

D2N2 Investment Board (IB) Cover Sheet

Agenda Item 5

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Subject	Pipeline Projects		
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Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)
<p>Following the withdrawal of the Crocus Place development from the D2N2 Local Growth Fund there is £877,000 unallocated across the programme. Therefore, the LEP have been working in partnership with projects submitted to the January 2020 pipeline call to bring forward additional projects that can be delivered within this financial year.</p> <p>Two projects have been identified that meet the LGF criteria, are deliverable and support the overall output targets for the programme. They will mitigate the risk of having an underspend by providing a buffer by over programming by £2million.</p> <p>The projects have been jointly assessed by the LEP and Thomas Lister consultants, and the Investment Board are recommended to endorse both projects and invite them to proceed to Final Business Case delivery.</p>

D2N2 INVESTMENT BOARD

16th June 2020

Introduction

In January 2020 following the withdrawal of 3 projects from the Local Growth Fund allocation, D2N2 launched a call for new capital projects. Given that the Local Growth Fund programme is coming to an end in March 2021 the projects needed to have a high level of deliverability and be able to demonstrate that they were able to utilise any LGF allocation before the March 2021 deadline.

Assessment and Allocations

Projects were scored based on deliverability, financial risk, Market evidence, strategic fit and outputs. Following this process four projects were initially brought forward and granted an allocation of funding which took the programme to a position of overspend to be covered through the Growing Places Fund to ensure the programme fully delivered its spend target by the March 2021 deadline.

Subsequently, one project (Crocus Place) has withdrawn from the programme, as a result £3m of funding has been released to the Local Growth Fund.

Therefore, the LEP has identified and brought forward additional projects from the pipeline that have further progressed since the initial call in March and are now ready to be delivered.

This work has been carried out with independent analysis from Thomas Lister Consultants who have reviewed revised information on the projects to test in particular their strategic fit and deliverability. This process has confirmed that two projects are ready to be brought forward for consideration by the Investment Board.

The two projects have been re-evaluated from their assessment in March and have now achieved the following scores which are above the minimum threshold of 61 to be deemed deliverable:

- **Automation and Robotics Training** – 65 (Green) The project has addressed the concerns raised around its deliverability since the March call. Following the independent assessment of the information presented, West Notts College have now provided sufficient information to demonstrate this gap has been filled in the application.

- **YMCA Community and Activity Village** – 65 (Green) The project has addressed the concerns raised around its deliverability and in particular its planning status that were identified in the March call. Following the independent assessment of the information presented, YMCA have now provided sufficient information to demonstrate that the project is deliverable by March 2021.

Projects recommended for endorsement

Automation and Robotics Training – West Notts College

Project Name	Automation and Robotics Training	Project Sponsor	West Notts College
LGF Funding	£673,618	Total Project Cost	£898,157
Construction Start Date	September 2020	Construction End Date	February 2021

Project Description

The project will see the procurement, installation and support for a range of bespoke training equipment (and associated IT) which will facilitate the training of young people and adults up to level 5 in the installation, programming, maintenance and repair of automated production and distribution lines and robots. The project is a direct response to help shape the future economy of Mansfield and the surrounding areas, it will deliver training to local people to create a strong workforce in these employment areas for local businesses.

The existing engineering building is currently utilised for providing skills training and apprenticeships; however, existing equipment within the building is now 18 years old and significantly out of date, especially in context with the technological advancements that have been made within the engineering and manufacturing sector. After discussions and engagement with local employers which have identified that the existing equipment is no longer fit for industry standard training the college are responding to the changing needs of business and procuring equipment specialising in automation.

West Notts College have been engaging with and will provide training through this equipment to businesses in the Manufacturing, Engineering and Distribution sectors. The new equipment will facilitate the delivery of a higher standard of training to the people of Mansfield and Ashfield as well as delivering more learners with higher level training to the economy. The provision on offer will be the following:

- Level 3 Engineering Apprenticeship Standards
- Level 4 Engineering Apprenticeship Standards – **Entirely new provision**
- Level 5 Engineering Apprenticeship Standards – **Entirely new provision**
- HNC and HND - engineering full time and part time courses.

