

Forward Plan reference number: FP/AB/265

Report title: Groundworks and Scaffolding Training Centre LGF funding decision	
Report to Accountability Board on 14 February 2020	
Report author: Howard Davies, Capital Programme Officer	
Date: 3 February 2020	For: Decision
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SELEP Partner Authority affected: Essex	

1. Purpose of Report

- 1.1 The purpose of this report is to bring forward the revised scope of the Colchester Institute Groundworks and Scaffolding Training Centre (the Project) for consideration by the Accountability Board (the Board).
- 1.2 The Project was awarded £100,000 Local Growth Funding (LGF) by the Board on 7 June 2019.
- 1.3 The Project proposed to deliver a Groundworks and Scaffolding Training Centre at Colchester Institute (the College), Essex.
- 1.4 A change request has been submitted to SELEP by the College which seeks approval from the Board to rework the Project scope to remove the scaffolding element from the Project.
- 1.5 The new downgraded Project scope would reduce the Project funding ask, commensurate to the level of project outcomes but increasing the scope of the Groundworks programme. This will deliver a three month 'Entry to Apprenticeship' programme to help ensure that candidates are committed to the apprenticeship over the long term. The new Project is to be renamed 'Groundworks Training Academy'
- 1.6 The Change Request provided by the College has been considered through the Independent Technical Evaluation (ITE) process and the amended scope of the Project has been assessed as representing very high value for money.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Approve** the change of scope for the Project which has been assessed by the ITE as presenting high value for money with high certainty of achieving this.
 - 2.1.2. **Approve** the reduction of funding to be awarded to £50,000 LGF to support the delivery of the Project.

2.1.3. **Note** that the remaining £50,000 will be returned to the LGF pot to be reallocated to the next project on the LGF3b pipeline.

3. Background – Groundworks and Scaffolding Training Centre

- 3.1 The original Project scope, reviewed by the Board in June 2019, was aimed at complementing the existing construction training facilities and looked to counter the identified barriers facing the construction sector.
- 3.2 The previous report highlighted that in Essex alone, Employment and Skills Board evidence suggests the need for 44,000 new recruits from within the Essex construction sector by 2021 and within Greater London there is already a shortfall of 40,000 skilled construction workers.
- 3.3 With a large number of construction projects planned, including the three large North Essex garden communities and associated infrastructure, there would be a real pressure to create jobs in this sector.
- 3.4 The scope identified challenges around the following:
- A lack of people looking to pursue careers in this sector
 - Few people in training
 - Challenges in recruiting tutors and assessors
 - Training provision currently provide is not always what the industry wants
- 3.5 The Project proposed to create self- contained training areas supporting both industry sectors with modular buildings to replicate site conditions. This would provide a fit for purpose training centre that would introduce new entrants to apprenticeships and up skill the existing workforce.

4. Groundworks Training Academy – Methodology behind the Change

- 4.1. Since the original Strategic Outline Business Case (SOBC) was written priorities for the College, driven by local employer needs, has shifted.
- 4.2. The College's commercial team has reported a drop in the level of employer interest/need in formal scaffolding training since the expression of interest (EOI) was first developed in August 2018 to seek LGF investment.
- 4.3. There is an apparent lack of support for participation in the scaffolding steering group – the main project employer sponsor has fallen away, and the College has been unable to replace them.
- 4.4. There is a lack of interest in off-the-job scaffolding training generally as evidenced by a review of training being delivered by others in the region including the Construction Industry Training Board (CITB), Bircham Newton.

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The College has identified that businesses are preferring on-site assessments to gain individual accreditations and re-accreditations.

4.5. The College have now realised that there is a high level of difficulty needed to achieve accreditation to deliver the approved programmes for the scaffolding elements, including:

- 1) Facilities: There was a need to construct a building to house a minimum of 3 x 70 square metre bays (plus storage space) 3 storeys high.
- 2) Staff: There was a requirement to provide a training instructor that has 10 years on site experience, 5 years supervisor experience with a whole host of accredited qualifications

4.6. There is a reduced requirement for scaffolding training over the longer term as new methods of building come to the fore (modular housing)

4.7. There would also be difficulty in attracting appropriate lecturing and assessing staff to deliver course content at pay rates that would make the Project non-viable financially.

5. New Project Scope – Colchester Groundworks Academy

5.1. Project funding will still allow for site clearance and preparation, design and planning approvals. Reconfiguration and upgrade of classrooms adjacent to the site that will create a genuine first-class training facility for Essex businesses.

5.2. The Project will continue to provide self-contained areas, supporting the Groundworks element, with modular buildings to replicate site conditions.

5.3. The output of qualified Groundwork apprentices will be retained in this Project. Indeed, it is expected that the number of training courses provided as part of the Groundworks programme will increase.

5.4. A new course aimed at delivering a three month 'Entry to Apprenticeship' programme. The inclusion of this additional; course will help ensure that candidates are committed to the apprenticeship over a longer term.

5.5. The revised Project will address feedback from key employers participating in the programme, that they are experiencing difficulties in recruiting apprentices for the Scaffolding element of the Project.

5.6. Table 1 below shows a comparable between the original Project and revised Project. The table shows a reduction in outcomes pertaining to the scaffolding element, but it should be noted that these were mostly one day short course/accreditations as opposed to the longer courses being offered as part of the Groundworks Academy.

