

Appendix 10

Business Case - Gloucestershire College Forest of Dean Campus Cinderford Campus Build, Gloucestershire College



The proposal submitted by the project promoter is based on information and consultation available at this early stage. Further research, consultation and development will follow before funds are allocated. NB There is no guaranteed funding for the project until this has been secured from Government by GFirst LEP and the project has been through an appraisal and due diligence process.



The Proposal

Vision

The aspiration is to create a vibrant local economy in the Forest of Dean (FoD) by securing FE provision and providing access to high quality education and training as part of a wider regeneration scheme.

Ambition – education and training

The proposal will ensure a holistic transformation of academic and professional education in the Forest of Dean by:

- developing an outstanding 16-18 offer which will address current poor attainment at 11-16;
- retaining and revitalizing Further Education (FE) provision;
- reducing NEET levels (Not in Education Employment and Training);
- providing industry standard skills training which will develop the local workforce capability to support existing and new businesses;
- attracting new businesses to the area by ensuring a skills pipeline

through the creation of an inspirational, state of the art, industry standard Further Education Campus operated by Gloucestershire College (GC) in partnership with local outstanding 11-16 school Dene Magna.

Ambition - regeneration

The Campus will be the key driver for education-led regeneration, echoing the regeneration achieved by the Gloucester Campus relocation which led to over £200m investment in the surrounding area. The Campus will unlock the Cinderford Northern Quarter regeneration project anchoring £100m of private investment, create

1,000 jobs and 195 new homes, as well as releasing the current Five Acres site for housing development and investment to support the Forest of Dean District Council Core Strategy. It will also enable private investment in leisure facilities in FoD.

Investment Required

To achieve this requires investment of £2.6m by March 2020 – producing direct leverage of 1.6m for the Campus redevelopment – total Campus cost is £14.8m which is being generated from a range of sources, including £8.15m from GC. This rate of direct leverage provides excellent value for money. Further Education Capital Developments funded by the Skills Funding Agency (SFA), prior to this responsibility moving to the LEP, were generally funded on a maximum leverage basis of 1:1.

There will also be significant indirect leverage from the opening up of the Cinderford and Five Acres (current siting of the Campus) sites for development. The transformational impact of this project provides excellent value for money for both Gloucestershire and the government.

The project will address the following issues:

- Risk of **loss of access to local FE provision** as current provision is not sustainable.
- Current low educational attainment levels - At key stage 4, the proportion of pupils gaining 5 GCSEs including English and Maths in 2014 was 52.4%, against England rate of 56.8% and Gloucestershire rate of 60.8%; 50% of the schools (three) in the area are rated as Inadequate by OFSTED.

Current attainment combined with lack of an outstanding 6th Form for all schools to feed into leads to socially mobile parents educating their children outside of the Forest (17% of young people leave the Forest to study at age 11, and do not return). The less advantaged and able to travel are retained, which perpetuates the cycle of low attainment and

aspiration

- FoD has a **poor skills base which does not encourage investment** by employers in the area. FoD is the district in the County with the highest proportion of population with no qualifications; there is loss of skills to local area at age 11, FoD business community is dominated by micro and small businesses (80% employ less than 10 people) so the need for locally accessible skills development to avoid travel to learn time costs is important.
- **Deprivation** in FoD - Cinderford is one of the most deprived wards in Gloucestershire.

The Project Will Deliver in the Following 5 Key Output Streams

1. Secure Sustainable Further Education (FE) provision within the Forest of Dean (FoD)

- Replacing outdated, poor quality estate which does not meet curriculum delivery, employer needs or community needs with inspirational, state of the art vocational and academic facilities fit for the needs of the 21st Century;
- Siting the campus more centrally within the Forest, providing improved accessibility by doubling the number of bus routes linking the Campus to the rest of the Forest.

