PURPOSE OF REPORT

The purpose of this report is to update members on the outcome of the appraisal of the Bolton College Skills Capital application. Further details are included as a more detailed report, considered in the confidential part of the agenda (PART B) due to the information relating to the business affairs of the company.

Please note that LEP approval is still pending for this funding.

RECOMMENDATIONS:

GMCA members are asked to review and approve the information contained with the report, in particular:

a) Agree that the funding application by Bolton College of the total project cost £30,000,000 of which a Skills Capital funding request of £10,000,000 be given conditional approval and progress to due diligence; and

b) Agree to delegate authority to the GMCA Treasurer and GMCA Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the grant at a) above

CONTACT OFFICERS:

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**BACKGROUND PAPERS:**

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<th>TRACKING / PROCESS</th>
<th>YES</th>
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<td>Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board</td>
<td>YES</td>
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<th>EXEMPTION FROM CALL IN</th>
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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>NO</td>
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<th>AGMA Commission</th>
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1. **INTRODUCTION AND OVERVIEW**

1.1 The purpose of this report is to update members on the process and outcome of the appraisal of the Bolton College application for Skills Capital funding.

1.2 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.

1.3 Following the launch of Round 2 of the programme in February 2018 an Expression of Interest (EoI) was received from Bolton College. Investment will create new state of the art vocational professional skills and training facilities located at Bolton NHS Foundation Trust Hospital site in Farnworth, Bolton.

1.4 The full business case was subsequently received on 10th August 2018 and has been subject to a rigorous Green Book appraisal and moderation. Given the scale of the project and the significant request for capital funding, the appraisal was carried out by internal GMCA colleagues, supplemented by independent external assessment. This was carried out by Jacobs, who already undertake similar independent reviews for other major Growth Deal schemes in GM.

1.5 The total project cost is £30,000,000 with a Skills Capital funding request of £10,000,000.

2. **INVESTMENT RECOMMENDED FOR APPROVAL IN PRINCIPLE**

2.1 Following an initial in-depth appraisal process, the College was asked to submit additional information to strengthen the application and provide GMCA and Jacobs with a higher level of confidence on the deliverability of the project.

2.2 Bolton College have been working closely with GMCA and Jacobs to address all of the queries that arose as part of the appraisal process. Further submissions of supporting information have been
received from the College, supplemented by a workshop held between the College, their design / project team, Jacobs and GMCA. A subsequent reappraisal undertaken both internally and with the support of Jacobs, has concluded that the outstanding queries have been sufficiently addressed to allow the application to proceed subject to certain conditions.

2.3 The Skills Capital investment will be used for:

- Creation of a new skills and training facilities located at the Bolton NHS Foundation Trust hospital site in Farnworth, Bolton; and
- Creation of over 20,000 apprenticeships, with c60,000 total learners and c20,000 new learners benefitting from the new facilities.

2.4 Summary appraisal notes on the project, including conditions precedent to completion, are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the applicant.

2.5 The business case in respect of Bolton College is therefore recommended to GMCA for conditional approval and progress to due diligence.

3. RISK MANAGEMENT

The grant will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of performance.

4. LEGAL CONSIDERATIONS

The legal agreement is based upon the existing templates for the fund, amended for the specific requirements of the individual funding arrangements.

5. FINANCIAL CONSEQUENCES – REVENUE

There are no revenue implications.

6. FINANCIAL CONSEQUENCES – CAPITAL

The capital grant will be taken from GM’s Local Growth Fund allocation.