**LEP BOARD**

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| **Title: Local Growth Fund Skills Funding Paper**  | **Agenda item:** |
| **Prepared by: Pat Jackson** | **Date of Report:10 October 2019** |

**Purpose**

To seek the LEP Board’s endorsement of the Employers’ Skills and Education Board approval of bids and provisional allocations of investment of the Local Growth Fund Skills Funds

**Recommendations**

The LEP Board is asked to: -

1. Endorse the Employers’ Skills and Education Board’s approvals of applications for investment of Local Growth Fund Skills Funding. The list of bids received is at paragraph 12. Except for bid number 7 all bids listed have been approved subject to endorsement by the LEP Board and negotiation with LEP officials about the precise level of eligible costs and satisfactory responses to the queries raised by the sub-groups of the Employers’ Skills and Education Board. Bid number 7 has been deferred subject to receiving further information and clarification.
2. Agree that a subgroup of the Employers’ Skills and Education Board is convened to review the deferred bid once further information is received and delegate responsibility for approval of this final bid to the Employers’ Skills and Education Board.

**Background and Discussion**

1. The LEP has £5 million of Local Growth Fund CAPITAL funding available to help deliver the skills and education priorities identified in Cheshire and Warrington’s Strategic Economic Plan and the Skills and Education Plan - [www.871candwep.co.uk/resources/skills-education-plan/](http://www.871candwep.co.uk/resources/skills-education-plan/).

2. Following advice from the Employers’ Skills and Education Board, the LEP issued three invitations to bid for the funds:

* A maximum of five investments of up to £20,000 each for specialist equipment that can be taken into schools, colleges and libraries and other community centres or could be easily accessed from other locations. The aim is to spark interest and change mind-sets about how digital and new technologies can transform lives.
* A maximum of two investments of up to £250,000 each for specialist equipment that can be used to deliver digital and advanced engineering training and education that are particularly important to improve the competitiveness and raise the productivity of one or two specific groups of employers or sectors of industry within Cheshire and Warrington. The specialist equipment should be accessible to as wide a range of individual residents of Cheshire and Warrington as possible.
* A maximum of five investments between £500,000 and £1,000,000 for specialist equipment that can be used to upskill and reskill the existing workforce so that we can transform digital and advanced manufacturing skills across all sectors of business in Cheshire and Warrington. In general, the specialist equipment will be sufficiently generic to enable as many businesses as possible to transform their business practices at a faster pace through cross-sector collaboration.

3. The LEP received seven bids for investments up to £20K, one bid for investment up to £250,000 and nine bids for investments between £500,000 and £1,000,000. The LEP requested some information to clarify costings and outputs and had the costs for IT kit checked and verified as appropriate by an IT consultant. The value of all the bids received was £5,659,583.

4. The bids include proposed investments in digital and STEM hubs in a range of venues across Cheshire and Warrington as well as several bids for mobile equipment that will widen access into local schools and communities. All the bids focus on investment in specialised equipment to inspire and support the delivery of digital and advanced manufacturing skills and education – very much in line with the direction proposed in the recent analytical work undertaken by Bentley. They can all be used as resources for the Pledge partners.

5. The submissions have been assessed by LEP Officers against the five-case business model as set out in the Local Assurance Framework:

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| **Criteria** | **Weighting**  | **Maximum Score** |
| Strategic Fit (including innovation and accessibility) | 20 | 5 |
| Economic case (outputs and impact on business) | 20 | 5 |
| Financial  | 20 | 5 |
| Management and delivery | 20 | 5 |
| Commercial case (vim) | 20 | 5 |

6. In a series of meetings on 18 September, 25 September and 3 October sub-groups of the Employers’ Skills and Education Board reviewed all the bids. With the exception of one proposed investment (number 7 in the following table), all investments were approved subject to endorsement by the main LEP Board on 16 October and negotiation with LEP officials about the precise level of eligible costs and satisfactory responses to various queries raised by the Employers’ Skills and Education Board. The decision on one investment (bid number 7 in the following table) was deferred and the bidder was asked for further information in order to clarify the proposed investment.

7. The LEP’s Performance and Investment Committee reviewed the process of appraising and reaching decisions on the bids at their meeting on 16 September. They confirmed that due process had been followed and approved the bids listed in paragraph 12 except for bid number 7.

8. LEP officers are meeting all the bidders to review the eligible costs and outputs and address all the queries raised by the Employers’ Skills and Education Board – including challenging the need for all the equipment and securing agreement to collaborate with the other bidders. We expect the grant requested on several bids to go down as applicants include only what is essential to the delivery of the projects as it was apparent several bids were over specified.

