



**LIVERPOOL
CITY REGION**
COMBINED AUTHORITY

METROMAYOR
LIVERPOOL CITY REGION

Strategic Investment Fund

Skills Capital Funding Prospectus

April 2019

Contents

1. Introduction

- 1.1 About this Document
- 1.2 The Strategic Investment Fund
- 1.3 Strategic Context for Skills Capital Investment
- 1.4 Funding Available
- 1.5 How to Apply
- 1.6 Deadline for Development

2. What the SIF will Fund

- 2.1 Skills Capital Investment
- 2.2 Key Investment Principles
- 2.3 Funding Overview
- 2.4 Eligibility
- 2.5 Matched Funding
- 2.6 Avoidance of Duplication

3. Submission and Assessment

- 3.1 Investment Process
- 3.2 Outline Submission Form
- 3.3 How Submissions will be evaluated
- 3.4 Inclusive Growth, Social Value and Sustainability

4. Further Details

- 4.1 Pre-Submission Consultation
- 4.2 Costs
- 4.3 Contact Details

Appendix 1: Summary of Skills for Growth Action Plans

Appendix 2: Skills Capital Outline Submission Form

1 Introduction

1.1 About this Document

This document requests submissions for investment from the Liverpool City Region (the “City Region”, “LCR”) Combined Authority (the “Combined Authority”, “We” or “Our”) Strategic Investment Fund (“SIF”) under a single theme for Skills Capital related projects. It describes what the SIF will fund in relation to Skills Capital, the levels of funding available, and who is eligible to apply. It also provides headline guidance on the submission process, the appraisal and approval process and the criteria that will be used to assess projects.

1.2 The Strategic Investment Fund

The Combined Authority established the SIF to unlock the economic potential of the Liverpool City Region. It comprises the devolution deal funding allocation of £30m per annum, other local and national funding sources, including Local Growth Funds and returns from previous investment rounds for which the Combined Authority is responsible.

The SIF will fund activities that meet the priorities identified in its investment strategy published in July 2018 (the “Investment Strategy”), targeting inclusive economic growth. It will be invested in accordance with the Combined Authority’s Investment Strategy and Assurance Framework. These two documents are available for download from the Combined Authority website.

This SIF call relates to Skills Capital investment. The level of SIF funding available for new Skills Capital investments is circa £18m.

1.3 Strategic Context for Skills Capital Investment

The Skills Capital prospectus will support the ambition and skills priorities outlined in the 2016 Growth Strategy ‘Building our Future’, the Metro Mayor’s Election Manifesto and Liverpool City Region’s Devolution arrangements. It is designed to provide a sound basis for taking Combined Authority investment decisions until a longer-term strategy is built on the City Region’s Local Industrial Strategy.

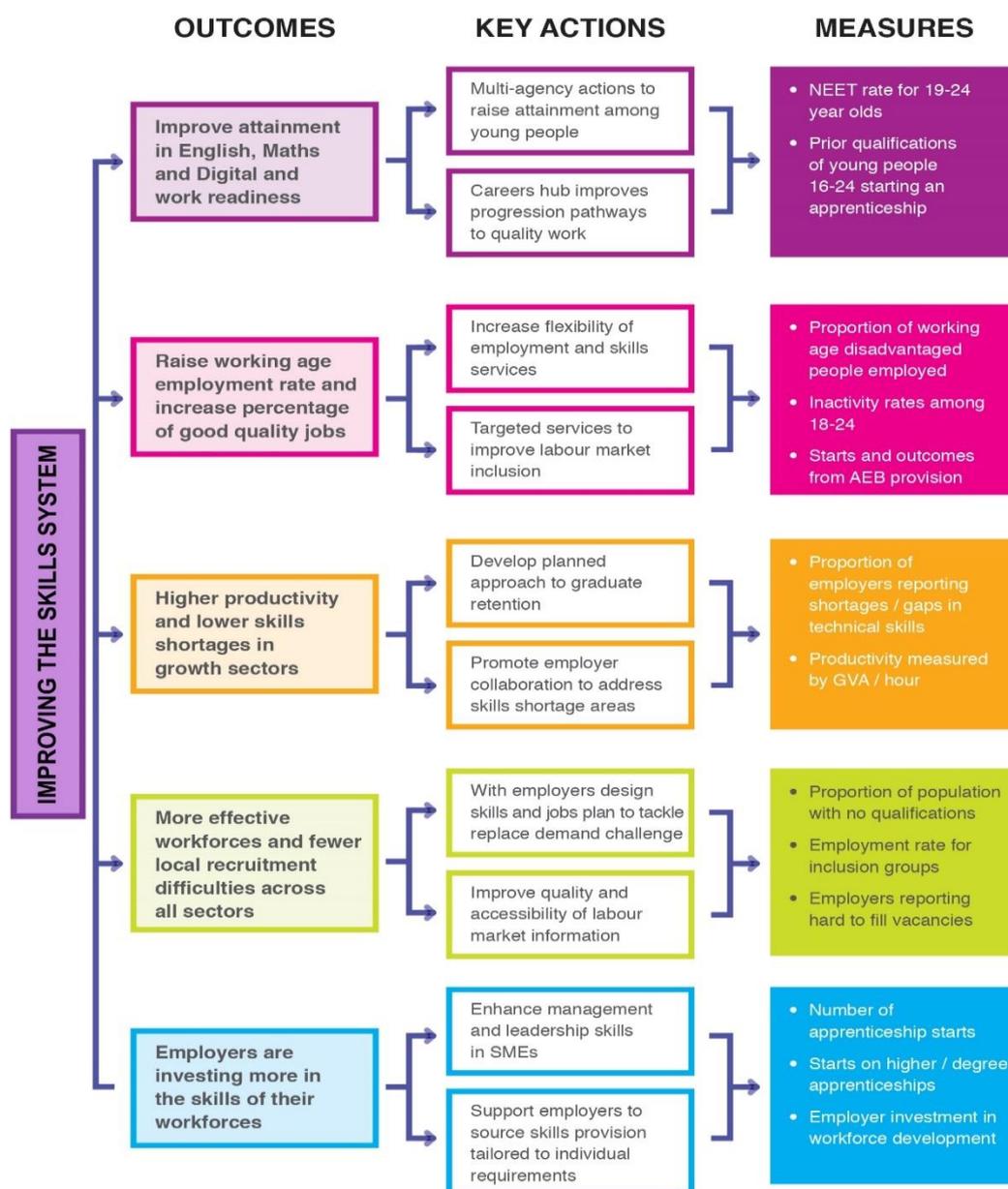
The Combined Authority has published a Skills Strategy 2018 – 2023 that sets a vision for an improved skills system, able to respond to changing global and local conditions.

