



## Towns Fund Programme Summary

This document provides the Headline Summary of Project and Executive Summaries taken directly from the Business Case documents submitted for each of the projects within the Towns Fund programme.

### Project D: High Street Linkages

#### Headline Summary of Project

This project looks at how to regenerate the **riverside area** of Burton Town Centre, focusing on the land between the High Street and the Washlands flood defences, running from Burton Bridge to the Garden of Remembrance. As part of this, it considers **new and exciting ways** for people to enjoy this area, both as residents and as visitors, and how to improve the linkages between the riverside and the town centre. This project establishes a **co-designed plan** for the redevelopment of this land, which would be implemented using the Towns Fund as the first, key investment for Phase 1.

#### Business Case Executive Summary

#### **Strategic Case**

##### High Street Linkages

The Strategic Case sets out the strong rationale that underpins the creation of the High Street Linkages project as part of Burton upon Trent's (Burton's) Town Deal. Backed by the Town Deal Board and other key stakeholders, the repurposing of the High Street Linkages project has very strong widespread endorsement and aligns well with several national, sub-regional and local policies. In particular, the High Street Linkages project will contribute substantially to regenerating a key area between **Burton's High Street and Washlands**, levelling up this area and creating new and diverse ways to drive footfall and tourism activity in this area for all to enjoy.

##### Burton Town Investment Plan

Following a bid made to Government through the Burton Town Investment Plan, the Government approved an allocation of **£23.8 million** for seven proposals, with an aim of 'levelling up' the town and delivering a resilient, better, brighter Burton. As part of the proposals, and in consultation with local people and organisations, Project D has been developed which will take the first steps towards enabling the realisation of a new High Street masterplan, focusing on enhancing the adjacent the Washlands, and looking at how to connect the riverside to the High Street.



## Economic Case

### Approach

The Economic Case assesses the economic impacts of the **High Street Linkages** project and whether value for money for the public sector is optimised. The assessment of economic benefits for this **Towns Fund** scheme has been undertaken in full compliance with the latest **HM Treasury Green Book** (2020) and relevant Departmental guidance, such as **Department for Levelling Up, Housing and Communities** (DLUHC).

### Short-listing

The identification of long-list options was driven by the Strategic Options Framework Filter process in the HM Treasury Green Book, accounting for: scope, solution, delivery, implementation, and funding. This optioneering process enabled the longlist of intervention options to be scoped, alongside the Reference Case.

The full assessment of long-listed options has been based on their ability to meet a range of Critical Success Factors (CSFs) identified in the HM Treasury Green Book. Those which failed to meet the CSFs were rejected with the preferred option taken forward into the economic analysis.

### Economic Benefits

Following identification of the preferred option, the associated economic benefits were calculated in relation to **Land Value Uplift, Amenity benefit, Events and cultural wellbeing, Residents into employment, Labour supply** and the positive **distributional impact** of investment in Burton (compared to more prosperous parts of the country).

### Economic Costs

The financial costs of the proposed interventions have been developed by Thomas Lister, drawing on the Masterplanning undertaken by Bi Design Ltd, and cost and valuation work undertaken by **Fusion**. Nominal financial costs have been converted to economic costs in line with the Green Book approach by using the HM Treasury's GDP deflator index to convert estimates of future costs to constant (2021/22) prices. The constant price costs have been adjusted to present value costs by applying the Treasury's Social Time Preference discount rate and optimism bias has been applied.

### Non-quantified and Intangible Benefits

Building upon the analysis of quantifiable effects, consideration of the wider economic, social, and environmental benefits associated with the Hub has been undertaken with regard to **regeneration, image, sustainable development** and acting as a **Catalyst for future investment**. The weighting framework demonstrates that the most important wider benefits for the project relate to Regeneration and Investment. The intervention is likely to deliver significant additional benefits in these areas, as well as addressing deprivation, above the Do Nothing position.



## Summary

The key results of the Economic Case based on quantified benefits are summarised in the Appraisal Summary Table. Option 1 has been identified as the preferred option due to its BCR of **1.5:1** which represents “Acceptable” value for money (DLUHC Appraisal Guide). Furthermore, the option performs strongly in the assessment of non-monetised benefits.

Sensitivity analysis has been undertaken to test the robustness of the value for money estimates and their susceptibility to change in any of the key conditions underlying the programme. The results from this analysis are presented within Section 2 and in all three scenarios, the BCR remains above 1.

## **Commercial Case**

### Procurement

This section considers the Commercial Case for Project D including the proposed procurement and delivery strategy. It sets out the specification of the redevelopment that is to be funded by the public sector and considers the risk allocation between the private and public sector. The legal and Subsidy Control issues associated with the scheme are also detailed.

The High Street Linkages project will be compliant with the **Council’s procurement policy**. All contractors will be procured in line with ESBC procurement guideline. All contracts for purchase by the Council will fall under the definition of Works, Supplies or Services. The procurement process the Council is required to follow when purchasing works, supplies or services is dependent upon the type and estimated value of the contract. For 'lower value' contracts, quotations will be obtained, and the budget manager and relevant Head of Service will make the decision as to which supplier to award the contract to. This decision will normally be based on best value for money.