9. At this stage we cannot confirm the total value of all approved bids until eligible costs have been confirmed and any ‘over-egging’ has been removed. We will aim to issue contracts by the end of October and will then provide an update of the total value of investments.

10. Individual Members of the Employers’ Skills and Education Board will be appointed as ‘godparents/mentors’ of each investment and all investments will be brought together at a meeting in mid-November to identify opportunities for collaboration and sharing of equipment. There will then be follow up meetings to ensure continued collaboration and sharing of good practice.

11. If there is any budget remaining, the sub-groups of the Employers’ Skills and Education Board that appraised the bids recommend that either a further invitation to bid should be issued or we should explore the scope to extend some of the approved bids to cover a wider geographical area. The Performance and Investment Committee have said that a further bidding round should not be allowed but they have suggested that we should invest in targeted interventions (perhaps extensions of the successful bids) rather than do another call.

12. The following table summarises each bid.

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|  | **Applicant** | **Name of Scheme** | **Description** | **LGF requested (£)** |
| 1 | Youth Federation  | Digital Security training  | An investment in computers, servers and networking equipment to deliver cyber security training to individual learners and local businesses.  The equipment will be based at the Science and Technology Facilities Council, Daresbury.  The proposed business model is based on an existing facility in Salford. | 16,500 |
| 2 and 3 | Warrington and Vale Royal Hubs | Community Digital Learning | Two bids of £13,033 each to provide digital equipment for use in the community by adult learners and the workforce of local businesses, situated in ‘Community Digital Learning Hubs’ at Northwich and Winsford libraries. The college will co-locate some of its adult and community (ACL) provision at the libraries and will augment existing learning opportunities there, primarily focusing upon digital familiarisation and upskilling. | 26,067 |
| 4 | Cheshire College South and West | Developing skills and career pathways in additive manufacturing and VR/AR using augmented assistance | An investment in portable, entry level specialist equipment to support the development of additive manufacturing and virtual and augmented reality.  The equipment will be based at Cheshire College South and West’s Crewe campus.     | 19,617 |
| 5 | Livewire | Livewire Warrington CIC | An investment in equipment to deliver coding, digital fabrication, physical computing workshops to young people and vulnerable people in schools, central and neighbourhood libraries and businesses within Warrington.  The investment would build on pilot work already undertaken by LiveWire Warrington library staff and Spark at Penketh High School. | 19,542 |
| 6 | UTC Warrington | 21st Century Lab | An investment in specialist equipment to support the development of computer network management and cyber security skills.  The equipment would complement the UTC’s cyber curriculum.  The equipment would be located at Warrington UTC but could be moved and installed at a range of temporary sites. | 20,000 |
| 7 | Carpe Diem | Skills Lab | Investment in state-of-the-art equipment to be housed in a skills lab located in Warrington’s cultural quarter.  To provide exposure to and training in existing and emerging technologies for schools, teachers, job seekers, the existing workforce and businesses.   | 20,000 |
| 8 | Digital Hive | Supportive Hub for India Gamers | Investment in equipment and resources to enable an independent (indie) gamer to be able to publish their work on international platforms including but not limited to PlayStation, Xbox, Nintendo and upcoming VR/AR platforms such as Oculus.   This will be both physical hardware, connectivity and access to relevant industry expertise.  The equipment will be based within the Digital Hive in Macclesfield.  Digital Hive also plan to liaise with partners such as the Base in Warrington where we would be able to deliver sessions collaboratively and have able to expand on our existing relationship through the Digital Hive. | 110,640 |
| 9 | Astra Zeneca | Macclesfield STEM Centre | Investment in a STEM Centre at AstraZeneca Macclesfield to allow employees to experience AR, VR, 3D Printing and Projection Mapping. The STEM Centre will be a dedicated building and use existing underutilised space on the AstraZeneca Macclesfield site whereby employees can go to experience immersive digital content for training in digital and increase their awareness and understanding of advanced manufacturing and research. The technology will form part of a Digital Transformation taking place at AstraZeneca Macclesfield that can be experienced by employees, visitors, local schools and other local partners and help up skill our existing workforce and showcase our strengths to the local community. The technology will include virtual reality, augmented reality, projection mapping, 3D printing and modelling and holograms. | 268,420 |
| 10 | Cheshire College South and West | Transforming digital and advanced engineering skills | Investment in a digital hub employing cutting edge technology including Virtual Reality, Augmented Reality, Robotics and Additive Manufacturing that would be based in a central and fully accessible Digital Hub on College campuses.  A proportion of the equipment that is readily portable will be incorporated into a mobile learning centre that will deliver the opportunity to engage with the technology and the desired reskilling and upskilling. This will eliminate access barriers for smaller organisations and schools. | 913,647 |
