

Greater Manchester Skills Capital 2017-20 Launch

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Introduction

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Agenda

GM Skills Capital Programme 2017-20

Part 1 – Strategic Context and Objectives

- Introduction
- Strategic Overview and Background
- Greater Manchester Skills Capital Programme Overview

Part 2 – The Commissioning Process

- Eligibility
- Key investment principles
- Investment Strands
- Application Process and Timetable

Part 3

- Q and A

Strategic Overview National

- Post 16 Skills Plan– Technical pathways
- Apprenticeship Reform
- Industrial Strategy – Place based
- Devolution of Skills
 - Adult Education Budget
 - Skills Capital
- Brexit implications

GM Context

Labour Market

- 1.24m people GM employees in 2016 compared with 1.19m a decade ago.
- Labour market recovery in GM skewed towards flexible forms of work i.e. zero-hours contracts.
- GM had c189,000 people receiving the main out-of-work benefits in May 2016; a fall of 92,600 since the peak of 281,400 in 2009

Skills

- GM has seen improvements in skill levels since 2004 when the proportion of people with an NVQ L4+ was less than 25% and almost 20% of people had no qualifications. Today, 33.7% have a level 4 qualifications and 10.1% have no qualifications.
- There is still a gap at L4+ between GM's population and that of the UK: the UK average is 36.9%.
- It is forecast that to the years to 2022, almost 250,000 jobs will be created in GM, of which a quarter will require skills to Level 3+

Employment

- Sectors experiencing an increase in employment between 2011 and 2015 include ICT (30.2%), Property (24%), Business Admin (17.0%), Arts, Entertainment & Recreation (13.0%), Professional, Scientific and Technical (12.7%) and Retail (11.4%).
- Jobs in Financial & Insurance services declined by almost 20% (or 9,600 jobs) between 2011 and 2015. Manufacturing, Construction, Public Administration & Defence and Motor Trades also saw employment levels fall.

GM Priorities and Actions

GM Work & Skills Strategy put in place to address systematic issues, alongside wider Greater Manchester Strategy – encompassing all elements of public service reform and reinforcing the importance of integration and ‘one approach’ to education, work and skills

Greater Manchester Strategy Priorities

Young people equipped for Life

Good jobs, with the opportunity to progress and develop

Healthy lives, with quality care for those that need it

An age-friendly GM

Work & Skills Strategy Priorities

1. Improving CEIAG to support informed decision making

2. Reforming the system to focus on outcomes not outputs

3. Developing skills infrastructure to meet economic need

4. Improving attainment from compulsory education

5. Strengthening employer engagement / investment in skills

6. Growing the quality and quantity of Apprenticeships

7. Developing and retaining higher level skills

8. Redesigning universal support provision

9. Developing specialist support for hard-to-reach groups

10. Ensuring commissioned programmes have a work & skills focus

Outcomes

All young people have the skills to succeed for life and work

Residents have the opportunity to progress to technical/higher level skills which employers need to compete globally

Residents will have integrated support to enter, sustain and progress in work

Employers will offer quality employment with clear career progression routes

Improved outcomes for people with health needs; more people supported to stay well and live at home for as long as possible

More older people will secure and retain employment

Impact to date

Although activity is ongoing, we have already seen some significant impact from various programmes:

Children & Young People

- ✓ **£339,000** Careers and Enterprise Company Investment funding for GM schools 2016-2018
- ✓ **3000** young people received Apprenticeship IAG
- ✓ **£1,706,336** - Total investment for Careers Education, Information, Advice & Guidance across GM
- ✓ Over **6000** young people accessing industry relevant up to date LMI

Higher Level Skills

- ★ **£2m secured** for delivery of a GM Digital Talent & Skills Programme
- ★ **£4m ESF investment** across GM to support access to higher level skills
- ★ **£70m Skills Capital Funding**
- ★ 11 training providers supported to develop and deliver Higher Level Apprenticeship frameworks resulted in **340 HLA starts**

Work & Health (Unemployed residents)

- ▶ **1339** disengaged young people supported into work through Youth Contract Extension
- ▶ **18,000** residents supported Working Well Pilot & Expansion programmes have
- ▶ **£52m** investment secured to commission the Work & Health Programme under Devolution
- ▶ **£12m ESF investment** to support **6000 unemployed residents** to access skills

Employers

- ▶ **5,995** grants paid to employers for taking on apprentices via GM AGE Grant, totalling over **£8m investment**
- ▶ **£100k** investment in employer engagement through LEP & Careers and Enterprise initiative
- ▶ **£5.8m ESF investment** to support employers with workforce development and up-skilling staff

Greater Manchester Skills Capital

- £71m in Local Growth Fund for 2017-20
- Industry-standard learning facilities have a major role in delivering GMs ambition
- Skills Capital is one of a number of financial tools now available to support the Greater Manchester plans for devolution
- Impact positively on skills development, NEET and unemployment, Apprenticeships and development of centres of excellence for higher level skills in sectors critical to the growth and productivity of the GM economy.