2. Raise educational attainment, developing a skilled workforce in the FoD

- Creating a vibrant 16-18 offer in conjunction with the one outstanding school for all school pupils to progress to, raising aspirations and attainment;
- Improving curriculum breadth and delivery;
- Increasing access to learning;
- Access to exemplar ILT to provide flexible accessible provision;

- More effective transition arrangements with local schools, through more central position and joint delivery of some courses;
- Providing Technical and Academic Routes;
- Promoting STEM, cyber and other skill priorities – designated STEM centre;
- Providing an Academic Excellence Centre to equip learners to progress to higher levels;
- Providing Real work environments and up to date industrial equipment ensuring learners are work ready on progressing from College.

3. Provide employers with access to skills, encouraging investment in the area

- Facilities to build a highly qualified local workforce to support FoD employers, attracting employers into the area;
- More Apprenticeships and Traineeships - key government priority;
- Increase numbers engaged in learning;
- Curriculum built to meet the employer needs of the area, mapped to LEP Skills Needs (LEP Growth Strategy identifies the following growth sectors: Construction, Finance and Insurance, Business Administration, Accommodation and Food and Health and Care – all of which will be reflected in the new campus curriculum);
- Provide broader employability skills by embedding work experience and soft skills development informed by local employer feedback on specific needs
- Support development of Sector Based Work Academies;
- Meet Job Centre Plus needs and support the unemployed and NEETs (those Not in Education, Employment or Training) into the work force.

4. Unlock the Cinderford Northern Quarter Regeneration Scheme

The new Campus is the cornerstone of the delivery of the (CNQ) Development which will deliver education-led regeneration to transform an area of deprivation. This represents a once in a generation opportunity.

See Context section below.

5. Enable the development of the Five Acres Campus

By relocating to Cinderford the College will release the Five Acres Campus for development. The HCA have identified within their investment plan for the area both community use and development of starter homes. 50 starter homes are planned to provide affordable homes to retain young people in the Forest. In addition, it enables £1.1m of investment in leisure facilities.

Demand

1. Need for Improved Education Provision to raise current Skill Levels in the Forest - Current levels of attainment are significantly below County and national rates, hindering job options and access to Further and Higher education, demonstrating the need for investment in education to improve skills and qualifications of young people. This manifests itself in the skills levels of the working-age population and investment in the Forest by employers. The number of FoD residents with level 4 or 5 skills is half the County average.

2. Impact of Doing Nothing for Further Education - Further Education provision in the Forest would be at risk as the current Campus is unsustainable and too large; the buildings, which date back to the 1960's, do not provide learners or employers with the facilities required to learn modern skills effectively. In this event c 150

jobs would be lost directly as well as the impact on the ability of young people in the Forest to access skills training.

3. The need for regeneration - Cinderford is the area of recognised greatest deprivation in the Forest (amongst the top 10% most deprived wards in UK). CNQ regeneration proposal is a once in a generation opportunity to bring investment into the area.

4. The need for housing - The government has identified affordable homes as a key priority. The scheme would provide housing at both Cinderford and Five Acres, a key element of the Forest of Dean District Council Housing Strategy.

Rationale for intervention

The new Campus will transform the educational environment for the Forest of Dean, which currently delivers poor outcomes, by providing a joined up 11-18 offer which promotes **high quality technical and academic qualifications** [in 2011 25% of people in the Forest of Dean had no qualifications – highest level in Gloucestershire]. It will:

- **support increased attainment** and meeting local skill needs,
- **increase the productivity** of the FoD;
- **create an outstanding 16-18 offer** in new facilities and in conjunction with an Ofsted rated outstanding school, providing aspiration, encouraging more able students to be retained within the 11-16 FoD school system and raising attainment;
- **deliver a sustainable Campus** ensuring continuation of a skills offer in the Forest of Dean to meet current and future needs, in line with merger plan endorsed by the Skills Funding Agency in 2011;
- **provide 6,000m² high quality learning space**;

- **secure FE in FoD.** If the current college closed, commuting to Gloucester (or Cheltenham where the 6th form is based) is not a realistic option: public transport links are inadequate and neither the infrastructure nor the Gloucester Campus could accommodate 600 additional students. Travel to learn issues are recognised as increasing the risk of students ceasing to study, particularly disadvantaged groups where Gloucestershire already performs poorly;
- **Increase Apprenticeship and Traineeship** opportunities.