## **Financial Case**

### Financial Viability

The Financial Case has been prepared with a view to demonstrating the financial viability of delivering those proposals set out in the masterplan, subject to the right funding and delivery mechanisms being applied and with the input of Towns Deal funding with a view to delivering the initial phases of the proposition.

The Financial Case sets out the forecast expenditure and receipts relevant to deliver the scheme. Towns Deal funding, will specifically facilitate an initial phase (Phase 1) of the proposals, which will include the creation of a new Washlands Visitor and Education centre overlooking the riverside, the enhancement of Andressey Passage and the Garden of Remembrance, the refurbishment of the Water Tower with a new viewing platform, new public realm facilitating pop up events, a new heritage centre in a listed building, eight town houses, and 22 First Homes for keyworkers.

It is anticipated that the remaining elements of the masterplan (Phase 2) would be facilitated through **Levelling Up Funding**.



### Approach to Financial Case

The Financial Model has been prepared on the basis of a worst-case scenario insofar as that it does not assume any capital or revenue income from the project, instead focusing on the whole capital costs for delivering Phase 1. Towns Fund funding is sought to deliver this phase of works, together with capital investment from ESBC's S106 monies for affordable housing. There is the potential for other private sector or grant funding to be realised, which would be used to add further value to the scheme, such as to bring forward elements of Phase 2 sooner.

### **Management Case**

The Management Case describes how the **High Street Linkages** project will be delivered by ESBC. By presenting the governance and management, alongside the programme plan, stakeholder management arrangements, risk management provisions and the proposed benefit realisation, the Management Case shows how the regeneration of the riverside area of Burton Town Centre will be delivered within programme timescales, within budget and to an agreed high-quality.

Although the Burton Towns Fund Programme is being managed through the Town Deal Board partnership, ESBC is the accountable body for the Towns Fund. ESBC is the **Project Sponsor** for Project D, while the other Towns Fund projects are being led by partner organisations. In order to enable the Council to both manage the development of this project and be responsible for the overall programme, it has created an 'ethical wall' between the two, meaning that the people working on Project D are not the same people involved in the overall Towns Fund programme.

Once every two weeks, two allocated "**Project Leads**" from the Burton Town Deal Board (Valerie Burton and Ben Robinson) meet with the **Project Sponsor** representative (Thomas Deery) to discuss progress and discuss any external requests for the **Project Board** to consider. Generally, this meeting takes in advance of the Town Deal Board to enable a good two-way flow of progress reporting and information requests.



## **Project G: Canal Towpath Improvements**

### **Headline Summary of Project**

The project will upgrade the surface of the towpath that runs along the Trent and Mersey Canal from Branston Water Park to Princess Way so it can be used for active travel (cycling and walking) for commuting, short trips and leisure use.

In its current state the towpath is mainly unsurfaced, narrow and muddy and does not deliver its potential economic or social / health potential. The new towpath will be constructed from aggregate with a self-bind top dressing.

### **Business Case Executive Summary**

#### **Strategic Case**

Canal & River Trust is the charity that protects and manages the nation's waterways. The Trust cares for 2,000 miles of canals and thousands of listed structures. Our waterways help to stimulate regional, sub-regional and local economies and are being used successfully as tools in improving community well-being, urban and housing offers; attracting and generating investment; place making and shaping; as well as in delivering wider public benefit. Waterways are making an increasingly important contribution to the visitor economy and there is a growing national awareness of the added value and commercial betterment deriving from the presence of waterways in developments.

"Project G" will improve the towpaths through Burton so they can be used year-round for active travel (cycling and walking for commuting and short trips) and leisure use by residents and visitors. Funds were initially allocated in the Town Investment Plan to upgrade the towpath from Branston Water Park to Shobnall Footbridge "Phase 1". Due to withdrawal of other projects within the Town Fund programme a request is made for additional funding to also complete Phase 2. This will improve the towpath surface from Branston Waterpark to Princess Way.

The project focuses on upgrading the current surface, which is narrow, muddy and uneven with a wider path with a self-bind aggregate surface that will be suitable for year-round use by cyclists and pedestrians. This project aligns closely with national, regional, and local policy

#### **Economic Case**

This project will deliver a range of economic benefits that can be quantified by using a Government / Green Book approved tool (ORVal) to assign a value to accessible green/blue infrastructure, including canals.

This tool provides an annual economic value, expressed as a "welfare value" which is used to calculate the Benefit Cost Ratio (BCR) for the project.

The BCR is: 2 i.e. the project will deliver £2 benefit for each £1 invested



### **Commercial Case**

This is a non-complex minor works project that will be delivered through a contractor that has been procured through a best-practice / compliant route. This will ensure best value is achieved.

There are potentially two procurement routes; either via Staffordshire County Council's framework contractor (AMEY) or via Canal & River Trust's framework contractor (Kier).

### **Financial Case**

The cost for the project is based on pricing intelligence / estimates provided by AMEY who are the framework contractor for this type of work for Staffordshire County Council.

