



GLLEP INVESTMENT BOARD

19th January 2021

Microsoft Teams

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
13:30	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> FOR APPROVAL - Minutes 27th November Verbal Update on a Skills Capital Programme complaint 	Chair Chair Accountable Body	Paper 1 attached
13:40	FOR INFO Getting Building fund (GBF) Update and Annual Performance Review Requirements Report	Halina Davies, LEP	Paper 2 attached
13:55	<u>DECISION - Skills Capital GBF -The GC Energy Centre; Engineering and Construction - Grantham College</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £1,597,578 	Halina Davies, LEP	Papers 3 and 3.1 Attached
14:10	<u>DECISION - Skills Capital GBF -Lincolnshire Institute of Technology (Holbeach Hub) - UoFL</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £1,117,350 	Halina Davies, LEP	Papers 4 and 4.1 Attached
14:25	<u>DECISION - Skills Capital GBF -The Care CoRE (Centre of Regional Excellence for Care) -Boston College</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £412,427 	Halina Davies, LEP	Papers 5 and 5.1 Attached
14:40	<u>FOR INFO: Killingholme Pumping Station GBF</u> <ul style="list-style-type: none"> Verbal discussion on progress and provisional allocation Value of Grant: £4,349,891 	Halina Davies, LEP	
14:50	AOB and close of meeting	All Members	

Directors: Pat Doody (Chair), Cllr Colin Davie, Cllr Philip Jackson, Dean Fathers, Cllr Rob Waltham

Apologies: Andrew Crookham (S151 Officer)

Observers: Pete Holmes (BEIS)

Officers: Ruth Carver (GLLEP), Halina Davies (GLLEP), Lindsay Hill Pritchard (Accountable Body), Sue Groves (Note Taker)

19/01/2020 GL LEP Investment Board - Conflict of Interest Table

Board Member	Project	Conflict
Cllr Colin Davie	Lincolnshire IOT Holbeach Hub	Land on long term lease from LCC
Cllr Rob Waltham	Killingholme Pumping Station - Verbal discussion	NLC are partners for the AMEP site

Quorum rules -A quorum shall vary dependent on fund values to be voted upon. For projects with a value under £2 million, three members of the investment committee are required. For projects with a value above £2 million, four members of the investment committee are required. In each case, these require at least one Private Sector Director and one Non-Private Sector Director

LEP INVESTMENT BOARD

27th November 2020

Via MS Teams

Draft Minutes

Present:

Board Directors: Pat Doody - Chair, Cllr Colin Davie (LCC), Cllr Philip Jackson (NELC), Chris Baron (Non-Exec Director),
LEP Officers: Halina Davies, Ruth Carver, Sue Groves (Note Taker)
Observers: Pete Holmes (BEIS), Jo Dexter (BEIS), Andrew Crookham (Accountable Body & S151 Officer)
Apologies: Dean Fathers (Health), Cllr Rob Waltham (NLC)
Guests: Rachel Lister (Paper 3) , Russell Copley, Michelle Davis (Paper 4)

Welcome by the Chair

Apologies and Declarations of Interest

The meeting was quorate, and proceeded.

Declarations of Interest

Cllr Colin Davie -GBF Capital Skills Fund (Paper 3)

Full declarations of interest can be found at

<https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/>

Minutes from Previous Meeting (Paper 1) -The minutes from the Investment Committee held on 11th November 2020 were accepted as a true record and agreed that they could be published as a final version.

Matters arising:

Discussion took place regarding how businesses will be affected since the announcement that Greater Lincolnshire would be in Tier 3 from 2nd December, particularly those self-employed who had not received any financial assistance.

Single Local Growth Fund Update (Paper 2, 2.1 and 2.2)

Halina Davies, Programme Manager asked the IB to note the progress made in delivery of the Growth Deal Programme and the impacts of project slippage and re-profiling since the quarter 2 claims.

The paper showed forecast targets for 2020/21 based on Q2 claims, a review of each project within the programme (Paper 2.1) and actual figures for Quarter 2 of 2020/21 as per the dashboard. The programme has seen continued success with the financial completion of projects and many of the other projects remain on track to deliver SLGF spend fully by 31 March 2021. The overall assessment on the government dashboard (Paper 2.2) shows a risk rating of Green/Amber.

It was identified on the 11th November that there is £34 million of SLGF grant still left to spend on contracted projects and that this would be funded by the last £18m tranche of SLGF from government, but also with previous freedom and flexibilities and repaid monies. The position in August for Quarter 1 claims identified 5% of our total programme grant will be spent post March 2021 and since then the profiles have changed slightly with an additional 0.55% of the total SLGF Grant being beyond March 2021. This is still within the delegated limit of maximum £10million post March 2021, which was previously agreed and still relates to the 4 projects, ie, The Bridge, Grantham Southern Relief Road, Sleaford Growth Project Phase 2 and Unlocking Rural Housing Programme. The slippage in Quarter 2 has resulted in a grant release underspend of £3 million, and a further £690K of grant has moved post March 2021, leaving £2.3m to be spent in Q3 and Q4 of the 2020/2021 financial year. Figure adjustments relate to Grantham Southern Relief Road and The Bridge.

Pipeline - It is a requirement for the LEP to publish a pipeline of schemes for Greater Lincolnshire. To date there have been two separate processes in GL - a LEP Pipeline, and SIDP. These two pipelines are being brought together as part of a combined call. The board was informed that the call was being released on Monday, 30th November. Projects will be appraised following the usual process for call analysis, however infrastructure scheme assessments will involve the SIDP working group for strategic scoring and moderation. There will be two categories:

Category A - Capital projects that can financially complete before March 2025 (short or medium term)

Category B - Capital projects that are still in development (long term) or concept stage

Closing date - 15th February 2021 with a decision expected in April and notifying outcomes in April or May.

A discussion took place on the Chancellor's announcement of £4bn funding for levelling up which is for "everyday infrastructure" in communities up to £20m, with a prospectus to be launched early in New Year, so there is a need for Greater Lincolnshire to understand where the priorities lie now and in the mid-term.

PH wanted to thank the LEP team for a good report, which contained a lot of detail and wanted to acknowledge an outstanding action on his part about the focus on outputs. At previous meetings, discussions have taken place about the realism and deliverability of output targets, particularly job targets, still seeking a policy view and wanted to reassure GLLEP that this is still in hand.

Actions:

- ❖ PH to follow up the query regarding the ERDF contract for The Bridge
- ❖ HD to review outputs for SLGF and GBF and the impact of Covid-19

Getting Building Fund - Skills Capital Investment Fund (Paper 3)

Cllr Colin Davie left the meeting for this item, and Rachel Lister, Thomas Lister joined the meeting for this item.

Five schemes were approved at the last meeting for indicative allocations and they totalled £6.67m.

Three schemes competing for the remaining balance within the fund, which scored quite similarly. Paper 3 provided the Investment Board with a comparison of the three schemes and made a recommendation based on further independent assessment as to which scheme should get approval for a provisional allocation. The available pot within the Skills Capital Fund is £1.26 m and this includes LEP fees.

After the 11 November meeting, at the board members request, milestone updates were sourced from the three projects being considered for the remaining provisional allocation and an external assessment of the impact of these updates on deliverability was carried out. There was also further comparison of the three business cases originally provided to the LEP and the three curriculum plans.

The recommendation from the Officers and the Independent Assessor was to provide an indicative allocation to Horncastle College scheme submitted by Boston College to the value of £1.26 million including fees. This is short of budget requested, and officers therefore were tasked with understanding what would be delivered with a slightly reduce allocation, and seeking additional funding for the scheme from within existing LEP Resources.

The investment board debated the report and each scheme in turn, and in particular sought advice from Rachel Lister on her report. The Board challenged on deliverability and progress made since the submission in September 2020. Milestones were debated, and there was a focus on risks that were identified in the reporting such as asbestos, and structural changes within schemes. After a lengthy discussion and debate, the Investment Board reprioritised the three schemes as follows:

Scheme	Applicant	Requested Allocation	Revised Rank
Public Sector Hub FE College, Horncastle	Boston College	£1,643,000	6 th
Greater Lincolnshire Analytics and Skills Service	Lincoln College	£1,388,092	7 th
Digital Learning & Infrastructure Project	DN Colleges Group	£816,285	8 th

Decision - All three schemes are deliverable by March 2022; however, the Public Sector Hub has made the most progress to date on its milestones since September and therefore the members of the Investment board were content to allocate the remaining allocation of £1.26 million to the Public Sector Hub project subject to due diligence and final approval by the Investment Board.

Cllr Davie returned to the meeting

Greater Lincolnshire Growth Fund - Lincoln City Football Club (Paper 4) - Michelle Davies, Greenborough Management Ltd

Greenborough are the Growth Fund advisers, and have been working with Lincoln City Football Club on a Growth Fund application since they were approached in August 2019. The scheme proposes to developing the Stacey West stand taking the capacity of this section from 1,944 to 3,400 (increasing stadium capacity from 10,253 to 11,709). This will also help increase their incoming revenue, not just through ticket sales, but through catering and retail sales. As part of the wider transformation of LCFC, they are developing a Club Hub, 3D pitches, changing rooms and developing some community facilities.

The whole project is due to cost £2.6m with £1m match funding from the Football Foundation, which has been approved, £1.4m has been underwritten by the Club itself, leaving a gap of £200k in funding, which was to be met by the Growth Fund. Before going to due diligence, LCFC have also put in a bid of £800k to the Towns Fund towards the whole project, so underwriting their own match, thus reducing their own match to £600k and still looking for further funding to reduce their match to nil.

Decision : Due diligence has been completed and recommends that the project is not approved at **this stage** as the Club has demonstrated that they have other means of funding if they secure the Towns Fund. Secondly, the view of the advisers was that there is uncertainty over future revenue forecasts, as well as, uncertainty currently on the deliverability of the outputs from the scheme

Getting Building Fund Update - Pumping Station at Killingholme

Halina Davies updated the Investment Board on the overall progress of the Getting Building fund, and in particular on the scheme at Killingholme to support a pumping station. There are still

outstanding issues concerning a triangle of land on the site and its valuation. The due diligence and therefore decision is scheduled to be considered at the next investment board in 2021.

Next Investment Board Meeting

Ad hoc Investment boards will be arranged during the forthcoming year, with meetings at least quarterly to review progress on the funding programmes.

Decision Log

Scheme	Name
Horncastle College Hub scheme to be given an indicative allocation and to proceed to the due diligence stage. £1.26 million	Halina Davies
Lincoln College and DN Colleges Group Schemes to be added to a skills capital pipeline	Halina Davies
LCFC - not to proceed with the application for Growth Fund at this stage, due to uncertainty of additional match through Towns Fund, and uncertainty of outcomes due to the suspension of matches and a key revenue source	Halina Davies - via Michelle Davies at Greenborough

Table of Actions

Action	Name	Target Date
Chase the ERDF Contract for the Bridge	Pete Holmes, CLGU	December 2020
HD to review outputs for SLGF and GBF and the impact of Covid-19	Pete Holmes, CLGU and Halina Davies, LEP	Mid Jan 2021 - report to IB
Review LEP resources and external resources to top up the skills capital fund	Halina Davies	Mid Jan 2021 - report to GLLEP Board

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GETTING BUILDING FUND UPDATE REPORT

Publication	Public Paper (published)					
Meeting date:	19 January 2021					
Agenda Item:	2					
Item Subject:	Report on Getting Building Fund Programme Progress					
Author:	Halina Davies/Linsay Hill Pritchard					
For:	Discussion		Decision		Information	Yes

1. SUMMARY

- 1.1 The Investment Board is asked to note the progress made in delivery of the Getting Building Fund (GBF) Programme, and measures being taken to manage contracting and grant expenditure this financial year.

2. BACKGROUND

- 2.1 The grant determination letter was received by Greater Lincolnshire LEP (GLLEP) on the 15th October. The programme must be fully contracted and delivered by March 2022 with all grant funding having been drawn down by the 31 March 2022.
- 2.2 The schemes that were confirmed with a provisional GBF allocation are identifying a total programme spend value of £36.5m of which £25.8m will be covered by GBF grant. Government's expectation is that £12.9m of the grant must be spent by 31 March 2021. Having carried out due diligence work on a number of schemes and assessed fully expected expenditure levels to March 2021, we have identified that the target of £12.9m will be difficult to meet without utilising freedoms and flexibilities.

3. PROGRESS TO DATE

- 3.1 The following schemes were confirmed for provisional funding allocations by the Secretary of State in early August 2020 and an update on progress is provided in the table below:

Scheme	Applicant	Grant Allocation (not including GLLEP fees)	RAG	Status
Centre for Innovation in Rural Health	University of Lincoln(UOL)	£1,250,675	Green	A Deed variation to contract has been issued increasing the contractual commitment from £1.26m to £2.57m. Awaiting UOL signature
Holbeach FEZ Phase 2	Lincolnshire County Council(LCC)	£6,367,839	Green	Contract with applicant for review
Killingholme Pumping Station	North Lincolnshire Council(NLC)/Able	£4,328,032	Amber	Currently in Due diligence appraisal

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GETTING BUILDING FUND UPDATE REPORT

Cycle Programme	North East Lincolnshire Council(NELC)	£2,216,860	Green	Awaiting confirmation of pre-contract conditions being achieved from NELC. Contract in draft
Skills Capital Fund Programme	Greater Lincolnshire LEP	£7.93m	Green	3 projects for decision today(19 Jan 21) 1 scheme in due diligence 1 scheme to be submitted for due diligence end of Jan 21
Lincoln Science & Innovation Park Phase 2	Lincoln Science and Innovation Park (LSIP)	£3,430,090	Green	Contract with applicants for review

To Note: it was agreed by GL LEP Board on the 24 July 2020 that should any of the above prove undeliverable post due diligence or need to withdraw, the allocation would be subject to a change request to reallocate the funding to the Skills Capital Investment Fund which received a reduced allocation.

3.2 Good progress has been made despite the tight timescales provided, and draft GL LEP funding agreements are with applicants for three of the schemes with necessary changes to the Centre for Innovation in Rural Health agreement now completed.

3.3 Due diligence reports are being shared with the Investment Board for consideration to move to contracting stage for the following projects today:

The GC Energy Centre; Engineering and Construction - Grantham College	Papers 3 and 3.1 attached
Lincolnshire Institute of Technology (Holbeach Hub) - University of Lincoln	Papers 4 and 4.1 attached
The Care CoRE (Centre of Regional Excellence for Care)	Papers 5 and 5.1 attached

3.4 The Centre for Innovation in Rural Health has already been through a full due diligence process for the entire scheme, and a deed variation to contract expanding the existing contractual commitment from £1.26m to £2.57m is with the University of Lincoln for legal signature.

3.5 In order to meet the full £12.9m GBF spend target for 2021 officers recommend in principle that a variety of previously used Freedom and flexibilities are used. This would include:

- Increased intervention rate against eligible spend
- Identifying and utilising capital offset
- Advanced payments

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GETTING BUILDING FUND UPDATE REPORT

All freedom and flexibility options would be assessed on the basis of risk and past performance.

- 3.6 The LEP Secretariat has set a target of contracting £17.3m of the overall £25.8m grant programme by 31 March 2021. This will demonstrate to government a strong commitment level against the grant released to date and show the direction of travel in successfully committing and spending all funds within the agreed timeframes.
- 3.7 In terms of risks and mitigation measures for the programme the following table provides an overview of concerns and suggested approach:

Risk	Mitigation Measure	Deadline
Projects are unable to meet the GBF 50% spend target by 31 March 2021	LEP to discuss potential and agree in principle freedoms and flexibilities with the accountable body and C&LG	Prior to Annual Performance Review on the 1 st February
Projects remain uncontracted within the programme by end of February 2021	Most schemes are on track to be fully contracted by March 2021 with realistic timescales for delivery; however the Killingholme Marshes Drainage Scheme will need to be discussed at the 19 Jan 2021 Investment Board to determine if the £4.3m provisional allocation remains deliverable by 21 March 2022, and three skills projects still need to go through due diligence before we can look at contracting timescales.	1 April 2021 all GBF projects to be contracted
Procurement issues due to Brexit and Covid 19 impacts	LEP will work closely with applicants to ensure that any changes to procurement rules or delays due to Covid 19 can be planned for and resolved as soon as possible	Ongoing
APR target of 50% GBF is looking like it might not be met by March 2021 and there is a risk of government not releasing the full £12.9m allocation remaining to the LEP	LEP to work with C&LG to update on progress made, share reasons for any delays, and provide reassurance & evidence that the March 2022 targets remain achievable for GBF programme.	1 st February 2021

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GETTING BUILDING FUND UPDATE REPORT

4.0 CONCLUSION

- 4.1 The Board are asked to note progress of the Getting Building Fund programme to date, endorse in principle the approach to freedoms and flexibilities at year end, and to discuss the risks and mitigation measures identified.

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GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

Publication	Public Paper (published)					
Meeting date:	19 January 2021					
Agenda Item:	3					
Item Subject:	Skills Capital Investment Programme due diligence appraisal – GC Energy Centre: Engineering and Construction Scheme, Grantham College					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper provides the Investment Board with a summary of the due diligence appraisal of the GC Energy Centre: Engineering and Construction scheme proposed by Grantham College and requests a decision with regard to progression to contracting stage.

