

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE - 3 December 2014

BC LOCAL GROWTH DEAL PROJECT APPROVAL RECOMMENDATION - FAB KIT

Key Decision: Yes
Forward Plan: Yes

1. PURPOSE OF REPORT

1.1 To present the recommendations of the Advisory Board in relation to the FAB Kit applications by: Sandwell College, In-Comm Training and Performance Through People (PTP), seeking permission to proceed to grant agreement by the Accountable Body (Walsall Council) as set out below in section 2.

2. RECOMMENDATIONS

2.1 That the Joint Committee grants approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to Grant Agreements to deliver the Local Growth Fund (LGF) funded elements of the FAB Kit programme with Sandwell College, In-Comm Training and Performance Through People (PTP) – with delivery to commence in the 2015/16 financial year.

3. REPORT DETAIL

- 3.1 The Joint Committee received a report on the 17th September setting out the background and work so far in the development of the Black Country Growth Deal Round 1, approving a way forward for the 15 projects involved, which will utilise the individual Red Amber Green (RAG) ratings for each project proposal.
- 3.2 To ensure that these RAG ratings are as accurate as possible, each projects business case has been further scrutinised by specialists and officers (October 2014), culminating at the Advisory Board Star Chamber on the 10th November 2014, where representatives from 13 of the 15 projects were further questioned by members of the Advisory Board and the Working Group of the Joint Committee. The remaining two projects were scrutinised at the Advisory Board on 19th November.
- 3.3 The recommendation of the Advisory Board is based on the RAG ratings agreed through this process, attached as Appendix 1, together with subsequent information received, which for this project, has been revised to Green and the process presented to the Joint Committee on the 17th September in section 3.6.





4. FINANCIAL IMPLICATIONS

4.1 The costs associated with this development work and the delivery of projects that form part of the LGF round 1 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.

5. LEGAL IMPLICATIONS

5.1 The appropriate Grant Agreements are being prepared by the Accountable Body (Walsall Council) and will include all conditions passed onto the LEP by Government, together will 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

6.1 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

7.1 None at the time of drafting

Back Ground papers

The Black Country Strategic Economic Plan (SEP)

Business Cases for each Individual Project

Attachments

Appendix 1 – FAB Kit Project Headlines and Outline Business Case RAG Rating

Contact Officer & Author

Nick Bubalo

Area Director, Regeneration & Economy Sandwell Council Freeth Street, Oldbury B69 3DB

Email: nick_bubalo@sandwell.gov.uk

Telephone: 0121 569 4253

Mark Lavender

Joint Committee Programme Manager Walsall Council Civic Centre, Darwall Street, Walsall. WS1 1TP

Email: lavenderm@walsall.gov.uk

Telephone: 01922 654772



ITEM 14

Appendix 1 – FAB Kit Project Headlines and Outline Business Case RAG Rating

Project Description Three separate projects which involve capital investment in high tech equipment for three local training organisations, increasing their capacity to deliver high value manufacturing training that meets the skills needs of local businesses. Through:

- (1) The creation of a 'Fab Lab' in West Bromwich by Sandwell College (part of a Fab Lab project across the UK), to turn ideas into new products and prototypes through a venue offering prototype development and models through 3D printing;
- (2) In-Comm Training providing enhanced training resources including CNC machines, for the training of apprentices and the up-skilling of existing employees; and
- (3) Performance Through People (PTP), the provision of CNC machines, lathes and milling equipment to meet the training needs of local businesses and to deliver Bite Sized Training for employers/staff.

Start date: Purchase of equipment to be completed during the 2015/16 financial year.

Headline Outputs Include: To be fully defined by each applicant, currently this includes up to 85 new apprenticeship places created per year, together with other client groups using the equipment, including: School children, unemployed adults and staff of local employers.

Funding Profile: Project costs: (1) Total cost £100k, LGF requested £36k; (2) £195k total investment, LGF requested £65k; (3) £220k total investment, LGF requested £75k; Total Programme cost £515k, LGF requested £176k during 2015/16, an intervention rate of 34%.

October 2014 Update and Revised RAG Rating

PROJECT MANAGEMENT



Retained at Green throughout the process, with all partners having confirmed that the premises to hold the new equipment will be ready and available, and that sufficient demand exists for this equipment and that funding to support the training is in place.

ECONOMIC OUTPUTS



Retained at Green throughout the process, with all partners confirming that the economic outputs include up to 700 Apprentices, together with members of the public and staff from local employers.

FUNDING



Matching funding from each applicant has been confirmed

OVERALL RATING PROPOSED



Green

The recommendation is: To Proceed to Contracting.



OUTLINE BUSINESS CASE (Including October Revisions)

PROJECT TITLE: FAB KIT PROGRAMME

PROJECT SPONSOR: Various

Project Context

The Fab Kit programme consists of three separate small projects supporting the expansion of training capacity and facilities in the high value manufacturing sector.

(1) Sandwell College Fab Lab

PROJECT MANAGEMENT



- To be established in Sandwell town centre by Sandwell College in conjunction with the Manufacturing Institute, based on similar facilities established elsewhere in the UK following the concept established by MIT in the US.
- Equipment specification and sourcing has been confirmed based on comparable facilities.

ECONOMIC OUTPUTS

To be determined by applent, and will include: Students, local people and employees.

FUNDING



- £36,000 LGF contribution to £100,000 investment in building fit-out and equipment;
- Match funding confirmed to come from Sandwell College

(2) Fab Kit for In-Comm Training Centre

PROJECT MANAGEMENT



- Purchase of equipmento enhance training capacity at private training centre in Aldridge.
- Training and up skilling for apprentices and businesses, specialising in high value
- Equipment specification is based on survey of Group Training Association (GTA) members to ensure alignment to business needs.

ECONOMIC OUTPUTS



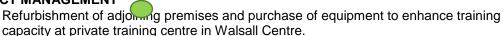
- 20 additional apprentices per annum
- Potential for additional business support outputs

FUNDING

- £65, LGF contribution to £195,000 investment in new equipment;
- Match funding confirmed to come from £100,000 In-Comm bank loan and £30,000 from GTA members.

(3) Fab Kit for PTP Training Centre

PROJECT MANAGEMENT



- Training and up-skilling for apprentices and businesses, specialising in high value enaineerina.
- Equipment specification complete and to be acquired through mix of new and second-hand sources (including Dudley College)

ECONOMIC OUTPUTS



Capacity for an additional 100 apprenticeships per annum



ITEM 14

FUNDING



- £75,000 LGF contribution to £220,000 total project cost, including building and equipment Match funding confirmed to come from PTP own resources.