The current economic circumstances mean there is significant volatility in the construction market. Cost over-run risks have been mitigated as far as possible through risk budgeting and contingency planning.

### **Management Case**

Canal & River Trust owns and manages 2,000 miles of canal network and a very significant waterways infrastructure including reservoirs, pumping stations, dams, and major civil engineering structures.

The project will be delivered through a tried and tested industry best-practice management and delivery mechanisms.



## **Project H: Cycle Network Enhancements**

### **Headline Summary of Project**

Cycling and pedestrian improvements will be delivered along Borough Road between the rail station and the town hall; along connecting roads through residential areas, together with improved cycle provision on the A511. Complementary cycle parking will be installed at key locations. The scheme will remove acute barriers to cycling/walking and is expected to achieve high value for money (BCR: 3.22) and will help to deliver the Local Cycling and Walking Infrastructure Plan. East-west connectivity will be improved between housing growth areas, residential areas, the canal, town centre developments and onwards to the new Washlands walking/cycling bridge.

### **Business Case Executive Summary**

#### **Strategic Case**

Poor connectivity is underplaying the town's key attractions and may threaten the town's future success and realisation of its regeneration ambitions. Walking and cycling hurdles and barriers have been assessed through audits undertaken in 2019 as part of the development of the Local Cycling and Walking Infrastructure Plan (LCWIP). LCWIPs are a long-term approach to developing cycling and walking networks, including a ten-year prioritised programme of improvements. In Burton upon Trent, there is the potential to link up existing cycle infrastructure more effectively, strengthening connections between existing off road, on road and advisory routes as well as the National Cycle Network.

In April 2018, URBED, as part of the Cushman and Wakefield team, were appointed by East Staffordshire Borough Council and Staffordshire County Council to propose a new vision for Burton upon Trent, to be a town 'fit for the future'. This project was one of 11 projects that was presented to public and stakeholder and was ranked 4th in terms of level of overall support. Consultations on the LCWIP and the Active Travel Fund scheme on Station street also provide evidence of strong support for investing in cycling.

National policy that supports cycling includes 'Gear Change' published by the Department for Transport in July 2020 as its new bold vision for cycling and walking. The Government's core design principle outlined in LTN 1/20 is that cycle networks and routes should be Coherent, Direct, Safe, Comfortable and Attractive. The National Planning Policy Framework (February 2019) states that planning policies should provide for high quality walking and cycling networks and supporting facilities such as cycle parking (drawing on Local Cycling and Walking Infrastructure Plans).

As well as the LCWIP, local policy support for cycling includes the Burton Regeneration Strategy 2019; East Staffordshire Borough Integrated Transport Strategy that informs the East Staffordshire Borough Council Local Plan; the Staffordshire's Climate Change Strategic Development Framework; Staffordshire's Health and Wellbeing Strategy 2018-2023 and Staffordshire's Mental Wellbeing Strategy. Investing in sustainable transport also supports economic growth in line with the priorities set by Stoke-on-Trent and Staffordshire Local Enterprise Partnership.



The 35 potential schemes proposed for Burton upon Trent in the LCWIP were reviewed to decide which schemes should be delivered using Towns Fund. This appraisal was based on the following criteria:

- Fit with the objectives of the Burton Regeneration Strategy 2019
- Fit with the objectives of the Burton upon Trent Town Investment Plan 2020
- Priorities within the LCWIP
- The availability of other funding opportunities, including S106, Getting Building Fund, Active Travel Funds, Paths for Everyone funds, Levelling up Fund, Major Road Network (MRN) funding and Staffordshire County Council Integrated Transport capital block
- Schemes that are likely to be deliverable, based on the level of available funding and the delivery timeframe
- Schemes that are likely to deliver the largest benefits
- Schemes that providing meaningful connectivity to town centres, jobs, education and rail stations
- Schemes that will tie into and complement other committed cycling schemes
- Feedback from public and stakeholder consultations

## Economic Case

It is proposed that the scheme includes:

- A stepped, fully segregated two-way cycle route along Borough Road between King Edward Place and Burton rail Station.
- Wider connections including improvements to the National Cycle Network and quiet mixed traffic streets through residential areas where a safe environment will be created to allow cyclists to travel on the road, sharing space with vehicles
- Enhanced crossing provision on the A511 with segregated connectivity to residential areas to the north of the A511
- Cycle parking provision at key destinations. The preferred design is an 'M-profile' variant of a Sheffield stand that supports two-point locking.

The Active Mode Appraisal Toolkit (AMAT) developed by the Department for Transport has been used to complete the monetised costs and benefit for the scheme. The appraisal identifies that 31.9% of the benefits are related to health, 66.8% of benefits are related to journey quality and 1.2% of benefits are related to mode shift. The summary of the analysis is as follows:

<b>Analysis of Monetised Costs and Benefits (in £'000s)</b>	
Congestion benefit	30.17
Infrastructure maintenance	0.17
Accident	5.16
Local air quality	0.73
Noise	0.34
Greenhouse gases	1.15
Reduced risk of premature death	777.04
Absenteeism	134.73
Journey ambience	1908.62
Indirect taxation	-2.71
Government costs	885.76
Private contribution	0.00
PVB	2855.22
PVC	885.58
<b>BCR</b>	<b>3.22</b>

It is currently anticipated that the scheme, together with complementary cycle parking will be delivered within the £1,364,789 allocation. However, this will be reviewed as the scheme design is developed. The costs have been estimated based on current prices for materials and include construction costs, preliminaries, contingency and fees. Further design work will be completed during 2021 and an update will be provided in the December 2021 submission of the business case.

