



Strategy Performance Board Meeting – Agenda Item 6

Date of Meeting: Friday 14 May 2021
Report of: Roy Newton
Subject/Title: Allocation of Funding for Business Case Development

1. Introduction

- 1.1. At the meeting on 20 March 2019 the LEP Board agreed to allocate £400,000 per year for three years towards studies/business case development to allow the sub region to respond quickly to invitations from government departments to bid for funding. At the meeting on 12 February the Strategy Committee agreed three schemes for funding in the 2021/22 financial year, totalling £75,556, leaving around £325,000 still to be allocated.
- 1.2. The Strategy Committee noted that the call for projects has been significantly widened beyond the more traditional transport submissions, and agreed that the assessment of projects should take account of the degree to which the projects would support delivery of LEP and Government priorities, their potential to attract funding for delivery, and the amount of match funding being proposed by the project promoter.
- 1.3. The Strategy Committee also agreed that LEP Committees consider funding bids within their subject remit and indicate their view on the priorities of the relevant bids to Strategy Committee, hence the Employers' Skills Board has considered and identified a priority project for recommending for funding.

2. Institute of Technology

- 2.1. The request for funding is to enable preparation of the business case for stage 2 of the application to the Department for Education to create a Cheshire and Warrington Institute of Technology (IoT). The IoT is a key component of the Skills Strategy and would increase level 4/5 skills in digital and other priority areas, creating pathways from lower-level qualifications and enabling progression to degree level and beyond, involving employers from design to delivery as well as governance, and embedding Higher Education research into employer planning and future scoping. The development of the business case will help to unlock up to £20m of government funding for site remodelling and equipment. It is anticipated that the business case would be completed around June for submission to Government.
- 2.2. There are 13 bids going into the final stage for the £120 million of funding announced by education secretary Gavin Williamson at the Conservative Party conference two years ago. A total of 15 bids were received in stage 1 of the

process. Of those, 13 applicants have been invited to progress to stage 2 which will “test the viability, feasibility and deliverability of proposals in more detail”. They will be whittled down to eight winners later this year.

- 2.3. The cost of preparing the stage 2 business case is estimated at £50,000 and a contribution of £25,000 is being sought from the LEP’s business case fund. The proposal has been endorsed by the Employers’ Skills Board and the bid proforma is attached at Appendix 1.

3. Identifying the Remaining Priorities

- 3.1. If the Strategy Committee allocates £25,000 to the IoT business case, that would leave around £300,000 remaining for other projects. Work is on-going with scheme promoters to understand more of the detail of the proposals submitted to date. The proposals currently received are listed in Appendix 2 and others are anticipated. Some of these are at an early concept stage and others have limited amounts of match funding proposed. LEP officers are having discussions with the local authorities about further work that is needed to strengthen the propositions.
- 3.2. In order to spend the money this financial year, allocations will need to be made before the autumn. The intention is for the Sub-Regional Housing Board, Local Transport Body and Enterprise Zone Board to review the proposals and identify priorities for recommendation to the next Strategy Committee meeting.

4. Recommendations

- 4.1. The LEP Strategy Committee is recommended to:
 - a. Agree a contribution of £25,000 towards the development of a business case for establishing an Institute of Technology; and
 - b. Note that LEP Committees are considering funding bids within their subject remit and it is intended that they will indicate their view on recommended priorities at the next Strategy Committee meeting.

Appendix 1

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| Project Name: | Cheshire and Warrington IoT | |
| Brief Description: | To prepare the business case for Phase 2 of the application to create a Cheshire and Warrington Institute of Technology | |
| Strategic Fit | Impact | Notes |
| a. SEP | | |
| b. LIS | | |
| c. Constellation | | |
| d. EZ | | |
| e. Skills Strategy | Significant | <p>The IoT is a key component of the LEP's strategy. Delivering 1500+ Level 4 learners in digital and other priority areas, creating pathways from lower-level qualifications and enabling progression to degree level and beyond, involving employers from design to delivery as well as governance, and embedding HE research into employer planning and future scoping are major benefits from this investment in the development of a business case that will enable up to £20m of government funding for site remodelling and equipment.</p> <p>The proposal is in line with the ambitions in the recently published skills white paper</p> |
| f. Other | Significant | <p>The project will act as a focus for employers, delivery partners and HE which can then be used as a model for other skill priority areas. It can also develop partnership working amongst major delivery partners within the LEP areas as an additional benefit.</p> <p>In addition to the specific priority curriculum areas covered by the IoT there is an underpinning focus on sustainability which is itself a key priority for the region. The technologies used, skills taught as well as the dispersed delivery model are all intended to align with a future where technology enables a more digitally capable workforce, greater digital access for the wider population and as a consequence a reduction in unnecessary travel.</p> |
| To what degree would the business case/study address the following: | Impact | Notes |
| a. Increasing productivity | Significant | The project is designed to address the identified shortfall in higher level skills as described and quantified in the (strategy). Providing 1500 + Level 4 and above learners per year by Y5 of |