2. BACKGROUND

- 2.1 On the 11 November 2020 the Investment Board approved a provisional allocation of £1,605,606 for this scheme to support delivery of the wider Getting Building Fund Skills Capital Investment Programme (this included £8028 of GL LEP fees).
- 2.2 The project is one of six provisionally supported under the auspices of the Skills Capital Investment Programme.
- 2.3 Engineering and Construction sectors are increasingly essential to the growth of a UK economy in post-COVID fragility and renewable energies are at the heart of national and regional development. This project would provide a much-needed local skills-bank in these priority sectors and have a significant impact by generating jobs for hard-to-fill occupational roles, boosting growth and business confidence, and helping to place Greater Lincolnshire at the forefront of sustainable technologies innovation.

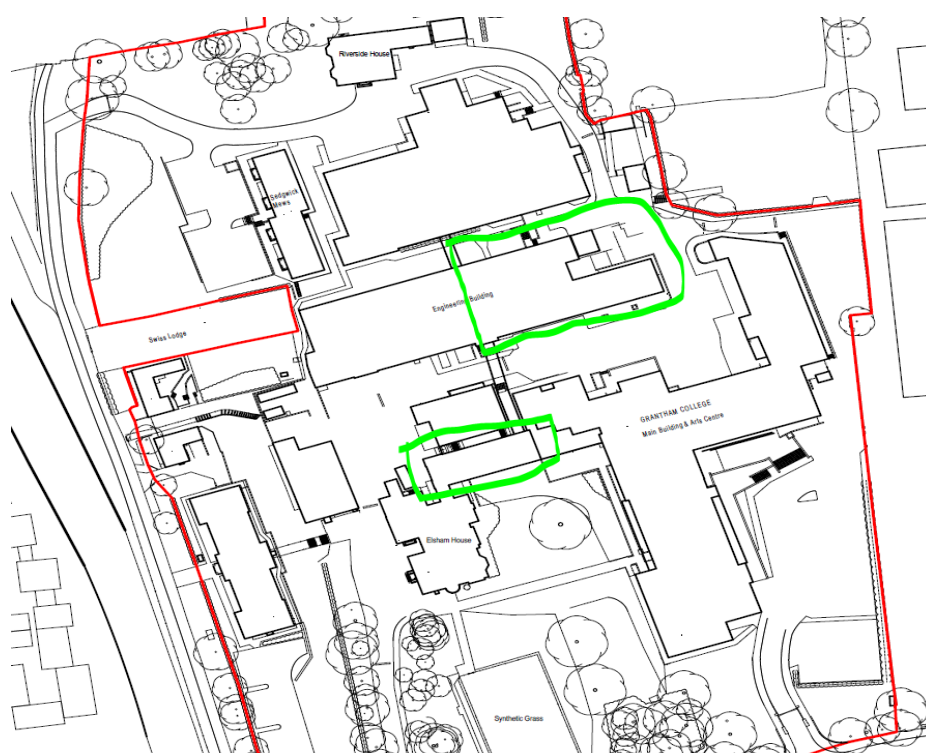
3. THE PROJECT

- 3.1 The project would look to transform through refurbishment existing Engineering and Link Block spaces at Grantham College to develop a cross-disciplinary Engineering and Construction Energy Centre with state-of-the-art, industry-standard equipment. This will enable the college to expand their curriculum offer to include new provision that employers need in order to fill skills gaps that are worsening year on year. The target beneficiaries are the local labour market, local and regional employers, and local learners.
- 3.2 The proposed area for refurbishment is Link Block (703m²) and an area within the Engineering department (696m²). The refurbishment will allow the existing classrooms and staff rooms within these two areas to be repurposed as:

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GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

- A cross-disciplinary workshop zone in the Engineering area for practical provision of GC Energy Centre Construction and Engineering programmes, including gas fitting, electrical installation, and hands-on training in the design and maintenance of renewable energy equipment; and
 - A suite of digitally-equipped teaching spaces in the refurbished Link Block for the delivery of theory-led provision for GC Energy Centre programmes - including CAD-based Design, Simulation Construction, Environmental Technologies, SMART Grid Balancing, and Sustainable Energies Studies.
- 3.3 The refurbishment of the two existing areas is needed as they currently sit within category B/C condition requiring modernisation and upgrading to achieve enhanced energy efficiency. The works would also include replacement of steel framed single glazed windows, the removal of asbestos, demolition and alteration activities.
- 3.4 The project includes the purchasing of Engineering and Construction training machinery and specialist equipment. These items would enable the college to offer additional courses within the in-demand subject areas as outlined in Paper 3.1.



Location of Existing Engineering & Link Block areas – Outlined in Green

3.5 The scheme would specifically involve:

- The refurbishment of the Link Block and Engineering areas including

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Installing energy efficient double glazing
Repair to existing flat roof
Asbestos Removal
Alarm system upgrades

- Relocation of power
- Internal demolition and structural alterations
- Temporary classroom provision
- Painting and decoration
- Carpeting, lighting, fixtures and fittings
- Replacement doors - to enable increased accessibility
- Procurement of industry-standard equipment relating to construction and engineering delivery

- 3.6 Construction and engineering delivery is currently located in separate departments. The college has had regular feedback from students that they would like a centre where they can mix socially and study in an environment with other students on similar courses. The two zones of the proposed GC Energy Centre - one for practical and one for theory/digital - will bring the students of both disciplines together, allowing for cross-disciplinary synergies and sharing of good practice.

4. FUNDING

- 4.1 The LEP funding would be utilised to refurbish and bring up to standard part of the college's existing estate as detailed in section 3.5 of this report.
- 4.2 The GC Energy Centre: Engineering and Construction project requires £2,463,207 to be fully delivered of which capital expenditure would be £1,962,937. An overall Getting Building Fund allocation of £1,605,606 has been awarded with £8,028 being retained by the LEP towards GL LEP fees, leaving a net grant contribution of £1,597,578.
- 4.3 The college intends to match fund the project in a number of ways:
- 1) Revenue funding generated through apprenticeship and full cost delivery between 2021 and 2025 estimated at £500,000 - some additional learner numbers on existing courses but largely through learners enrolled onto new provision that the college will be able to offer as a result of new equipment and development of workshop space.
 - 2) An additional £71,250 of capital funding from the college's own cash reserves.
 - 3) ESFA capital allocation of £286,081 for improvement of deteriorating buildings.

The above does not include ongoing maintenance/servicing and curriculum delivery costs. The College have confirmed that the funding contribution from their own cash reserves and the Department for Education is fully approved.

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GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

5. OUTPUTS

5.1 Due diligence has identified that the overall the package of outputs delivered by the scheme is considered to provide excellent value for money.

5.2 The following outputs and outcomes would be delivered by this scheme:

- 31 jobs created
- 28 jobs safeguarded
- £571,250 Private Sector Investment Leveraged
- £286,081 Public Sector Investment leveraged
- 1399 sqm floorspace refurbished/constructed and occupied
- 8 refurbished classrooms
- 4 workshops
- 25 new courses
- 422 additional learners on additional courses within key priority sectors
- 390 additional learners supported into employment
- 766 learners as a result of this project securing jobs in a priority sector
- 1303 existing learners supported within and for priority sectors
- 161 employers supported to improve performance
- 11 new businesses created
- Provision of additional equipment to facilitate the delivery of new courses and improve some existing programmes.

5.2 The curriculum can be summarised as:

New Provision

Construction

Pearson:

BTEC Pearson Level 2 Diploma in Construction Occupations

BTEC Pearson Level 3 Diploma/Extended Diploma in Construction and Built Environment

BTEC Pearson Level 3 Diploma/Extended Diploma in Building Services Engineering

HNC/D Future Homes Design and Construction

Apprenticeship Standards

Building Services Engineering Design Technician

Construction Site Engineering Technician

Digital Engineering Technician

Dual Fuel Smart Meter Installer

Property Maintenance Operative

Higher Level Apprentices

NVQ Level 5 Construction Management (Sustainability)

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City + Guilds:

Electrical:

Level 1 Plumbing/Electrical Installation (7202)

Level 3 Electrical Equipment Maintenance and Testing (2377)

Level 3 Electric Vehicle Charging (2919)

Level 3 Installation, Service, and Maintenance of Environmental Technology Systems (2399)

Plumbing:

Level 2 and 3 Plumbing and Domestic Heating (6189) - includes Gas Fitting

Level 4 Building Services Engineering (4467)

Utilities

Level 2 Smart Metering (7428)

Level 2 and 3 Electrical Power Engineering (2339)

Level 3 Gas Engineering (9074)

Built Environment Services

Level 3 and 4 Domestic/Non-Domestic Energy Assessment (6361)

Level 3 and 4 Green Deal Advisor (6066)

Level 3 Installation, Service and Maintenance of Environmental Technical Systems (Low Carbon) (2399)

Construction

Level 3 Building Information 3D Modelling (6073)

Level 3 Sustainable Construction (4677)

Level 2 Insulation and Building Treatments (4673)

Level 3 Engineering Construction (2660)

Apprenticeship Standards

Level 3 Gas Engineering Operative (9074)

Level 3 Plumbing and Domestic Heating Technician (9189)

T Levels

GC Energy Centre will also be at the centre of the new T-Level qualifications in Construction and Engineering.

T Levels are new two-year, Level 3 study programmes that will follow the study of GCSEs and Technical Awards at Key Stage 4 and offer an attractive alternative to A Levels and Apprenticeships. T Levels will combine classroom theory, practical learning and a minimum 315 hours of industry placement with an employer to make sure students have real experience of the workplace.

Building Services Engineering for Construction:

- National start from September 2021 onwards; GC start: 2023
- Occupational specialist component options: Electrical and Electronic Equipment Engineering; Electro-technical Engineering; Gas Engineering; Protection Systems Engineering; Plumbing and Heating Engineering

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GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

Onsite Construction:

- National start from September 2021 onwards; GC start: 2022
- Occupational specialist component options: Bricklaying; Carpentry and Joinery; Plastering; Painting and Decorating

National roll-out from September 2022 onwards:

- Design and Development for Engineering and Manufacturing: GC start 2023
- Maintenance, Installation and Repair for Engineering and Manufacturing: GC start 2023
- Engineering, Manufacturing, Processing and Controls: GC start 2022

Existing Provision

Level 3 BTEC Engineering

Level 3 Apprenticeships in Engineering (Electrical/Maintenance framework)

Level 4/5 Electrical Engineering

Level 4/5 Mechanical Engineering

Apprenticeships in Manufacturing

Apprenticeships in Maintenance and Operations Technicians

Level 3 Construction Skills Diploma

Level 2 NVQ Diploma in Site Carpentry - Site Carpenter and Architectural Joiner

Level 3 NVQ Diploma in Site Carpentry - Advanced Site Carpenter and Advanced Architectural Joiner

6. PROJECT MILESTONES

6.1 The milestones that apply to the delivery of the project are:

- Detailed design commissioned on 7th December 2020 and to be completed by mid-January 2021.
- Revenue funding secured - generated through fees via apprenticeships taking place at the College between 2021 to 2025.
- Procurement process to commence mid-March 2021.
- Works to commence onsite July 2021.
- Works complete onsite March 2022.
- Fit out of the building completes March 2022.
- Portable teaching space set up to enable training to commence April 2021.
- Start of core activity and training delivery September 2021.

7. DEMAND AND NEED

7.1 The project draws significantly on research undertaken into SAP skills statements and associated charts, the GLLEP priority sectors and priority themes, and the Local Industrial Strategy priorities and evidence base including Research Lincs energy studies.

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GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

- 7.2 Engineering and Construction sectors are increasingly essential to the growth of a UK economy in post-COVID fragility. Renewable energies are at the heart of national and regional development. The project will provide a much-needed local skills-bank in these priority sectors and have a significant impact by generating jobs for hard-to-fill occupational roles, boosting growth and business confidence, and placing Greater Lincolnshire at the forefront of sustainable technologies innovation.
- 7.3 Meeting employer needs in terms of course provision, programme design and flexibility is integral to the new provision. Employers in the Engineering/ Manufacturing and Construction sectors struggle to recruit appropriately skilled staff. This issue is exacerbated by the dearth of appropriate training provision. The new courses through the GC Energy Centre would provide a local solution to these issues. Educators and employers alike need to remain agile and alert to the rapid technological changes in their industries, and to equip their staff with the skills to take on new roles that didn't exist a decade or five years ago.
- 7.4 The August 2020 GLLEP SAP Analysis notes that the following occupations as repeatedly featuring prominently on the skills shortages lists: Engineering professionals; Design and development engineers; Production and process managers; and Engineering technicians.
https://www.greaterlincolnshirelep.co.uk/assets/documents/SAP_Analysis_FINAL_Pre-Covid_20_Aug_2020.pdf
- 7.5 The new provision also links to Boston College's successful bid and development of an Institute of Technology site. The IoT will house Level 4 and 5 Engineering, Computing, and Digital courses. The GC Energy Centre will hold provision for mainly FE level Engineering and Construction courses, providing a feeder into the IoT to create the highly-skilled workforce in occupational gap-areas that employers require as a priority.

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GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

8. RISK ANALYSIS AND DELIVERABILITY

8.1 The main risks associated with this project can be summarised as follows:

Risk	Owner	Probability	Impact	Mitigation	Condition of Funding Yes/No
Overall funding below that required to complete full refurbishment project	GC SLT	1	3	Project team challenges and value engineers where practical to do so. Competitive tendering process and robust value-for-money systems to maximise efficiencies.	Yes - pre-drawdown. Costs are higher than anticipated, the College to confirm that negotiations will be concluded with a contractor to enable the scheme to be delivered or additional funding will be invested by the college so as to enable the scheme to be delivered as proposed.
Failure to deliver project to forecast schedule and cost	GC SLT; Head of Facilities	3	3	Regular reporting and spending review. Robust contingency and procurement strategy.	Yes - as detailed above.
Failure to achieve learner number projections	GC SLT	3	3	Utilising evidence bases including LEP based and other LMI for guidance on the offer. Utilising employer-based evidence. Utilising historical and current subject expertise on what the local and regional demand is. Work with Gatsby and DfE guidance to ensure pathways match industry requirements. Close	No - subject to ongoing monitoring with GL LEP.

PAPER 3 - SKILLS CAPITAL INVESTMENT PROGRAMME
GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

				engagement with employers. Increased advertising on all media channels.	
Learners do not progress to jobs in priority sectors	GC SLT	2	3	Close engagement with employers to check that jobs are available and match to Energy Centre graduates. Working with employers to give advice on wording of job descriptions and adverts so that they highlight the key skills the learners will have gained. Tracking and monitoring of student performance and qualification achievement criteria. Provision of centralised hub for employers to advertise vacancies.	No - subject to ongoing monitoring with GL LEP.
Failure to recruit technical teaching staff (quality and number)	GC SLT; HR	3	3	Initial portfolio in course roll-out based on existing expertise within College. Working with employers to	No - subject to ongoing monitoring with GL LEP.

PAPER 3 - SKILLS CAPITAL INVESTMENT PROGRAMME
GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

				highlight areas where staff expertise may be missing. Employers may be able to provide experts to teach part of specialist units.	
Failure to create strong and attractive GC Energy Centre brand to resonate with potential learners	GC SLT; Marketing	3	3	Support to be provided from GC Marketing department to provide strong launch and to build a sustained awareness campaign through media channels. Marketing to work with employers and student union to forge branding identity to appeal to both sets of stakeholders.	No - subject to ongoing monitoring with GL LEP.
Failure to comply with relevant legal and regulatory requirements	GC SLT	2	4	GC Board receives proper guidance, professional advice and maintains a close record of decisions made. Regular input from all areas of GC SLT ensures flow of information between Quality, Student Services, Finance, Employer Engagement, and Curriculum.	No - subject to ongoing monitoring with GL LEP.

PAPER 3 - SKILLS CAPITAL INVESTMENT PROGRAMME

GC ENERGY CENTRE: ENGINEERING AND CONSTRUCTION SCHEME

9. COMMENTS FROM THE ACCOUNTABLE BODY

- 9.1 The project supports the Engineering and Construction industry and will provide key skills in that sector. The contract conditions are noted and we are fully supportive of the scheme to proceed as recommended.

10. CONDITIONS OF CONTRACT

- 10.1 The due diligence assessment has identified the following conditions to be satisfied as part of any Getting Building Fund approval:

Pre-Contracting

Applicant to confirm on how the courses would be delivered should revenue generated by fees not reach required levels.

Applicant to confirm that any shortfall in funding for the refurbishment scheme will be met by the college.

Pre-Drawdown

- i. An updated programme to be provided for the delivery of this scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme.
- ii. A copy of the report on tenders to be provided for the scheme, to provide a final contract sum, demonstrating that the scheme can be delivered as proposed within the due diligence.

General

Given that the curriculum will be delivered with revenue generated through fees via apprenticeships taking place at the College between 2021 to 2025 and that numbers may be down due to the Covid pandemic, provision should be delivered as a minimum over a ten year period in line with the clawback clause in the GLLEP funding agreement.

11. RECOMMENDATION

- 11.1 It is recommended that the GL LEP Investment Board approves Skills Capital Investment Programme Funding of £1,605,606, subject to deduction of 0.5% to provide for GL LEP fees, leaving a net amount of Getting Building Fund grant funding towards this project of £1,597,578.