To calculate the BCR an 15% optimism bias has been applied which is the AMAT default. Ongoing maintenance costs have also been factored into the BCR.

Enhancing the cycle network will have the added benefit of improving health and mental well-being, access to jobs and social inclusivity, particularly for those without use of a private car. Evidence shows that there is a measurable difference in productivity levels between staff with higher and lower levels of physical activity. Absenteeism is reduced and long-term healthy employees are productive employees, increasing staff retention and reducing claimants. Provision for active travel will help to ensure that those made redundant as a result of COVID-19 can access work. Providing opportunities to enable more people to walk and cycle and become more physically active will help to improve the health and wellbeing of Burton's residents.

In terms of personal affordability, the proposed infrastructure will benefit vulnerable users including pedestrians and cyclists. Vulnerable groups will also benefit, especially households that do not have access to a car. The proposals will improve accessibility for jobseekers, households with below average income, young people who are Not in Education, Employment or Training (NEET) and 18% of Burton's population that live in areas identified as the most deprived areas in England. As stated in the Equality Act 2010, Staffordshire County Council and Amey will comply with the Public Sector Equality Duty making sure that the scheme is built to ensure the design of infrastructure that is accessible to all.



## Commercial Case

Staffordshire County Council chose Amey in March 2014 as its strategic partner of choice for Infrastructure+ following a rigorous and highly competitive twelve-month procurement process. It provides Amey with exclusivity to deliver capital works up to the value of £0.5m and the ability to deliver works above this value, with no fixed upper limit, subject to the demonstration of 'Best Value'. This is demonstrated on a scheme-by-scheme basis through the production of a Best Value Business Case which is considered for approval through the Infrastructure+ governance boards.

The partnership seeks to:

- Maintain and improve the condition and usability of our physical assets
- Reduce cost of delivering the services and reach the lowest whole life cost of asset ownership
- Involve communities in decisions and delivery of infrastructure
- Improve customer satisfaction in Staffordshire County Council and to enhance its reputation

The Public Services (Social Value) Act 2012 requires bodies who commission public services to think about how they can also secure wider social, economic and environmental benefits. This is supported by SCC (and their contractors Amey). As part of the Procurement Strategy, Social Value will be considered in the evaluation of any tenders with the aim of maximising the Social Value opportunities from the investments made in delivering the Town Investment Plan.

The County Council remains a member of the Midland Highway Alliance and uses it to provide an extra opportunity to benchmark Infrastructure+. The Infrastructure+ contract is also used by private developers (s.278 projects) offering a further 'commercial test' of the end-to-end value it provides as a design and delivery solution.

Amey are already delivering the Integrated Transport capital programme and are delivering the Active Travel Fund scheme on Station Road which the Borough Road scheme will tie into. Amey completed the town centre public realm scheme in the pedestrianised area of Station Street and the Burton rail station Forecourt works, completed in 2020, were jointly managed by Amey and Network Rail contractors.

It is currently expected that the engineering works will be awarded under the NEC3 suite, utilising the 'Engineering and Construction Contract (ECC), Option C – Target Cost with Priced Activity Schedule'. The construction contract will be managed in accordance with Staffordshire County Council's Contract Management Manuals. The contract data will define the works information for the contract that will include scheme drawings and the specification.

Part of the agreed procurement strategy includes the use of Key Performance Indicators (KPIs) once the preferred contracts have been approved. This aims to motivate contractors and suppliers to deliver value for money. The KPIs will vary with each contract but it is expected that they will be focussed on:

- Client satisfaction – quality of output
- Client satisfaction – availability



- Time – delivery to agreed programme
- Cost – delivery to agreed budget
- Innovation
- Social value

### Financial Case

The principle behind choosing Town Funds to deliver these schemes is based on their fit with the Burton upon Trent Town Investment Plan 2020. The choice of scheme has also been influenced by its fit with priorities identified in the LCWIP and the Burton Regeneration Strategy 2019. Other funding opportunities are expected to contribute to the delivery of the wider LCWIP proposals for Burton. This includes, S106, Getting Building Fund, Active Travel Funds, Paths for Everyone funds, Levelling up Fund, MRN funds and Staffordshire County Council Integrated Transport capital block.

At this early stage in the process, before detailed design has been completed, a contingency level of 30% is considered appropriate, especially considering the current climate of cost uncertainties and material shortages. This level of contingency considers risk and inflation. Further design work will be completed during 2021 and an update will be provided in the December 2021 submission of the business case.

Once detailed designs have been approved, a tender price will be provided by the contractor. At this point there will be more certainty surrounding the remaining risks and the contingency will be amended accordingly. A quantified risk assessment will be undertaken to allow sufficient provision for those remaining risks.

