

Greater Lincolnshire Skills Capital Investment Fund 2017 – 2021

SPECIFICATION

The Greater Lincolnshire LEP is seeking proposals for capital projects that will result in an increase in the talent pool that employers can recruit from locally and an upskilled workforce within its six priority sectors.

The six priority sectors are agri-food, health and care, manufacturing, visitor economy, ports and logistics, and low carbon. Projects without an impact on these sectors will not be funded. Projects that duplicate or displace existing good quality provision within an area will not be considered.

The LEP is focused on outcomes, and it seeks to reduce the number of hard to fill vacancies and skills shortages within these sectors in the Greater Lincolnshire area. Proposals will need to clearly describe the impact on one or more of the priority sectors by explaining the learning that will be delivered and the occupations that can be filled as a result.

Proposals are expected to show how training will be relevant or tailored to employers within a particular industry. For example electrical engineers within the low carbon sector in the north of the area, will require additional training to work at height, than electrical engineers within the food sector, predominantly within the south of the area. Proposals should consider current and future trends, for example the introduction of automation of manual and unskilled work that is gaining pace.

Additionally there are challenges for learners in rural and sparsely populated areas who seek types of learning that is college based, usually of a technical nature. See Figure 1 for a map of location of FE College main campus. The Area Based Review of Further Education Institution highlighted the need for a different approach to the delivery of learning to ensure that it is accessible, making use of modern technology.

The LEP will expect successful proposals to show how organisations will use their own revenue budgets to engage with a wide range of local employers, to advise and guide learners on careers and jobs within the six priority sectors and link them with employers, and report on the destination of learners once training takes place when the capital project is complete.

The Skills Capital Investment Fund

The total available fund within the Skills Capital Programme is £6.4million. All funds must be spent by 2021, and outcomes delivered by 2025. The Programme is open to eligible institutions with the Greater Lincolnshire LEP's geographic area.

Eligible institutions are post 16 colleges and approved training organisations located in the Greater Lincolnshire area and who are on the Register of Training Organisations with the Education Skills Funding Agency in the current academic year to deliver education and training.

The fund can be used for construction, (including design fees and site investigation costs), refurbishment/remodelling of existing buildings, purchase of specialist equipment, work to improve delivery and efficiency through digital technologies, including steps to improve technological infrastructure and service resilience.

The funding excludes revenue works and procuring consultants and contractors. Applicants will be expected to exclude contingency costs; general maintenance works; depreciation, amortisation and impairment of assets purchased with the help of the Grant; and any payments for activity of a political nature.

The LEP is seeking to influence skills provision and outcomes, and therefore will be looking for a balanced portfolio of projects, from smaller through to larger schemes.

The LEP is seeking to fund a range of projects through the programme and does not wish to limit ideas by establishing minimum and maximum thresholds. However, to maintain a balanced portfolio, it is suggested that the minimum project value should be £200k. Where a proposal falls below this threshold, but the applicant feels that it meets all of the criteria, they are encouraged to speak to the LEP before submitting their detailed business case.

Organisations with more than one proposal for equipment should bring them together in one application.

The LEP may hold back a proportion of funding for a second call in 2018 depending on the number and quality of bids received, and the availability of funding.

Proposals and Scoring

Applicants should provide a full business case with supporting documentation demonstrating deliverability, value for money, strategic fit, impact on sectors and skills demand and economic outputs/outcomes that will be achieved by 2025.

Proposals will show how the project contributes to delivering outcomes for priority sectors that are detailed in the LEP's Strategic Economic Plan, demonstrating clear links to meeting local employer skills need, the Area Review Evidence Base, the LEP response to the Industrial Strategy Green Paper, and any relevant outcomes of the Greater Lincolnshire Area Review.

Applicants must consider and include in their proposals the type of training that the project will result in, and how the training, (or the improved application of training or the delivery of training), is relevant within the sectors that are a priority to Greater Lincolnshire.

For example the automation of traditionally manual tasks across a range of industries will require growth in many technical level roles, and engineering skills are not only required in the engineering industry.

Where a project is proposing to fill a gap in training provision that is not obviously linked to one of the LEPs six priority sectors the proposal must clearly describe the need/occupation and impact within the business case.

Particular locations of Greater Lincolnshire have clusters of industry and therefore greater employer demand. For example agri-food, clustered predominantly in the north and south of the area, with associated logistics activity; precision engineering in Lincoln; low carbon in the north. Therefore where a proposal is outside of 'obvious' industry clusters applicants should be clear within their business case about the local demand they are meeting. Demand is not as large or obvious in rural areas but employers struggle to access technical training because they are further away from local provision of this kind.

