

Greater Manchester Skills Capital 2017-20

Commissioning Prospectus

September 2017

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Greater Manchester Skills Capital Prospectus 2017-20

1 Introduction

This Prospectus outlines Greater Manchester's approach to commissioning its Skills Capital budget for the period 2017-20. Its purpose is to set out the context, priorities and process for applications seeking Skills Capital funding in order to deliver projects that will help meet the skills needs of Greater Manchester.

The Prospectus highlights the key investment principles and economic priorities which underpin delivery and provides the starting point for applicants to bring forward their propositions for capital investment demonstrating how they will contribute to Greater Manchester's Work and Skills Strategy and Priorities.

It also gives details of funding, eligibility and support available together with the bidding timeframe the Greater Manchester Combined Authority intends to follow.

2 Background

Industry-standard learning facilities have a major role to play in delivering the supply of skilled individuals needed to meet the changing needs of the Greater Manchester labour market. They can help to secure greater employer and learner participation, acting as a catalyst for improved curriculum design and delivery, while also contributing to local regeneration and productivity.

Skills Capital investment is a key component of Greater Manchester's devolved responsibilities and will be used to develop facilities which demonstrate responsiveness to the needs of local business and increase overall investment in training. The Greater Manchester Strategy and Greater Manchester Work and Skills Strategy and Priorities provide the strategic basis for the future configuration of institutions, facilities and curriculum.

Successful deployment of Skills Capital will support skills development across Greater Manchester and continue to reduce NEET and unemployment, increase the number of Apprenticeships and support labour market progression for those in work. It will also make a significant contribution to developing centres of excellence for higher level skills in sectors critical to the growth and productivity of the GM economy. In essence, it will ensure that the current further education estate remains fit for purpose and focus investment on those sectors, geographies and client groups where the greatest impact and return on investment can be achieved.

The GM Combined Authority, which is now responsible for the strategic allocation of these funds, already approved nearly £8 million in 2015/16 to support projects in Salford, Tameside and Rochdale. An additional £71 million for the period 2017/20 has now been made available through the Greater Manchester Growth Deal to invest in high quality, state of the art training facilities and equipment.

Further applications are now being sought from Further Education colleges, together with eligible skills providers and their partners, which demonstrate an innovative and strategic approach to meeting the wider Greater Manchester Employment and Skills priorities agreed in 2016

3 Strategic Overview

Our vision is to make Greater Manchester one of the best places in the world.

- *A place where all children are given the best start in life and young people grow up inspired to exceed expectations.*
- *A place where people are proud to live, with a decent home, a fulfilling job, and stress-free journeys the norm. But if you need a helping hand you'll get it.*
- *A place of ideas and invention, with a modern and productive economy that draws in investment, visitors and talent.*
- *A place where people live healthy lives and older people are valued.*
- *A place where all voices are heard and where, working together, we can shape our future."*

Our People; Our Place: The Greater Manchester Strategy 2017

To deliver the above vision, young people will leave the education system with the knowledge, skills, and attributes needed to succeed in the labour market. Working age adults who are out of work and /or who have low levels of skills, will have access to the skills and wider support needed to enter and sustain employment and there will be an offer for all adults to up-skill and progress their careers.

There is a step-change needed to ensure that the GM skills demand and supply systems are more engaged; with the leadership and capacity to co-produce and co-fund the higher level and technical skills, needed to increase productivity, improve skills utilisation and grow the economy. Recognising that globalisation, technological change and an ageing population and workforce will continue to impact on the sectors and occupations that are likely to grow, the GM skills system will need to be flexible, adaptable and resilient in the long-term

Delivering on this ambition will mean that by 2020, there will be¹;

- 70,000 more GM working-age residents with Level 4+ (degree level or equivalent) qualifications, an increase from 34.6% of the working-age population in 2016 to 38.3%
- At least 50,000 fewer GM working-age residents with qualifications below Level 2, a reduction from 27.7% of the working-age population in 2016 to 24.6%
- More than 40,000 GM residents per annum will start an apprenticeship, and the achievement rate for apprenticeship programmes will reach 75%. This compares to 30,379 apprenticeship starts in 2015/16, and an achievement rate of 66.4%

