 members**. It took 6 months of planning with two full time staff before construction began on the premises. It took further 12 months of organisation before we officially opened the building.

The skills needed for the set-up of a hub included project management skills, strategic planning, building management, office design knowledge, economic projections, marketing and PR, funding knowledge and business support knowledge.

#### Total Hours break down

- Staff: 8,000 hours in 18 months
- Board Members: 4,950 hours in 18 months



### Main challenges of setting up the Ludgate Hub

- The main initial challenge was to convince people in urban areas and those in Government that **people would move to rural Ireland if the connectivity was there**. There was a strong disbelief that those working in technology or digital services desired to live outside of urban areas.
- The second biggest challenge was the **lack of immediate Government financial support** to help contribute costs towards the capital refurbishment of the building. The board recognised the lack of public funding opportunities and decided to put forward private investment to make the project a reality with the hopes of applying to public funding retrospectively. The board realised the project would never have happened if the group was waiting for public funding.



## 2. RUNNING THE RURAL DIGITAL HUB

### 2.1 What activities is the hub carrying out?

#### a) Offering office and co-working space for businesses

The hub has meeting rooms, training space and state of the art video conferencing facilities.

#### b) Services for businesses

**Networking activities and services to businesses** - The hub promotes opportunities for new start-ups and introduce them to an **entrepreneurial ecosystem** of network of professionals – including the Local Enterprise Office - where they can **engage in peer to peer learning and skills sharing**. It provides **mentoring and business advisory** and can also offer virtual mentoring and advice via video link.

**Creation of eStreet** - The hub created eStreet, Ireland's first fully inclusive eCommerce community portal ([www.estreet.ie](http://www.estreet.ie)). Eleven of Skibbereen's retailers are pioneering this project to increase their online visibility, sales and open to new markets.

#### c) Services for the local community

**Facilitating Digital Literacy** - The hub facilitated digital literacy in an inclusive way reaching all levels of our community - young and old. A key pillar of the initiative was to make sure the community knew about the 1GB connection, and more importantly knew how to use it. The hub rolled out:

- **iPad and tablet training classes**, which enabled all members of the community to email, shop online, bank online and video call with their relatives world-wide.
- **Coding classes** in the local secondary school enabling students aged 16-17 to learn how to code, and how to develop websites.
- It cooperated with the local Coder Dojo group which **trained young people** on how to use programmes like Scratch, Minecraft and learn HTML.

#### c) Re-branding rural areas

The project aimed to 'get the town to sell itself', so it worked with the local chamber of commerce to create a website with this purpose. It encouraged banks and service providers (accountants, solicitors etc.) to make their services "start-up" friendly and particularly focused on supporting young people returning to the area from international locations.

The hub created Ireland's **first National Digital Week and digital conference**. The hugely successful event attracted 1,600 attendees to West Cork and hosted over 80 international and national speakers.

### 2.2 What resources are needed to run the hub?

#### a) Financial resources

The average monthly operating costs of the hub are approximately €9,000.00, including wages (50%), utilities, rates, rent, and services. The income from desk rental, room rental, video conferencing rental and services sum to about €9,000.00 per month covering operational costs.

The annual budget is approx. €120,000.00, including a contingency fund for repairs or once off payments required.

#### b) Human resources



The hub is run by **two full time staff members**, with the occasional assistance from interns and students: one Chief Executive Officer (staff member), one Community Manager (staff member).

11 board members are supporting the hub on a pro-bono basis. The board recruited individuals interested in education, retail, agriculture and other key sectors of the project to lead sector specific projects.

### c) Community involvement

It was essential for the project to be supported by the community: to create the right level of commitment the initiators encouraged the community from the planning phase on.

An unusual aspect of this initiative is the tangible **‘community investment’** in the project, as well as the local community offering supports and expertise- the steering group has contributed over 18 months of pro-bono work on the project.

The project received the generous pledges from local business people to help in many ways including; pledging business or mentoring advice, financial or legal advice, sharing of national and international contacts, marketing and technical support. These pro-bono contributions add to the entrepreneurial ecosystem that the hub is trying to create and offer unparalleled support to incoming businesses into the hub.

### Sustainability of the hub

The hub is sustainable as the community is heavily investing in the project: both the community and board are safeguards of its future success. The hub has a strong track record in raising capital to support the project: **95% of the projects are privately funded** through donations or corporate sponsorship.

The hub activities are self-sustainable in the sense that the income generated through desk and room rental, video conferencing rental and services compensates for the monthly running costs.

However, it is essential for the hub to maintain a continuous stream of seed fund capital to further encourage start-ups to relocate to Skibbereen. It is also essential to maintain a stream of mentors to encourage and support start-ups in the Ludgate Hub.

### Specific implementation challenges of the Ludgate Hub

- **Local services** - not meeting the needs of tech start-ups (e.g. local solicitors with little start-up experience).
- **Lack of Government funding** - The largest challenge regarding the setting up of the Ludgate Hub is the lack of supports for capital funding, e.g. funding to support the capital refurbishment of a building, or to assist with the internal reconfiguration of a building. Governments need to match community capital if it is raised privately.
- **Marketing** - Due to its large marketing activities the hub was inundated with requests for hub tours that the limited human resource could not completely cover.
- **Not having a blueprint to work from** – The project did not engage in a feasibility study as it has very little state data on who lives in the area and what sector they are in. Census records do not depict adequate information for rural areas to demand a feasibility study of a project of the size of the Ludgate Hub.



