

Capital Project Business Case Technical and Professional Skills Centre at Stansted Airport

The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

The process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the LGF process. Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government.



In the form that follows:

- **Applicants for funding for non-transport projects should complete the blue sections only**
- **Applicants for funding for transport projects should complete both the blue and the orange sections**

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1. PROJECT SUMMARY	
1.1. Project name	Technical and Professional Skills Centre at Stansted Airport
1.2. Project type	Skills – development of a new Technical and Professional Skills Centre
1.3. Location (inc. postal address & postcode)	Stansted Airport, CM24 1QW
1.4. Local authority area	Uttlesford District Council
1.5. Description (max 300 words)	<p>Stansted Airport (part of the Manchester Airport Group) and Harlow College are already strategic partners for the delivery of work readiness, work experience and apprenticeship pipeline programmes.</p> <p>Stansted is the fastest growing airport in South East England. Harlow College, recently reconfirmed by Ofsted as a 'Good' provider of vocational, technical and academic education, is well-placed to deliver the skills required for growth in Stansted's economy. Harlow has an existing partnership with Anglia Ruskin University through the University Centre Harlow and delivers HNC/HNDs.</p> <p>Stansted and Harlow, supported by Essex County Council, propose to develop and deliver a Technical and Professional Skills Centre at the airport. The boards of both organisations, including the College Principal and CEO of Stansted Airport, have already approved the project.</p> <p>The centre will</p> <ul style="list-style-type: none"> • provide training opportunities to meet skills gaps in STEM, aircraft maintenance engineering; operational and plant engineering; logistics; supply chain management; asset management; higher-level customer care service industries and the visitor economy. • focus particularly on pre-apprenticeship study programmes, apprenticeships and higher-level qualifications, bridging acknowledged technical skills gaps from level 3 to 5. • focus on areas that match broader and growing skills needs of the Airport, including the M11 Corridor and Harlow Enterprise Zone. <p>Harlow College, with Anglia Ruskin, has already surveyed airport-based employers to establish demand and support. It is developing a curriculum model with businesses such as Ryanair, Stansted Engineering, and Harrods Aviation that support pathways into engineering.</p> <p>A review of STEM provision offered by local schools and providers is complete; its findings will inform the curriculum structure and design of the proposed centre.</p> <p>The college acknowledges a need to focus curriculum design across three broad areas of delivery, relevant to the major functions and career opportunities across the airport:</p> <ul style="list-style-type: none"> • Engineering and aerospace • Business, logistics and finance • Hospitality and services industries
1.6. Lead applicant	Harlow College in partnership with the Manchester Airport Group
1.7. Total project value	The total capital cost is £10,480,000. This comprises

	<p>£3,500,000 LGF £3,500,000 match funding from Essex County Council £3,000,000 gift of land from Manchester Airport Group £480,000 equipment from Harlow College capital expenditure</p> <p>The funding listed (match from ECC, Gift of land and Harlow expenditure) above is contingent on successfully securing the LGF funding.</p>
<p>1.8. SELEP funding request, including type - LGF, GPF etc)</p>	<p>£3,500,000 LGF is sought to deliver this project</p>
<p>1.9. Rationale for SELEP request</p>	<p>£3.5m of LGF is required to complete the financial investment in the project to build a Technical and Professional Skills Centre at Stansted Airport. The £3.5m LGF award will directly lever funding from Essex County Council to a maximum of £3.5m if approved and will incentivise the private investment from the Manchester Airport Group needed to gift the site, valued at £3M, on the airport site for the training centre. Without LGF the development would not proceed and proposed outputs for intermediate to higher-level skills, Apprenticeships, Higher Apprenticeships and employment would remain undelivered.</p> <p>With the £3.5m to fund construction, the full scheme is viable and the partners – Harlow College, Stansted Airport Ltd (Manchester Airport Group), and Essex County Council who have signed a statement of intent, and supported by Anglia Ruskin University, will enter into a legally binding agreement to develop the Technical and Professional Skills Centre.</p> <p>The project will support the development of employment growth at Stansted Airport. It will enable employers at the airport to recruit young people and adults with appropriate levels of skills to commence work and with the capacity to acquire advanced and higher level skills. It will meet SELEP and Essex ESB priorities areas in STEM, advanced manufacturing and engineering, transport and logistics and the visitor economy. This request for LGF will contribute directly to the delivery of SELEP’s objectives and priorities for economic growth, as well as being a key enabler for housing growth. New housing (estimated 10,000 homes) planned around Stansted and Uttlesford rely on many supporting services of which Education is critical.</p> <p>The scheme will also support the strategic connectivity of the airport, by directly providing the skills required for the airport and surrounding businesses to grow. It will also train the future generation of asset manager, logistical experts, engineers and technicians to support the development of the road, rail and air infrastructure, as well as the digital infrastructure.</p> <p>Across the whole of Essex, Harlow residents have the lowest weekly earnings at £490.70 per week. By contrast, the average workplace earnings for employees in Harlow is £540.00 per week which demonstrates that Harlow residents are unable to access the higher value jobs. This is borne out by statistics that show the number of residents with Level 3 qualifications or higher is at 37.8% of the Harlow population (Essex average 49.5%) and the number of residents with Level 4 qualifications or higher is at 20.9% of the Harlow population (Essex average 29.2%). This project will support young people from across Harlow and Uttlesford to gain higher-level qualifications to give them greater access to higher salaries.</p>

Please see Appendix E –Demand Assessment documents which includes our Evidence Base and a clear detailed summary demand assessment for the project.

1.10. Other funding sources	<i>Please consider any constraints, dependencies or risks on the other funding sources</i>	
	Funding	Amount
	Notes on proposed funding routes	
	Capital build	£3,500,000 (33%)
Capital build	£3,500,000 (33%)	Match funding Essex County Council subject to the project receiving LGF funding
Land – match funding (MAG)	£3,000,000 (29%)	Proposed gift of land over a 50 year period, site to be confirmed subject to project funding/feasibility subject to the project receiving LGF funding
Capital equipment	£480,000 (5%)	Harlow College is committing £480,000 capital equipment investment and will seek additional employer contributions, over and above this value.
1.11. Delivery partners	Partner	Nature and/or value of involvement (financial, operational etc)
	Harlow College	Primary deliverer
	Manchester Airport Group	Match funding via land donation
	Anglia Ruskin University	Partnership for higher level learning provision (Levels 4-6) through the University Centre Harlow. The dedicated business engagement team will address the higher skills needs of employers, improve employability and provide opportunities for social mobility and support the Government’s Apprenticeship agenda with Higher Apprenticeships.
	Essex County Council	Project match funding and support in delivering the project
1.12. Key risks and mitigations	<i>Summary form only</i>	
	<p>Site risks</p> <p>The Manchester Airport Group Property Team is taking the lead on issues concerning the site as this is their area of expertise. An area has been identified for the Technical and Professional Skills Centre within the grounds of the airport and a land feasibility survey is currently being undertaken to ensure that it is appropriate for construction. Should this not be the case, MAG has identified other potential areas. The site will be easily accessible to students and well linked to local public transport. The MAG Property Team will be seeking planning approval for the site and the Leader of Uttlesford District Council has indicated strong support for the project.</p> <p>Financial risks</p> <p>The cost estimates for the Technical and Professional Skills Centre have been prepared with construction project managers and have taken into account cost evidence from comparable projects. All project activities will be subject to tendered prices with appropriate contingencies taking a guaranteed maximum price approach when procuring contractors. The LGF requirement of £3.5m will be capped, based on fixed prices for the works with cost overruns met by the contractor. The procurement process will require due diligence to be carried out in full on the contractor.</p>	

	<p>Delivery Risks The partners will only appoint a contractor with a strong track record of delivery. An experienced project delivery team, with relevant experience of delivering construction programmes of similar size and complexity, will oversee the project. The delivery team will put in place funding agreements based on delivery timescales. Contingency plans are in place to ensure training commences in September 2018.</p> <p>Output Risks Outputs have taken into account projections of growth in employment at Stansted Airport compiled by the Manchester Airport Group. Take-up of training is based on organisational needs analyses undertaken with significant large employers based at the airport. Qualifications achieved outputs are based on Harlow College success rates. The College has been recently inspected by Ofsted and graded 'Good' (only one of two colleges in Essex with a grading of Good). The College will apply its extremely effective curriculum planning and Learning, Teaching and Assessment Strategy to this project to ensure high levels of student success. Job creation outputs will arise as qualifications are obtained and Apprenticeships and Higher Apprenticeships are secured. The partners will maintain extremely strong links with employers at the Airport to ensure employment is secured. We consider market failure as a 'low-risk' to the project, because (a) there is currently no supply of skills provision in the Uttlesford area, (b) there is an existing demand for skilled employees (evidenced through job vacancies), (c) there is an identified future skills demand through the current age profile of the existing workforce. This is the picture without projected airport and housing growth.</p> <p>Please see Appendix E – Demand Assessment documents which includes our Evidence Base and a clear detailed summary demand assessment for the project.</p> <p>Please also refer to Appendix A – Harlow PTSC Risk Register Rev B.</p>
<p>1.13. Start date</p>	<p>The start date will be in 2017, dependent on the land feasibility study (currently underway with regards to the preferred site, out of the 3 parcels of land identified as suitable for the Technical and Professional Skills Centre) and securing funding (LGF). From June 2016 we will commence the feasibility design and planning submission for December 2016 with the construction phase to start May – June 2017.</p> <p>Due to delays in the release of the LGF funding, as identified as a potential risk in section 5.8, there has been slippage in the timescales listed above. A planning approval application will be submitted on 5 May 2017 and the construction start date will be October 2017.</p> <p>Please see Appendix A – Harlow PTSC Master Programme</p>
<p>1.14. Practical completion date</p>	<p>September 2018 (please note: the financial plan works on academic years and equipment costs for the centre are placed in August 2018 – Academic 2018/19. There is also a retention held until 2019/20 as part of standard procedure.)</p> <p>Please see Appendix A – Harlow PTSC Master Programme</p>
<p>1.15. Project development stage</p>	<p><i>Inception, option selection, feasibility, detailed design, implementation</i></p> <p>Feasibility in terms of site selection June 2016 and early stage design will then follow.</p>

<p>1.16. Proposed completion of outputs</p>	<p>Construction outputs – Technical and Professional Skills Centre September 2018 Skills outputs from July 2019 – 350 in year one, 530 per year thereafter Apprenticeship outputs from July 2019 – 75 in year one, 150 per year thereafter Employment outputs or other positive destinations eg progression to higher levels of training from July 2019 of 95%</p>
<p>1.17. Links to other SELEP projects, if applicable</p>	<p>The project strongly supports and complements the Advanced Manufacturing and Engineering Centre at Harlow College, opening December 2016 and funded by SELEP and supported by funding from Essex CC.</p> <p>It links to the delivery of the Harlow Enterprise Zone that will attract companies in life sciences, advanced manufacturing and information and communications technologies (ICT) and has capacity for over 5,000 jobs. The Enterprise Zone will also be the home of one of Anglia Ruskin’s new Med Tech campuses.</p> <p>The project links to proposed projects, including projects put forward for SELEP funding:</p> <ul style="list-style-type: none"> • The potential location of the Crossrail terminus and proposed pipeline projects linked to the highways infrastructure, specifically M11 junctions 8, 7 & 7a linking to A120 expansion and the A414 improvement scheme. • The Harlow Town Centre regeneration proposal put forward for funding by SELEP <p>These projects will require a trained workforce in engineering, logistics, business and finance which the Technical and Professional Skills Centre at Stansted Airport will provide.</p> <p>Harlow is working collaboratively with the other College graded Good, Colchester Institute, to rationalise and enhance skills delivery in Essex. These Colleges are linked by the SELEP M11 and A120 Growth Corridors.</p>

2. STRATEGIC CASE

The strategic case determines whether the scheme presents a robust case for change, and how it contributes to delivery of the SEP and SELEP's wider policy and strategic objectives.

