

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.

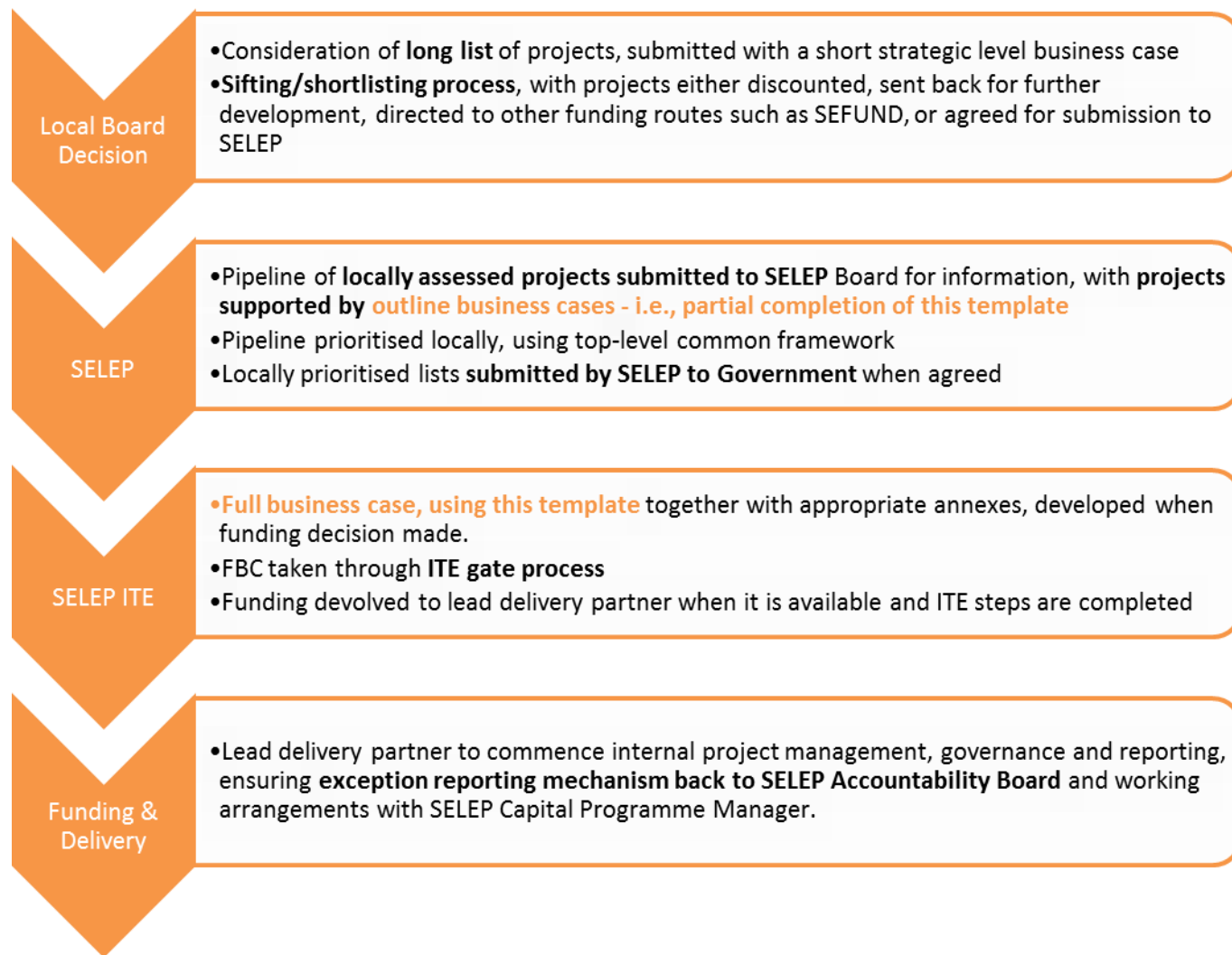
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable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

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1. PROJECT SUMMARY	
1.1. Project name	STEM Innovation Campus
1.2. Project type	Skills - Delivery Breadth and Capacity Improvement in Growth Sectors
1.3. Location (inc. postal address and postcode)	The College at Braintree Church Lane Campus Braintree, Essex CM7 5SN
1.4. Local authority area	Braintree District Council
1.5. Description (max 300 words)	<p>Complementing the STEM Innovation Centre (Phase 1 SE LEP SCF project) which was successfully completed in April 2017, this secondary project will complete the long term transformational vision of a 'Centre of Advanced Technology' for the Braintree Campus.</p> <p>The STEM Innovation Campus Project is a vision that meets the following main aims:</p> <ol style="list-style-type: none"> 1. To transform curriculum delivery from a broad range of vocational courses to a narrower suite of technical and professional programmes, focussing on STEM subjects at L3, L4 and L5 2. To provide specific skills training aligned to local employer need, and assisting inward investment to one of the fastest growing areas in the County - assisted by forthcoming A12 and A120 infrastructure improvement. 3. The project was assessed & considered as part of the 2017 Essex Strategic Area Review - replacing 6,614 SqM of poor quality accommodation (see Appendix A) with modern fit for purpose industry standard facilities 4. Employer focussed delivery model. Sponsored, led and co-delivered by employers. 5. Supporting the Essex Devolution pledge in 70 apprenticeship starts p.a. from 2020 <p>A 1,432 SqM three storey building will be constructed on College owned land on the Church Lane campus site, adjacent to the STEM Innovation Centre. The new technologically enhanced facility will enable the removal of a cluster of nine buildings that are not only beyond useful economic life, but are also crucially unfit to support STEM curriculum delivery (See appendix A). This mismatch currently prevents the College from delivering the relevant pre-requisite skills demanded by local employers (as referenced by the Employability and Skills Board evidence base).</p> <p>The College has a clear delivery strategy in place to assist a radical curriculum shift that is long overdue. As part of a wider three phase masterplan (see appendix B), the College will contribute proceeds from an anticipated land sale as cash match funding:</p> <p>Phase 1 Conversion of current sports hall to create STEM Innovation Centre (SE LEP SCF) developing construction provision and introducing formal engineering training facilities to the district. Status: Project completed in April 2017 – official opening on 19 June 2017.</p> <p>Phase 2 Demolition and sale of 1.7 hectares of the site to enable college cash match funding for phase 3. Up to 40 residential dwellings anticipated. Status: Land registered for residential development within BDC local plan https://www.braintree.gov.uk/info/200230/planning_policy/701/new_local_plan Heads of terms for sale of land to BDC agreed and draft contract with lawyers for finalisation. Expected land sale to complete December 2018.</p> <p>Phase 3 New build 1,432 SqM facility adjacent to STEM Innovation Centre. The scheme will build on phase 1 to include Sustainable Technologies (including modern methods of construction), Science (Applied Science as well as pharmaceuticals supporting Access to HE</p>