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| | | operation, the IoT will help to meet a key component in the LEP's strategy to deliver a significant increase in the region's GDP. |
| b. Unlocking development | | The project is intended to increase level 4/5 skills in key areas, engaging employers in developing the curriculum and promoting pathways to HE. By involving HE in helping employers to identify future technologies and skills needs the IoT will enable organisations to remain competitive and make investment decisions, both in capital and in people, based on a more secure assessment of future need. |
| c. Providing homes | modest | The IoT will have the built environment as one of its areas of focus providing the skills required for the LEP's objective of developing (number) new homes |
| d. Reducing pollution | modest | The IoT is based on a dispersed delivery strategy but with a partnership approach so that needs are identified and met locally where possible including on employer's sites and by remote learning technologies |
| e. Improving sustainable transport | modest | See d. |
| f. Tackling congestion | modest | See d |
| g. Reducing accidents | | |
| h. Improving journey reliability | | |
| i. Increasing network capacity | significant | A major part of the 1500+ Level 4 plus qualifications delivered are in the digital skills required to meet LEP priorities. |
| Total cost of business case/study | | |
| Contribution of promoting authority | £25k | |
| Level of contribution sought from LEP | £25k | |
| Other contributions | | |
| Timescale for developing business case/study | | |
| February to June | | |
| What is the funding mechanism for delivering the solution identified by the business case/study? | | |
| The IoT will be funded through a grant from Government for capital developments on partner sites, revenue funding from partners and a 35% cash and in-kind contribution from core partners and employers | | |
| What is the anticipated timescale for delivering the solution identified by the business case/study? | | |
| Delivery begins June 2022 | | |
| Any other information | | |

Business Case/Study Pro Forma

Impact: Score as either Negative, Minor, Modest or Significant and set out briefly the reasons for the score in the Notes section

Appendix 2

Housing Proposals

- Northgate (Chester) – development of c.420 units on the Northgate and Linenhall sites, delivery barriers include topography, site assembly, public realm, access and on-site infrastructure.
- Weaver Square (Northwich) – development of c.150 units in Northwich town centre, business case funding required for next stage of geo-technical and topographical surveys, masterplanning and market analysis.
- Tata (Northwich) – development of c.1,200 new homes at the Tata Winnington Works site, identification of off-site infrastructure required.
- Crewe Town Centre – options and feasibility study focused the Mill Street Corridor connecting the station with the town centre to identify a residential development and delivery strategy.
- Macclesfield Town Centre – options and feasibility study required to identify most suitable town centre sites for residential development and a strategy for delivering those sites.

Transport Proposals

- Bollin Valley Way – Feasibility Study & OBC
- Crewe Transport Delivery Plan - Feasibility Assessment
- A50 Corridor Study
- A51/A500 Corridor Study
- Middlewich Southern Link Road OBC
- Mid Cheshire Waterways Development of Delivery Plan and Detailed Design
- Chester Station Wider Connectivity and Capacity SOBC (Network Rail lead)
- Mid Cheshire Line Capacity SOBC (TfGM lead)
- Potential for additional transport schemes from Cheshire West and Chester Council
- Potential for additional transport schemes from Warrington Council

Other Placed Based Proposals

- Chester City Centre Package Feasibility and Business Case Development
- Ellesmere Port Industrial Area OBC Development
- Northwich Wider Town Centre Masterplan
- Winsford Station Quarter Feasibility Study
- Crewe Town Centre - Post Covid Adaptation and Recovery Study
- Macclesfield Outdoor Hospitality - Feasibility study for outdoor hospitality space
- Macclesfield Market Hall Transformation - Building Survey, Feasibility Study & Business Case
- Macclesfield Station – HS2 Ready Phase 1 - Building Survey, Scheme Development, Feasibility Study & Business Case