

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.

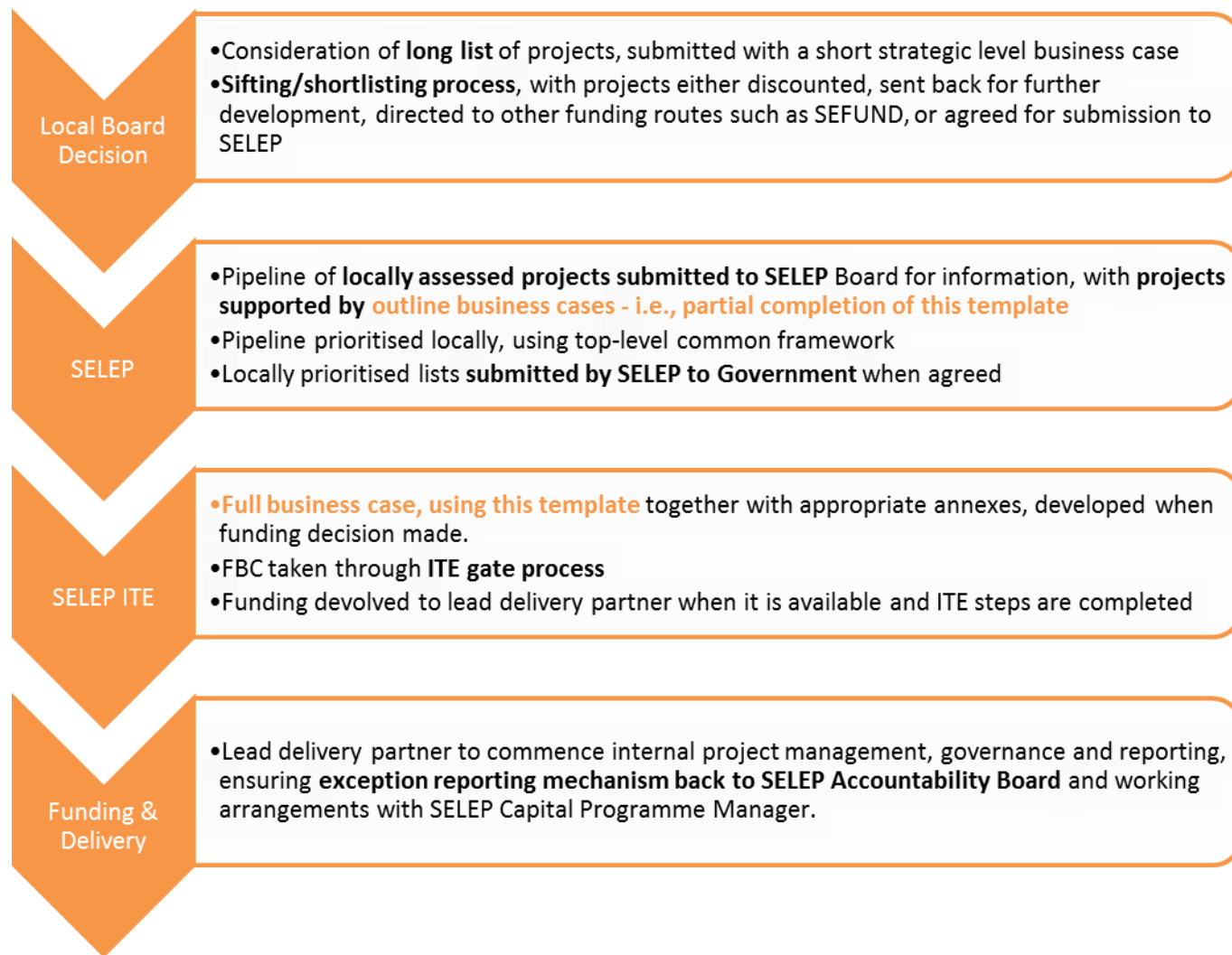
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable 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 through 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**

Version control	
Document ID	CLHIN-H&C-2017-11
Version	3.0
Author	Gary Horne
Document status	Final Version
Authorised by	Alison Andreas
Date authorised	09-11-2017

1. PROJECT SUMMARY	
1.1. Project name	Centre for Health and Care
1.2. Project type	Skills - Delivery Breadth and Capacity Improvement in Growth Sectors
1.3. Location (inc. postal address)	Sheepen Road Campus Colchester, Essex CO3 3LL
1.4. Local authority	Colchester Borough Council
1.5. Description (max 300 words)	<p>As the leading provider of vocational education and training in Essex, Colchester Institute has been urged to take immediate action to address current chronic skills shortages in the local Health and Care Sector. Bernard Jenkin MP (North Essex) and Will Quince MP (Colchester) have asked the College to develop innovative solutions to what the Essex Employment and Skills Board (ESB) have confirmed as ‘the highest skills priority in the County’.</p> <p>Integral to this scheme, the College will engage with a range of delivery partners to provide a community solution in the heart of Colchester, offering simulated working environments. A steering group made up of local industry stakeholders will report to a project board (s1.11/s6.1) to ensure achievement of project outcomes, which include 230 additional qualified students per annum to assist local healthcare services, and support key deliverables within the Economic Plan for Essex and the SE LEP Strategic Economic Plan. The project aligns to employer demand as outlined in the Essex Employment and Skills Board District Evidence Base profiles.</p> <p>To increase the pipeline workforce in the quickest time possible, students will interact with realistic subjects and scenarios in simulated healthcare sector environments. Bucking the trend nationally, the College has delivered on a target to increase apprenticeship starts by 21% (111) in 2015-16 with further significant increases in apprenticeship enrolments in 2017-18 13 new frameworks were offered by the College in 2016-17, 5 of which were within the Healthcare environment. However a step change is now needed in terms of creating a new vision, embraced by new facilities, to create a rigorous, relevant and bespoke suite of training programmes focusing on pathways to higher level technical and professional qualifications.</p> <p>Identifying satisfying and rewarding careers is seen as a fundamental in encouraging more young people into the healthcare sector. Building on some aspects of the Yeovil Health and Care Career College model http://careercolleges.org.uk/college/yeovil-college-health-and-social-care/, current and potential students will be enthused by industry professionals within a range of professional settings allowing a rotational model of learning within a range of simulated environments with assistive technology allowing for cross curriculum interaction and collaboration.</p> <p>The project will target local hospices and care homes (e.g. Outlook Care, The Haven Care Home and Action for Family Carers). On the clinical side, Colchester Hospital University Foundation Trust (CHUFT), ACE and Provide, and dental and pharmacy sectors (through Essex Local Pharmaceutical Committee) will also be supported. Employer engagement levels will increase by approximately 55 employers by 2021, taking full advantage of the Apprenticeship Reforms and levy opportunities.</p> <p>The 2016 South Wing building at Sheepen Road was specifically designed to cater for an additional fourth storey, thereby mitigating risk of construction delay. The construction of an additional floor will accommodate the Centre for Health and Care which will encompass a 2,000 SqM Health and Care teaching facilities including three settings:</p> <ol style="list-style-type: none"> I. Clinical – Focussing on ‘holistic patient pathways’ to support an integrated/flexible workforce with transferable skills. To include simulated

	<p>nursing and A&E environments.</p> <p>II. Care – Residential settings including a day centre, wet room, activity centre to support the delivery of a ‘Values based workforce’ (right skills, right numbers, right values to support excellence in patient care).</p> <p>III. Wellbeing zone – including a sensory garden, indoor sensory room supporting dementia, mental health and holistic patient pathways. Mindfulness is key to addressing the nation’s mental health crisis – A preventive strategy will be integrated into the curriculum, where techniques and resources are shared with employers and the local community.</p>
1.6. Lead applicant	Colchester Institute
1.7. Total project val	£5m
1.8. SELEP funding	LGF £2.5m
1.9. Rationale for SELEP request	<p>Key characteristics and background to the opportunity presented</p> <ul style="list-style-type: none"> ➤ Essex has a predicted population increase of 200,000 over 5 years. Colchester remains the second fastest growing borough in the country, presenting a huge challenge for local health services to keep pace with a demand that is already severely under resourced. ➤ Colchester Hospital NHS Foundation Trust has been in special measures since November 2013 and has not made the anticipated improvements within short term time periods. It is widely acknowledged that a primary driver for these failings is the chronic skills shortages in a range of medical professions. ➤ With Colchester Hospital currently recruiting trained healthcare professionals from overseas to fill vacancies, this capital development is seen as an essential next step by local MPs who are pressing for urgent action to support improved skills provision for healthcare workers. The hospital has signed an apprenticeship levy contract with the College and is actively supporting the design and development of new apprenticeship standard pathways (including upskilling of current workers – CPD apprenticeships). The new facility will act as a catalyst to develop facilities in line with this leading project partner. ➤ Nationally, the effect of poor mental health on physical illnesses is estimated to cost the NHS at least £8 billion a year (All-Party Parliamentary Report, 2015) http://theminfulnessinitiative.org.uk/images/reports/Mindfulness-APPG-Report_Mindful-Nation-UK_Oct2015.pdf ➤ Essex has the second highest elderly population in Europe (122,000 people are 75+ years old), meaning that the need for care workers is more acute here than anywhere in the UK. ➤ With over 2,800 vacancies posted in 2015, Skills for Care data shows that Tendring and Colchester have the highest concentration of businesses in residential care activities. ➤ Key stakeholders are urging immediate action to improve this situation. Project support has already been obtained from Essex County Council, Colchester Borough Council, Haven Gateway Partnership, Essex Workforce Partnership, North East Essex CCG, Public Health England, Skills for Care, Skills for Health, as well as Essex Employment and Skills sector leads. ➤ ESB Sector Lead for Health states that recruitment and retention of staff for General Practice is particularly critical in North Essex.