	courses), Health, Care and Digital IT Technologies. Status: Subject to this LGF bid.
1.6. Lead applicant	Colchester Institute
1.7. Total project value	£5m
1.8. SELEP funding request	LGF £2.5m
1.9. Rationale for SELEP request	<p>Successful colleges that add economic value to local communities require fit for purpose accommodation and industry standard facilities to enthuse and inspire both learners and employers to achieve their respective goals. The College Executive recognises that in its current guise, Braintree campus cannot meet urgent skills requirements of local employers in particular growth sectors, or the most pressing STEM skills priorities as identified within the SE LEP Strategic Economic Plan and Essex Employment and Skills Board (ESB) Evidence Base.</p> <p>Key industry sectors in Braintree and Mid-Essex requiring skills development are Construction, Manufacturing and Health and Care and yet current facilities (inherited following merger in 2010) are not aligned to these areas. (24% of employees in Braintree District work in Advanced Manufacturing and Construction). Until phase 1 masterplan delivery in April 2017, there remains no formal engineering and manufacturing training facilities in the district. Within the last two years Colchester Institute has created two new plumbing workshops at the campus. These were filled almost instantly, underlining the huge demand for additional construction skills facilities in the town.</p> <p>Whilst much of the campus is not aligned to current skills needs, it also remains in a worsening state of repair (Category C and D). Prior to the successful SE LEP SCF bid supporting phase 1 development this campus had received no Government capital funding support for over 20 years, and due to the financial problems of the former Braintree College, infrastructure now suffers as a result of minimal planned preventative maintenance over many years.</p> <p>As Colchester Institute still carries a large amount of debt (£12m) arising from a capital project in Colchester previously abandoned by the Learning and Skills Council, the College is unable to acquire further loan funding. Therefore to support redevelopment, the College has developed an innovative masterplan that will commit c£2m of land sale proceeds from the demolition of accommodation on this site. The College is also requesting capital support from Essex County Council to take this proposal forward (see below).</p> <p>This project will focus on delivering higher level technical and professional skills, co-designed and delivered by employers keen to collaborate in modern industry standard facilities. Part of the project will involve relocation of some specialist workshop, science and technology equipment from the existing site.</p> <p>As part of another enabling development, the College assisted NHS England by allowing co-location of a NHS GP surgery in a retained building on another part of the site. This has had significant benefits in terms of securing the College's place at the heart of the community whilst supporting Health and Care delivery aspirations. The College will secure an ideal opportunity to provide rotational work experience placements and cross sell a number of other health and wellbeing services to the local community within adjacent buildings, further supporting recruitment into an industry sector struggling to keep pace with demand for services.</p> <p>This proposal was widely supported as part of the College's submission to the 2017 Essex Area Based Review.</p>

<p>1.10. Other funding sources</p>	<p><i>Please consider any constraints, dependencies or risks on the other funding sources</i></p> <p>Colchester Institute £1.25m Demolition and sale of 1.7 hectares of the site to enable college cash match funding for the project. Up to 40 residential dwellings anticipated. Status: Land registered for residential development within BDC local plan https://www.braintree.gov.uk/info/200230/planning_policy/701/new_local_plan Heads of terms for sale of land to BDC agreed and with lawyers for finalisation. Expected land sale to complete December 2018.</p> <p>Essex County Council £1.25m The College anticipates it will be required to undertake a competitive tendering process to secure capital funding support from ECC. This risk is mitigated through the development of a compelling business case that aligns to the 2014 Economic Plan for Essex and drivers identified by the ESB. Growth in student numbers will be encouraged through a curriculum that meets the needs of local employers, and the career aspirations of school leavers and adults seeking career development.</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 as above.</p>																					
<p>1.11. Delivery partners</p>	<table border="1"> <thead> <tr> <th data-bbox="408 1155 855 1218"><i>Partner</i></th> <th data-bbox="863 1155 1503 1218"><i>Nature and/or value of involvement (financial, operational etc)</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="408 1229 855 1328">Haven Gateway Partnership</td> <td data-bbox="863 1229 1503 1328">Project support and promotion Local intelligence on skills needs Large employer liaison</td> </tr> <tr> <td data-bbox="408 1339 855 1471">Essex County Council (Employment and Skills Unit)</td> <td data-bbox="863 1339 1503 1471">Professional advice and support Local intelligence on skills demands (referenced by ESB evidence base) Employer engagement assistance</td> </tr> <tr> <td data-bbox="408 1482 855 1581">Braintree District Council</td> <td data-bbox="863 1482 1503 1581">Economic Development Advice District Leaders Board Co-ordination Local Planning Authority</td> </tr> <tr> <td data-bbox="408 1592 855 1691">Braintree District Leaders Board</td> <td data-bbox="863 1592 1503 1691">Local intelligence on skills demands Regular updating of added value services, partnership and funding opportunities</td> </tr> <tr> <td data-bbox="408 1702 855 1800">Nicholas Percival Chartered Surveyors</td> <td data-bbox="863 1702 1503 1800">Property advisors on masterplan and enabling development</td> </tr> <tr> <td data-bbox="408 1812 855 1874">Ingleton Wood LLP</td> <td data-bbox="863 1812 1503 1874">Masterplan Development Architect (Enabling development)</td> </tr> <tr> <td data-bbox="408 1886 855 1926">Ingleton Wood LLP</td> <td data-bbox="863 1886 1503 1926">Cost Consultants</td> </tr> <tr> <td data-bbox="408 1937 855 2000">Building Contractor / Design Team</td> <td data-bbox="863 1937 1503 2000">Subject to tender</td> </tr> <tr> <td data-bbox="408 2011 855 2054">Key Employer cluster groups</td> <td data-bbox="863 2011 1503 2054">Influencing design development</td> </tr> </tbody> </table>		<i>Partner</i>	<i>Nature and/or value of involvement (financial, operational etc)</i>	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	Braintree District Council	Economic Development Advice District Leaders Board Co-ordination Local Planning Authority	Braintree District Leaders Board	Local intelligence on skills demands Regular updating of added value services, partnership and funding opportunities	Nicholas Percival Chartered Surveyors	Property advisors on masterplan and enabling development	Ingleton Wood LLP	Masterplan Development Architect (Enabling development)	Ingleton Wood LLP	Cost Consultants	Building Contractor / Design Team	Subject to tender	Key Employer cluster groups	Influencing design development
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	Steering Groups, comprising key employer & community group representatives		Project promotion and referral plus: Governance, 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	High	Ongoing reference back to forecast construction costs. 3% cost inflation (to Q4 2018) used in cost report. Experienced cost consultants (Ingleton Wood) 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 forward indices.
	2	Lost professional fees in working up detailed design 'at risk' of funding R/Owner: Vice Principal (Finance)	Low /Medium	High	Develop funding bid as far as possible in accordance with the guidelines to minimise risk.
	3	Non achievement of relevant planning permissions (Phase 2 enabling development) R/Owner: Vice Principal (Finance)	Low /Medium	High	The residential development is now registered on Braintree District Council's local plan with no opposition. The plan requires significant new housing over forthcoming years (some 850 per annum). Designs will be sympathetic to the area and consistent with neighbouring developments. Heads of terms for sale of land is now agreed with the purchaser.
	4	Non achievement of relevant planning permissions (Phase 3 New building) R/Owner: Vice Principal (Finance)	Low /Medium	High	Senior planners have had sight of masterplan outlining phase 2 and phase 3 developments. There has been positive feedback to date. A formal pre-planning application will ensure planners are on board from an early stage. The building will be located furthest away from local heritage areas and deep into the site to minimise impact for local residents. The College will continue to build on existing good neighbour relations and conduct a local public consultation, explaining the concept and benefits to the local area.
	5	Identification of College match funding element R/Owner: Vice Principal (Finance)	Low /Medium	High	Whilst the College will contribute proceeds of land sale, the project cannot proceed to a suitable size without additional skills capital funding. Identify equipment sponsorship opportunities and other grants from public /private sector.