2.1. Challenge or opportunity to be addressed

Describe the key characteristics of the challenge to be addressed and the opportunity presented. Provide an overview of the evidence supporting this and the impact of not progressing the scheme. What is the need? Why now?

There is considerable evidence from employers and residents in Uttlesford which recognises the need to enable young people and adults to gain skills that will lead to sustainable employment.

The need to provide a Technical and Professional Skills Centre at Stansted Airport

Neither Uttlesford district nor its closest neighbour Bishop's Stortford have a further education college within their boundaries. The secondary schools offer academic subjects in their sixth-forms. Access to FE provision is an issue throughout Uttlesford, whether in the north or south, and there is anecdotal evidence that transport and the time taken to travel to FE is a factor in the decision-making process for learners when deciding where and whether to access post-16 learning opportunities. According to the Essex Employment and Skills Board (ESB) Evidence Base 2016, there are currently 960 young people and 2250 adults travelling outside of Uttlesford for Further Education. Evidence from Essex County Council shows that 438 pupils drop out of 6th form education in year 12 from Essex Schools within a 20 mile radius of Stansted Airport. There is major housing and infrastructure development in the locality for 2400 homes in Great Dunmow with a potential further 500 homes under consideration. This will necessitate technical and professional training. The local plans for Bishop's Stortford and Great Dunmow and evidence for Uttlesford as a whole all identify the need for greater access to vocational skills for young people and adults.

This request for LGF will contribute directly to the delivery of SELEP's objectives and priorities for economic growth, as well as being a key enabler for housing growth. New housing (estimated 10,000 homes) planned around Stansted and Uttlesford rely on many supporting services of which Education is critical.

The scheme will also support the strategic connectivity of the airport, by directly providing the skills required for the airport and surrounding businesses to grow. It will also train the future generation of asset manager, logistical experts, engineers and technicians to support the development of the road, rail and air infrastructure, as well as the digital infrastructure.

The provision of vocational learning opportunities and higher level, high value training in Uttlesford is low in relation to the expressed demand stated by schools and other providers. Initial discussions with the Uttlesford School Heads group have resulted in agreement of the need for a local post 16 provision and a strong intention from the schools to back plans for the development of such a centre (letter of support attached). It is clear that there is an urgent need to increase the volume of vocational training undertaken in Uttlesford and to meet unmet demand through the provision of a new Technical and Professional Skills Centre. We consider market failure as a 'low-risk' to the project, because (a) there is currently no supply of skills provision in the Uttlesford area, (b) there is an existing demand for skilled employees (evidenced through job vacancies), (c) there is an identified future skills demand through the current age profile of the existing workforce. This is the picture without projected airport and housing growth.

The need to provide employers at Stansted Airport with skilled adults and young people with the capacity to develop further

Stansted and their supply chain consistently report difficulties in recruitment and an aging workforce. In addition to this, in their Sustainable Development Plan 2015 Stansted project that the growth of Stansted to 35 million passengers per annum (the current planning cap) by 2025 would be worth £1.7 billion to the UK economy in present value terms, through the impact at Stansted alone, compared to business as usual. Beyond that, further growth of the airport up to 45mppa by 2030 would be worth £4.6 billion to the UK economy and generate an extra 10,000 jobs.

Job postings for Greater Essex in 2015 indicate the following demand for the sectors identified for the Centre:

- Engineering 13,000
- Business, logistics and finance 22,787
- Customer Service 9,422

The project will increase the number of skilled and economically active young people coming into the labour pool for Stansted Airport and the wider business community, in STEM, Business, Finance, Logistics and Service Industries.

This proposal clearly aligns with both local employment needs, with the SELEP priority sectors and will further enable ECC, Uttlesford District and SELEP to achieve growth ambitions by improving workforce skills and the skills of those entering the workforce. This project will support young people from across Harlow and Uttlesford to gain higher-level qualifications to give them greater access to higher salaries.

Kearsley Airways states: “to maintain our competitive edge, we need to develop not just technical skills but a culture where everyone is responsible for safety, quality and service ...The creation of the Technical and Professional Skills Centre would be a huge step forward”.

The Radisson Blu states: “we are eager to explore further opportunities with how pre-apprenticeship courses and work readiness programmes delivered at the airport could be used as a pipeline for our recruitment”.

The Centre will deliver transferable skills that will benefit other sectors. For example the Essex Employment and Skills Board, spring 2016, identifies that the construction sector needs skilled mechanical engineers and the health and finance and insurance sectors need people with business and finance skills and qualifications across Essex.

The need for LGF intervention in the Technical and Professional Skills Centre at Stansted Airport

There is no indication that any private sector organisation is responding on this scale to meet the growth in opportunities for employment at Stansted Airport by establishing a training centre, predominantly for young people, in engineering, business, finance and logistics and in the higher-level hospitality and customer service skills. Ryanair has opened its European Training Centre at the Airport to train pilots, cabin crew and engineers to work across the UK and the rest of Europe. This project will feed trainees into the Ryanair: the training manager states “Our European Training Centre at Stansted will have an ongoing need for applications for aircraft maintenance engineer positions from people that have a solid engineering

background, with good hand skills and an ability to use tools and equipment associated with aircraft maintenance. Basic engineering knowledge is also paramount in our industry. I am keen to investigate how pre-apprenticeship courses and work readiness programmes could be used to support our recruitment process”.

The impact of not progressing the scheme will be that this project will not be delivered and this will be a missed opportunity for the young people of Uttlesford, for employers at the airport, for Uttlesford DC and Essex CC and for the wider SELEP economy. Over time this will have a detrimental impact on Stansted Airport, with employers continuing to bring skilled workers into the UK from abroad or by moving certain functions to airports overseas.

Why now

Manchester Airport Group (Stansted Airport Ltd) has indicated its willingness to provide a gift of land over a 50-year period to be confirmed subject to project funding. We anticipate that funders will need to ascertain any expectations they require in a lease agreement regarding the land and building. It is normal practice to depreciate the asset over a fixed period and agree arrangements regarding the residual value of the asset (if any) and how any residual public investment would be recouped if necessary as part of any lease agreement. We would expect that the Manchester Airport group would look to maintain an education and skills facility after the life-span of the project (50 years) on a lease basis.

The partners have signed a Statement of Intent and are keen to progress the development of the Technical and Professional Skills Centre in accordance with this agreement. A feasibility study on the land identified for the site, funded ‘at risk’ is about to be carried out.

Planning permission has been granted for the development of business conference, office, retail and hospitality facilities on a 44-acre site at Stansted Airport with further applications for development to be made soon. TriSail development is expected to create 430 FTE jobs once opened. These are expected to be mostly high-value jobs in the financial and business services sector and the professional services sector. Essex ESB has identified Stansted Airport as having considerable future growth and opportunity.

The Uttlesford Economic Development Plan identifies that there are distinct local challenges arising from an imbalance in the range and mix of skills of its residents, as well as rural geography limiting access to employment. The project will redress this imbalance by providing the district with a Technical and Professional Skills Centre that will provide technical and professional skills development in a location that is accessible to those in rural areas as the airport is well served by public transport.

The London Stansted Cambridge Consortium highlights “the continued supply of people with the right skills as one of the most important challenges for the continued growth of the economy in this Corridor. The Consortium is very keen to support initiatives such as Harlow College’s technical and professional skills centre at Stansted as it progresses important priorities for the Consortium in providing a skilled workforce and also supports the growth of Stansted Airport as the Corridor’s international gateway and fastest growing major airport in Europe. In addition, we see this collaboration between further education, higher education co-located on the site of a major employer as an outstanding model for future skills provision in this Corridor.”

	Please see Appendix E – Demand Assessment documents which includes our Evidence Base and a clear detailed summary demand assessment for the project.
<p>2.2. Description of project aims and SMART objectives</p>	<p><i>Please outline primary aims and objectives Please present the SMART (specific, measurable, achievable, realistic and time- bound) benefits and outcomes on the local economy that will arise following delivery of the scheme in terms of numbers of jobs, new homes, GVA).</i></p> <p>The aim of this project is to develop a leading edge Technical and Professional Skills Centre on the site of Stansted Airport to provide skills training to young people and adults to enable them to meet the identified demand for skilled employees and Apprentices at the airport.</p> <p>Objective 1: to develop a Technical and Professional Skills Centre that enables delivery of skills now and for the future to meet the needs of Stansted Airport and its employers and the wider Essex area to open September 2018 with the Centre producing an annual GVA output of £2,325,505 (see Appendix 1).¹</p> <p>Objective 2: Developing employer-led curriculum models to establish and steer fit for purpose provision that involves employers at every stage of the process (steering - design – delivery), linking to company growth and innovation by July 2018.</p> <p>Objective 3: Increasing Stansted Airport/TriSail/Harlow Enterprise Zone employer engagement in skills development, commencing with their current and future skills and recruitment needs in readiness for recruitment of learners for the Technical and Professional Skills Centre, by September 2017.</p> <p>Objective 4: Seeking and providing work placements, 150 Apprenticeships and Higher Apprenticeships, employer set project briefs and other industry exposure for students by September 2017.</p> <p>Objective 5: Progressing 95% of all those completing their programme into positive destinations. This will include progression onto further and higher study as appropriate, or into apprenticeship positions and other employment opportunities at the airport and within the wider local business community.</p> <p>We will achieve these objectives by:</p> <ul style="list-style-type: none"> • Investing in an infrastructure that enables delivery of skills now and for the future to meet the needs of Stansted Airport and its employers and which are transferable to businesses on the TriSail and Harlow Enterprise Zone sites. (Objectives 1, 2, 3, 4 and 5) • Creating a locally responsive system that is a catalyst for economic growth that responds to the needs of employers and learners (Objectives 1, 2, 3, 4 and 5) • The work of the Stansted Employer/Harlow College Liaison Group currently comprising Harrods Aviation, Ryanair, AEM, Titan Airways, Kearsley Airways and Inflight in skills development, commencing with their current and future skills and recruitment needs. (Objectives 1, 2, 3, 4 and 5)

¹ Sources from DBIS: <http://neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>; <https://www.gov.uk/government/publications/employer-investment-in-apprenticeships-and-workplace-learning-the-fifth-net-benefits-of-training-to-employers-study>;

<https://www.gov.uk/government/publications/intermediate-and-low-level-vocational-qualifications-economic-returns>

	<ul style="list-style-type: none"> • Increasing Stansted Airport employer engagement in skills development, to meet their current and future skills and recruitment needs (Objectives 1, 2, 3, 4 and 5) • Developing employer-led models to establish and steer fit for purpose provision that involves them at every stage of the process (steering - design – delivery), linking to company growth and innovation (Objectives 1, 2, 3, 4 and 5) • Seeking and providing work placements, employer set project briefs and other industry exposure for students (Objectives 3, 4 and 5)
<p>2.3. Strategic fit</p>	<p><i>Please detail the SELEP and local objectives/strategies/work programmes/ services which the investment will support</i></p> <p>The South East Local Enterprise Partnership (SELEP) has identified that growth brings new investment and generates new employment, much of which requires high-level technical skills and an agile workforce. There is significant opportunity for growth within the SELEP priority sectors, which include:</p> <ul style="list-style-type: none"> • Advanced manufacturing which represents 5.6% of SELEP industry • Transport and logistics – the LEP has 8 Ports (sea and air) and major motorway corridors of growth • The visitor economy which represents 6.6% of employment and 2.7% of economic output in the LEP <p>The SELEP Growth Deal and Strategic Economic Plan 2014 seeks economic growth across the LEP and the creation of up to 200,000 jobs through targeted interventions and to lever investment totalling £10 billion, to accelerate growth, jobs and homebuilding. SELEP has identified that in order to create the conditions to enable growth to take place, it will require investment in the areas where the greatest economic returns can be achieved. These have been identified as Growth Corridors, one of which is the London/Harlow/Stansted/Cambridge M11 Corridor. The M11 Corridor is identified by the LEP as having significant economic assets including Stansted Airport, which offers very significant potential to attract investment from a wide range of global companies seeking a UK base. SELEP estimates that the M11 Corridor can accommodate 1,050 jobs and 1,230 new homes by 2021 and facilitate 17,200 jobs and 19,000 homes through proposed transport schemes. Essex Employment and Skills Board (ESB) has identified Stansted Airport as having considerable future growth and opportunity. This project will support growth in the M11 corridor.</p> <p>The investment will support SELEP and the Essex ESB in developing sufficient volumes of young people and employees with higher-level skills, increasing Apprenticeships, particularly by supporting employers to recruit Apprentices and providing training to meet skills gaps. It also meets their aims of providing training for those of low levels of skill and by providing employability skills.</p> <p>The Essex County Council Economic Growth Strategy has been developed to guide economic growth in the County with the intent to increase productivity, encourage innovation, create jobs, encourage export- oriented businesses, improve skills, improve infrastructure and increase access to jobs and services. The Strategy identifies four key sectors offering the greatest potential for growth in the County and includes advanced manufacturing and technology, transport, ports and logistics, which are consistent with the priority sectors identified by SELEP for Essex. The Strategy stated that it would work with district councils on local initiatives, including</p>

to seek relief to the “airport related businesses only” rule at Stansted and surrounding area to promote wider economic development in the area.