Vision alignment to local and national development strategies

Whilst the College currently delivers a range of Health and Care FE and HE programmes to over 600 learners per annum, it is clear that a step change is required to mitigate current local labour shortages. A new 2,000 SqM facility will provide a focus for a new innovative form of delivery that will be sustainable in the long term with partnerships created across a range of healthcare sectors supporting design and development of higher level professional and technical qualifications.

15 new qualifications will be developed within three years alongside bespoke workforce development programmes, not limited to:

- Advanced Technical Diploma in Health and Care
- Pharmaceutical Science / Lab technicians Apprenticeships
- Perioperative and Maternity Support (L3)
- Assistant Practitioner (L5)**
- Dental Practice Manager (L4), Day Care Manager (L5)
- Leadership & Management / Business & Administration (L4/5)
- Clinical Health / Dementia Awareness / Mental Health
- Cleaning and Support Services Skills / Facilities Management Practice

Development of the assistant practitioner qualification will be the key driver to deliver more qualified nurses into the health sector. Delivery of these aims aligns directly to **HM Government apprenticeship aspirations (3m new enrolments by 2020) and Essex devolution targets. Through the College's partnership with City & Guilds it is ideally positioned to gain support for qualification approval.

SE LEP Strategic Economic Plan 2014 references a commitment to increasing the talent pool to Level 4 and a focus on higher level apprenticeships, noting these demands are particularly prevalent to business along the A12 corridor. Delivering on these commitments requires employer buy-in that will be achieved through the development of strong partnerships via the project steering group and employer forums. It is anticipated that these employers and sector bodies will facilitate UCC (University Centre Colchester) research supporting qualification expansion, development and innovation. The College has developed a successful independent unit for bespoke delivery of English and maths courses to adult learners that will be linked to the Centre. As recognised by SE LEP, delivery of good English and maths will be central to supporting progression to higher level skills development. Enhanced IAG will be supplemented by a high quality work experience programme in a range of settings again providing a springboard to increase participation in healthcare careers.

Lifesciences and Healthcare are referenced in the **2014 Economic Plan for Essex** noting a requirement to improve skills across the Essex workforce by closing the gap between the needs of employers and the choices learners make. Data provided by the Essex ESB suggests a large mismatch between young people entering this sector and the available job vacancies. As mentioned above, a key strand will be to develop a wider understanding of career opportunities, particularly by following a route through higher level apprenticeships to high-in-demand occupations such as Nursing Auxiliaries, Rehabilitation, Mental Health, Patient Care, Theatre Support Practitioners, Care Planning, Dementia and Therapy, Lab Technicians, Counselling, Youth Workers and Activity Co-ordinators.

Priorities identified within **Colchester's Strategic Plan 2015-18** - 'Prosperous' and 'Thriving' themes around improving health in the community, supporting skills development and being recognised as an educational centre of excellence could not be more relevant to this project.

	<p>Colchester Institute currently holds an Ofsted Inspection judgement of Good across the board, unrivalled by any other College in Essex and not bettered across SE LEP under the current inspection framework. The SFA FE Choices survey 2015 ranked the College 7th across the Country in terms of employer satisfaction. This provides confidence to funding organisations that a strong management team are working collaboratively with major stakeholders to ensure positive outcomes to drive excellence in relevant skills development, employer support and contributing to local economic growth. The project aims to enthuse and inspire local people, local employers and staff to create career opportunities, to improve care standards, and to support the SE LEP economy</p>
<p>1.10. Other funding sources</p>	<p>Colchester Institute £1.25m Essex County Council £1.25m</p> <p>To confirm ECC funding will be contingent on SE LEP funding. If SE LEP funding is not approved the project will not proceed.</p> <p>Equipment sponsorships (local employers and manufacturers) The College will be seeking employer donations/ sponsorship of equipment as part of this project. We prudently estimate this will realise added value of £50k to support additional specialist equipment in workshops and classrooms that will assist delivery of additional modules as specifically required by those employers. This opportunity will be developed through closer partnership working engendered through employer cluster groups.</p>

1.11. Delivery partners	
Partner	Nature and/or value of involvement (financial, operational etc.)
Haven Gateway Partnership	Project support and promotion Local intelligence on skills needs Large employer liaison
Essex County Council (Employment and Skills Unit)	Professional advice and support Local intelligence on skills demands (referenced by ESB evidence base) Employer engagement assistance
Colchester Borough Council	Economic Development Advice Project co-ordination support with stakeholder participation Local Planning Authority
Nicholas Percival Chartered Surveyors	Property Advisors
Saunders Boston Architects	Initial design development
Varsity Consulting	Cost Consultants and Project Managers
Professional Design Team	TBC – subject to tender
Building Contractor	TBC – subject to tender
Steering Group, comprising key employer & community group representatives from: <ul style="list-style-type: none"> • Colchester Institute • Essex Local Pharmaceutical Committee • Princes Trust – ‘Get into’ prog. lead • Jobcentre Plus/DfWP • North Essex Schools • Community service providers i.e. ACE, Oaks, Provide, Colchester Hospital University FT & Outlook Care 	Stakeholders will be responsible for project promotion and referral; governance, and curriculum planning & development.

1.12. Key risks and mitigations				
No.	Risk	Likelihood	Impact	Mitigation
1	Under assessment of construction costs /increasing prices R/Owner: Project Manager	Medium	High	Ongoing reference back to forecast construction costs. Experienced cost consultants with considerable FE experience /very well known to client. Prompt start on procurement work to secure competitive fixed priced tender. CI undertakes to make good any overspend on project. Cost plan drawn up with predicted forward indices (Inflation 4Q 2017 to 4Q 2018 @ 3.5%)
2	Lost professional fees in working up detailed design ‘at risk’ of funding to achieve programme and delay readiness R/Owner: Vice Principal (Finance)	Low	Med	Develop funding bid as far as possible in accordance with the guidelines to minimise risk.

	3	Non achievement of relevant planning permissions (CBC) R/Owner: Vice Principal (Finance)	Low / Medium	High	The College already has a 'Planning Performance Agreement' in place with CBC. Planners are very aware of desire to take this scheme forward. Initial communications have received strong CBC executive support. (Section 2.5)																								
	4	Identification of College match funding element R/Owner: Vice Principal (Finance)	Medium	High	Prudent budgeting /minimise other forms of capital expenditures in year 2017-18 will support cash generation ahead of drawdown. Identify equipment sponsorship opportunities and other grants from public /private sector.																								
	5	Non achievement of BREEAM 'Very Good' R/Owner: Project Manager	Low	Med	BREEAM consultant to be engaged from outset. Ideas in place to achieve additional 'contingency' points.																								
	6	Building control issues preventing development taking place R/Owner: Project Manager	Low	Med	Work closely with architects, building control, and project management to ensure all requirements are met.																								
1.13. Start date	Formal design start – November 2017 Construction start on site/campus – November 2018																												
1.14. Practical completion date	Handover to Colchester Institute – December 2019 (or earlier)																												
1.15. Project development stage	<table border="1"> <tr> <td>Stakeholder engagement, funding development, employer support and input to project</td> <td>August – December 2017</td> </tr> <tr> <td>Stakeholder representative group formalised - Steering Group (SG)</td> <td>After funding approval December 2017</td> </tr> <tr> <td>Assumed Funding Approval (on or before)</td> <td>December 2017</td> </tr> <tr> <td>Professional team formal tender and appointments</td> <td>October 2017</td> </tr> <tr> <td>Detailed Design Go-ahead</td> <td>November 2017</td> </tr> <tr> <td>Planning Application Submission</td> <td>March 2018</td> </tr> <tr> <td>Contractor Tender</td> <td>February 2018</td> </tr> <tr> <td>Anticipated Planning determination</td> <td>June 2018</td> </tr> <tr> <td>Contract Award</td> <td>June 2018</td> </tr> <tr> <td>Construction Start</td> <td>January 2019</td> </tr> <tr> <td>Handover to College / Occupation</td> <td>December 2019</td> </tr> <tr> <td>Teaching Commencement</td> <td>January 2020</td> </tr> </table>				Stakeholder engagement, funding development, employer support and input to project	August – December 2017	Stakeholder representative group formalised - Steering Group (SG)	After funding approval December 2017	Assumed Funding Approval (on or before)	December 2017	Professional team formal tender and appointments	October 2017	Detailed Design Go-ahead	November 2017	Planning Application Submission	March 2018	Contractor Tender	February 2018	Anticipated Planning determination	June 2018	Contract Award	June 2018	Construction Start	January 2019	Handover to College / Occupation	December 2019	Teaching Commencement	January 2020	
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1.16. Proposed completion of outputs	July 2021 (Year 2)																												
1.17. Links to other SELEP projects, if applicable	Not applicable																												

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

Challenges addressed by the project (see also section 1.9 – Project Vision)