**Greater Lincolnshire Local Enterprise Partnership
Due Diligence Assessment**

In Respect of

Skills Capital Investment Programme

For

**The GC Energy Centre; Engineering and Construction
Grantham College
Stonebridge Road
Grantham
Lincolnshire**

**21st December 2020
Paper 3.1**

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APPENDICES

I. BUSINESS CASE AND SUPPORTING DOCUMENTATION

1.0 PROJECT SUMMARY AND PLANNING STATUS

The Project

- 1.1 A detailed Business Case has been submitted by Grantham College for Skills Capital Investment Programme Funding, for the refurbishment of an existing engineering and link block at the College campus, to create a cross disciplinary engineering and construction energy centre, accommodating state of the art industry standard equipment.
- 1.2 Funding from the Skills Capital Investment Programme is being sought of £1,605,606 and will enable existing space within the College campus that is in a relatively poor condition to be repurposed and brought into use to enable expansion of the curriculum to fill skills gaps within these sectors.
- 1.3 The refurbishment of the existing buildings will provide bespoke workshop and theory led teaching spaces. The buildings will enable staff and students from construction and engineering to form a dynamic, cross disciplinary learning environment.
- 1.4 The proposed area to be refurbished comprises the link block extending across 703 sq m, along with an area within the engineering department being circa 696 sq m.
- 1.5 Specifically, the refurbishment of these buildings will enable the creation of;
 - A cross disciplinary workshop zone in the engineering area, for practical provision of construction and engineering programmes. The GC Energy Centre; Construction and Engineering programmes. These programmes will include gas fitting, electrical installation and hands-on training in the design and maintenance of renewable energy equipment.
 - A suite of digitally equipped teaching spaces in the refurbished link block for the delivery of a theory led provision energy programmes, including CAD based design, simulation construction, environmental technologies, SMART grid balancing and sustainable energies studies.
- 1.6 As referred, these buildings are currently in poor condition, requiring modernisation and upgrading to be able to achieve enhanced energy efficiency. The works would therefore include replacement of steel framed single glazed windows, the removal of asbestos, along with some demolition and reconfiguring of the existing space.
- 1.7 The project also includes purchasing of engineering and construction training machinery and specialist equipment.
- 1.8 Specifically, funding from GL LEP will contribute towards the following works;
 - Eight refurbished classrooms for workshop space.
 - Provision of equipment to facilitate delivery of new courses and improve existing programmes.
 - Refurbishment works including replacement windows, repairs to flat roof, asbestos removal and alarm system upgrade.
 - Relocation of power.
 - Internal demolition and reconfiguration.
 - Temporary classroom provision

- Painting and decoration
- Carpeting, lighting, fixtures and fittings.

1.9 The completed scheme will enable the College to offer the following additional courses, which are noted as follows;

- BTEC Domestic Energy Level 3
- BTEC First Electronics
- BTEC Green Deal Level 3
- BTEC Level 1 and 2 Manufacturing
- BTEC Level 4 Electronic Engineering
- BTEC Non-Domestic Energy Level 3
- City and Guilds Electrical Courses
- Electrical Standard App Level 2
- Electrical Power Protection and Plant Commissioning
- Embedded Electronic Systems Design and Development Engineer
- Green Deal Qualifications Electronic Systems Principal Engineering
- Gas Network Operative
- Process Automation Engineering
- Power and Propulsion Gas Turbine Engineer
- Electronic Systems Principal Engineer
- Gas Network Crafts Persons
- Environmental Technologies
- Gas Safe Training
- Gas Fitting
- Level 2 Diploma in Plumbing Studies
- Level 3 Diploma in Plumbing Studies
- Level 3 Plumbing and Domestic Heating Diploma
- Level 3 Diploma in Gas Engineering
- Level 3 Diploma in Sustainable Construction.

1.10 Pathway options for the above programmes cover environmental technologies including heat pumps, solar thermal systems and water recycling systems, natural gas, oil and solid fuel including biomass.

1.11 The target beneficiaries for this scheme are the local labour market, local and regional employers and local learners. The project will allow expansion of long established and highly popular construction and engineering curriculum areas to offer those courses that will attract more learners and fill more skills gaps as highlighted to the College through engagement with local employers.

1.12 There are a considerable number of internal and external stakeholders of the construction and engineering sector within Greater Lincolnshire and companies within this sector will benefit from a new highly skilled and employable workforce of technicians, project managers, engineers and constructions specialists.

1.13 It is also important to note that Grantham College is part of the Lincolnshire Institute of Technology (IoT) collective and as such the Energy Centre and IoT projects are complimentary, as whilst the vast majority of the IoT portfolio comprises level 4 and 5 courses as well as higher apprenticeships. The Energy Centre will focus on opportunities across levels 2 and 3, enabling progression to level 4 and 5 programmes within the IoT.

- 1.14 Both the Energy Centre and IoT curriculums are designed with employers and skills gaps at the forefront of their proposals, offering cutting edge technical education with a clear route to highly skilled employment.

Planning

- 1.15 The College has advised that as this scheme is the refurbishment and reconfiguration of existing buildings within the College campus, that a planning permission is unlikely to be required. The only matter that requires final confirmation in terms of planning relates to the replacement of glazing on the frontages of buildings and confirmation is anticipated in this regard in due course.
- 1.16 Currently, the initial scheme design for the project has been completed with the detailed design scheme anticipated to be completed by mid-March 2021. Once the detailed design has completed, the scheme can proceed to tender period with a start onsite anticipated in summer 2021 and practical completion by the end of March 2022.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

- 2.1 As noted, funding is being sought from GL LEP of £1,605,606.
- 2.2 Total project costs are £2,463,207 with the balance of funding comprising the following;

Department for Education:	£286,081
Grantham College:	£71,520
Revenue funding rated from new courses:	<u>£500,000</u>
	<u>£857,601</u>

- 2.3 The College have confirmed that their funding contribution is from their own cash reserves and has been approved.
- 2.4 The Department for Education funding is also approved and comes from the ESFA capital allocation.
- 2.5 The revenue funding will be generated through the apprenticeship and learners enrolled onto new courses between 2021 and 2025. It is only therefore the revenue funding that has not been secured for this project.
- 2.6 It is also confirmed that GL LEP are to charge a fee towards administration costs of the Capital Skills Programme. The first 0.5% of GL LEP fees was retained at programme level and has been covered from the overall allocation from the Skills Capital Programme from Government. There remains an additional fee of 0.5% to be charged and deducted from the £1,605,606 allocation, equating to a deduction of £8,028. Therefore, the amount of funding directly available to the College is £1,597,578.

3.0 KEY ISSUES

- 3.1 The due diligence undertaken for this project identified a number of issues and queries which have been raised with the College. The queries raised and responses provided are summarised below;

- i. Wider strategic impacts of the project to be provided in further detail – this is detailed fully within the strategic fit section of this report.
- ii. Expected outputs and outcomes from the projects to be broken down annually including confirmation of how they have been determined – this is detailed within Section 10 of this due diligence.
- iii. The process for obtaining detailed design and costings to be provided demonstrating that these are realistic – this is detailed within Section 6 of this due diligence.
- iv. Match funding provision – this has been confirmed as being secured with the exception of revenue funding.
- v. Planning status and detail – confirmed that planning permission is unlikely to be required, however building control approval may be needed and will be confirmed in due course.
- vi. State Aid compliance – a separate report has now been provided.
- vii. Delivery timescales and associated milestones – provided by way of a Gantt chart and detailed later within this due diligence.
- viii. Information as to how the outputs for the project can commence delivery prior to the project being completed – it has been confirmed that the College will be setting up temporary teaching space so as not to lose momentum generated in accordance with employer engagement and where some of the new additional courses have therefore been designed and are ready to be taught.

3.2 No other issues have been identified in relation to this project.

4.0 STRATEGIC FIT

4.1 The project has been identified to have strong strategic fit, which is as summarised as follows;

i. GL LEP Strategic Economic Plan

The project supports GL LEP priority sectors and priority themes including the engineering, low carbon/renewables sector in terms of assisting to provide a suitably educated and skilled workforce in direct correlation to the needs of employers in this sector.

By providing companies with access to the range of skilled labour required, this will assist in promoting economic growth throughout Lincolnshire in these priority sectors.

ii. Local Industrial Strategy (LIS)

The LIS strategy identifies the need to support growth sectors of which construction and low carbon energy are identified as a priority. The project also supports the LIS on the basis of inclusivity through enabling residents to be able to access education and skills training and in turn to be able to secure higher skilled employment opportunities, generating wealth and wellbeing.

iii. South Kesteven District Council Economic Strategies.

The College have been working in conjunction with the local authority in terms of the skills agenda and how this can be accommodated within the existing College campus so as to promote economic wellbeing on a district level through availability of education and skills training in accordance with an identified gap. Accessibility to

training and facilities at the campus will assist in meeting employer's needs, helping to sustain the local business base in accordance with technological advancement within identified priority sectors.

iv. Lincolnshire Institute of Technology (LloT)

As referred earlier, this project has been designed in conjunction with the IoT to ensure that it compliments and enhances education and skills being offered through other hubs under the IoT umbrella throughout Lincolnshire.

The education and training provided at Grantham College will create a continuous pathway in education and skills, through enabling completion of education attainment at level 2 and 3. This in turn should also enable natural progression onto higher levels provided through other facilities under the IoT remit throughout Lincolnshire.

v. Grantham College Strategy and Policies.

The project has been designed strictly in accordance with the Business Plan and Growth Strategy of the College in modernising both its facilities, training and educational provision to be up to date and fit for purpose in accordance with skills gaps and employer's needs.

The scheme has also been designed in accordance with the College's environmental and sustainability policies, particularly relating to energy efficiency and the provision of buildings within its campus that are fit for purpose.

5.0 MARKET ASSESSMENT

- 5.1 The College has undertaken significant research in order to gather an evidence base upon which to prepare proposals for the subject scheme.
- 5.2 The research undertaken has also involved engagement with a wide range of stakeholders including the LloT, local employers including Bakkovor, Highway Resource Solutions, Heatherose, along with the Engineered in Grantham Group, of which the College are founding members.
- 5.3 The College have also utilised research undertaken in relation to SAP skills statement and associated charts, which has identified that in accordance with the evidence base established by these sources, the project will have a positive and sustained impact on people and places.
- 5.4 The project is therefore identified to support with findings from research in relation to the following key socioeconomic;
 - The Greater Lincolnshire competitive strengths in engineering and low carbon/renewable sector.
 - Top of the list of job vacancies by occupation in Greater Lincolnshire, primarily in science, engineering and production technicians.
 - Electricians highlighted in hard to fill skilled trade vacancies.
 - Occupational skills shortages in engineering professionals, design and development engineers and engineering technicians.
 - Clean growth as one of the Governments 'Grand Challenges' for industries of the future.

- Lincolnshire's evolving opportunities, including a rural innovation testbed for energy and water.
 - The Central Lincolnshire's energy study report that renewable and low carbon energy schemes will be essential in delivering CO₂ reductions in Central Lincolnshire in order to support Central Government targets.
- 5.5 It has also been established, that there are no other educational or training institutions that will be providing the same courses as those available at Grantham College within a 27 mile radius. Therefore, without this project the ability to provide the necessary skills within this geographical location is not going to be achievable and the skills gap across the identified sectors and at educational levels will remain.
- 5.6 Therefore, the research undertaken and presented by the College in their Business Case is considered to accord with market and economic conditions and justifies the need for investment in this project.

6.0 DEVELOPMENT APPRAISAL

- 6.1 A development appraisal for this scheme has not been undertaken on the basis that this is not a traditional property transaction, which will then be subject to a letting and investment disposal within the property market.
- 6.2 As the project forms part of the Colleges existing campus and will be retained for educational purposes, a brief review has been undertaken as to how costs have been estimated as part of this funding application and whether these are considered to be reasonable and realistic at this stage.
- 6.3 The College has confirmed that it underwent a further education CDC condition survey in 2019 and has received the results. The building's proposed for refurbishment have been identified to sit within category B/C. This categorisation means that the buildings are satisfactory to poor and are performing as intended but beginning to show deterioration or major defects and are unlikely to be able to continue to operate as intended over the next three to five year period, after the survey was completed.
- 6.4 Although not included in the survey, the College are aware that the current flat roof on the link block is in need of repair as it lets rainwater into the upper floor classrooms. In addition, the block has single glazed steel framed windows on three sides, which do not retain heat and means that students are often being taught in cold buildings creating an unproductive and unpleasant environment.
- 6.5 Further research was therefore undertaken in relation to replacement costs of the flat roof and windows and costs obtained in this regard.
- 6.6 With regard to all costs for refurbishment of the buildings, estimates have been prepared by consultants appointed by the College and benchmarked in accordance with refurbishment work being undertaken on other buildings within the College campus. Specifically, estimates have been used from Stonebridge House and Elsham House from 2019. Similar works to these buildings were undertaken to those proposed under this scheme and therefore there is a good level of cost information that has been utilised in order to estimate costs for this project.
- 6.7 As the scheme progresses through the detailed design scheme, costs will be refined further and crystallised through a competitive tender process. Throughout these

stages, the budget for this project will be fixed to ensure that the project can be delivered in accordance with the funding that has been secured.

- 6.8 It is recommended as a condition of investment that the College provide a copy of the report on tenders and lowest tender to demonstrate that the project can be delivered as proposed within budget.

7.0 DELIVERABILITY AND PROGRAMME

- 7.1 An indicative programme for the delivery of the project was provided within the detailed Business Case, which has now been updated through the provision of a more detailed Gantt chart. This was produced on 3rd December 2020 by appointed consultants Thornton-Farkin and is noted still to be a high-level programme at this time pending the completion of the detailed design process.
- 7.2 The delivery for this scheme shows the technical design of the scheme proceeding on 7th December 2020 and concluding by 12th March 2021. Once completed, the tender documents will be issued on 15th March 2021 with an award of the preferred contractor on 9th July 2021.
- 7.3 Assuming start onsite commences on 13th July 2021 the refurbishment works are programmed to complete on 14th March 2022, with installation of specialist equipment being completed by 25th March 2022.
- 7.4 Clearly the above programme allows little room for slippage but given that this is a relatively straight forward building refurbishment scheme it is not anticipated that major problems will be encountered in this regard.
- 7.5 It is recommended; however, that an updated programme for delivery of the scheme and drawdown of funding is provided once the scheme has completed the competitive tender process.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 Independent State Aid advice has been provided by Hemingways Solicitors Limited. This advice confirms that investment to the College does not constitute unlawful State Aid, public education organised within the national education system funded and supervised by the state.
- 8.2 The activities provided by public education mean that this is non-economic in nature and even where pupils or their parents sometimes pay for tuition and enrolment fees, such financial contributions only cover a fraction of the true costs of the service and thus are not considered as remuneration for the service provided.
- 8.3 Furthermore, given the funding project being ESFA public match and resources of the College itself, the scheme does not represent services financed predominantly by parents or pupils or commercial revenues and therefore.
- 8.4 The proposed centre is considered to be a non-economic educational facility and its delivery would not infringe State Aid regulations.

9.0 PROCUREMENT

- 9.1 The project will be procured in accordance with the requirements of financial regulations and that specified tendering requirements are adhered to.
- 9.2 The College is a member of the Crescent Purchasing Consortium that runs various frameworks that gives access to companies that have passed their vetting processes and completed all the necessary due diligence on suppliers.
- 9.3 The College also uses Bloom Procurement, which offers a managed service and enables the College to submit projects and invites suppliers/contractors to compete for the work. It is approved by the Department for Education and companies registered with them are fully OJEU compliant and it is therefore intended to procure the project using the Bloom Procurement process.
- 9.4 The architects that have been appointed for this scheme were successful in the Bloom competition for the IoT project and have also undertaken work for the College on a number of refurbishment projects over the years.
- 9.5 All aspects of the project will therefore be procured in accordance with procurement processes.
- 9.6 In terms of acquisition of the equipment for the engineering and constructions blocks, the College has obtained initial quotations as to the costs of purchasing the machinery and compared this to other suppliers where appropriate.
- 9.7 It is noted however, that cost comparison due to the uniqueness of the machinery is limited; however, cost comparisons will be carried out wherever possible in accordance with the College's financial regulations and as part of the audit trail so as to ensure value for money.