The UK government is committed to ensuring the large majority of young people go into university or an apprenticeship, and has pledged to deliver 3 million quality apprenticeship starts by 2020. At the same time, the UK has identified gaps in higher-level professional and technical skills (levels 3 to 5). The centre would have a three way relationship at its heart (the College, a major employer and the learner) delivering on the higher-level skills agenda and providing direct routes into employment.

The Manchester Airport Group, in the **Stansted Airport Sustainable Development Plan** identifies that Stansted is the largest single-site employer in the East of England, employing over 10,000 people across 190 companies on site. This highlights its importance to the East of England economy and to Essex in particular where over half of the people working at the airport live. Stansted generates around £770m million in GVA, of which a substantial proportion is derived directly from activities associated with aviation and air transport. Other important sectors include construction, retail and hospitality, services and ‘other’ transport activities.

The plan identifies that very low levels of unemployment in the immediate vicinity of the airport mean that the airport has the potential to be an important source of economic benefit to the wider region – providing jobs and opportunities for residents across Essex. Oxford Economics, for the London Stansted Cambridge Consortium identified that the airport offers young people in the 16-25 age group proportionally greater opportunities compared to the opportunities available in the M11 Corridor as a whole. For this reason it is important that Stansted offers young people access to high quality technical and professional skills development and apprenticeships in order that they can take advantage employment opportunities at the airport.

Harlow College will establish an Employer Advisory Panel to advise on the relevance, responsiveness and quality of the curriculum and to steer the development of the centre to meet skills shortages and the needs of growth. All curricula run in the centre will be employer endorsed and provide clear career pathways to associated industries. The added benefit of gaining ‘Chartered’ status where available will also add a kitemark of quality to the offer. The panel will also enable the College to develop support for sectors and clusters of businesses to develop local supply chains.

Built into the plans for the centre is the ability to grow based on demand, both physically and virtually. For example, Anglia Ruskin University would support the development of on-line learning and links to both their Cambridge and Chelmsford Campuses. Through both the Essex Provider Network and the Federation of Essex Colleges, the College is able to source partners where other specialist expertise is required.

A key benefit of placing a Technical and Professional Skills Centre at Stansted is the credibility the College and an education offer brings to the airport as a business. The vision is to provide a strong regional hub that will attract new industry and business to locate in the London Stansted Cambridge Corridor – a key corridor for innovation in the UK. When businesses are considering locating they consider not only the infrastructure and location of an area, but its desirability in terms of other factors such as education. Having a ‘quality assured’ workforce with a range of transferable skills is a critical element of the project.

The objectives of the project meet the priorities of the **London – Stansted – Cambridge Corridor Consortium** to increase economic activity by ensuring local communities access employment opportunities and to raise the global ambitions of the LSCC area to become a world-class economic region and major engine of sustainable growth for the UK economy.

2.4. Summary outputs (3.2 will contain more detail)

	16/17	17/18	18/19	19/20	20/21	Totals
Training Centre	0	0	1			
Construction Phase Jobs	0	200				
Learners 16-19 years	0	0	195	300	300	300
Adult Learners	0	0	15	15	15	15
Apprentices 16-18			45	70	70	70
Apprentices 19+			30	80	80	80
Traineeships			65	65	65	65

Note: 1 FTE job = 30 hours per week or more; Permanent job = 12 months or more

2.5. Planning policy context, consents and permissions

Please include timeline where appropriate

The key milestones in the site’s planning history are as follows: -
 Stansted Airport Ltd has achieved already planning permission for the growth of Stansted Airport to 35 million passengers per annum (ppa) with 243,500 passenger air transport movements and 20,500 cargo air transport movements per annum. It anticipates reaching the 35m ppa figure by 2025. The existing airport workforce currently handles 23 million ppa

The next stages are:

- Land feasibility study undertaken to assess the site for suitability, June 2016, (currently underway with regards to the preferred site, out of the 3 parcels of land identified as suitable for the Technical and Professional Skills Centre). As this progresses to a more detailed design a quantitative risk assessment will be undertaken.
- Planning permission for change of use of the site to educational use development with associated access works to be submitted Nov/Dec 2016.
- Planning permission for construction of the Technical and Professional Skills Centre with associated access works to be submitted Nov/Dec 2016.

The Leader of Uttlesford District Council has indicated that the Council fully supports the creation of the Technical and Professional Skills Centre at the Airport.

Due to delays in the release of the LGF funding, as identified as a potential risk in section 5.8, there has been slippage in the timescales listed above. A planning approval application will be submitted on 5 May 2017 and the construction start date will be October 2017.

<p>2.6. Delivery constraints</p>	<p><i>High level constraints or other factored which may present a material risk to delivery</i></p> <p>At this stage in the application process there are several delivery constraints.</p> <p>The primary delivery constraint to the project is financial viability in the absence of LGF support. Should LGF be secured, there will still be financial constraints but these are expected to be managed through the procurement process.</p> <p>Securing planning permissions could be a constraint, however Uttlesford District Council has indicated strong support and contributions to local plans indicate the need for local vocational training centres.</p> <p>Revenue funding will need to be secured for the delivery of the training. A meeting with the Minister for Skills is being sought following indication of support at an earlier meeting.</p> <p>Revenue funding has now been confirmed as follows:</p> <ul style="list-style-type: none"> • Up to £1m of funding is available for work with unemployed adults at Stansted. • MAG has up to £700k of funding available to deliver apprenticeships as part of their apprenticeship levy. Up to £250k of this will be available for Stansted Airport and MAG have confirmed that Harlow College is its preferred supplier. • The College has had detailed discussions with several apprenticeship levy paying businesses / employers based at Stansted Airport and are in the process of finalising arrangements between the businesses and the College. • As part of the Government’s Strategic Area Review process, Harlow College sought advice from the then EFA (now the ESFA) for 16 – 18 year old study programmes based at the centre at Stansted Airport. Peter Mucklow, Director, Intervention and Young People’s Funding Group, ESFA (and formerly Director, Young People, EFA, and Director, Intervention, SFA) advised that the College should request a letter of comfort during 2017/18 in terms of funding for these learners. The College is pursuing this with the ESFA. • The development of the Centre at Stansted Airport was approved as part of the Strategic Area Review for Essex, led by Peter Mucklow, Director, Intervention and Young People’s Funding Group, ESFA. The recommendation, which has been approved by Harlow College’s Corporation and the Strategic Area Review Steering Group is for “<i>Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner need.</i>” • Detailed discussions have taken place with the Rt Hon Robert Halfon, Minister of State for Apprenticeships and Skills, who is fully supportive of the development of the Centre at Stansted Airport. <p>Please also refer to Appendix A – Harlow PTSD Risk Register Rev B.</p>
<p>2.7. Scheme dependencies</p>	<p><i>Please provide details of any related or dependent activities that if not resolved to a satisfactory conclusion would mean that the full economic benefits of the scheme would not be realised.</i></p> <p>The principal scheme dependency is demand for training at the Technical and Professional Skills Centre at the airport. The partners are confident that this will be achieved because of evidence directly from employers of the training needs of their</p>

	<p>existing workforce, the fact that they are recruiting skilled employees from overseas and that their workforce is ageing. The Manchester Airport Group is a fully committed partner in the project and committed to ensuring that young people no longer have to travel significant journeys to undertake vocational training in order to work at the airport. All training delivered will be employer endorsed and will provide clear pathways to airport and associated industries and to further and higher training. The Manchester Airport Group has pledged to provide land on the site of the airport, subject to successfully securing LGF funding. Heads of Terms for the lease of land have been prepared and are being agreed with MAG and Harlow College in readiness for once the LGF funding has been secured.</p> <p>Revenue funding is being secured for the delivery of the training. A meeting with the Minister for Skills is being sought following indication of support at an earlier meeting. However, Harlow College has already committed growth through the EFA lagged funding mechanism and re-distribution of SFA Adult Education budget to a revenue funding scheme. We expect this to be in the region of £1,000,000 in the first year of operation and rising to meet full capacity.</p> <p>Revenue funding has been confirmed as follows:</p> <ul style="list-style-type: none"> • Up to £1m of funding is available for work with unemployed adults at Stansted. • MAG has up to £700k of funding available to deliver apprenticeships as part of their apprenticeship levy. Up to £250k of this will be available for Stansted Airport and MAG have confirmed that Harlow College is its preferred supplier. • The College has had detailed discussions with several apprenticeship levy paying businesses / employers based at Stansted Airport and are in the process of finalising arrangements between the businesses and the College. • As part of the Government’s Strategic Area Review process, Harlow College sought advice from the then EFA (now the ESFA) for 16 – 18 year old study programmes based at the centre at Stansted Airport. Peter Mucklow, Director, Intervention and Young People’s Funding Group, ESFA (and formerly Director, Young People, EFA, and Director, Intervention, SFA) advised that the College should request a letter of comfort during 2017/18 in terms of funding for these learners. The College is pursuing this with the ESFA. • The development of the Centre at Stansted Airport was approved as part of the Strategic Area Review for Essex, led by Peter Mucklow, Director, Intervention and Young People’s Funding Group, ESFA. The recommendation, which has been approved by Harlow College’s Corporation and the Strategic Area Review Steering Group is for “<i>Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner need.</i>” • Detailed discussions have taken place with the Rt Hon Robert Halfon, Minister of State for Apprenticeships and Skills, who is fully supportive of the development of the Centre at Stansted Airport.
<p>2.8. Scope of scheme and scalability</p>	<p><i>Please summarise what the scope of the scheme is. Provide details of whether there is the potential to reduce the projects costs but still achieve the desired outcomes – or increase projects costs for much improved outcomes.</i></p> <p>The scope of the scheme entails the construction of a new building located adjacent Stansted Airport providing approximately 2,000 m² of prime educational facilities for local learners to be designed, built and operated by Harlow College. The new facility will plug the gap in FE provision for Uttlesford Council and provided much need</p>