Strategic Fit

The D2N2 Strategic Economic Plan includes 8 key activities. This project supports 4 of these:

- Driving productivity and growth in our priority sectors – automation and robotics are key productivity drivers across a range of sectors

- Delivering careers inspiration for our current and future workforce – automation and robotics careers will be an attractive option for many local young people and our business partners are committed to helping us paint the picture of aspiration for them.
- Supporting inclusion and progression in the labour market – beginning with basic level skills and knowledge and setting this in a welcoming setting will help to engage young people from all parts of our community and adults looking to re-skill.
- Developing skills and leadership for productivity growth – these skills are key to productivity growth

The Local Industrial Strategy evidence base shows that Mansfield has the lowest productivity in the region. Productivity is a key pillar of the strategy and this project will be a major enabler for improved productivity not just in Mansfield and Ashfield but across the whole of the North of the D2N2 geography.

The sectoral analysis in the LIS shows the strategic importance of sectors undergoing automation to the Mansfield and Ashfield Economy.

Outputs

Output Description	Total	Year Delivered
Public Investment Levered	£224,359	2021
Learners Supported	470	2024
Businesses Assisted	20	2024

Timeline for Delivery

Milestone	Date
Tender Process Begins	June 2020
Contractor appointment/mobilisation	September 2020
Final Business Case	September 2020
Delivery of Equipment	January 2021

The project sponsor has been consulted with about the impact of Covid 19 on the delivery timescales and has confirmed that it will have no affect on the Capital Equipment Purchases and therefore the projects ability to spend before March 2021.

Recommendation

The Automations and Robotics project has demonstrated that it fits with the strategic aims of the Local Growth Fund, and is delivery ready and classed as low risk, it also represents good value for money in terms of the LGF outputs. The project aligns with the work of the emerging Mansfield Towns Deal to deliver enhanced learning provision across Mansfield.

The project sponsor has confirmed that all outputs are additional to those counted through other LGF interventions at West Notts College and that the output delivery on other funded projects is progressing well.

D2N2 officers recommend that the project be invited to continue through the Local Assurance Framework Process and progress to Final Business Case submission subject to the project sponsor continuing to deliver against existing contracted targets.

YMCA Community and Activity Village

Project Name	YMCA Community and Activity Village	Project Sponsor	YMCA
LGF Funding	£2.2m	Total Project Cost	£10.6m
Construction Start Date	September 2020	Construction End Date	October 2021

Project Description

The YMCA are looking to develop a new 4,800M² facility which will become a community and learning hub adjacent to some of the most deprived wards of Newark and Sherwood which ranks 324th out of 325 Local Authority area with regards to social mobility and is subsequently the least socially mobile place in D2N2.

The building will offer new job and learning opportunities for local residents to benefit from and will aim to form part of the solution to solve the social mobility issues in the area. D2N2 are being requested to part fund the development of Phase 2 of the project which will deliver a new state of the art community venue with facilities which include:

- 300-Seater Conference and Events Space
- 5 Fully digital and connected education, training and employment suites
- Healthcare suites and treatment/rehabilitation spaces
- 80 Place Café

Through collaborative partnerships with over 50 different providers such as Lincoln College, NTU and Lincoln University, the YMCA will look to utilise this new space to develop a programme of training opportunities for local people and provide learning from levels 1-6 in subjects such as Housing, Digital Media, Health and Social care as well as Public Services. The YMCA have formed partnerships with local businesses, education providers and the community to deliver socially inclusive training opportunities to the people of Newark and D2N2.

