

Programme Management Group

5 July 2018

Skills Capital projects for 2018/19 – Item 6c

Programme Management Group members are asked to:

AGREE that the Sparsholt College ‘Condition works’, Guildford College ‘Technology Tower’ and ‘Pathway to the Virtual Campus - EM3 Digital Technology Centre’ projects proceed to legal agreement.

1. Due Diligence for Skills Capital projects

- 1.1 Regeneris were commissioned to undertake Skills Capital Due Diligence. The review covered three main areas:
- 1.1.1 Economic/strategic benefits, including:
 - Evidence of Need
 - Additionality of the project
 - Options Assessment
 - 1.1.2 Deliverability, including:
 - Project Programme
 - Risk Analysis
 - 1.1.3 Financial Appraisal, including:
 - Cost analysis
 - Match Funding
 - Investment Appraisal
 - Project Cashflow

- 1.2 Due to the timings of PMG meetings and the requirement to receive a decision to enable the Colleges to progress over the summer period and complete full spend by March 2019, detailed reports have not yet been received. Recommendation from our diligence as to whether to progress or not is expected by the 5 July 2018, a verbal update will be given at the meeting.

2. Sparsholt College ‘Condition works’

- 2.1 The PMG approved progression of Sparsholt College ‘Condition works’ to due diligence at the meeting 10 May 2018.
- 2.2 Project details are outlined below:

Project Name:	Sparsholt College-Condition Works
Applicant:	Sparsholt College

Location:	Sparsholt College, Sparsholt, Winchester
Local Growth Fund:	£350,000
Match funding:	£350,000 from College reserves earned from the sale of a residential property on the perimeter of the college estate
Outputs:	<ul style="list-style-type: none"> • The works would enable the College to maintain and provide a safe and appropriate environment for over 4,500 learners each year • Prevention of 6,000 m² classified as category C/D
Brief description:	<p>The college property strategy, have identified essential works primarily for the replacement of outdated boilers and heating systems which are malfunctioning and leading to some buildings being unusable in cold weather. Additionally, there are some structural changes required to be made to some other college buildings in order to maintain our day to day delivery</p> <ol style="list-style-type: none"> a. Westley Court (boiler) b. Sainsbury Building, Main Building and ICT (boilers) c. Flindt, Rose, Sturgess and Steele Buildings (posts supporting the roof structure are in need of replacement) d. Recreation Centre (ALS Building) boiler replacement e. Brock, Dymoke White, Palmer and Porchester Building (boilers) f. Engineering; the former Tyler building (heating system replacement) g. Essential campus road repairs h. Pipework for boiler conversions <p>The technology of the new boilers means that they will be up to 50% more efficient, significantly reducing carbon consumption across the Sparsholt campus. The new boilers will be energy efficient boilers fuelled by natural gas.</p> <p>The boilers will be linked to the College environmental management system which enables them to monitor consumption and control the systems remotely and limit wastage.</p>

2.3 A verbal update will be given at the meeting from the outcome of the due diligence recommendations.

2.4 Subject to the due diligence recommendation and any due diligence caveats, it is recommended that PMG approve the project.

3. Guildford College ‘Technology Tower’

3.1 The PMG approved progression of Guildford College ‘Technology Tower’ to due diligence at the meeting 22 June 2018.

3.2 Project details are outlined below:

Project Name:	The Technology Tower
Applicant:	Guildford College
Location:	Guildford College, Stoke Park Campus, Guildford
Local Growth Fund:	£300,000
Match funding:	£300,000 from college cash and capital budget
Outputs:	<ul style="list-style-type: none"> • 5 direct jobs (teaching/ technician and assessor posts) • Increased learner numbers per annum: <ul style="list-style-type: none"> ▪ Apprenticeships 50 ▪ Other learners 105
Brief description:	<p>The project remodels and refurbishes the College's Construction and Technology facilities into an underutilised tower block. The current buildings comprise two modular temporary workshop blocks, which have significant infrastructural deficiencies.</p> <p>The Technology Tower will be the new home of industry standard training and learning space for carpentry, electronics, electrical testing and gas assessment rooms, electrical workshops, multi-trades including painting and decorating, groundwork and other pathways at lower levels, AM2 Electrical Assessment Centre and plumbing workshops.</p> <p>The development will create a Gas assessment Centre and AM2 centre both fill a gap in the local market and a requirement for final assessments.</p> <p>The College are developing their curriculum to include environmental technologies pathways within their higher-level courses.</p> <p>The preferred merger partner Activate Learning are engaged and supportive of the vision of the project. The delivery of the project will be undertaken by a team not associated with the merger project.</p>

