



# LOCAL GROWTH FUND SKILLS CAPITAL PROJECTS 2018/2019 PROSPECTUS

Guidance for applicants  
seeking Local Growth Funds  
for Skills Capital Projects



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## INTRODUCTION

1. The Strategic Economic Plan (SEP) for Thames Valley Berkshire (TVB) was submitted to government in 2014. It stresses TVB's dependence on the quality of its workforce, the overarching priority being to *secure better access to talented people and bright ideas, and to use both more effectively*.<sup>1</sup>
2. The SEP is clear that the economic potential of our area must not be restricted by the supply of skilled labour or skills shortages. Its submission resulted in the LEP securing Local Growth Funds (LGF) via three Local Growth Deals (GD) worth £142m (capital). This includes £4m LGF for skills capital projects (SCP), predicated on (but not limited to) investment in "STEM Solutions Labs" across Thames Valley Berkshire, an explicit project in our SEP.
3. TVB LEP is committed to ensuring that LGF investment in skills capital projects helps to address the skills challenges faced by local businesses now and in the future.
4. Our 2018 Skills Priority Statement (SPS) identifies key areas in which we believe investment should be prioritised in order to grow the economy, raise productivity and improve the wellbeing of residents. It draws on a wide range of published and new evidence, including the views of over 1,300 Berkshire employers and is set in the context of a rapidly evolving national skills system.

## PURPOSE

5. The purpose of this prospectus is to set out the context, priorities and process for applications seeking Local Growth Funds to deliver capital projects that will help meet the skills needs of Thames Valley Berkshire.

## FUNDING AVAILABLE

6. **£3.1m** is still available for investment in SCPs on a competitive basis to all FE Colleges and publicly-funded skills providers located within the LEP's geographical area that provide training to Berkshire businesses and residents.
7. The minimum project value will normally be £50,000 and our expectation of match funding is set out at Appendix A. The LEP will consider applications below this amount if they relate to the purchase of equipment (see 38).
8. Where demand exceeds the available allocation, we will prioritise projects according to the

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<sup>1</sup> Thames Valley Berkshire Strategic Economic Plan 2015/16 to 2020/21



principles of investment at [Appendix A](#).

## KEY INVESTMENT PRINCIPLES

9. Proposers will need to demonstrate a clear demand for their projects from potential employers and a key element of bids should show how employers have been consulted during the development stage.
10. The LEP's intention is to deploy funding for SCPs that align with the economic evidence drawn from the [2018 SPS](#), the [SEP](#) and [Thames Valley Area Review of Post-16 Training & Education](#), in particular its skills conclusions.
11. The proposed Skills Capital Programme is based on the Tier 1 & 2 priority job families:
  - Digital tech
  - Engineering and Science
  - Construction
  - Health and Social Care
  - Education
12. We are particularly interested in hearing about projects that support the skills pipelines for these job families, including increasing apprenticeship provision. We will however, consider applications that support any of the job families outlined in our 2018 SPS. It is preferable for projects to be scalable and sustainable. The table overleaf sets out these job families along with the reasons why they have been selected. Further information is provided in the SPS.

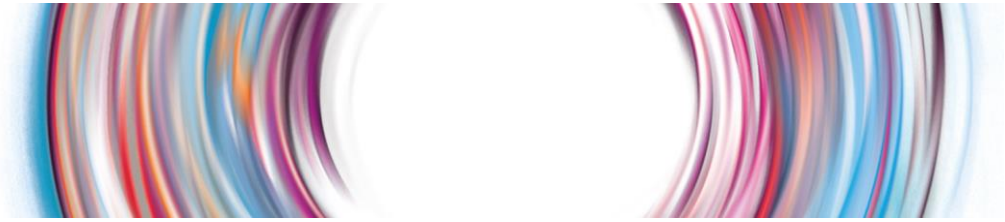


## Priority job families for local employment and skills interventions

Reason why identified as a priority						
Tier	Job family	High number of jobs	Strong job growth predicted	Employers finding it hard to fill vacancies	High value to the economy of Berkshire	Valuable to the wellbeing of Berkshire residents
Tier 1	Digital tech	✓	✓	✓	✓	
	Engineering & science		✓	✓	✓	
Tier 2	Construction			✓	✓	
	Health & social care	✓	✓	✓		✓
	Education			✓		✓
	Transport & distribution		✓	✓		
Tier 3	Hospitality	✓		✓		✓
	Business & finance	✓	✓		✓	
	Sales & customer service	✓	✓		✓	
	Creative				✓	✓

### ECONOMIC CONTEXT – THE SKILLS CHALLENGE

13. Berkshire’s economy is extremely strong. It is the most successful economy outside of London (in terms of economic output and productivity) and is one of the top three areas of the country for ‘inclusive’ and ‘good’ growth.
14. However, skills shortages are more acute in Berkshire than across England as a whole and are a barrier to growth and innovation for many local businesses.
15. Employers in Berkshire attribute a much higher proportion of hard-to-fill vacancies to applicants lacking the required skills (skills shortages) than the national average.