The costs have been benchmarked against four similar schemes that have been priced for delivery in 2021/22 as part of the Active Travel Fund and Paths for Everyone programmes. These similar schemes have been priced by the contractor in line with LTN 1/20 and are a reliable basis for the estimated cost of the schemes to be delivered through the Cycle Network Enhancement project. They provide up-to-date rates for the materials and activities expected to be used on this project.

The indicative funding profile is provided below and will be reviewed during the detailed design process.

#### Indicative Funding Profile (to be reviewed at the detailed design stage)

Indicative Forecast	22/23	23/24	24/25	Total
Cycle route infrastructure	200	745	370	1315
Cycle Parking		25	25	50
<b>Total</b>	<b>200</b>	<b>770</b>	<b>395</b>	<b>1365</b>

Staffordshire County Council, as the local highway authority will ensure continued viability of the project through the annual highway maintenance programme.



## Management Case

The wider governance arrangements will be managed by the Towns Fund Board. Governance arrangement within the Infrastructure+ partnership will ensure that project delivery is managed effectively; taking into consideration any potential risks that might arise, whilst continuing to adhere to the project timeline. Through the Infrastructure+ partnership, the schemes will be governed by the Integrated Transport Project Quality Management Plan. The Management Plan is currently being updated to include the new LTN 1/20.

The process will allow the Towns Fund Board to be kept aware of the planned activity associated with the project and how risks are being managed. If any concerns are raised through stakeholder and public engagement, they will be identified at an early stage to enable appropriate action to mitigate the issue. Some flexibility is expected to take place during the design and implementation of the Cycle Network Enhancement Project so that amendment can be made, if necessary, during the consultation and approval process.

An effective Risk Management Strategy will be in place to minimise the impact of risks whilst ensuring potential opportunities are maximised. Risks will be categorised and allocated an owner to ensure that they are managed effectively. The top risks include:

- Third Party Design Specialist Availability
- Time Restricted Budget
- Other works on Site
- Principal Contractor Capacity
- Stakeholder Buy-In
- Approval of the Best Value Business Case to the Infrastructure+ Board
- Material Supply
- Statutory Utilities

A communication and stakeholder management strategy will achieve efficient and effective communication between the Infrastructure+ partnership, stakeholders and the public. Stakeholder awareness of the reasons behind the Burton Town Investment Plan, the Government's new Vision 'Gear Change' and the new LTN 1/20 guidance is essential, together with an awareness of the consequences that might arise in doing nothing to improve the sustainable transport network within Burton upon Trent.

- Key Milestones include:
- Informal engagement and consultation on design options
- Outcome of consultation
- Approval of preferred option
- Detailed design of preferred option
- Final design confirmed for formal consultation
- Formal TRO consultations
- Objections Report
- Final scheme approved
- Construction period



- Scheme opening

The scheme will be delivered between 2022/23 – 2024/25 as part of the County Council's wider capital programme. Other sustainable transport projects are likely to be delivered within Burton upon Trent during the same timeframe so it will be essential that all schemes are co-ordinated as one programme. This will ensure that traffic management cost savings are maximised and that the level of disruption on Burton's highway network is managed to ensure that journey time delays to businesses and residents are minimised.

Once the schemes are delivered, it is recommended that marketing of the new infrastructure is completed to promote the Active Travel agenda, to gain long term acceptance of the need to increase levels of active travel.

Staffordshire County Council's approach will be to follow the principles set out in DfT's Active Travel Fund Monitoring Guidance (Nov 2020). All schemes will be monitored in terms of spend and outputs and data will be collected to evaluate the effectiveness of the schemes in realising the expected outcomes.



## **Project J: Specialist Education Offer**

### **Headline Summary of Project**

This exciting and innovative project will ensure major parts of our curriculum are transformed creating a future pipeline of talent for local businesses enhancing productivity and competitiveness and driving economic development.

This investment will secure significant economic benefits for our town, will create a talent pool that attracts new business to the area and will create future skills that help reshape our economy by growing future focussed sectors.

This reshaped curriculum will have employer needs at its heart and will be designed around innovative uses of technology and modern realistic working environments that provide our learners to secure meaningful and transformative careers.

### **Business Case Executive Summary**

#### **Strategic Case**

Burton and South Derbyshire College has been deeply rooted in its community for over 70 years. Our Strategic Aim of 'Creating the Skills of Tomorrow' underpins all we do and aligns to our core purpose of ensuring our learners (regardless of age) leave us with the technical, vocational, professional and soft/employability skills that are in demand locally both now and in the future.

We are proposing through the Stronger Towns Fund bid a request for support in a £3.2M upgrade of the Colleges facilities to provide a state of the art curriculum offer and facilities in the following areas;

- 1). Health and Social Care
- 2). Science, Technology, Engineering, Arts and Mathematics (STEAM) Hub consisting of Mechatronics, Cyber Security, Creative and Digital and Games Development.

