

D2N2 Investment Board (IB) Cover Sheet – 9th September 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
-------------------------	-------------------------------------	-------------------------------------	--

Meeting and Date	9 th September 2020		
Subject	Approval of Automation and Robotics		
Author	T Goshawk/S Wainwright	Total no of sheets	7

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
--------------------------	--	-------------------------------------	--------------------------------------

Summary and Recommendation(s)
<p>This paper sets out a request for £673,618 of Local Growth Funding to support the Automation and Robotics project.</p> <p>The full business case for the project has been reviewed by D2N2 and the Accountable Body officers and is now compliant with the Local Assurance Framework and is therefore recommended for approval by the Investment Board.</p>

D2N2 INVESTMENT BOARD

9th September 2020

Automation and Robotics

1.0 Background

D2N2 has an allocation of £250M of Local Growth Fund to support delivery of economic growth across the D2N2 region. The funding started in 2015 and comes to an end in March 2021.

The delivery of the fund is managed in line with the D2N2 Local Assurance Framework agreed with Government, which sets out the compliance requirements in relation to the delivery and approval of projects funded through the Local Growth Fund.

The Local Growth Fund is managed in conjunction with D2N2's appointed Accountable Body Derbyshire County Council who are responsible for ensuring compliance with the Local Assurance Framework.

The project below has been assessed against the Local Assurance Framework and is being put forward for consideration by the Investment Board.

2.0 Scheme Overview

This project is to create an Automation and Robotics training facility at West Nottinghamshire College in Mansfield by refurbishing 100m² of learning space and purchasing automation and robotics equipment and associated IT.

The investment allows a proactive response to development of skills which will support employers and individuals to raise the level of higher skills within their future workforce in the areas of Engineering, Manufacturing and Distribution.

At a local level, Mansfield and Ashfield have a strong engineering and manufacturing base; the provision of enhanced skills will support the current and future workforce. The local sector needs to respond to the increased use

of automation and robotics, which require a shift in the skills base towards level 3, 4 and 5 to support the technology; securing jobs.

This Project seeks to support the Engineering, Manufacturing and Automated Distribution sectors within Mansfield, Ashfield and surrounding areas. Compared to the UK average employment in Engineering and Manufacturing is about 2.5 times higher in these areas, showing the economic dependence on these sectors. The fourth industrial revolution is seeing a rapid move to increased automation. This puts low skilled jobs at risk but creates increased skilled vacancies in the installation, maintenance and operation of this technology. Areas that can respond well to this change will have the opportunity to increase investment. A strong, skilled workforce will support this investment.

The existing facilities based on the Engineering campus have no training equipment associated with Industry Standard 4, which is the underpinning technology behind what has been described as the next industrial revolution. The Project seeks to build Automation and Robotics training in as additionality to the standard Apprenticeship and curriculum offer. The Project focuses on securing this type of equipment and enhanced IT resources to allow the use of virtual environments.

The Project allows the College to reconfigure existing space. The Project also provides the specialist equipment that is needed to deliver an increase in Level 3 and above specialist courses. West Nottinghamshire College have ensured that they have proactively engaged with local industry and businesses to make sure that the educational offer they are providing is in line with industry standards. The new facilities being purchased through this intervention will conform to Industry Standard 4 which is the underpinning technology behind what has been described as the next industrial revolution

The funding for the project is sourced from the following:

Funding Source	TOTAL
West Nottinghamshire College	£226,382

Local Growth Fund	£673,618
TOTAL	£900,000

3.0 Approvals

The project and funding has been approved by West Nottinghamshire College.

4.0 Procurement

Over three quarters of the budget will be spent on specialist equipment so has been procured on a single Supplier agreement with a negotiated price. The remaining purchases will be through either Frameworks or quotes which are compliant with West Nottinghamshire Colleges Financial Regulations.

5.0 State Aid

The promoter has confirmed the project is State Aid compliant which has been evidenced in the business case.

6.0 Business Case

The business case has been forwarded to Regeneris Hatch and they have confirmed that the project provides good Value for Money following their independent assessment.

7.0 Delivery Programme

- Complete First Building Services workshop and manufacturing space- November 2020
- Create automation and robotics Technology labs for higher skills delivery-January 2021
- Commence additional higher skills delivery-March 2021
- First qualifications-October 2021

8.0 Outputs and Outcomes

1,180 learners

3 jobs

9.0 Spending profile

20/21 £673,618

10.0 Local Assurance Framework

A Full Business Case has now been submitted in line with the approval process. The Accountable Body and D2N2 have assessed the Full Business Case submission and approval is recommended

The Investment Board are asked to approve the project and to release the £673,618 of LGF.

Sarah Wainwright, Accountable Body, Derbyshire County Council
Tom Goshawk, D2N2 LEP

Appendix 1

Local Assurance Framework

Final stage Approval Check List:

<p>1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.</p>	<p>A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.</p>
<p>2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.</p>	<p>A Value for Money assessment has been carried out and the external assessors have confirmed that the project provides good Value for Money.</p>
<p>3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.</p>	<p>No planning consents are required</p>
<p>4. Confirmation that any Section 106 or other agreements have been entered into.</p>	<p>n/a.</p>
<p>5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)</p>	<p>Over three quarters of the budget will be spent on specialist equipment so has been procured on a single Supplier agreement with a negotiated price. The remaining purchases will be through either Frameworks or quotes which are compliant with West Nottinghamshire Colleges Financial Regulations</p>
<p>6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs</p>	<p>Payment will be made on supply of products or against completion of elements of specifications.</p>

Appendix 1

7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.	West Nottinghamshire College have confirmed they will be responsible for any cost overruns.		
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	n/a		
9. Details of any outstanding points preventing/delaying the start-up of the construction contract.	n/a		
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.	n/a		
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.	The project sponsor has confirmed that all match funding is in place for the project.		
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	n/a		
13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.		Jobs	Learners
	Q4 20/21	1	80
	21/22	1	120

Appendix 1

	22/23	1	140
	23/24		140
	24/25		140
	25/26		140
	26/27		140
	27/28		140
	28/29		140
	Total	3	1,180
14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.	A risk register has been provided including any mitigations		