10.0 OUTPUTS AND VALUE FOR MONEY

- 10.1 The outputs anticipated to be deliverable by this scheme are detailed in the table below;

Forecast Output							
Output Profile							
	2020/21	2021/22	2022/23	2023/24	2024/25	Future Years Up to 2027	Total
i) Core Outputs (Strategic Economic Plan)							
Public Investment Leveraged (£)	286,081	0	0	0	0	00	286,081
Private Sector Investment Leveraged (£)	71,250	63,900	83,700	90,900	95,400	166,100	571,250
Number of new Jobs Created	N/A	6	6	6	5	8	31

(gross)							
Number of Jobs Safeguarded (gross)	N/A	4	4	4	4	8	28
Number of new housing units completed	0	0	0	0	0	0	0
ii) Local Strategic Outputs							
Commercial floorspace refurbished/constructed and occupied (sqm)		1,399					1,399
Number of businesses assisted to improve performance	N/A	14	22	28	31	66	161
Number of existing learners supported within and for priority sectors	N/A	240	230	232	236	365	1303
Number of new businesses created	N/A	1	2	2	2	4	11
GVA Uplift							
Number of brand new curriculums/training courses	N/A	5	7	6	7	15	25
Number of updated/modernised curriculums or courses	N/A	2	2	1	1	0	6
Number of learners as a result of this project securing jobs in a priority sector	N/A	71	113	131	156	295	766
iii) Others (please list) *							
New learners supported on new provision		40	66	80	96	140	422
New learners progressing into		5	30	62	98	195	390

jobs in priority sectors							
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10.2 Based upon the outputs, the value for money of the scheme is assessed to be as follows;

- i. Public sector investment leveraged - At £286,81 equates to 5.6:1. It is noted this falls below a standard benchmark for investment leverage of 1:2; however, as this is public investment in an educational facility this is nonetheless important as it reduces reliance on Skills Capital Programme Funding from GL LEP.
- ii. Private sector investment leveraged - The initial investment from the College into this project is estimated at £71,250; however, total investment by the College up until 2027 is estimated to be in the region of £571,250. This therefore equates to an investment leverage ratio of 2.8:1. Whilst this also falls below the standard benchmark of 1:2, it is noted that private sector investment in educational institutions that are run on a not-for-profit basis do not attract high levels of private sector investment and is not therefore deemed to be a value for money issue. Also, the primary remit of the Skills Capital Funding Programme is to generate new curriculums and learning opportunities as opposed to investment leveraged.
- iii. Jobs created - 31 jobs at a cost per job of £51,794 per job. This in excess of standard industry benchmark of £15,000 per job; however, jobs created is not a primary objective of this project or funding programme.
- iv. Jobs safeguarded - 28 jobs at £57,379 per job is above standard industry benchmarks; however, as for jobs created this is not a core output of this project or funding programme.
- v. 1,399 sq m of floor space refurbished at £1,148 per sq m is generally in accordance with standard benchmark costs for refurbishment of educational facilities as published by the Department for Education and is therefore good value for money.
- vi. The number of existing learners supported – 1,303 learners at a cost per learner of £1,233, which is excellent value for money.
- vii. New businesses assisted - 161 at a cost of £9,979 per business, which is reasonable value for money.
- viii. New businesses created – 11 at £146,055 per business, which is a high cost, although reflective of the fact that this is not a primary objective of this project.
- ix. Brand new training courses created – 25 at £64,264 per course, which is reasonable value for money.
- x. Updated modernised courses – 6 at £267,767, which is a high cost, although reflective that this comprises an overall package of outputs.
- xi. Number of learners securing jobs in priority sectors – 7,666 at £2,097 per learner, which is good value for money.

xii. New learners supported on new provision – 422 at £3,807 per learner, which is reasonable value for money.

xiii. New learners progressing into jobs in priority sectors – 390 at £4,019 per learner, which is reasonable value for money.

10.3 Based upon the extensive package of outputs that will be delivered as part of this project, overall, the scheme is considered to provide excellent value for money.

11.0 MILESTONES

11.1 The key milestones associated with the delivery of this project are as follows;

- Detailed design commissioned on 7th December 2020 and to be completed by mid-January 2021.
- Revenue funding secured – generated through fees apprenticeships taking place at the College between 2021 to 2025.
- Procurement process to commence mid-March 2021.
- Works to commence onsite July 2021.
- Works complete onsite March 2022.
- Fit out of the building completes March 2022.
- Portable teaching space set up to enable training to commence April 2021.
- Start of core activity and training delivery September 2021.

11.2 It is confirmed that the above milestones will need to be finalised once the project has concluded the detailed design stage and been through the tender process with a contractor appointed and programme agreed.

12.0 RISK ASSESSMENT

12.1 The key risks identified with the delivery of this project are detailed in the table below;

Risk	Owner	Probability	Impact	Mitigation	Condition of Funding Yes/No
Overall funding below that required to complete full refurbishment project	GC SLT	1	3	Project team challenges and value engineers where practical to do so. Competitive tendering process and robust value-for-money systems to maximise efficiencies.	Yes – pre-drawdown. Costs are higher than anticipated, the College to confirm that negotiations will be

					concluded with a contractor to enable the scheme to be delivered or additional funding will be invested by the college so as to enable the scheme to be delivered as proposed.
Failure to deliver project to forecast schedule and cost	GC SLT; Head of Facilities	3	3	Regular reporting and spending review. Robust contingency and procurement strategy.	Yes – as detailed above.
Failure to achieve learner number projections	GC SLT	3	3	Utilising evidence bases including LEP based and other LMI for guidance on the offer. Utilising employer-based evidence. Utilising historical and current subject expertise on what the local and regional demand is. Work with Gatsby and DfE guidance to ensure pathways match industry requirements. Close engagement with employers. Increased advertising on all media channels.	No – subject to ongoing monitoring with GL LEP.
Learners do not progress to jobs in priority sectors	GC SLT	2	3	Close engagement with employers to check that jobs are available and match to Energy Centre graduates. Working with employers to give advice on wording of job descriptions and adverts so that they highlight the key skills the learners will have gained. Tracking and monitoring of student	No – subject to ongoing monitoring with GL LEP.

				performance and qualification achievement criteria. Provision of centralised hub for employers to advertise vacancies.	
Failure to recruit technical teaching staff (quality and number)	GC SLT; HR	3	3	Initial portfolio in course roll-out based on existing expertise within College. Working with employers to highlight areas where staff expertise may be missing. Employers may be able to provide experts to teach part of specialist units.	No – subject to ongoing monitoring with GL LEP.
Failure to create strong and attractive GC Energy Centre brand to resonate with potential learners	GC SLT; Marketing	3	3	Support to be provided from GC Marketing department to provide strong launch and to build a sustained awareness campaign through media channels. Marketing to work with employers and student union to forge branding identity to appeal to both sets of stakeholders.	No – subject to ongoing monitoring with GL LEP.
Failure to comply with relevant legal and regulatory requirements	GC SLT	2	4	GC Board receives proper guidance, professional advice and maintains a close record of decisions made. Regular input from all areas of GC SLT ensures flow of information between Quality, Student Services, Finance, Employer Engagement, and Curriculum.	No – subject to ongoing monitoring with GL LEP.

12.2 There have not been any major risks identified with this project at this time; however, the College will be required to confirm that once the project has completed the competitive tendering process that the scheme can proceed as proposed in accordance with the funding that has been secured.

13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

- 13.1 The following conditions are recommended to be attached to any offer of funding to the College as follows;
- i. An updated programme to be provided for the delivery of this scheme to demonstrate that it is deliverable within the programme set for the skills capital investment programme - pre-drawdown condition.
 - ii. A copy of the report on tenders to be provided for the scheme, to provide a final contract sum, demonstrating that the scheme can be delivered as proposed within this due diligence - pre-drawdown condition.

14.0 CONCLUSIONS

- 14.1 The project proposed by Grantham College is to create a cross disciplinary engineering and construction energy centre with state-of-the-art equipment, in order to enable the expansion of the curricular offer and fill skills gaps that are worsening year on year.
- 14.2 The project seeks to upskill more people in the local area and key emerging sectors in order to help fulfil employer demand and to support Grantham's ambitions for growth with a positive economic and socio-economic impact on the area.
- 14.3 The engineering and construction sectors are increasingly being seen as essential to the growth of the UK economy and particularly in view of the fragility of a post COVID-19 environment. Renewable energies are also at the heart of national and regional policies and there is a much needed local skills bank in these priority sectors in order to fill increasing vacancy roles and to enable Lincolnshire to be at the forefront of sustainable technologies and innovation.
- 14.4 The project has completed the initial scheme design stage; however, has been based upon considerable intelligence gathered in context with previous refurbishment of buildings successfully completed on the College campus. The College has also appointed a professional team to take this project forward and risks associated in terms of project delivery are therefore deemed to be low.
- 14.5 The project therefore, once the design stage has been completed would be in a position to commence onsite around July 2021 and to be fully completed by March 2022.
- 14.6 The final delivery programme for the scheme will need to be confirmed once the tender process has been completed and a contractor appointed.

15.0 RECOMMENDATIONS

- 15.1 It is hereby recommended that the GL LEP Investment Board approve Skills Capital Investment Programme Funding of £1,605,606, subject to deduction of 0.5% to provide for GL LEP's administration costs. The net amount of funding therefore being recommended for this project is £1,597,578.

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PAPER 4 - SKILLS CAPITAL INVESTMENT PROGRAMME LINCOLNSHIRE INSTITUTE OF TECHNOLOGY (HOLBEACH HUB)

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Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper provides the Investment Board with a summary of the due diligence appraisal of the Lincolnshire Institute of Technology (IoT) scheme submitted by the University of Lincoln and requests a decision with regard to progression to contracting stage.

2. BACKGROUND

- 2.1 On the 11 November 2020 the Investment Board approved a provisional allocation of £1,122,965 for this scheme to support delivery of the wider Getting Building Fund Skills Capital Investment Programme (this included £5,615 of GL LEP fees).
- 2.2 The project is one of six provisionally supported under the auspices of the Skills Capital Investment Programme.
- 2.3 The University of Lincoln's National Centre for Food Manufacturing (NCFM) is one of the key hubs within the newly formed Lincolnshire Institute of Technology (IoT). With NCFM and centres at 6 partner FE colleges across Greater Lincolnshire, the IoT specialises in supporting the skills needs of Lincolnshire's key sectors to include agri-technologies and food manufacturing, energy and engineering, with a unifying digital theme relevant to all sectors in this time of technological change and innovation. This IoT Hub building development project will be located on the Holbeach Food Enterprise Zone (FEZ), which supports the food technology sector & focuses on the agri-food supply chain and encourages inward investment.
- 2.4 The IoT brand is founded on curriculum which is research and innovation rich to provide students with the skills they need to access higher-level technical roles. As part of the University, the Holbeach IoT Hub is well placed to ensure employers and students benefit from the research excellence that resides in the University.
- 2.5 The IoT Holbeach Hub will complement the role and remit of the agri-food centre of excellence on the food Enterprise Zone, which is being developed to promote the rapid uptake of advanced technologies to ensure the agri-food sector remains competitive.

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- 2.6 GL LEP funding of last resort is being sought to contribute to the scheme due to the fact that costs have increased following discovery of unforeseen ground conditions along with the onset of the COVID pandemic, meaning that costs for delivering the scheme could no longer be achieved within the original budget agreed with the Department for Education.

3. THE PROJECT

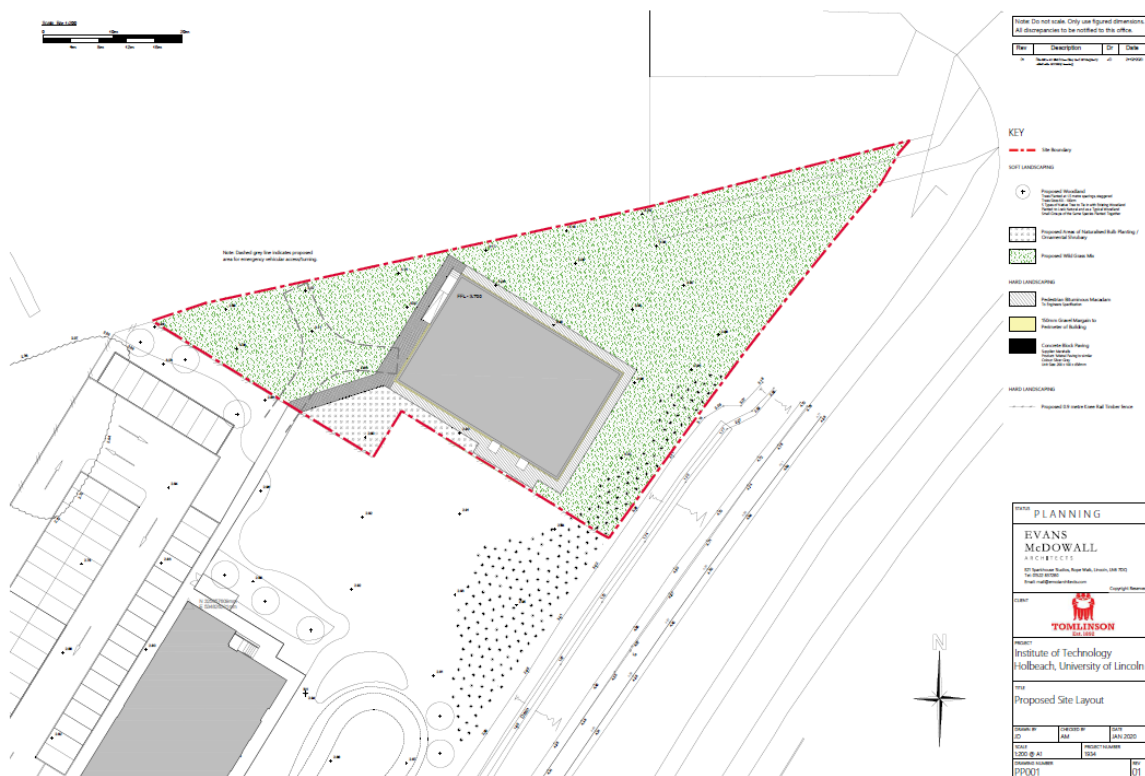
- 3.1 The Holbeach IoT Hub will train over 500 individuals on technical apprenticeship programmes over a 5 year period, and as well as advancing its existing provision, will introduce a range of new courses. The new facility will provide a specialist digital teaching space, equipped with the latest technologies and access to learning resources. Students/learners will develop skills and understanding in key digital technologies as they relate to the sector, to include the use of Sensors, Artificial Intelligence, Robotics, Machine Learning and Data Analytics by example.
- 3.2 The IoT consortium is acutely aware of the rapid pace of change in the agri-food/manufacturing sector and the courses have been developed to take account of this. This is also reflected through the design of the new build facility where the space to be developed has been specifically configured to accommodate the rapidly changing technical specifications connected with higher level technical training. The equipment will also be capable of adaptation and reorientation to take account of technological change and ensure skills gaps can be met in response to this.
- 3.3 The project would work with businesses and partners to enable new technologies in the supply Chain through the provision of appropriately developed staff. The wider IoT partnership is critical not only in developing and harnessing these relationships , but also to ensure that the design of the building can be adaptable to meet the changing needs of industry.
- 3.4 The activity at the IoT Holbeach Hub complements the activity at NCFM, it does not duplicate it. The NCFM is the UK's leading Centre for skills development in food technology, food manufacturing and food engineering apprenticeships with provisioning running from level 2 up to level 7 and is delivered in partnership many leading food businesses including Coca-Cola, Princes, Branston, Nestle, Tesco, Bakkavor, Moy Park.

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3.5 The Holbeach IoT Hub will provide:

- A new facility comprised of specialist digital teaching space, equipped with the latest technologies and access to learning resources. Students/learners will develop skills and understanding in key technologies as they relate to the sector
- New facilities to enable skills development in digital manufacturing technologies specifically for the sector to be advanced through the development of new courses and the embedding of digital skills into the existing curriculum
- Training for over 500 individuals over the 5 year period and as well as advancing its existing provision will introduce a range of new courses at Level 4 and 5

3.6 The project's proposed layout on the Holbeach FEZ is shown in the diagram below. It would be positioned adjacent to the agri- food Centre of Excellence building.



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4. FUNDING

- 4.1 LEP grant funding would be spent on the gap funding needed to allow the capital investment of the Holbeach IoT Hub to go ahead. Costs have increased due to unforeseen groundworks costs, which has meant that original funding allocations can no longer cover the full capital costs of the project. Due to Covid-19 the University does not have any capital reserves to use to support this project, although its commitment and support of this strategically important scheme will be met through the long-term revenue support & strong industry led partnership they remain committed to.
- 4.2 Overall project Costs will include site preparation, professional fees, building & construction, furniture, external building signage, ICT infrastructure, and non-recoverable VAT.
- 4.3 The project requires £2,569,714 of capital to be fully delivered with a Getting Building Fund allocation of £1,122,965 contributing to the construction works, and £5,615 being retained by the LEP from the provisional scheme allocation towards GL LEP fees leaving a net grant contribution of £1,117,350.
- 4.3 Match funding of £1,446,979 will come from the Department for Education (DfE) and has been secured under the IoT programme.

5. OUTPUTS

- 5.1 Due diligence has identified that the overall the package of outputs delivered by the scheme is considered to provide good value for money and the project is considered to be of high strategic value to Greater Lincolnshire.

- 5.2 The curriculum plan for the IOT can be summarised as:

		Standard	Underpinning course
New	Level 7	Strategic Leader	MSc in Strategic Leadership for the Food & Drink Industry
Existing	Level 6	Food & Drink Technical Professional DA	BSc Hons Food Science & Technology
Existing		Manufacturing Manager Food Pathway	BSc Hons Food & Drink Operations & Manufacturing Management
Existing		Manufacturing Manager Food Pathway	BSc Food & Drink Operations & Supply Chain Management
Existing		Manufacturing	BSc Hons Agri-food

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		Manager Food Pathway	Supply Chain Management
New		Advanced Food Engineer	BEng Hons in Food Engineering
Existing	Level 5	Diploma for Leaders & Managers	FdSc in Food & Drink Operations & Manufacturing Management
Existing		Diploma for Leaders & Managers	FdSc in Agri-produce & Supply Chain Management
Existing		Diploma for Leaders & Managers	FdSc in Food Science & Technology
New		Food & Drink Engineer	BEng in Food Engineering
New	Level 4	Hygiene Manager	Bespoke Qualification

Existing	Level 3	Food Technologist	Diploma in Food Technology
New		Supply Chain Practitioner FMCG	Diploma in Supply Chain
Existing		Food & Drink Advanced Process Operator	Diploma
New		Team Leader	Diploma for Leaders and Managers

5.3 The following outputs and outcomes would be delivered by this scheme:

- 12 jobs created
- £1,446,979 Public Sector Investment Leveraged
- 458 sqm Commercial floorspace refurbished/constructed and occupied
- 240 businesses assisted to improve performance
- 9 updated/modernised curriculums or courses
- 36 brand new curriculums/training courses
- 445 learners as a result of this project securing jobs in a priority sector

6. PROJECT MILESTONES

6.1 The milestones that apply to the delivery of the project are:

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- Detailed design commissioned - the University confirm that RIBA stage 4 will commence upon approval of funding from GL LEP and will take around six weeks to complete.
- Detailed design completed - end February to mid-March.
- Planning approval confirmed - Mid March 2021.
- Procurement process issued - contract award by April/May 2021.
- Project start on site - spring 2021.
- Project completion date - autumn/winter of 2021.