Internal evidence based LMI sources project significant future demand locally within these areas and this project offers our town a unique opportunity to level up locally through the significant enhancement of these sectors through the provision of higher level skills that will be obtained from this investment. BSDC will work hand in hand with local employers to ensure that these facilities replicate real world environments seeing our learners working hand in glove with local employers. This approach would give leading industry players direct access to an ongoing pipeline of talent that adds value to their business and ongoing access to continuous professional development for their workforce.

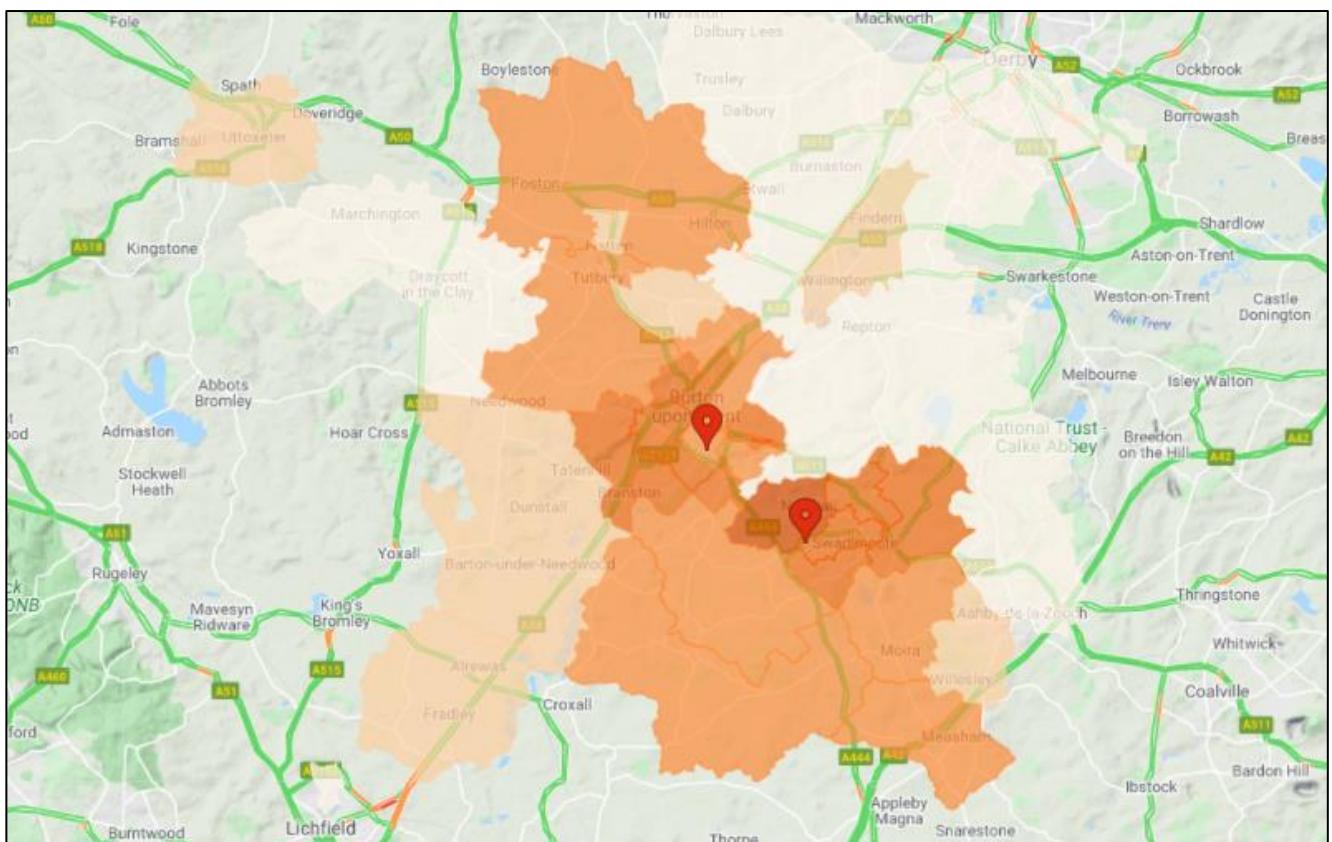
These facilities will build upon the Colleges core strength in employer engagement and will ensure a closer proximity to the industries and their future need within our curriculum. They will provide an access point for

employers to engage with their future workforce developing their talents to meet their skills gaps and enhancing their employment opportunities.

All of these facilities will have a digital core ensuring we are supporting the modernisation of local industries and developing their capacity to future proof their businesses. These facilities will also help attract new and thriving businesses into the area who want to access the local talent pool created by this investment further supporting the levelling up agenda and helping the local economy diversify into emerging sectors that boast high levels of productivity, output and job growth.

The College will utilise its Burton Campus to house these facilities so that they are central to the town and accessible. This towns fund bid will allow leading edge equipment to be purchased which, alongside our future focussed curriculum will give the town a unique skills proposition that isn't replicated anywhere within our local travel to learn geographies.