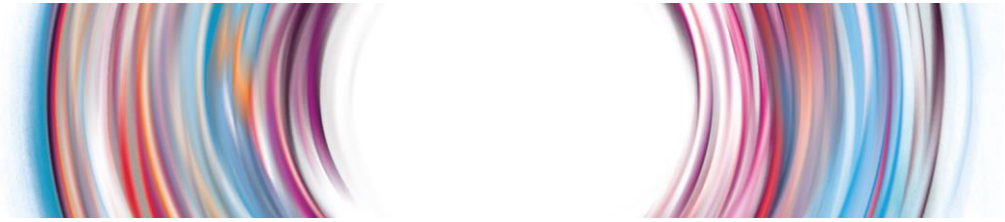
16. At an employer level, when examining the **number of staff in Berkshire** receiving training, we see that employers are **training fewer staff** than the national average (in 2015, 56% of staff received training over the last 12 months, compared to 63% nationally) and **for a shorter length of time** (5.8 training days per trainee versus 6.8 days nationally). In fact, when calculated as a proportion of all staff, Berkshire employers provide staff with the least amount of time to train than in all other LEP areas.

## APPRENTICESHIPS IN BERKSHIRE

17. Berkshire employers are less likely to take on apprentices than employers in the rest of the country and there appears to be low awareness of what Apprenticeships involve.
18. Only 6% of workplaces in Berkshire have an apprentice compared with 12% nationally and a smaller proportion of workplaces in Berkshire have apprentices than the surrounding LEP areas.
19. Only 35% of Berkshire employers are aware of Apprenticeships compared with 46% nationally. However, there are signs that this is changing with 18% of employers who haven't employed apprentices in the past planning to employ them in the future.
20. Berkshire has one of the lowest achievement rates in the country at 64.7%. Our aim is to be in the upper quartile with an achievement rate of at least 68%.
21. Research undertaken as part of the Thames Valley Area Review of Post-16 Training and Education found that the two main areas in which there appear to be gaps in Apprenticeship provision in TVB are Engineering and Science & Construction.
22. To facilitate these Apprenticeships, there is a need for greater collaboration between schools/colleges and employers to ensure a ready supply of young people coming forward to fulfill the roles offered. These Apprenticeships are vital to equip the next generation with the necessary skills to drive growth in the TVB economy.

## SKILLS PRIORITIES FOR BERKSHIRE (EXTRACT FROM 2018 SPS)

23. Berkshire has a large STEAM workforce and acute skills shortages particularly in the fields of digital tech and engineering; the SPS has recommended that we support institutes to help address local STEAM skills shortages and develop the skills needed for the future.
24. There is an ongoing skills shortage in 'low profile' sectors, which could be exacerbated by Brexit.
25. There is a potential undersupply of publicly-funded training for engineers, electricians and IT technicians in Berkshire.



26. We need to ensure that T-level provision meets the needs of the local economy and consideration should be given to providing T-levels that will deliver the skills and knowledge required for the technical level jobs that are in demand locally (see page 10 of SPS).
27. There is a disconnect between employers, education providers and young people and we need to continue to promote employer/education collaboration at all levels.
28. There is a need to retain and attract the brightest and best talent and to ensure that the skills provision locally can meet future demand.
29. Apprenticeship take up is low and we encourage local providers to develop/grow higher and degree level apprenticeships in our priority sectors.
30. Entrepreneurialism and managerial skills are critical to the local economy and we are seeking to promote projects and schemes that develop these skills.
31. The Thames Valley Area Review identified that there are gaps in the availability and accessibility of learning provision for high needs learners particularly across the Berkshire unitary authority areas.

## APPLICATION TIMELINE AND PROCESS

32. This prospectus invites *Expressions of Interest* (EoI) for SCP that will be assessed initially by the LEP's Skills, Education & Employment Programme (Strategy) Group. An EoI proforma is available at [Appendix B](#).
33. If an EoI passes this stage, applicants will then be asked to complete a detailed business case, which will be assessed independently to ensure value for money. The recommendations from this will be considered by the LEP Executive Board and, if successful, a capital grant letter issued.
34. A schedule will be agreed between the applicant and the LEP at the EoI stage.
35. The final deadline for the issue of capital grant letters is 31 March 2019 and funding will need to be claimed from the LEP by 31 March 2020.
36. EoIs will be considered at the following review points:
  - 24 August 2018
  - 23 November 2018
37. These review points serve two purposes: timelines for applicants and an opportunity for the LEP to manage the investment of the £3.1m LGF allocated for SCP.