Skills Capital Delivery Criteria

- An offer that meets each area's educational and economic needs
- Sufficient access to high quality and relevant education training for all
- Providers with strong reputations and greater specialisation
- Provision which reflects changes in government funding priorities and future demand
- Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment

Part 2

The Commissioning Process

Ian Ruff Specialist Skills Adviser to
GM Combined Authority

The Commissioning Process

- Builds on (E)SFA process
 - Similar application forms
 - Investment and financial cost models
- Variations
 - Now integrated within GMCA Local Growth process
 - Greater emphasis and weighting on
 - Strategic fit including collaboration
 - Options analysis

Eligibility

- Further Education Colleges or other approved training organisations that are on the Register of Training Organisations and who hold a prime contract or have access to funding from the Education and Skills Funding Agency or Apprenticeship Levy to deliver education and training for 2017/18 and/or who are expecting to hold a contract in 2018/19.
- Exceptional circumstances, non-traditional training organisations including employers, or consortia offering learning and training as part of a wider infrastructure or regeneration development

Eligibility

The CA will not consider as eligible proposals involving:

- Work that would normally constitute the usual summer works, or planned maintenance and redecoration, including fulfilment of statutory duties
- Improvement to, or addition of, temporary or modular type buildings.

Key Investment Principles

- Provide Excellent Learning Facilities to support GM Work and Skills priorities including sectors
- Demonstrate impact and benefits of the educational and economic case
- Deliver value for money
- Significant improvement to the condition of the FE estate
- Evidence of need/demand in sector and location
- Strong employer support
- Innovative approaches
- Collaborative and partnership proposals

Match Funding

- **Applicants will be expected to secure match funding**
 - Benchmark - a 2:1 ratio (applicant: public) for match investment
 - May be varied in specific circumstances where compelling case can be made
 - Need to demonstrate all alternative funding sources have been exhausted

Skills Capital Investment Strands

- **Strand 1:**

Large Redevelopment of Further Education
Min £6m total project cost

- **Strand 2:**

Large projects - Priority Sectors
Min £1.5m total project cost

- **Strand 3**

Smaller Investment Projects < £1m total project

- A. Up to date industry standard equipment
- B. Pilot Projects and refurbishment

Strand 1

Large Redevelopment of Further Education

DESCRIPTION	Enhance, improve or extend FE College facilities/estate
CRITERIA	<ul style="list-style-type: none">• Large scale projects• Link to wider GM strategic priorities• Upgrading Cat C/D• Estate reconfiguration
ELIGIBILITY	FE Colleges based in GM
MAX-MIN PROJECT/GRANT	Min Grant £2m Min total project size £6m
INTERVENTION RATE	33% of eligible costs Unless compelling/exceptional case

Strand 1

Large Redevelopment of Further Education

Potential Projects could include:

- Major estate reconfiguration including consolidation of provision.
- Consortia bids between colleges and other stakeholders to meet wider GM strategic need
- Strategic mergers
- Significant upgrade of poor quality estate

Strand 2

Priority Sectors

DESCRIPTION	New/upgraded facilities to support GM's priority sectors
CRITERIA	<ul style="list-style-type: none"> • High growth e.g. Advanced manufacturing/materials,, Finance & professional, Health innovation. • High employment e.g. Construction, Logistics, Retail, Health & social care, Hospitality & tourism • Cross sectoral e.g. Digital skills and STEM • Focus on Level 3+ and link to technical pathways • Employer investment required
ELIGIBILITY	<p>FE Colleges based in GM</p> <p>Consortia bids including employers, independent providers and other stakeholders welcome e.g. LAs, Universities</p>
MAX-MIN PROJECT/GRANT	<p>Min Grant £500,000</p> <p>Min total project size £1.5m</p>
INTERVENTION RATE	<p>33% of eligible costs</p> <p>Unless compelling/exceptional case</p>

Strand 2

Priority Sectors

Potential Projects could include:

- Centres of Excellence within/across providers
- Upgrade of facilities for specialist higher level training within manufacturing or other growth sectors
- Innovative Collaboration and co-investment with employers and key stakeholders (e.g. HE) for technical pathways in key sectors
- Specialist innovative provision for significant infrastructure investment e.g. HS2/3, Metrolink extension, Airport expansion etc.
- Expanding provision to meet emerging markets e.g. digital skills
- Significant 'live work environments' in priority sectors

Strand 3

Smaller investment Projects (a)

DESCRIPTION	Up to date industry standard equipment
CRITERIA	<ul style="list-style-type: none">• Major equipment to deliver learning in priority sectors• Part of wider capital strategy for the provider• Support employer focussed delivery• Drive excellence and support new models of delivery
ELIGIBILITY	FE Colleges /Independent training providers in GM
MAX-MIN PROJECT/GRANT	Min Grant £100,000 Min total project size £300,000 Max total project size £1m
INTERVENTION RATE	33% of eligible costs Unless compelling/exceptional case