Based on extensive stakeholder input and underpinned by an Employer Skills Survey¹ of over 1,800 employers, the Skills Strategy² identifies a focused series of

¹ http://liverpoolcityregion-ca.gov.uk/uploadedfiles/Documents/lcrca_emp_ski_surv.pdf

² http://liverpoolcityregion-ca.gov.uk/uploadedfiles/documents/LCRCA_SKILLS_STRAT.pdf

actions designed to improve the employment levels of individuals, improve the access of employers to skills and increase the productivity of employers across Liverpool City Region. These are shaped around six action areas:



Through its investments in Skills Capital projects, the Combined Authority will prioritise investment to projects that demonstrate a clear link with the above actions and outcomes. The importance and value of a modern and responsive Further Education (FE) sector in supporting the Liverpool City Region's priorities is clear. Growth, coupled with a skilled workforce, creates jobs, which in turn create opportunities and spread prosperity.

A skills offer that includes good building conditions, efficient estates and institutions equipped with up to date equipment and machinery similar to that used in modern

workplaces across the country, will provide opportunities and choices to help all learners to reach their potential.

Capital co-investment will also enable Colleges and providers to build on existing sector strengths and collaborate to deliver specialist curriculum with progression opportunities to higher-level skills.

Sectors

The Combined Authority's Skills for Growth Action Plans (see Appendix 1 summary) articulate insight from local employers to support the delivery of skills that will help the City Region's residents and businesses take advantage of growth opportunities, increase their productivity levels and meet their economic potential. The Combined Authority will prioritise Skills Capital investment to projects that demonstrate a clear link with enhancing the provision and learner experience of skills curriculum in one or more of the key growth sectors.

In addition, the Combined Authority will also recognise local employment opportunities within other high volume employment sectors, on-going replacement demand within the wider economy and employer need for employability skills across all sectors (IT skills, communication, problem-solving and team working skills).

Apprenticeships

The Liverpool City Region Apprenticeship Growth Plan was published in 2018 and sets out an ambition for greater volumes, a broader offer and a more diverse range of vocational and technical skills delivered through Apprenticeships and Traineeships.

This Skills Capital prospectus therefore provides the opportunity for co-investment in improved facilities to support apprenticeship growth in terms of volumes, the breadth of Apprenticeship Standards offered and the diversity of learners supported to engage in vocational skills.

Area Based Review

The Liverpool City Region Area Based Review (2017) recommended structural changes and strategic planning/curriculum activity to bring about better curriculum alignment with employer and learner needs. For skills capital this may include maintenance and re-purposing of facilities because of merger or curriculum changes.

Narrowing Gaps in Participation and Achievement of Underrepresented Groups

Activity to narrow gaps in the participation and achievement of underrepresented groups is one of the priorities in the Liverpool City Region Skills Strategy 2018. Projects that support opportunities for SIF co-investment to support diversity and the life chances of Liverpool City Region residents are welcome. This includes

reasonable adjustments to learning facilities for those with learning difficulties and/or disabilities and pre-employment training environments for those furthest from the labour market.

1.4 Funding Available

This request for submissions is for capital investment of up to £18m in aggregate, in projects or initiatives, which will support economic growth through skills in the Liverpool City Region.

Funding available for this call is drawn from funding made available to the Combined Authority under Local Growth Fund and Growth Deals with Government. Applicants should note that the Combined Authority will manage its diverse funding under a 'single pot' approach and will apply its funding to projects in a way to maximise its flexibility.

