

Forward Plan reference number: FP/AB/213

Report title: Groundworks and Scaffolding Training Centre LGF funding decision	
Report to Accountability Board on 7th June 19	
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Date: 29 th April 2019	For: Decision
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SELEP Partner Authority affected: Essex	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £100,000 LGF to the delivery of the Groundworks and Scaffolding Training Centre (the Project) at Colchester Institute (the College), Essex. This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.
- 1.2 The Business Case for the Project has been considered through the Independent Technical Evaluation (ITE) process and the Project has been assessed as presenting high value for money with medium to high certainty of achieving this.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the award of £100,000 LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

3. Groundworks and Scaffolding Training Centre

- 3.1. Complementing the existing construction training facilities, the Project aims to counter the identified barriers facing the construction sector.
- 3.2. Within Essex alone, Employment and Skills Board evidence suggests the need for 44,000 new recruits from within the Essex construction sector by 2021 and within Greater London there is already a shortfall of 40,000 skilled construction workers.
- 3.3. In Essex, there are substantial construction projects planned, including three large North Essex garden communities and associated infrastructure. This creates a number of challenges within the construction sector, including:
 - Not enough people want to pursue careers in the sector;

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- Not enough people are training;
 - Employers not investing in skills and see apprenticeships as a risk;
 - Training providers have huge challenges in attracting tutors and assessors; and
 - Training provision is not always delivering what industry needs.
- 3.4. The Project aims to address these skills challenges by developing a first-class training facility that will both engender engagement from new learners and help attract staff.
- 3.5. The Project will contribute to the achievement of the Employment and Skills Board's Construction Sector Action Group ambitions:
- To increase the construction workforce in Greater Essex by 2,400-4,800 per annum, to achieve a target of 88,500 by 2021;
 - To increase number of construction learning aims delivered in Essex from 7.3% (6,179) to 10% of all learning aims by 2021, supporting a 28% growth in learner numbers; and
 - To increase the proportion of construction apprenticeship starts from 3.5% to 10% of all apprenticeship starts by 2021, equating to an increase of 285% to 1,429 starts.
- 3.6. The Project will create self-contained training areas supporting both industry sectors with modular buildings to replicate site conditions. This will provide a fit for purpose training centre that will introduce new entrants to apprenticeships and up skill the existing workforce.

4. Options Considered

- 4.1. Colchester Institute was originally approached by several large employers frustrated by the lack of available local training supporting ground working and scaffolding.
- 4.2. This Project proposal has emerged as a key action from the employer engagement group. All members of the group are committed to providing a fit for purpose training centre replicating site conditions that will introduce new entrants to apprenticeships in these sectors and provide careers for local young talent. The employers will contribute in monetary terms £30,000 and also provide free of charge support for site design.
- 4.3. As detailed in the Project Business Case, the feasibility of long list of sites was considered by the College for the delivery of the Project. The preferred option was identified for the delivery of the Project at the main Colchester Institute campus location and for the Project to be delivered by the College directly, rather than subcontracting the delivery of the Project in its entirety.

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- 4.4. The preferred option outlined above was unanimously supported by the employer group when they attended their latest meeting held on 24 September 2018.
- 4.5. If there is no intervention then it is expected that the challenges described in 3.3 above would persist. The College is not in a position to self-fund new capital initiatives and as such the concerns raised by local employers about the lack of skilled labour will continue to present a barrier to the delivery of new homes.
- 4.6. There has been the opportunity for the public and wider stakeholders to comment on the project through the planning application processes. Given that the campus is surrounded by meadow land and a commercial development, there has been limited public interest in the planning allocation itself.

5. Project Cost and Funding

- 5.1. The total cost of the Project is estimated at £250,000, as set out in Table 1 below.
- 5.2. The College is seeking a £100,000 LGF contribution towards the delivery of the Project. The remaining cost of the Project will be met by the College and through Employer Groups.

Table 1 – Groundworks and Scaffolding Training Centre Spend Profile (£)

	2019/20	2020/21	Total
SELEP LGF	100,000	-	100,000
Colchester Institute	60,000	40,000	100,000
Employer Groups	50,000		50,000
Total	210,000	40,000	250,000

- 5.3. The match funding from the College and through Employer Groups are assured, with support already pledged by local businesses.

6. Outcome of ITE Review

- 6.1. The ITE review confirms that for the level of LGF investment sought, the assessment provided in the Project Business Case of the scheme costs and benefits go beyond that required. This has provided additional assurance that the Project will deliver Value for Money.
- 6.2. The ITE review confirms that a reasonable assessment approach has been employed, with the Skills Funding Agency methodology having been used to calculate the benefits of the scheme.

7. Project Compliance with SELEP Assurance Framework

7.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategy Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. An additionality assessment has not been completed but this would not be expected for a Project of this size.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates experience of delivering similar schemes. A risk register has been developed which provides itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	A BCR of 5.64:1 has been calculated which indicates very high value for money.

8. Financial Implications (Accountable Body comments)

- 8.1. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.

The Funding Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the decisions of the Board.

9. Legal Implications (Accountable Body comments)

- 9.1. There are no legal implications arising out of this decision. The allocation will be released to the relevant Upper Tier Authority in accordance with the terms and conditions of the SLA already in place. It will be the responsibility of the Upper Tier Authority to ensure that there is a sufficient back to back agreement in place with the College ensuring that the conditions of the SLA are reflected and formulate the basis of any agreement put in place.

10. Equality and Diversity implication

- 10.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

- 11.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 6).

12. List of Background Papers

12.1. Business Case for the Groundworks and Scaffolding Training Centre, Colchester Institute

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	24/5/19