#### BSDC Learner Geographies and travel to learn





## Economic Case

The impact of Covid 19 has been felt around the world to devastating effect. It has hit many industries hard with many businesses closing and others still facing an uncertain future because of the disease. Many industries will come out of the pandemic significantly different to what they were previously and will need to modernise their ways of working to future proof against similar impacts in the future. We strongly believe that our proposals go some way in helping local businesses achieve this. Many businesses were only able to operate throughout Covid by moving their services on-line. With this come flexibility of service, increased business span and better customer responsiveness. It also opens businesses up to increased risk of cyber security threats and hacking of systems. These plans will directly support protecting businesses against this threat by producing a regular and talented pipeline of skilled individuals to support businesses in becoming cyber secure. Additionally, the pandemic has severely impacted the Health and Social care system seeing an already ageing workforce devastated by the pandemic. Our Health and Social Care realistic environment will provide new talent to this sector locally who are equipped in modern and future facing technologies that will help business thrive whilst meeting the sectors burgeoning problem of future skills gaps. More broadly our focus on creative and games development sectors will help reshape our economy attracting more Covid resilient businesses via a pool of talent and skill within East Staffordshire.

Our own economic forecasts and rationale show;

- In East Staffordshire approx 9,000 people are employed in Health and Social Care and 18% are aged 55+. Over the past 5 years there have been 14,697 unique job postings across this sector amounting to 2,939 postings per year indicating significant jobs demand in this sector. Over the next 10 years 1,620 replacement demand roles will become available in this sector due to retirement (see appendices). Employer discussions also indicate that there is a distinct need to utilise technology to modernise this sector to remove inefficiencies and increase productivity
- The region has become a central logistics hub, where increasingly, automated warehousing and distribution addresses the need to provide an efficient and cost-effective service through the use of technological solutions such as Mechatronics. Currently there are 6,580 people employed in this area with 13,379 unique job postings for this sector in the last 5 years averaging 2,656 available jobs per year. 22% of employees in this sector are aged 55+ denoting a significant replacement demand gap over the next ten years of 1,445 positions.
- Cyber Security. There are 1550 people currently employer in Cyber and related occupations in East Staffordshire with this number set to increase slightly (1.7%) by 2024. The West Midlands region is forecasting 14% growth in this area so there is significant opportunity, via investment, for East Staffordshire to catch up with some of this trend. There has been 3,311 unique job postings for this sector in East Staffordshire over the last 5 years averaging 662 posts per year. Additionally, 10% of these posts are 55+ creating another 300+ posts to be recruited to over the next 10 years.
- Jobs in the local creative sectors are currently 1,397 in East Staffordshire and forecast to grow by just under 5% to 2024. There were 1,394 unique job postings for this sector over the past 5 years with 11% of sector employees over 55 creating 154 new roles over the next 10 years. National growth for this sector is forecast at 8.2% nearly double that of our area providing an opportunity for us to grow this sector locally and enjoy the ripple effect to other businesses in access to a burgeoning local creative sector. Our facility will provide not only the future skills needed and talent pipeline for region, but a creative hub where local businesses can upskill, collaborate, network and



commission high quality work. There is a distinct need to build digital skills locally to support the regions business communities and help rebalance the digital economy.

This Games Development sector locally has a higher than average job posting propensity rate demonstrating difficulties in attracting the skills needed in the sector. East Staffordshire has 1,458 unique job postings in this area and has a forecast growth rate of 1/3 of that of the national average offering significant opportunity to grow this sector locally through this investment and attracting additional businesses looking for local skilled talent.

NB: our economic modelling system is EMSI Analyst. Further information can be found via ([FE Products - Emsi \(economicmodelling.co.uk\)](#))

### **Commercial Case**

The college will take a commercial approach to the delivery of this project. We will utilise our professional procurement in house team to ensure value for money and that all related procurement guidelines that are applicable to our sector are followed and utilised. We will secure at least 3 quotes for all related work and equipment and ensure value for money in chosen suppliers and contractors.

We will project plan the delivery of the project identifying key milestones, related risks (and mitigation) securing any efficiencies or increased effectiveness along the way. We already understand that there is a market (both learners and employers) for this project as our proposals are based upon this. We also know (via other initiatives with leading employers such as Toyota Manufacturing and St Modwen Properties) that we have the requisite skills internally to making this project a success (creating employer specific learning curricula and spaces).

The effective procurement process will be achieved through direct management and control by the procurement team for goods and services over £40,000 and below £75,000 with at least three written quotations, for all goods and services in excess of £75,001 an invitation to tender with at least three firms and for all goods and services in excess of OJEU threshold an invitation to tender by advertisement for at least four firms.

Our commercial strategy will be to secure (via procurement and employer engagement) a network of project related partners that will ensure value for money and the achievement of required outcomes. Additional to this business case we will design a project plan and create a project group that oversees this project and secures timely and effective outcomes. The ongoing success of the project will also be reported to the STF board and to our own board of Governors.

Key risks will be detailed within a risk register and monitored frequently with related mitigation. Current high level risks include;

1. Inability to secure infrastructure and resources from suppliers. Mitigation – discussions are now underway with key suppliers with assurances given around availability and deliverability.
2. Inability to engage employers. Mitigation – discussions with employers have formed this project proposal and we are secure in both their engagement and involvement.