The Greater Manchester Economy has a population of nearly 3 million and is the largest city based economy outside the South East of England with nearly 100,000 businesses and an economy worth £48.2bn. This is approximately 4% of the national economy, and bigger than the GVA of the whole of Wales. As the largest city region in the UK outside of London it has the greatest potential to contribute to economic growth and prosperity. Independent analysis shows that, because of its scale and economic assets, GM also has the potential to play a leading role in delivering the Northern Powerhouse ambition.

¹ Our People; Our Place: The Greater Manchester Strategy August 2017

The Northern Powerhouse is perhaps a once in a generation opportunity for Greater Manchester to realise its economic potential. Ensuring that our residents have the skills to play their part in contributing to, and benefiting from, this growth opportunity will be critical.

However, GM is currently punching below its weight. It takes more from the Exchequer than it contributes, to the value of almost £5bn pa. This gap has remained largely unchanged over the past five years. Although local services have delivered significant spending reductions, welfare payments have continued to increase.

To close the gap around the GM contribution to the UK economy, the Greater Manchester Strategy², sets priorities which *'harness the strengths of Greater Manchester's people and places to create a more inclusive and productive city where everyone and every place can succeed'* It focuses on delivering sustainable economic growth and ensuring that all residents can contribute to and benefit from that growth. These are supported through the devolution of a number of funding responsibilities to Greater Manchester, including Skills Capital.

Developing the skills of the GM population will be a critical part of achieving these ambitions. The city region still has a comparatively low skilled workforce, which accounts for the bulk of the difference in productivity between GM and the UK average. GM's 'low skill equilibrium' is also reflected in concentrations of low paid employment and a disproportionate number of unemployed people with Level 3 and Level 4 qualifications (38% and 20%) suggesting a closer link between the local curriculum and employers is required.

The Greater Manchester Work and Skills Strategy 2016-2019 provides the overarching framework for activity across the whole of the work and skills agenda and highlights 10 priorities for 2016-19 which set skills and employment within the wider context of the economy. This will ensure that all are supported or incentivised to reach their potential whether through re-accessing the labour market, entering employment for the first time or gaining the higher skills necessary for a thriving economy.

The Work and Skills Strategy highlights the need:

- To plan for population growth of 300,000 over the next twenty years, to create 220,000 new jobs and replace 170,000 who retire or leave the labour market.
- To meet the increasing demand for higher level skills where half of all new jobs are likely to be at Level 3 and above
- To support GMs high growth (GVA) sectors Manufacturing, Financial & Professional Services (including Business Services), Digital and Creative Industries, and Health Innovation
- To raise skill levels and thereby the GM employment rate from 69.5% to the national average of 73.2%. (Currently 37% for those with no qualifications and 66% for those with Level 2)
- To reduce the number of GM residents holding no qualifications (11%) compared to 9% nationally
- To upskill the 352,000 19+ adults who do not have functional English and maths
- To reduce the unemployment rate from 6% to the national average of 4.7% (Mar 2017)

² Our people; our place: the Greater Manchester Strategy 2017 DRAFT to be published Autumn 17

- To ensure that key high employment sectors in GM continue to upskill their workforce and encourage progression facilitating movement up skill levels and not ‘trapping’ citizens in low income employment reliant on in work benefits.

Skills Analysis

Following the Area Based Review a more detailed skills analysis has been undertaken by the Combined Authority which maps current skills delivery against GM priority growth sectors. This has shown a mismatch between sector skills need and current provision. In particular, there is a lack of high quality specialisation for further education provision at Level 4 and above.