- The College struggles to recruit good teaching staff with appropriate skills and experience to deliver healthcare programmes. This new facility and vision will inspire prospective individuals to join the College.
- It remains difficult to secure good quality work experience placements. Collaboration with employers committing to the new vision will increase opportunities to overcome these issues, whilst having on-site environments provides for ready-made solutions.
- The College has limited specialist accommodation and equipment to support curriculum development. Clearly this project will set down a marker for improved healthcare teaching standards across the SE LEP region.
- The recent Essex FE Strategic Area Review, demanded radical reform of FE and skills training to create a sustainable network of providers (including bringing forward new models of delivery that enable greater employer based delivery). A key area review recommendation for Colchester Institute was to continue to align curriculum to local need.
- Achieving the Greater Essex Devolution Employability and Skills work stream pledge to double the value of the Greater Essex economy to £60bn by 2030 will only be brought about by a step change in skills training provision as described by this innovative simulated work-based model.
- Essex currently lags 10% behind the UK average of residents with L3 qualifications.
- The number of Essex residents requiring social care support will rise from 35,000 in 2013 to 137,500 by 2030.
- The Institute of Public Policy and Research (IPPR) estimates that by 2022, nearly three million more health and care workers will be needed to look after people in hospitals, care homes and the community. An economic dividend of £2.4bn over 10 years could be generated through increased skills led productivity if the Essex Employment and Skills Board (ESB) mission 'to build the most productive and responsive skills system in the country' is enabled by projects such as this.
- Technical, practical and job-specific skills in sectors facing heightened difficulties in staff recruitment (12% of all businesses are adversely impacted).
- There were 2,800 job vacancies posted across Colchester and Tendring in 2015, reiterating the need for a new approach to pipeline healthcare workforce development.* Source : ESB Evidence Base
- 10 local healthcare providers are currently rated 'Requires Improvement' or 'Inadequate'

Delineation of current versus future problems

- In Care alone, 98,000 additional workers will be needed each year to meet increasing demand for services to 2020 in roles such as social care workers, residential assistants, day care managers, youth and community workers.
- Currently [16 million people in the UK experience a mental illness](#). By 2030, it is estimated that there will be around **two million** more adults in the UK with mental health problems than there were in 2013
- **One in four** adults will experience a mental illness at some point each year in the UK. This ranges from anxiety and depression to alcohol dependence, substance misuse and psychosis. As the population continues to live longer, this adds to the huge concern that health services will be unable to cope with demand in the future.
- There is currently a lack of specific workforce skills training at Level 4 and above in these sectors preventing successful delivery of basic services. There will be a shortage of 200,000 care workers in Essex by 2020.
- Nationally 1 in 10 nurse posts in England are unfilled, 29% of nurses are aged over 50,

	<p>13% come from overseas. The implications of Brexit, depending on the type of arrangements that are in place across the EU, could well provide for even more acute skills shortages than current circumstances.</p> <p>➤</p>																	
<p>2.2. Description of project aims and SMART objectives</p>	<table border="1"> <thead> <tr> <th data-bbox="395 253 898 309">Objective</th> <th colspan="2" data-bbox="906 253 1487 309">Measurements</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 309 898 622">To complete the planned construction of the building extension and refurbishment to within specified criteria meeting all requirements (including BREEAM, fit for purpose design, planning requirements)</td> <td colspan="2" data-bbox="906 309 1487 622"> 1. Complete for handover by 31 December 2019 2. Project budget £5m 3. BREEAM 'Very Good' 4. Create 1,000 SqM new extended facility to design requirements </td> </tr> <tr> <td data-bbox="395 622 898 779">To increase learner numbers in line with growth projections and priority curriculum areas</td> <td colspan="2" data-bbox="906 622 1487 779">Additional 140 apprentices enrolled by 2020-21</td> </tr> <tr> <td data-bbox="395 779 898 891">To increase employer engagement in line with growth projections</td> <td colspan="2" data-bbox="906 779 1487 891">Additional 35 employers actively involved in programme participation by 2020-21</td> </tr> <tr> <td data-bbox="395 891 898 1104">To contribute to "Outstanding" OFSTED quality status and performance levels – a two grade improvement on 2014-15. (Awarded OFSTED "Good" February 2016)</td> <td colspan="2" data-bbox="906 891 1487 1104">Self-assessment or external OFSTED referencing as "Outstanding" post 2019-20</td> </tr> </tbody> </table>			Objective	Measurements		To complete the planned construction of the building extension and refurbishment to within specified criteria meeting all requirements (including BREEAM, fit for purpose design, planning requirements)	1. Complete for handover by 31 December 2019 2. Project budget £5m 3. BREEAM 'Very Good' 4. Create 1,000 SqM new extended facility to design requirements		To increase learner numbers in line with growth projections and priority curriculum areas	Additional 140 apprentices enrolled by 2020-21		To increase employer engagement in line with growth projections	Additional 35 employers actively involved in programme participation by 2020-21		To contribute to "Outstanding" OFSTED quality status and performance levels – a two grade improvement on 2014-15. (Awarded OFSTED "Good" February 2016)	Self-assessment or external OFSTED referencing as "Outstanding" post 2019-20	
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<p>2.3. Strategic fit</p>	<ul style="list-style-type: none"> ✓ Project addresses the 'highest priority skills need in the County' ✓ Chronic skills shortages require innovative solutions, as highlighted in the SE LEP Strategic Economic Plan and more recently, the 2016 Essex ESB evidence base. This is the main source of our district-specific demand assessment, validated by ongoing round table discussions with local employers specific to industry sector ✓ Project directly addresses recommendation of the recent Strategic Area Review. ✓ Project enables the College to build on and enhance present projects underway with local providers (e.g. Talent for Care project) ✓ Project supports development of employer relationships, higher and degree level apprenticeships including shift to trailblazer standards 																	
<p>2.4 Summary outputs (3.2 will contain more detail)</p>	<p>Anticipated Outcomes:</p> <ul style="list-style-type: none"> ➤ The project will allow Colchester Institute to play an active role in supporting the Essex Success Regime http://www.sept.nhs.uk/about-us/essex-success-regime/. Contributing to the sustainability and transformation plan to overcome the deep rooted systematic pressures within local services. ➤ The College will be able to enhance existing links with local stakeholders including CHUFT and the Oaks, as well as many care homes across the County. ➤ Improvement in teaching staff recruitment and retention <p><i>The following forecast figures are based on commitments from key employer stakeholders who have pledged their support in securing such a facility, and expressing their need for new/ specialist apprenticeship frameworks and unique training packages. It is envisaged that the project will attract a wider geographical reach than it currently does:</i></p> <p>Anticipated Outcomes from the project (first three years post project)</p> <table border="1"> <thead> <tr> <th data-bbox="403 2011 651 2072"></th> <th data-bbox="659 2011 914 2072">Pre-project outputs</th> <th data-bbox="922 2011 1369 2072">Project outputs (additional to pre-project outputs)</th> <th data-bbox="1377 2011 1487 2072">Project Totals</th> </tr> </thead> <tbody> <tr> <td data-bbox="403 2072 651 2072"></td> <td data-bbox="659 2072 914 2072"></td> <td data-bbox="922 2072 1369 2072"></td> <td data-bbox="1377 2072 1487 2072"></td> </tr> </tbody> </table>				Pre-project outputs	Project outputs (additional to pre-project outputs)	Project Totals											
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Academic year	17/18	18/19	19/20 Y1	20/21 Y2	21/22 Y3	
Apprenticeships	75	100	50	90	90	230
L3 achievers	600	620	30	90	110	230
L4/HA achievers	20	30	20	30	40	90
Level 5 achiever	70	80	15	20	20	55
Add. employers	230	245	15	20	20	55
Training-led jobs in Health & Care	115	140	100	140	140	380
Grand Total	1110	1215	230	390	420	1040

