

**Outline Business Case Template** (for Projects requesting Black Country LEP funding likely to exceed £1m)

**Project Name: Specialist Equipment for Advanced Manufacturing Technology Training**

**1. What opportunity or barrier will this investment unlock? (approx. 300 words)**

Sandwell Training Association are working with these SME's, identifying skills gaps, multi-skilling existing workforce with new and enhanced technologies and now looking to move their manufacturing processes forward in key areas of engineering.

P1.1 – Additional skills and training required for the next generation of Apprentice engineers. Training is currently carried out, but skill shortages have been identified by companies who require their Apprentices to move onto more advanced manufacturing techniques such as CNC training, CAD/CAM, CMM Inspection and testing.

Currently Apprentices are being taught on manual machining techniques and theoretical support, but more practical guidance is required to enhance their practical skills and knowledge. The additional software and equipment will also bring them up to current manufacturing technology required for industry and competitiveness.

This new software and equipment will allow an increase of apprentice numbers on both the intermediate and advanced apprenticeship programme for our member engineering companies. The advanced software and equipment will also help develop STA to offer higher apprenticeships to its students in 2016/2017 academic year.

P1.2 - Development of its workforce have been targeted through additional support through more technical areas such as CNC training for non-Apprentices in areas such as 2 through 5 axis CNC machining , CAD/CAM, Design Engineering through 2D and 3D design and industrial/architectural engineering.

We will be delivering short bite size courses to local engineering companies, bringing their current manufacturing processes up to date, making them more competitive, and increasing output but more importantly re-skilling and up skilling the workforce in areas for improving efficiency and reducing skill shortages across the local area.

**2. Which of the BCSEP growth objectives and Measures of Success does this project address? (approx. 300 words)**

To raise employability skills within the manufacturing industry in the Black Country SME supply chain, reskill and retrain employees to meet current demand from industry and increase competitiveness within key sectors of industry. We are looking to deliver bespoke training in high end manufacturing to allow the local manufacturers to compete in a global market and support the next generation of engineers through additional training

**3. How will this project unlock the specified BCSEP growth objectives (approx. 200 words)**

This investment will allow Sandwell Training Association to buy in new equipment and software for a range of design, manufacturing and inspection software which provides complete, automated CAD/CAM solutions, CNC training, and product development.

- This will help with up skilling and improving the skills of the current workforce
- Increase the number of intermediate apprentices moving onto advanced and higher apprenticeships
- Job creation from gaining employment onto full apprenticeships and increasing numbers of apprentices.
- Supporting current workforce to move onto more technical roles within their companies
- Working closely with DWP on workshop sessions for the unemployed in the local borough
- Enhancing skills through the automotive and engineering supply chain
- Support for year 10 to year 12 students studying GCSE and BTEC, linking to local academies and schools.

With manufacturers turning to engineering services to get high quality results in design, verification, and manufacturability, our training and support on the latest equipment will help them speed up development and lower costs with a full range of capabilities for both mechanical and industrial design.

**4. What are the expected tangible Outputs/Outcomes to be realised?**

Outputs/Outcomes	Metric	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21
Business assisted	no.	20	20	20	20	20	20
Business created	no.						
Employment – Jobs created	no.	5	5	5	5	5	5
Employment – Jobs safeguarded	no.	10	10	10	10	10	10
Skills – Learners assisted (exc. Apprenticeships)	no.	40	40	40	40	40	40
Skills - Apprenticeships	no.	40	30	30	30	30	30
Place – New Dwellings	units						
Place – Land remediated	Hectares						
Place – New floor space	Sq mtr						
Other (please specify)		6	10	10	10	10	10

For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported

Course Details	Level of Learning Supported
CNC Training on emulators (basic level) on NC GuidePro and NC Guide	Fundamentals of machining and CNC programming including Fanuc, Siemens and Heidenhain
CNC training in the workshops (intermediate and advanced)	Programming on CNC machines using test pieces to drawings and specifications.
CAD CAM & 2D / 3D Design including patternmaking and inspection using CIMCO Edit	Using the latest technology on 2D and 3D design packages from AutoCad to SolidWorks and CAD/CAM modelling tools

