

<b>Report title:</b> Colchester Institute Groundworks Training Centre	
<b>Report to:</b> Cllr Whitbread – Cabinet Member for Finance and Cllr Gooding – Cabinet Member for Education and Skills	
<b>Report author:</b> Mark Carroll – Executive Director Economy Localities & Public Health	
<b>Date:</b> 24 June 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Paul Chapman - Economic Growth and Regeneration Officer Tel: 03330 322528 / e-mail: <a href="mailto:paul.chapman@essex.gov.uk">paul.chapman@essex.gov.uk</a>	
<b>County Divisions affected:</b> Colchester District and North Essex	

## **1. Purpose of Report**

- 1.1 This report seeks approval to amend the capital grant agreement with Colchester Institute from £100,000 to £50,000 of SELEP Local Growth Fund, following a successful Project Change Request submitted by Colchester Institute and agreed by SELEP on 14<sup>th</sup> February 2020 following a change in scope to the project.
- 1.2 ECC originally agreed to provide a £100,000 capital grant of SELEP Local Growth Funding to the Colchester Institute on 16 January 2020 to finance the development of a Groundworks and Scaffolding training centre at Colchester Campus.

## **2. Recommendations**

### **Councillor Whitbread, Cabinet Member for Finance**

- 2.1 To approve the change to the grant requested by Colchester Institute from £100,000 to £50,000.

### **Councillor Gooding, Cabinet Member for Education and Skills**

- 2.2 To note the changes for the new training facilities at Colchester campus to the scope of the project delivery, outputs and results and agree to enter into a capital grant agreement with Colchester Institute to award a grant of £50,000 towards the construction of new training facilities at the Colchester campus.

## **3. Summary of issue**

- 3.1 Colchester Institute successfully bid for funding through SELEP's Local Growth Fund to construct a standalone Groundworks and Scaffolding Training Centre at their Colchester Campus. On 16 January 2020, a CMA was approved by ECC agreeing to grant fund £100,000 and enter into a capital grant agreement

with Colchester Institute for the development and construction of a standalone Groundworks and Scaffolding Training Centre at Colchester Campus. This facility is proposed to meet the core aims of the Essex Employment and Skills Board construction sector action plan and counter the identified barriers facing the sector at large. The project will support the vision and priorities identified in the October 2018 SELEP Skills Strategy.

- 3.2 The total capital cost of the original project was originally £250,000. This was to be funded by a SELEP contribution of £100,000, £100,000 match funding from Colchester Institute, £30,000 employer contributions and £20,000 sponsorship.
- 3.3 The employer group is made up of the Anderson Group, MDS, Tamdown Construction, The Knight Group, Cadman Construction, Ringway Jacobs and Rose Builders. Over the course of the application and approval period it became clear that the engaged employers were reluctant to support the scaffolding element of the project as there had been a significant drop in demand since the project was first approved. Additionally, it is not necessary for scaffolders to obtain a specific qualification as an entry requirement to the industry so demand for this element of the project is unlikely to increase.
- 3.4 This resulted in the submission to the SELEP Accountability Board of a Project Change Request removing the scaffolding element of the project and reducing the requested grant and outputs. The revised project will provide for:
  - Self-contained training areas supporting both industry sectors with modular buildings to replicate site conditions.
  - Additional certification (bolt-on) qualifications including working at height and safe entry to confined space training as demanded by the employer group.
- 3.5 SELEP Accountability Board approved the Project Change Request removing the Scaffolding element of the original application on 14 February 2020. Following the change in the scope of the project, it is recommended that the funding that was originally agreed by ECC is reduced from £100,000 to £50,000. The changes to the budget and delivery need to be reflected by ECC.
- 3.6 The total cost of the revised project is £150,000, which is to be part funded by the Local Growth Fund grant of £50,000 approved at SELEP Accountability Board on the 21<sup>st</sup> February 2020. The remaining funding will be secured through match funding from Colchester Institute, employer contributions and sponsorship as set out below. Accordingly, there are no financial commitments by ECC other than to passport the SELEP funding to Colchester Institute.

## **4. Options**

### **4.1 Option A - Do nothing – base case**

- 4.1.1 This is not an option as the reduction in funding has been approved by the SELEP Accountability Board.

#### 4.2 Option B – Continue by providing £50k for a new Groundworks Training facility but without the Scaffolding option (preferred option)

4.2.1 This project will support the local and regional housing and infrastructure growth plans, the construction sector, its employers and provide high value career opportunities. A permanent building, already in construction on site, will provide a standalone teaching building, supporting practical groundworks classroom activities. This option gives effect to the Project Change that SELEP Accountability Board has approved in order to remove the scaffolding element, which is not in demand, and the rest of the project will continue.