	<p>education and training support to the Airport.</p> <p>Specifically the buildings accommodation will provide / include for:</p> <ul style="list-style-type: none"> • Aircraft maintenance and repair • Plant and vehicle maintenance • Business logistics and planning • Hospitality • General teaching spaces • Back office areas • Toilet shower and changing facilities <p>The brief for the project whilst currently being developed will in the first instance meet the initial requirement noted above. However given the anticipated high demand for the project and its forecast success, consideration will also be given to future expansion of the facility and where and in what form this may take. This may include vertical expansion, subject to any height restrictions that may be imposed given the close proximity to the airport and any regulations that may apply.</p> <p>Whilst the project could potentially be scaled downwards by limiting the size of the training centre, this would not reduce costs significantly given that the services and drainage infrastructure would remain the same.</p> <p>From the scope of teaching and learning, the size of the centre needs to deliver skills training to in the region of 500 young people to be sustainable and viable.</p> <p>The curriculum offer at the Centre will be based on employer need and demand for specific skills related to their industry. Employers will be at the heart of curriculum design, which will be reviewed and monitored on a regular basis to ensure that the offer remains fit-for-purpose and relevant.</p> <p>This will be achieved through the establishment of three cluster groups which will be sector-led by employers based at the airport. Cluster groups for carriers, airport operations and service industries will be established. In addition to the employers, there will be representatives at a senior manager level from Harlow College, MAG and Essex County Council on each of the cluster groups in order to ensure that strategic decisions on curriculum and the Centre's offer can be taken.</p>
<p>2.9. Options if funding is not secured</p>	<p><i>Please summarise what would happen if the funding for the scheme was not secured - would an alternative solution be implemented and if so please identify how it differs from the proposed scheme and how it would be funded.</i></p> <p><i>Is doing nothing an option?</i></p> <p>In addition to the response below, please also refer to Appendix C SWOT & BC Ratio Stansted for a more detailed analysis and scoring of the options considered.</p> <p>Without LGF funding the project will not proceed as planned and the other sources of funding for the project will not be available. This is because the Manchester Airport Group (MAG) contribution is a substantial area of land, Essex County Council has limited capital funding for investment and because Harlow College has no capacity to take out a further mortgage, given its recent £3.5M investment in the Advanced Manufacturing and Engineering Centre on its campus. The SELEP Growth Deal and Strategic Economic Plan 2014 rightly identified that revenue funding rates are not high enough to enable colleges to make long term investments in their</p>

infrastructure to align with skills priorities, particularly in high cost areas such as Advanced Manufacturing which this project will deliver. However, the College is exploring other options; for example, there may be further opportunities through the National Colleges initiative and/or new Institutes of Technology to seek capital funding. As an alternative, the College and MAG would seek to find lease accommodation, but this would lower the impact of the project and has not been possible to date because of airport expansion plans.

Creating the Technical and Professional Skills Centre in another location is not viable because the purpose of the project is to develop a centre of excellence on the site of the airport, to maximise the take up of Apprenticeships and Higher Apprenticeships and to meet the skills shortages and difficulties in recruiting suitably trained staff at Stansted. It will also support the growth of the wider business economy around Stansted, providing a 'missing-link' in the local educational landscape to attract new industry to the area.

As the Airport expands, spare land will be at a premium, so it is unlikely that the Manchester Airport Group will keep the unused site on hold long-term if LGF funding is not available. The opportunities for the delivery of skills and Apprenticeship and employment targets will be undelivered. Doing nothing is not therefore an option.

Revenue funding is being secured for the delivery of the training. A meeting with the Minister for Skills is being sought following indication of support at an earlier meeting. However, Harlow College has already committed growth through the EFA lagged funding mechanism and re-distribution of SFA Adult Education budget to a revenue funding scheme. We expect this to be in the region of £1,000,000 in the first year of operation and rising to meet full capacity.

Revenue funding has been confirmed as follows:

- Up to £1m of funding is available for work with unemployed adults at Stansted.
- MAG has up to £700k of funding available to deliver apprenticeships as part of their apprenticeship levy. Up to £250k of this will be available for Stansted Airport and MAG have confirmed that Harlow College is its preferred supplier.
- The College has had detailed discussions with several apprenticeship levy paying businesses / employers based at Stansted Airport and are in the process of finalising arrangements between the businesses and the College.
- As part of the Government's Strategic Area Review process, Harlow College sought advice from the then EFA (now the ESFA) for 16 – 18 year old study programmes based at the centre at Stansted Airport. Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA (and formerly Director, Young People, EFA, and Director, Intervention, SFA) advised that the College should request a letter of comfort during 2017/18 in terms of funding for these learners. The College is pursuing this with the ESFA.
- The development of the Centre at Stansted Airport was approved as part of the Strategic Area Review for Essex, led by Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA. The recommendation, which has been approved by Harlow College's Corporation and the Strategic Area Review Steering Group is for *"Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner need."*
- Detailed discussions have taken place with the Rt Hon Robert Halfon,

Minister of State for Apprenticeships and Skills, who is fully supportive of the development of the Centre at Stansted Airport.

3. ECONOMIC CASE

The economic case determines whether the scheme demonstrates value for money. It presents evidence on the impact of the scheme on the economy as well as its environmental, social and spatial impacts.

For projects requesting over £5m of SELEP directed funding, a separate economic appraisal should be undertaken and supplied alongside this application form. This should provide:

- *A calculation of Benefit Cost Ratio according to Government guidelines*
- *Proper inclusion of optimism bias and contingency linked to a quantified risk assessment*
- *Inclusion of deadweight, leakages, displacement and multipliers*
- *An appraisal spreadsheet with clearly identified, justified and sensitivity-tested assumptions and costs (note: alignment with ITE expectation down the line?)*

3.1. Impact Assessment

Please provide a description of the impact assessment of the scheme with some narrative as to why other options have been discounted. This should include a list of significant positive and negative impacts and a short description of the modelling approach used to forecast the impact of the scheme and the checks that have been undertaken to ensure that the approach taken is fit for purpose.

The primary positive impact of the Technical and Professional Skills Centre at Stansted Airport will be the support for local young people to gain sustainable employment at the airport with relevant skills and the chance to gain further skills.

The modelling approach taken is based on:

- job vacancy information from the airport and sub-contractors working for the airport.
- the organisational needs analysis of 9 large employers at the airport, representing all skill areas that the College will support, demonstrate that the challenges of staff recruitment with advertised posts being vacant for a period in excess of six months, difficulty in recruiting and sourcing the right training for both engineering positions and hospitality services and has been a common factor across many of the organisations.
- Harlow College data analysis of learner achievement for the subject areas concerned.

Positive impacts (inc jobs & homes)	Negative impacts
Sustainable jobs achieved by young people and adults with qualifications achieved and capacity to train to higher levels and higher value employment	Temporary disturbance related to construction
Existing employees gain new skills and make their jobs sustainable	Additional traffic on the Stansted Road network, including the M11, during the construction phase
Additional GVA generated by the employment activity of £2,325,505 PA	
Employers have a pool of skilled labour, able to fill vacancies, meet skills shortages	

Training meets employer needs, for example new engineers will have the hand skills and confidence to tackle a broad range of engineering tasks across an electro-mechanical spectrum.	
New skills and training opportunities created for Uttlesford, which does not have a further education college within its boundaries, in a location with good public transport access	
Boost to the construction sector, sub-contractors, construction goods and services during the building phase.	

Various options have been considered by the partners, including:

- the use of existing training facilities at Harlow College – discounted because of the distance some young people would have to travel to learn and the associated cost
- use of an existing building at Stansted Airport – discounted on safety grounds
- use of existing premises nearby – discounted because they just are not available in the surrounding areas and because, with the loan of equipment from employers in the airport, significant security of the type provided at Stansted Airport would be required.

These options have been discounted too because of the need for the Technical and Professional Skills Centre to be located on the site of Stansted Airport to ensure employer participation in the design of the curriculum, in the take up of Apprenticeships and employment.

3.2. Outputs [check LOGASnet compatibility]

*Identify jobs, floor space and housing starts connected to the intervention, quantify the outputs in tabular format and provide a short narrative for each theme (i.e. jobs/homes/floorspace) explaining how the project will support the number identified. **Please describe the methodology used for calculating jobs and homes numbers.***

Job	Safeguarded	New	Total
Construction phase	150	50	200
Education delivery staff		24	24
Education support staff	3		3
Aircraft maintenance engineers		126 (annually)	126 (annually)
Business, Logistics & Finance		107 (annually)	107 (annually)
Service industries		113 (annually)	113 (annually)

Job generation methodology

Construction job figures assume one quarter of jobs for this phase coming from locally recruited site personnel.

All Centre delivery staff will be newly recruited and support staff safeguarded or transferred from the Harlow College campus.

The numbers for sector based learners progressing into jobs fully correlate to current Harlow College retention and destination performance data along with the

targets set by the Harlow College Executive Group. In line with this these figures assume 95% of all starts being retained and 75% of those completing work readiness programme moving into employment or an apprenticeship.

The figures assume that the balance of the curriculum remains the same. A proportion of learners may also progress into undergraduate study.

We estimate the centre delivering the following outputs:

Learner Category	Learner numbers before project delivered at Harlow College		Learner numbers after project		Change in learner numbers	
	[1]		[2]		= [2-1]	
16-19 EFA	493		793		300	
Adult Skills Classroom-Based	18		33		15	
16-18 Apprenticeships	Intermediate	59	Intermediate	94	Intermediate	35
	Advanced	21	Advanced	41	Advanced	20
	Higher	0	Higher	15	Higher	15
Adult (19+) Apprenticeships	Intermediate	27	Intermediate	47	Intermediate	20
	Advanced	35	Advanced	55	Advanced	20
	Higher	10	Higher	50	Higher	40
Traineeships	0		65		65	
Total	663		1193		530	

The curriculum offer at the Centre will be based on employer need and demand for specific skills related to their industry. Employers will be at the heart of curriculum design, which will be reviewed and monitored on a regular basis to ensure that the offer remains fit-for-purpose and relevant.

This will be achieved through the establishment of three cluster groups which will be sector-led by employers based at the airport. Cluster groups for carriers, airport operations and service industries will be established. In addition to the employers, there will be representatives at a senior manager level from Harlow College, MAG and Essex County Council on each of the cluster groups in order to ensure that strategic decisions on curriculum and the Centre's offer can be taken.

3.3. Wider benefits

Please describe below any wider economic benefits that the scheme will achieved that will help to contribute to the overall value for money of the scheme.

Employment, supporting the growth and competitiveness of the airport

Data on Stansted Airport employment shows the main employee catchment area roughly conforms to the defined travel to work area of Harlow and Bishop's Stortford. Nearly two-thirds of Stansted employees live within the local authorities of Uttlesford, East Hertfordshire, Braintree and Harlow. The project will support greater numbers from local areas into employment across various skill levels at the airport. Skilled employees will maximise the economic potential and competitiveness of the airport and will attract inward investment.