The analysis has also confirmed that students are more likely to be prepared to travel outside their home district to pursue learning at skill levels above Level 3. More investment in these specialisms is therefore being sought, based on employment and travel to learn patterns, to ensure all residents can access higher level provision which meets the economic needs. Further mapping work is now underway to identify ideal locations for such specialist centres. This will align with wider plans for a new Institute of Technology in Greater Manchester and the technical pathways being developed to meet the government aspirations outlined in the Post 16 Skills Plan.

4 Skills Capital Delivery Criteria for Greater Manchester

It is against this strategic backdrop that GM seeks to deploy its skills capital delivering against a key priority of the Work and Skills strategy to

Develop Greater Manchester's work and skills infrastructure to meet the needs of the economy

and to respond to the ambition agreed for the GM Post 16 Area Based Review Report and the subsequent GM tailored assessment criteria (Annex 1)³. This should ensure that in GM there is:

- An offer that meets each area's educational and economic needs
- Sufficient access to high quality and relevant education training for all
- Providers with strong reputations and greater specialisation :
- Provision which reflects changes in government funding priorities and future demand
- Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment

³ Agreed as part of the GM Area Based Review 2016

5 The Commissioning Process

The allocation of skills capital was a role formally undertaken by the Education and Skills Funding Agency (ESFA) but has now passed to the GMCA. Whilst eligible providers (those in receipt of ESFA contracts), in the past, have been asked to demonstrate how their projects meet local strategic and financial criteria, they have been challenged less on the impact and benefit beyond their individual institution.

Following devolution of Skills Capital, the GMCA through the GM Skills Executive has refined the application process to incorporate increased commissioning against broader strategic requirements. This will ensure that skills capital is not just deployed to provide localised high quality facilities, but also as a key enabler in the delivery of Greater Manchester's wider inclusive growth and skills agenda. Hence the intention to have a far greater alignment to the strategic objectives outlined in the Greater Manchester Work and Skills Strategy.

At its heart is the desire to achieve the most effective use of skills capital in terms of leverage of further investment by targeting those sectors and geographies where the most benefit for individuals and the economy can be derived.

To help us achieve this we have drawn on the extensive labour market information including Sector 'Deep Dive' research undertaken by the Combined Authority. This has been aligned to existing delivery and facilities across GM to identify current and future need.

6 Eligibility

Applicants can be those Further Education Colleges or other approved training organisations that are on the Register of Training Organisations and who hold a prime contract or have access to funding from the Education and Skills Funding Agency or Apprenticeship Levy to deliver education and training for 2017/18 and/or who are expecting to hold a contract in 2018/19. In exceptional circumstances, however, the CA may look at applications from non-traditional training organisations including employers, or consortia offering learning and training as part of a wider infrastructure or regeneration development.

For sector specific projects, applicants will be expected to demonstrate a track record of high quality provision in that sector with a focus on Level 3 provision and above. Projects with employer commitment and which support the creation of technical pathways that support the Government Skills Plan policy are encouraged.

Where funding is sought solely for large scale estate renewal or to support collaboration or merger, applicants will still need to demonstrate how the project meets the strategic, economic, commercial, financial and management cases outlined in the application forms.

The CA will not consider as eligible proposals involving:

- Work that would normally constitute the usual summer works, or planned maintenance and redecoration, including fulfilment of statutory duties
- Improvement to, or addition of, temporary or modular type buildings.

7 Key Investment Principles

To ensure GM Skills Capital investment can best support the implementation of the Work and Skills Strategy, the following skills capital priorities and key investment principles have been identified.

Skills capital applicants will be expected to demonstrate in their submissions how their proposed project would meet these priorities and principles and this will be a key element of the scoring framework.