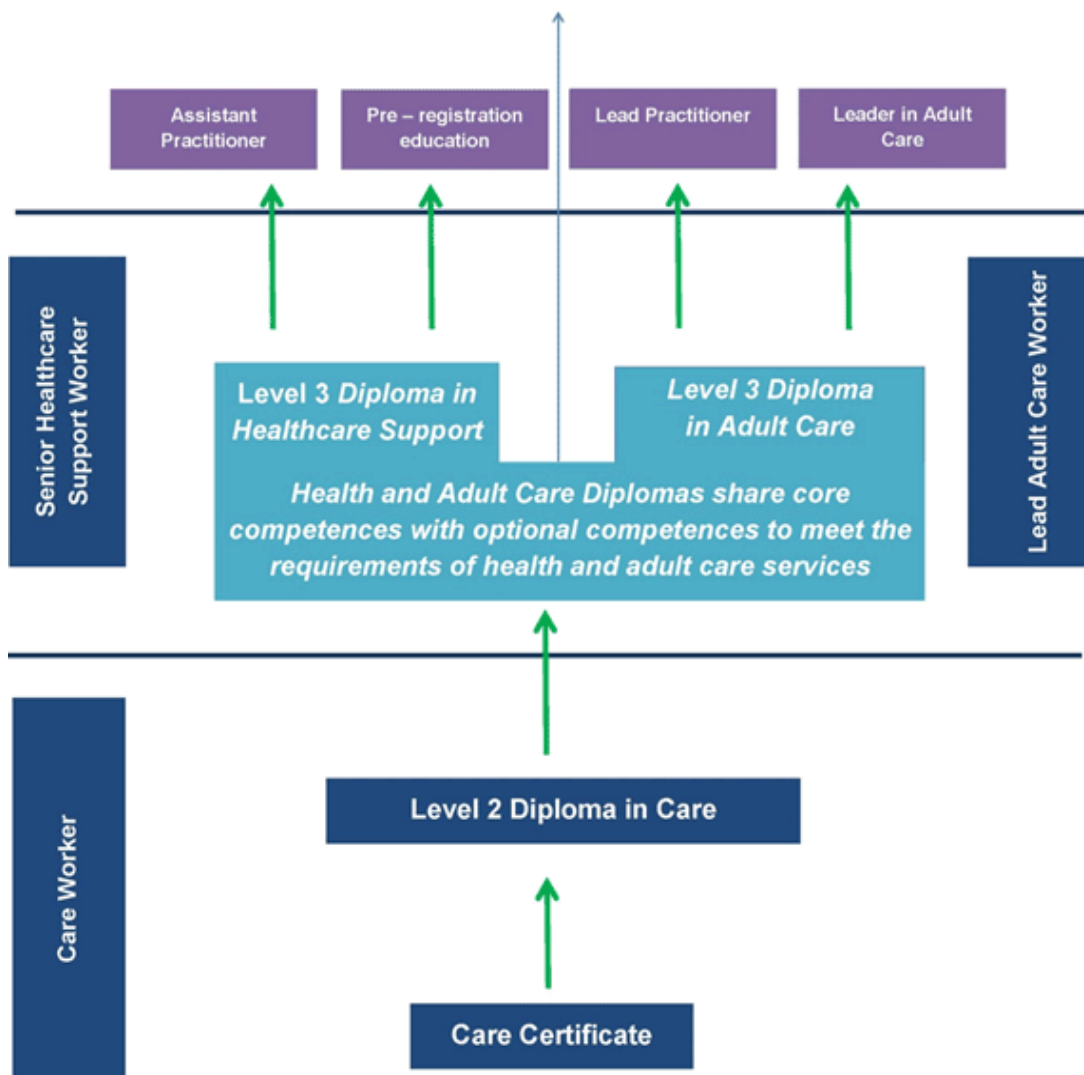
Key: 1 FTE job = 30 hours per week or more

HA = Higher Apprenticeships

d.p.a. = Days per annum

- 90 new apprenticeship starts in Health and Care industries by year 2 - Supporting the Essex Devolution and Government apprenticeship targets.
- 120 additional students achieving L3 qualifications by year 2.
- 90 additional students achieving L4 qualification or above in Health & Care by year 3
- 55 additional employers and third sector organisations engaging with the Centre over the first three years, receiving workforce skills training and added value services to drive business improvement and economic growth. *We envisage that there will continue to be steady employer participation at 2022 rates, there being an additional 20 employers per annum, totalling 395 additional employers supporting local FE and skills training in Health and Care over a 20 year period.*
- To train a minimum of 140 learners per annum to job-ready status to fill Health and Care vacancies across Colchester and Tendring. This would include high-in-demand occupations such as Nursing Auxiliaries, Rehabilitation, Mental Health, Patient Care, Theatre Support Practitioners, Care Planning, Dementia and Therapy Work, Lab Technicians, Counselling, Youth Workers and Activity Co-ordinators.
- The Centre will act as a catalyst for encouraging business growth in the area. We envisage a minimum of 10 new health-based clinical businesses and a minimum of 5 new large care homes, collectively supporting over 250 new jobs, will be drawn to the area in this sector, as a direct result of the improved skills availability in the area.
- To support additional feeder programmes (Access to HE) to complete top up programmes for nursing and midwifery degree courses at partner universities.
- Providing practical simulated on-the-job training, while still in a learning environment, supporting key curriculum development such as L5 Day Care Manager, L4 Care Diploma, L3 Perioperative Support and Maternity Support, and Pharmacy apprenticeships.
- Working with Skills for Health (SfH) and Skills for Care (SfC) and local employers across both sectors in moving to an integrated approach to qualifications within the Adult Care and Health sectors in England – taking forward their following vision in ‘*shared core competences with optional specialisms*’ and developing career pathways:

Indicative progression routes; wide range of progression opportunities available



<http://www.skillsforhealth.org.uk/news/latest-news/item/434-moving-to-an-integrated-approach-to-qualifications-within-the-adult-care-and-health-sectors-in-england>

- A knowledge base for students to be able to differentiate between primary care, community care, secondary care, and adult social care needs - creating an integrated workforce, who understand the holistic needs of patients through a H&C 'patient pathway' system.
- Short course interventions for a varied target audience, including over 70's carers e.g. on the use of assistive technology (see <http://www.kingsfund.org.uk/publications/articles/eight-technologies-will-change-health-and-care>)
- Our student enrolment forecast figures used for value for money assessment purposes extrapolate at 2% growth per annum based on 2022 recruitment (see s3.5)

2.5 Planning policy context, consents and permissions

The College currently holds a Planning Performance Agreement with Colchester Borough Council. This requires the College to be provided with a secure level of service in respect of early dialogue and advice in completing various stages of the masterplan. This mitigates programme risk as the College is able to rely upon this agreement to take plans forward to planning application.

Planning Application Submission	June 2018
Anticipated Planning determination	September 2018

	The master-plan design, incorporating all phases, will be shared with local authority planners during initial developmental stages. This dialogue will continue alongside pre-planning application for enabling development.								
2.6 Delivery constraints	<table border="1"> <tr> <td data-bbox="405 217 683 331"><i>Funding</i></td> <td data-bbox="683 217 1503 331"><i>Whilst the College will be able to make a significant contribution, the project cannot proceed without additional skills capital funding</i></td> </tr> <tr> <td data-bbox="405 331 683 405"><i>Planning Permission</i></td> <td data-bbox="683 331 1503 405"><i>The building will be located above the new South Wing at the Colchester campus. This will have no impact for local residents.</i></td> </tr> <tr> <td data-bbox="405 405 683 510"><i>Construction Costs</i></td> <td data-bbox="683 405 1503 510"><i>Construction costs continue to increase significantly ahead of inflation. If the project commenced at a later time period then higher costs could be anticipated.</i></td> </tr> <tr> <td data-bbox="405 510 683 656"><i>Time</i></td> <td data-bbox="683 510 1503 656"><i>Project timings can be flexed from the indicative programme although the College would be very keen to maintain momentum gained by the existing project and complete the redevelopment as soon as practicable.</i></td> </tr> </table>	<i>Funding</i>	<i>Whilst the College will be able to make a significant contribution, the project cannot proceed without additional skills capital funding</i>	<i>Planning Permission</i>	<i>The building will be located above the new South Wing at the Colchester campus. This will have no impact for local residents.</i>	<i>Construction Costs</i>	<i>Construction costs continue to increase significantly ahead of inflation. If the project commenced at a later time period then higher costs could be anticipated.</i>	<i>Time</i>	<i>Project timings can be flexed from the indicative programme although the College would be very keen to maintain momentum gained by the existing project and complete the redevelopment as soon as practicable.</i>
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2.7 Scheme dependencies	As above, planning permissions and funding are main scheme dependencies.								
2.8 Scope of scheme and scalability	<p>As outlined in section 2.1. the current skills shortage within the health and care sectors is forecast to reach a crisis point as the population, and in particular the aging residents, in North Essex continue to increase. Without funding to enable this project key community service providers will struggle to fill essential vacancies with local workers, turning to skilled staff from overseas which in itself will become increasingly difficult following Britain’s withdrawal from the European Union. This project will provide them with work-ready individuals with the skills and aspirations to drive the services needed and enable them to follow fulfilling career pathways.</p> <p>Cost consultants have confirmed outline project costs are based on projected expenditure levels against a 1,000 SQM extension designed and built to BREEAM ‘Very Good’ requirements, including built in sustainable technologies (Solar PV, CHP, Rainwater Harvesting, etc). Outcomes will improve year on year as infrastructure improvements are made providing for new housing growth and population increase.</p>								
2.9 Options if funding is not secured	<p>If funding was not made available under this LGF opportunity the Corporation would have to hold any enabling planning permissions until another funding opportunity arose. Due to ongoing cuts to FE revenue funding and no access to any specific FE capital funding (all now subsumed into LGF), the College is unable to raise such levels of cash reserves to self-fund this project. The College is not in a position to undertake further loan funding.</p> <p><i>Is doing nothing an option?</i></p> <p>No. The College will come under increasing criticism from local stakeholders if it does not react to the burgeoning need for improving the volumes of qualified people in Health and Care professions. It will not be able to develop qualifications and new careers opportunities at a fast enough rate without a new vision. The working-age population is forecast to grow at a substantially slower rate than the general population – meaning a smaller proportion of the population will be available to support a larger number of ‘economically inactive’ residents. Without increases in productivity, this shift in Essex’s dependency ratio could mean a long-term reduction in living standards and a sustained squeeze on revenues that fund public services.</p>								

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.

3.1 Impact Assessment

Positive impacts (including jobs & homes)

1. Vacancies filled by skilled, local people.

This can be bench-marked against current recruitment activity for key employer stakeholders prior to the project commencing and from the end of Y2 of the project.