**5. Expected TOTAL Project Cost & Source of Funding £m**

	% of Total Cost	2015 / 16 £m	2016 / 17 £m	2017 / 18 £m	2018 / 19 £m	2019 / 20 £m
Total Project Cost						
Applicants own funds	%	£30,000				
Other Public funds	%					
Private sector funds	%					
Funding requested from Black Country LEP	%	£30,000				

For the **BCLGF element of the funding only**, please specify the projected costs using summary spend areas. What will the grant be spent on?

Projects costs	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Purchase of new software and equipment on CAD/CAM/ and inspection facilities	£10,000				
Purchase of CNC programming emulators for the classroom	£20,000				
Purchase of 2 x CNC machine for training in the workshop	£30,000				

**6. Main Issue (s) likely to derail the Project.**

None

**7. Main Risks the Project will need to manage.**

None

**8. Please indicate how your project complies with State aid Regulations without contravening the State Aid Legislation.**

None, as this is below the de minimum legal level

**9. Any other Significant Constraints to delivering the Project not mentioned above.**

None

**Document Status**

**REVISION HISTORY**

Revision Date	Version No.	Summary of Changes	Author / Editor
	Draft 1	Initial draft	
	Draft 2	Project team input	
	Draft 3		
	Draft 4		

**DOCUMENT LOCATION**

This document is only valid on the day it was printed or revised.

**DOCUMENT AUTHOR**

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**DISTRIBUTION LIST**




## Introduction to the Project

Section A: Introduction to the Project				
Section A1: Applicant Details				
<b>Project Sponsor:</b>	Black Country LEP - Delivering the Black Country Strategic Economic Plan			
<b>Lead organisation:</b>	Sandwell Training Association Ltd			
<b>Lead contact:</b>	Ian Kane	<b>Position:</b>	Marketing Manager	
<b>Phone number:</b>	01384 566981	<b>Email address:</b>	ian.kane@sandwelltraining.com	
<b>Postal address:</b>	Grainger House, Cradley Road, Cradley Heath. B64 6AG			
<b>Local Authority area</b> (please highlight)	Dudley	<u>Sandwell</u>	Walsall	Wolverhampton
Section A2: Project Description				
<b>Project Location:</b>	(including address and postcode) Phoenix Street, West Bromwich. B70 0AQ			
<b>Lead Delivery Organisation:</b>	Ian Kane, Sandwell Training Association			
<p><b>10. Project Description: (50 words max)</b></p> <p>Upskilling and reskilling employees for small to medium size companies in the Black Country. Also, working with apprentices and advanced apprentices, training on advanced manufacturing techniques to help their companies to stay competitive. Looking at future developments and progression of apprentices to higher education routes when ready.</p>				
<p><b>11. Project Need &amp; Additionality:</b></p> <p>This training is a way of securing job growth, job security and upskilling present workforce in growing the skills required for global competitiveness. This will also increase the demand for apprenticeships and advanced apprentices in high value manufacturing and engineering. New up to date equipment, technology and software will able us to meet the skill gaps identified by our member companies.</p>				