All projects should:

- **Provide excellent high quality learning Facilities to support GM Work and Skills priorities** including high growth and high employment sectors critical to Greater Manchester growth.
- Clearly evidence **the impact and benefits of the educational and economic case** including **quality improvement and outcomes**
- **Deliver value for money:** positive return on investment in terms of net present value compared to 'do nothing', appropriate building costs, savings and efficiencies.
- **Secure match funding** As a benchmark a 2:1 ratio (applicant: public) for match investment particularly from employers – (ability to vary in specific circumstances) See specific investment Strand)
- Deliver significant **improvement to the condition of the FE estate**
- Demonstrable **evidence of need/demand in sector and location** chosen including **market gaps and** potential impact on other existing facilities
- Where possible, demonstrate **effective employer engagement** with named and confirmed employers. Proposals that demonstrate joint investment with employers or substantial employer sponsorship will score highly.
- Demonstrate **innovative approaches** including 'live learning environments' to facilitate entry to, and up-skilling of the workforce.
- **Collaborative and partnership proposals** between providers or between providers and employers will be encouraged and **prioritised** particularly removing duplication, driving value for money for costly equipment and ensuring niche training is available.

8 Skills Capital Investment Strands

There will be three strands of skills capital investment. (More details in Annex 1)

Strand 1: Large Redevelopment of Further Education

This strand focuses on the need to enhance, improve or extend FE College facilities particularly estate re-configuration or new build arising from strategic need or merger/collaboration proposals. These are large scale projects with total project size being at least £6m with a minimum grant of £2m at an intervention rate of 33%. This may be modified in exceptional circumstances dependent on the individual case.

Strand 2: Priority Sectors

This strand is designed to provide new or upgraded facilities to support Greater Manchester's priority sectors including growth and high employment sectors. (See GM Work and Skills Strategy and Priorities) It will, in general, focus on Level 3 and above but will also support technical pathways as per the National Skills Plan from 2019, have significant employer investment and/or contribute to providing centres of excellence across Greater Manchester. Total project size will be a minimum of £1.5m with an intervention rate of 33%. This may be modified in exceptional circumstances dependent on the individual case. Consortia bids including employers and other stakeholders are welcome e.g. Local Authorities, Higher Education

Strand 3 Smaller Investment Projects

This strand will support small capital investment projects up to a maximum total project value of £1m with a proposed intervention rate for this strand of 33%

- **Up to date industry standard equipment**
The GMCA recognises the importance of ensuring that the further education sector needs to have industry standard up to date equipment and specialist machinery if it is to deliver its technical and vocational training successfully. This is particularly important to provide 'live' working environments for learners.
- **Pilot Projects and Refurbishment**
From time to time there will be requirements for smaller refurbishment projects to ensure that further education facilities continue to be fit for purpose, efficient and provide a safe environment for learners. This can also be used to provide specialist provision for a specific cohort or sector or support new models of delivery.

Allocations

Indicative allocations for the three strands are:

Strand 1:	£40m
Strand 2:	£25m
Strand 3:	£3m
Contingency	£3m
Total	£71m

It is recognised, however, that virement between the strands may occur depending on demand and changing skills priorities.

9 Application Process and Timing

Application Process

The Combined Authority has developed a process for selection, allocation and project management for its Skills Capital allocation which not only aligns to GMs strategic skills objectives but is also fair, transparent and accountable. It builds on the experience of the ESFA and is set within the framework of the Treasury Green Book requirements and the wider capital projects delivered through the Greater Manchester Core Investment Team. The ambition is to ensure successful delivery of the capital programme in GM, but without creating an unnecessary burden of bureaucracy on either the applicants/providers or the CA.

Communication and guidance

Throughout the process, the CA will work as closely as possible with all potential and existing applicants to ensure that it secures the best possible skills capital projects in GM. At all stages applicants will be informed through briefings and regular communication about where the process is up to, what further details will be required from them, proposed scoring and allocation system and an indication of the future timetable for delivery. This will be undertaken by specialists in the Work and Skills Policy team. Applicants will also have access to an on line Question and Answer facility.

