

<b>Business Board</b>		Agenda Item
<b>04 September 2023</b>		<b>3.2</b>
Title:	Net Zero Training Centre – Project Change Request	
Report of:	Louisa Simpson, Strategic Funds Programme Lead	
Lead Member:	Chair of the Business Board, Al Kingsley	
Public Report:	Yes	
Key Decision:	Yes - KD2023/043	
Voting Arrangements:	A simple majority of all Members present and voting	

### Recommendations:

A	Recommend that the Combined Authority Board approves the proposed project change request
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### Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Enabling resilient communities

### 1. Purpose

1.1	The Combined Authority Board noted the Mayoral Decision Notice MDN 38-2022 on 27 July 2022 approving the recycled Local Growth Fund (LGF) fund allocation of £2m capital grant to the College of West Anglia (COWA) for delivery of a Net Zero Training Centre, this award was subject to a successful Round 2 Levelling Up Fund (LUF) application being submitted by Fenland District Council and approved by Government; unfortunately, the application for LUF was not successful.
1.2	COWA have since approached the Combined Authority and requested time to investigate whether investment could be secured from other sources to support the project in a slightly revised form.
1.3	COWA have submitted a project change request to Officers on 4 August 2022 that includes proposed changes to the size and funding package for the project and they have now confirmed they have secured the additional funding from a private sector source to fully support the delivery of the project, See revised details in Appendix 2 which has been re-evaluated by external independent due diligence with a positive outcome, the independent evaluation concluded the project was one the Combined Authority could support and it offered value for money and excellent returns in terms of a community asset and long-term training facility, this is in line with the original submission for funding. The project in its new form marked against the previously submitted projects retains its ranking of 1 out of the 8 previously submitted projects.

1.4	As a result of the independent review and the project changes proposed by the College, the CPCA Officer team are supportive of the revised project and are recommending the Business Board ask the Combined Authority to approve the change request.
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## 2. Proposal

2.1	The original recycled LGF bid was made on the basis of a £10.26m, 2,263m <sup>2</sup> Carbon Net Zero Skills Centre. The proposal included demolition of existing construction workshops and relocation into the proposed new centre which would accommodate modern 'green' construction skills, whilst retaining traditional craft skills. Options to attract grant funding to address this finance gap have been actively considered in the interim and the CPCA project team have been advised on progress / options. However, there are limited opportunities and, although, a LUF Round 3 is anticipated, the criteria and timescales have not been made public and the likelihood of funding success is speculative and far from certain.
2.2	It is now proposed to build a smaller (1,155 m <sup>2</sup> ), Carbon Net Zero Skills Centre with a focus entirely on green skills. Existing construction workshops will be retained. In essence, this revised proposal will seek to use the £2m grant, together with matched funding from COWA (£200k) and the Anglian Water Alliance (£2m) to deliver all the original outputs relating to modern 'green' skills. The costs of this revised project amount to £3,956,791 (excluding land costs). These costs have been market tested with Lindum Quantity Surveyors. Any cost overrun will be borne by COWA.
2.3	The centre will be built in the same location as the original proposal, i.e. on land owned by COWA, ensuring that land acquisition is not an issue. The centre will be ready to open in September 2025, subject to change request approval in September / October 2023.
2.4	In keeping with the intended use of the building for green skills delivery, the building will be built sustainably. It will use renewable techniques and monitoring devices so that data could be used within the curriculum of the courses offered. This would really set the standard for the building use and help COWA achieve their sustainability strategy (approved by the COWA Board earlier this year). COWA plan to use air source heating, rainwater harvesting and to install a solar pv array on the roof linked to a battery system where the power produced can be utilised and stored, before any excess goes back into the grid. It is also proposed to insulate the building at a 10% increase to the building regulations minimum standard, making it highly energy efficient. COWA have not opted to go down the modular building route due to the overall quality and form of space, preferring an industrial feel, with some workshops double height in space, in order to fly drones, undertake installation tasks of renewables (i.e. solar panels to roof mock ups) and to be able to safely operate forklifts and other vehicles / equipment.
2.5	The proposal has the following outputs: <ul style="list-style-type: none"> <li>• 1,155m<sup>2</sup> training space – by Sept 2025</li> <li>• 2 permanent jobs – by Sept 2025</li> <li>• 5 temp jobs during construction phase – by Sept 2025</li> <li>• 30 indirect jobs supporting the training centre and students – within 20 years</li> <li>• 900 apprentices/students - within 20 years</li> <li>• 500 visitors – within 20 years</li> </ul>

## 3. Background

3.1	<p>The Business Board on 24 June 2022 recommended a £2m grant to COWA for the development of a Net Zero Training Centre, the Combined Authority Board noted the Mayoral Decision Note MDN-38-2022, on 27 July 2022.</p> <p>The decision to support the project was predicated on a successful Levelling up Fund application by Fenland District Council.</p>
3.2	The Team have worked with COWA to develop the change request and COWA have provided the additional supporting documentation setting out the changes in detail.

	Independent external evaluation has been carried out by Hewdons Associates, they carried out the initial evaluation of the application and it was felt that their knowledge of the original proposal put them best placed to analyse the impact of the changes proposed on value for money and strategic delivery.
3.3	<p>The delivery of the Net Zero Training Centre delivers against several strategic ambitions of the Combined Authority:</p> <p>Achieving ambitious skills and employment opportunities – the college based in Wisbech has developed partnerships with industrial partners including Anglian Water who will benefit from the opportunity to use the training centre and taking students who have attended.</p> <p>Achieving good growth – it enables Wisbech to offer Green Skills to students who would otherwise have to travel to other colleges, given the issues with transport in the Fenland area this is a key driver to increasing participation in further education</p> <p>Enabling resilient communities - the new facility will enable local residents to take part in further education opportunities, developing a resilience in the area.</p>

## 4. Appendices

4.1	<p>Appendix 1 – change request including</p> <ul style="list-style-type: none"> <li>• Drawings</li> <li>• Delivery Programme</li> <li>• Risk Register</li> <li>• Budget</li> </ul>
4.2	Appendix 2 - Due Diligence Report (exempt)

## 5. Implications

### Financial Implications

5.1	£2m of the Recycle Growth Funds has been already allocated to this programme; therefore, there are no changes in the financial implication if the programme is going ahead with the revised scope. The projected completion date remains Sept 2025.
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### Legal Implications

5.2	<p>Prior to signing the GFA the following preconditions will need to be fulfilled:</p> <ol style="list-style-type: none"> <li>1. Confirmation that all matching funding is in place to deliver the project.</li> <li>2. Confirmation of planning permission</li> <li>3. Production of a Subsidy control report</li> </ol> <p>In addition, the GFA will require the following outputs be delivered as per the change request:</p> <ol style="list-style-type: none"> <li>4. Delivery of 750 Full Time FE &amp; Apprenticeship Learners by Sept 2030</li> </ol>
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### Public Health Implications

5.3	This project will have a positive impact on public health regarding creation of key employment or skills outcome improvements across the Combined Authority. Good work and personal skills development are key determinant of positive health outcomes
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### Environmental & Climate Change Implications

5.4	This project outputs and outcomes will contribute towards achieving the aspirations for a Net Zero future and delivering some of the key recommendations in the Combined Authority Climate Action Plan.
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### Other Significant Implications

5.5	None
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### Background Papers

5.6	<a href="#">24.06.2022 - BB Approval of Grant</a> <a href="#">MDN 38-2022</a> <a href="#">27.07.2022 - CA Board note MDN 38-2022</a>
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