## Background to the Project

<b>Section B: Background to Project Bid</b>	
<b>Section B1: Status &amp; Progress to-date</b>	
<p><b>12. Present status of the Project. (approx. 100 words)</b></p> <p>Equipment and software selected, companies informed on next stages of training and development. Timeframe on hold until capital investment/funding agreed. One new member of staff employed as specialist trainer to support delivery to employees and apprentices. Areas identified in shop floor layout for machines and classroom for emulators and software.</p>	
<p><b>13. Progress achieved prior to Bid. (approx. 300 words)</b></p> <p>Equipment and software sourced and costing/budgets approved by the board. Delivery of training discussed with employers and linking in with future advanced programmes. This will be delivered at all levels of apprenticeships. Low to medium skilled workers requirements already highlighted areas by employers. Previous apprentices whose skill shortages have been identified as areas for improvement have been identified as business growth for the companies. National progression for apprentices for an ageing workforce in key areas of the business.</p>	
<b>Section B2: Content of the Business Case</b>	
<b>Section C</b>	Strategic case and fit to Strategic Economic Plan Themes
<b>Section D</b>	Economic case – Options Appraisal
<b>Section E</b>	Commercial case – External Procurement (if appropriate)
<b>Section F</b>	Financial Case – Financial Analysis of the recommended Option
<b>Section G</b>	Programme Management Case – Achievability of Project Components
<b>Section H</b>	Recommendation
<b>Section I</b>	<p>Appendices</p> <ul style="list-style-type: none"> <li>➤ Stakeholder Map</li> <li>➤ Profile for each Output / Outcome</li> <li>➤ Evidence of planning permission</li> <li>➤ Detailed breakdown of Project Costs by month</li> <li>➤ Full Project Plan</li> <li>➤ Issue Register</li> <li>➤ Risk Register</li> </ul>

# Strategic Case

## Section C: Strategic Case for Change and fit to BC LEP Strategic Economic Plan Themes

### 14. Context/Project Background

Describe the compelling case for change. Detail the problem or opportunity the project is intended to address, in terms of market failure or demand, and the contribution the project will make to the delivery of the Black Country Strategic Economic Plan (SEP) and other relevant plans and strategies.. A copy of the SEP can be found at [www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-economic-plan](http://www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-economic-plan) (Word limit: 750)

Skill shortages are prevalent in the black country supply chain and companies are aware that they are falling behind the rest of the country and Europe. STA have been able to work with these companies in high end manufacturing, but due to the advancement in technology, now have fallen behind in supporting these companies. The lack of skills in their workforce is now a major concern, so they are now turning to up skilling and the future development of apprentices. So to make sure that the future of their businesses is secure; their apprentices have to be brought up to speed with the latest advancement in manufacturing technology. Companies have tried recruiting experienced staff, but have found these are no longer skilled in the areas required for global competitiveness. Hence, they are now looking internally in recruiting within, upskilling and value added training for apprentices.

### 15. Please indicate which of the SEP Growth Objective/s the project will contribute to:

- |                   |                           |
|-------------------|---------------------------|
| 1. 4,000 New Jobs | 2. 3,200 Business Assists |
|                   | 3. 7,000 Learner Assists  |

### 16. Please indicate which SEP theme(s) and strategic programme(s) the project will contribute to:

**Place Theme:**

**People Theme:**

**Business Theme:**

P1. Skills for the supply chain

P4. Upskilling

### 17. Objectives and Outcomes

(Detail the specific objectives to achieve the anticipated outcomes. The objectives and outcomes should be stated in clear and measurable terms with a specified time frame)

- To work closely with our member companies and supply chain to upskill their current workforce, allowing internal progression of employees and job creation
- To train their apprentices in the latest advanced manufacturing techniques such as CNC, CAD/CAM and CMM inspection.
- To increase the number of apprentices /advanced apprentices
- To provide specialist skills provision to low and medium skilled workforce
- To offer progression to advanced apprentices to a higher level
- To offer training and support to the unemployed 16 to 24 year old market.
- To bridge skill gaps with current apprentices
- To align with schools / academies bridging maths and engineering skills for year 10 and year 11 students

**18. How does the project fit with national, sub-regional and local investment plans and strategies? (approx. 200 words)**

To increase the number of employed engineering apprentices in the black country. This training will also help reduce the number of people with no and low qualifications and increase the skill levels for the black country engineering supply chain. This advanced training will help increase the number of apprentices taken on at higher level apprenticeships, to support the growth in engineering sectors such as automotive and aerospace. This support will assist engineering company's competitiveness locally and nationally. Work around the unemployed with DWP will help get young people between the ages of 19 to 24 back into work.

**19. Detail the elements that are within scope of the project, this defines the range and boundaries of the project.**

All equipment needed for installation and training are included into the delivery for this project, including software and specific software training for all instructors. All hardware will be included in the total project cost.