This request for projects will remain open until 31 August 2019.

1.5 How to Apply

Sponsors are required to complete the submission form set out in Appendix 2 of this document. Completed submissions with any supporting documentation should be emailed to: SIF@liverpoolcityregion-ca.gov.uk

1.6 Deadline for Development

The Combined Authority expects projects to be capable of launching by 1 December 2019 with, where applicable, building works scheduled to commence by Summer 2020. Projects unable to meet this deadline should engage with the Combined Authority to understand the likely availability of future funding sources and the Combined Authority may consider at its sole discretion an extension in the expected start date.

The Combined Authority is keen to engage with sponsors early, and welcomes a discussion about projects that may meet its investment objectives but are not ready to submit a funding request under this call.

Note that the Combined Authority's standard position is to require substantive commencement of project works within three months of entering into legal documentation. The Combined Authority will permit projects with a longer lead-in time on a case by case basis.

2 What the SIF will Support

2.1 Skills Capital Investment Fund

The Combined Authority's overall objective with the SIF is to generate inclusive economic growth, high quality local employment, and to recover its commitments where possible. For Skills Capital investment, sponsors will be expected to demonstrate in their submissions how their proposed project would meet the identified skills priorities of the Liverpool City Region.

2.2 Key Investment Principles

Wherever possible, the Combined Authority wishes to see co-investments made through the Skills Capital fund achieve collaboration between local skills providers (and between local providers and employers) to ensure maximum usage and value for money. In turn, the Fund will seek to avoid capital co-investments in infrastructure for specific courses or curriculum areas at a Liverpool City Region level, which would create any unnecessary duplication or over-provision within the skills system.

In addition, the Combined Authority will use the SIF to make co-investments in skills capital projects in line with the following investment principles:

- Funding awards will prioritise support towards capital investment that encourages learning and training in the identified City Region growth sectors; in sectors where there is a high volume of replacement demand, job generation and/or significant named employer support in the Liverpool City Region for a proposal;
- Funding to be awarded on a competitive basis to ensure that the skills priorities including the impact on growth for the area can be met;
- Funding awards to be prioritised to support proposals that clearly evidence the impact and benefits of the educational and economic case across the Liverpool City Region area and in addressing market gaps and local growth opportunities;
- FE Colleges with evidence of poor building conditions and inefficient estates that need to be addressed will be prioritised within the programme;
- All projects should demonstrate high value for money, offer scalability to addressing estate needs and consider and manage delivery risks; and
- Applicants will be encouraged to lever in private sector investment to improve value for money (see section 2.5).

When considering the approach to eligibility and operation of the separate skills investment strands of activity, the need for a balanced mix of projects with strong innovation and growth impact but also support for Liverpool City Region FE Colleges with poor building conditions and inefficient estates has been a consideration. Another factor is the practical need to keep applications for funding support at a manageable level for both assessment and ongoing asset management purposes.

2.3 Funding Overview

Table A: Skills Capital Investment Fund Summary

Investment Strand	Indicative Allocation	Description	Minimum - Maximum Grant	Eligibility
1. Sites and Premises	£8.0m	Large construction and refurbishment projects, with a focus on innovation to support economic growth sectors and high volume employment including apprenticeships.	Min £500,000 Max £2m*	All eligible applicants listed in Section 3.2
2. Improved Facilities	£3.5m	Smaller scale capital development or re-configuration projects to improve sites and premises	Min £100,000 Max £500,000	All eligible applicants listed in Section 3.2
3. Equipment	£2.0m	Investment in equipment to ensure training environments are up to modern industry standards, with a particular focus on advanced manufacturing, digital, logistics, health and construction sector skills needs.	Min £25,000 Max £500,000	All eligible applicants listed in Section 3.2
4. Maintenance of Further Education Facilities	£3.5m	Maintenance of existing FE Colleges delivery facilities.	Allocations methodology applied to total 2017/18 income	General FE Colleges based in Liverpool City Region
5. Low Carbon Reinvestment Fund	£1.0m	A fund for FE Colleges to invest in their plant and facilities to reduce their carbon impact.	No maximum grant level	General FE Colleges based in Liverpool City Region
Total	£18.0m			

* Unless there is a compelling case on educational, financial and/or economic growth grounds to the lift this grant level/percentage

Investment Strand 1: Sites and Premises

Strand 1 (Sites and Premises) is for large construction and refurbishment projects, to improve buildings with a focus on innovation to support economic growth sectors, high volume employment and apprenticeship growth.

Funding awards will prioritise support towards capital investment that encourages learning and training in the identified Liverpool City Region growth sectors, and sectors where there is a high volume of job generation and/or significant named employer support in the City Region for a proposal.

Investment Strand 2: Improved Facilities

Strand 2 (Improved facilities) is focused on smaller scale capital development or re-configuration projects to improve skills and learning facilities.

Funding awards will prioritise improvements that:

- Support apprenticeship growth in line with the priorities set out in the Liverpool City Region Apprenticeship Growth Plan (2018-2020);
- Support reasonable adjustments to engage under-represented learners e.g. those with learning difficulties and/or disabilities including autism friendly learning environments; and
- Enhance facilities to widen the accessibility and quality of skills and employment provision to support diversity and life chances for those furthest away from the labour market including pre-employment training environments.