Call for Projects and timescale

GMCA is planning to launch the first round for applications on 11 September 2017 with the first round of decisions made by March 2018. These are expected to be projects already well advanced and ready to go. A second round will be launched early in 2018 giving time for prospective applicants to work up proposals and consider opportunities for collaboration and innovation. It is anticipated that a minimum of 50% of funding will be held back for Round 2

It will be a two stage process for all Strands

Stage 1 – Expression of Interest leading to an ‘in principle’ decision about whether the application should proceed or not to full application

Stage 2 – Full Application leading to final decision on whether the project can go ahead.

Communication and briefing events in late summer and autumn 2017 will enable prospective applications to be developed in readiness for a further application round to be held early in 2018. Further rounds will be considered depending on requirements and budget availability.

The table below summarises the timescales for the application, submission, assessment and approval processes for the Skills Capital Fund 2017-20:⁴

Date	Round 1 Milestones	Round 2 Milestones (indicative)
11 Sept 17	Programme launch – Round 1 <ul style="list-style-type: none"> • GM Briefing for potential applicants • Call for Expressions of Interest 	Preparation and partnership development for Round 2 projects
6 Oct 17	Deadline for Expressions of Interest	
Oct 17	Assessment, moderation and decision	
1 Nov 17	Applicant notified of decision with summary feedback	
Nov 17 – Jan 18	Bid development process for those invited to progress to Full Application	
January 2018		Launch of Round 2 – <ul style="list-style-type: none"> • GM Briefing for potential applicants • Call for Expressions of Interest
31 Jan 18	Deadline for detailed proposals	
February 18	Assessment, moderation and outline decision	
March 18	<ul style="list-style-type: none"> • Applicant Notified of decision plus summary feedback including conditions of Grant • Final approval from CA leading to contracting 	
March 18		Deadline for Expressions of Interest
March/ April 18		<ul style="list-style-type: none"> • Assessment, moderation and decision • Applicant notified of decision with summary feedback
May – July 18		<ul style="list-style-type: none"> • Bid development process for those invited to progress to Full Application • Deadline for detailed proposals
Aug 18		Assessment, moderation and outline decision
Aug – Sept 2018		<ul style="list-style-type: none"> • Applicant Notified of decision plus summary feedback including conditions of Grant • Final approval from CA

⁴ Where necessary, and appropriate, flexibility will be built into the timetable to enable the Combined Authority and providers to react to changing events and move more quickly where the situation demands. For example, where a project is also dependent on funding from the Government's Transaction Unit, timescales will be aligned, wherever possible.

Stage 1 - Expressions of Interest

In general, Expressions of Interest (Eol) will be required outlining the key criteria necessary for a skills capital bid. These will be relatively light touch to be turned around within 3-4 weeks but give sufficient information upon which a decision can be made as to whether it should be worked up into a full application.

In particular, the CA will want to see a clear outline of the project and how it contributes to the Greater Manchester Work and Skills priorities with an awareness of how it fits with other existing provision. A clear rationale for the project will need to be given and why this is the most appropriate option. An outline of total costs and deliverability in terms of financial viability and timescale will also be required. Given the emphasis on Level 3+, sector specific or support of technical pathways and greater geography of delivery, partnership with other providers is likely to be a critical aspect of the Eol. An Eol form together with guidance will be issued.

Stage 2 – Assessment of Expressions of Interest

Assessment of Eols will be undertaken by the Work and Skills Executive supported by the CA specialists in Work and Skills and at the Core Investment team. Recommendations about whether applications should go to full application will be delegated to Lead Chief Exec/Policy Lead and Treasurer.