Relocation of the Campus to Cinderford will unlock regeneration across the Forest, particularly in Coleford, Five Acres Campus and Northern Quarter (CNQ) transforming the area. This will bring significant investment, jobs and infrastructure.

Options appraisal

Significant proportion of the Project is being funded through other means.

Further Education is subject to a challenging financial outlook, demonstrated by the government's implementation of Area Reviews to ensure the financial sustainability of the sector through estate rationalisation which this scheme provides by reducing the campus size by c 50%. GC undertook significant restructuring in 2014/15 to find annual savings of £5m; a higher College contribution would prejudice the College's viability.

This development offers a 16-18 offer for FoD which ensures cost effectiveness of 16-18 delivery and breadth of provision offer. Local schools do not have capacity to provide 16-18 provision – 3 are currently classified as Inadequate by OFSTED and the outstanding classified school does not have space for 16-18 provision and has agreed to work in partnership with the College to support Academic Excellence.

Other Options Considered

1. Reconfigure existing site: cost would be prohibitive and the size would still exceed requirements, maintaining current levels of unsustainable running costs. In addition, this would not achieve the regeneration benefits or address issues of attainment and aspiration.
2. Closure of provision: this would address the financial unsustainability but deprive learners of local provision which would impact on the most disadvantaged groups.
3. Range of site options were considered, this site was selected for location, synergy with regeneration for the area, accessibility and impact on an area of recognised deprivation.
4. Transfer of provision to Gloucester Campus – insufficient capacity and travel to learn impacts significantly on access, particularly for disadvantaged groups.

Strategic Growth

Regeneration in CNQ supports the FoDDC Core Strategy / Cinderford Area Action Plan and the Gloucestershire SEP A40 Regeneration Corridor. The HCA has played a vital role in advancing the planning policy context and achieving significant planning approvals to advance regeneration and economic growth in Cinderford.

Strategic partners include the GEGJC, GCC, GC and the Forestry Commission. CNQ infrastructure and regeneration projects are priorities within the Gloucestershire Infrastructure Investment Programme. Mark Harper, Forest MP and Minister for Disabled People and Chief Whip (Parliamentary Secretary to the Treasury) is a committed supporter of the project who has worked with other Ministers to promote it.

GCC is leading the £3.8m construction of Phase 1 CNQ Spine Road project. GC is leading the £14.8m construction of their new CNQ campus. Dene Magna, OFSTED Outstanding school, has entered into partnership with GC to deliver a top performing academic 6th form centre.

Context: Local

Wider Project Context

(a) Supporting GCC in Tackling Education Deprivation in the Forest

3 out of the 6 schools in the Forest are classified as Inadequate by OFSTED. This project will establish partnership arrangements between GC and Dene Magna (OFSTED rated Outstanding) to provide aspirational educational provision to improve levels of ambition and attainment in line with wider County levels.

(b) Unlocking Investment for the Forest

The Project is the cornerstone of the delivery of the Cinderford Northern Quarter (CNQ) Development which will deliver education-led regeneration to transform an area of deprivation.

Delivery of CNQ education-led regeneration is a corporate priority for FoDDC, HCA and GCC, it is supported by Mark Harper, MP FoD.

The project will relocate the College's Five Acres Campus to the Cinderford Northern Quarter which will unlock the Five Acres Campus for housing and development.

Complementary Committed Investment

The LEP has funded phase 1 of the Spine Road (£3.8m) which will provide access to the new Campus and the wider regeneration site.

The Spine Road contract is being managed by GCC.

Complementary Initiatives

FoDDC Growing the Economy Action Plan

The Plan commits to the following objective "providing high quality skills & training for young people, in order to encourage employability and to foster indigenous economic growth" and the Proposal is an important element of the actions to respond.

LEP STEM Strategy

The Proposal supports the LEP STEM Strategy which is committed to aligning STEM education capability with STEM sector industrial growth and demand by:-

- Providing facilities and resources to present STEM in an interesting, engaging and challenging way;
- Creating clear progression routes into industry by enabling employers to forge partnerships with schools, colleges and universities;
- Making STEM learning relevant to the workplace.