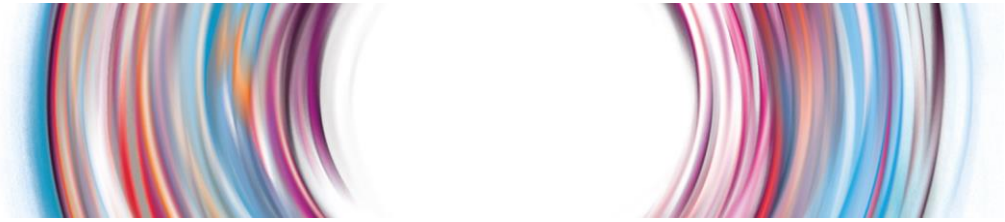
## ELIGIBILITY

38. This process is open to publicly-funded skills providers (subject to them meeting State Aid regulations). Organisations must be located within the LEP's geographic area and outputs should benefit Berkshire businesses and residents. Collaboration between organisations is encouraged.
39. Investment is available for the purchase of equipment; specialist software/hardware; remodeling or extension of current facilities; and new build facilities. The minimum project value will normally be £50,000 although the LEP will consider applications below this amount if they relate to the purchase of equipment.

## CONDITIONS OF LGF

40. Successful applicants will be issued a capital grant letter; this will stipulate a number of conditions that come with LGF, e.g. responsibility for all aspects of the design, risk management, insurance, procurement, construction and implementation of the scheme; progress reports on the implementation of the capital scheme; any changes in the size, scope or specification of the scheme; and any substantial savings against the scheme budget whether achieved by such changes to the size, scope or specification of the scheme, or through procurement, or through the efficient implementation of the scheme.
41. In particular, successful applicants will be expected to give due regard to the Public Services (Social Value) Act, particularly through the employment of apprentices across the scheme supply chain, where appropriate.
42. The scheme promoter will be required to provide accurate, timely, verified and quality assured monitoring data, which relate to defined output and outcome indicators agreed between TVB LEP and government as a condition of its Growth Deals, and to make progress reports on outputs to the LEP. Details will be provided at full application stage but outputs are likely to include:
  - Number of learners undertaking learning related to priority job families (including apprentices)
  - Sq. m new/refurbished/rationalised training/learning floor space
43. Where agreed, selected applicants will also be required to participate in an evaluation as set out in the LEP's Growth Deal Monitoring and Evaluation Plan.
44. Applicants will also be expected to acknowledge the financial contribution made to their scheme through LGF by following LEP Communication Guidelines that will be provided (with the capital grant letter) and which comply with national LGF Communication Guidelines.





## APPENDIX A – PRINCIPLES OF INVESTING LGF INTO SCP

On 27 March 2018, the LEP Forum ratified the following **PRINCIPLES** to underpin a new policy on the investment of LGF into skills capital projects:

- A. In the first instance, applications must address the “key priorities” and/or “priority job families” set out in the SPS.
- B. The key principle is that investment will be determined by the strategic fit with the SPS and all applications will be considered on merit once their fit has been established.
- C. It is expected that applicants will demonstrate match through sources such as staff time (see E.), revenue funds, etc.
- D. It will be necessary to demonstrate that any land or building (or relevant part) used for the SCP will be dedicated exclusively for use for the delivery of the project either: for the project lifetime; for the economic life of the building; or another appropriate period.
- E. It is possible for organisations to identify the costs associated with employees delivering the supported project as potential match funding. In order to be eligible, the staff concerned must be performing duties associated with the project. In audit terms the easiest way of using staff time as match is to identify and use those staff members who are employed full time in delivering the project. If staff time associated with employees who are not full time on the project are used then time sheets detailing the specific time spent on the project must be maintained.
- F. Assessments of all final skills capital applications will be conducted independently and include a value for money appraisal.
- G. The cost of independent assessments will be capitalised (as agreed with the LEP Accountable Body) and found from the final LGF grant settlement.
- H. Subject to A & B above, investment in ‘inclusive growth’s is supported but the use of LGF to maintain college estates or invest in student accommodation is not.



## APPENDIX B – EXPRESSION OF INTEREST PROFORMA

### **Project summary and overview**

- Name of project
- Lead organisation – and contact details (name, email, telephone numbers)
- Partner organisations (which are involved in, and committed to, the project)
- Location of the project
- Brief description of the project and the main activities within it

### **Rationale for the project and strategic fit**

- How will the project contribute to the delivery of Thames Valley Berkshire’s Strategic Economic Plan?
- How does the project address the skills issues identified in the Skills Priority Statement 2018
- What is the rationale for the project; and what market failures will it address?
- What are the main outputs that the project will deliver? Its intended impact and benefits?
- How will the project meet the principles of investment in skills capital projects, i.e.:
  - Address the “key priorities” and/or “priority job families” set out in the SPS
  - Contribute to the Berkshire STEAM strategy
  - Be matched by the applicant
  - Provide value for money

### **Resourcing and deliverability**

- In ball-park figures, what will be the call on resources from the Local Growth Fund?
- What are the other main components of the overall funding package; and how secure are these?
- If funding is secured from LGF:
  - when could delivery commence?
  - what are the principal risks/uncertainties linked to the timing of delivery?
- How will you evidence compliance with State Aid regulations?