2. An increase in apprenticeship recruitment, across health and care based employers.

This can be bench-marked against current recruitment activity for key stakeholders prior to the project commencing and from the end of Y2 of the project.

Note: A visit by representatives from Colchester Hospital to the college's BTEC students on 14/6/16 stated they will be looking to focus heavily on a variety of apprenticeship frameworks across their workforce: *"The 'Clinical Assistant' role makes up 40% of the workforce providing 60% of the hands on care"*.

3. Retaining skilled staff within the sectors and within the region, by mapping career pathways linked to a range of short and long training programmes.

This can be bench-marked against current recruitment and promotion activity for key stakeholders prior to the project commencing and from the end of Y2 of the project.

4. More flexible routes to higher education

This project will enable development of a range of further higher level courses including apprenticeships at higher and degree level. By year 2 there will be an additional 120 apprenticeship starts at L4 per annum and 100 additional formal degree students per annum adding value to the local economy.

Negative impacts

1. Increased traffic congestion

Incentives will be offered to students utilising the Park & Ride or public transport systems. Discussions already underway with Essex County Council.

2. Potential on-site parking issues

We will continue to pro-actively support the Colchester travel plan to provide incentives for staff and students to use public transport.

3.2 Outputs [check LOGASnet compatibility]

At the end of 2020-21 Academic Year (Year 2)

Outputs – College Jobs (Direct Employment)

Basis: As per project outputs described in s2.4

Job	Safeguarded	New	Total
Curriculum Managers	2	1	3
Teaching / Assessing Staff	25	8	33
Support Staff	6	4	10
Total	33	13	46

*Noting a key aim of the new centre will be to provide more diverse and highly practical modes of delivery hence there will be scope for employing a number of additional specialist staff. This does not include construction jobs likely to average 25 – 30 over 12 month period.

Outputs – Students progressing to jobs at L3

Current (36%)	Revised (50%)	Positive Impact per annum
216	326	110 (+66%)

Skills system investment translates into significant monetary returns for individuals over a working life. Government research suggests that on average the aggregate lifetime return would be £55,300 for a level 3 qualification. Therefore on a £5m investment, this scheme would see each annual cohort of L3 qualified learners collectively delivering a £6m annual lifetime

	<p>return to the local economy.</p> <p>Outputs – New Businesses attracted to the Haven Gateway Area The Centre will act as a catalyst for encouraging business growth in the area. We envisage a minimum of 10 new health-based clinical businesses and a minimum of 5 new large care homes, collectively supporting over 250 new jobs, will be drawn to the area in this sector, as a direct result of the improved skills availability in the area.</p> <p>Outputs - Floor space (teaching purposes)</p> <table border="1" data-bbox="344 421 1476 495"> <thead> <tr> <th>Current</th> <th>Removed</th> <th>New</th> <th>Revised</th> </tr> </thead> <tbody> <tr> <td>2,200</td> <td>NIL</td> <td>1,000</td> <td>3,200</td> </tr> </tbody> </table>	Current	Removed	New	Revised	2,200	NIL	1,000	3,200
Current	Removed	New	Revised						
2,200	NIL	1,000	3,200						
<p>3.3 Wider benefits</p>	<ul style="list-style-type: none"> ➤ A promotion of STEM skills by drawing more individuals into the healthcare sector. Strong links to technology through the use and development of assistive technologies. ➤ A community based project that will act as a template for other Colleges to follow, reforming current local curriculum offer. ➤ A college focus on this sector will attract a significant increase in student participation - locally, regionally, nationally and internationally. This in turn will lead to greater numbers progressing onto developing HE Health and Care programmes. ➤ Improved resources will help the College react to new pathways being developed by Health Education England. ➤ Benefits to College Higher Education development opportunities ➤ Improve school links by offering inspirational options of progression and taster sessions. ➤ Through development of Health Sciences, contribute to the College’s STEM Strategy with ‘STEM Assured’ status now a priority. ➤ With the introduction of new assistive technology it will allow for cross curriculum interaction and collaboration. ➤ Opportunity for employers to use facilities to deliver their own bespoke training. ➤ Provide a hub to host community health and care forums, events, professional collaboration and skills sector awards. ➤ Drop in centre for charities supporting physical and mental health disabilities. ➤ Employers having a greater say on the training being delivered to their potential and actual workforce by steering the decisions; jointly delivering training with the College and providing invaluable work experience. ➤ Project will provide strong support for the Government’s 2022 3m apprenticeship target, including developing higher level apprenticeship and technical qualification routes. ➤ Selected building contractors to demonstrate strong engagement with the College on apprenticeship delivery model. ➤ The project will assist delivery of DWP and NEET reduction targets across Colchester, Tendring, Braintree and Maldon with opportunities for upskilling. 								
<p>3.4 Standards</p>	<p>BREEAM ‘Very Good’ minimum criteria Under BREEAM 2014 New Construction Non Domestic Criteria will be target.</p> <p>To realise this, the project will target high scores under management, energy and pollution sections particularly with a low-carbon, refrigerant-free servicing strategy, substantial roof-mounted PV and comprehensive metering and monitoring will be in place. By addressing transport and ecology site-wide the College is maximising impact.</p> <p>Full DDA Compliance The new South Wing is fully DDA compliant, and the additional floor extension will adhere to the same compliance regulations. The intention is for all visitors, students and staff alike to be able to use this facility irrespective of their age or ability. Key elements of this design will be:</p> <ul style="list-style-type: none"> - Automatic lobby doors - Level threshold Access - 8 person /disabled lift access 								

- Ambulant design staircase
- Access WC provision
- Colour contrasting doorways
- Doorway widths
- Braille signage
- Hearing loops
- Suitable classroom and workshop equipment - adjustable

➤ *Curriculum delivery standards*

These will be monitored by various agencies including OFSTED and the Quality Assurance Agency for Higher Education. The College currently holds the best Ofsted report against the new common inspection framework and with new facilities standards will continue to improve further.

3.5 Value for money assessment

- *Cost per job - Not Applicable*
- *Cost per housing unit - Not Applicable*
- *Leverage ratio against SE LEP investment and as a percentage of total scheme cost*
SE LEP investment of 50% against total project cost.
- *Cost per student*

Total cost of teaching facility (£5m) per additional student over 20 years – £611 per student over 20 years* *Assumes average additional student numbers increase by 605 over the first three years to July 2022, then by an estimated 2% year on year (for a further 17 years) from 2021 as a result of the investment. Latest project build prices with anticipated construction inflation indices applied. (Inflation 4Q 2017 to 4Q 2018 @ 3.5%)

No sunk costs included.

Please see completed investment appraisal form (SFA template)

In summary it shows the cost and Net Present Value (NPV) of each option:

Option	Cost (£000)	NPV (£000)
Proposed project	5,000	14,626 (@ test discount rate 3.5% over 20 years)
Base case	Nil	NEGATIVE 1,082 (due to increased running and maintenance costs of existing temporary portacabin structure at Sheepen Road site)

The investment appraisals include estimates of all premises costs and operating savings arising from the project over a 20-year period. The below table shows the estimated premises costs and savings over a 20 year-period for the proposed project:

	Proposed Project	Base Case
	<i>Savings/Cost (£000)</i>	<i>Savings/Cost (£000)</i>
A. Premises costs	322	1,522
B. Premises savings	1,056	0
Difference (A-B)	-734	1,522

Sensitivity analysis : Scenario testing shows the following:

- If student numbers only increase by 1% per annum after 2022, the project NPV would still be equal to £13,562k
- If student numbers flat line after 2022, the project NPV would still be £12,545k
- If student numbers only reached 75% of 3 year total to 2022, and then flatlined through the remaining 17 years, the project NPV would still be £11,368k

Optimism bias and contingency

The construction programme (works duration) has been developed with pessimistic bias, allowing for a full 12 month programme to construct the new accommodation. Professional contractors have confirmed there is adequate contingency within this time period of at least two months. The programme requires a new storey on top of a building that was built in 2016, specifically designed to be extended at a later date. Including groundworks, the entire 4,000 SQM building only took 15 months to construct and therefore we believe there is adequate contingency within the programme. On the design element, here again, currently there is 12 months allocation to take forward designs through planning to reach detailed design ahead of start on site. Planning drawings/templates and BIM already on file.

In terms of budget, here again we have taken a pessimistic bias approach. Whilst we do understand (RICS) that there has been a 4% annual increase in construction materials costs since 2016, to provide some comfort to funders, we confirm that the 4,000 SQM building cost £8.5m in 2016. The proposed project, whilst possessing some intricate works (including wrap around scaffolding and segregation) is only 1,000 SQM. Therefore it can be evidenced that funding is low risk.

In addition we confirm that project costs have been developed based on a cautious cost inflation of 3.5%. As designs develop the College will have greater cost certainty and if concerns should emerge the College will seek options to evaluate and mitigate the risk. As stated elsewhere in this proposal the College has confirmed it will seek additional financing where appropriate to do so, in order to see the project through to completion. Other measures to support mitigation include project design and competitive tendering of construction and fit out.

An annualisation approach is not considered appropriate for measuring outputs of this scheme.