- 3.3 PMG requested further information about low carbon within the curriculum. The College are developing their curriculum to include Environmental Technologies and Sustainable Energies which enables them to offer both the gas and the environmental pathways at L3 Apprentices. The Environmental technology workshop will ensure that all learners, 16-18, 19+ & Apprentices will receive the latest teaching on renewable energy in line with the low carbon agenda and reflecting part L of the current building regulations (25A conservation of fuel and power).
- 3.4 PMG also requested that due diligence specifically look at the risk of delivering the project associated with the merger with Activate Learning.

- 3.5 A verbal update will be given at the meeting from the outcome of the due diligence recommendations.
- 3.6 Subject to the due diligence recommendation and any due diligence caveats, it is recommended that PMG approve the project.

4. Pathway to the Virtual Campus - EM3 Digital Technology Centre

- 4.1 The PMG approved progression of Pathway to the Virtual Campus - EM3 Digital Technology Centre to due diligence, following the inclusion of Farnborough College of Technology, at the meeting 22 June 2018.
- 4.2 Project details are outlined below:

Project Name:	Pathway to the Virtual Campus - EM3 Digital Technology Centre	
Applicant:	Sparsholt College on behalf of consortium of Colleges	
Location:	Andover College Basingstoke College Brockenhurst College Brooklands College Guildford College Farnborough College of Technology	
Local Growth Fund:	TOTAL LGF Guildford College Brockenhurst College Andover and Sparsholt College Basingstoke College Brooklands College Farnborough College of Technology	£1,752,500 £374,000 £300,000 £402,500 £300,000 £164,000 £212,000
Match funding:	Funding 50% matched by each College from their IT capital budget: Guildford College Brockenhurst College Andover and Sparsholt College Basingstoke College Brooklands College Farnborough College of Technology	
	TOTAL £374,000 £300,000 £402,500 £300,000 £164,000 £212,000	
Outputs:	Outcomes over a five-year period: <ul style="list-style-type: none"> • 106 new apprenticeships and 90 new jobs created • 3 new apprenticeship standards delivered 	

	<ul style="list-style-type: none"> • 5 Digital Tech Centres • 3 online learning and monitoring platforms improving the experience of over 3,000 apprentices • improved learning experience for over 5,000 learners • Colleges with a vastly improved, fit for purpose and securer IT estate
Brief description:	<p>Each college will:</p> <ul style="list-style-type: none"> • Refurbish an existing area of their buildings to serve as a model ICT facility for the purposes of enhancing digital skills capabilities of learners entering the workforce and for developing enhanced digital skills capabilities for the off the job training of learners on full-time, part-time courses and apprentices at each location. • Specialise in a digital theme. Knowledge and insight will be shared within the project management group/across all college partners and will serve to advance the higher level digital capabilities of the consortium. • Specialisms are: <ul style="list-style-type: none"> ▪ Andover College - 3D Tech/Virtual Reality ▪ Basingstoke College - Artificial Intelligence ▪ Brockenhurst College - Digital Media ▪ Brooklands College - Gaming ▪ Guildford College - Cyber Security ▪ Farnborough College of Technology- Tech to Improve Student Experience

- 4.3 A verbal update will be given at the meeting from the outcome of the due diligence recommendations.
- 4.4 Subject to the due diligence recommendation and any due diligence caveats, it is recommended that PMG approve the project.

5. Summary

- 5.1 It is recommended that PMG approves progressing the Sparsholt College 'Condition works', Guildford College 'Technology Tower' and 'Pathway to the Virtual Campus - EM3 Digital Technology Centre' projects proceed to legal agreement.

Sarah Carter
Head of Skills
28 June 2018