All these elements are built into the proposal.

Context : Regional / National

DFE Priorities

1. Educational excellence everywhere: every child and young person can access high-quality provision, achieving to the best of his or her ability regardless of location, attainment and background.
2. Prepared for adult life: all 19-year-olds complete school or college with the skills and character to contribute to the UK's society and economy and are able to access high-quality work or study options.

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The Cinderford Campus is designed to support these priorities through structuring the curriculum offer, mapping to local economic needs, providing greater opportunities for real work experience by siting the campus close to employment opportunities on the regeneration site, delivering high quality resources to inspire learners to aspire to higher levels of training and development, through partnership working with local schools, in particular Dene Magna to encourage learners to develop their skills, and practice them within the Forest.

Technical and Professional Education Developments

The new Campus will provide high quality technical and professional skills responding to the Wolf Report and the anticipated Sainsbury Report by providing industry standard real work environments, a curriculum mapped to employer needs, built in clear progression routes, focused on specific careers.

Apprenticeship Commitment

The new Campus will increase delivery of apprenticeships by 100% over 3 years (42 to 90) employers (GC has successful track record in growing apprenticeships having increased them from 250 to 700 over the last 5 years.

STEM

The campus will incorporate a STEM Centre to develop the STEM skills of all students and to build progression pathways into STEM careers, building on STEM Centres built within the County as part of the LEP's STEM Strategy (which includes investments in Berkeley Green, Cirencester, Gloucester and Cheltenham to support a whole County STEM development Strategy. The Campus will deliver construction, engineering and science to ensure connectivity of skills progression.

Outputs

Category	Description	Year 1	Year 2	Year 3	Year 4	Year 5
Jobs (direct)	Staff employed by College	150	150	150	150	150
Jobs	Construction Phase	150				
Qualifications	Qualifications of students achieved	1,200	1,200	1,200	1,200	1,200
	Apprenticeships	60	80	90	100	100
	Apprenticeships Construction Phase	5				
Infrastructure/Transport	Additional Bus Access Points & Routes	6	8			
Land (in Ha)*	Land Developed	2.25Ha				
	Of which new build training space	6,000m ²				
Other	Annual spend in local economy	£2.5m	£2.5m	£2.5m	£2.5m	£2.5m
	Reduce NEET numbers by 50%	60	50	40	40	35
	Levels of Attainment Increase by			10% increase	10% increase	10% increase
	Increased Progression into HE			10% increase	10% increase	10% increase

*Included in outcomes for current SLGF project, so not included in the main submission.

Outputs Basis

These are based on the physical building, qualification outcomes and improved skills attainment. Jobs and annual spend would be protected by securing future of the FoD Campus. Outputs relating to employment and spend reflect outputs which would be lost if the new Campus was not built and the current Campus was closed (which reflects the current unsustainable costs of the Forest Campus).

Outcomes

Category	Description	Year 1	Year 2	Year 3	Year 4	Year 5
Jobs (indirect)*	Relating to wider regeneration					1,000
Housing units*	CNQ			25	170	
	Five Acres		55			
Skills						
Infrastructure*	Private investment, per HCA -					£100M over lifetime
Land (in Ha)	Land reclaimed/redeveloped					12.75ha
Investment*	Investment in Leisure Facilities at Five Acres (investment commitments from FoDDC, Sport England and Private Investor)		£1.1m			
Commercial Floorspace*	New Employment Space constructed (sqm)			2,800	3,000	4,000

*Not included in the main submission as there is potentially a degree of duplication with current SLGF project or Cinderford Regeneration project (GD3)

The assumptions reflect the fact that GC is the anchor tenant and catalyst for the wider Cinderford Regeneration Scheme as identified in the Approved Area Plan and Planning Permission.

The outputs are drawn from the FoDDC Area Action Plan, which reflected comprehensive research from a number of independent consultants, such as Halcrow, to test the parameters and sensitivities, HCA Employment Density Guide 2010, Planning Submission, Cinderford Northern Quarter Investment Prospectus..

Additionally the project as a whole will provide temporary construction jobs.

