

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**
– ELITE CENTRE FOR MANUFACTURING SKILLS

Key Decision: Yes**Forward Plan:** Yes

1. PURPOSE OF REPORT

- 1.1 To present the recommendations of the Advisory Board in relation to the Elite Centre for Manufacturing Skills by the Black Country Consortium, 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 a Grant Agreement with Black Country Consortium to deliver the Local Growth Fund (LGF) funded elements for the Elite Centre for Manufacturing Skills Feasibility Study (only) – 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.

- 3.4 The Elite centre for Manufacturing Skills is included within the Local Growth Fund allocations for the programme, which lists some £7.6million available for its delivery; this report makes no recommendations for the use of this funding, as this is dependent upon the production and approval of the Feasibility Study for the Elite Centre.
- 3.5 Included within the overall £351k allocation for the FAB Kit is £175k of funding to sponsor the Feasibility Study for the Elite Centre for Manufacturing Skills. The Joint Committee received the details of this in their 17th September report within item 3.4. For clarity we now present the Feasibility Study element under the name of the Elite Centre for consideration by the Joint Committee.
- 3.6 Following clarification of the steering group membership and structure, the Advisory Board rates the Feasibility Study project as Green, and recommends that the Joint Committee approves movement to Grant Agreement by the Accountable Body. Any further sponsorship or activity for the Elite Centre will be subject to further consideration by the Advisory Board and Joint Committee following the production and evaluation of the Feasibility Study findings and proposals.

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 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

- 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 – Elite Centre for Manufacturing Skills Project Headlines and Outline Business Case RAG Rating

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Appendix 1 – Elite Centre for Manufacturing Skills Project Headlines and Outline Business Case RAG Rating

Project Description: To complete a feasibility study for the Elite Centre for Manufacturing to lever in the LGF funding allocated for future years of £7.6m. This will look at how to sustainably fill the gaps in provision in niche areas of manufacturing skills based on an employer led approach. This will involve complementing the existing FE & private provision with a combination of new and industry based provisions with support from the Manufacturing Technology Centre, so that it truly meets the needs of the Manufacturing sector.

Start date: Feasibility Study to be completed during the 2015/16 financial year.

Headline Outputs Include: The production of a Feasibility Study, setting out the business case for drawing down the balance of funding included in the LGF programme totalling £7.6m.

Funding Profile: Project costs: £175k, to be spent during 2015/16, with the LGF programme meeting 100% of the costs.

October 2014 Update and Revised RAG Rating

PROJECT MANAGEMENT



Revised from Amber, as Steering Group membership and attendees have been confirmed.

ECONOMIC OUTPUTS



To be determined by the Feasibility Study.

FUNDING



Revised to Green for the Feasibility Study element.

OVERALL RATING PROPOSED

Green



The recommendation is: To Proceed to Contracting for the Feasibility Study.

OUTLINE BUSINESS CASE (Including October Revisions)**PROJECT TITLE:** Elite Centre for Manufacturing Skills, Feasibility Study**PROJECT SPONSOR:** Black Country Consortium**NOT SUBJECT TO JULY RAG ASSESSMENT – PROJECT INCLUDED AS
FREEDOM/FLEXIBILITY ITEM****Project Context**

The Growth Deal confirms provision of £175,000 for feasibility work into the establishment of the ECMS and an indicative allocation of £7.6m in 2016/17 for capital investment in a new build facility. At this stage the risk appraisal relates to the feasibility study only. The feasibility study is intended to lead to the definition of the concept for the ECMS and delivery plan.

BCC is progressing discussions with other Manufacturing Technology Centres to consider potential collaborative models, including potential involvement in a National College proposal.

PROJECT MANAGEMENT 

- BCC is leading this stage of project development pending establishment of a project governance structure.
- Government has confirmed that the project should be employer led and therefore a Steering Group is to be established, led by the Chair of the LEP Employment & Skills Board.
- The scope of the feasibility study has not been defined in terms of market analysis, site options, operational viability, design, procurement route etc.

What is the intended process for establishing a study Steering Group?

ECONOMIC OUTPUTS 

To be determined but nil from feasibility study

FUNDING 

- Future capital and operational funding requirements are intended to be determined by the feasibility study. Pending the study scoping and procurement, there remains uncertainty as to whether £175,000 will be sufficient to establish full design and operational feasibility.
- Alternative project procurement routes have not been considered.

Have other options been considered for project development and feasibility assessment, including early competitive selection of a preferred delivery partner?