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6. Alternative Options Considered

- 6.1. At the stage of the LGF award being made for the Project, the scaffolding element of the Project was less well developed than the groundworks aspect.
- 6.2. As a result of the change of scope, the number of apprenticeships starts will still see a net increase of 12.
- 6.3. Options were considered that offered a 'condensed scheme' that still awarded an accreditation of Construction Industry Scaffolders Record Scheme (CISRS), however the requirements needed for this 'minimum' centre included the provision of a 400 sq.m covered space which would require three separate platform areas, plus storage areas which would be beyond the financial scope of this Project.
- 6.4. Table 1 below sets out the change to the Project outcomes as a result of the change to the Project's scope.

Table 1 Change to project outcomes

Change to project outputs - Apprenticeship Starts	Original				Updated				Total variance
	2019 - 20	2020 -21	2021 - 22	Total	2019 - 20	2020 -21	2021 - 22	Total	
Apprenticeship Starts (Groundworks)	36	36	36	108	36	36	36	108	0
Apprenticeship Starts (Scaffolding)	12	24	24	60	0	0	0	0	-60
16 - 19 Entry Apprentice Programme Learners	0	0	0	0	0	36	36	72	72
Total	48	60	60	168	36	72	72	180	12
Change to project outputs - Other Outputs	Original				Updated				Total variance
	2019 - 20	2020 -21	2021 - 22	Total	2019 - 20	2020 -21	2021 - 22	Total	
Construction Industry Training Scheme (CITB) qualified scaffolding operatives	20	60	60	140	0	0	0	0	-140
CITBB Scaffold Inspection Training (SITS) candidates	10	20	20	50	0	0	0	0	-50
Other CITB accredited training course candidates upskilling	20	36	72	128	0	0	0	0	-128
Additional Working at Heights and Confined Space Training candidates	12	24	24	60	0	0	0	0	-60
East Cheshire Training Assessment (ECTA) supported training candidates	10	30	40	80	0	0	0	0	-80
Construction Skills Certification Scheme (CSCS) Card Candidates	25	50	75	150	0	0	0	0	-150
Additional Employers engaged with the College	12	20	30	62	10	15	22	47	-15
Additional training-led jobs in construction	48	60	60	168	36	36	36	108	-60
Total	157	300	381	838	46	51	58	155	-683

7. Consultation

- 7.1 The lead employer on the Scaffolding element is no longer interested in leading on this part of the Project and the College have been unable to source an alternative employer. Essex County Council (ECC) as scheme sponsor has been made aware of the need to vary the Project.

8. Revised Project Cost and Funding

- 8.1 The total cost of the Project is reduced to £150,000, as set out in Table 2 below.

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8.2 The College is seeking a reduced amount of LGF funding, from £100,000 to £50,000 as a contribution towards the delivery of the Project. The remaining cost of the Project will be met by the College and through Employer Groups.

Table 2 – Groundworks Training Academy Spend Profile (£)

	2019/20	2020/21	Total
SELEP LGF	50,000	-	50,000
Colchester Institute	30,000	20,000	50,000
Employer Groups	50,000		50,000
Total	£130,000	£20,000	£150,000

8.3 The recommendation is for the Board to approve the LGF allocation to reduce by 50% from £100,000 to £50,000 (from 40% to 33% of remaining project cost)

9 Outcome of ITE Review

9.1 SELEP Assurance Framework states that any variations to a project's costs, scope, outcomes or outputs from the information specified in the Business Case must be reported to the Accountability Board. When the changes are expected to have a substantial impact on forecast project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the Value for Money assessment, it is expected that the business case should be re-evaluated by the ITE.

9.2 The original business case for the Project, as reviewed by the ITE in June 2019 was based on a Project cost of £250,000, with a benefit to cost ratio (BCR) of 5.64:1. This represented very high value for money, with a medium/high level of certainty of that value for money.

9.3 Given the fact that the Project is in its delivery phase, the uncertainty about the delivery and benefits realisation from the Project has been reduced. The change request for the Project has been reviewed by the ITE. The ITE assessment confirms that the Project continues to represent very high value for money with high certainty of achieving that value for money.

10 Project Compliance with SELEP Assurance Framework

10.1 Table 3 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 3 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategy Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. An additionality assessment has not been completed but this would not be expected for a Project of this size.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates experience of delivering similar schemes. A risk register has been developed which provides itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	Given the fact that outputs are reducing by one third while project costs are reducing by more than a third we are confident that the scheme, in its changed form, will continue to represent very high value for money.

11 Financial Implications (Accountable Body comments)

- 11.1 The LGF funding of £100,000 originally allocated to the Project has not been drawn down and transferred to ECC for delivery of the Project.
- 11.2 Should the change in scope of the Project be approved and the reduction of LGF allocated be approved, the remaining £50,000 will be returned to the LGF pot to be reallocated to the next project on the LGF3b pipeline.

12 Legal Implications (Accountable Body comments)

- 12.1 There are no legal implications arising out of this decision. The allocation will be released to the relevant Upper Tier Authority in accordance with the terms and conditions of the SLA already in place. It will be the responsibility of the Upper Tier Authority to ensure that there is a sufficient back to back agreement in place with the College ensuring that the conditions of the SLA are reflected and formulate the basis of any agreement put in place.

13 Equality and Diversity implication

- 13.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 13.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 13.3 In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

14 List of Appendices

- 14.1 Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 6).

15 List of Background Papers

- 15.1 Business Case for the Groundworks and Scaffolding Training Centre, Colchester Institute

Change Request for the Colchester Groundworks Training Academy

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(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Stephanie Mitchener	
On behalf of Nicole Wood (S151 Officer Essex County Council	6/2/20