Financial: Capital and Revenue

Capital Costs

Funding Request from Growth Fund - £2.60m

Funding from GC (Sales of assets, loans and reserves) £8.15m

HCA Investment Board commitment £4.05m

Total Project Cost £14.80m

Leverage is at rate of 1:6

Basis of Costs

Costs based on procurement process undertaken by the College's identified contractor who has undertaken a full procurement exercise based on detailed drawings and programme information.

Revenue Costs

These will be funded through Learner Funding Allocations. The costs of £2.5m have been built into the College's 3 year financial forecasts going forward. The costs are based on current campus costs adjusted to reflect reduced size and increased efficiencies of the new build, reflecting experience from GC's previous campus developments.

Funding request for Growth Deal 3

Funding Request from Growth Fund - £2.60m

By 31 March 2020 This funding is required to repay a £2.6m loan from the HCA.

Financial: Capital and / or Revenue leveraged in to the project

Capital Funding

Funding Request from Growth Fund -	£2.60m
Funding from GC	£8.15m
(disposal proceeds Five Acres Campus, Sales of assets and reserves)	Firm Commitment
HCA Investment Board commitment	£4.05m
(£6.65m with £2.6m as a loan to be returned by March 2020)	Firm Commitment
Total Project Cost	£14.80m

Leverage is at rate of 1:6

On-going Revenue Funding

Once the new Campus is up and running it will achieve £3m revenue funding per annum from the Educational Funding Agency and Skills Funding Agency.

Project viability with reduced funding

The Project is not deliverable if less funding is provided.

Costs of the project have been assessed through full procurement exercise and confirm costs of project detailed.

GC cannot afford to invest more in this Campus as it would jeopardise the future of the whole College. Funds for the project from the College include the sale of an asset to reinvest. GC is committed to supporting the Project through an investment of £8.15m.

Sustainability

Background

Unsustainability of the current Campus resulted in the failure of the Royal Forest of Dean College and necessitated its merger in 2011 with Gloucestershire College (GC). The merger was undertaken at the request of the Skills Funding Agency (SFA) based on a sustainability plan predicated on a relocation to a smaller, low cost facility aligned to modern demand.

Revenue Funding

On-going revenue funding for the Campus will be achieved through Education Funding Agency (EFA) and Skills Funding Agency (SFA) student number allocations which the government is committed to retaining.

The FoD Campus currently generates £3m of income from student activity. The Project Business case allows for, but is not predicated on, growth.

Project reduces accommodation floor space from 12,055m² to 6,000m² - leading to increased space utilisation, reduced running costs and avoiding backlog maintenance of current dated buildings to ensure long term sustainability FoD Campus. These reduced costs will ensure the Campus operates within sector operational norms as defined by the government within the Further Education Area Review Process.

Longer Term Impact

The impact of the new build will have a long term impact on educational attainment and regeneration as set out above. This will be formally reported on an annual basis to demonstrate impact.

Financial Summary

Key: C - Capital R - Revenue

	2017 /18		2018 /19		2019 /20		2020 /21		Total
	C	R	C	R	C	R	C	R	
Growth Deal 3		n/a		n/a		n/a	2.6m	n/a	
Total Private match funding									
Total other public funding	£4.05m HCA*			£3m EFA		£3m EFA		£3m EFA	£13.05m
College	£8.15m								
Totals	£12.2m						£2.6m		£14.8m
									£23.8m

Future funding beyond Growth Deal period, where applicable:

	2021 /22		2022 /23		2023 /24		2024 /25		Total
	C	R	C	R	C	R	C	R	
Total Private funding									
Total other public funding		£3m EFA		£3m EFA		£3m EFA		£3m EFA	£12m
Other									
Totals									£12m

See sustainability above for detail.

NB the HCA is providing Funding of £4.05m non repayable and £2.6m on a returnable basis which is required for repayment by March 2020.

