



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

25 NOVEMBER 2015

ELITE CENTRE FOR MANUFACTURING SKILLS - MAIN SCHEME

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

To request that the Joint Committee approves move to contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) for the Elite Centre for Manufacturing Skills project from within the Local Growth Fund (LGF) Programme. The project has been identified, evaluated and recommended to proceed by the Programme Office, endorsed by the Working Group, Advisory Board and received LEP Board endorsement on 19 October 2015.

2. RECOMMENDATIONS

That the Joint Committee grants approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with the University of Wolverhampton for £7.6million of pre-allocated Local Growth Fund (LGF) elements of the Elite Centre for Manufacturing Skills – Main Scheme with delivery to commence in the 2016/17 financial year.

3. REPORT DETAIL

- 3.1 The Joint Committee received and endorsed a report on 15 June 2015 setting out the new processes to be adopted for the evaluation and approval of new projects entering the Local Growth Fund process. The LEP secretariat is currently in the transition stage from the old processes to the new arrangements as LEP Theme boards are established and membership recruited.
- 3.2 These Theme Boards are still being established, so to ensure the secretariat is still able to meet the commitments of the programme, notably achievement of the spend targets for this 2015/16 financial year, it is continuing with elements of the previous processes including

drawing on the expert staff available to assess the proposed projects lifecycle the business case against the HM treasury 5 Case Model, resulting in proposals that can then move through the LEP board and onto the Joint Committee for approval.

- 3.3 The Elite Centre for Manufacturing Skills scheme has been through this process, the details of which were reported to the City Deal and Growth Deal Advisory Board on 9 November 2015. The funding is available within the LGF programme and delivery will commence during the 2016/17 period. The application is for £7.6m of grant support.
- 3.4 The Elite Centre for Manufacturing Skills (ECMS) was identified a flagship project in the Black Country LEP's 2014 Strategic Economic Plan (SEP). It will be a new employer-led training facility for the Black Country designed to improve productivity and growth in the high value manufacturing sector, one of the five transformational sectors for the Black Country, with particular emphasis on the aerospace and motor vehicle sectors. The centre will provide training in: Toolmaking, Foundry, Metalforming and Forging, Metal treatment, Advanced CNC and Manufacturing Management & Leadership & Project Management.
- 3.5 The ECMS will be a 'hub and spoke' model, with the 700 sq.m hub at the University of Wolverhampton's new Springfield Brewery site in Wolverhampton city centre with the spokes as follows;
1. The 'foundry and forging spoke' will be located on a site adjacent to the site of Thomas Dudley Ltd in Dudley Port with access to their industrial facilities and a purpose built training block of c1,000sq.m.
 2. The second spoke in West Bromwich will be based at the National Metalforming Centre. It will involve extending and adapting their existing building to create a c200 sq.m training facilities.
 3. The third spoke will be at Dudley Advance at Dudley College; providing additional equipment to strengthen the ECMS offer.

Design Proposal images provided by Tweedale Architects for the 'Hub' and the 'foundry and forging spoke' are included as Attachment 1 to this report.

- 3.6 An SFA registered training operator will be required to organise and deliver SFA funded Apprenticeships and other training across these sites. The intention is for the University of Wolverhampton to be the registered apprenticeship training provider, with subcontracts to other further education and accredited providers.
- 3.7 **Headline Outputs Include:** 286 Apprenticeships, 3450 Leaner Assists through 'bite sized' technical and management and leadership courses, 365 Business Assists, 1,900 sqm New Floor Space. (Outputs delivered over 5 years). *NB: Apprenticeships will be provided over and above existing places and will not displace existing provision.*

- 3.8 **Funding Profile:** Total Project Investment - £11.75m LGF requested - £7.6m, Match Funding - £4.15m. Of the LGF grant funding, £5m is profiled to spend in 2016/17 with £2.6m profiled to spend in 2017/18.

4. FINANCIAL IMPLICATIONS

- 4.1 The costs associated with this proposal forms part of the LGF programme and will be covered by allocations from government associated with this programme. This includes the use of any interest accrued by the Accountable Body to cover costs associated with the delivery of Accountable Body functions, as approved by its (Walsall Council) Cabinet on the 29th October 2014.
- 4.2 The applicant (University of Wolverhampton) will utilise its processes and procedures to ensure that best value is achieved and that all EU State Aid rules and regulations are met by all those in receipt of LGF funding.

5. LEGAL IMPLICATIONS

The Growth Deal has standard Grant Agreement templates in place which will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

6. RISK MANAGEMENT

Risk is being managed through the on-going assessment of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with Government and set into place by the LEP Board or the Joint Committee.

7. EQUALITY IMPLICATIONS

None at the time of drafting.

8. CONSULTATION

- 8.1 Extensive consultation has taken place with local businesses to determine the demand for training for Apprenticeships and Higher Apprenticeships, not currently met by the further education system, via a feasibility study. This indicated that the ECMS is a viable proposition. HVM employers in the Black Country confirmed the findings in the SEP that they have a significant need for additional skilled people as well as a need to 'up skill and multi-skill' their existing workforce.
- 8.2 The partners of ECMS have considered/agreed the Feasibility study and the viability of the ECMS over five years. The demand study has informed the space requirement. The University of Wolverhampton is the lead partner for the project and design and build phase for both the Springfield and Thomas Dudley Ltd sites. The CBM has conducted a separate

viability exercise for extending and adapting their existing centre for Toolmaking. All parties to the proposal have agreed their offer to the ECMS and signed a “Letter of Support”.

Back Ground papers

Revised Process for Evaluation of Local Growth Fund bids - Joint Committee Paper 17th June 2015

The Black Country Strategic Economic Plan (SEP)

Elite Centre for Manufacturing Skills Full Business Case

Elite Centre for Manufacturing Skills – Design Concept Feasibility Study

Attachments

Attachment 1 - Elite Centre for Manufacturing Skills – Design Proposals; ‘Hub’ and the ‘foundry and forging Spoke’

Contact Officer & Author

Tim Johnson
Strategic Director, Place
Wolverhampton City Council
Civic Centre, St Peter’s Square,
Wolverhampton, WV1 1SH
Email: tim.johnson@wolverhampton.gov.uk
Telephone: 01902 555400

Mark Lavender
Joint Committee Programme Manager
Walsall Council
Civic Centre, Darwall Street, Walsall.
WS1 1TP
Email: mark.lavender@walsall.gov.uk
Telephone: 01922 654772

Rachel Goodwin
BCC Programme Office
Black Country Consortium Ltd
The Deckhouse, Waterfront West, Dudley Road
Brierley Hill, DY5 1LW
Email: rachel_goodwin@blackcountryconsortium.co.uk