Applicants will clearly identify within their business case:

- Strategic fit with the LEP Priority sectors as outlined in the Strategic Economic Plan, the GL LEP Area Review Evidence Base and information in this proposal
- Employer demand, training to be delivered, occupations/roles to be filled, sector impact, geographic reach
- Knowledge and understanding of other training provision already available in the surrounding area and how new provision will add value to, not displace existing provision
- How they will use their own revenue budgets to engage with a wide range of local employers, to advise and guide learners on careers and jobs within the six priority sectors and link them with employers, and report on the destination of learners once training takes place when the capital element of the project is complete
- SMART scheme objectives
- Outputs and outcomes by 2025 (highlighting how they have been calculated), being clear that these are additional or different to what is currently being delivered by your organisation
- Realistic timescales for delivery including a programme of activity
- Overall cost breakdown
- Why the project can be regarded as value for money
- Funding gap for taking forward the scheme
- Match funding secured /unsecured, including levels of borrowing required
- Planning decisions in place/outstanding (if applicable)
- Masterplan information available/ related site delivery (if applicable)
- State aid implications (if applicable)
- Land ownership confirmation (if applicable)

Match funding contributions will need to be demonstrated in all cases (2:1 and 1:1 depending on priority and need, with some flexibility for high scoring proposals).

Where applicants borrow to enable a scheme they will need to indicate that any future cost increases to the project can be fully underwritten without bringing the lead organisation into insolvency, so as not to compromise the project delivery, its projected outcomes or existing learners. A detailed, realistic and deliverable project programme is therefore required to support each application alongside supporting cash flow information.

We will expect each project to demonstrate need for the funding gap identified and there are no guarantees that schemes will be successful in securing the full amount of allocation requested.

A full due diligence appraisal will be carried out on the highest scoring projects post analysis of submissions and this stage of the process will require provision of detailed designs, tender estimates/actual tender information, and details of any highway implications.

Submission and Assessment

Business cases and any supporting information must be submitted by 31 August 2017 in order to be considered for the funding allocation. Please submit your application and any supporting documents to enquiries@greaterlincolnshirelep.co.uk

Assessment of applications will take place during September 2017 by an independent and representative group of local officers. During this stage there may be further discussion with applicants.

Further information: if you require clarification about the fund or process please contact Halina Davies halina.davies@lincolnshire.gov.uk or Clare Hughes clare.hughes@lincolnshire.gov.uk

Appendix

Additional Information

Experts forecast that there will be:

Increased demand for qualifications that are higher than those currently held by the local population across all of these sectors. This challenge is exacerbated by an ageing workforce, as skilled and experienced workers retire. Whilst this is a national challenge it is a bigger one for Greater Lincolnshire.

Fewer jobs available for those with no qualifications, particularly as the introduction of automation of manual and unskilled work gains pace. This is a UK-wide phenomenon but more acute in Greater Lincolnshire because it has a higher proportion of 16-34 year olds with no qualifications.

Increased demand for machine operatives and skilled trade occupations, and for a range of level 3 technical and associate professional technical roles, generally in those industries that are also forecasting increased demand at level 4 and above, (manufacturing, health and care, transport and logistics, accommodation and food, agriculture and food, construction and retail).

Technical Occupations

Analysis* of employer demand through advertised job vacancies during 2015/16, shows that 'technical' job vacancies ** amount to around four in ten (42%) of all of the skill-shortage vacancies in Greater Lincolnshire across all occupation groups.

**Analysis of UKCES (2016), Employer Skills Survey 2015 raw data for Greater Lincolnshire; and Burning Glass' job vacancy data for Greater Lincolnshire*

*** For the purpose of this analysis Standard Occupation Classifications (SOC) Machine Operatives, Skilled Trades and those that are technical within the Associate Professional SOC.*

In relation to Greater Lincolnshire's priority sectors the trends show demand for Skilled Trades and Associate Professional technical occupations within the care sector; Machine Operatives within the transport sector and the agricultural sector; and Skilled Trades within the manufacturing sector and visitor economy.

The challenge of filling skills trades occupations also extends to other sectors, and almost two out of three vacancies (64%) for skilled trades roles were hard to fill due to a lack of skilled applicants. This was far higher than the UK average of 43%.

A further comparison of vacancies against Level 3 FE and Apprenticeship completions (2014/15) suggests that the system is not preparing sufficient numbers of people for the following occupations: Skilled vehicle drivers, Vehicle repair technicians, Mechanical technicians, Manufacturing operatives, Engineering and planning/process/production technicians, Metal, tools and instruments manufacturing, Mechanical technicians and maintenance, Electricians and electronic trades/technicians, IT engineers and technicians, Plumbers and pipe fitters, Stock control and distribution, Medical, dental & health technicians and Chefs.

Map showing 30 minute drive time radius to main FE College campus.

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