	6	Non achievement of BREEAM 'Very Good' R/Owner: Project Manager	Low	Medium	BREEAM consultant to be engaged from outset. Ideas in place to achieve additional 'contingency' points.																							
	7	Building control issues preventing development taking place R/Owner: Project Manager	Low	Medium	Work closely with architects, building control, and project management to ensure all requirements are met.																							
	8	Time / programme R/Owner: Project Manager	Low	Low	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 campus redevelopment as soon as practicable.																							
	9	Building design not fit for purpose R/Owner: Vice Principal (Curriculum)	Low	Low	The exact design of new facilities would be led through architect forums held with the College against emerging curriculum design and with leading employers (this activity served the College well with the successful phase 1 completion). The College has also recognised room and workshop layouts that work well and are attracting learners at the Harlow College HAMEC facility.																							
1.13. Start date	Formal design start Construction start on site/campus		November 2017 January 2019 (or earlier)																									
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>Assumed Funding Approval (on or before)</td> <td>December 2017</td> </tr> <tr> <td>Professional team formal tender and appointments</td> <td>November 2017</td> </tr> <tr> <td>Stakeholder representative group formalised - Steering Group</td> <td>December 2017</td> </tr> <tr> <td>Detailed Design Go-ahead</td> <td>December 2017</td> </tr> <tr> <td>Planning Application Submission</td> <td>June 2018</td> </tr> <tr> <td>Contractor Tender</td> <td>August 2018</td> </tr> <tr> <td>Anticipated Planning determination</td> <td>September 2018</td> </tr> <tr> <td>Contract Award</td> <td>October 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	Assumed Funding Approval (on or before)	December 2017	Professional team formal tender and appointments	November 2017	Stakeholder representative group formalised - Steering Group	December 2017	Detailed Design Go-ahead	December 2017	Planning Application Submission	June 2018	Contractor Tender	August 2018	Anticipated Planning determination	September 2018	Contract Award	October 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																											
1.17. Links to other SELEP projects, if applicable	Links to existing SE LEP / ECC supported Skills Capital Fund £5.6m project on Braintree Campus which completed in April 2017. As a result of this second scheme, the curriculum offer at this local will be completely transformed to benefit the Essex economy.																											

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

Key characteristics, challenges and background to the opportunity presented

- Braintree has ambitious plans for growth, with major opportunities arising from the potential development of 14,000 new houses and delivery of 20,000 new jobs by 2033, one of the fastest growing areas in SE LEP.
 - Being located in the heart of Essex, the College at Braintree is ideally positioned to service learners and employers from across the County, and has a duty to do so.
 - Across the County there is an expected population increase 200,000 over 5 years, driving a need to build twice as many homes each year as current (from about 4,000 to 8,000 houses p.a across Essex). The ESB have calculated that this will require a need for 44,000 new recruits from within Essex construction sector by 2021.
 - Locally 2,300 new homes will need to be built each year across North Essex driving up huge demand for new skills*, especially within modern methods of construction.
 - A12 and A120 plus rail infrastructure improvements will lead to 38,500 potential new jobs requirement across the Haven Gateway.
 - Stansted Airport remains the fastest growing airport in Europe with a 9% year on year increase in passenger numbers and 10,000 new jobs forecast over the next ten years.
 - There will be a £3bn infrastructure investment across five regeneration areas in North East Essex, driving a particular need for technical and professional skills.
 - Skills in demand* are not limited to Construction and Engineering but technical skills in Digital IT (eg Autocad, Javascript, Programming, SQL), Science (eg thermodynamics, electromagnetics, solid and fluid mechanics, electrical devices, materials science, optical, marine and medical science) and Healthcare (eg Caregiving, dementia, senior care, practitioner, maternity support, management roles)
 - The Greater Essex Devolution Employability and Skills work stream requires 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). We feel that this project is a sustainable model solution that other FE Colleges will follow in the future.
 - Achieving a devolution 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, and this initiative will allow Colchester Institute to lead the way in supporting this key deliverable.
 - Essex currently lags 10% behind the UK average of residents with L3 qualifications. To improve this position, the College must offer relevant qualifications embedded within career pathways that will encourage students to build rewarding careers.
 - 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.
 - There is currently a lack of specific workforce skills training preventing business growth within advanced manufacturing, logistics and care – There will be a shortage of 200,000 care workers in Essex by 2020 unless there is intervention by education and training providers.
- *Reference ESB evidence base

Vision alignment to local and national development strategies

Whilst the College currently delivers a range of Further Education programmes to 1,000 learners at the campus, this is across a wide range of curriculum areas including non-

priority provision. It is considered that learners wishing to study these programmes could still do so – but at Colchester campus where resources already exist and programmes can be delivered more cost effectively.

For Braintree the vision is in keeping with the aspirations of HM Government's **Productivity Plan** and **Strategic Area Review guidance**. This is requiring of all colleges to reconsider curriculum offer in terms of viability and relevance to support local economic growth. There is an expectation that colleges will provide clear, high quality professional and technical routes to employment; better responsiveness to local employer need, and economic priorities with greater efficiency and effectiveness. This project is truly aligned to these expectations. By delivering an additional 90 L4/L5 higher level student outcomes by 2020, the project will be responding to these requirements allowing for an increased economic impact, with higher levels of entry to employment and quicker value-added to the local economy.

The project will also respond to specific employer demand, by providing bespoke full cost courses for workforce skills development such as Tekla Software Training, Building Information Modelling, AutoCAD, Systems Design and Avionics where local business leaders have confirmed these as specific barriers to successful tendering of high value contracts.

The **2014 UKCES 'Climbing the ladder for sustainable recovery'** report shows that there is a continued trend towards growth in higher skilled jobs (e.g. Managers and professionals) and this is especially prevalent within construction and engineering sectors. To respond, the project will continue to develop Higher Level Apprenticeships, some incorporating HNC / HND as main qualifications where guided by employers.

Essex County Council's November 2014 'Sustainable Economic Growth for Essex Businesses' suggests Braintree District provides the best opportunity in the County for significant growth, and this will be achieved through commissioning skills training in STEM subjects that will support high value employment. The report also calls for the development of **effective innovation capacity** to assist business diversification, again a skill that will be honed and practised within the new centre as learners are able to design and build prototypes using latest technologies that they would find in the workplace.

The largest employment sector within the district is advanced manufacturing (7,100 employees within 470 businesses) and therefore the pipeline workforce development must align to support this sector, and those of other sectors that are set to grow over the next 5 – 10 year period. To ensure alignment with employer need the College will undertake a consultation with a minimum of 25 employers including RDC, Multitech Site Services, E2V, Manchester Airport Group, Village Glass, Milbank Concrete, Think Sustainable, Tamdown, Morgan Sindell, Swift Brickwork, Maycast Nokes, AES Global, TCP Ltd, Benchmark Vaccines, Inflite Engineering, DSA Electrical, IT Positive, Maldon Marine. This consultation will be led by the College's new employer engagement department – CI Business Solutions – and would enable programme co-design and co-delivery.