7. DEMAND AND NEED

- 7.1 The food processing sector and related food chain is the largest sector in the local economy. However, the GLLEP region faces significant challenges and investing in food processing productivity and workforce skills will help to address these issues, it will create higher value, higher skilled jobs which will benefit the local indigenous workforce. Focusing on food chain productivity and automation will have the dual impact of growing the food technology cluster itself at the same time as supporting the competitiveness and growth of the food sector.
- 7.2 Significant research was undertaken in the submission of the IoT application to DfE which drew on a number of published local and national research reports to include the outcomes from the Local Area Review of Further Education provision in Greater Lincolnshire, Midlands Engine Skills Strategy and the GLLEP's Employment and Skills Board Action Plan as well as extensive local intelligence gathered from the 6 partners colleges, the University Technical College and the University in developing the IoT application. A full assessment of need was carried out by the DfE as part of the IOT original bidding process.

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8. RISK ANALYSIS AND DELIVERABILITY

8.1 The main risks associated with this project can be summarised as follows:

Risk	Owner	Probability	Impact	Mitigation	Condition of funding Yes/No
Match funding is not secured	Project Director	Low	High	Match-funding is secured through the IoT capital fund	No - the package is in place.
Failure to obtain necessary planning permissions and consents	University Director of Estates	Low	High	The FEZ site is subject to a fully approved Local Development Order by the Planning Authority (South Holland District Council) and has already has a masterplan and associated works developed.	Yes - if there are any issues with planning permission not being in place, the University is to confirm the position - Pre-contract.
Project takes longer to design and build	University Director of Estates	Medium	High	The University has delivered a range of large-scale capital build projects within the last 2 years. These have included the Isaac Newton Building, Cygnet Wharf and the Sarah Swift Building (a £126M build programme). The University has a proud record of achieving 'on-time and on-budget' capital build programmes. As a result, the University's Estates team have immediate experience and a group with the required expertise to deliver this project build within	No - subject to ongoing monitoring by GL LEP

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				the time period described.	
Project costs higher than anticipated	University Director of Estates	Medium	High	The capital costs are at current prices based on the extensive experience of the capital build delivery team. The University has recently completed construction of £126M build on the campus and the construction costs from these projects have been used as a base for the figures provided. Quantity surveyors will work alongside the project architects through the design phases to ensure costs do not exceed budget. The Estates team have experience of achieving construction efficiencies, if required, during the build process should costs increase during this period.	Yes - pre-drawdown. The University to confirm that the scheme as proposed can be delivered either through budget management or the University agreeing to underwrite additional costs.
Low uptake of facilities and services	Project Director	Low	High	Research, as previously detailed, has indicated strong unmet demand for the project and suggests that take up of the services delivered through the capital build will be a low risk issue. Should demand be lower than anticipated the University	No - subject to ongoing monitoring with GL LEP.

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				will devote additional resources to marketing the services to a wider audience	
Loss of key staff	Project Director	Medium	High	As a large institution the University anticipates a churn of staff within key areas and has developed procedures to ensure continuity of business. The project development and delivery teams will form a project steering group (Client Review Group) as shown in the project milestones to ensure that information and experience is effectively archived	No - subject to ongoing monitoring with GL LEP.

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9. COMMENTS FROM THE ACCOUNTABLE BODY

- 9.1 This is an important project as part of the overall Food Enterprise Zone development and with initial design complete, match funding package secured and land in the ownership of the university is deemed highly deliverable within the timeframes of the programme. We note the next milestone detailed design to RIBA stage 4 and final planning approval and the other contract conditions and support the recommendation.

10. CONDITIONS OF CONTRACT

- 10.1 The due diligence assessment has identified the following conditions to be satisfied as part of any Getting Building Fund approval:

Pre-Contracting

- Written confirmation from the University that they will be responsible for meeting any cost overruns so as to ensure the scheme can be delivered as proposed

Pre-Drawdown

- The University to confirm that full planning permission has been secured for the IoT Holbeach Hub
- An updated programme to be provided for the delivery of this scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme
- A copy of the report on tenders and lowest tender to be provided

11. RECOMMENDATION

- 11.1 It is recommended that the GL LEP Investment Board approves Skills Capital Investment Programme Funding of £1,122,965 subject to deduction of 0.5% to provide for GL LEP fees, leaving a net amount of Getting Building Fund grant funding towards this project of £1,117,350.



**Greater Lincolnshire Local Enterprise Partnership
Due Diligence Assessment**

In Respect of

Skills Capital Investment Programme

For

**Lincolnshire Institute of Technology (Holbeach Hub)
Holbeach Food Enterprise Zone (FEZ)
Peppermint Junction
Holbeach
Lincolnshire**

**21st December 2020
Paper 4.1**

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APPENDICES

- I. BUSINESS CASE AND SUPPORTING DOCUMENTATION

1.0 PROJECT SUMMARY AND PLANNING STATUS

The Project

- 1.1 The Food Enterprise Zone (FEZ), also known as Peppermint Park, is currently in delivery by Lincolnshire County Council (LCC) working in partnership with South Holland District Council (SHDC) and the University of Lincoln.
- 1.2 To date, two separate applications for funding have previously been submitted by LCC to GL LEP for the first two phases of development and have been approved. The Phase 1 scheme provided an onsite spine road and services, now being completed, with Phase 2 works being further onsite roads and infrastructure currently under construction.
- 1.3 The servicing of the Phase 1 land was to enable the initial establishment of the FEZ, including the development of the Centre of Excellence in the agri-food sector, which is currently in delivery by the University and anticipated to complete by spring next year.
- 1.4 The University of Lincoln have now submitted a detailed Business Case seeking funding under the Skills Capital Investment Programme for the Lincolnshire Institute of Technology (IoT) Holbeach Hub. The scheme is being delivered to enable the training of over 500 individuals on technical apprenticeship programmes over a five year period, along with advancing existing provision of education through introducing a range of new courses at level 4 and level 5.
- 1.5 The new facility is anticipated to cost in the region of £2,569,714 to deliver, with funding sought from GL LEP of £1,122,965.
- 1.6 The Holbeach Hub will be located at the heart of the largest cluster of agri-food businesses in the UK. As such the Hub will enable the University to build its capability within advanced digital skills in Lincolnshire's food manufacturing sector. Provision of training and skills will provide the industry with the expertise required to drive innovation and enhance productivity, which are critical to the future success and sustainability of the sector. Students will develop skills and understanding in key digital technologies including the use of sensors, artificial intelligence, robotics, machine learning and data analytics.
- 1.7 The completed centre will form part of an integrated network of prestigious centres for skills development located across Greater Lincolnshire, which have been set up to meet higher level scientific and technical skills needs of Lincolnshire's key sectors.
- 1.8 The IoT Holbeach Hub will compliment (and not duplicate), the role and remit of the agri-food centre of excellence, which is being developed to promote the rapid uptake of advanced technologies to ensure the agri-food sector remains competitive.
- 1.9 Specifically, the Holbeach Hub will provide 458 sq m of space, primarily comprising interconnected digital learning areas, library and social learning area, offices and ancillary space; funding from GL LEP is to contribute towards site preparation and construction costs, ICT infrastructure, fitout of the building and associated professional fees.
- 1.10 GL LEP funding is being sought due to the fact that costs have increased following discovery of unforeseen ground conditions along with the onset of the COVID

pandemic, meaning that costs for delivering the scheme could no longer be achieved within the original budget.

- 1.11 Once completed, the facility will operate to provide 36 new training courses developed in response to sector specific industry needs, along with nine updated courses to reflect the changing skills needs within the priority sectors. Details of all courses to be provided from the Hub are detailed in the table below;

		Standard	Underpinning course
New	Level 7	Strategic Leader	MSc in Strategic Leadership for the Food & Drink Industry
Existing	Level 6	Food & Drink Technical Professional DA	BSc Hons Food Science & Technology
Existing		Manufacturing Manager Food Pathway	BSc Hons Food & Drink Operations & Manufacturing Management
Existing		Manufacturing Manager Food Pathway	BSc Food & Drink Operations & Supply Chain Management
Existing		Manufacturing Manager Food Pathway	BSc Hons Agri-food Supply Chain Management
New		Advanced Food Engineer	BEng Hons in Food Engineering
Existing	Level 5	Diploma for Leaders & Managers	FdSc in Food & Drink Operations & Manufacturing Management
Existing		Diploma for Leaders & Managers	FdSc in Agri-produce & Supply Chain Management
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New		Food & Drink Engineer	BEng in Food Engineering
New	Level 4	Hygiene Manager	Bespoke Qualification
Existing	Level 3	Food Technologist	Diploma in Food Technology
New		Supply Chain Practitioner FMCG	Diploma in Supply Chain
Existing		Food & Drink Advanced Process Operator	Diploma
New		Team Leader	Diploma for Leaders and Managers

- 1.12 In addition to the above, new apprenticeship programmes will be developed in response to demand and standards as they become available, including for example the Level 6 agriculture/horticulture professional advisor apprenticeship, which is currently under development. In addition, a suite of new short courses not currently identified will be developed to add value to learners and their employers.

- 1.13 All of the Holbeach IoT learners will be part-time. The provision will therefore be delivered by a blended learning model, incorporating distance learning and block release to aid flexible access. All learners will be provided with a full package of support including maths and english where needed.
- 1.14 The IoT will also target people as new recruits to the sector and adult learners already employed in the sector.
- 1.15 Fundamentally, the IoT's offer has been informed by employers who are partners to the IoT and also key stakeholders who have been consulted in proposals for the Holbeach Hub.
- 1.16 Through the work undertaken with employers, the IoT Hub can integrate on and off the job training and will also support line managers and mentors to ensure that apprentices can maximise their learning opportunities both at work and in the University. The University is therefore highly experienced of the FEZ site and therefore well placed in terms of the delivery of this project.

Planning

- 1.17 SHDC secured approval from the Secretary of State for a Local Development Order (LDO), which provides a simplified planning regime to fast track the planning process for developers/occupiers in securing permission for redevelopment of plots across the FEZ.
- 1.18 The Hub building has deemed planning permission in place and therefore requires to complete the detailed design process to RIBA stage 4. Final planning permission will be required prior to being able to commence through the procurement process and start onsite, subject also to confirmation of GL LEP funding.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

- 2.1 As noted, funding from GL LEP is being sought of £1,122,965. The balance of funding for this project is from the Department for Education (DfE) of £1,446,979, which has been secured under the IoT programme.
- 2.2 The University of Lincoln will be contributing to the project through the management and operation of the Hub on completion and therefore the funding package for the delivery and operation of this building is therefore in place.
- 2.3 In terms of the fee to be deducted from the grant to cover for GL LEPS administration costs in implementing the programme, a fee of 0.5% was retained at programme level and has therefore previously been provided for from the overall allocation for the Skills Capital Programme from Government. A further 0.5% fee is to be deducted from the grant sought of £1,122,965, equating to £5,615. Therefore, the overall amount of grant available to the University of Lincoln for the project is £1,117,350.

3.0 KEY ISSUES

- 3.1 The due diligence undertaken for this project has identified very few issues given the comprehensive application and supporting documentation submitted. The queries that have been identified are detailed as follows;

- i. State Aid advice had not been provided for the scheme. The applicant subsequently provided the DfE Capital Funding Agreement (CFA) that is for the Institute of Technology proposal. Annex 1 of this document identifies all the IoT members involved in this initiative, including the University of Lincoln. The State Aid clause states that as the capital grant is being provided to support the delivery of technical education as part of the National Education Scheme, that funding to the IoT does not constitute State Aid.
- ii. Timescales for completing the detailed design to RIBA stage 4 was also queried. The applicant has confirmed that the detailed design stage will take around a six week period to complete and will commence upon the approval of Capital Skills Programme Funding for this scheme.

3.2 No further issues were identified in relation to this project.

4.0 STRATEGIC FIT

4.1 The project has strong strategic fit, which are summarised as follows;

- i. The Greater Lincolnshire Industrial Strategy.

This strategy identifies that the GL LEP area faces significant challenges with productivity and low wages. If the county economy was performing at national average, it would result in an increase of 45% of the total economy. A major part of GL LEP economy is centred around agri-food, engineering and manufacturing sectors.

The LIS identifies the need for future proofing the food industry through skills innovation and adoption of technology. This project therefore directly supports the skills needs of the agri-food sector, whilst the IoT partnership ensures that good practice in digital skills development will be shared across other key sectors of manufacturing, energy and engineering with digital skills being the unifying theme relevant to all sectors.

- ii. The Strategic Economic Plan 2014 – 2030.

This project links directly the SEP's five priority strands, including a location for investors as it will enhance investment interest in South Lincolnshire along with generating a direct positive impact on the LEP through supporting employment and employees within the sector.

- iii. The Greater Lincolnshire Local Enterprise Partnership Agri-Food Sector Plan 2014 – 2020.

Recognises the benefits that are created through having the UK's largest and most progressive food sectors and associated supply chain.

The plan concluded that there is a need for investment in existing clusters, with a focus on delivering higher productivity through greater investment in innovation, research and skills development.

This project clearly supports this objective.

- iv. South East Lincolnshire Local Plan Strategy and Policy Development Plan

Holbeach is identified as a main service centre, designated to continue to provide significant housing, employment and commercial development in order to effectively service the surrounding rural area. The FEZ and development on it clearly support these strategic objectives.

5.0 MARKET ASSESSMENT

- 5.1 The development and implementation of the FEZ has been underpinned by extensive research and feasibility undertaken over a number of years, which has now seen the initial development of the first phases of the scheme along with the new University Centre of Excellence, currently in delivery.
- 5.2 The development of the subject scheme is also embedded within the Lincolnshire IoT, which operates across Lincolnshire being delivered in partnership with colleges and a wide range of industrial partners including Bakkavor and OAL Group.
- 5.3 In terms of research and evidence to support the subject scheme, in Greater Lincolnshire, Agri-food is 18% of the employment base, compared to 3% nationally. This sector is rapidly expanding with 64% growth in GVA from 2010-2017 along with 14% growth in jobs.
- 5.4 The need for this project within the GL LEP region has been identified due to research, which has demonstrated low levels of GVA per head compared to other LEP's within the country and with average salary being 18% lower than national averages. Furthermore, over 25% of employees are paid less than the living wage foundation recommend and a much greater proportion of the workforce are lower skilled and less qualified than the national average.
- 5.5 The area in South Lincolnshire where the IoT Holbeach Hub is to be based, is the most concentrated point for the agri-food sector. Agri-food is also the fastest growing sector within South Lincolnshire representing 42% of local employment and 38% of local GVA.
- 5.6 In the UK, the post Brexit Agricultural Bill and the proposed National Food Strategy will prioritise a more sustainable and productive agri-food supply chain and improvements in health are poised to fundamentally change the face of UK agriculture and food production.
- 5.7 Evolving policies within the EU and internationally, are committed to achieving the United Nations sustainable development goals for food security, which have heightened in importance following the COVID-19 pandemic and are driving the need for transformational research and innovation within the sector. This transformation will be dependent on access to a pool of a highly skilled workforce.
- 5.8 It is intended therefore that this project as part of the wider FEZ, will be critical in helping to build a more resilient economy, which can respond quickly to the needs of businesses and communities within which they operate. Strong partnership working with industry as well as key public sector stakeholders will help to ensure that the IoT stays responsive to future gaps in skills shortages.
- 5.9 Modelling recently undertaken by the University, has also identified that the creation of 2000 new high skilled jobs, will offset the need for 10,000 low skilled jobs, thus reducing the need to continually recruit migrant workers. This alone should yield a

productivity gain of £130 million per annum to the industry and help to future proof the workforce by matching skills to needs of local industry.

- 5.10 More recently, publications from food sector bodies have also been utilised to inform the plan for the National Centre of Food Manufacturing and the Food and Drink Sector Councils review in 2019. These reports highlight the threat from other sectors where more highly refined technical jobs will attract a greater proportion of the available workforce into job opportunities that are better paid. These sectors are already experiencing a reduction on the migrant workforce, which has been in decline since the UK's withdrawal from the EU.
- 5.11 Finally, the University has engaged with employers throughout Lincolnshire through curriculum working groups and an invitation to become involved within the IoT. The results from the engagement with partners has gained unanimous support for the project and need to address the skills gap and strive forward the technological advancement of the sector. Those employers supporting the IoT include;
- Siemens
 - Asda
 - Tulip
 - Sainsburys
 - Anglian Water
 - BOC Linde
 - Manor Fresh
 - Agri and Pilgrim Foods
- 5.12 This project is therefore based on detailed research and engagement with employers and is therefore deemed to be wholly in accordance with market and economic conditions.