Proposals involving work that normally constitute the usual 'summer works' or planned maintenance and redecoration will not be considered eligible.

Investment Strand 3: Equipment

Strand 3 (Equipment) is to enable the purchase of major equipment to deliver learning within an educational setting. It is designed to ensure equipment being used by FE Colleges and all other skills and learning providers is up to modern industry standards and responsive to employer demand and Liverpool City Region skills priorities. Funding awards will prioritise investment with a particular focus on:

- Specialist high cost equipment needs to ensure that training meets industry standards for Science, Technology, Engineering and Mathematics;
- Specialist high cost equipment needs to ensure that training meets industry standards for growth sectors (Advanced Manufacturing; Digital; Logistics, Health and Life Sciences and Construction sector skills); and

- Equipment that will improve the quality of the learning experience or engagement of learners.

The funding is deployed using a minimum and maximum package of investment and via a competitive process. This is likely to be a popular strand for applications so a minimum package and item level will streamline the assessment process/timeline while also allowing funding to be deployed to meet any emerging industry needs for new equipment or to update poor equipment to achieve maximum impact.

In general, items such as furniture, software, general IT and telephony equipment are classed as **ineligible** under Strand 3.

Investment Strand 4: Maintenance of Further Education Facilities

Strand 4 (Maintenance of Further Education Facilities) is ring-fenced to Liverpool City Region General FE Colleges using an allocations methodology. The rationale for this is to ensure there is scope within the programme to address delivery facilities to ensure the estate continues to be fit for purpose and local community assets continue to be maintained.

The Strand will **not** fund work that would normally constitute the usual 'summer works', or planned maintenance or decoration i.e. works carried out under what would be reasonably considered as an on-going general maintenance programme or in-house by a college estates team.

The only exception to this would be 'summer works', or planned maintenance or decoration that will be carried out by external contractors and applied as part of a wider package of maintenance work including major maintenance items e.g. a new roof, window replacement programme or structural maintenance works.

Investment Strand 5: Low Carbon Re-investment Fund

The Combined Authority is committed to innovation in sustainable technology and becoming a zero-carbon City Region by 2040. The Growth Deal provided capital funding for the creation of a skills Low Carbon Fund to increase energy efficiency across colleges and other skills providers. Strand 5 (Low Carbon) will offer Liverpool City Region General FE Colleges the opportunity to invest in innovative capital improvements to their plant and facilities. A key outcome being to reduce their carbon impact and re-invest savings for the benefit of learners.

The Skills Capital investments co-invested to date (from rounds 1 and 2) that relate to this strand include: £1.5m across all local FE Colleges to improve energy management such as smart metering, LED lighting and dissemination of quick win outcomes to other public sector institutions. Also, a £0.5m project was delivered by one FE College for a new energy centre that optimised power and thermal storage which includes a five-year payback with savings invested to improve local learner outcomes.

2.4 Eligibility

This Skills Capital call is open to individual or consortia applications led by the following organisations based within the constituent six Local Authority areas within Liverpool City Region:

- General Further Education (FE) Colleges;
- Sixth Form Colleges (and academies formerly designated as Sixth Form Colleges);
- Liverpool City Region devolved Adult Education Budget providers;
- Liverpool City Region based Education and Skills Funding Agency (ESFA) funded Independent Training Providers with direct contracts for Apprenticeships, Traineeships or 16-18 study programmes;
- Universities (in relation to the delivery of Higher and Degree Apprenticeships);
- Employer Providers who offer Apprenticeships (listed on the Register of Apprenticeship Training Providers); and
- Liverpool City Region based training providers who are in receipt of European Social Fund contracts.

Skills Capital investment strands 1-3 are open to all eligible applicants listed above. Investment strands 4-5 apply to Liverpool City Region based General FE colleges only to address maintenance and low carbon investment needs.

The sponsor must have the legal capacity to enter into appropriate contracts with the Combined Authority.

Successful applicants will be expected to demonstrate that they are committed to and working towards becoming a Disability Confident employer

<https://www.gov.uk/government/collections/disability-confident-campaign>

2.5 Matched Funding

The Combined Authority is not setting any specific requirement for match funding. However, sponsors should note:

- Submissions will be evaluated on the basis, inter alia, of the amount of overall investment the Combined Authority's contribution achieves (leverage);
- Good investment structuring requires substantial sponsor co-investment and incentives to create economic alignment; and
- Any financing will need to be compliant with EU State Aid regulations.

As a result, 100% financing of any proposed project is likely to be in exceptional circumstances only.

2.6 Avoidance of Duplication

The Combined Authority will engage with project sponsors to prevent overlapping or competing projects from proceeding under SIF.

We may direct projects towards other funding and/or identify opportunities to combine programmes. For example, the [T Level Capital Fund announced by the Chancellor in the 2018 Budget](#) provides £38m funding to help build new classrooms, refurbish buildings and upgrade their equipment in readiness to deliver the new T Level qualifications from September 2020. FE College and Independent Training Providers applicants seeking capital investment ahead of T Level delivery should in the first instance consider making applications to T Level Capital Fund ahead of Liverpool City Region SIF Skills Capital investment.