A range of Health and Care apprenticeship frameworks would be developed in a Health and Care, Pharmaceutical Science, Lab Technicians Apprenticeships, Perioperative and Maternity Support, and some higher level programmes such as Dental Practice Manager (L4) and Leadership and Management (L4/5). Delivery of these aims and many others within other technology areas aligns directly to **HM Government** apprenticeship aspirations (3m new enrolments by 2020) and Essex devolution targets. The College's Partnership with City & Guilds positions it ideally 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. 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 less popular sectors such as healthcare careers.

South East LEP Vision Statement outlines that manufacturing and engineering are among the sectors where there are opportunities that will drive growth of the economy. It is recognised that in order for this to be achieved skills levels at Levels 3 and 4 Technical/ Professional need to be improved. This project will allow the College to react to these requirements by making the facilities available to train individuals in **emerging technologies** as required by growing business sectors, forming skills strategies through partnerships.

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 to develop a wider understanding of career opportunities, particularly by following a route through higher level apprenticeships to high demand occupations such as Mental Health, Patient Care, Theatre Support Practitioners, Care Planning, Dementia and Therapy, Lab Technicians, Counselling, Youth Workers, Activity Co-ordinators.

Priority 2 of the **Braintree Economic Development Prospectus** commits to supporting collaboration with Higher Education and business engagement. The College is already working in close partnership with the economic development and regeneration team at BDC to develop business partnerships and phase 1 scheme delivery will pave the way for Higher Education qualifications to be brought to this campus for the first time.

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, particularly in STEM subject areas.

Impact of not progressing the scheme

The College will need to replace end of life buildings over the next 3 – 5 years. In addition current configurations do not support curriculum requirements / skills needs of local district employers. Classrooms are too small and many more vocational advanced technology workshops are urgently required to assist curriculum shift. Therefore if the scheme could not be progressed the College would need to consider a variation to the masterplan which would not achieve the stated outcomes within this proposal.

Delineation of current versus future problems

Current problems within the construction industry centre around the lack of skilled entrants to the sector at a basic skill level. Evidence suggests

<https://www.theguardian.com/business/2016/may/24/bricklayers-benefit-rising-demand-construction-sector>) there is higher demand currently for bricklayers at level 2 qualification earning £52,000 per annum (due to national shortage and boom in house building) than other construction trades at higher levels. Whilst we expect this trend to be maintained for some years (especially as a result of Brexit which could potentially restrict the number of foreign workers entering the sector) we believe the future skills needs will be at higher level as contractors move towards modern methods of construction including pre-fabricated units as opposed to current approaches.

Similarly within IT skills, the pace of IT technology is moving fast. It's estimated that [some 65% of children entering primary schools today will likely work in roles that don't currently exist](#). The World Economic Forum suggests that the pace of change in the job market will start to accelerate by 2020. Business and financial operations along with computer and mathematical functions will see steep rises. There is a central driver for many of these transformations, and it is technology.

Artificial intelligence, 3D printing, resource-efficient sustainable production and robotics will factor into the ways we currently make, manage and mend products and deliver services. The latter two have the potential to create jobs in the architectural and engineering sectors, following high demand for advanced automated production systems. This project will empower the College to provide training for these new technological skill sets in the future by providing appropriate training environments to move in line with industry developments.

2.2. Description of project aims and SMART objectives	<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>	
	Objective	Measurements
	To complete the planned construction of the building/refurbishment to within specified criteria meeting all requirements (including BREEAM Very Good, fit for purpose design)	1. Complete for handover by 31 December 2019 2. Project budget £5m 3. BREEAM Very Good 4. Remove 6,614 SqM College Category C /D (Satisfactory / inoperable) accommodation
	To increase learner numbers in line with growth projections and priority curriculum areas	Additional 325 learners (28%) enrolled during the 2020-21 academic year. Crucially a 42% increase in apprenticeships by 2021.
	To increase employer engagement in line with growth projections	Additional 20 employers actively involved in programme participation by 2022
To contribute to "Outstanding" OFSTED quality status and performance levels – a two grade improvement on 2014-15. (Awarded OFSTED "Good" 2015-16)	Self-assessment or external OFSTED referencing as "Outstanding" post 2019-20	

2.3. Strategic fit

- ✓ The project is directly aimed at overcoming skills deficiencies in sectors highlighted by the SE LEP Strategic Economic Plan and the 2016 Essex ESB evidence base (Construction, Engineering, IT Digital, Science and Healthcare). This is the main source of our district-specific demand assessment, validated by ongoing round table discussions with local employers specific to industry sector (eg Construction, Manufacturing, Engineering, Health and IT)
- ✓ The project directly addresses needs of the impending Strategic Area Review, the headline aims being: “Clear, high quality professional and technical routes to employment – Better responsiveness to local employer need and economic priorities - greater efficiency and effectiveness”
- ✓ The project directly supports Colchester Institute’s higher and degree level apprenticeship development programme, including the shift to Trailblazer Standards.
- ✓ The project supports aims and objectives of the Economic Plan for Essex and the Braintree Economic Prospectus.

2.4. Summary outputs (3.2 will contain more detail)

Anticipated Outcomes from the project (first three years post project)

Academic year	Pre-project outputs		Project outputs (additional to pre-project)			Project Totals
	17/18	18/19	19/20 Y1	20/21 Y2	21/22 Y3	
Apprenticeships	100	165	70	70	30	170
L3 achievers	400	670	40	120	55	215
L4/HA achievers	0	20	10	15	15	40
Level 5 achiever	0	0	0	10	10	20
Additional employers	10	20	20	15	15	50
Training-led jobs in Construction & Engineering	250	260	60	100	120	280
TOTAL	760	1,135	200	330	245	775

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

In summary:

- **70** new apprenticeship starts in both yr 1 & 2 - Supporting 20% Essex Devolution pledge
- **160** additional students achieving L3 qualifications by year 2
- **40** additional students achieving a L4 or higher apprenticeship qualification by yr 3
- **20** additional students achieving L5 qualifications by year 3
- **50** additional employers engaging with the College, receiving workforce skills training to drive business improvement and economic growth over the first three years. We envisage that there will continue to be steady employer participation at 2022 rates, there being an additional 15 employers per annum, totalling 305 additional employers supporting local FE and skills training in the Braintree District.
- **200 of the 1,000** annual Braintree District vacancies for occupations in the construction and engineering sectors will be filled through targeted skills training leading to local economic development. This would include high in demand occupations such as plant operatives, metal machining, fitting and instrument making trades, production technicians, IT technicians, and Autocad design professionals.
- The Centre will act as a catalyst for encouraging further business growth in the Braintree District, linking directly with other ‘catalyst development projects such as ‘I-Construct’ currently being considered for the area. We envisage a minimum of 12 new businesses being attracted to the area as a direct result of the ready-made workforce opportunities that will be presented by the Braintree STEM Campus, collectively supporting over 150 new jobs
- Total 1,432 SqM of new, efficient, fit for purpose accommodation, enabling a radical reform of current offer, moving to an employer led model of delivery.