The facility will enable the YMCA to provide coordinated delivery of both education, employment and wellbeing support to address identified social mobility challenges in

Newark and skills to address productivity and labour market gaps. The new centre will enable the people who are often the furthest away from the labour markets, access to training and skills through less traditional mechanisms. The facility will combine this with support pathways to develop local residents which a traditional educational institution may not be able to do and they may not have access to. Given current economic circumstances this is a vital facility to ensure that some of the most disadvantaged people in the D2N2 economy are not left behind and can be provided with training opportunities to aid economic recovery and tackle social mobility issues.

The learning hub is part of a much larger development Phase 1 is already complete and consists of an athletics track and quality sports pitches. An Olympic climbing wall, cycle track and canoeing are still to come.

This is the YMCA's flagship national project, intended to support families at every point in their lives through provision of a wide range of services consolidated at the village. The idea is that the village brings together different family members and members of the community at the same place to do different things. There's a strong focus on tackling the barriers to social mobility which, is a particular challenge for the area.

Being located in an area of significant housing growth and high levels of deprivation, the learning hub has the potential to impact the lives of a significant number of people and make a long-term contribution to raising local skills levels.

Through the providers involved, the centre will enable better health outcomes, educational attainment and provide an interface with the local economy to address long standing issues in the area. The Newark and Sherwood YMCA will oversee the operations and management of the facility but will work collaboratively with partners to ensure that a wide range of provision is available, and expertise are in place to deliver the learning support to the site's users.

There is strong partnership engagement in the governance of the model which has the support of both the district and county authorities as well as financial support through Grants, land transfers and commitment of future section 106 commitments.

Strategic Fit

The project aligns with D2N2's Strategic Economic Plan by supporting the delivery of the following objectives set out in the document:

Skills and Knowledge for the Future – The YMCA have been working closely with local large businesses, NTU and Lincoln college (who manage the existing Newark campus) and are developing pathways to employment which will include work experience, internships and apprenticeships leading to employment.

Future Workforce – The YMCA will connect careers activity related to this development with local secondary schools and will align with existing careers strategies. The project is already in communication with the LEPs CEC-funded delivery team and NCOP providers working in the Newark area.

Inclusive Workforce - YMCA are working closely with other local community and voluntary providers to ensure the education offer at the site is accessible and meets both the skills and development needs of the people of Newark and Sherwood. The project will offer opportunities to all and will target support and training to some of the most deprived and socially immobile communities in the LEP area.

Skilled and Productive Workforce - The project will offer additional and aspirational training opportunities to people that have previously lacked access to this. By offering these varied learning opportunities the centre will deliver skilled people to the local economy therefore improving the performance and productivity of local businesses. The embedded focus on digital skills will additionally align well with the strategic digital aspirations across D2N2.

Quality of Place – Through the delivery of the new facility the YMCA are seeking to create an inclusive and sustainable community within Newark. Alongside the educational opportunities at the site, the project will also deliver benefits to the region by creating a destination for leisure activities for all people in the region; including leisure facilities not available within a 30mile radius, therefore promoting Newark as a destination.

Outputs

Output Description	Total	Year Delivered
New Jobs Created	202	2023
Jobs Safeguarded	150	2021
New Learners Supported	2,150 per annum	2024
Commercial Floorspace	1,977 m ²	2022

Timeline for Delivery

Milestone	Date
Tendering process Complete	Completed
Final Business Case Delivered	September 2020
Construction Start Date	September 2020
Construction Completion	January 2021

Recommendation

Following a review of the submission from the YMCA the project has been identified as having good strategic fit with the LGF programme and is deliverable within the timescales of the remainder of the programme. The project also represents good value for money for the investment and delivers learner numbers for the programme.

The project originally requested £2.5m of Local Growth Funding towards the development, however D2N2 officers are recommending that the YMCA is allocated £2.2m based on the overall programme position.

Match funding contributions have all been secured and clarified and the project has the relevant planning permissions to be able to proceed with an allocation from D2N2.

D2N2 officers therefore recommend that the project be invited to continue through the Local Assurance Framework Process and progress to Final Business Case submission which will be subject to a full financial due diligence process.