Strand 3

Smaller investment Projects

- **Potential projects could include;**
 - Updating items of equipment to meet industry standards in growth sectors e.g. new or refurbishment of technical laboratory, engineering and digital equipment or machines
 - Development of ‘Live learning environments’
 - Delivery of new forms of training demanded by employers and not currently available within GM
 - Purchase of equipment allowing employer needs to be met via collaborative working to provide a shared asset across providers

Strand 3

Smaller investment Projects (b)

DESCRIPTION	Innovative smaller scale capital development or refurbishment projects
CRITERIA	<ul style="list-style-type: none">• Ensuring further education facilities continue to be fit for purpose, efficient and provide a safe environment for learners.• Small scale specialist sector projects
ELIGIBILITY	FE Colleges /Independent training providers in GM
MAX-MIN PROJECT/GRANT	Min total project size £500,000 Max £1m
INTERVENTION RATE	33% of eligible costs Unless compelling/exceptional case

Strand 3

Smaller investment Projects (b)

- **Potential projects could include**
 - Major items of maintenance work on FE College or private provider learning facilities (rather than routine pre-planned maintenance)
 - Better utilisation of classrooms and community space for the benefit of learners
 - Major improvements to lighting, ventilation, and heating for the benefit and safety of learners
 - Refurbishment or small scale investment for priority sector development
 - Development of specialist provision

Indicative Allocations

- Strand 1: £40m
- Strand 2: £25m
- Strand 3: £3m
- Contingency £3m
- **Total £71m**

➤ Virement between Strands possible

Application Process

- **Two stage process**
 - Stage 1 Expression of Interest
 - Stage 2 Full Application in detail
- **Governance**
 - Process managed via Combined Authority Work and Skills Executive and Core investment Team
 - Accountability through Lead Chief Exec and Leader with portfolio for Skills, Employment & Worklessness
 - Final decisions through Combined Authority

Assessment Criteria

- **Strategic Case** - Meets skills priorities and contributes to GM Strategy and Work and Skills Priorities
- **Economic Case** - Best option to meet current gaps in learning provision and or improve the quality of the learning experience for learners/employers
- **Commercial Case** - Technical specifications, fit for purpose buildings, quality/standard of building, value for money, deliverability
- **Financial Case** - Value for money, reduces dependency on public funding,
- **Management Case** - Programme management, contracting, evaluation, risk and contingency

Expression of Interest requirements

- **Strategic Case** - Fit with and contribution to Work and Skills Priorities - Impact on Growth Agenda - Impact on Learners – Rationale for estate renewal - Collaboration and partnership
- **Economic case** – Reasons for option chosen, Value for Money
- **Commercial case** – Deliverability
- **Financial case** - Leverage expected, dependency on public funding, affordability, case for intervention if > 33%
- **Management Case** - Programme management, Risk and contingency

Strands 1 and 2

Full detailed bid requirements

- **Strategic Case** - Fit with and contribution to Work and Skills Priorities - Impact on Growth Agenda - Impact on Learners – Rationale for estate renewal - Collaboration and partnership
- **Economic case** – Reasons for option chosen, value for Money (ESFA Investment Appraisal model)
- **Commercial case** – Terms agreed for acquisition, Deliverability, Planning and programming risk and contingency
- **Financial case** – Financial viability, Match funding evidenced, affordability (ESFA financial plan template)
- **Management Case** - Programme management
- **Support Documentation** –Building cost, design, adopted estate strategy etc.

Strand 3 Smaller investment projects requirements

Lighter touch application form(s)

Strand 3a Equipment

- Contribute to meeting GM's Work and Skills priorities
- Support employer focussed delivery
- Drive excellence and support new models of delivery

Strand 3b Small Scale Investment

- More detail on five cases in EoI.

Timetable

Key Dates

Date	Milestone
8 Sept 17	Skills Capital Programme Launch Commissioning prospectus GMCA website address?
11 Sept	Round 1 Launch – Advanced projects Expression of interest forms
6 Oct	EoI Round 1 deadline
1 Nov	Notification of successful EoIs Full Business Case development
Mid Jan	Round 2 Launch
31 Jan 18	Deadline for Full Business Case
Feb 2018	Full bid appraisal
Mar 18	Final approval Round 1

Documents and Support Available

Application Forms and Guidance

- Expression of interest Application Form and Guidance
- Full Application Form Strands 1 & 2
- Detailed guidance notes for full applications
- Full application Form Strand 3
- Guidance notes for Strand 3 projects

Other Key Strategic Documents

- Our people:our place: The Greater Manchester Strategy
- Greater Manchester Work and Skills Strategy and Priorities 2016-2019
- GM Skills Analysis
- GM Deep Dive Skills Reports
- GMSkillsCapital@greatermanchester-ca.gov.uk
- **GMCA website to be added for access to all documents and FAQs**

Greater Manchester Skills Capital Fund 2017-20

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Q & A