2.5. Planning policy context,

Please include timeline where appropriate

Anticipated Funding Approval	December 2017
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consents and permissions	Design Go-ahead	December 2017								
	Planning Application Submission	June 2018								
	Anticipated Planning Determination	September 2018								
	<p>The site context analysis has identified some key weaknesses and opportunities as follows:</p> <ul style="list-style-type: none"> - The site is adjoined by Conservation Area and heritage buildings to the south and there are Grade II and II* listed buildings to the southeast and northwest of the site. This has influenced the masterplan development whereby the proposed location will avoid these specific locations. - The area is predominantly residential, low rise (2-3 storeys) and of traditional construction and materials, again influencing the design of the enabling phase 2 development. - The existing 1960's buildings are of an age and condition where significant investment would be required to retain, convert and/or extend life span; <p>The masterplan design incorporating all phases has been shared with local authority planners during initial developmental stages. This dialogue will continue alongside pre-planning application for enabling development.</p>									
2.6. Delivery constraints	<p><i>High level constraints or other factored which may present a material risk to delivery</i></p> <table border="1"> <tr> <td><i>Funding</i></td> <td><i>Whilst the College will contribute proceeds of land sale, the project cannot proceed to a suitable size without additional skills capital funding</i></td> </tr> <tr> <td><i>Planning Permission</i></td> <td><i>The building will be located furthest away from local heritage areas and deep into the site to minimise impact for local residents. See section 1.12 for more information on mitigations.</i></td> </tr> <tr> <td><i>Construction Costs</i></td> <td><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><i>Time</i></td> <td><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 campus redevelopment as soon as practicable.</i></td> </tr> </table>		<i>Funding</i>	<i>Whilst the College will contribute proceeds of land sale, the project cannot proceed to a suitable size without additional skills capital funding</i>	<i>Planning Permission</i>	<i>The building will be located furthest away from local heritage areas and deep into the site to minimise impact for local residents. See section 1.12 for more information on mitigations.</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 campus 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>Cost consultants have confirmed outline project costs are based on projected expenditure levels against a 1,432 SQM building designed and built to BREEAM Very Good requirements, including built in sustainable technologies (Solar PV, CHP, Rainwater Harvesting, etc).</p> <p>Outcomes will improve year on year as District 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 or alternative masterplan design was drawn up. Due to ongoing cuts to FE revenue funding, 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 need to replace end of life buildings over the next 3 – 5 years. In addition current configurations do not support curriculum requirements / skills needs of local district employers. Classrooms are too small and many more vocational advanced technology workshops are urgently required to assist curriculum shift.</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.

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?) **Not Applicable for this proposal**

3.1. Impact Assessment

Positive impacts

- 1. Upskilling local people to standards required by local employers – Vacancies filled**
This can be bench-marked against current recruitment activity for key employer stakeholders prior to the project commencing and from Y2 of the project. Currently employers are having to source skilled labour from out-of-LEP region. By the very nature of a new training facility, a number of new pathways and opportunities will be developed to meet the training needs of learners, and support skills requirements of employers.
- 2. A 100% increase in apprenticeship recruitment, particularly across Construction, Engineering, Health, and Digital IT.**
This can be bench-marked against current recruitment activity for key stakeholders prior to the project commencing and from Y2 of the project.
- 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 Y2 of the project.
- 4. More flexible routes to higher education**
Braintree District currently underperforms by 8% against the East Anglian average for residents holding qualifications at or above NVQ L4. This project will develop suitable programmes to improve competitiveness. By year 2 there will be 70 starts in terms of L5 / Higher Apprenticeships
- 5. Positive and measurable impact on GCSE attainment**
At 52% of students achieving 5+ GCSE's grade A-C, Braintree District has the lowest attainment in Essex; NVQ attainment is below national averages at all levels above NVQ1; over 8% of residents have no qualifications. The Skills Business Survey identifies skills gaps in technical skills, leadership/management, English and maths.
- 6. Improving the visual aspect of Bocking**
Currently the 1960's six storey tower block is commonly regarded as the biggest eyesore in Braintree. This would be replaced in essence by a fit for purpose advanced technology centre that could be seen as an attraction by inward investment officers. The College will work closely with BDC and ECC on supporting new companies to relocate to the area on the back of new facilities.
- 7. Environmental Impacts**
Improvement of visual aspects (as above) including local landscaping. Building will use a range of low carbon / zero carbon in design materials. Renewable technologies (solar thermal, solar PV, rainwater harvesting, etc) will be incorporated into design.

Negative impacts

	<p>1. Reduction in scope of offer Niche course provision not pertaining to the new strategy of ‘advanced technology’ (eg Art and Design, Hair and Beauty, etc) would be removed from course offer in Braintree. This would still be offered from main campus Colchester, and apprenticeships in these subjects can still be delivered to Braintree students/employers in the District with any taught elements delivered via webdex or from Colchester Campus. The College will also offer subsidised travel to Colchester campus to complete any specific course no longer offered in Braintree.</p>																																										
<p>3.2. Outputs</p>	<p>At the end of 2018-19 Academic Year (Year 2)</p> <p>Outputs – Direct Jobs Basis: In line with expectations of 325 more students at July 2020 over anticipated pre-project levels</p> <table border="1" data-bbox="379 555 1329 958"> <thead> <tr> <th>Job</th> <th>Safeguarded</th> <th>New</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Curriculum Managers</td> <td>6</td> <td>1</td> <td>7</td> </tr> <tr> <td>Teaching / Assessing Staff</td> <td>45</td> <td>15</td> <td>60</td> </tr> <tr> <td>Support Staff</td> <td>30</td> <td>2</td> <td>30</td> </tr> <tr> <td>Catering / Portering/ Security staff</td> <td>12</td> <td>0</td> <td>12</td> </tr> <tr> <td>Total</td> <td>93</td> <td>18</td> <td>111</td> </tr> </tbody> </table> <p>*Noting a key aim of the new centre will be to provide more efficient and effective modes of delivery (e.g. larger class sizes, more off-site workplace assessment) hence there will not be scope for employing a huge number of additional staff.</p> <p>Outputs – Additional students progressing to jobs at L3</p> <table border="1" data-bbox="379 1137 1173 1249"> <thead> <tr> <th>Current (36%)</th> <th>Revised (50%)</th> <th>Positive Impact per annum</th> </tr> </thead> <tbody> <tr> <td>144</td> <td>269</td> <td>+125</td> </tr> </tbody> </table> <p>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 a £5m scheme investment would provide for a £14.8m return over 20 years for <u>additional</u> L3 qualified workers alone.</p> <p>Outputs – New Businesses attracted to the Haven Gateway Area The Centre will act as a catalyst for encouraging further business growth in the Braintree District, linking directly with other ‘catalyst development projects such as ‘I-Construct’ currently being considered for the area. We envisage a minimum of 12 new businesses being attracted to the area as a direct result of the ready-made workforce opportunities that will be presented by the Braintree STEM Campus, collectively supporting over 150 new jobs</p> <p>Outputs - Floorspace</p> <table border="1" data-bbox="379 1749 1487 1861"> <thead> <tr> <th>Current</th> <th>Removed</th> <th>New</th> <th>Revised</th> </tr> </thead> <tbody> <tr> <td>10,820 SqM</td> <td>6,614 SqM</td> <td>1,432 SqM</td> <td>5,638 SqM</td> </tr> <tr> <td></td> <td></td> <td></td> <td>(-52%)</td> </tr> </tbody> </table> <p>*Noting a key aim of the new centre will be to provide more efficient and effective modes of delivery (eg larger class sizes, more offsite workplace assessment)</p>	Job	Safeguarded	New	Total	Curriculum Managers	6	1	7	Teaching / Assessing Staff	45	15	60	Support Staff	30	2	30	Catering / Portering/ Security staff	12	0	12	Total	93	18	111	Current (36%)	Revised (50%)	Positive Impact per annum	144	269	+125	Current	Removed	New	Revised	10,820 SqM	6,614 SqM	1,432 SqM	5,638 SqM				(-52%)
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<p>3.3. Wider benefits</p>	<p>➤ Project will act as a template for other Colleges to follow, radically reforming current local curriculum offer from general FE provision to employer focussed advanced technology centre</p>																																										