4.2.2 This option provides a positive solution to identified demand. Key positives include:

- Addresses the shortfall in suitable accommodation by developing proposals to meet specific requirements.
- Addresses the vocational skills gap in FE provision across North Essex and beyond.
- Low planning risk associated with building modifications.
- Allows development to be flexible in design providing future expansion possibilities.

### 5. Issues for consideration

#### 5.1 Financial implications

5.1.1 The total capital cost of the project is £150,000, which is to be part funded by the revised £50,000 Local Growth Fund grant agreed at SELEP Accountability board held on the 21<sup>st</sup> February 2020, £50,000 match funding from Colchester Institute and £50,000 employer contributions.

Groundworks Training Centre	2019/20 £	2020/21 £
<b>Total Costs</b>	<b>80,000</b>	<b>70,000</b>
Funding - LGF Grant	-	50,000
Funding - Colchester Institute Match Funding	30,000	20,000
Funding - Employer Groups	50,000	-
<b>Total Funding</b>	<b>80,000</b>	<b>70,000</b>

5.1.2 The previously agreed LGF funding of £100,000 was included in the 2019/20 capital programme. This LGF funding has been reduced to £50,000 and has slipped into 2020/21. These changes have already been reflected through the ECC provisional outturn report.

- 5.1.3 A Contingency sum of £5,000 has been included, representing 3.3% of total project costs. Should costs over-run, Colchester institute will be required to cover these. This condition will be built within the grant agreement between ECC and Colchester Institute.
- 5.1.4 LGF funding is transferred to the Partner Authority under the terms of a notional agreement due to its dual role as Accountable Body. It is a requirement that all LGF monies transferred are used for the purpose for which it has been allocated and meets the conditions of the grant, primarily that it is used for capital expenditure only.
- 5.1.5 Any LGF transferred may be required to be repaid. As the partner authority (ECC) are not the delivery body, a back to back agreement will be put in place between ECC and Colchester Institute to transfer the condition to repay all or part of funds received if the accountability board requests so, therefore mitigating the risk to ECC where clawback of grant may be required.

## **5.2 Legal implications**

- 5.2.1 The proposal is not considered to constitute state aid. The State Aid rules do not apply in principle to funding for non-economic activities. An economic activity is one which consists in the placing of goods or services on a given market. State education is a good example of an activity which is not deemed to be "economic". It is a public function of the State to provide education. Awarding grant monies for educational equipment and property to Further Education Colleges which are publicly funded would not constitute economic activity.
- 5.2.2 ECC will enter into a grant agreement with Colchester Institute, which will ensure that the grant conditions provided by SELEP are adequately reflected.

## **6. Equality and Diversity implications**

- 6.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC 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.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

- 6.3 The equality impact assessment indicates that the proposal in this report will not have an adverse impact on any people with a particular characteristic. Colchester Institute is committed to ensuring equality of opportunity for all those who learn and work with them. The proposed capital project will comply with the Equality Act 2010, ensuring that the building has appropriate facilities and equipment to enable equality of access. Furthermore, the proposed project will enable the college to offer training that more effectively addresses the needs of different groups in the local community and enables all to benefit from employment opportunities in key economic sectors in Essex.

## 7. List of appendices

Appendix A – Equality Impact Assessment

## 8. List of Background papers

SELEP Business Case and approved Project Change Request.

<b>I approve the above recommendations set out above in relation to my portfolio for the reasons set out in the report.</b>	<b>Date</b> 13/07/20
<b>Councillor Whitbread, Cabinet Member for Finance</b>	
<b>I approve the above recommendations set out above in relation to my portfolio for the reasons set out in the report.</b>	<b>Date</b> 15/07/20
<b>Councillor Gooding, Cabinet Member for Education and Skills</b>	

### In consultation with:

<b>Role</b>	<b>Date</b>
<b>Executive Director Economy Localities &amp; Public Health</b>  Steve Evison on behalf of <b>Mark Carroll</b>	10/07/2020
<b>Executive Director for Corporate and Customer Services (S151 Officer)</b>  Stephanie Mitchener on behalf of <b>Nicole Wood</b>	09/07/2020
<b>Director, Legal and Assurance (Monitoring Officer)</b>  Susan Moussa on behalf of <b>Paul Turner</b>	24.06.2020