

REPORT TO: WEST OF ENGLAND JOINT COMMITTEE

DATE: 1 JUNE 2018

REPORT TITLE: SKILLS FUNDING ALLOCATION

AUTHOR: Chris Jennings, Interim Director of Business and Skills

Purpose of Report

1. To seek approval to allocate funding from within the Local Growth Fund towards skills capital projects and allocate LEP funding to careers advice activity.

Background

2. Within the local growth fund an initial allocation of £32m was made to support the delivery of skills capital projects in the region. An additional £7m was added through the Growth Fund Deal round 3 bid and an additional project was also funded and the scope of another extended to accelerate grant spend, taking the total potential spend to c.£46m. These investments have supported the provision of over 19,000m² of new or refurbished College estate benefitting 1,300 learners.
3. There is currently £7m from this total unallocated and a call for projects was issued on 5 March 2018 in line with the Skills Capital Investment Plan attached at Appendix A, to seek eligible projects to be considered. The Appendix also includes a breakdown of investment decisions taken to date.
4. As the Investment Plan sets out, Skills Capital Funding is utilised to financially underpin the delivery of capital projects which either support the economic growth of the West of England, or the remediation of FE College estate (with a specific focus on estate failing into condition D). By investing funding in this manner, learners and employers are able to access education and skills provision in high quality facilities which directly meet their needs. This is important as provision delivered in poor quality and inadequate facilities, adversely effects the ability to deliver the skilled workforce that the West of England needs to thrive and grow.
5. To date the only source of Skills Capital Funding has been via the Local Growth Fund (LGF).
6. In January 2017 the City of Bristol College submitted a proposal for a South Bristol Construction Centre and was awarded pipeline status. Some further conditions were however placed upon the project before it could be considered fit to progress for a further funding decision.

Assessment Process and Results:

7. In line with process approved by Chief Executive Officers, officers from the four West of England Local Authorities and the West of England Combined Authority (WECA) each independently assessed and marked each one of the five Expressions of Interest (EOI) received. The assessments were undertaken in line with the approach agreed with Chief

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Executives and laid down in the Skills Capital Investment Plan 2018-2021 against the following criteria:

- Availability of funding
- Confirmed match funding offered by scheme promoter/applicant
- Evidenced estate need
- Learner and employer demand for the project
- Relationship to stated priorities
- Value for money

8. The ranking that resulted from the assessment is provided below noting that the City of Bristol project, as explained in paragraph 6, was not considered as a new proposal as it had already been awarded pipeline status.

Assessment Ranking (Mark)	Scheme Name	Scheme Promoter	Funding Request	Match Funding	TOTAL COST
1	Animal Management Education Centre	Weston College	£990,000	£2,435,000	£3,425,000
2	Catering & Hospitality Education & Training Hub	Bath College	£1,700,000	£1,839,000	£3,539,000
3	Digital and Creative Innovation Centre	Bath College	£4,350,000	£1,875,000	£6,225,000
4	SGS Challenger Campus	SGS College	£48,000,000	£8,500,000	£56,500,000
5	STEM Centre (Cyber Security & A-Levels)	SGS College	£7,063,000	£1,000,000	£8,063,000

Considerations

9. The City of Bristol College's project for a South Bristol Construction Centre has adequately addressed the conditions required in order to progress forward and still meets strategic aims for skills in the region. It is therefore recommended that this scheme progresses to the next stage of the process and £6m LGF funding is allocated pending the approval of a full business case, noting that the City of Bristol college project has been in the pipeline for more than a year.
10. The overall funding position for the LGF shows that it is currently 'over-programmed' by c.£25m it is therefore recommended that an urgent review of the overall LGF funding position is undertaken before further consideration is given to additional allocations to skills capital projects. Pending the outcome of the that review it is recommended that the highest ranked project, the Animal Management Education Centre promoted by Weston College, should be awarded pipeline status within the LGF programme noting that the cost of the project falls within the original overall allocation for skills projects.
11. The importance and value of the other proposals promoted by Bath and South Gloucestershire & Stroud Colleges to deliver the necessary capacity and capability within the FE sector for the West of England to support the education and training for the workforce that can meet the future needs of the economy was strongly evident. It is therefore proposed to seek to identify additional funding sources outside of the LGF to fund the development of the business cases for these schemes pending the identification

of additional capital funding that would enable them to progress to delivery. This does not include the SGS Challenger Campus scheme which owing to scale is considered outside the remit of this process. Once a review of additional funding sources is complete, a recommendation will be brought forward to the relevant decision-making body (the Combined Authority or the Joint Committee).

Careers & Enterprise Company

12. Currently the Careers and Enterprise Company funds, jointly with locally provided match funding, two Enterprise Co-ordinators hosted by the West of England Combined Authority (WECA) and Local Enterprise Partnership.
13. These co-ordinators lead a network of business people who volunteer as enterprise advisors to support schools improve their careers advice offering. Currently the two Co-ordinators are able to provide coverage to around two thirds of the secondary schools / 6th form colleges and FE Colleges in the region.
14. The Careers and Enterprise Company has offered to provide match funding for an additional Co-ordinator post for two years which would enable full coverage of all eligible schools and colleges to be covered. This additional post would also support the West of England bid that is being put together to become a Careers Hub. If successful, we will be one of 20 pilot careers hubs in England.
15. A West of England Careers Hub will build on the success of our Enterprise Adviser Network, working with schools and colleges, universities, education and training providers, employers and career guidance professionals to ensure that Gatsby Benchmarks are delivered and that careers outcomes are improved for all young people.
16. To match fund the CEC offer it is necessary to commit to £50k funding, £25 per annum. These funds can be met from within the existing LEP resources.

Risk Management/Assessment:

17. There are no risks arising from this paper.

Public Sector Equality Duties:

18. There are no direct equalities implications arising in relation to this report and these would be set out in the relevant investment decisions at the time.

Finance Implications:

19. Within the Local Growth Fund – growth deal round 3 bid, a capital sum of £7m was identified for skills capital projects. This paper proposes to allocate £6m to the City of Bristol College for the South Bristol Construction Skills proposal subject to a full business case.
20. The balance of the LGF skills capital funding will be considered as part of a wider review of the Local Growth Fund to be brought forward to the July Committee meeting which will include consideration of all pipeline projects against any available funding that may be identified.
21. Officers will also consider additional revenue funding sources which may be available to support the development of business cases for other skills project schemes for consideration as part of the appropriate governance approval process for the funding streams identified.

22. The report also includes a total £50K virement from within the available LEP budget resources (increased interest income) to support careers activity set out in para's 12 to 16 above. Full details of the LEP budget outturn position for the first quarter of 2018/19 will be presented to the Committee in July 2018.

Legal Implications:

23. No legal implications

Recommendations:

24. The Committee is asked to:
1. Allocate £6m from LGF funding to the City of Bristol, South Bristol Construction Skills and invite the College to produce a full business case;
 2. Approve pipeline status for the Animal Management Education Centre promoted by Weston College pending a review of the overall funding position within LGF;
 3. Note the intention to develop options to fund development of business cases for the following schemes: Catering & Hospitality Education & Training Hub (Bath College); Digital & Creative Innovation Centre (Bath College) & STEM Centre (SGS College).
 4. Approve a virement of £50k (£25k pa) from the LEP interest income budget as match funding to support an additional enterprise co-ordinator for the West of England.

Report Author: Chris Jennings.

West of England Combined Authority Contact: Henry Lawes.

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the Contact Officer for the meeting who is **Henry Lawes** and who is available by telephoning Joanna Greenwood on 0117 426210; writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: democratic.services@westofengland-ca.gov.uk