	<ul style="list-style-type: none"> ➤ Project will provide strong support for 3m Government 2020 apprenticeship target, including developing higher level apprenticeship enrolments. ➤ Project will act as a springboard for employers to become more involved in steering curriculum design and input to Essex Employment and Skills Board key sector groups ➤ Project will directly link to and directly support start up employers engaged with the ‘i-construct’ scheme being planned for delivery in nearby Witham. Students will be provided to fill work placement and apprenticeship vacancies. They will provide skilled design techniques to support business development. ➤ The Centre will provide growing businesses with the opportunities to ‘design and prototype build and test’ new products at the STEM Centre using latest innovative technologies. Students and experienced staff will be available to support. ➤ Enables development of a new apprenticeship standard ‘L3 Construction Operations’ as highlighted by employers and IAG staff as an urgent need at recent ESB employer forum hosted by the College. ➤ Selected contractor to demonstrate strong engagement with the College on apprenticeship delivery model e.g. Cadman’s Construction had three apprentices working on the Phase 1 STEM Innovation Centre project. ➤ A promotion of STEM skills and STEM careers opportunities by drawing more individuals into the construction and engineering sectors through regular STEM tasters (partnering with employers) and open events. ➤ Improved resources will help the College react to new pathways being developed by various sector bodies including new skills (<i>eg Modular building and modern methods of construction</i>). ➤ Benefits to College Higher Education development opportunities ➤ Improve school links by offering inspirational options of progression and STEM taster sessions. ➤ Contribute to the Colleges STEM Strategy with ‘STEM Assured’ status now a priority . ➤ Opportunity for employers to use facilities to deliver their own bespoke training, as well as prototype design and build. ➤ Provide a hub to host community and employer forums, events, professional collaboration and skills sector awards. ➤ 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 - akin to the model already up and running with co-delivery on air conditioning apprenticeships with Delta-T and rail apprenticeships with TES2000 in Colchester. ➤ 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 Braintree and mid-Essex with opportunities for upskilling. ➤ A significant improvement in the financial efficiency of delivery, reducing running costs of the campus by 65% (£325k) per annum providing for more effective use of public revenue grant funding for ongoing programmes, a key strand of Strategic area review.
3.4. Standards	<p><i>Provide details of anticipated standards (such as BREEAM) that the project will achieve.</i></p> <ul style="list-style-type: none"> ➤ <i>New build BREEAM Very Good minimum criteria</i> <p>The new building will be designed to achieve BREEAM Very Good. The design of the building services will be developed to contribute to this target. A low energy strategy will be developed including minimum requirements for fabric and air tightness, low energy (LED) lighting and individual classroom mechanical ventilation with heat recovery. Also an early renewable feasibility study will be undertaken to review a range of Low and Zero Carbon (LZC) technologies - solar PV panels are likely to be favoured. A rainwater harvesting system will also be installed to collect rain water for later use in sanitary areas with the relevant sanitary ware selection.</p> <ul style="list-style-type: none"> ➤ <i>Full DDA Compliance</i> <p>The proposed new building will be fully DDA compliant. The intention is for all students and</p>

staff alike to be able to use this facility irrespective of their age or ability. Key elements of this design will be:

- Automatic lobby doors, level threshold access
- 8 person /disabled lift access to all floors
- Ambulant design staircase, access WC provision
- Colour contrasting doorways, 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 SELEP investment and as a percentage of total scheme cost*
SE LEP investment 50% against total project cost
- *Cost per student*
Total project cost per student over 20 years – £765 per student *
* Assumes student campus numbers increase by 745 on existing numbers and then by an estimated 2% year on year (for a further 17 years) from 2021 in line with local demographics and population growth. Latest project build prices with anticipated construction inflation indices applied - 3% cost inflation (to Q4 2018). 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	14,613 (@ test discount rate 3.5% over 20 years)
Base case	Nil	NEGATIVE 1,641 (due to spiralling running and maintenance costs at existing 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
	Savings/Cost (£000)	Savings/Cost (£000)
A. Premises costs	644	2,284

B. Premises savings	5,617	0
Difference (A-B)	-4,913	2,284

Sensitivity analysis : Scenario testing shows the following:

- If student number flat line after 2022, the project NPV would still be £14,230k
- 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 £12,210k
- If student numbers did not increase at all after 2021, remaining constant through the remaining 18 years of the project, the NPV would still be £8,943k

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. 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. This is greater than previous projects successfully delivered by the College.

Project costs have been developed based on a cautious cost inflation of 3%. 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. The College has been successful in securing high value sponsorships in the past and we see no reason why this will not continue.

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

Displacement. One of the main project drivers is to move from a 16-18 college to an all through college offer, attracting more adults to the campus, opening up new opportunities for re-training in local industries beset by skills gaps. The project assumes largest student growth in apprenticeship programmes which are employer generated jobs but also employer generated training opportunities. We estimate that 40% of student growth (178 students) will be growth will be new students that would not have typically followed a training path but a traditional route to employment, reducing displacement. There will be positive displacement where improved facilities equivalent (or better than) standards at the Colchester Campus will encourage local Braintree residents to learn locally as opposed to travelling 20 miles to alternative CI facilities. This will be positive in that it will relieve pressure at Colchester site where there are not enough facilities at present to support ongoing student number growth 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 ® £24,750,945