6.0 DEVELOPMENT APPRAISAL

- 6.1 A development appraisal has not been prepared for this scheme, on the basis that funding is being sought to deliver a new educational facility as opposed to a traditional commercial investment, which would be let and then sold with the motivation primarily for profit.
- 6.2 A high-level review has been undertaken of the costs estimated for the delivery of this building and note that these have been prepared by an independent consultancy team appointed by the University, utilising intelligence obtained from the ongoing delivery of the Centre of Excellence, which has been through a competitive tendering process.
- 6.3 Whilst it is noted that the scheme is yet to complete the detailed design stage, the Hub has been designed to RIBA stage 3. This level of detail based upon cost information from the tendering of the Centre of Excellence, means that costs included within this application should be relatively realistic.
- 6.4 It is also confirmed that the University have secured the land that is required for the delivery of the Holbeach Hub by way of a 999 year lease with a premium paid. Therefore, there are no other identified costs that would be likely to be incurred in the delivery of this scheme.

- 6.5 It is however, recommended as a condition of investment that the University provide a copy of the report on tenders and lowest tender to demonstrate that the scheme can be delivered as proposed within budget.

7.0 DELIVERABILITY AND PROGRAMME

- 7.1 The programme for the delivery of this Hub confirms that the initial design stage has been completed, planning permission is deemed to be in place and the match funding package is also in place.
- 7.2 As previously noted, the land is in the ownership of the University and therefore the next milestone to be achieved will be completion of detailed design to RIBA stage 4 and final planning approval. This is anticipated to take a period of six weeks from approval of GL LEP funding, meaning this could be completed by February 2021.
- 7.3 Assuming that the procurement process is issued in March 2021 and takes until May 2021, the project could commence in June/July 2021 with practical completion being achieved early in 2022. It is noted that the construction stage for a building of this size is considered to be relatively short; however, the University confirm that this will be a modular design and will therefore be delivered at pace.
- 7.4 It is also noted that the delivery programme for the scheme and milestones are now somewhat out of date and are required to be provided in an updated programme for delivery of the scheme and drawdown of funding.
- 7.5 It is hereby recommended as a condition of investment that an updated delivery programme for the scheme is provided once the tender process has completed and a contractor is in place, at which time the programme for the scheme can be finalised.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 State Aid advice has been provided by the University in the form of correspondence received from the DfE in relation to the Institute of Technology proposal and overall capital grant. The correspondence from the DfE confirms that capital grant funding being provided to support the delivery of the IoT comprises technical education and is part of the national education system. It is therefore the view of the DfE that the recipients of the grant will not be engaging in economic activity, meaning that the provision of capital grant does not constitute State Aid.
- 8.2 It is confirmed that the University of Lincoln are recorded formally as members of the IoT proposal as recipients of funding, which has deemed to be State Aid compliant.
- 8.3 Based on the information provided therefore, it is considered that the project receiving funding from GL LEP for educational purposes will not constitute State Aid.

9.0 PROCUREMENT

- 9.1 The project will be procured in accordance with the University's Procurement Strategy to ensure value for money and full compliance with public sector procurement legislation and practice.

- 9.2 The procurement of this scheme will be undertaken utilising the DfE construction framework. This framework is set up for the construction of schools predominantly but is open to the University and higher education facility. The framework has three value bands with the IoT Holbeach fitting into the low value band.
- 9.3 The East Midlands Lot has five contractors within it and two have confirmed that they will be bidding for this scheme.
- 9.4 We are advised that the procurement process has now formally commenced with tenders due to be returned within the next few weeks.
- 9.5 On the basis of the framework being proposed for the delivery of this project, there are no further issues identified in relation to procurement.

10.0 OUTPUTS AND VALUE FOR MONEY

- 10.1 The outputs identified to be delivered by this project are summarised in the table below;

6. Forecast Outputs							
6.1 Output Profile							
	2017/18	2018/19	2019/20	2020/21	2021/22	Future Years	Total
i) Core Outputs (Strategic							

Economic Plan)							
Public Investment Leveraged (£)				466,038	931,913	49,028	1,446,979
Number of new Jobs Created (gross)			1	1	4	6	12
ii) Local Strategic Outputs							
Commercial floorspace refurbished/constructed and occupied (sqm)					458		458
Number of brand new curriculums/training courses			4	2	12	20	36
Number of updated/modernised curriculums or courses			9				
Number of learners as a result of this project securing jobs in a priority sectors			35	50	60	300	445

10.2 Based upon the outputs, the value for money for the outputs is summarised below as follows;

- i. Public sector investment leveraged £1,446,979, equates to a ratio of 1:1.29. It is noted that this falls below a standard benchmark for investment leveraged of 1:2; however, as this is public investment in an educational facility, this is nonetheless important as it reduces reliance on the programme funding from GL LEP.
- ii. Jobs created – twelve jobs at a cost per job of £93,580. This is also in excess of standard benchmarks for job creation of £15,000; however, jobs created is not a primary output for the Skills Capital Programme for this project and comprises part of a wider package of outputs.
- iii. 458 sq m of floorspace constructed at a cost of £2,452 per sq m. This is also in excess of DfE benchmarks for educational space; however, the cost of delivering the IoT Hub is reflective of the high quality and specification of the building and is therefore justified in terms of a cost in this regard.
- iv. 36 new curriculum/training courses at a cost of £31,193 per course. This is considered to be reasonable value for money.
- v. 9 updated courses at a cost of £124,774. Whilst this cost is considered to be on the high side, it is required to be considered as a package of outputs and not as a primary output for this scheme.
- vi. 445 learners securing jobs in priority sectors. This is a cost of £2,523 per learner, which is considered to be good value for money.

10.3 Based upon the extensive package of outputs that will be delivered by the Holbeach Hub, and that overall, the project delivers good value for money,

investment in this project is justified. In addition, the importance of the Hub as part of the IoT initiative, other outputs that will be delivered and the co-location of the Hub on the FEZ next to the Centre of Excellence, further support delivery of the Holbeach Hub as an important project for the FEZ.

11.0 MILESTONES

11.1 The key milestones associated with the delivery of this project are as follows;

- Detailed design commissioned – the University confirm that RIBA stage 4 will commence upon approval of funding from GL LEP and will take around six weeks to complete. Assuming that approval is granted by the GL LEP Investment Board in mid-January, the detailed design for the scheme would be completed by end February to mid-March.
- Planning approval confirmed – Mid March 2021.
- Procurement process issued – the University have confirmed that this commenced in August 2020, however will be required to be completed once the detailed design has been concluded. The applicant stated that the procurement contracts could be awarded in December 2020, this is unlikely to be achievable given that the stage of detailed design and the GL LEP funding will not have been awarded at this time. A more realistic programme for the scheme is therefore considered to be a contract award by April/May 2021.
- Project start on site – the applicant stated that this would be achievable by March 2021; however, given the timescales noted above, this is considered unlikely to be achievable. A start onsite is therefore not anticipated to be realistic until at least spring 2021.
- Project completion date – the applicant previously stated the scheme would be completed by August 2021, given that this was a modular design. This also is not considered realistic or achievable with completion likely to be in the autumn/winter of 2021.

11.2 Given that the milestones and programme provided by the applicant is now out of date, it is recommended as a condition of funding that an up-to-date programme for delivery of the scheme be provided to demonstrate both project delivery and drawdown of GL LEP funding.

12.0 RISK ASSESSMENT

12.1 The risk assessment prepared for this project is detailed in the table below;

Risk	Owner	Probability	Impact	Mitigation	Condition of funding Yes/No
Match funding is not secured	Project Director	Low	High	Match-funding is secured through the IoT capital fund	No – the package is in place.
Failure to obtain necessary planning permissions and consents	University Director of Estates	Low	High	The FEZ site is subject to a fully approved Local Development Order by the Planning	Yes – if there are any issues with planning permission not being in

				Authority (South Holland District Council) and has already has a masterplan and associated works developed.	place, the University is to confirm the position - Pre-contract.
Project takes longer to design and build	University Director of Estates	Medium	High	The University has delivered a range of large-scale capital build projects within the last 2 years. These have included the Isaac Newton Building, Cygnet Wharf and the Sarah Swift Building (a £126M build programme). The University has a proud record of achieving 'on-time and on-budget' capital build programmes. As a result, the University's Estates team have immediate experience and a group with the required expertise to deliver this project build within the time period described.	No – subject to ongoing monitoring by GL LEP
Project costs higher than anticipated	University Director of Estates	Medium	High	The capital costs are at current prices based on the extensive experience of the capital build delivery team. The University	Yes – pre-drawdown. The University to confirm that the scheme as proposed can be delivered

				<p>has recently completed construction of £126M build on the campus and the construction costs from these projects have been used as a base for the figures provided. Quantity surveyors will work alongside the project architects through the design phases to ensure costs do not exceed budget. The Estates team have experience of achieving construction efficiencies, if required, during the build process should costs increase during this period.</p>	<p>either through budget management or the University agreeing to underwrite additional costs.</p>
Low uptake of facilities and services	Project Director	Low	High	<p>Research, as previously detailed, has indicated strong unmet demand for the project and suggests that take up of the services delivered through the capital build will be a low risk issue. Should demand be lower than anticipated the University will devote additional</p>	<p>No – subject to ongoing monitoring with GL LEP.</p>

				resources to marketing the services to a wider audience	
Loss of key staff	Project Director	Medium	High	As a large institution the University anticipates a churn of staff within key areas and has developed procedures to ensure continuity of business. The project development and delivery teams will form a project steering group (Client Review Group) as shown in the project milestones to ensure that information and experience is effectively archived	No – subject to ongoing monitoring with GL LEP.

12.2 The University have not identified any major risks in terms of delivery of this project; however, confirmation will be required that once the project has completed the detailed design and competitive tendering process, that the scheme can proceed as proposed and in accordance with the funding that has be secured.

13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

13.1 The following conditions are recommended to be attached to any offer of funding to the College as follows;

- i. The University to confirm that full planning permission has been secured for the IoT Holbeach Hub – pre-drawdown condition.
- ii. An updated programme to be provided for the delivery of this scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme - pre-drawdown condition.
- iii. A copy of the report on tenders and lowest tender to be provided – Pre-drawdown condition.

- iv. Written confirmation from the University that they will be responsible for meeting any cost overruns so as to ensure the scheme can be delivered as proposed - pre-contract.

14.0 CONCLUSIONS

- 14.1 The Lincolnshire IoT is currently delivering an integrated network of prestigious centres for skills development located across Greater Lincolnshire, in order to meet the higher level scientific and technical skills need of labour within Lincolnshire's key sectors.
- 14.2 The Holbeach IoT is an important component of the overall Lincolnshire IoT and is the next important development on the Holbeach FEZ, being delivered to compliment the delivery of the Centre of Excellence, under construction of the FEZ, which will be an education and research facility in agri-food technologies.
- 14.3 The Holbeach IoT will deliver specialist digital teaching space, equipped with the latest technologies and access to learning sources. Ultimately the Hub is to deliver training for over 500 individuals over a five year period, along with advancing provision to introduce a new range of courses at level 4 and 5.
- 14.4 The scheme has been designed to RIBA stage 3 with stage 4 to be commissioned upon an approval funding from GL LEP.
- 14.5 As the scheme has a deemed planning permission in place under LDO following redevelopment on the FEZ, subject to final approval being obtained, completing the detailed design process and procuring a contractor, the scheme should be ready to proceed in spring/summer 2021.
- 14.6 The final delivery programme for the scheme will need to be confirmed once the tender process has been completed and a contractor appointed.

15.0 RECOMMENDATIONS

- 15.1 It is hereby recommended that GL LEP Investment Board approve Skills Capital Investment Programme Funding of £1,122,965, subject to the deduction of a 0.5% fee of £5,615 to provide for GL LEP administration costs. The total amount of grant therefore available to the applicant for delivery of this project is £1,117,350.

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PAPER 5 - SKILLS CAPITAL INVESTMENT PROGRAMME

THE CARE CORE: CENTRE OF REGIONAL EXCELLENCE FOR CARE

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Item Subject:	Skills Capital Investment Programme due diligence appraisal – The Care CoRE: Centre of Regional Excellence for Care, Boston College					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper provides the Investment Board with a summary of the due diligence appraisal of The Care CoRE: Centre of Regional Excellence for Care scheme proposed by Boston College and requests a decision with regard to progression to contracting stage.

2. BACKGROUND

- 2.1 On the 11 November 2020 the Investment Board approved a provisional allocation of £414,500 for this scheme to support delivery of the wider Getting Building Fund Skills Capital Investment Programme (this included £2,073 of GL LEP fees).
- 2.2 The project is one of six provisionally supported under the auspices of the Skills Capital Investment Programme.
- 2.3 The Health and Social Care sector employs over 58,000 people in Greater Lincolnshire and contributes over £2billion per annum to the economy. According to 'Skills for Care', across England 1.52m people work in social care with the workforce growing on average by 15,000 jobs per year over the last 5 years. This scheme would help to ensure that Lincolnshire can respond to the increasing need for care services, but with innovative approaches, harnessing technology and maximising and enhancing the skills of those currently in the sector and those who, in the future, choose to devote their careers to caring for others.

3. THE PROJECT

- 3.1 The Care CoRE would be an innovative, multi-functional training centre for the sector, focusing on improving digital skills at all levels to support the introduction of additional technology within the caring roles as well as developing practical care skills alongside reinforcing the sector's values and behaviours. The Centre would work with the existing National Centre for Rural Health and Care, to prioritise a holistic approach to the provision of health and social care, promoting the introduction of assistive technology to support more people living at home for longer, reflecting the shift from centralised to individualised care in the home and community.
- 3.2 The creation of a dedicated industry-leading training suite for the key priority sector of health and social care would support the delivery of both new and enhanced training offers to cater for the increased interest in caring careers post-COVID. There has been a huge upsurge in demand for careers in health and social care as a result of the work done by and profile afforded to the sector during the Covid-19 pandemic.
- 3.3 In particular the project would:
- Improve the skills and talents of the current and future workforce across levels 1 - 5, providing recognised progression pathways into higher education; meeting a

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key priority for Greater Lincolnshire by increasing the number of people qualified to level 4 and above.

- Provide a key training centre for Health and Social Care World Skills participants.
- Support a key strategic sector and national priority.
- Support business growth through access to resources and advice as well as continuous professional development.
- Improve the digital skills of the population by providing access to the latest technology and through showcasing the power of virtual technology in supporting those needing care.

3.4 The scheme would be located within the College's Rochford campus which is accessible from Boston town centre. The space would have to be re-roofed and the windows replaced to make it watertight and to increase energy efficiency, a lift would be installed to provide accessibility to all, and the space would be reconfigured to provide suitable accommodation for a modern training centre. The scheme would include purchasing of the necessary equipment and technology to ensure the latest approaches to care are demonstrated and employer partners would be involved throughout the process to ensure that the latest developments could be included in the design.

3.5 Specific activities identified that would be taken forward by the project are:

- Showcase an FE provider and employers working together for the benefit of the local, regional and national economy
- Create capacity to engage further with local schools in addressing the Care agenda and directly linking it to local and regional employment needs and opportunities
- Showcase an FE provider and employers working together to attract more young people into this priority growth sector by providing an updated vision of the sector and its possibilities
- Enable local, regional and national businesses to access training to meet their skills needs and enable them to grow, increase productivity, create more jobs and add value to the local economy
- Increase the number of apprentices and the range of apprenticeships that are offered which will benefit local employers
- Establish a technical skills centre for excellence in Boston which would provide a regional and national offer and help to establish the county's reputation in this sector, working in partnership with World Skills
- Allow the College to work with more businesses to meet their current and future skills needs thus ensuring that there is a sufficiently skilled and well-trained workforce in the county
- Create a supportive environment for new businesses to thrive

3.6 The potential provision of a World Skills training centre as a result of the Care CoRE's development would further enhance the status of Greater Lincolnshire as a leader in Health and Social Care, ensuring additional benefit for the area from this investment. It would provide opportunities to share best practice and maintain training standards across the region, with the nearest training centres currently being in Birmingham, Yorkshire and London.

3.7 The use of the latest digital technologies throughout the CoRE would ensure a continued excellent face to face training offer but would also enable extension of the virtual training introduced during lockdown to provide flexible solutions to employers across South Lincolnshire and beyond.

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4. FUNDING

- 4.1 LEP grant funding would be used to install a lift to Care CoRE and to contribute towards the remodelling of the space available to provide an industry standard clinical ward and a realistic working environment for social care including a kitchen, bathroom and bedroom to model supported living. LEP funding would also allow investment in the latest technological solutions and innovations in the sector, ensuring our training is future proofed including the provision of virtual and augmented reality, apps, and smart technologies such as fridges, motion sensors and remote monitoring capabilities.
- 4.2 The project requires £736,500 of capital to be fully delivered with a Getting Building Fund allocation of £414,500 contributing to the remodelling works, and £2,073 being retained by the LEP from the provisional scheme allocation towards GL LEP fees leaving a net grant contribution of £412,427.
- 4.3 Match funding of £322,000 will come from the Department for Education (DfE) Further Education Capital Allocation. In addition, Boston College will be investing around £50,000 of revenue funding to cover the costs of initially operating the new suite post practical completion. The College has confirmed that all required match funding is in place and the GL LEP investment is therefore funding of last resort.