Displacement. As the leading provider of post 16 education in Colchester the we see minimal displacement from other providers. The project assumes largest student growth in apprenticeship programmes which are employer generated jobs but also employer generated training opportunities. We estimate that 38% of student growth (230 students) will be new students that would not have typically followed a training path but a traditional route to employment, reducing displacement. The project will support ongoing (new) student numbers in the second fastest growing town in the Country, and where two garden settlements are likely to be developed over the next ten years under local plan proposals.

Benefit Cost Ratio

*The BCR has been calculated based on dividing the total discounted value of the **benefits** by the total discounted value of all **costs (including capital element)**.*

Using the same discount factor applied to RoI projections (3.50% as per 'The Green Book' - appraisal and evaluation in Central Government issued by the Treasury.:

Total Discounted Receipts [®] £26,032,359

Total Discounted Costs [©] £12,640,515

Project Benefit Cost ratio [®] / [©] = 2.059

	Given the above mitigations, we do not consider there to be any further interdependencies between funding and construction costs to be explored.															
3.6 Options assessed	<ul style="list-style-type: none"> • Do nothing Despite the College’s current best efforts, local NHS and various community care providers will continue to struggle filling vacancies with skilled local employees. This results in an over-stretched, demotivated workforce with inadequate skills for career progression; poor job satisfaction & thus high staff turnover, and an inadequate service to the end user. This will only serve to demonstrate to local employers that Colchester Institute is not prioritising their specific industry needs; they will most likely pursue other training providers within the region. • Do minimum The College could take a decision to remove existing provision from within another faculty to create new floor-space. Minimum impact on the rising health and care issues/lack of resources = poor return on investment. In this scenario, the College would see overall student numbers reduce where displaced students previously attending withdrawn provision would most likely opt to learn at another institution. The facilities would not offer the full vibrancy of the preferred scheme meaning that many of the KPI’s associated with the project would be achieved. • Do something Specialise in fewer areas within the health and care sectors, reducing the full holistic approach to health. This will only serve to demonstrate to local employers that Colchester Institute is not prioritising their specific industry needs; they will most likely pursue other training providers within the region. • Do optimum – recommended option <i>Please refer to 3.1 impact analysis for advantages & disadvantages.</i> <p><i>Alternative site usage</i> <i>The Health and care sector represents the highest skills need in Colchester (evidenced by ESB evidence base and confirmed by local employers and sector skills groups). The College has invested in other sector areas in recent years including STEM technologies. Given the financial position of the College remains in a state of recovery (from 2008) the College can only invest in areas that present the highest priority need (which is clearly articulated in this proposal).</i></p>															
3.7 Scheme assessment	<p>Modelling and appraisal methodology:</p> <table border="1" data-bbox="344 1429 1465 2072"> <thead> <tr> <th data-bbox="344 1429 703 1536">Data sources</th> <th data-bbox="703 1429 1158 1536">Information and benefits realisation calculation touch points</th> <th data-bbox="1158 1429 1465 1536">Analysis</th> </tr> </thead> <tbody> <tr> <td data-bbox="344 1536 703 1644">College enrolment database ProMonitor</td> <td data-bbox="703 1536 1158 1644">Enrolment numbers at July 2021 and July 2022 will prove VfM / Payback positioning</td> <td data-bbox="1158 1536 1465 2072" rowspan="3"><i>Impact analysis: At the end of Y2 & Y3 comparative analysis will be carried out, highlighting successes and areas of further demand to drive curriculum decisions.</i></td> </tr> <tr> <td data-bbox="344 1644 703 1935">Sample base of 20 NHS, Community Service & Health & Care employers</td> <td data-bbox="703 1644 1158 1935">Base data from July 2017- pre-project compared with assessment of the following at July 2021 and July 2022 (Y2 & Y3 of project) on: <ul style="list-style-type: none"> - recruitment activity in terms of candidate profile & outcome - employer satisfaction levels - vacancy type & quantity </td> </tr> <tr> <td data-bbox="344 1935 703 2007">National NHS data source</td> <td data-bbox="703 1935 1158 2007">National recruitment averages referenced pre and post project</td> </tr> <tr> <td data-bbox="344 2007 703 2072">National Apprenticeship Service; Skills for Care, and</td> <td data-bbox="703 2007 1158 2072">Changes to relevant frameworks & qualifications as well as the</td> <td data-bbox="1158 2007 1465 2072"><i>Keeping up to date on ‘supply and demand’ -</i></td> </tr> </tbody> </table>			Data sources	Information and benefits realisation calculation touch points	Analysis	College enrolment database ProMonitor	Enrolment numbers at July 2021 and July 2022 will prove VfM / Payback positioning	<i>Impact analysis: At the end of Y2 & Y3 comparative analysis will be carried out, highlighting successes and areas of further demand to drive curriculum decisions.</i>	Sample base of 20 NHS, Community Service & Health & Care employers	Base data from July 2017- pre-project compared with assessment of the following at July 2021 and July 2022 (Y2 & Y3 of project) on: <ul style="list-style-type: none"> - recruitment activity in terms of candidate profile & outcome - employer satisfaction levels - vacancy type & quantity 	National NHS data source	National recruitment averages referenced pre and post project	National Apprenticeship Service; Skills for Care, and	Changes to relevant frameworks & qualifications as well as the	<i>Keeping up to date on ‘supply and demand’ -</i>
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	Skills for Health	introduction to new ones becoming available Comparison of suite of qualifications on offer / being delivered from July 2017 to July 2022	<i>and influencing 'supply' by feeding back the demand data.</i>
	Feedback questionnaire on training needs of 'health' & 'care' sector organisations across Essex	Training needs - by subject specialism; accreditation vs. bespoke; length – bite-size 1 hour courses through to full-time Measure number of key skills requirements (as identified by ESB Evidence base) being met July 2022 v July 2021	
	College CRM	Track key stages of employer journey – from enquiry to quote comparing pre-post project Identify employer engagement levels post v pre-project delivery, to verify targets listed at 2.4 have been achieved.	<i>Measure college Business Development Team KPI outcomes</i>
	Employer feedback forms	Customer service levels received and recorded compared pre to post project	
	Please see investment appraisal within appendices		

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

Professional team formal tender and appointments	By November 2017	No existing contract or framework. Formal sealed bid tender process undertaken by College Procurement Manager The College has a number of interested companies looking to obtain this work (new and existing partners) which will contribute towards a very competitive tender process, ensuring best price proposition, and added value at negligible cost. Market maturity is low in Colchester, companies are very hungry for work and specifically for CI we have a high number of partner firms desperate to work with us again on a new project. This creates inherent value for the College in this new project.
Contractor Tender	September 2018	2 Stage Design and Build Approach Favoured Tender process undertaken in

			partnership by College Procurement Manager, Cost Consultants and Legal Advisors. The College has a number of interested contractors looking to obtain this work (new and existing partners) which will contribute towards a very competitive tender process, ensuring best price proposition, and added value at negligible cost. Market maturity is low, main contractors (with whom we already have business relations) are very hungry for work and specifically for CI as we have a high number of partner firms desperate to work with us again on a new project.
	Infrastructure elements	31 July 2018	Formal quotation process as required by College Financial Regulations (ie 2 quotes over £3k, 3 quotes over £15k and sealed bid process for cost elements in excess of £100k)
	To confirm the approach outlined is in line with all previous capital project schemes managed by the College over past 10 yrs.		
4.2 Commercial dependencies	<p>Capital Funding There would be a dependency on third party funding support via ECC (subject to a separate applications process, and the College is currently in positive discussions with senior staff on this process). Capital (Funding) Risk allocation to ECC</p> <p>Revenue Funding The College assumes that Government will still be supporting Further Education and Training Funding into the future (via funding, provision of advanced learner loans, or funding passed to employers via the apprenticeship levy collection scheme) and that revenue funding 'per capita' will not drop below current levels</p>		
4.3 Commercial sustainability	<p>Once the facility has been constructed and is fully operational a number of revenue streams will be adopted to ensure commercial sustainability, namely:</p> <ul style="list-style-type: none"> • Delivery of fully funded programmes to 16-18 year olds, providing essential pathways to a range of specialist health & care careers; • New and demand-led apprenticeship frameworks/standards not currently offered by the college to meet the needs of NHS and community service employers; • Full cost programmes to employers – tapping into a range of delivery models from theory and practical classroom-based to distance learning through the College's Virtual Learning Environment - Moodle • Facility hire – where in-house training facilities are not available to employing organisations, and • Working in partnership with key stakeholders i.e. Sector Skills Councils, to offer low-fee seminars/workshops on changes in legislation; new equipment etc. <p>The Colleges detailed financial plan 2017 – 2020 is available for review. The July 2017</p>		

	<p>outturn will confirm an operating surplus of £482k and cash reserves of £1.8m. This is a suitable platform onto which the College can take forward the next phase of capital project development. As part of the recently completed Essex Area Based Review, the College has benchmarked operating costs with other colleges. As a result of this the College has launched a number of cost saving initiatives, including reducing the cost of delivery (lecturing costs) as well as business support operations costs.</p>
4.4 Compatibility with State Aid rules	<p><i>Does funding this scheme constitute state aid? No</i></p> <p>Colchester Institute has not received De Minimis Aid, nor does it expect to receive De Minimis Aid during the previous 3 financial years (this being the current financial year and the previous two financial years), or over the next 3 financial years.</p>
4.5 Commercial viability	<p>A two stage design and build project is favoured by the College at this point, however this is yet to be confirmed. Under such terms the professional design team would be novated to main contractor. A professional project manager would be appointed to assist the College with scheme delivery and minimise risk.</p> <p><i>1. Definition of approach taken to assess commercial viability</i></p> <p>Upon funding go-ahead the College would work up initial designs and check projected build costs are still aligned to delivery requirements. The College would work in partnership with cost consultants Varsity Consulting on this aspect.</p> <p><i>2. Arrangements for cost overrun</i></p> <p>The College would expect to be held responsible for programme management and will need to fund any cost overrun <i>through reserves or emergency lending.</i></p> <p><i>3. Letter from local authority S151 officer.</i></p> <p>Not applicable at this time.</p>