### 2.3 What are the outputs, results and long-term sustainability of the hub?

#### a) Broadband connection

The Ludgate Hub ambitions were the reason that attracted the service provider SIRO to decide to use Skibbereen as pilot for the provision of the 1Gb broadband connectivity. The 1Gb connection put Skibbereen at the same service level of cities and made it even more attractive. It meant that it had the same broadband speeds as Singapore which was a pull factor for digitally enabled businesses which needed this high-level connectivity (e.g. web developers, designers, fintech, online services, video production).

The long-term vision is to make Skibbereen a hotspot for technology start-ups and multinationals to locate and prosper at a global level enhanced by the 1GB connection.

#### b) Boosting the economy and creating new jobs

The high-speed connection has attracted high level workers that were allowed remote working. The hub with its strategy and its facilities has attracted international start-ups from LA, Chicago, London, South Africa, Spain and world-wide. The hub is now a beacon of innovation and has already started to encourage fringe enterprises and collaborative projects as a spin off. Companies like the BBC, National Geographic, Google, Facebook and Reuters have all used the hub.

The hub achieved great results **supporting the local businesses**. The e-commerce platform eStreet gained national and EU recognition for its solution to help combat rural disadvantage and economic decline; via a multi-pronged digital strategy.

Achievements and results include:

- Attracted 25 Co-Working Companies
- Enabled 11 rural retailers to trade online through a platform called eStreet
- Employed over 11 people throughout the year
- Attracted 400 Pledges of support from National & International Companies
- Have a seed fund of €500,000 euro, donated by private individuals attracting companies to Skibbereen
- Supported over 2,800 bed nights in the local area due to Ludgate events and operations.

The hub has the vision to create in the future 500 direct jobs and 1000 indirect jobs for the area, introduce new families into the area, and boost expenditure in building and services.

#### c) Attracting young professionals and their families

The hub aims to stem the tide of youth emigration and give them sustainable opportunities and the option to live, work and get old in the area.

Main achievements in this regard:

- Attracting over 15 new Ludgate members to permanently move to West Cork with their families.

#### d) Improving the attractiveness, image and strategic vision of rural areas

The Ludgate Hub transformed the areas making it more attractive to people and businesses. Rural digital hubs like Ludgate can act as an effective counter-balancing measure to the congestion seen in the capital city. The main results of the Ludgate hub include the formulation of a digital strategy for a rural town. The board in fact as strong commitment to the area and had a vision for the new generations.

The hub **National Digital Week** and digital conference had a huge success attracting 1,600 attendees to West Cork and hosting over 80 international and national speakers. The vision for the event was to showcase that



rural Ireland is ready to embrace technology and it certainly worked, Skibbereen is now considered the Digital Capital of Ireland.

The main achievements and results include:

- Attracting 1600 attendees to National Digital Week every year.

### e) Improving digital literacy of the local population

The hub strongly engaged the community (see above) and improved digital literacy through several initiatives:

- Delivered coding classes to 25 students per year
- Delivered digital innovation classes to 15 students per year
- Taken on over 40 secondary school students per year for training and work experience
- Delivered iPad training for 45 people in 2016 aim to deliver to 120 people in 2017
- Supported the 'coder dojo' club to teach coding, Minecraft and web development to 65 kids.

### f) Strengthening local community and partnerships

By improving digital literacy through providing training for the whole community the digital hub combats rural isolation and empowers the community.

Results and achievements include:

- 4 University Collaborations
- 250+ Active Members of the hub a month
- Supported 15 Community Groups
- Serving West Cork Population of 80,000+ (West Cork)
- Spent over 1.8 million euro on local services & trades since 2015

#### If you had to give an advice to those who are planning to set up digital hubs/ what would your main advice be?

*My key pieces of advice would be that Governments need to facilitate communities to get access to research, access to meeting spaces and networks, ideas, funding and mentorship. Communities that feel confident, inclusive, organised, and those that ultimately feel influential are those that are most likely to succeed. Looking ahead 30MBs is not enough for rural areas, a 1GB - 10GB vision is needed. Key opportunities lie in the future of mobile workers as by 2020 80% of large corporations will offer agile working. We need to give young people the opportunity to help shape their home communities. We need to support co-working spaces, give opportunities for smaller businesses to become digitally enabled and give an opportunity for the incubation of companies in rural areas. We need communities inextricably linked to the development of digital hubs - diversifying all local rural sectors of their local economies.*

*The core strengths of our project are a strong organising board, access to capital and community support. Communities who want to develop their own projects need to spend adequate time planning and finding out what will work with their own local strengths. Every community needs to find their niche and unique selling point. Communities need to ask themselves what will attract people from urban areas to move to rural areas, they need to package those offerings and market it. Communities also need to look internationally for examples of best practice or successful case studies e.g. Google Kansas is an example of a 1GB connection which transformed the region, attracting 121 new companies from 2012-2014 and spurred on over €3 million worth of investment in projects across many sectors.*

Grainne Dwyer, the Ludgate Hub