Total Discounted Costs © £11,364,461

	<i>Project Benefit Cost ratio ® / © = 2.178</i>													
3.6. Options assessed	<ul style="list-style-type: none"> • <i>Do nothing</i> The College will need to replace end of life buildings over the next 3 – 5 years. In addition current configurations do not support curriculum requirements / skills needs of local district employers. Classrooms are too small and many more vocational advanced technology workshops are urgently required to assist curriculum shift. Without substantive investment in industry standard facilities, reflecting workplace environments, the College will be unable to make a meaningful contribution to local priorities and national Government ambitions from this site. Opportunity lost. • <i>Do minimum</i> If SE LEP funding was not prioritised for the scheme then the College would only be able to fund an extension to a current building and not realise any of the wider benefits associated with this proposal. Limited curriculum and apprenticeship development opportunities. • <i>Do something</i> As ‘Do minimum’ but consider 16-19 curriculum rationalisation to reduce operating costs to a manageable level and grow apprenticeships where facilities remain suitable and where delivery is proven to be cost effective. • <i>Do optimum – Recommended Option</i> The strongest business case. To remove 6,614 SqM of poor quality accommodation from site and re-use this land sale capital receipt as a cash match against the new build delivery programme. An opportunity to reduce running costs of the campus by 65% (£325k) per annum, providing for a more effective service to the local community, as demanded by Strategic Area Review. 													
3.7. Scheme assessment	<p><i>Provide a brief description of a modelling and appraisal methodology – including details of data source.</i></p> <p><i>Show sufficient information to demonstrate the analysis supporting the economic case fitness for purpose.</i></p> <table border="1" data-bbox="379 1350 1485 2067"> <thead> <tr> <th data-bbox="379 1350 743 1458">Data sources</th> <th data-bbox="743 1350 1198 1458">Information and benefits realisation calculation touch points</th> <th data-bbox="1198 1350 1485 1458">Analysis</th> </tr> </thead> <tbody> <tr> <td data-bbox="379 1458 743 1568">College enrolment database ProMonitor</td> <td data-bbox="743 1458 1198 1568">Enrolment numbers at July 2021 and July 2022 will prove VfM / Payback positioning</td> <td data-bbox="1198 1458 1485 2067" rowspan="4"><i>Impact analysis: At the end of Y2 (July 2021) & Y3 (July 2022) comparative analysis will be carried out, highlighting successes, VfM and areas of further demand to drive curriculum decisions.</i></td> </tr> <tr> <td data-bbox="379 1568 743 1854">Sample base of 20 local employers</td> <td data-bbox="743 1568 1198 1854">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="379 1854 743 1928">Independent reporting</td> <td data-bbox="743 1854 1198 1928">Student destination data as at July 2021 and July 2022.</td> </tr> <tr> <td data-bbox="379 1928 743 2067">ECC and DWP data sources</td> <td data-bbox="743 1928 1198 2067">Braintree ward unemployment levels and NEET statistics referenced at July 2017 against July 2021 and July 2022</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 (July 2021) & Y3 (July 2022) comparative analysis will be carried out, highlighting successes, VfM and areas of further demand to drive curriculum decisions.</i>	Sample base of 20 local 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 	Independent reporting	Student destination data as at July 2021 and July 2022.	ECC and DWP data sources	Braintree ward unemployment levels and NEET statistics referenced at July 2017 against July 2021 and July 2022
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	National Apprenticeship Service; Sector Skills Councils; ECC Employment and Skills records, employer forum feedback	Changes to relevant qualifications, new apprenticeship standards, information requirements from employers Comparison of suite of qualifications on offer / being delivered from July 2017 to July 2022	<i>Keeping up to date on 'supply and demand' - and influencing 'supply' by feeding back the demand data to curriculum delivery officers. Responding to employer demand as required by stakeholders</i>
	Feedback questionnaire on training needs of specific 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 booking 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 July 2017 compared to July 2022	
	See also the 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

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.

Professional team formal tender and appointments	By 30 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, companies are very hungry for work and specifically for CI we have a high number of partner firms desperate to work with us again
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			on a new project.
	Contractor Tender	September 2018	No existing contract or framework. 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 schemens 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 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 ESFA revenue funding 'per head' will not fall below current levels. (AoC and others are currently lobbying DfE for 20% increase in FE funding per student).</p>		
4.3. Commercial sustainability	<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)</p> <p>The College does not rely on exceptional ongoing revenue funding support now and nor will this be the case in the future. The College has robust three and four year financial plans in place (Agreed by the Corporation and scrutinised by the Skills Funding Agency). The Colleges detailed financial plan 2017 – 2020 is available for review. The July 2017 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</p>		

	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.
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><i>Please provide:</i></p> <p>1. <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> <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>2. <i>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 experienced cost consultants Ingleton Wood LLP on this aspect.</p> <p>3. <i>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>4. <i>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><i>£5m</i></p> <p>Outline project estimates discussed with current cost consultants and architects. All aspects considered with estimates arising from latest project build prices with 3% (to Q4 2018) anticipated construction inflation indices applied. 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.</p>					
5.2. Total SELEP funding request	<i>£2.5m via Capital Grant</i>					
5.3. Other sources of funding	<p>Essex County Council £1.25m</p> <p>Colchester Institute £1.25m</p>					
5.4. Summary financial profile – expand as appropriate See section 3.5 for optimism bias						
		16/17	17/18	18/19	19/20	Total
(£m)						
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

To confirm sunk costs = NIL

<p>5.5. Viability: How secure are the external sources of funding?</p>	<p><i>Please provide evidence of the security of the specified third party contributions</i></p> <table border="1" data-bbox="475 990 1484 1249"> <thead> <tr> <th>Type</th> <th>Source</th> <th>How secure?</th> <th>When will the money be available?</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Public</td> <td>SELEP LGF</td> <td>Subject to bid</td> <td>Assumed Jan 2018</td> </tr> <tr> <td>ECC Capital</td> <td>Subject to bid</td> <td>Assumed Feb 2019</td> </tr> <tr> <td rowspan="2">Private</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Type	Source	How secure?	When will the money be available?	Public	SELEP LGF	Subject to bid	Assumed Jan 2018	ECC Capital	Subject to bid	Assumed Feb 2019	Private						
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<p>5.6. Cost overruns</p>	<p><i>Please describe how cost overruns will be met by other funding sources given that SELEP contributions will be capped at the offer awarded</i></p> <p>The College would expect to be held responsible for programme management and would anticipate carrying the risk of cost over-run 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, initial cost report allows for 3% cost inflation to Q4 2018 but if there was further increases, the College would cover this risk as above. This proposal has been submitted on the basis of current cost price estimates plus projected build cost inflation.</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>Planning permissions – A delay in gaining permission could lead to a delay in commencing works. This could have a detrimental impact on project costs</p>																		

	<p>(construction inflation).</p> <p>Programme over-run (delays) – Any delays not caused by contractor could lead to additional costs although a two stage Design and Build approach transfers risk to contractor. Also mitigated by 14 month programme which has two month in-built contingency.</p>															
<p>5.8. Financial risk management</p>	<table border="1"> <thead> <tr> <th data-bbox="480 376 667 450">Funding Source</th> <th data-bbox="667 376 1007 450">Risk</th> <th data-bbox="1007 376 1347 450">Mitigation</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 450 667 701">SE LEP Funding</td> <td data-bbox="667 450 1007 701">Funding not provided</td> <td data-bbox="1007 450 1347 701">College would commence project to a 'at risk' ceiling approved by the Corporation and not further until Grant Offer Letter Approved by Corporation</td> </tr> <tr> <td data-bbox="480 701 667 952">ECC Funding</td> <td data-bbox="667 701 1007 952">Funding not provided</td> <td data-bbox="1007 701 1347 952">College would commence project to a 'at risk' ceiling approved by the Corporation and not further until Grant Offer Letter Approved by Corporation</td> </tr> <tr> <td data-bbox="480 952 667 1093">College Funding</td> <td data-bbox="667 952 1007 1093">Sale of College land - enabling development did not proceed</td> <td data-bbox="1007 952 1347 1093">College would not commence project in full until funding certainty</td> </tr> <tr> <td data-bbox="480 1093 667 1491">SE LEP / ECC Funding</td> <td data-bbox="667 1093 1007 1491">Delays in receipt of funding</td> <td data-bbox="1007 1093 1347 1491">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.</td> </tr> </tbody> </table>	Funding 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	Sale of College land - enabling development did not proceed	College would not commence project in full until funding certainty	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.
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<p>5.9. Alternative funding mechanisms</p>	<p>Not applicable</p>															