3 Submission and Assessment

3.1 Investment Process

Section Four of the Combined Authority's Investment Strategy (see website) describes the overarching SIF investment process. Project sponsors may refer to this section, and to the accompanying appendices, to understand the Combined Authority's process in greater detail.

3.2 Outline Submission Form

Outline submissions for Skills Capital should be completed using the submission form set out in Appendix 2. The form and accompanying guidance notes are available electronically for download on the Combined Authority website:

<http://liverpoolcityregion-ca.gov.uk/documents>

Completed submissions together with any supporting information should be emailed to SIF@liverpoolcityregion-ca.gov.uk

Sponsors are reminded that a key element of the assessment will be the deliverability of the project. Whilst it is recognised that at initial submission stage, further work is likely to be required – sponsors are requested not to make a submission until they are ready to do so. Support from the SIF Investment Team is available to assist in this regard.

Sponsors are invited to identify in any application the information which they consider to be commercially confidential and the CA will treat such information accordingly. However, this cannot override the CA's obligations under the Freedom of Information Act 2000 and/or Environmental Information Regulations 2004 (SI 2004 No. 3391).

3.3 How Submission's will be evaluated

The CA's Investment Strategy and Assurance Framework provide details on its approach to underwriting and appraising projects. In brief:

- Outline submissions are evaluated against the criteria established in Appendix 1 of the Investment Strategy, prioritising deliverability (overall and within call timescales), strategic fit, public value and market failure/investment opportunity.
- Projects that proceed to final stage (Project Business Case) will be considered in the round, considering each of the five business cases provided under HM Treasury's Green Book appraisal methodology for public investment: strategic, economic, financial, commercial, management. The common, quantifiable appraisal metrics the Combined Authority will consider within this are:
 - Benefit Cost Ratio and Net Present Public Value;

- Economic Development (Gross Value Added);
- Anticipated Jobs Created;
- Leverage (in particular amount of non-repayable funding invested against total investment); and
- Sector specific appraisal metrics.

The Combined Authority undertakes to apply a proportionate application of HM Treasury's Green Book and its attendant five business case model. For Skills Capital projects, the following criteria will be applied in its assessment, based on the approach used to evaluate previous Skills Capital rounds. Sponsors will also need to identify the learning and skills related outputs and outcomes that their project will deliver.

Investment Strand	Indicative Allocation	Main Appraisal Criteria
1. Sites and Premises	£8.0m	<ul style="list-style-type: none"> • Economic appraisal – responsive to employer demand, able to support economic growth sectors and high volume employment including apprenticeships. • Educational appraisal – including detailing curriculum that will be delivered as a result of project. • Technical appraisal. • Financial appraisal.
2. Improved Facilities	£3.5m	<ul style="list-style-type: none"> • Economic appraisal – responsive to employer demand, able to support economic growth sectors and high volume employment including apprenticeships. • Educational appraisal – including detailing curriculum that will be delivered as a result of project. • Technical appraisal. • Financial appraisal.
3. Equipment	£2.0m	<ul style="list-style-type: none"> • Project need – providing up-to-date specialist equipment and machinery similar to that used in current, best practice workplaces. • Project business case - including how it will enhance learner engagement, experience pathways, performance success and achievement; and how it will support City Region skills priorities. • Equipment use and maintenance plan. • Deliverability of the project and effective risk management procedures.

Investment Strand	Indicative Allocation	Main Appraisal Criteria
		<ul style="list-style-type: none"> • Financial value for money.
4. Maintenance of Further Education Facilities	£3.5m	<ul style="list-style-type: none"> • Estate need - how the works will ensure that FE Colleges operate with estate which is at least 'Good' condition, which is fit for purpose, reduces operating costs (£/m²) over an investment period of 20 years and is versatile enough to efficiently accommodate changes in curriculum, social and economic needs and/or educational delivery. • Project business case - including how it will enhance learner engagement, experience pathways, performance success and achievement; and how it will support City Region skills priorities. • Deliverability of the project and effective risk management procedures. • Financial value for money.
5. Low Carbon Reinvestment Fund	£1.0m	<ul style="list-style-type: none"> • Project business case. • Deliverability of the project and effective risk management procedures. • Financial value for money.
Total	£18.0m	

Please note that we may use the investment process to compare competing submissions and select those that best meet our objectives. Competing submissions are those that offer comparable benefits across the same learning and/or geography. For example, should we receive multiple bids to support a specific apprenticeship standard growth or sector related learning provision in a geographical area, we may use the process to generate the best offer for a project and in so doing progress the one that offers best value for money.

Where the sponsor is applying to improve a site or premises, the SIF fund will take a risk-based approach in determining whether investment represents good value for money, considering the likelihood that the public investment in learning facilities can be safeguarded in the medium term.

