

Report to Accountability Board	Forward Plan reference number: FP/AB/91
Date of Accountability Board Meeting:	26th May 2017
Date of report:	4th May 2017
Title of report:	Technical and Professional Skills Centre at Stansted Airport
Report by:	Louise Aitken
Enquiries to:	Louise.aitken@essex.gov.uk

1. Purpose of report

- 1.1 The purpose of this report is to seek Accountability Board (the Board) approval for the award of £3.5m of Local Growth Fund (LGF) to be devolved to Essex County Council for delivery of the Technical and Professional Skills Centre at Stansted Airport.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the award of £3.5m LGF to the Technical and Professional Skills Centre at Stansted Airport as set out in the Business Case which has been assessed as presenting high value for money with high certainty of achieving this.

3. Background

- 3.1 This report brings forward the Project for the award of £3.5m LGF to support the delivery of a Technical and Professional Skills Centre at Stansted Airport.
- 3.2 The South East Local Enterprise Partnership (SELEP) Growth Deal provisionally allocated funding to the Project. This was made up of an LGF allocation of £3.5m alongside £3.5m investment from Essex County Council, £3m gift of land from Manchester Airport Group and £480,000 equipment from Harlow College capital expenditure. The £3.5m LGF is required to complete the financial investment required to build a Technical and Professional Skills Centre at Stansted Airport by September 2018.
- 3.3 The Project has completed the development stage and approval is now sought from the Board for the funding required to complete the delivery phase of the Project.

The Project is being promoted and delivered by Harlow College and has the support of the CEO of Stansted Airport and Essex County Council, through £3.5 million contribution to the overall project.

4. Technical and Professional Skills Centre – The Project

- 4.1 Stansted is the fastest growing airport in south East England. With this growth, the major functions and career opportunities at the airport will require skills for:
- Engineering and aerospace
 - Business, logistics and finance
 - Hospitality and services industry
- 4.2 Harlow College and Stansted Airport (part of the Manchester Airport Group) are already strategic partners for the delivery of work experience and apprenticeship pipeline programmes. Harlow College also has an existing partnership with Anglia Ruskin University through the University Centre Harlow. Harlow College is well placed to deliver the skills required for growth in terms of location, expertise and existing partnerships.
- 4.3 The centre will provide training to meet current and future skills gaps (specifically science, technology, engineering, maths or STEM), aircraft maintenance and engineering; operational and plan engineering, logistics, supply chain management; higher level customer care service industries and the visitor economy. It will also address growing skills needs of the Airport, including the M11 Corridor and Harlow Enterprise Zone.
- 4.4 The centre will focus particularly on pre-apprenticeship study programmes, apprenticeships and higher level qualifications, bridging acknowledged technical gaps from level 3 to 5. This is in line with LEP and national aspirations for employer led technical and apprenticeship growth.
- 4.5 Employer demand and support has been established by Harlow College and Anglia Ruskin University and curriculum models are being established with businesses such as Ryanair, Stansted Engineering and Harrods Aviation supporting pathways into engineering. The Project will enable employers at the airport to recruit young people and adults with appropriate levels of skills to commence work.
- 4.6 The proposed site for the centre at the airport has already been identified and a feasibility study is underway. The site is easily accessible to students and well linked to local public transport. Manchester Airport Group has submitted planning approval for the site and the Leader of Uttlesford Council has indicated strong public support for the project, as is reflected on the Uttlesford Council website. In the event of any issues with the feasibility study or planning permission resulting in closure of the project, any necessary return of funding will be covered within the Grant Agreement with Harlow College and Essex County Council.

4.7 The expected impacts of the scheme include:

Positive Impacts

- Technical and Professional Skills Centre by September 2018
- 350 learners per year by July 2019 (75 apprenticeships)
- 500 learners per year from July 2020 (150 apprenticeships)
- Progression to employment or higher level training from July 2019 – 95%
- Clear support and complementing of related projects including Harlow Town Centre regeneration, Crossrail developments and highways projects including M11 junctions 8, 7 and 7a, linking to A120 expansion and the A414 improvement scheme.