**20. What stakeholder consultation has been undertaken/support received? What stakeholder consultation remains to be undertaken? (approx. 100 words)**

We are currently working with our member companies who are part of the membership scheme for Sandwell Training Association and its suppliers, which are local black country engineering companies identifying skill shortages in key areas of manufacturing and engineering. Looking to assist in training and developing new staff and future apprentices throughout all levels from intermediate to higher apprenticeships. Skill shortage has been identified by the companies, especially through their apprenticeship delivery. At presently, STA deliver low to medium end training for intermediate apprentices which does not meet the demand required. The new training carried out using this latest training / software will be embedded into their core training, which will meet employer demand.

**21. List the Key stakeholders and their Interest areas? (approx. 50 words)**

- Group Training Association (GTA) engineering member companies currently working with the association – High Value manufacturers based in the West Midlands who require training to fill skill gaps and development for apprentices.
- Engineering companies currently working with STA on development of their apprenticeship programme and future planning of staff replacement
- Schools/academies in the black country specialising in engineering and manufacturing. STA to support on delivery, allowing access and use to advanced manufacturing technology

**22. What are the Strategic Issues preventing successful delivery of the project? List. (approx. 100 words)**

None

**23. What are the Strategic Risks that could prevent successful delivery of the project? List. (approx. 100 words)**

None

**24. Summarise the overall assumptions that have been made when planning this project. State the impact to the project if these turn out to be wrong.**

None

**25. Summarise any project dependencies that the project has or if there are other projects/initiatives that are dependent on this delivery. State the impact to the project if these are not met.**

Specialist installation and training for the software will need to be met for all staff to make sure they are compliant with what is required for delivery. Also, transportation for machinery and full installation. If this is not met, then the course programme delivery time will have to alter. In regards to apprentice delivery, then this may have to be added into the delivery timetable at a later date.

**26. Define any constraints that may impact the success of the project, e.g. resource, legal, 3<sup>rd</sup> party agreement constraints.**



None

### Economic Case

#### Section D: Economic Case - Options Appraisal

#### Section D1: Short List of Options considered

**27. Please describe the options that have been considered in selecting the project proposal. This should include a minimum of 3 options : -**

- A **reference case option** (the position in terms of outputs that would occur if the project did not proceed);
- The **proposed option** (as set out in Section A); and
- An **alternative option** (which may be based on changes to the scale, scope and cost of the proposed option).

**Box 1:**

Option Name:	Description:	Total Cost:	Amount requested:	Outputs
Reference Case	No to proceed	0	0	0
Proposed Option	Specialist equipment	£60,000	£30,000	
Alternative Options:				

**Box 2:**

Please explain why the proposed option has been selected.

Option Name:	Advantages:	Disadvantages:	Fit with Project Objectives:
Reference Case	0	0	0
Proposed Option	Upskilling workforce and increase number of engineering apprentices in the black country	0	Meet skill needs identified by local engineering companies
Alternative Options:			

**28. Specify the Preferred Option, with supporting justification for selection. (approx. 200 words)**

- Raising the skill levels for local engineering companies in the black country to allow to compete globally
- Raising the quality of provision for apprentices in world class and advanced manufacturing techniques

**29. Outline Opportunities for Innovation and increased Collaboration. (approx. 200 words)**

Working closely with our engineering companies will allow them chance to engage in supplementary delivery for present employees, and inclusion of advanced manufacturing techniques built into their individual training plans for apprentices. The technology will be accessible to local companies who require support, training and development for its workforce