Projects with a building energy management focus should demonstrate how they will improve energy management in order to reduce running costs and integrate low carbon technologies into curriculum development and the learner experience in an innovative way. Please evidence this with reference to relevant measurements (e.g.

energy reduced per m² of estate and tonnes of CO² avoided) and include the proposed payback period for the intervention.

For Skills Capital Strands 3 and 4, the Combined Authority will adopt a programme approval methodology with sub-project decisions delegated to the SIF Investment Panel. In terms of this approach, the SIF Investment Strategy states in its “Principles and Priorities” section that the Combined Authority will support “*programme facilities that set common requirements and expectations of recipients (in consultation with the Combined Authority’s Policy team), enable streamlined decision making and allow for coherent monitoring and evaluation.*”

3.4 Inclusive Growth, Social Value and Sustainability

The Combined Authority expects all projects to consider their potential to generate social impact and inclusive growth (the idea that economic growth should benefit local people to the extent reasonably achievable). We will engage with each project sponsor to understand, at the outline and concept stages, their current position and work with them to develop an inclusive growth action plan as their project progresses to final submission. All else being equal, projects with better inclusive growth and social impact credentials are more likely to receive funding.

The Combined Authority also expects project sponsors to consider the environmental sustainability of their proposal. We expect:

- Built environment projects to undertake and respond to an independent design review panel (and we will connect sponsors to the CA design champion’s programme);
- New build to reach BREEAM Excellent on completion; and
- Refurbished commercial development to reach BREEAM Very Good on completion.

4 Further Details

4.1 Pre-Submission Consultation

The Combined Authority is happy to undertake early consultation with potential sponsors regarding their potential submissions.

Such consultation shall be on an informal basis only and any support and advice given shall not commit the Combined Authority to any specific course of action.

Information provided during consultation will be considered by the Combined Authority as commercially confidential, although such consideration cannot override its obligations under the Freedom of Information Act 2000 and Environmental Information Regulations 2004 (SI 2004 No. 3391).

4.2 Costs

There is no charge levied by the Combined Authority associated with the tender of a submission under this Call, although sponsors will be required to meet their own costs.

Where submissions are taken forward for further development, sponsors will carry the Combined Authorities reasonable costs in structuring, executing and monitoring each project. The costs typically include legal, professional and consultancy fees, and are incurred independently of whether the Combined Authority commits to fund the project. The Combined Authority will seek, where practicable, to agree these fees in advance with project sponsors.

4.3 Contact Details

Sponsors seeking informal discussions in respect of their sponsors can contact the AEB Commissioning Team and/or Investment Team as identified below.

Contact details are provided below:

Neil Maguire

0151 330 1274

neil.maguire@liverpoolcityregion-ca.gov.uk

Raphael Miller

0151 330 1363

Raphael.miller@liverpoolcityregion-ca.gov.uk

Appendix 1: Summary of Skills for Growth Action Plans

Health and Care

Health and Care covers 21% of the employment within the City Region, with around 120,000 people employed. The workforce is ageing, and there are specific issues around skills and recruitment needs in Social Care and in a number of specialist health roles in particular. For social care, this builds upon wider issues in the sector with inflationary pressures on employment whilst pressures to reduce costs remain. The recommended actions focus on the need to improve the promotion of the sector and the roles within it, as well as ensuring that staff can take advantage of the training available. There is also a key role for Trades Unions to promote access to learning and development.

Construction

Construction has contributed over £25bn to the City Region over the last 20 years, and currently 47,000 people work in the sector. There are strong grounds for optimism, and growth of 2.3% is forecast for the next 5 years. However, there are specific shortage roles (including bricklayers, painters and decorators and building envelope specialists) which need collaborative action to address. This will be taken forward by industry groups, led by CITB.

Visitor Economy

The Visitor Economy generated £4.2 billion in GVA in 2016, accounting for nearly 14% of the total for the City Region and nearly 52,000 jobs. 25% of the Visitor Economy workforce is aged 16–24, more than double the proportion of young people in the City Region’s workforce as a whole, and there are grounds for further growth in the coming years. There is a need to encourage more uptake of provision, prepare them for careers in the sector and promote more investment in skills by employers.

Low Carbon

The Low Carbon Economy is a key growth sector with potential for significant growth in both the number of employees and the number of enterprises. The sector encompasses a diverse range of skilled semi-skilled trades, particularly within manufacturing. There are particular City Region strengths (e.g. offshore wind) and opportunities (e.g. hydrogen, tidal energy) which can be built upon and captured. There is a need to increase the number of young people entering the sector, capitalise on changing trends towards low carbon energy efficiency and improve workforce skills.

Digital and Creative

The City Region’s rich cultural heritage and pioneering big data/artificial intelligence capabilities coupled with its unique digital assets such as the Science and Technology Funding Council (STFC) Hartree Centre underpin its ambitions to have a

world leading creative and digital economy. The Action Plan identifies significant need for a broad range of skills including Excel, coding skills, web editing and the need for these skills to enhance existing job roles. Nearly all job roles need digital skills, whilst employability skills delivery needs to get people digitally equipped to enter the labour market. People at risk of displacement due to digitisation and automation, need digital skills to take on new roles whilst others need discrete digital skills to augment existing skills.