	<p>Added Value As well as addressing the identified skills gaps, currently experienced by organisations operating at the airport, the centre will clearly add value and wider benefit to the development of Stansted Airport, the LSCC M11 Innovation Corridor and Essex as a whole. The 4-tracking of the rail-line, the new junction on the M11, the location of Cross-rail 2 Terminus, the Harlow Enterprise Zone and the Airport all seek to place Essex as a key location for investment the UK. All of these developments bring their own skills opportunities and recruitment challenges.</p> <p>Skills Strong technical and professional provision across the various engineering disciplines being offered at the Centre will support the projects listed above and their need for civil engineering based engineers, placing Essex at the cutting edge of economic growth.</p>												
<p>3.4. Standards</p>	<p><i>Provide details of anticipated standards (such as BREEAM) that the project will achieve.</i></p> <p>The project is to be designed using BREEAM (Building Research Establishment Environmental Assessment Methodology) targeting a “Very Good” rating. Where possible this will be enhanced to maximise and aspire to an “Excellent” rating.</p> <p>The design will take into account any building standards required by the airport itself, the Manchester Airport Group Property Team will advise.</p>												
<p>3.5. Value for money assessment</p>	<p><i>Please consider value for money in broad terms, e.g.:</i></p> <ul style="list-style-type: none"> • <i>Cost per job</i> • <i>Leverage ratio against SELEP investment and as a percentage of total scheme cost</i> <p>Using the New Economy Manchester evaluation and DBIS employer investment in apprenticeships study, the GVA of the Centre annually running at projected capacity is £2,325,505.</p> <p>The Centre offers good value for money with regard to the economic value per learner trained (see Appendix 1). For example:</p> <table border="1" data-bbox="472 1424 1465 1986"> <tr> <td>Advanced Apprenticeship in Engineering and Aero</td> <td>£17,574 pa</td> </tr> <tr> <td>Advanced Apprenticeship in Business, Logistics, Finance</td> <td>£18,922 pa</td> </tr> <tr> <td>Advanced Apprenticeship in Service Industries</td> <td>£9,428 pa</td> </tr> <tr> <td>Aggregate lifetime return for a single learner with a level 3 qualification over a working life (40 years assumption)</td> <td>£44,920</td> </tr> <tr> <td>Aggregate lifetime return for a single learner with a graduate level 4 Qualification over a working life (40 years assumption)</td> <td>£125,000</td> </tr> <tr> <td>Aggregate lifetime return for an intermediate Logistics Apprentice, over a working life (40 years assumption)</td> <td>£515,240</td> </tr> </table>	Advanced Apprenticeship in Engineering and Aero	£17,574 pa	Advanced Apprenticeship in Business, Logistics, Finance	£18,922 pa	Advanced Apprenticeship in Service Industries	£9,428 pa	Aggregate lifetime return for a single learner with a level 3 qualification over a working life (40 years assumption)	£44,920	Aggregate lifetime return for a single learner with a graduate level 4 Qualification over a working life (40 years assumption)	£125,000	Aggregate lifetime return for an intermediate Logistics Apprentice, over a working life (40 years assumption)	£515,240
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Aggregate lifetime return for an Advanced Engineering Apprentice, over a working life (40 years assumption)	£702,960
Aggregate lifetime return for an Engineering Higher Apprentice over a working life (40 years assumption)	£852,960

Investment appraisal score – net present value (NPV) is a 20 year calculation based upon initial expenditure, running costs, income and residual values, giving a 20 year return on investment. The template is a standard calculation devised and used by the Skills Funding Agency for all capital project proposals.

In relation to the Stansted Centre, the figures give a residual NPV of £7,679,322 over a 20 year period. This is based upon an average income per FTE learner of £4,700. The added sensitivity analysis includes scenarios that include a 10% reduction/increase in income, capital costs and expenditure. All scenarios show the centre with a positive NPV, thereby demonstrating a viable on-going project, this is evident in the value for money indicator of 0.74 NPV to capital cost ratio. As the centre is a new build other value for money indicators (net premises related) show a cost. NPV calculations are at Appendix 2.

The leverage ratio against SELEP investment and as a percentage of total scheme cost of £10,480,000 for the construction and equipping of the centre is as follows SELEP 33%, Essex County Council 33%, Harlow College 5% and Manchester Airport Group 29%. The public to private investment ratio is £7:£2. In addition the College is committing an initial £1,000,000 of revenue fund to establish the centre.

Revenue funding has been confirmed as follows:

- Up to £1m of funding is available for work with unemployed adults at Stansted.
- MAG has up to £700k of funding available to deliver apprenticeships as part of their apprenticeship levy. Up to £250k of this will be available for Stansted Airport and MAG have confirmed that Harlow College is its preferred supplier.
- The College has had detailed discussions with several apprenticeship levy paying businesses / employers based at Stansted Airport and are in the process of finalising arrangements between the businesses and the College.
- As part of the Government's Strategic Area Review process, Harlow College sought advice from the then EFA (now the ESFA) for 16 – 18 year old study programmes based at the centre at Stansted Airport. Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA (and formerly Director, Young People, EFA, and Director, Intervention, SFA) advised that the College should request a letter of comfort during 2017/18 in terms of funding for these learners. The College is pursuing this with the ESFA.
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- Detailed discussions have taken place with the Rt Hon Robert Halfon, Minister of State for Apprenticeships and Skills, who is fully supportive of the development of the Centre at Stansted Airport.

The investment appraisal considers the capital cost, running costs and income generation the new facility will generate in order that a comparable NPV calculation can be made in order to support the economic case for the scheme.

OPTIMISM BIAS

Works Duration:

Works duration: 46 weeks
+
Optimism bias factor at lower rate: 1%
=
Works duration with optimism bias: 46.46 weeks

Capital Expenditure:

Capital expenditure: £7,480,000
+
Optimism bias factor at lower rate: 2%
=
Capital expenditure with optimism bias: £7,629,600

As agreed with Edmund Cassidy on 26 April 2017, the project type has been classified as standard buildings and the lower percentage of optimism bias for both works duration and capital expenditure has been used for the calculations. The rationale for this is as follows: a guaranteed maximum price will be agreed on by Harlow College and the contractor by August 2017, giving certainty with the costs and the risk of over-spend will lie with the contractor; the building is being built on a greenfield site and there is no demolition required; the project team have assurances from Uttlesford District Council that they are committed to providing a further education facility at Stansted Airport; the manufacturing processes for components of the building will take place off-site; the full project team for Harlow College and for Stansted Airport is in place and are well-established and Harlow College's procured project team have a successful track record of working together – the Stansted Airport project team is an internal team; the project is on track to meet its first milestone of the full planning application being submitted on 5 May 2017.

Benefit Cost Ratio

The Benefit Cost Ratio, taking into consideration optimism bias and discounted factors, equate to 3.1 : 1

Please see Appendix – Updated BCR Stansted with Optimism Bias and Discounted Factors for a full breakdown of the calculation.

3.6. Options assessed

Please provide a description of at least 4 options (or choices) for investment, together with their relative advantages and disadvantages (a SWOT analysis):

- *Do nothing*
- *Do minimum*
- *Do something*
- *Do optimum*

Please bear in mind that: these options may differ in potential business scope, service solution, service delivery, implementation and funding, depending on the

nature of the investment

Recommended option. How do its impacts compare with the other options considered?

In preparing for the submission a number of options have been considered in order to derive the most appropriate / preferred solution. These include:

1. Do nothing – base case upon all other options are considered
2. Do minimum – use existing training facilities at Harlow College
3. Do something – leasing a local warehouse space near the airport in which to deliver the curriculum.
4. Do optimum – design and build a new purpose built facility on land adjacent to the airport.

Option A - Do nothing – base case

Harlow College, in conjunction with Manchester Airport Group (Stansted Airport), has established the demand for an educational training facility that will deliver a range of curricula to serve the Airport, College and wider community in terms of future FE provision for Uttlesford District Council.

A do nothing option does not address any of the aforementioned criteria. Specifically it does not address the lack of local FE provision or support the proposed growth in the economic development of the airport or wider Essex area.

Option B – Use existing facilities at Harlow College

The use of existing facilities at Harlow College goes some way to satisfying and meeting the demand of the new curriculum. However there are a number of drawbacks associated with this option which include:

- Only a limited amount of the curriculum offered could be adequately delivered.
- Existing facilities, whilst good for general FE, are not fit for purpose where aircraft maintenance is being taught.
- Harlow College is remote from the main airport site and therefore difficult to access whereas the Airport has good transport links.
- Does not address the gap in FE provision in Uttlesford area.

Option C – Lease a local warehouse close to or near the airport to deliver the curriculum.

This option considers the leasing of a warehouse facility near to the airport that the College could be used to deliver the curriculum and the space necessary for aircraft maintenance. General teaching space could be achieved by remodelling to create internal classrooms providing areas for more conventional class based learning. Discussions and research with the airport reveal an acute shortage of such suitable space thus creating drawbacks for this option being realistically considered. What warehouse accommodation that is available is not fit for purpose or suitable.

A study commissioned by Uttlesford District Council captioned “Commercial Workspace Study” dated June 2015, reveals a further acute shortage in the surrounding areas. Therefore if such accommodation did exist then a high premium would be paid.

Key issues therefore can be summarised as follows:

- Warehouse space available at the airport is inadequate to deliver the curriculum required.
- Potential available accommodation is located near to fuel storage and therefore poses a significant H&S safety risk to the Centre and its students.
- There is no suitable space remote from the airport that will satisfy the demand.

Option D – new purpose built facility

This option considers the construction of a new College building: 2000m², flexible in design to accommodate the needs of the new curriculum and to provide suitable warehouse type space for aircraft maintenance courses. It would be located near the Airport on land gifted to the college by Manchester Airport Group (MAG). The cost of this option is £8m including VAT. There are virtually no drawbacks with this option and provides a positive solution to the demand identified. Designs will also consider potential future expansion. Key positives include:

- Addresses the shortfall in suitable accommodation by developing proposals to meet specific requirements.
- Addresses the shortfall in provision of FE provision in the Uttlesford District Council area.
- Early stage discussion suggests the scheme is supported by local planners.
- Fits in and is supported by Manchester Airport Group and their wider development plans for the airport.
- Land is gifted to the College for educational use.
- Avoids potential Health & Safety issues noted previously with option 2.
- Allows development to be flexible in design providing future expansion possibilities.

In addition to the response below, please also refer to Appendix C SWOT Options & BCR Stansted for a more detailed analysis and scoring of the wider options considered.

3.7. Scheme assessment

Provide a brief description of a modelling and appraisal methodology – including details of data source.

Show sufficient information to demonstrate the analysis supporting the economic case fitness for purpose.

For transport projects, note that the level of detail in the appraisal summary table should be proportionate to the scale of expected impact with particular emphasis placed on the assessment of carbon, air quality, bus usage, sustainability modes, accessibility and road safety.

To appraise the suitability of the scheme, the partners have assessed the achievement of the objectives against the criteria used in 3.6 above.

A quantitative assessment of the options is shown in the table below RAG rated; (scored 0-5 with 5 highest 0 lowest). A separate financial appraisal with benefit cost ratio has been undertaken for the preferred option – please see Appendix C.

Criteria	Option A	Option B	Option C	Option D
Land gifted to College	0	0	0	5
Meets curriculum brief	0	2	2	5
Satisfies planners	0	3	3	5

	Supports wider airport jobs	0	1	3	5
	Provides FE provision in Uttlesford District	0	3	2	5
	Future expansion possibilities	0	3	2	5
	Overcomes shortfall of warehouse space	0	2	3	5
	Addresses H&S issues	0	0	3	5
	Good transport links	0	3	3	5
	Close to airport	0	2	3	5
	Total score	0	19	24	50

Of all the options considered, option 4 is the preferred as it covers all of the short, medium and long term goals of providing a new educational facility to support the airport and the wider community in Uttlesford District Council in respect of a sustainable F E provision. Option 4 also addresses all of the shortcomings noted for the other options considered. A do nothing options is not considered valid, as there is a clear case for FE to support the airport its workers and the wider community.

3.8. Transport KPIs

Key performance indicators	Unit	AM Peak – Weekday	PM Peak – Weekday	Interpeak - Weekday
Congestion relief road schemes				
Congestion relief through public transport, demand management and others				
Access to development site schemes				
Structural maintenance schemes				

3.9. Assumptions

List all assumptions made for transport modelling and approach. WebTAG sets out assumptions that should be used in the conduct of transport studies.

In addition, please list any further assumptions supporting the analysis.

3.10. Sensitivity tests

Set out your sensitivity tests considering risks, uncertainties and sensitivities associated with the project

3.11. Appraisal summary

Provide positive and negative impacts of the scheme in the table below. Please adhere to WebTAG guidance.

Category of impact	Impacts typically monetised	Impacts that can be monetised	Impacts currently normally monetised
Economy	Business users and providers	Reliability regeneration Wider impacts	Townscape heritage Biodiversity Water Security Access to Services Affordability Severance
Environment	Noise; Air Quality Greenhouse Gas	Landscape	
Social	Commuting and other users Accidents Physical activity and journey quality	Reliability option and non-use values	
Public accounts	Cost to broad transport budget Indirect tax		

3.12. Transport value for money statement – See guidance

	Present values in 2010 prices and values
PVB	
PVC	
NPV = PVB – PVC	
Initial BCR = PVB/PVC	

3.13. Value for money summary - worked example

Please identify the category of VfM based on Benefit Cost Ratio (BCR) of the scheme using monetised impacts in line with WebTAG guidance.