Financial: Follow on investment

Delivery of CNQ education-led regeneration is a corporate priority for FoDDC and GCC. HCA and its predecessor English Partnerships, has been a vital project partner since 2005 helping to drive forward the Cinderford proposals. CNQ contains two former National Coalfield Programme sites and in 2009 the HCA secured £14.75M from this Programme to progress the transformative growth ambitions for Cinderford. Since 2009, the HCA has supported FoDDC planning policy development and followed this with several planning applications, which in February 2015 culminated in a planning approval to develop a new spine road, new 6,000sq metres College building, 195 new homes, 21,800 sq metres of employment space including a 3,000 sq metres hotel. This enabling project will help deliver the planning approval, advance economic growth on this site, create 1,000 jobs and anchor £100M private investment.

Project will relocate the GC's Five Acres Campus to the CNQ unlocking it for housing and development. Five Acres sale proceeds (2.5m) will be lost to education development if project does not proceed. HCA will transfer the site to FoDDC to develop.

The release of the Five Acres site will unlock investment of £1.1m in leisure facilities on the site.

Business Case - Gloucestershire College Forest of Dean Campus

Timeline

	Start	End
Refining Business Case	May 2016	June 2016
Project Planning & Development	Mar 2011	June 2016
Due Diligence and LEP Board Approval	July 2016	Sept 2016
Enabling Works	Sept 2016	Oct 2016
Build Commence	Spring 2017	Spring 2018
Promotion of New Campus	Spring-Summer 2018	
Capital Investment	March 2020	
New Campus Operational	Sept 2018	
Output Monitoring	Sept 2018	July 2024
Funding Provided by LEP	March 2020	

Risks

Risks Description	Owner	Probability	Impact	Mitigation
Completing the new build Campus on time and on budget	GC	Low	Medium	Design and Build contract in place. OJEU compliant tendering process undertaken to ensure price, quality and deliverability Experienced Project Manager in place.
Recruitment 16-18 year olds below target	GC	Low	High	Partnership arrangements confirmed with Dene Magna school and recruitment arrangements with other local schools to be formalised in Memorandum of Understanding. County Demographics 16-18 increasing by 2020
Lack of private investment in the wider Regeneration Scheme	Cinderford Regeneration Board	Low	Medium	Detailed Investment Prospectus in place and on-going investment promotion activities in place led by perienced Regeneration Lead.

Procurement and State Aid

A grant to the College for the purposes of enhancing publicly funded learning activities would be a transfer of funds from one public agency to another. There is no State Aid in such a transfer.

Governance and delivery arrangements

Governance Arrangements - GC

(a) Build Phase

Estates Working Group (EWG), GC Board sub-group will meet on a monthly basis to monitor, review progress and ensure any required corrective action taken.

EWG will report to GC Board termly.

Executive monitor weekly - Programme and Risk Register.

GCC and LEP Reporting Requirements built in.

(b) Operational Phase

Post completion GC Executive Team Project Board will monitor project outputs termly and report to GC Board and LEP.

Capacity to Deliver

GC has track record of successful Capital Build delivery, new campuses built in Cheltenham and Gloucester – both of which were completed on time and to budget.

Experienced Project Manager who led on these projects will lead the project with support from GC's Estates Director.

The Project has in place the following experienced professional advisors:

Architect – Roberts Limbrick Architects

Quantity Surveyor/Cost Consultant – Gleeds

Construction Team – Barnwood Construction

Readiness to Progress

Detailed Planning Permission is in place and conditions on schedule for timely discharge.

Land Transfer Agreements negotiated.

All funding in place except the £2.6m within this bid.

Dependencies

Funding for Phase 1 of the Spine Road which provides access to the new College site is in place, the contract has been let, contractor on site summer 2016, contract scheduled for completion Spring 2017 to provide the college with access. The build programme for the campus is 13 months.

Partnership Support

The Cinderford Northern Quarter Regeneration Board meets bi-monthly with representatives from the HCA, FDDC, GCC and GC to ensure effective partnership working to ensure the successful delivery of the Campus by identifying any problems or risks and developing solutions to resolve them. Mark Harper, FoD MP has actively supported the Project's progression.

Appendices

Where there are appendices referenced but not included in this document, they are available on request from GFirst LEP.

APPENDIX 1 - GC RFD NEW BUILD PROJECT
CAMPUS DESIGN