There is no guarantee of funding for projects going forward to full application and **all** final decisions on funding will be taken by the CA following the rigorous process outlined below

Stage 3 - Full Application

If an Eol application is approved, the shortlisted project will be required to complete a more detailed application form. This will build on the Eol but require more detailed information on:

- **The Strategic Case** including
 - Rationale for intervention
 - SMART objectives
 - Alignment to GM strategic skills needs
 - Quality improvement both in terms of teaching and overall Ofsted grading
 - An awareness of how it fits with other existing provision
 - Increase in learner numbers
 - Benefits to learners , employers and local community
 - Improvement in condition of estate including areas of new build/ refurbishment/ demolition
 - Collaboration and partnership
 - Social value
 - Contribution to other growth measures
- **The Economic Case**
 - Review of options
 - Value for money based on ESFA model
 - Detailed investment appraisal based on ESFA template
- **The Commercial Case**
 - Technical requirements including RIBA design information
 - Procurement strategy

- Physical build requirements and Value for Money options.
- Deliverability and project risk
- Milestones and delivery dates
- **The Financial Case**
 - Sources of project funding and finance
 - Expenditure profile
 - Track record
 - Due diligence and state aid
- **The Management Case**
 - Project team
 - Project Roles
 - Post project reviews and evaluation
 - Contingency

In addition detailed technical and investment information will be sought based on government /ESFA templates currently used for skills capital applications.

A less detailed lighter-touch application form has been developed for smaller projects (<£1m total cost) including those for private providers and provision of technical equipment.

Up to twelve weeks will be given to applicants to work up detailed applications which should be sufficient and necessary to put together the detailed project plans which also incorporate full costings, planning issues and professional advice. Costs of this are at the applicants risk but can subsequently be claimed if the application is successful.

Stage 4 - Assessment

Initial assessments of the detailed applications will be carried out by specialists in the Work and Skills Policy Team for the Strategic Case and with technical input from the GM Core investment team. Skills capital and building specialists may be called in to support for significant scale projects or those of a highly technical nature. An application assessment matrix, using a scored version of the key criteria – based on a balanced scorecard approach - will be developed. The key elements of this, including any weighting, will be shared with applicants prior to submission.

Assessment Criteria

Assessment of project applications will take place against five cases.

- **Strategic case** –how the project meet the skills priorities set out within this prospectus in particular its contribution to GM Work and Skills Strategy and Priorities with a strong quality offer (Annex 1)
- **Economic case** – How the project is the best option to meet current gaps in learning provision and or improve the quality of the learning experience for learners and employers
- **Commercial case** – including technical specifications, building regulations compliant, fit for purpose buildings, quality/standard of building, value for money, deliverability, rationalisation of estate and relevance to the overall property strategy of the organisation and ABR

- **Financial case** – How the project demonstrates value for money, reduces dependency on public funding, does not use Skills Capital as substitute funding, sustainability, evidence of affordability and necessary match funding
- **Management Case** - Programme management, contracting, evaluation, risk and contingency

Stage 5 - Capital Allocations and Decision making

Based on the initial assessments an Assessment Panel, drawn from CA research, legal and investment teams and with skills support from the Work and Skills policy lead, will make recommendations for funding to the CXIG, Wider Leadership Team and then GMCA for agreement. These recommendations will take into account any necessary prioritisation, information of the assessment process undertaken so far, the outcomes and any project risks. Technical input will be provided at all stages from Core Investment Team experts and members of the Work and Skills Policy team. Any potential conflicts of interest will be declared.

Final recommendations will be made to The Combined Authority who will decide on the final allocations of skills capital funding within GM, before announcements are made to applicants.

Stage 6 – Offer letters and contracting

Contracts will then be drawn up by the CA legal team in conjunction with the Work and Skills Policy Team and Core Investment Team highlighting any pre contract conditions including satisfactory due diligence and state aid requirements. Applicants will be responsible for responding to all these pre contract conditions before funding is agreed.

All projects will be procured in compliance with procurement law.

Project Delivery

Project management will lie with the Assistant Director Skills Policy, Strategy and Delivery supported by specialists from the executive and GM Core Investment Team who will prepare and organise communication, ITTs, appraisals and all governance documentation. Where appropriate, specialist expertise will be brought in to ensure all technical aspects are adequately covered and or provide additional specialist support to manage the programme?