VfM assessment should take into account qualitative and quantitative impacts in 2 stages:

- I) Construct 'adjusted' BCR
- II) Take into account all impacts that could not be monetised

VfM statement report should include:

- I) VfM category
- II) PV of benefits, costs and range around BCR
- III) Summary of assessed benefits and costs, including assumptions that influenced the results
- IV) Assessment of non-monetised impact
- V) Key risks, sensitivities and uncertainties

	Assessment	Detail
Initial BCR	1.5 (BCR)	Estimated using WebTAG guidance
Adjusted BCR	1.9 (BCR)	Includes estimates for reliability impacts
Qualitative Assessment	Largely beneficial	There is strong evident of impacts relating to severance and security benefits
Key risks, sensitivities	Risks reflected in VfM conclusion	Cost estimates are not final. Higher optimism bias rate applied to account for uncertainty in cost estimates
VfM category	Medium/high	Qualitative assessment suggests BCR may be high.

		Medium/high value for money is judged appropriate as it is not possible to distinguish between the two categories with any certainty.
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4. COMMERCIAL CASE

The commercial case determines whether the scheme is commercially viable. It presents evidence on risk allocation and transfer, contract timescales, implementation timescales and details of the capability and skills of the team delivering the project.

4.1. Procurement

Please provide details of the procurement route and strategy that will be used for the project. This should include details of the procurement mechanism to be used, details of whether it is an existing framework and contract, the timescales associated with the procurements and details of other routes that were considered for delivery and reasons why these were rejected.

Harlow College will lead and manage the procurement for this project and will use its existing Procurement Policy to make appointments for all contractors. This is compliant with EU procurement rules and will demonstrate best value for the private and public sector investment.

The Harlow College Procurement Policy is subject to audit by external auditors.

The College is required to use Crown Commercial Services as part of Government procurement rules for the further education sector. As such, the College would appoint a team of professional consultants who will be retained by the clients for the whole project. They will be responsible for the contract management life-cycle, including:

- Nature and scale of the project
- Value of need – input and output
- Specification
- Risk factors and significant performance criteria
- Attractiveness to the market
- Timescales and phasing
- Communication strategy with potential suppliers

The professional team will develop the project to a stage where it is ready for contractor procurement via a two stage process through Crown Commercial Services, OJEU or an appropriate public framework. Stage 1 - would cover design and development and Stage 2 - construction at a guaranteed maximum price. The College will establish a sub-committee of its Governing body to oversee the procurement process and recommend for approval by its Full Governing Body successful contractors.

The College has a long history of successfully delivering similar sized schemes, including the University Centre Harlow (£6 million), University Technical College (£6.6 million) and currently the build of the Advanced Manufacturing & Engineering Centre (£7.5 million – on target to be delivered on time and to budget).

Contracting Strategy – please appendix A FPM Status Report:

The College has entered into a contract with Fusion Project Management for project management and quantity surveying, following an OJEU tendering process.

The contractors have been procured via the Scape framework and the contract is a two stage design and build contract. At the end of the first stage of the contract, a guaranteed maximum prize will be confirmed.

Standard JCT contracts will be issued.

<p>4.2. Commercial dependencies</p>	<p>LGF Funding will open the opportunity for the gifting of the land, worth £3m, by Manchester Airport Group. The gift of land is subject to the LGF funding being secured.</p>
<p>4.3. Commercial sustainability</p>	<p><i>Please can you identify how the project will be commercially sustainable? Will the project require on going revenue support? If so how will this be funded?</i></p> <p><i>Please verify the project's sustainability by including cash flow projections post-completion.</i></p> <p>The project will not require any further capital funding over and above the £3.5m LGF and the match funding from Essex CC for the construction of the centre and infrastructure works.</p> <p>Ongoing revenue funding support will be required from the Skills Funding Agency for Apprenticeships and from the Education Funding Agency for training for learners aged 16-18. This is estimated to be £2.5M per annum (£1.6M in year 1). The College is in the process of seeking a meeting with the Minister for Skills to commence the process of obtaining recurrent revenue funding. However the College can initially commit up to £1 million of revenue funding to establish the centre.</p> <p>Revenue funding has been confirmed as follows:</p> <ul style="list-style-type: none"> • Up to £1m of funding is available for work with unemployed adults at Stansted. • MAG has up to £700k of funding available to deliver apprenticeships as part of their apprenticeship levy. Up to £250k of this will be available for Stansted Airport and MAG have confirmed that Harlow College is its preferred supplier. • The College has had detailed discussions with several apprenticeship levy paying businesses / employers based at Stansted Airport and are in the process of finalising arrangements between the businesses and the College. • As part of the Government's Strategic Area Review process, Harlow College sought advice from the then EFA (now the ESFA) for 16 – 18 year old study programmes based at the centre at Stansted Airport. Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA (and formerly Director, Young People, EFA, and Director, Intervention, SFA) advised that the College should request a letter of comfort during 2017/18 in terms of funding for these learners. The College is pursuing this with the ESFA. • The development of the Centre at Stansted Airport was approved as part of the Strategic Area Review for Essex, led by Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA. The recommendation, which has been approved by Harlow College's Corporation and the Strategic Area Review Steering Group is for <i>"Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner need."</i> • Detailed discussions have taken place with the Rt Hon Robert Halfon, Minister of State for Apprenticeships and Skills, who is fully supportive of the development of the Centre at Stansted Airport.

	<p>The Centre will generate in the region of £2.5million of revenue once established. It will act as a key enabler for the growth of businesses around the airport, contributing in the region of £2.3million² in economic value to the wider Stansted community.</p>
<p>4.4. Compatibility with State Aid rules</p>	<p><i>Does funding this scheme constitute state aid? If so, what regulations are being applied and what advice has been received to demonstrate compatibility? Are you eligible to receive grant aid at the level requested within the State Aid Regulations?</i></p> <p>Funding for this scheme does not constitute State Aid.</p> <p>The State Aid rules only apply in relation to funding of activities which amount to “economic activity” and as a general rule both the European Commission and the Court of Justice of the European Union have indicated that the provision of public education, where funded primarily by the State, in a non-economic activity and thus falls outside of the ambit of the State Aid rules. This means that public support of such activities at any level (even 100%) is potentially permissible under the State Aid rules.</p>
<p>4.5. Commercial viability</p>	<p><i>Please provide:</i></p> <ol style="list-style-type: none"> <i>Evidence to show the risk allocation and transfer between the promoter and contractor and timescales identified in procurement and/or contract management strategy</i> <p>Harlow College will lead the procurement for this project in line with its existing Procurement Policy, which meets EU procurement regulations. The tender documents will be compiled with the support of experienced construction project managers and cost consultants. The tender process will transfer all financial risks associated with the construction of the Technical and Professional Skills Centre to the successful contractors so that the construction company is responsible for cost overruns. The contractors will be selected from those who have already been approved for selected pre-tender frameworks by meeting stringent criteria.</p> <ol style="list-style-type: none"> <i>Definition of approach taken to assess commercial viability</i> <p>The College has applied the Skills Funding Agency financial forecast model to assess the commercial viability of the Technical and Professional Skills Centre. This has demonstrated that for the centre to be sustainable and viable, it would need to cater for around 500 young people per annum. This will require revenue funding from the Education Funding Agency / Skills Funding Agency of £2.5M per annum (£1.6M in year 1).</p> <ol style="list-style-type: none"> <i>Arrangements for cost overrun</i> <p>The tender process will transfer all financial risks associated with the construction of the Technical and Professional Skills Centre to the successful contractors so that the construction company is responsible for cost overruns. This will be set out in the tender documentation and in the contract to be issued. The College has considerable experience in delivering capital programmes.</p> <ol style="list-style-type: none"> <i>Letter from local authority S151 officer.</i>

² Appendix 1 Numbers and Economic value for Stansted Technical and Professional Centre
South East LEP Capital Project Business Case
Page 33 of 47

At the request of Johnathon Cuthbertson, Senior Commissioning Delivery Officer, the College Principal has confirmed this in writing. The College does not have an S151 officer, however the Principal is classified as the Chief Accounting Officer of the College and in this respect is able to make a similar confirmation (Appendix 4).

Please also refer to Appendix A – Harlow College PTSD Risk Register Rev B.

5. FINANCIAL CASE

*To be completed in conjunction with the spreadsheet in Part B ***

5.1. Total project cost and basis for estimates

A summary of costs is as follows;

Costs	£
Land acquisition/opportunity cost	3,000,000
Construction/refurbishment	3,831,625
External Works	484,500
Preliminaries	445,740
Contingencies	505,058
Equipment	400,000
Professional Fees	600,730
VAT	1,213,531
Sub-total	10,481,184

** unable to locate Part B spreadsheet, however we have completed the SFA Investment Appraisal template (Appendix 2)

Inflation Assumptions:

In relation to the Construction Cost Plan, the base pricing is at 1st quarter 2017 tender levels. Tender prices represent firm price rates to undertake the works which may typically be 6 months ahead.

Although the RICS Building Cost information Service (BCIS) is currently forecasting no increase in *tender* levels up until 3rd quarter 2017 (when the firm price contract sum is due to be finalised), the corresponding BCIS indices for Building costs forecast a 2% uplift.

Our contractor has taken a cautious approach in relation to inflation and therefore the current cost plan includes an allowance for inflation projected to the mid-point of the construction period equating to an average 2% overall.

This approach, coupled with obtaining a guaranteed maximum price with the contractor before entering into contract with them, we believe will safeguard any further risk of increased costs due to inflation.

5.2. Total SELEP funding request

£3,500,000 (33%) LGF is sought to deliver this project

5.3. Other sources of funding

Funding	Amount	Notes on proposed funding routes
Capital build	£3,500,000	Match funding Essex County Council
Land – match funding (MAG)	£3,000,000	Indicative value of proposed gift of land over a 50 year period, site to be confirmed subject to project funding/feasibility
Capital equipment	£480,000	Harlow College

The funding listed above is contingent on successfully securing the LGF funding.

5.4. Summary financial profile – expand as appropriate

(£m)		16/17	17/18	18/19	19/20	20/21	Total
Source of funding – List here the amount of funding sought							
SELEP request			£1,600,000	£1,900,000			£3,500,000
Applicant contribution					£480,000		£480,000
Third party & other contributions Essex County Council			£400,000 (ECC)	£3,100,000 (ECC)			£3,500,000
Borrowing							
Sub Total			£2,000,000	£5,000,000	£480,000		£7,480,000
Local contribution total (leverage)		£3,000,000 MAG land match					£3,000,000
Total		£3,000,000	£2,000,000	£5,000,000	£480,000		£10,480,000
(£m)	Cost estimate status	16/17	17/18	18/19	19/20	20/21	Total
		£3,000,000	£2,000,000	£5,000,000	£520,000		£10,520,000
Costs - List here the elements of gross costs, excluding optimism bias.							
Construction			£800,000	2,575,000	£400,000	£56,625	£3,831,625
External works			£242,250	£242,250			£484,500
Preliminaries			£222,870	£222,870			£445,740
Contingencies				£505,058			£505,058
Specialist equipment					£400,000		£400,000
Professional fees		£50,000	£350,000	£200,730			£600,730
VAT		£10,000	£323,024	£749,182	£1680,000	£11,325	<u>£1,213,531,253,531</u>
Sub Total		£60,000	£1,938,144	£4,495,090	£96880,000	£67,950	<u>£3,831,625,521,184</u>
Land value forgone		£3,000,000 MAG land match					£3,000,000
Total		3,060,000	£1,938,144	£4,495,090	£880,000	£67,950	<u>£10,481,184,000</u>

5.5. Viability: How secure are the external sources of funding?

Please provide evidence of the security of the specified third party contributions

Type	Source	How secure?	When will the money be available?
Public	SELEP LGF	Subject to approval	As per application
	Essex CC	Subject to approval	On approval of LGF
Private	Manchester Airport Group	Subject to grant funding	On approval of LGF