<p><b>30. Service Delivery options considered, with Pro's &amp; Con's. e.g. using a 3<sup>rd</sup> party for delivery (approx. 200 words)</b></p> <p>None</p>
<p><b>31. Where applicable, specify the degree of Business Change required to exploit the Project output/outcomes, e.g. the activities that need to happen to ensure that people enrol on a new course provided. (approx. 200 words)</b></p> <p>This programme has to be embedded into the core delivery for all apprentices. This programme has been agreed by engineering companies taking on apprentices in the 2015/2016 academic year. Advanced apprentices will be covering this in the second year syllabus and already wrote into their courses.</p> <p>A series of breakfast meetings have been agreed with our member companies on how the delivery will take place and duration of the programme, for their input. Meetings have been arranged with the academies upon return of to their new academic year Sept 2015 for engineering specialisms.</p>
<p><b>32. Are there any Issues to be resolved before this option may proceed?</b></p> <p>None</p>
<p><b>33. What are the associated Top 5 Risks of this option :</b> (Quantification, Ownership, &amp; Mitigation for each).</p> <p>None</p>
<p><b>34. Provide a Profile for each Output / Outcome</b> (Templates are provided in Appendix to this document)</p> <p>Please indicate any other non-quantifiable benefits from your project.</p>
<p><b>35. What is the evidence of demand / market interest that supports your case for investment in this project?</b> (approx. 500 words).</p> <p>Uptake on apprentices by taking on 70 apprentices each year through the engineering supply chain driven by demand. Reskilling and investing in the workforce, raising standards and competency levels to allow competing in a global market. STA are already committed to taking on 70 apprentices and have already enrolled 70 Apprentices to start August 2015. Advanced Apprentices will be starting Sept 2015 and will have the new technology embedded into their core curriculum.</p>
<p><b>36. Outline any market testing which has been undertaken to evidence the demand case. (approx. 300 words).</b></p> <p>Increase in demand on Apprentice take up for 2015/2016 and also upskilling previous apprentices and employed staff. Previous engineering starts for 2014/2015 was 53 Apprentices, 70 have been chosen to start this academic year 2015/2016, starting August. Data can be found from the Skills Funding Agency data collection service.</p>
<p><b>37. Have the running costs of this investment been calculated and are they financed by you or your partners?</b></p> <p>Financed internally by Sandwell Training Association Ltd.</p>

## Commercial Case

Section E: Commercial case – External Procurement (if appropriate)	
<b>38. If private development partners will be required to deliver project outputs, at what stage are discussions/negotiations? (approx. 300 words).</b>	N/A
<b>39. Summarise Procurement requirements in terms of Outputs. (approx. 200 words)</b> (inc: Work to be procured; potential value; who will lead)	N/A
<b>40. Will your Procurement trigger the OJEU process?</b>	N/A
<b>41. Outline the sourcing Options: with a rationale for preferred option. (approx. 200 words)</b>	N/A
<b>42. Are there any Personnel Implications, inc. TUPE? (approx. 200 words)</b>	N/A
<b>43. Outline the Procurement Project Plan and Timescales, including statutory and other consents.</b> Where the purchase of property or land is involved please confirm ownership status and state whether there are any charges over land/property interests critical to project delivery.	N/A
<b>44. Please provide evidence of planning permission (submit a copy of decision notice or committee resolution with this application), or a clear explanation of the timeframe for achieving this and how it fits with broader planning strategy.</b>	N/A

## Financial Case

### Section F: - Financial Analysis of the recommended Option

#### 45. Outline the anticipated cost and funding profile:

	Capital/ Revenue	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
BCLGF (Pre-Committed)*								
BCLGF (Competitive)		£30,000						
Other Public Source (please indicate)								
Applicants Own Funds								
Private (3rd party)								
Total Capital								
Total Revenue								
<b>Overall Total</b>								

\*LTB funding for Transport Major schemes

#### 46. Please outline the strategy for securing the match funding as outlined above, and the progress made to date. What is the level of certainty of match funding remaining in place across the project duration? Please provide evidence to support any assumptions made

STA will be financing the remaining £30,000 through its own revenue stream.

#### 47. Project slippage – is there provision for dealing with the financing of any time or cost overruns? How will you deal with the impact on LGF & Match funding, & Private Investment?