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

A. Roles and responsibilities

1. **Senior Responsible Officer** - overall responsibility for the project contract throughout the construction, set-up and operational stages.
- 2.
3. **Employer Forums** – Feeding in ideas and influencing design development from an early stage
4. **Project Manager** – see D. below.
5. **Steering Group** - This will involve:
 - Agreeing training provision aligned to employer forum output
 - 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.
6. **CI Faculties** – delivery of the training programmes, working in partnership with employers.
 1. **Construction and Engineering Technologies**
 2. **Health & Care**
 3. **Business and Services**
7. **CI Business Development Team** – to work with all associated employers to identify business need and work with the delivery teams to ensure ‘best fit’.
8. **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 Group will initially meet bi-monthly and then quarterly, as deemed appropriate. Guests will be invited 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. External stakeholders will be invited to provide input prior to or at the formal meetings.

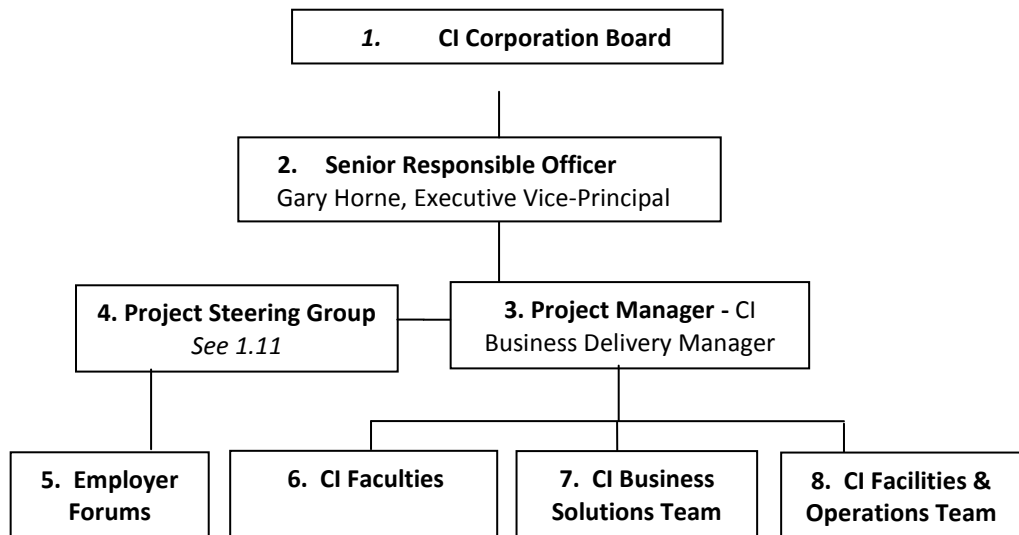
D. How the scheme will be monitored

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 all scheduled meetings.

E. Contract management arrangements

For the life of the project i.e. until handover to College at 31 July 2019 the contract will be managed by an experienced project manager. 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:



8.1. 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 will be gained from local employers in the sign-up of both apprenticeships and supporting L3- L5 training programmes
3. Experienced staff will test check outputs to ensure targets and timescales are realistic and achievable.

Details of how the project will be monitored and evaluated.

Please refer to Section 6.3 below.

Anticipated Outputs from the project

Academic year	Pre-project outputs		Project outputs (additional to pre-project)			Project Totals
	17/18	18/19	19/20 Y1	20/21 Y2	21/22 Y3	
Apprenticeships	100	165	70	70	30	170
L3 achievers	400	670	40	120	55	215
L4/HA achievers	0	20	10	15	15	40
Level 5 achiever	0	0	0	10	10	20
Additional employers	10	20	20	15	15	50
Training-led jobs in Construction & Engineering	250	260	60	100	120	280
TOTAL	760	1,135	200	330	245	775

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

8.2. 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 end of project report will be produced by the Project Manager for all key stakeholders.

8.3. Milestones	<p>Key milestones and project stages – with Gantt chart attached</p> <table border="1" data-bbox="392 185 1465 667"> <tr> <td>Stakeholder engagement, funding development, employer support and input to project</td> <td>August – 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>November 2017</td> </tr> <tr> <td>Stakeholder representative group formalised - Steering Group</td> <td>December 2017</td> </tr> <tr> <td>Detailed Design Go-ahead</td> <td>December 2017</td> </tr> <tr> <td>Planning Application Submission</td> <td>June 2018</td> </tr> <tr> <td>Contractor Tender</td> <td>August 2018</td> </tr> <tr> <td>Anticipated Planning determination</td> <td>September 2018</td> </tr> <tr> <td>Contract Award</td> <td>October 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	Assumed Funding Approval (on or before)	December 2017	Professional team formal tender and appointments	November 2017	Stakeholder representative group formalised - Steering Group	December 2017	Detailed Design Go-ahead	December 2017	Planning Application Submission	June 2018	Contractor Tender	August 2018	Anticipated Planning determination	September 2018	Contract Award	October 2018	Construction Start	January 2019	Handover to College / Occupation	December 2019	Teaching Commencement	January 2020								
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8.5. Organisation track record	<p>The College has undertaken a number of successful capital projects over the past six 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>																																			

<p>8.6. Assurance</p>	<p>Financial performance over 3 years: 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>																		
<p>8.7. Equalities Impact Assessment</p>	<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 the specific sectors; 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>																		
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		Evidence base) being met July 2022 v July 2021	
	College CRM	Track key stages of employer journey – from enquiry to booking 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 July 2017 compared to July 2022	
	See also the investment appraisal within appendices		

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.

8.9. Post completion	<p>Once the facility has been constructed and is fully operational a number of general FE College revenue streams will be adopted to ensure long term commercial sustainability beyond 2021 - under the continued ownership and management of Colchester Institute.</p> <p>If agreed by members of the project’s Steering Group, it will remain in a 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>
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9. 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	3: Medium – 4: High	4: High	On-going reference back to forecast construction costs. (3% construction cost inflation to Q4 2018) Experienced cost consultants (Ingleton Wood) 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 forward indices.
Lost professional fees in working up detailed design 'at risk' of funding to achieve programme and delay readiness	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 (BDC)	2: Low – 3: Medium	4: High	Initial discussions with BDC officers over masterplan have been positive. Early direct and on-going consultation with neighbours and BDC planning department.
Identification of College match funding element (enabling project)	2: Low – 3: Medium	4: High	Pre-planning application set to be laid before BDC in July 2016.
Non achievement of BREEAM Very Good	2: Low	3: Medium	BREEAM consultant to be engaged from outset. Ideas in place to achieve additional 'contingency' points.
Building control issues preventing development taking place	2: Low	3: Medium	Work closely with architects, building control, and project management to ensure all requirements are met.

10. DECLARATIONS

10.1. 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

10.2. 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

10.3. 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.

10.4

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.

10.4. Signature of Applicant



10.5. Print Full Name

Alison Andreas

10.6. Designation

Principal and Chief Executive

10.7. Date

09-11-2017