3. Increases in pricing for labour and or infrastructure. Mitigation – contingencies will be planned into budgets to allow for this
4. Lack of engagement from prospective learners. Mitigation – learners already engage in these programmes. The added value of new curricula and resources will only serve to enhance this engagement

Engagement with employers will be pivotal to this project. We will ensure that there is a clear line of sight, through project planning, of roles and responsibilities of related employers and expected outcomes. We have extensive experience of working with employers (over 1000 annually) in doing this. Employers will contribute in kind advice and support on areas such as curriculum design and delivery.

### Financial Case

Set out below are details of the funding options considered and the contributions secured from each source towards the project.

Type	Funding Source	Total Amount £	
Public Sector	Towns Fund	2,969,014	
Private Sector	BSDC	220,485	Co-Funding
Public Sector	ESFA	0	Match Funding
Total		3,171,499	

It has been assumed BSDC will contribute £220k towards the initial capital investment and thereafter £95k (3%) towards the annual renewal of the equipment each year, student numbers are assumed to generate an additional 87 ESFA and OfS funded in year 1 increasing to 183,215,222, in years 2, 3, and 4 respectively remaining at 222 for the remaining 6 years of the planning period with a total income of £11,424k over the planning period. Operating costs are assumed to be 45% of the income generated each year with total operating costs of £5,141k. The total net cash flow over the planning period is £2,161 with a net present value of £1,168k with a cost of capital of 3.5%.

The costings for this project have been determined through several detailed meetings with the relevant business managers and staff to ascertain the scope of works for any building alterations which include electrical, mechanical and other services plus a detailed list of all elements of plant, equipment and furniture. The completed scope of works and equipment lists have then been reviewed by our procurement team, Director of Estates and IT and our approved building contractors provide initial scope of building works and to check for completeness and feasibility prior to being tendered. In accordance with the College financial and OJEU regulations the procurement team have issued tenders to obtain both competitive costs and realistic lead times for all of the items listed.

Alternative funding options have been considered as BSDC submitted an application and business case for capital public funding support to the Education Skills Funding Agency (ESFA) in March 2021 under their Further Education Capital Transformation Fund (FECTF) for match funding for this project. Unfortunately



the FECTF bid was not approved by the ESFA team and its rejection was confirmed to the BSDC in July 2021 mainly because it did not meet the primary criteria of the schedule of identified repairs predetermined by the ESFA. Accordingly, BSDC has decided to co fund any budget shortfall for this project from its cash reserves.

A large scale assessment of our curriculum versus labour market intelligence and future need helped us determine which areas needed this investment. We then undertook a zero based planning exercise to determine the infrastructure and technology (and internal estate modifications that were needed to achieve a curriculum that reflected future working practices and systems of related sectors.

### **Management Case**

Via the STF board progress on the project will be communicated via existing monthly reporting and board/project pairing arrangements. The board will provide regular updates on the progress of the project showing progress, risk management, budget management and risk management. Governance of the project will also be strengthened through regular reporting to our Board.

The project team will consists of;

Deputy Principal Corporate Relationships  
Vice Principal Finance and Resources  
Vice Principal Curriculum and Quality  
Assistant Principal and Dean  
Finance Director  
Director of IT and Estates

The stronger towns fund board will have ultimate governance over this project. The Board at BSDC will also have oversight of the project to ensure localised achievement of objectives and collective responsibility for the project. Regular reporting will be provided to both boards via existing channels. The project team will be responsible for the key deliverables in the project and in achieving end outcomes. This team will consist of technically competent key senior personnel from the College and will meet at least monthly. The project team will also draw on internal specialists in the College and will be the main decision making entity for all areas related to employers and contractors and suppliers. Budget, risk registers and KPIs will identify the key project milestones and delivery outcomes and will form the central tenet to our planning and project delivery.

In our 'three lines model' of managing risk the first line of defence is our project team meeting regularly to ensure project completion and risk management. This is then overseen by our board of Governors offering the second line of defence. The third line of defence is the STF board who we submit regular reports to including business plan update. We also have a partner member of the board in Nik Hardy who is engaged in the project and also receives regular updates.

Our approach to cost management has contingencies built into our plan. We have a project team that will oversee cost allocation and, wherever possible, we will utilise current suppliers and contractors that we



know offer us value for money. We have very clear objectives set within our procurement approach that will help us manage our costs and will reduce any likelihood of us experiencing unforeseen costs. We will ensure that our payment profiles are structured in a way that ensures value for money and that they hold suppliers to account in meeting our procurement objectives.

We currently have existing mechanisms for stakeholder engagement and will consistently and regularly utilize these channels to engage stakeholders in the project and its anticipated outcomes. Indeed, conversations are already underway with employers, staff and learners about this project so that their views and feedback are fed into the design of the project. This inclusive and proactive approach will secure ongoing buy in from key stakeholders.

Benefits will be built into a benefit plan that will be monitored and reported upon once the project has been running for one year. Achievement of benefits will come through the identification of internal (destination rates) sources and external feedback (employers). We will also include a specific section in our economic impact assessment of this project and related outputs but realise that it may take some years from some of these benefits to come into fruition.