5. OUTPUTS

- 5.1 Due diligence has identified that the overall the package of outputs delivered by the scheme is considered to provide excellent value for money.
- 5.2 The curriculum plan can be summarised as:

Course Title	Level	
Diploma in Introduction to Health, Social Care & CYP Settings Level 1	1	Existing
Extended Diploma in Health and Social Care	2	Existing
National Diploma in Health and Social Care	3	Existing
BTEC Diploma in Adult Care (England) Level 3	3	Existing
BTEC Diploma in Adult Care (England)	4	Existing
Diploma in Leadership for Health & Social Care & Children & Young People's Services	5	Existing
Diploma in Leadership and Management for Adult Care	5	Existing
Access to the Care Sector	1	New
Essential Digital Skills	1	New
Diploma in Care (vocational)	2	New
Award in Employment and Personal Learning Skills in Health	2	New
Clinical Health Care Diploma	2	New
Managing Assistive Technology	2	New
Award in Supporting Individuals with Learning Disabilities	2	New
Certificate in the Principles of Cyber Security	2	New
Managing Assistive Technology	3	New
Clinical Health Care Diploma	3	New
Certificate in Care and Management of Diabetes	3	New
Managing Assistive Technology	4	New
Apprenticeship Standard Adult Care Worker	2	Existing
Advanced Apprenticeship Standard Lead Adult Care Worker	3	Existing
Higher Apprenticeship Advanced Practitioner in Adult Care	5	Existing
Higher Apprenticeship Standard Leader in Adult Care	5	Existing

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Advanced Apprenticeship Lead Practitioner in Care	4	New
Advanced Apprenticeship in Clinical Health Care	3	New

5.3 The following outputs and outcomes would be delivered by this scheme:

- 31 jobs created
- £50,000 Private Sector Investment Leveraged
- £322,000 Public Sector Investment leveraged
- 480 sqm floorspace refurbished training/learning facilities
- 240 businesses assisted to improve performance
- 18 updated/modernised curriculums or courses
- 7 brand new curriculums/training courses
- 1400 additional learners on additional courses within key priority sectors
- 240 learners as a result of this project securing jobs in a priority sector

6. PROJECT MILESTONES

6.1 The milestones that apply to the delivery of the project are:

- Initial feasibility and scheme design completed - April 2021.
- Detailed design completed - May 2021.
- Procurement process issued - May 2021.
- Procurement contracts awarded - June 2021.
- Project start date - June 2021.
- Project completion date - August 2021.
- Start of core activity - September 2021.

7. DEMAND AND NEED

- 7.1 Lincolnshire is an accelerator site within the NHS England programme to build closer linkages between the Voluntary and Community Sector and the Sustainability and Transformation Partnerships as they move towards the development of Integrated Care Systems. The purpose of the accelerator site is to drive improvements and change and will support the development of the county as a national exemplar. This project will provide the training facilities to support this aim.
- 7.2 NHS Long Term Plan - identifying workforce challenges and committing to the digital provision of services. This supports the reconfiguration of the space in the CoRE to ensure that the college are able to provide appropriate training to meet the requirements of the service of the future. <https://www.longtermplan.nhs.uk/>
- 7.3 Improved facilities would enable the College to offer new and more courses at all levels, but in particular at Level 3 and 4 to meet the needs of employers and expand the progression to Higher Education. These new courses will include a focus on cognitive, nutritional and emotional wellbeing and palliative care alongside all of the existing mandatory and essential units and skills.
- 7.4 Consultation with local and national employers, as well as Skills for Health and Skills for Care has highlighted that the college's training resources are no longer relevant to the care being provided in homes and domiciliary services locally. Staff and students have highlighted the unsuitable nature of the accommodation for health and social care provision in satisfaction and Equality and Diversity surveys as well as the College's own Condition Survey for the ESFA. This project is a specific, realistic and achievable response to the identified need.

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8. RISK ANALYSIS AND DELIVERABILITY

8.1 The main risks associated with this project can be summarised as follows:

Risk	Owner	Probability	Impact	Mitigation
Delayed Funding Approval	Project Team	L	H	Defer project until funds are available
Not completing to programme and in line with funding requirements	Project Team	L	H	Consider funding conditions in Project Execution Plan. Contractor to monitor their programme and update frequently. Any delays are to be mitigated by managing the programme where possible.
Discovery of unexpected issues during renovation works	Project Team	M	H	Contingency time and budget including the project plan
Non-conformance to client's requirements	Project Team	L	H	Design information to be reviewed and quality will be inspected on site.
Delayed client decision making	Project Team	L	M	Contractor to notify the Client of key 'decision required by' dates and Client is to respond within timescales. Challenges in meeting timescales are to be raised at the earliest opportunity.
Disruption to staff and students during the works (i.e., noisy works)	Contractor	L	H	Noisy disruption to be minimised where possible by undertaking works over the summer break. Contractor to notify the College if there is intended to be any particularly noisy works.
Accidents/ dangerous occurrences on site	Contractor	L	H	Contractor to maintain a high level of H&S management on site and report any incidents.
COVID-19 outbreak of local lockdown	College	M	M	The College has successfully managed existing projects throughout the national lockdown. Some delay to the project completion will be inevitable in this scenario, Robust risk assessments are in place to allow the College to reopen to staff, students and contractors. The same risk management protocols will be followed on this project.

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9. COMMENTS FROM THE ACCOUNTABLE BODY

- 9.1 We are supportive of the scheme and recommendations within the paper but note the tight timeframes identified in the Due diligence and the need to engage with Architects to complete the design on the project. Given the smaller amount of funding being requested and the experience of Boston College the risk is low.

10. CONDITIONS OF CONTRACT

- 10.1 The due diligence assessment has identified the following conditions to be satisfied as part of any Getting Building Fund approval:

Pre-Contracting

- The College are to confirm that they will be responsible for meeting any additional/unforeseen costs associated with the delivery of the project, so as to enable the scheme to proceed as currently proposed.

Pre-Drawdown

- An updated programme to be provided for the delivery of the scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme. This is also relevant given the current lockdown restrictions and whether the proposed programme is affected in this regard.
- A copy of the report on tenders to be provided for the scheme, to provide a final cost for the scheme, demonstrating that it can be delivered as proposed within the due diligence report.

11. RECOMMENDATION

- 11.1 It is recommended that the GL LEP Investment Board approves Skills Capital Investment Programme Funding of £414,500 subject to deduction of 0.5% to provide for GL LEP fees, leaving a net amount of Getting Building Fund grant funding towards this project of £412,427.



Greater Lincolnshire Local Enterprise Partnership

Due Diligence Assessment

In Respect of

Skills Capital Investment Programme

For

**The Care CoRE
(Centre of Regional Excellence for Care)
Boston College
Skirbeck Road
Boston**

**8th January 2021
Paper 5.1**

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APPENDICES

I	BUSINESS CASE AND KEY SUPPORTING DOCUMENTATION
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1.0 PROJECT SUMMARY AND PLANNING STATUS

The Project

- 1.1 A detailed Business Case has been submitted by Boston College for Skills Capital Investment Programme Funding, for the refurbishment of an existing vacant floor within a building within the college campus. The refurbished floor will create a dedicated industry leading training suite to support the delivery of new and enhanced training courses within the health and care sector. The Care CoRE has been designed to hone into and promote workforce training in cognitive, nutritional and emotional wellbeing techniques and strategies as well as palliative care.
- 1.2 The Centre will also be equipped with the latest digital technology, which will be applied to help transform services within adult social care to improve the quality of care experience for service users, as well as targeting human resources where they are most effective.
- 1.3 Digital applications will also be used for triage, developing and monitoring care plans and the interconnectivity of services, all of which are seen as a key aspect of future care provision. Supporting the existing workforce with the introduction of this new technology will be essential along with highlighting the innovation and development within the healthcare sector to new entrants. The Care CoRE will therefore provide the latest technology and working environment to inspire the future workforce and encourage long-term commitment to the sector.
- 1.4 The refurbishment of the existing building will incorporate the following works;
 - Works to replace the roof to enable that this is waterproof and weathertight.
 - Replacement of single glazed windows with new double glazed casing units.
 - Installation of a lift to provide full access to the Care CoRE on the second floor of the existing building.
 - Remodelling of the space to provide an industry standard clinical ward and realistic working environment.
 - Provision of a working environment for social care including a kitchen, bathroom and bedroom to model supported living.
 - Installation of latest digital technological solutions and innovations within the health care sector, including provision of virtual and augmented reality, apps, smart technologies such as fridges, motion sensors and remote monitoring capabilities.
 - Purchase of all necessary equipment once the refurbishment and remodelling works have been completed.
- 1.5 The completed facility will be the only further education based health and social care provider within a 30 mile radius.
- 1.6 Boston College are working with the National Centre for Rural Health and Care to also promote the introduction of assistive technology to support more people living at home for longer, reflecting the shift from centralised to individualised care in the home and community.
- 1.7 The Care CoRE will also compliment the work of other providers and work closely with other hubs and centres of excellence in the County and beyond. In particular, the College's Health and Social Care Manager is a member of the Health and Social

Care LEP Board, ensuring the development will be integrated within the University of Lincoln, NHS development, including the STP's and the local authorities.

- 1.8 Specifically, the courses that will be provided at the Care CoRE are summarised as follows;

Course Title	Level	Existing or New
Diploma in Introduction to Health, Social Care & CYP Settings Level 1	1	Existing
Extended Diploma in Health and Social Care	2	Existing
National Diploma in Health and Social Care	3	Existing
BTEC Diploma in Adult Care (England) Level 3	3	Existing
BTEC Diploma in Adult Care (England)	4	Existing
Diploma in Leadership for Health & Social Care & Children & Young People's Services	5	Existing
Diploma in Leadership and Management for Adult Care	5	Existing
Access to the Care Sector	1	New
Essential Digital Skills	1	New
Diploma in Care (vocational)	2	New
Award in Employment and Personal Learning Skills in Health	2	New
Clinical Health Care Diploma	2	New
Managing Assistive Technology	2	New
Award in Supporting Individuals with Learning Disabilities	2	New
Certificate in the Principles of Cyber Security	2	New
Managing Assistive Technology	3	New
Clinical Health Care Diploma	3	New
Certificate in Care and Management of Diabetes	3	New
Managing Assistive Technology	4	New
Apprenticeship Standard Adult Care Worker	2	Existing
Advanced Apprenticeship Standard Lead Adult Care Worker	3	Existing
Higher Apprenticeship Advanced Practitioner in Adult Care	5	Existing
Higher Apprenticeship Standard Leader in Adult Care	5	Existing
Advanced Apprenticeship Lead Practitioner in Care	4	New
Advanced Apprenticeship in Clinical Health Care	3	New

- 1.9 The training courses to be provided at the Care CoRE are as a direct result of consultation with the Health Care Sector, NHS Trust, University and Care providers within Boston, South Holland and East Lindsey. The training courses to be provided at Boston College will therefore meet an identified gap in skills level provision as required by industry and also enable a pathway onto higher education at the University.

- 1.10 In addition, the centre will;

- Showcase an FE provider to employers working to benefit the local, regional and national economy and in seeking to attract more young people into this priority growth sector in order to address skills shortages and hard to fill vacancy rates.
- Create the capacity to engage further with local schools in addressing the care agenda.

- Enable local, regional and national businesses to access training to meet their skills needs.
 - Increase the number of apprentices and the range of apprenticeships that are offered, which will benefit local employers.
 - Establish a Technical Skills Centre for Excellence in Boston, providing a regional and national offer and to help establish the county's reputation in this sector, working in partnership with World Skills.
 - Allow the College to work with more businesses to meet their current and future skills needs, helping to ensure that there is a sufficiently skilled and well trained workforce within the County.
- 1.11 Upon completion of the Care CoRE, Boston College will be solely responsible for the operation and providing the range of courses previously identified to be offered.
- 1.12 The project requires the appointment of architects to undertake the detailed design of the scheme. Architects have been identified for the scheme and they are due to be appointed on 7th January 2021.

Planning

- 1.13 The College has confirmed that as the scheme is the refurbishment and remodelling of the internal space on the second floor within an existing building on the college campus, that planning permission is not required.
- 1.14 Currently, the initial design for the scheme has been completed, with the architect responsible for concluding the detailed design to be appointed on 7th January 2021. Once the detailed design has completed around March 2021, the scheme can proceed to the competitive tender stage with a start on site anticipated April 2021 and practical completion by August 2021.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

- 2.1 Funding being sought from GL LEP is £414,500.
- 2.2 Total capital costs are £736,500 with the balance of funding of £322,000, already secured from the Department for Education (DfE) Further Education Capital Allocation.
- 2.3 In addition, Boston College will be investing around £50,000 revenue funding presenting the costs of initially operating the new suite post practical completion.
- 2.4 The College have confirmed that all required match funding is in place and the GL LEP investment is therefore funding of last resort.
- 2.5 There is a deduction of £2,073 to contribute towards GL LEP fees, hence the grant available to be awarded to this project is £412,427.

3.0 KEY ISSUES

- 3.1 The due diligence undertaken for this project has identified a small number of issues and queries, which have been raised with the College. The queries raised and responses provided are summarised below;

- i. Wider strategic impacts of the project to be provided in further detail – This is detailed fully within the Strategic Fit section of this report.
- ii. Updated position in relation to detailed design – This has been covered in Section 1 above.
- iii. Confirmation of completing the detailed design process and obtaining realistic costings – This has been provided and is detailed within Section 6 of this report.
- iv. Match funding provision – This has been confirmed as being secured and is therefore no longer an issue.
- v. Planning status – Confirmation issued that planning permission is not required.
- vi. State Aid compliance – A separate report has been provided and this is detailed further within this due diligence report.
- vii. Delivery timescales and associated milestones – This information was provided within the detailed Business Case and is detailed later within this due diligence report.
- viii. Expected outputs and outcomes being delivered broken down annually, including supporting information as to how they have been determined – This has also been provided within the detailed Business Case and is addressed within Section 10 of this report.

3.2 No other issues have been identified in relation to this project.

4.0 STRATEGIC FIT

4.1 The project has been identified to have strong strategic fit, which is summarised as follows;

- i. GL LEP Strategic Economic Plan (SEP) – One of the key issues presented within the SEP was the community through its engagement with GL LEP has identified skills gaps, which present a number of different challenges, ranging from difficulties with being able to find the right skills within the local labour market, inability to recruit and retain experienced, higher level and technical skilled workers from other areas, a lack of interest to work in a particular sector and being unable to access training for their workforce.

The Health and Care sector is identified as a priority sector within the SEP and in parallel to this it is recognised that there is a need to enhance future education and skills investment within Greater Lincolnshire, so as to address the challenges identified by the business community.

Therefore, projects which provide education and training in collaboration with key stakeholders and the labour market fits with the established priorities within the SEP.

The subject project proposes to provide new and enhanced courses and training in order to meet some of the identified skills gaps within the Health and Care sector and to help provide a local labour force with the capability to meet the increasing unfilled vacancies within the Health and Care sector. Ultimately this

should help to provide an expanded labour market, which will be better equipped to meet the growth in jobs in this sector.

Finally, the Care CoRE aligns with the GL LEP's stated priorities for the Health Care sector being;

- Developing apprenticeships in a wide range of adult training programmes to improve access to employment opportunities in the sector.
 - Supporting the availability and development of leadership and management/supervisory roles and entrepreneurial skills offers.
- ii. Skills Advisory Panel Report, August 2020 – This report established that care workers and home carers are in the top five vacancies by occupation in every single district across Lincolnshire and more often than not are in the top three. Furthermore, in order for businesses to fill these roles, there must be greater support provided within the resident and business communities and within schools and colleges in order to raise their skills levels and to understand the career opportunities that are available. Businesses also need to be encouraged to invest in intermediate and high level skills in order to support career progression and create new entry level employment opportunities.

In parallel with this, it is essential that training environments are fit for purpose, are inspiring and encouraging aspiration to engage with employers and the existing workforce as well as potential recruits. The proposal for the Care CoRE is for a training centre that wholly supports all of these requirements.

- iii. The Local Industrial Strategy (LIS) – The LIS includes a visionary cross cutting priority to equip people in Greater Lincolnshire to transition into a changing working environment and to take advantage of the opportunities the County has to offer. To achieve this, support will be provided to students and adults to progress their qualifications and technical knowledge to level 3 and 4 and beyond, along with partnering local businesses to assist and develop and retrain their existing workforce, to adapt to disruption and changes in technology, global competition and new working practices.

Of particular relevance to the Health and Care sector is developing augmentation, automation and digital advancement. These are the areas that the Health and Care sector need to focus on as latest working practices at the forefront of evolving technologies.

Through the facilities, equipment, training and education that will be provided within the Care CoRE, the project will wholly meet the priorities of the LIS.

- iv. South East Lincolnshire Local Plan – The Local Plan has been produced for all of the authorities within South East Lincolnshire including Boston, which is identified as a sub-regional centre. The policy of the plan therefore requires economic growth to be focused within these higher tier settlements with this growth to take place in the most sustainable locations, ensuring that better access between housing, jobs and services is promoted.

Boston is therefore identified to accommodate at least 3,800 new jobs and in order to accommodate this growth, a suitably skilled local labour force will be required to be provided.

The Care CoRE project within Boston therefore supports the policies of South East Lincolnshire's Local Plan.

- v. NHS England Programme and Long Term Plan – The strategies of the NHS identify Lincolnshire as an accelerator location within the overall programme with a focus on building closer linkages between the voluntary and community sector, and the sustainability and transformation partnerships as they move towards the development of integrated care systems. The purpose of the accelerator is to drive improvement and change that will support the development of the County as a national exemplar. The Care CoRE project will provide the training facilities to support delivery of this aim.

In terms of the long-term plan, identifying workforce challenges and committing to the digital provision of services is a key strategic aim. The Care CoRE supports this strategy through the provision of appropriate education and training space along with facilities within the centre.