5.6. Cost overruns

Please describe how cost overruns will be met by other funding sources given that

	<p><i>SELEP contributions will be capped at the offer awarded</i></p> <p>The tender process will transfer all financial risks associated with the construction of the Technical and Professional Skills Centre to the successful contractors so that the construction company is responsible for cost overruns. This will be set out in the tender documentation and in the contract to be issued.</p> <p>Please also refer to Appendix A – Harlow PTSD Risk Register Rev B.</p>
<p>5.7. Delivery timescales</p>	<p><i>What are the main risks associated with the delivery timescales of the project? Please identify how this will impact on the cost of the project</i></p> <p>The timescales are:</p> <p>June 2016 – land/site feasibility undertaken June 2016 onwards – design and planning submission for December 2016. May – June 2017 construction phase to start.</p> <p>Due to delays in the release of the LGF funding, as identified as a potential risk in section 5.8, there has been slippage in the timescales listed above. A planning approval application will be submitted on 5 May 2017 and the construction start date will be October 2017.</p> <p>The key risks associated with the delivery timescales are:</p> <ul style="list-style-type: none"> • Delay caused by site suitability issues. This is mitigated by a) careful identification of potential sites leading to selection of the target site by the property team of the Manchester Airport Group and b) the land feasibility study taking place June 2016 by consultants acting for the Manchester Airport Group and funded jointly with Harlow College. • Delay caused by site clearance. This is mitigated by the Manchester Airport Group selecting an appropriate area on the airport site that does not require demolition or land condition issues. • Delay in securing planning consent. This is mitigated by dialogue already taking place with Uttlesford District Council. • Delay arising from an untested construction programme. This is mitigated by the programme plan being based upon recent experience of a construction project of similar size and complexity. The project manager and delivery team will follow a programme consistent with good practice and experience. • Programme overall slippage. This is mitigated by the appointment of an experienced project manager able to track and monitor progress across the life cycle of this project. <p>Please see Appendix A – Harlow PTSC Master Programme</p> <p>Please also refer to Appendix A – Harlow PTSD Risk Register</p>
<p>5.8. Financial risk management</p>	<p><i>Identify key risks to the scheme funding and any mitigations</i></p> <p>The key risks associated with the scheme funding are:</p> <ul style="list-style-type: none"> • LGF is not awarded. This will cause the project not to go ahead. The Manchester Airport Group and Harlow College land feasibility study has been

carried out 'at risk' .

- LGF is delayed. This will cause slippage to the whole scheme but actions will be taken to ensure the project will commence immediately when grant funding is available.
- Cost overruns. This is mitigated by tender process that will transfer all financial risks associated with the construction of the Technical and Professional Skills Centre to the successful contractor, so that the construction company is responsible for cost overruns.
- Contractor insolvency. Assurance will be given by the due diligence process that the College will carry out as part of the appointment process and a performance bond could be secured.
- Failure to achieve additional revenue funding from the Education Funding Agency/Skills Funding Agency. To mitigate this risk, the College is currently working with schools in Uttlesford to grow technical provision for 16-18 year olds, for example, by providing subsidised transport. This work has started already and will allow the College to build up capacity through the lagged-funding formula methodology. This funding will be transferred to the centre on its opening. The College already delivers SFA funded programmes across Essex and is able to move funding in a flexible manner. The centre will also benefit from employers investing their apprenticeship levy and credits. Harlow College is able to commit up to £1,000,000 into the centre in revenue funding to ensure effective start-up.

Revenue funding has been confirmed as follows:

- Up to £1m of funding is available for work with unemployed adults at Stansted.
- MAG has up to £700k of funding available to deliver apprenticeships as part of their apprenticeship levy. Up to £250k of this will be available for Stansted Airport and MAG have confirmed that Harlow College is its preferred supplier.
- The College has had detailed discussions with several apprenticeship levy paying businesses / employers based at Stansted Airport and are in the process of finalising arrangements between the businesses and the College.
- As part of the Government's Strategic Area Review process, Harlow College sought advice from the then EFA (now the ESFA) for 16 – 18 year old study programmes based at the centre at Stansted Airport. Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA (and formerly Director, Young People, EFA, and Director, Intervention, SFA) advised that the College should request a letter of comfort during 2017/18 in terms of funding for these learners. The College is pursuing this with the ESFA.
- The development of the Centre at Stansted Airport was approved as part of the Strategic Area Review for Essex, led by Peter Mucklow, Director, Intervention and Young People's Funding Group, ESFA. The recommendation, which has been approved by Harlow College's Corporation and the Strategic Area Review Steering Group is for *"Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner need."*
- Detailed discussions have taken place with the Rt Hon Robert Halfon, Minister of State for Apprenticeships and Skills, who is fully supportive of the development of the Centre at Stansted Airport.

Please also refer to Appendix A – Harlow PTSD Risk Register.

5.9. Alternative funding

If loan funding is requested how will it be repaid?

mechanisms	<p><i>Do you anticipate that the total value of the investment will be repaid? If not, how much will be repaid?</i></p> <p>Not applicable</p>
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6. DELIVERY/MANAGEMENT CASE

The management case determines whether the scheme is achievable. It provides evidence of project planning, governance structure, risk management, communications and stakeholder management, benefits realisation and assurance.

6.1. Project management

Please provide details of who will be Senior Responsible Officer for delivering the scheme and the different roles and responsibilities they will play. Please also detail the governance structure for the project identifying how key decisions have or will be made, how the scheme will be monitored and details of the contract management arrangements. Please provide an organogram if available.

The project sponsor is Harlow College, led by the College's Principal Karen Spencer. The Principal of Harlow College will be the Senior Responsible Officer for delivering this scheme. Harlow College will be the recipient of the grant funding and the Principal will, on behalf of the Board of Governors, be ultimately responsible for the project, for securing its delivery, for managing all partners within this project and for achieving outputs.

Project governance will ultimately be the responsibility of the Board of Governors of Harlow College with regular reports to the Board and to the Resources Committee. The Governors will take responsibility for the strategic direction of the project, and the awarding of contracts.

An experienced Project Management Team of staff within the College, led by an Executive Director, supported by project management consultants and representatives from all partners will undertake by day-to-day project management responsibility for all aspects of the site survey, design, planning, procurement, construction and cost management and project implementation. This project team will be responsible for the contract management and for monitoring progress against key milestones. The Executive Director reports directly to the Principalship.

Financial monitoring and management will be undertaken by the Harlow College Deputy Principal/Director of Finance and his team of accountancy staff.

6.2. Outputs

Please identify how the outputs for the scheme will be achieved within the programme timescales and details of how the project will be monitored and evaluated. Please also complete the outputs delivery table. Please complete with any baseline information.

Output	16/17	17/18	18/19	19/20	20/21	Total
Direct jobs		50	10* +176	14* +346	346	942
Indirect jobs						
Jobs safeguarded		150	3			153
Learners supported			350	530	530	1410

Output	21/22	22/23	23/24	24/25	25/26	Total
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Direct jobs	346	346	346	346	346	1730
Indirect jobs						
Jobs safeguarded						
Learners supported	530	530	530	530	530	2650

* 10* and 14* refer to delivery staff recruitment

The numbers for sector-based learners progressing into jobs fully correlates to current College retention and destination performance data along with the targets set by the College Executive Group. In line with this these figures assume 95% of all starts retained and 30% of those completing their programme moving into employment or an apprenticeship. In addition to this, a further 65% of those completing their programme progress onto further and higher education.

6.3. How will outputs be monitored?

The Project Management Team will monitor outputs regarding the construction phase to identify the direct jobs created by the infrastructure works.

The College will use standard further education management information software to gather data concerning the learners supported. The learner data will meet the specification set by the Skills Funding Agency and the Education Funding Agency as part of their condition of funding. The data collected through Individual Learner Record will monitor learner demographic data, learning aims and outcomes and will demonstrate the level of government funding provided for the project once delivery of learning has commenced. This will include:

Learner Level	Learner numbers before project - [1]	Learner numbers after project - [2]	Change in learner numbers = [2-1]
Level1	98	158	60
Level2	198	318	120
Level 3	197	317	120
Level 4+ *	0*	0*	0*
Adult Skills Classroom-Based	18	33	15
Adult Skills Workplace	0	65	65
16-18 Apprenticeships	Intermediate: 59	Intermediate: 94	Intermediate: 35
	Advanced: 21	Advanced: 41	Advanced: 20
	Higher: 0	Higher: 15	Higher: 15
Adult (19+) Apprenticeships	Intermediate: 27	Intermediate: 47	Intermediate: 20
	Advanced: 35	Advanced: 55	Advanced: 20
	Higher: 10	Higher: 50	Higher: 40

	Total	663	1193	530																		
6.4. Milestones	<p>Please identify the key milestones and projects stages relating to the delivery of this project in the table below. Please ensure a Gantt chart has been attached to this application form, clearly identifying the milestones for the project, the key construction stages, the critical path and all interdependencies.</p>																					
	<table border="1"> <thead> <tr> <th data-bbox="491 450 794 488">Project milestone</th> <th data-bbox="802 450 1230 488">Description</th> <th data-bbox="1238 450 1461 488">Indicative date</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 495 794 595">Funding for project confirmed</td> <td data-bbox="802 495 1230 595">LGF confirmed ECC funding confirmed Land feasibility completed</td> <td data-bbox="1238 495 1461 595">To be confirmed</td> </tr> <tr> <td data-bbox="491 602 794 669">Planning approval granted</td> <td data-bbox="802 602 1230 669">Designs completed Submit planning application</td> <td data-bbox="1238 602 1461 669">March 2017 August 2017</td> </tr> <tr> <td data-bbox="491 676 794 743">Start on site</td> <td data-bbox="802 676 1230 743">Detailed designs completed MAG land gifted</td> <td data-bbox="1238 676 1461 743">May 2017 October 2017</td> </tr> <tr> <td data-bbox="491 750 794 929">Curriculum planning complete</td> <td data-bbox="802 750 1230 929">Layout of teaching areas confirmed Curriculum designed with employers Equipment needs identified</td> <td data-bbox="1238 750 1461 929">June 2018</td> </tr> <tr> <td data-bbox="491 936 794 1003">Completion, handover and occupancy</td> <td data-bbox="802 936 1230 1003">Installation of services Construction complete</td> <td data-bbox="1238 936 1461 1003">September 2018</td> </tr> </tbody> </table>				Project milestone	Description	Indicative date	Funding for project confirmed	LGF confirmed ECC funding confirmed Land feasibility completed	To be confirmed	Planning approval granted	Designs completed Submit planning application	March 2017 August 2017	Start on site	Detailed designs completed MAG land gifted	May 2017 October 2017	Curriculum planning complete	Layout of teaching areas confirmed Curriculum designed with employers Equipment needs identified	June 2018	Completion, handover and occupancy	Installation of services Construction complete	September 2018
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Planning approval granted	Designs completed Submit planning application	March 2017 August 2017																				
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Curriculum planning complete	Layout of teaching areas confirmed Curriculum designed with employers Equipment needs identified	June 2018																				
Completion, handover and occupancy	Installation of services Construction complete	September 2018																				
6.5. Stakeholder management & governance	<p>A Gantt chart is attached at Appendix 3.</p> <p>Please provide a summary of the stakeholder management plan for the scheme. Include any governance arrangements which will materially impact on the delivery of the scheme.</p> <p>Provide brief description of how key statutory stakeholders will be managed and engaged, in line with Communication and Stakeholder Management Strategy.</p> <p>In broad terms consider: supplier, owner, customer, competitor, employee, regulator, partner and management. Specifically consider: local authorities, the Highways Agency, statutory consultees, landowners, transport operators, local residents, utility companies, train operating companies, external campaigns, etc.</p> <p>Identify champion, supporter, neutral, critic, opponent and potential objections</p> <p>Define stakeholder's involvement (response, accountable, consulted, support, informed)</p> <p>The Centre will be part of Harlow College's Governance structure. The Board currently consists of 18 members drawn from, Industry – 5 representatives, Community – 2, Education – 3, Audit – 2, Local Government – 2, staff – 2, student 2. The employer representation covers the range of industries around the airport and beyond.</p> <p>Stansted Airport Ltd (part of the Manchester Airport Group) and Harlow College are already strategic partners for the delivery of work readiness, work experience and apprenticeship pipeline programmes.</p> <p>Essex County Council, Manchester Airport Group (Stansted Airport Ltd) and Harlow College, have signed a Statement of Intent to develop a post 16 vocational education</p>																					

centre based at Stansted Airport. The Manchester Airport Group demonstrates that it is championing the scheme by making the gift of land for the Technical and Professional Skills Centre. The Governing Body of Harlow College and the Manchester Airport Group Board have both approved this scheme.