Negative Impacts

- There will be temporary disturbance, primarily to airport travellers using the long stay carpark related to construction of the centre. Disruption will be kept to an absolute minimum as Stansted Airport has been involved in planning the project from the outset.
- There will be increased traffic on the Stansted Road Network including the M11 during the construction phase. Construction traffic will likely be negligible in comparison to usual traffic volumes. The following extract from the construction management plan details how construction traffic will be managed:

'Construction traffic shall enter and leave the site via Round Coppice Road. To reduce the number of heavy construction vehicles travelling through the local area, all contractors will be required to stipulate the approved construction movement route in all of their tenders and contracts to all material suppliers, sub-contractors and labour. They will also be asked to require their suppliers and sub-contractors to provide method statements regarding how this will be relayed to their workforce, with evidence on how this is communicated. The contractor will engage with the Local Authorities regarding the possibility of providing temporary advance directional signage on the approach from strategic roads to guide incoming vehicles. WDC (the contractors) will monitor, observe and record vehicle movements passing into site during the development and offer this information to the Local Authorities on request, including the number, time and type of vehicle moving into the site as well as providing an independent check on the observance of the agreed vehicle routes.'

5. Project cost and funding contributions

5.1 Following detailed design and tender, the total Project cost is £10.480m.

5.2 In addition to the LGF allocation to the Project, there are also £6.980m funding contributions from Essex County Council, Harlow College and Manchester Airport Group as set out in Table 1 below.

Table 1 Project Funding Sources

Source	Total	Description
Essex County Council	£3,500,000	Match funding
Manchester Airport Group	£3,000,000	Land gift
Harlow College	£480,000	Equipment capital expenditure
LGF	£3,500,000	LGF sought to complete project
	£10,480,000	

6. SELEP ITE Gate 2 Review

- 6.1 The SELEP Assurance Framework sets out the requirements for an Independent Technical Evaluation (ITE) review of the Business Cases for schemes seeking LGF funding.
- 6.2 The ITE review of the Project Business Case confirms that the assessment is thorough, complete and demonstrates at least a high value for money case for the Project with a high certainty of achieving this.
- 6.3 The ITE review of this Business Case has recommended approval for this project and notes that the case is clear and well considered. The ITE report notes that queries in response to their Gate 1 review have been provided and demonstrate that the need for the scheme was based on a lack of supply and significant demand for the skills provided by the facility.
- 6.4 For the full ITE Accountability report, see Appendix 1 of Agenda item 5.

7. Compliance with SELEP Assurance Framework

- 7.1 Table 3 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 7.2 The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 3 SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The ITE review notes that broader strategic fit is addressed and links to SELEP Strategic Economic Plan (SEP) and other sub-regional economic plans. The report notes that the economic demand for the facility is clearly demonstrated but links to sub-regional and national skills policy could be strengthened. SELEP Secretariat can confirm clear alignment to the strategic and sector focus of the SEP and national industrial strategy
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The Business Case defines the expected skills and job outputs/outcomes of the project in terms of: i) adult and young learners, ii) apprenticeships, iii) technical and higher level skills and iv) clear employer need and growth.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review states that the case includes detailed identification of risks and describes actions undertaken / planned to mitigate them.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		The BCR, taking into consideration optimism bias and discounted factors, equate to 3.1: 1. The ITE report states that the case has clearly demonstrated that the scheme will provide good value for money with a high level of certainty around that value for money.

8. Financial Implications (Accountable Body Comments)

- 8.1 There is an approved over-programming of the total LGF allocation in 2017/18 of just over £3m which places a risk on the total available funding required to deliver projects in this year. However, as this risk forms part of the active management of the LGF capital programme, sufficient funding is expected to be available to fund the planned spend in this financial year requested for the

Project.

- 8.2 It should be noted that whilst future year grant payments from Government haven't been confirmed, funding for this Project are included in the indicative LGF programme allocations provided by Government for future years.
- 8.3 There are SLAs in place with the sponsoring authority which makes clear that future year funding can only be made available when the Government has transferred LGF to the Accountable Body.

9. Legal Implications (Accountable Body Comments)

- 9.1 There are no legal implications arising out of this decision. All funding will be transferred to the sponsoring authority under the provisions of the SLA's currently in place.

10. Staffing and other resource implications (Accountable Body Comments)

- 10.1 None at present.

11. Equality and Diversity implications (Accountable Body Comments)

- 11.1 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.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3 In the course of the development of the project business case, the delivery of the project and their 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1 Appendix 1 - Report of the Independent Technical Evaluator (see Agenda Item 4).

13. List of Background Papers

13.1 Business Case for Technical and Professional Skills Centre at Stansted Airport

(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 Lorna Norris (On behalf of Margaret Lee)	 18.05.2017