None – fixed cost

#### 48. For the BCLGF element of the funding only, please set out the projected costs using summary spend areas. (Please note that a full a detailed breakdown of Costs by month will need to be included in the Appendices)

##### State date of this Estimate

Projects costs (delete as appropriate):	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Land acquisition					
Planning and Feasibility Study					
Surveys					
Construction, inc. materials, equipment and labour					
Fit Out (Equipment and furnishings not included in construction)	<b>£30,000</b>				
Project Management					
Consultancy					
Legal Services					
Other (please specify)					
Contingency*					

**\*Note - Contingency:** Where an element of contingency has been added on top of individual cost elements it is assumed that there is a significant level of doubt about the future costs (the level of contingency is influenced by the extent of the doubt).

**49. What risk contingencies are included in your cost estimates?**

Outline the areas where contingency has been applied, the level of the contingency in each case and the reason for the contingency in each case.

N/A

**Section F: CashFlows**

**50. Please set out the Cashflow projections for the BCLGF element of Project funded costs being requested. (Indicate the estimated Quarterly Cash flows for each of the years affected):**

Cashflows for Funding requested:	2015/16 Q1	2015/16 Q2	2015/16 Q3	2015/16 Q4	2016/17 Q1
	£m	£m	£m	£m	£m
Land acquisition					
Planning and Feasibility Study					
Surveys					
Construction, inc. materials, equipment and labour					
Fit Out (Equipment and furnishings not included in construction)				£30,000	
Project Management					
Consultancy					
Legal Services					
Other (please specify)					

**CONFIRMATION BY APPLICANT:**

Please confirm that the funding requested is sufficient to deliver the Project as detailed above.

# Management Case

## Section G: Programme Management Case - Achievability of Project Components

### Section G: Project Plan (Extract of Key Milestones)

**51. Please set out the Key Project Milestones, including those Milestones shown below.**

(Or extract Key Milestones view from your gantt chart & insert the picture here).

Key Milestone	Delivery Date
Purchase of CAD/CAM software, CNC calc software with router	September 2015
Purchase of NC Software, emulators and PC compatibles for 16 users Fanuc, Heindenhein and Siemens using NC Guide and NC Pro Guide	September 2015
Purchase of CNC machines (1 x lathe)	December 2015
Purchase of CNC machine (1 x milling machine)	December 2015

Please attach the project gantt chart as an Appendix.

### Section G: Issue Resolution Plan

**52. Please extract the top 5 Issues from your project Issue log:**

Description of Issue	
Impact (H,M,L)	
Owner for resolution	
Resolution	
Resolution Date	

*(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)*

Please attach all your full Issue register as an Appendix.

### Section G: Risk Management Plan

**53. Please extract the details of the top 5 Risks from your project Risk Register:**

Description of Risk	
Impact (1-4)	
Probability (1-4)	
RAG rating (Red, Amber, Green)	
Risk owner	
Mitigation	

*(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)*

Please attach all top ranked Risks in your risk register as an Appendix.

### Section G: Freedom of Information

**54. Please indicate whether any information in this proforma is considered exempt from release under Section 41 of the Freedom of Information Act 2000.**

N/A

## Section G: State Aid Condition

*All applicants need to take steps to satisfy themselves that any BCLGF funding approved does not amount to unlawful State Aid. Further confirmation to this effect will be requested at the Full Business Case stage. A declaration of compliance with EU State Aid regulations will be required prior to any BCLGF funding being provided.*

*If your project is awarded funds from the BCLGF it will be subject to a condition requiring the repayment of any BCLGF funding in the event that the European Commission determines that the funding constitutes unlawful State Aid.*

**55. Please confirm your acceptance to this condition:**

**Yes**

**No**

## H: Recommendation / Conclusion

**56. Please state clearly the recommended action this Business Case supports. (approx. 100 words)**

Local engineering suppliers require state of the art advanced manufacturing training to stay competitive within a global market. This can be achieved with the support of training and development of current and future workforce, including investing in apprentices.

## Section I: Appendices

**I1: Stakeholder Map**

**I2: A Profile for each Output / Outcome**

**I3: Evidence of planning permission**

**I4: Detailed breakdown of Project Costs by month**

**I5: Full Project Plan**

**I6: Issue Register**

**I7: Risk Register**