Extensive consultation with key local stakeholders has taken place about these proposals. These include local employers and head teachers of schools in Uttlesford district.

The College has established an Employer Advisory Panel of key businesses to advise on the relevance, responsiveness and quality of the curriculum and to steer the development of the centre to meet skills shortages and the needs of growth. This currently comprises Harrods Aviation, Ryanair, AEM, Titan Airways, Kearsley Airways and Inflight. All curricula run in the centre will be employer endorsed and provide clear career pathways to associated industries. The Panel will also enable the College to develop support for sectors and clusters of businesses to develop local supply chains. Harlow College, in-conjunction with Anglia Ruskin University, has already undertaken a survey of airport based employers to establish demand and support. It is working on a curriculum model with businesses such as Ryanair, Stansted Engineering, and Harrods Aviation that support pathways into engineering.

The project has also received formal support from the Uttlesford District 14-19 Strategic Board.

Built into the plans for the centre is the ability to grow based on demand, both physically and virtually. For example, Anglia Ruskin University would support the development of on-line learning and links to both their Cambridge and Chelmsford Campuses. Through both the Essex Provider Network and the Federation of Essex Colleges, the College is able to source partners where other specialist expertise is identified.

The curriculum offer at the Centre will be based on employer need and demand for specific skills related to their industry. Employers will be at the heart of curriculum design, which will be reviewed and monitored on a regular basis to ensure that the offer remains fit-for-purpose and relevant.

This will be achieved through the establishment of three cluster groups which will be sector-led by employers based at the airport. Cluster groups for carriers, airport operations and service industries will be established. In addition to the employers, there will be representatives at a senior manager level from Harlow College, MAG and Essex County Council on each of the cluster groups in order to ensure that strategic decisions on curriculum and the Centre's offer can be taken.

A sub-committee of Harlow College Corporation will be established, with agreed terms of reference, and will be given delegated decision making powers. This will comprise of the Principal, Governors and co-opted members where appropriate. The powers of this sub-committee will be clearly documented through a Corporation approved decision making matrix which will clearly identify decisions needing to be taken and what level of authority is required – e.g. Harlow College Executive Team, Stansted TPSC sub-committee, Harlow College full Corporation. This matrix approach has been successfully deployed in Harlow College's £7.5m Advanced Manufacturing and Engineering Centre built in 2016, on time and within the agreed budget.

The sub-committee will feedback and update to the Corporation each time the Corporation meets.

<p>6.6. Organisation track record</p>	<p><i>Please briefly describe the track record of the organisation in delivering schemes of this type, including whether they were completed to time and budget.</i></p> <p>Harlow College has proven expertise in managing large capital and learning projects within the learning and skills sector that achieve measurable impact and meet objectives in terms of effective planning and delivery, evaluation and dissemination. The College has the infrastructure, experience, capability and capacity to plan, manage and deliver a capital project of this scale. Over the past 20 years it has overseen major capital redevelopment of its campus running to many tens of millions of pounds. These projects have been delivered on time and to budget. More recently the College has successfully delivered similar sized schemes, including the University Centre Harlow (£6 million), University Technical College (£6.6 million) and currently the build of the Advanced Manufacturing & Engineering Centre (£7.5 million – on target to be delivered on time and to budget). Harlow College therefore can demonstrate a strong track-record in delivering similar schemes.</p> <p>As the contract holder, Harlow College will be responsible for delivering the contract and the receipt and management of the funding. The College will set and implement financial procedures, manage contractors delivering development activities and ensure reporting ,audit and contract requirements are met.</p> <p>Once completed, experienced managers and an administrative infrastructure will lead, manage and deliver the learning. This includes marketing, recruitment, induction and training. The College will ensure the quality of delivery and that equal opportunities are monitored and observed.</p> <p>The College has a track record of managing an annual budget of approximately £22 million. Its financial health rating from the SFA is ‘Good’ and its OFSTED rating is also ‘Good’.</p>
<p>6.7. Assurance</p>	<p><i>Please provide s151 Officer confirmation that adequate assurance systems are in place. Please also provide evidence of financial performance over 3 years.</i></p> <p>At the request of Johnathon Cuthbertson, Senior Commissioning Delivery Officer, the College Principal has confirmed this in writing. . The College does not have an S151 officer, however the Principal is classified as the Chief Accounting Officer of the College and in this respect is able to make a similar confirmation (Appendix 4).</p> <p>The SFA Financial Dashboard for Harlow College indicates ‘Good’ financial health forecast ratings for 2014/15, 2015/16 and 2016/17.</p>
<p>6.8. Equalities Impact Assessment</p>	<p><i>Please provide evidence of your Equalities Impact Assessment here.</i></p> <p>No Equalities Impact Assessment has yet been carried out for the construction phase. However, the design of the building and its external features will ensure best practice in providing access for people with impairments within the context of planning policy, during which the EIA would be carried out.</p> <p>When the curriculum has been confirmed with employers, an Equalities Impact Assessment will be carried out for teaching, learning and assessment.</p>
<p>6.9. Monitoring and evaluation</p>	<p><i>Please explain how you will monitor and evaluate the project, referring to the use of key performance indicators as appropriate.</i></p>

	<p><i>Will an Evaluation Plan be put in place? Will it be standalone; how will it be disseminated; how will lessons learned be incorporated into future projects?</i></p> <p>The Harlow College Deputy Principal/Director of Finance and his team of accountancy staff will undertake financial monitoring and management. This will be reported to the funding partners, along with the achievement of key milestones, in line with contractual agreements, to the Board of Governors of the College, and through the College’s annual accounts to the Department of Business, Industry and Skills.</p> <p>Learner enrolments and achievements will be monitored by Harlow College in line with its Learning, Teaching and Assessment Strategy which will set rigorous key performance indicators to monitor and evaluate the quality of learning, learner recruitment, retention and success.</p> <p>The Evaluation Plan will comprise two elements:</p> <ol style="list-style-type: none"> a) the achievement of the key objectives and key milestones of the project. The project will be evaluated against the stated aim, objectives and outputs which will be the key performance indicators for the scheme. Progress against key milestones will be reported to the partners funding the scheme in accordance with Funding Agreements. Evaluation will involve partners and stakeholders b) a continuous self-assessment of the teaching , learning and assessment carried out in the centre. All learner outcomes, quantitative and qualitative will be reported annually in the College Self-Assessment Report, which is shared with funding bodies and Ofsted. The section on the Technical and Professional Skills Centre at Stansted Airport will be compiled with the benefit of opinions and experiences of employers involved and will be disseminated to partners. <p>Dissemination will take place in two main phases:</p> <ol style="list-style-type: none"> 1) Early – to inform employer and school stakeholders of the construction of the centre, its location and the curriculum it will deliver and of its strategic link to employers, Apprenticeships and employment opportunities at the Airport. This will be to build up a constituency of support for the new Technical and Professional Skills Centre. 2) At project end, to provide information to a wider audience of future end-users of the centre, to decision/policy-makers and to supporters and interested parties, including teaching professionals, to the wider airport industries, employer representatives. <p>Dissemination activities will include:</p> <ul style="list-style-type: none"> • The media – print, television, radio using the marketing teams of all immediate partners • Social media • Conferences and seminars e.g. the Association of Colleges
<p>6.10. Post completion</p>	<p><i>What are the plans for the project on completion? Will there be a change of ownership, will the project be refinanced? How will this be managed?</i></p> <p>A detailed legally binding Agreement, to be signed by all parties, will detail all aspects of the phases of the project including the initiation date, detailed delivery plan, management and governance of the Project and the contractual relationship</p>

between both parties.

7. RISK ANALYSIS

Likelihood and impact scores:

5: Very high; 4: High; 3: Medium; 2: Low; 1: Very low

Risk	Allocation of risk	Likelihood*	Impact*	Mitigation
Failure to secure LGF funding	Harlow College – Will Allanson, Executive Director Business Development MAG – Sarah Coote, Project Manager	3	5	Without LGF funding the scheme will not go ahead. The project has received support at the project initiation stage and a statement of intent has been signed by the Harlow College, Manchester Airport Group and Essex County Council. We would seek to identify alternative accommodation with MAG should funding not be secured, however this may be difficult due to airport growth plans.
Failure to receive planning consent	Professional project team – Laurie Morley, Project Manager, Fusion Project Management	2	5	Dialogue has commenced with the district council and initial support indicated. Further discussion will be held before the application is lodged. Manchester Airport Group will provide support with all necessary planning services in connection with the development of the centre
Failure to achieve private sector investment	MAG – Sarah Coote, Project Manager	1	5	The Manchester Airport Group has been involved in this project since its inception and has signed the Statement of Intent for the scheme in which it commits to provide a site for the Technical and Professional Skills Centre.
Ground conditions lead to delays in commencing construction	Harlow College – Will Allanson, Executive Director Business Development	1	2	The land feasibility study is underway in June 2016, well before construction commences. Should costly or insurmountable issues be found, another site will be identified.
Delays in procuring the contractor	Professional project team – Laurie Morley, Project Manager, Fusion Project Management	1	5	All procurement will be undertaken using the Harlow College Procurement Policy which has been used before to appoint contractors for an £8M project. Harlow College will be supported in this by the Manchester Airport Group property team and by experienced project management consultants.
Construction costs exceed grant	Professional project team – Laurie Morley, Project	2	3	All project activities will be subject to tendered prices with appropriate contingencies taking a guaranteed maximum price approach when procuring contractors.

7. RISK ANALYSIS

	Manager, Fusion Project Management			All costs will be reviewed and monitored by cost consultants.
Programme slippage	Professional project team – Laurie Morley, Project Manager, Fusion Project Management	1	3	The programme plan is based upon recent experience of a construction project of similar size and complexity. The project manager and delivery team will follow a programme consistent with good practice and experience and will track and monitor progress across the life cycle of the project.
Contractor insolvency.	Professional project team – Laurie Morley, Project Manager, Fusion Project Management	1	4	Assurance will be given by the due diligence process that the College will carry out as part of the appointment process and a performance bond could be secured.
Failure to achieve additional revenue funding from the Education Funding Agency/Skills Funding Agency	Harlow College – Will Allanson, Executive Director Business Development	2	2	The College is currently working with schools in Uttlesford to grow technical provision for 16-18 year olds, for example, by providing subsidised transport. This work has started already and will allow the College to build up capacity through the lagged-funding formula methodology. This funding will be transferred to the centre on its opening. The College already delivers SFA funded programmes across Essex and is able to move funding in a flexible manner. The centre will also benefit from employers investing their apprenticeship levy and credits. The College has the ability to commit up to £1million of revenue funding to establish the centre.

Please also refer to Appendix A– Harlow PTSD Risk Register.

8. DECLARATIONS

8.1. Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?

No

8.2. Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors

No

8.3. Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?

No

If the answer is "yes" to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.

I am content for information supplied here to be stored electronically and shared in confidence with other public sector bodies, who may be involved in considering the business case.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. I also declare that, except as otherwise stated on this form, I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it. I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

8.4. Signature of Applicant



8.5. Print Full Name

Karen Spencer

8.6. Designation

Principal and Chief Executive, Harlow College

8.7. Date

16 June 2016