| 11 | Reaseheath College | Automatic Dairy | Investment in a new automatic milking dairy to provide training, upskilling and reskilling and education in digitalisation, robotics and data-driven dairy management.  A key part of this is the creation of a Centre for Dairy Automation and Robotic Milking.  | 681,000 |
| 12 | Macclesfield College | Transforming Digital and advanced engineering skills | Investment in a new ‘Digital Skills’ Hub to be located at the college.  The Digital Skills Hub will offer and provide the following additional areas of skills development and expertise: Agile project management, UX / UI User experience and user interface design, cyber security, coding and robotics.  The college is currently designing new programmes of skills support, in conjunction with local employers to offer skills training in the above areas.  | 894,395 |
| 13 | University of Chester | High Performance Private Cloud | Investment in a client-server computing environment for mixed use by Industry and Education.  The equipment will be split into two parts - a private cloud server and network estate (hosted within The University’s Riverside Data Centre for remote access by businesses/individuals from across Cheshire and Warrington) and a fixed and mobile client access device. Clients and Servers can be booked for set periods of time, from a single day up to 6 months/year. The resource will help to demonstrate to businesses and individuals the benefits of using the cloud. The function will allow users to connect remotely to a wider range of digital services than they have access to currently.  They will be able to access a range of services through a self-service menu set up and maintained centrally in Chester.  A mobile unit will be used to demonstrate and help users to explore data visualisation, HPC and/or cyber security issues.  It will take the form of a van that will be fitted out with benching and equipment, with room for c.4-5 people to work inside.  There will be a 5G connection to the private cloud and some of the equipment will be portable. | 893,000 |
| 14 | Reaseheath College | Controlled Environment Food Production Centre | Investment in a facility to develop precision horticulture through controlled environment food production.  The Controlled Environment Food production Centre will support advances in innovative growing techniques in protected environments (including vertical farming) using data management and new technologies such as LED lighting, hydroponic/aeroponics growing systems, robotics, automated environmental and nutrient control, and biosecurity will allow improvement in food production efficiency and sustainability. | 446,000 |
| 15 | Warrington and Vale Royal College | AMET Centre Warrington Campus | AMET centre situated at the college’s campus in Warrington will enhance the skills of prospective and current employees through the acquisition of industry-specific, specialist equipment, primarily for skills training and technical education, that meets employers’ and sectoral needs. The AMET centres will be accessible to employers, other training providers and schools across the Warrington and Vale Royal areas. The AMET facilities will be similar in principle to the Marches Centre of Manufacturing Technology (MCMT) in Shropshire. | Total of both bids is 664,000 |
| 16 | Warrington and Vale Royal College | AMET Centre Winsford Centre | AMET centre situated at the college’s campus in Winsford will enhance the skills of prospective and current employees through the acquisition of industry-specific, specialist equipment, primarily for skills training and technical education, that meets employers’ and sectoral needs. The AMET centres will be accessible to employers, other training providers and schools across the Warrington and Vale Royal areas. The AMET facilities will be similar in principle to the Marches Centre of Manufacturing Technology (MCMT) in Shropshire. |
| 17 | Elluc | Elluc Academy | Elluc civil, structural engineering consultants specialising within digitalisation of the construction sector, delivering projects globally with a base in Warrington and Australia. The investment is designed to develop the skills required to deliver the projects in accordance with BIM & digital construction in accordance with industry 4.0.  These are rarely available in the UK & Australia. Elluc propose establishing an EP (Elluc Properties) Academy at their Centre Park office in Warrington.  They will then deliver a large proportion of their global projects from the central design hub. The investment will involve fitting out the office space with one-time purchases of high-spec machinery, software and refurbishment of their current premises. | 548,000 |
| 18 | Carpe Diem | IOTA (Inspiration Open to All)- | Investment in an expert led skills workshop for all ages and all sectors. Located for onsite training but also for the distribution of resources to ensure the greatest possible accessibility. Leveraging the investment, knowledge and resources of global brands; IOTA will provide shop floor interaction, free events and taster sessions all as a means to expose, filter and assign individuals across a broad spectrum of training and innovation programmes – in coding, machine learning, data science, AR / VR, robotics, web design, blockchain, IoT and gaming, etc.  IOTA will provide exposure to and training in both existing and emerging digital and advanced engineering technologies.   With programmed streams based on demand (i.e. times of day) and sector specific needs; IOTA will evolve to meet the challenges of localised skills gaps and deliver £1.5m worth of free training (per training room). | Multiples of £118,750\*Exact amount unclear |
|  | Total |  |  | **£5,659,583** |

The outputs claimed in each bid were reviewed and, in some cases, challenged during the appraisal of the bids. We have not yet been able to finalise a table of the outputs of the approved projects but overall, they are considered to offer good value for money.