Advanced Manufacturing

In 2016, the sector contributed £4.3bn to the City Region economy. In the decade between 2006-16 Advanced Manufacturing contributed 21 per cent of all Liverpool City Region GVA growth despite employing just under 7 per cent of employees in Liverpool City Region. The challenge is to improve the skills and labour market performance of both the existing workforce and new recruits. Additional investment is planned for science, technology, engineering and maths (STEM) skills to underpin technological innovation and high value business growth. This shift in technical and professional skills will be vital to help retain the sector's competitive advantage.

Maritime and Logistics

Maritime and Logistics is a key employment and wealth generating sector for Liverpool City Region. There are over 2,000 businesses operating in the sector in Liverpool City Region with over 26,000 people employed in 2016, which is 4.2% of the local workforce. Employment in the sector has grown significantly, with 12,000 local jobs created between 2010 and 2016, mainly in transport and warehousing. Liverpool City Region is facing the issue of an ageing workforce and this is particularly acute in this sector, which has the highest proportion of employees aged over 50 in Liverpool City Region. Discussions with employers highlight that in a number of sub-sectors, staff with digital skills were increasingly being added to the business to help support the development and maintenance of digital processes e.g. for the tracking and processing of freight as well as in preparation for automation.

Professional and Business Services

Within the City Region, this sector supports an estimated 107,000 jobs across 12,000 companies and generates more than £8 billion per annum in Gross Value Added (GVA). It is the second largest employer in the City Region, after health, and generates over one quarter (27.3 percent) of economic output. Key needs include ensuring the supply of people and skills with the core technical competences required, including attracting, growing and retaining senior and middle managers and upskilling staff to respond positively to changing technology, global markets and business practices.

Innovation

Innovation is an enabler to all sectors realised through creative thinking, refining business practices and applying new ideas to generate commercial gain or improved

service delivery. While definitions and measures of innovation vary, it relies on the human ability to imagine improvements to achieve efficiencies or access to new markets. Innovation skills are present in the overlap between work specific knowledge and individual competences, such as questioning, problem solving and creativity applied in practice. Building innovation is about promoting a culture, where the value of innovation is recognised and embedded in business practice. There is a need to adapt education and workplaces practices to make space for creative and critical thinking and developing new approaches that lead to commercial or service improvements. To shape innovation skills requires a recognition of the potential for innovation within organisations and support for learning to support this.

Employability

Employability represents the core soft skills and competencies necessary for people to enter and progress in the labour market. Employers and stakeholders across all sectors reported gaps in general employability skills, particularly in written and spoken communication, basic IT and general employability competencies. This highlights the need to improve the employability skills of those already in employment, as well as those looking for work. Employers experience gaps in intermediate and basic employability skills, such as leadership, people skills, and project and conflict management, as well as advanced communication and presentation skills. The demand for these higher-level skills look likely to grow with the future expansion of more technical and managerial roles.

English

English skills are important for productivity. On average younger residents in the City Region perform less well in English compared to their peers in other parts of the country. This can pose a challenge for our residents in realising their potential and for local economic growth plans. Teacher retention and recruitment issues and the need for strong and consistent English teaching to improve outcomes needs to be addressed. Young people in the City Region need to be made aware of the links between English skills and future employment. There is also a need for work-related ESOL provision, to enable people to develop spoken English skills to use in the workplace.

Maths

Maths skills play a key role in productivity. Younger Liverpool City Region residents on average perform less well in maths compared to their peers in other parts of the country. This limits their potential and poses a challenge for the Liverpool City Region in realising its economic growth plans: if residents do not develop better maths skills the Liverpool City Region will struggle to meet employers' demands. Strong and consistent maths teaching is needed to improve outcomes alongside links between different phases of education and employers. Young people in the Liverpool City Region need to be made aware of the relationship between maths education and future employment. Employers needs for maths skills in different job roles need to be better articulated and understood. Maths skills for adults in work

needs to be more accessible with providers making greater use of technology for delivery in the workplace, building on the work of trade unions and other workplace representatives.

Appendix 2: Skills Capital Outline Submission Form

The submission form for Skills Capital investment is set out overleaf, an editable version of the following Submission Form is available on the Combined Authority Website.

Outline Submission for Support from the Liverpool City Region Combined Authority Strategic Investment Fund – Skills Capital

Please complete this form with the information requested. The CA will use the information, and may request additional information, to prepare an outline submission for your project. Please refer to the SIF investment strategy, provided here www.liverpoolcityregion-ca.gov.uk/documents, to understand the purpose and place within the investment process of this outline submission.

The CA welcomes concise submissions that use lists, tables and bullet points to relay key information. At this stage in project development, you may not have precise information; please provide the most accurate information you can, specifying the source and highlighting where you have made assumptions.

Please indicate which information you consider to be commercially confidential and subject to the CA's obligations under the Freedom of Information Act 2000 and Environmental Information Regulations 2004 (SI 2004 No. 3391), the CA will treat such information accordingly.