Project Governance

The process will be overseen through delegated authority to the Lead Chief Executive for Skills, Employment and Worklessness supported by the Assistant Director Skills Policy, Strategy and Delivery. They will ensure that all appraisals and recommendations are carried out in a robust and transparent way. The skills capital process will be embedded within the wider governance structure of the CA. All final decisions will be made by the CA but based on recommendations which have first been approved through the Chief Executive's Investment Group.

Monitoring and Evaluation

Monitoring of projects will be undertaken by specialists in the Core Investment Team with support from the Work and Skills Policy team. Each project will have a project manager

designated by the successful applicant who will be the key point of contact and be responsible for completing the CA's Post Occupation Project Review analysis at specific points through the project development.

Evaluation of the projects is necessarily long term as the impact on learners and the economy is likely to take some time to come through but a programme is being devised by the CA and government to ensure that each project is reviewed as well as a regular and robust evaluation of the commissioning, application and allocation process is undertaken; this is a two part evaluation to take into account physical build and learner impact.

10 Forms, Guidance and Strategic Documents

- Expression of Interest Application Form and Guidance
- Full Application Form large projects Strand 1 (Large redevelopment of Further Education) and Strand 2 (Priority Sectors)
- Full Application Form Strand 3 (Smaller Investment Projects)
- Detailed Guidance Notes for Full Application
- Other key strategic documents
 - Greater Manchester Strategy Our people; our place:
 - Greater Manchester Work and Skills Strategy
 - GM Skills Analysis
 - GM Deep Dive Skills reports
 - GM Post 16 Area Based Review Report

All application forms, guidance and strategic documents can be found at <https://www.greatermanchester-ca.gov.uk/SkillsCapitalProgramme>

For additional questions please contact GMSkillsCapital@greatermanchester-ca.gov.uk

Annex 1 - Area Based Review agreed criteria to support appraisal of options⁵

An offer that meets each area's educational and economic needs

Using GM Labour Market Intelligence and future skills requirements we must ensure that provision better delivers the higher level and technical skills required by GM's core and growth sectors in every locality. Employers must play a stronger role in future provision by being proactively involved with shaping the curriculum and embedding work experience, enterprise skills and knowledge transfer. We must create an integrated approach to skills & employment provision which includes Careers, education, information, advice & guidance (CEIAG), increasing English/maths attainment, reducing levels of NEET young people and exploration of different models of all post-16 provision.

Sufficient access to high quality and relevant education training for all

All individuals should have access to a strong academic post-16 offer from L2/3 and below provision in their local area, including sufficient provision for adults and learners with Special Educational Needs / Disabilities. Specialist higher level provision should be limited to specific sites in GM that have excellent transport connections - recognising travel to learn patterns. Provision at all levels should have clear pathways for progression supported by strong collaboration between institutions and employers to ensure these progression routes are seamless across geographies.

Providers with strong reputations and greater specialisation

In order to create a system that does not unnecessarily duplicate provision, both at local level and across GM specifically for L3+), we should build on the existing strengths of institutions to support greater specialisation including the opportunity for an Institute of Technology. In line with growth projections, there should be a focus on enhancing provision in line with GM's key sectors where skills shortages are emerging and impacting on growth.

Provision which reflects changes in government funding priorities and future demand

With the national focus on Apprenticeships, we must ensure that we effectively stimulate demand for Apprenticeships particularly at Level 3+ in order to grow and deliver increasing numbers of Apprenticeships in GM's key sectors. In order to reduce reliance on public funded provision we must enhance provision that is funded through adult loans, the Apprenticeship Levy and direct employer investment. Provision should meet changing future demand and should incorporate new models of delivery and virtual learning.

Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment

We must create a system that is financially viable and has greater efficiency against key cost drivers, meeting at least national benchmarks set out by the FE Commissioner. To achieve this we must make more efficient use of land, buildings and technology in line with 'one public estate'; ensure strong leadership and management of institutions that lead to the creation of the right infrastructure for the future, for GM's learners and the economy and we must explore all models of delivery including greater commission of activity from third parties and businesses

⁵ Agreed as part of the GM Area Based Review 2016

Annex 2 - Skills Capital Investment Strands

Strand 1 Large Redevelopment of Further Education

This strand focuses on the need to enhance, improve or extend FE College facilities particularly estate re-configuration or new build arising from merger/collaboration proposals. Total project size will be at least £6m

to enhance, improve or extend FE College facilities

- o Consortia Bids welcome particularly where merger proposed
- o Demonstrate link to strategic need
- o Upgrading Cat C/D
- o Intervention rate 33% unless exceptional circumstances
- o Min grant £2m
- o Min total project size £6m

Examples could be:

- o *Supporting mergers arising*
- o *Alignment with Government Restructuring Fund*
- o *Major estate reconfiguration including consolidation of provision. (Possible local solutions with Local Authorities)*

Strand 2 Priority Sectors

This strand is designed to provide new or upgraded facilities to support Greater Manchester's priority sectors including growth and high employment sectors. It will, in general, focus on Level 3 and above, have significant employer investment and contribute to providing centres of excellence across the city. Total project size will be at least £3m with an intervention rate of 33% %. This can be modified in exceptional circumstances

- o Based on high productivity/growth e.g. Advanced manufacturing/materials, Digital and creative, Finance and professional, Health innovation including health and Social care.
- o Key high employment sectors: Construction, Logistics, Retail, Hospitality & tourism
- o Cross sectoral initiatives particularly Digital skills
- o Linked to clustering of centres of excellence across colleges/providers
- o Focus on Level 3 and above
- o Employer investment required
- o Intervention rate 33% unless exceptional circumstances
- o Min grant £500,000
- o Min project size £1.5m

Examples could be

- o *Innovative Collaboration and co-investment with employers and key stakeholders (Universities, UTCs etc.) e.g. Technical pathway in key sectors*
- o *Specialist innovative provision to meet emerging requirements or significant infrastructure investment e.g. HS2/3 Academy, Metrolink extension, Airport expansion etc.*
- o *Upgrade of facilities for higher level or specialist training within manufacturing or other growth sectors*

- *Expanding provision to meet emerging markets e.g. digital skills*
- *Upgrade of science and technology laboratories, engineering workshops to industry standards*
- *Facility improvements in vocational work environments e.g. high tech life sciences industry*

Strand 3 - Smaller investment Projects up to £1m

This strand will support small capital investment projects for purchase of industry standard equipment or refurbishment and maintenance of existing buildings.

a. Up to date industry standard equipment

The GMCA recognises the importance of ensuring that the further education sector needs to have industry standard up to date equipment and specialist machinery if it is to deliver its technical and vocational training successfully. This is particularly important to provide 'live' working environments for learners.

- Purchase of major equipment to deliver learning in priority sectors
- Development of 'Live environments'
- Consortia bids
- Min grant £100,000
- Total project cost min £300,000 –max £1m
- Intervention rate up to 33%

Examples could be;

- *Updating items of equipment to meet industry standards in growth sectors e.g. new or refurbishment of technical laboratory, engineering and digital equipment or machines*
- *Purchase of equipment to deliver new forms of training demanded by employers and not currently available within GM*
- *Purchase of equipment allowing employer needs to be met via collaborative working to provide a shared asset across providers*

b. Refurbishment and maintenance

From time to time there will be requirements for smaller refurbishment projects to ensure that further education facilities continue to be fit for purpose, efficient and provide a safe environment for learners.

- Include refurbishment
- Total project cost min £0.5m - max £1m
- Intervention rate up to 33% (unless exceptional circumstances)

Examples could be

- *Major items of maintenance work on FE College or private provider learning facilities (rather than routine pre-planned maintenance)*
- *Better utilisation of classrooms and community space for the benefit of learners*
- *Major improvements to lighting, ventilation, and heating for the benefit and safety of learners*