5 FINANCIAL CASE

To be completed in conjunction with the spreadsheet in Part B

5.1 Total project cost and basis for estimates	<p>£5m</p> <p>Outline project estimates discussed with current cost consultants and project designers who have significant experience in developing teaching facilities. All aspects considered with estimates arising from latest project build prices with anticipated construction inflation indices applied (Inflation 4Q 2017 to 4Q 2018 @ 3.5%). As designs develop, the College will have greater cost certainty and if concerns should emerge the College will seek options to evaluate and mitigate the risk. As stated elsewhere in this proposal the College has confirmed it will seek additional financing where appropriate to do so, in order to see the project through to completion. See section 3.5 for cost estimates positioning.</p>
5.2 Total SELEP funding request	<p>The SE LEP funding request of £2.5m would be for capital funding in the form of a grant agreement.</p>
5.3 Other sources of funding	<p>Colchester Institute £1.25m Essex County Council £1.25m Equipment sponsorships & donations from local employers and manufacturers</p>

5.4 Summary financial profile – expand as appropriate

(£m)		16/17	17/18	18/19	19/20	Total
SELEP request			0.050	0.950	1.500	2.500
Applicant contribution				0.250	01.000	1.250
Third party & other contributions	ECC			0.250	01.000	1.250
Local contribution total (leverage)						
Total		0.000	0.050	1.450	3.500	5.000
(£m)	Cost estimate status	16/17	17/18	18/19	19/20	Total
Detailed design			0.0415	0.308	0.010	0.360
Management				0.013	0.027	0.40
Construction				0.688	2.432	3.120
Contingency				0.100	0.130	0.230
Other cost elements				0.100	0.317	0.417
VAT			0.0085	0.242	0.584	0.833
Total		0.000	0.050	1.450	3.500	5.000

5.4 Viability: How secure are the external sources of funding?	Type	Source	How secure?	When will the money be available?
	<i>Public</i>	SELEP LGF	<i>Subject to bid</i>	<i>Assumed Jan 2018</i>
		ECC Capital	<i>Subject to bid</i>	<i>Assumed Feb 2019</i>
	<i>Private</i>			
5.5 Cost overruns	<p>The College would expect to be held responsible for programme management and will need to fund any cost overrun from reserves or through additional lending. Therefore the College can guarantee that there will be no further cost exposure to SE LEP as this contribution would be capped. This is the same approach that the College has taken to all previous capital projects within the last ten years and we see no reason why this undertaking would not be acceptable to the assessors of this proposal. To re-iterate, the College is assuming the risks of project programme and project budget.</p> <p>In terms of cost exposure as a result of increased market prices, the College would cover this risk as above. This proposal has been submitted on the basis of current cost price estimates</p>			
5.6 Delivery timescales	Risks to project delivery timescale		Impact on project cost	
	Planning and construction stages - delays in the following: <ul style="list-style-type: none"> • funding being released by any of the 2 sources • planning permission being granted • construction material arriving from overseas 'Fit out' phase of the facility i.e.		Delay to construction would result in rising costs i.e. material, labour and/or professional fees.	
			Contingency plan costs i.e.	

	<ul style="list-style-type: none"> delays with the equipment and furniture arriving within the short window from 'handover' to new term commencing IT connection issues 	relocate students during first term. Potential lost business; poor project image- lost confidence will take time to build.	
5.7 Financial risk management	Source	Risk	Mitigation
	SE LEP Funding	Funding not provided	College would commence project to a 'at risk' ceiling approved by the Corporation and not further until Grant Offer Letter Approved by Corporation
	ECC Funding	Funding not provided	College would commence project to a 'at risk' ceiling approved by the Corporation and not further until Grant Offer Letter Approved by Corporation
	College Funding	Cash generation thwarted	College meets aims and objectives of financial plan 2017-2020
	SE LEP / ECC Funding	Delays in receipt of funding	If this is the case, the College will assess the risk in terms of timeframe. The College will use cash reserves to a point approved by the Corporation, however, any extended time delay will result in project hold until other funding sources can be identified.
5.8 Alternative funding mechanisms	n/a		

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.

6.4 Project management	A. Roles and responsibilities <ol style="list-style-type: none"> Senior Responsible Officer - overall responsibility for the project contract throughout the construction, set-up and operational stages. Project Manager – see D. below. Steering Group - This will involve: <ul style="list-style-type: none"> Acting in a governance capacity Agreeing training provision Agreeing employer involvement Ensuring progress reports are received and considered Ensuring accountability and timely returns to funders in terms of probity of use of Central Government funding. CI Faculty: Head of Health & Care – delivery of the training programmes, working in partnership with employer partners. CI Business Solutions Team – to work with all associated employers to identify business need and work with the delivery teams to ensure 'best fit'. CI Facilities & Operations Team – working with all contractors in the new build construction and refurbishment phases, along with the on-going support during set-up and operational stages of the project.
	B. Governance structure for the project - Terms of Reference The purpose of the Steering Group is to provide both professional management and

commercial expertise to the Project Manager and to maintain a strategic overview of the impact of the project and related developments. Specifically it will ensure:

1. Aims and targets of the original intentions of the project (on which funding is provided) are met or exceeded
2. Detailed progress reports are received and considered
3. Full accountability and timely returns to funders in terms of probity of use of Central Government funding.

The core group will meet at least four times per year and invite guests to attend/provide input according to relevance of project phase/status.

C. How key decisions have or will be made

Via the Project Steering Group with the CI Project Manager, meeting initially monthly and then bi-monthly/quarterly, as deemed appropriate. External stakeholders will be invited to provide input prior to or at the formal meetings.

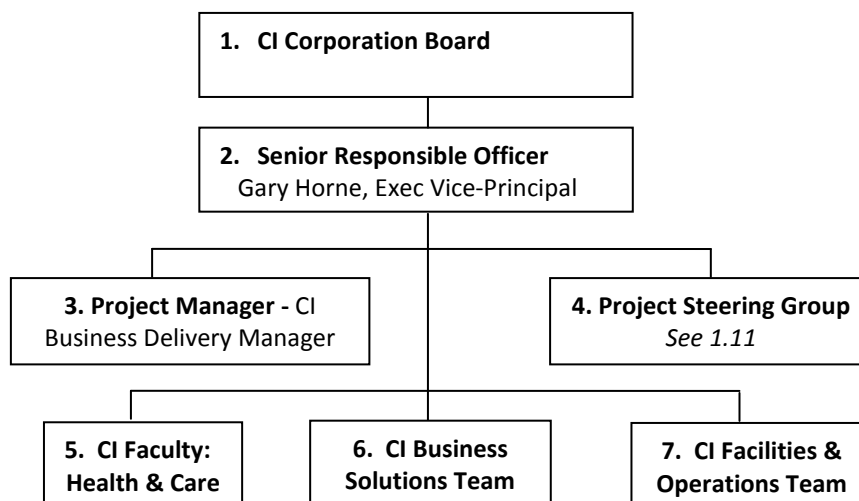
D. How the scheme will be monitored

Detailed progress reports against project targets will be written by the Project Manager bi-monthly and forwarded to each member of the Steering Group ahead of scheduled meetings.

E. Contract management arrangements

For the life of the project the contract will be managed by a Project Manager – dedicated to the scheme, who will oversee the new build and work with stakeholders to prepare the training facility and programmes as a whole. The Project Manager will be supported by an Administrator and work with, and report directly to, the Senior Responsible Officer, Gary Horne.

F. Organogram following the construction phase:



6.2 Outputs

How the outputs for the scheme will be achieved within the timescales:

1. There is much evidence on what is needed within the relevant sectors based on the earlier sources highlighted in Section 1.9
2. Commitment has already been pledged by large employers in the sign-up of both apprenticeships and L3-5 training programmes
3. Long term expertise and experience in delivering H&C training programmes has ensured targets and timescales are realistic and achievable.

Details of how the project will be monitored and evaluate - Section 6.3 below.

Outputs delivery.

Academic year	Pre-project outputs		Project outputs (additional to pre-project outputs)			Project Totals
	17/18	18/19	19/20 Y1	20/21 Y2	21/22 Y3	
Apprenticeships	75	100	50	90	90	230
L3 achievers	600	620	30	90	110	230
L4/HA achievers	20	30	20	30	40	90

Level 5 achiever	70	80	15	20	20	55
Add. employers	230	245	15	20	20	55
Training-led jobs in Health & Care	115	140	100	140	140	380
Grand Total	1110	1215	230	390	420	1040

Key: HA = Higher Apprenticeship

6.3 How will outputs be monitored?

Quality Assurance, Monitoring and Evaluation - The project will be delivered using the pre-existing quality assurance procedures in place at Colchester Institute. This includes all enrolments, progress monitoring and achievement data required as evidence of a complete project. *A copy of the college Quality Assurance Policy is available if required.*

A data capture report, highlighting progress against targets, will be established for the project and a bi-monthly and an end-of-project report will be produced by the Project Manager for all key stakeholders.