- 4.2 It is also recognised that the Care CoRE project supports the strategies of a number of other organisations and employers within the Health Care Sector, that recognise the need to upskill and retrain their existing workforce along with taking on new recruits, however, are encountering difficulties with this given the skills gap prevalent throughout the County.

5.0 MARKET ASSESSMENT

- 5.1 The College has undertaken significant research in order to gather an evidence base upon which to prepare proposals for the subject scheme.
- 5.2 The College has had regard to a number of published research papers, studies and surveys in order to gather an evidence base, upon which to design the Care CoRE project and these are summarised briefly as follows;

- i. The CBI/Pearson Skills Survey November 2018 – The results of this survey identified that around 79% of businesses are expected to increase the number of highly skilled roles over the coming year and over two thirds of these are concerned that there will be a lack of sufficiently skilled people to fill these roles.

The report also goes on to highlight that 48% of businesses expect to need more people with intermediate level skills and that 85% of businesses are intending to maintain or increase their investment in training in the years ahead in order to ensure that they have a suitably skilled workforce. In addition, 62% of firms expect to retrain at least some of their employees to take up new roles with 60% of businesses reporting that the introduction of new technologies or services are the key driver behind the need to retrain their employees.

- ii. GL LEP's Area Review of Post 16 Education in Greater Lincolnshire – This report showed that demand for skills both locally and nationally, is likely to be concentrated in higher level occupations than is currently the case, that locally there will be falling demand for lower level skilled jobs. Studies have shown that around 35% of Greater Lincolnshire residents aged 25-39 have a level qualification of 4 or above compared to 48% nationally. In addition, Boston has the lower percentage of people qualified to level 4 and above in Lincolnshire along with the lowest proportion of people completing apprenticeships within the County.

- iii. Skills for Care Workforce Data 2020 – The key findings of this survey were that the number of people working in adult social care was estimated to be 1.52 million. The number of adult social care jobs in England at 2019/2020 was estimated at 1.65 million. Therefore, there is a significant shortfall in positions filled in order to meet the requirement of around 38,000 establishments across the country. Forecasts are for vacancy rates to escalate in accordance with ongoing growth projections in the Health and Care sector. In support of this, the forecast trend is that the number of adult social care jobs will increase by 32% (520,000) to around 2.17 million jobs by 2035.
- 5.3 Along with undertaking the review of published research, Boston College have engaged directly with key stakeholders and employers in order to understand current skills gaps and educational needs in going forward in order to enable that the existing workforce can be retrained, school leavers and graduates retained to the area. This direct engagement has established that there are deficiencies in the supply of suitably skilled workforce within the health and care sector both within Boston and the wider Lincolnshire area.
- 5.4 Employer and stakeholder engagement have been undertaken with the following parties;
- NHS Lincolnshire Clinical Commissioning Group.
 - World Skills.
 - National Centre for Rural Health and Care.
 - Boston Borough Council.
 - Lincolnshire Care Association.
 - Abbeygate Moulton Rest Home.
 - Welland and Glen Home Care Limited.
 - Direct Personnel Agency.
- 5.5 The Care CoRE project is therefore directly in accordance with the education and training needs identified by engagement with the above organisations.
- 5.6 Therefore, the primary and secondary research undertaken by the College to underpin demand and need for the project has been justified based upon the findings of the College's research.

6.0 DEVELOPMENT APPRAISAL

- 6.1 A development appraisal for this scheme has not been undertaken on the basis that it is not a traditional property transaction, which will then be subject to a letting and investment disposal within the property market.
- 6.2 As the project forms part of the College's existing campus and will be retained for educational and training purposes, a brief review has been undertaken as to how costs have been estimated as part of this funding application and whether these costs are considered to be reasonable and realistic at this stage.
- 6.3 It is noted that as of yet this scheme has not completed the detailed design stage and an architect to undertake this process is due to be appointed on 7th January 2021.
- 6.4 The detailed costings for the scheme have been provided by the College's Estates Team. This is based upon detailed knowledge and previous surveys undertaken in

relation to the 1970s built block, which has identified that a new roof is required along with replacement windows.

- 6.5 The College's Estates Team have significant experience in remodelling of the College's existing space within the campus to allow for new activity and development of existing buildings. This experience from previous developments have been utilised in the preparation of the application.
- 6.6 An asbestos survey was undertaken in respect of the whole campus a number of years ago and it was recorded that this block had no asbestos within it. A more detailed survey will be undertaken of the specific block prior to any works being carried out; however, asbestos is not anticipated to be a problem.
- 6.7 In terms of the costs for remodelling the space internally, again costs have been estimated by the College's Estates Team based upon previous projects, noting that internal modelling works are fairly limited.
- 6.8 In addition, further advice and information has been obtained from site management specialists and contractors on the MultiQuote framework so as to ensure that some indicative costs have been obtained to inform overall costs for delivering the scheme.
- 6.9 The College's Specialist Health and Social Care Delivery Team are involved in this project and are utilising their expertise within this sector to identify best suppliers for the necessary kit and equipment for the fitout of the building and therefore have a good understanding of costs in this regard.
- 6.10 Ultimately, once the detailed design for the scheme has been concluded, this will be subject to a competitive quotation process for the component elements of the scheme to ensure that value for money is achieved and that the programme can be delivered within budget.
- 6.11 It is recommended however, that given the early stage of this project that the College confirm that if costs are higher than currently budgeted for that they will underwrite any shortfall so as to enable the scheme to proceed, proposed within their application.

7.0 DELIVERABILITY AND PROGRAMME

- 7.1 An indicative programme for the delivery of the project has been provided within the Business Case, which has been prepared with the input of site management specialists in order to inform timescales for completing the scheme.
- 7.2 The programme for the delivery of the scheme anticipates all feasibility work being completed by April 2021, with the architect completing the detailed design by May 2021.
- 7.3 At this point, the procurement process can commence with the award of contracts anticipated in June 2021, with an immediate start on site at this time.
- 7.4 The project will therefore be completed by August 2021, with commencement of core activity at the beginning of the academic year in September 2021.
- 7.5 Clearly the above programme allows little room for slippage and timescales for delivery of the scheme are ambitious; however, it is anticipated that some of the

works to the roof and to replace the windows may well commence in advance of the programme provided.

- 7.6 Furthermore, the application was submitted prior to the national lockdown being imposed and it is not known whether this will impact on the proposed delivery of the scheme. This matter requires to be clarified by the College and an updated programme to be provided.
- 7.7 It is therefore recommended however, that an updated programme for the delivery of the scheme in its entirety and drawdown of funding is provided, once the scheme has completed the competitive tender process for each of the component parts.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 State Aid advice has been provided by Hemingway Solicitors on behalf of Boston College and their report dated November 2020.
- 8.2 The State Aid advice has considered whether the project in applying for public funds is capable of giving rise to unlawful State Aid, along with an assessment of the risk of unlawful State Aid.
- 8.3 The findings of the State Aid report are that providing that the use of public funds will be to meet the costs of providing public education organised within the national education system, funded and supervised by the state, that this will be considered as non-economic activity under commission communication 2012/C8/02.
- 8.4 Furthermore, providing that any higher education being provided is not being financed entirely by students will not constitute State Aid. Given the overriding costs of providing education at the College will far exceed any revenues generated, any charges for any education and training facilities provided will be far less than the total cost of operating the facility. The provision of training services and education, even where a price is charged for this is not therefore considered to constitute State Aid.
- 8.5 The state aid advice also clarifies that certain activities of universities and research organisations fall outside of the gambit of State Aid rules. This concerns the primary activities of organisations, namely;
- Education for more and better skilled human resources.
 - The conduct of independent research and development for more knowledge and better understanding, including collaborative research and development and the dissemination of research results.
- 8.6 The Commission has also clarified that technology transfer activities including licencing, spin off creation or other forms of management of knowledge created by the research organisation are non-economic, where these activities are of an internal nature and all income is reinvested in the primary activities of the organisations concerned.
- 8.7 Therefore, the conclusion of the state aid advice is that on the assumption the project will be embodied in a binding grant funding agreement that the College will not be classed as an economic undertaking that unlawful state aid will not arise.

9.0 PROCUREMENT

- 9.1 It is confirmed that the delivery of the project in its entirety will be procured by individual components being tendered for such as the roof works, replacement windows and lift installation.
- 9.2 Separate contractors may be utilised for the internal remodelling works, with all of the equipment being purchased by way of competitive quotations being sought from the existing specialist supplier network.
- 9.3 The College confirm that they follow public sector procurement guidelines, supported by its own financial regulations in the letting of contracts and purchasing of equipment.
- 9.4 As referred earlier, the College use the MultiQuote framework to ensure that the College's financial regulations are met and best prices are obtained for all work and required resources.
- 9.5 It is therefore recommended as a condition of investment, that the College provides copies of all quotations obtained for the various components of the project and confirm that all suppliers have been approved on the basis of best value and in accordance with procurement/financial regulations.

10.0 OUTPUTS AND VALUE FOR MONEY

- 10.1 The outputs anticipated to be deliverable by this scheme are detailed in the table below;

Forecast Outputs							
	2021/22	2022/23	2023/24	2024/25	2025/26	Future Years	Total
i) Core Outputs (Strategic Economic Plan)							
Public Sector Investment Leveraged (£)	322,000						322,000
Private Sector Investment Leveraged (£)	50,000						50,000
Number of New Jobs Created (gross)	1+5 Apprentice-ships	5 Apprentice-ships	5 Apprentice-ships	5 Apprentice-ships	5 Apprentice-ships	5 Apprentice-ships	31
ii) Local Strategic Outputs							
Number of businesses assisted to improve performance	40	40	40	40	40	40 per year	240

Number of learners supported within and for priority sectors	200	220	240	260	280	200 per year	1,400
Number of brand new curriculums/training courses	1	2	1	1	1	1 per year	7
Number of updated/modernised curriculums or courses	8	2	2	2	2	2 per year	18
Number of learners as a result of this project securing jobs in a priority sector	35	38	40	42	45	45	245
iii) Others (please list)							
Refurbished training/learning facilities	480						480

10.2 Based upon the outputs, the value for money of the scheme is assessed to be as follows;

- i. Public Sector Investment Leveraged – Funding from the DfE at £322,000 equates to a leverage ratio of 1.29:1. It is noted that this falls below a standard benchmark for investment leverage of 1:2; however, as it is public investment in educational facilities it is nonetheless important as it reduces reliance on Skills Capital Funding Programme from GL LEP.
- ii. Private Sector Investment Leveraged - The initial investment from the College into this project is estimated at £50,000 of revenue funding. This therefore equates to a leverage ratio of 8.29:1. Whilst this also falls below the standard benchmark of 1:2, it is noted that private sector investment in educational institutions that are run on a not for profit basis, do not attract high levels of private sector investment and is not therefore deemed to be a value for money issue. Also, the primary remit of the Skills Capital Funding Programme is to generate new curriculums and learning opportunities as opposed to investment leverage.
- iii. New Jobs Created – Estimated at 31 although this primarily relates to apprenticeships. The cost of this is £13,371, which falls below the standard benchmark of cost per job of £15,000.
- iv. Number of Businesses Assisted to Improve Performance - at 240 equates to £1,727 per business which is excellent value for money.
- v. Number of Learners Supported - at 1,400 equates to £296 per learner, which is excellent value for money.

- vi. Number of new Curriculums/Training Courses – at 7 equates to a cost of £59,214 per course, which is considered to be reasonable value for money.
- vii. Number of Updated/Modernised Curriculum/Course – at 18 equates to £23,028 per course, which is good value for money.
- viii. Number of Learners securing jobs in a Priority Sector – 245 at a cost of £1,692 per learner, which is very good value for money.
- ix. Refurbished Training/Learning Facilities – 480 sq m at a cost of £864 per sq m, which falls below the DfE benchmark for providing learning facilities and is therefore excellent value for money.

10.3 Based upon the extensive package of outputs that will be delivered as part of this project overall, this scheme is considered to provide excellent value for money.

11.0 MILESTONES

11.1 Key milestones presented for the delivery of this project are as follows;

- Initial feasibility and scheme design completed – April 2021.
- Detailed design completed – May 2021.
- Procurement process issued – May 2021.
- Procurement contracts awarded – June 2021.
- Project start date – June 2021.
- Project completion date – August 2021.
- Start of core activity – September 2021.

11.2 Whilst it is understood that the milestones provided for the delivery of this project have been subject to input from project management specialists, it is considered that timescales for delivery of this project are relatively short. It is therefore, recommended that a detailed programme for delivery of the project in its entirety is provided once all of the component elements have been subject to competitive tender process.

11.3 The application was also submitted prior to the current national lockdown restrictions being imposed and a review of project delivery in view of these latest circumstances is required.

12.0 RISK ASSESSMENT

12.1 The key risks identified with the delivery of this project are detailed in the table below;

Risk	Owner	Probability	Impact	Mitigation	Condition of Funding Yes/No
Delayed Funding Approval	Project Team	L	H	Defer project until funds are available	No – As all match funding is in place and it is only the GL LEP funding that requires to be

					secured.
Not completing to programme and in line with funding requirements	Project Team	L	H	Consider funding conditions in Project Execution Plan. Contractor to monitor their programme and update frequently. Any delays are to be mitigated by managing the programme where possible.	No – As this will be subject to ongoing monitoring by the GL LEP Scheme.
Discovery of unexpected issues during renovation works	Project Team	M	H	Contingency time and budget including the project plan	Yes – The College to confirm that any cost overruns will be met by the College so as to ensure the project can be delivered as proposed.
Non-conformance to client's requirements	Project Team	L	H	Design information to be reviewed and quality will be inspected on site.	No
Delayed client decision making	Project Team	L	M	Contractor to notify the Client of key 'decision required by' dates and Client is to respond within timescales. Challenges in meeting timescales are to be raised at the earliest opportunity.	No
Disruption to staff and students during the works (i.e., noisy works)	Contractor	L	H	Noisy disruption to be minimised where possible by undertaking works over the summer break. Contractor to notify the College if there is intended to be any particularly noisy works.	No
Accidents/dangerous occurrences on site	Contractor	L	H	Contractor to maintain a high level of H&S management on site and report any incidents.	No
COVID-19	College	M	M	The College has	No

outbreak of local lockdown				successfully managed existing projects throughout the national lockdown. Some delay to the project completion will be inevitable in this scenario, Robust risk assessments are in place to allow the College to reopen to staff, students and contractors. The same risk management protocols will be followed on this project.	
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- 12.2 On the basis that the Care CoRE project is not considered to constitute major works or be complex in nature, no major risks have been identified with the project at this time. The primary risk therefore, relates to costs increasing over the current budget and the mitigation measure recommended for this is that the College confirm in writing that they will meet the costs of any increases so as to enable the scheme to be delivered as proposed.

13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

- 13.1 The following conditions are recommended to be attached to any offer of funding to the College as follows;
- i. The College are to confirm that they will be responsible for meeting any additional/unforeseen costs associated with the delivery of the project, so as to enable the scheme to proceed as currently proposed – pre-contract condition.
 - ii. An updated programme to be provided for the delivery of the scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme. This is also relevant given the current lockdown restrictions and whether the proposed programme is affected in this regard. – pre-drawdown condition.
 - iii. A copy of the report on tenders to be provided for the scheme, to provide a final cost for the scheme, demonstrating that it can be delivered as proposed within this due diligence report – pre-drawdown condition.

14.0 CONCLUSIONS

- 14.1 The project proposed by Boston College is to provide a dedicated industry leading training suite for the key priority sector of Health and Social Care, to deliver both new and enhanced training offers in order to meet a current identified skills gap along with attracting new entrants to this sector. A higher and more appropriately skilled

workforce is required to be able to meet the forecast growth in jobs and address the immediate issues of hard to fill vacancies.

- 14.2 The Care CoRE will provide the latest technology and working environment to inspire the future workforce and encourage a long-term commitment to the sector.
- 14.3 Boston College are already leading the way in successfully supporting the Health and Care sector for over thirty years, previously setting up the Care Academy to develop managers as well as introducing new courses and training methods with courses from Level 1 upwards. Many learners going through the College have progressed from further education to university every year to study nursing, midwifery and paramedic training.
- 14.4 The ambition of this project is high to create a world skills regional training centre with the Care CoRE focusing on health and social care, promoting Lincolnshire to become the regional and national centre for best practice and advancing careers in this sector. The College's commitment to World Skills is clearly shown in its support for learners every year, resulting in a Gold Medal award in 2018.
- 14.5 It is acknowledged that the scheme is yet to complete the feasibility and detailed design stage; however, the works required to deliver this scheme are not complex and primarily relate to replacement roof and windows, installation of a lift and some internal remodelling. Planning permission is also not required for the scheme and therefore delivery of this project should be relatively straight forward.
- 14.6 The feasibility and design work to be undertaken to bring this scheme forward to a stage when the works could be undertaken on site are estimated to be around May 2021. Given the current lockdown position, albeit the construction industry is still being permitted to undertake works, will hopefully not delay the implementation of this scheme. Clearly this will need to be monitored over time and with the current roll out of the vaccination programme.

15.0 RECOMMENDATIONS

- 15.1 It is hereby recommended that the GL LEP Investment Board approve Skills Capital Investment Programme Funding of £414,500, subject to conditions noted in Section 13 of this report. This includes £2,073 of GL LEP fees, hence the grant awarded directly to the applicants would be £412,427.



Date: 8th January 2021

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