

Economy, Business Growth & Skills Overview & Scrutiny Committee



Date: 11th January 2019

Subject: GM Skills Capital 2017 – 2020 Programme Update

Report of: Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships

PURPOSE OF REPORT

The purpose of this report is to update members on the latest position on the Round 2 applications for Skills Capital funding from Bolton College, LTE Group, Wigan & Leigh College, Oldham College and the Round 1 application from Bury College.

RECOMMENDATIONS

Members are asked to review and discuss information contained within the report, in particular:

- a) Note the update of the Round 2 Skills Capital programme with particular focus on LTE Group and Wigan who will seek Approval in Principle at the January 2019 GMCA.

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1. BACKGROUND

- 1.1 Skills Capital investment is a key component of GM's Growth Deal devolved responsibilities and successful deployment of this funding will support further education skills capital projects across the region. There is £71m earmarked for this investment for delivery between 2017 and 2021. This is in addition to the c£13m invested in the 2014/15 Skills Capital programme.
- 1.2 Round 2 of the commissioning process was launched in February 2018, with a closing for EoI submission of Friday 6th April 2018. 9 Expressions of Interest (EoI's) were received and have been appraised by internal GMCA staff, of which 5 were successful in progressing to the full business case stage as previously shared with Scrutiny. All applicants have been notified of the outcome of their applications.
- 1.3 It is anticipated that because of the requirement for projects to have a specific sector focus, once Round 2 has been completed there will be good coverage of sector skills across the region, taking a place-based approach to supply and demand analysis.
- 1.4 It is important to note that because the procurement process is open and ongoing, Round 2 is still considered 'live' until the whole procurement process is complete; that is all successful projects have been contracted.

2. ROUND 2 UPDATE

2.1 BOLTON COLLEGE

Project title: Bolton College of Medical Sciences (BCMS)

Total project value: £30,000,000

Funding requested: £10,000,000

Summary: This project will deliver state-of-the-art vocational, professional skills and training facilities located at the Bolton NHS FT Hospital site in Farnworth, Bolton. BCMS will create over 20,000 apprenticeships over its lifetime, with a GVA impact of £150,000,000 and will significantly increase access to education and employment in the health / medical sectors.

- 2.1.1 Bolton college submitted a full business case application for their project 'Bolton College of Medical Sciences' which given the level of funding requested (£10,000,000), was evaluated by both internal GMCA colleagues and an independent external evaluation team from Jacobs.

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- 2.1.2 The application was strong in places however the college have been working with GMCA and Jacobs to address some issues that were highlighted as part of the evaluation. There have been a number of engagements between all parties and the College are now in the process of submitting their final pieces of additional evidence to support their application so that a funding decision can be made.
- 2.1.3 The GMCA & College are working towards having GMCA sign-off by the end of February 2019.

2.2 LTE GROUP

Project title: The Manchester College (TMC) Estates Transformation Programme

Total project value: £139,200,000

Funding requested: £25,000,000

Summary: This project consists of the create of a new City Centre building to house the Centre of Excellence in Creative & Digital and 6th Form; investment in the Openshaw Campus to house the Centres of Excellence in Health & Wellbeing and Construction & Logistics; and investment at the Harpurhey and Wythenshawe Campuses as learning hubs in the north and south of the city. Overall the project will deliver capacity for 12% growth in 16-18 year old learners in priority sectors and 23% growth in technical and professional higher education learners.

- 2.2.1 LTE Group submitted their full business case application for their project 'The Manchester Estate Transformation Programme' which given the level of funding requested has been evaluated by both internal GMCA colleagues and an independent external evaluation team from Jacobs.
- 2.2.2 The application was strong in places however the evaluation process highlighted some key areas for further clarification. Due to the complex nature of the project and heavy reliance on other sources of funding, GMCA are working alongside Manchester City Council and the College to ensure alignment of priorities and that the College meet all of the conditions set out. These conditions will include evidence of the final cost plan, receipt of an independent confirmatory due diligence report and completion and security of the match funding.
- 2.2.3 Jacobs and GMCA are in the final stages of appraisal, with the project going to a Manchester City Council full council meeting at the end of January 2019. **A paper will be taken to the GMCA meeting at the end of January 2019 proposing an outcome of an approval in principal recommendation** with a clear set of conditions precedent attached to the approval.

2.3 WIGAN & LEIGH COLLEGE (2 applications)

Project 1: Centre of Excellence – Engineering & Manufacturing (Pagefield Centre)

Total project value: £1,810,000

Funding requested: £603,000

Summary: This project involves construction of new space include an Additive Manufacturing Laboratory and extension to the Social Learning Hub. The project also involves some remodelling work including expansion of the brickwork workshop, creating of a new plumbing workshop while the existing workshop is upgraded, and creation of a thermo / fluid laboratory and materials / process laboratory.

Project 2: Leigh Campus Capital Investment Strategy

Total project value: £805,000

Funding requested: £225,000

Summary: This project is a remodelling project, at the college's main Leigh Campus building, allowing the college to consolidate all activities in Leigh into a single campus and offer an expanded employment focused curriculum offer, acting as a dual A Level and vocational centre.

- 2.3.1 Wigan & Leigh College submitted two applications under Round 2. The first application for their project 'Centre of Excellence – Engineering & Manufacturing (Pagefield Centre) has been through a rigorous internal GMCA evaluation process, in line with Green Book evaluation requirements. **For this project, investment has been recommended for approval in principal** based on a set of conditions set by GMCA Core Investment Team including confirmation of full planning approval and receipt of a full project delivery plan. A recommendation paper will be taken to the GMCA meeting in January 2019.
- 2.3.2 The College also submitted an application for a smaller project 'Leigh Campus Rationalisation Project', which was subsequently resubmitted following conversations with GMCA and Wigan Council about strengthening the strategic case and supporting the need of the local area as well as local authority. This application is not subject to external evaluation but will go through the same Green Book evaluation. The moderation panel will meet in early January 2019 to make a recommendation for decision.

2.4 OLDHAM COLLEGE

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Project title: Oldham College Construction Skills Centre

Total project value: £8,950,000

Funding requested: £6,950,000

- 2.4.1 Oldham College submitted a round 2 application for their 'Oldham College Construction Skills Centre' project. This was appraised by internal GMCA colleagues and given the level of funding requested an independent evaluation team from Jacobs.
- 2.4.2 The strategic case was well made in the application however there were a number of areas which needed further clarification and more evidence to be provided in order to make a funding decision. **The College are working towards GMCA sign-off by the end of March 2019**, and continue to work closely with GMCA, Oldham Council and Jacobs to ensure their application meets all of the Green Book requirements and to ensure that all of the necessary evidence and additional information required can be submitted.

2.5 BURY COLLEGE

- 2.5.1 The College had their Round 1 application recommended for approval. However, this has since been paused as the College are currently working with Bury Council to ensure aligned curriculum following involvement in the local area from Bolton University.