6.4 Milestones

Stakeholder engagement, funding development, employer support and input to project	August – December 2017
Stakeholder representative group formalised - Steering Group (SG)	After funding approval November 2017
Assumed Funding Approval (on or before)	October - November 2017
Professional team formal tender and appointments	October 2017
Detailed Design Go-ahead	November 2017
Planning Application Submission	June 2018
Contractor Tender	September 2018
Anticipated Planning determination	September 2018
Contract Award	November 2018
Construction Start	January 2019
Handover to College / Occupation	December 2019
Teaching Commencement	January 2020

6.5 Stakeholder management & governance

Communication and Stakeholder Management Strategy.

Stakeholder group	Communications method	Involvement with the project	Attitude towards the project
Steering Group	Status report - including financial summary e-Newsletter	Accountable Support Consulted Respond	Champions Potential objections
CI employees	Updates on the monthly staff e-bulletin	Informed Consulted	Champions
H&C employers	e-Newsletter – including course listings & feedback questionnaire Invitation to launch & subsequent open events & workshops	Consulted Support Informed	Mixed - depending on need & history with CI
Schools	Invitation to launch event & free taster days	Informed Consulted	Neutral - Supporter
Carers	Invitation to launch event Invitation to 'bite size' training seminars e-Newsletter	Consulted Informed Support	Mixed - depending on fear of change
Community Service providers	Invitation to launch event e-Newsletter – including course listings	Response Consulted Support Informed	Champions depending on competition

	Wider community including local residents & other service providers	Editorial in local newspapers and (hopefully) coverage on the local BBC news.	Informed Support	Mixed – depending on need													
6.6	Organisation track record	<p>The College has a number of successful capital projects over the past five years including:</p> <ul style="list-style-type: none"> • 2016 South Wing Building, Colchester (£9.5m) • 2017 STEM Innovation Centre, Braintree (£5.6m SE LEP project) <p>The College understands how to manage large scale projects and will take forth the experience gained from the above.</p>															
6.7	Assurance	<p>2013-14 Turnover £42.3m Operating Surplus £1,160k 2014-15 Turnover £41.9m Operating Surplus £227k 2015-16 Turnover £39.2m Operating Deficit £801k 2016-17 Forecast £39.0m Operating Surplus £485k</p> <p>Copies of annual reports and accounts are available of College website http://www.colchester.ac.uk/governance/</p>															
6.8	Equalities Impact Assessment	<p>The College Equality & Diversity policy is imbedded within all areas of college life, from marketing/promotional material through to every lesson plan - being ever mindful of minority groups within specific subject specialisms/faculties e.g. aiming to attract women into engineering and men onto health and social care courses.</p> <p>This project will consult with its Steering Group partners on understanding bias and influencing factors within health & care; building on best practice, and consequently be proactive in carrying out equality impact assessments between groups of service users/delegates in terms of:</p> <ul style="list-style-type: none"> • referral source i.e. promotional material, referral organisation etc. • student achievement rates by demographic groups • delegate/student feedback forms - at both the registration & post training stages <p>The outcome of this assessment will assist the project in addressing any short-comings and positively attracting minority groups into the sectors.</p>															
6.9	Monitoring and evaluation	<p>Modelling and appraisal methodology:</p> <table border="1"> <thead> <tr> <th>Data sources</th> <th>Information and benefits realisation calculation touch points</th> <th>Analysis</th> </tr> </thead> <tbody> <tr> <td>College enrolment database ProMonitor</td> <td>Enrolment numbers at July 2021 and July 2022 will prove VfM / Payback positioning</td> <td rowspan="3"><i>Impact analysis: At the end of Y2 & Y3 comparative analysis will be carried out, highlighting successes and areas of further demand to drive curriculum decisions.</i></td> </tr> <tr> <td>Sample base of 20 NHS, Community Service & Health & Care employers</td> <td>Base data from July 2017- pre-project compared with assessment of the following at July 2021 and July 2022 (Y2 & Y3 of project) on: <ul style="list-style-type: none"> - recruitment activity in terms of candidate profile & outcome - employer satisfaction levels - vacancy type & quantity </td> </tr> <tr> <td>National NHS data source</td> <td>National recruitment averages referenced pre and post project</td> </tr> <tr> <td>National Apprenticeship Service; Skills for Care, and</td> <td>Changes to relevant frameworks & qualifications as well as the</td> <td><i>Keeping up to date on 'supply and demand' -</i></td> </tr> </tbody> </table>			Data sources	Information and benefits realisation calculation touch points	Analysis	College enrolment database ProMonitor	Enrolment numbers at July 2021 and July 2022 will prove VfM / Payback positioning	<i>Impact analysis: At the end of Y2 & Y3 comparative analysis will be carried out, highlighting successes and areas of further demand to drive curriculum decisions.</i>	Sample base of 20 NHS, Community Service & Health & Care employers	Base data from July 2017- pre-project compared with assessment of the following at July 2021 and July 2022 (Y2 & Y3 of project) on: <ul style="list-style-type: none"> - recruitment activity in terms of candidate profile & outcome - employer satisfaction levels - vacancy type & quantity 	National NHS data source	National recruitment averages referenced pre and post project	National Apprenticeship Service; Skills for Care, and	Changes to relevant frameworks & qualifications as well as the	<i>Keeping up to date on 'supply and demand' -</i>
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	Skills for Health	introduction to new ones becoming available Comparison of suite of qualifications on offer / being delivered from July 2017 to July 2022	<i>and influencing 'supply' by feeding back the demand data.</i>
	Feedback questionnaire on training needs of 'health' & 'care' sector organisations across Essex	Training needs - by subject specialism; accreditation vs. bespoke; length – bite-size 1 hour courses through to full-time Measure number of key skills requirements (as identified by ESB Evidence base) being met July 2022 v July 2021	
	College CRM	Track key stages of employer journey – from enquiry to quote comparing pre-post project Identify employer engagement levels post v pre-project delivery, to verify targets listed at 2.4 have been achieved.	<i>Measure college Business Development Team KPI outcomes</i>
	Employer feedback forms	Customer service levels received and recorded compared pre to post project	
	Please see investment appraisal within appendices		
<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>Yes. The Corporation Board will nominate a subgroup to take forward an evaluation of the scheme in order to carry forward any lessons learned to future projects.</p>			
6.10 Post completion	<p>As stated in item 4.4 above, once the facility has been constructed and is fully operational a number of revenue streams will be adopted to ensure long term commercial sustainability beyond 2020 - under the continued ownership and management of Colchester Institute.</p> <p>If agreed by members of the project's Governing Board, it will remain in guidance/ advisory role, ensuring the provision continues to meet the sectors' changing and growing needs.</p> <p>A project evaluation will be carried out and fully reported on - to encompass all lessons learned; project plan adjustments, and outcomes. This report will provide a template for other colleges that wish to follow this model.</p>		

7 RISK ANALYSIS

Likelihood and impact scores:

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

Risk	Likelihood*	Impact*	Mitigation
SELEP funding not received	Low	HIGH	N/A Project does not proceed
Under assessment of construction costs / increasing prices R/Owner: Project Manager	3: Medium	4: High	On-going reference back to forecast construction costs. Experienced cost consultants with considerable FE experience /very well known to client. Prompt start on procurement work to

			secure competitive fixed priced tender. Cost plan drawn up with predicted forward inflation 4Q 2017 to 4Q 2018 @ 3.5%
Lost professional fees in working up detailed design 'at risk' of funding to achieve programme and delay readiness R/Owner: Vice Principal	2: Low – 3: Medium	4: High	Develop funding bid as far as possible in accordance with the guidelines to minimise risk.
Non achievement of relevant planning permissions (CBC) R/Owner: Vice Principal	2: Low	4: High	Initial communications have received strong CBC support. Early direct and on-going consultation with CBC planning department, who are already aware of intentions through previous submission of site masterplan. Planning performance agreement in place which will guarantee an early review on draft planning proposals No impact for local residents.
Identification of College match funding element R/Owner: Vice Principal	2: Low –	4: High	Prudent budgeting /minimise other forms of capital expenditures in year 2017-18. Identify equipment sponsorship opportunities and other grants from public /private sector.
Non achievement of BREEAM 'Very Good' R/Owner: Project Manager	2: Low	3: Medium	BREEAM consultant to be engaged from outset. Ideas in place to achieve additional 'contingency' points.
Building control issues preventing development completing to plan R/Owner: Project Manager	2: Low	3: Medium	Work closely with architects, building control, and project management to ensure all requirements are met.

8 DECLARATIONS

8.2 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

8.3 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

8.4 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.

8.5

I confirm that this template has been completed in accordance with the guidelines laid down in the HM Treasury's Green Book and all available guidance provided to the proposer.

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.

8.5 Signature of Applicant



8.6 Print Full Name

Alison Andreas

8.7 Designation

Principal and Chief Executive

8.8 Date

09 – 11 – 2017