Summary Contact Information	
Name of project	
Project Sponsor	
Recipient of funding	<i>(If different from Sponsor)</i>
Project location and address	
Contact Details of the Sponsor	<i>Please include name, job title, physical and email address, contact telephone number(s)</i>

Project Summary
<p><i>Please provide a short summary of the project (Guide 200 words)</i></p> <p><i>You may have various options under consideration at this stage. You can provide detail of these further down.</i></p>

Strategy and Purpose

Please describe your objectives in completing this project. How does it fit into the call for applications issued by the CA? (Guide 250 words).

What are your organisation and other project participants/stakeholders trying to achieve? What will count as success? What financial objectives do you wish to reach? What learners will you engage and what volumes of learning will the increased capacity from investment allow you to deliver per academic year.

Development and Operation

Please provide details of the scope, scale and timing of project development, describe its operation on completion and what plans you have, if any, to exit the project after completion. Please include a table of costs. Guide 350 words.

Where you are considering more than one project delivery option, you may provide 150 additional words on each alternative and summarise the differences in a table. You may include maps, plans and graphics by appendix.

Approvals, Consents and Authorisations

Please provide the material approvals, consents and authorisations you need to deliver and operate the project. You must provide brief commentary on your approach to securing these, including in relation to timing and dependencies / conditions.

Approvals, consents and authorisations may be internal (funding and resource) approval as well as external (like planning permission).

For projects involving land and property; confirm ownership of land or route to ownership and confirm land value contribution

Please provide letters of support (non-binding) from key stakeholders and detail the level of engagement with other public and private organisations and agencies.

Market, context and value

Please describe the market in which the project will operate. The response to this question will differ across sectors. Skills projects are aimed at learners, property projects at tenants/buyers and transport projects at residents and visitors. There is no correct answer, responding will simply help the CA place your project in context.

For Skills Capital investment, the response may differ across sectors and the revenue source that will be accessed to support learners e.g. apprenticeships/levy, 16-18 ESFA Study programme, AEB funded delivery. There is no correct answer, responding will simply help the CA place your project in context.

You may consider: what/who are its end user learners, and/or other beneficiaries? What/who are its competitors and how duplication of provision will be avoided? What is the demand for the project and how competitive is the supply? What are its competitive advantages?

If your project has a commercial value, what do you expect it to be and how did you arrive at this value? If you expect the value to fall below the cost of delivery, why and by how much?

You may submit by appendix market analysis and valuation work completed to date, noting that the CA is likely to reach its own view. Guide. 300 words plus tables.

Learning Volumes and Outcomes

Please describe the learning volumes and outcomes that will be achieved by the project and your current baseline volumes of delivery for this provision if applicable. (see overleaf)

Learner funding	Baseline - Learner numbers before project [1]	Expected Learner Outputs per Academic Year			Total Learner numbers after project per annum after 3 years [2]	Change in learner numbers = [2-1]
		Yr 1 (Additional learner enrolments)	Yr 2 Additional learner enrolments)	Yr 3 (Additional learner enrolments)		
	2018 - 2019	<i>Insert Year 1 academic year</i>	<i>Insert Year 2 academic year</i>	<i>Insert Year 3 academic year</i>		
16-18 Apprenticeships (levy and non levy)						
Adult (19+) Apprenticeships (levy and non levy)						
Adult Education Budget funded learners						
Level 3 and above learners trained (not including apprentices)						
Traineeships delivered progressing into employment and further training (16- 18 and 19-24)						

ESFA funded Study Programme learners (16-18)						
Higher Education (Office for Students funded) learners						
Other technical skills delivered to learners						
Total						

Learner Needs	Baseline - Learner numbers before project [1]	Expected Learner Outputs per Academic Year			Total Learner numbers after project per annum after 3 years [2]	Change in learner numbers = [2-1]
		Yr 1 (Additional learner enrolments)	Yr 2 Additional learner enrolments)	Yr 3 (Additional learner enrolments)		
	2018 - 2019	<i>Insert Year 1 academic year</i>	<i>Insert Year 2 academic year</i>	<i>Insert Year 3 academic year</i>		
Learners who were engaged as NEET (Not in Education Employment or Training)						
BAME (Black and Minority Ethnic) learners supported						
Learners with learning difficulties of disabilities supported						
English Maths and Digital learning entitlements needs met						
Traineeships delivered progressing into employment and further training						

Unemployed Learners engaged in learning						
Learners aged 50 and over with lower level skills needs						
Total						

Other Outcomes - Employment

The total number of newly created and safeguarded permanent full-time equivalent jobs as a direct result of the intervention at predetermined employment sites. Employment sites include occupied newly developed commercial premises, the premises of supported enterprises, and any FE space directly improved or constructed by the intervention. Created and safeguarded jobs exclude those created solely to deliver the intervention (e.g. construction). A job is deemed as permanent if it lasts at least a year.

Number of apprenticeship positions created as a direct result of the intervention.

Employment Outcomes	Baseline - Learner numbers before project [1]	Expected Employment Outputs per Academic Year			Total employment number after project per annum after 3 years [2]	Change in employment numbers = [2-1]
		Yr 1 Additional learner enrolments	Yr 2 Additional learner enrolments	Yr 3 Additional learner enrolments		
	2018 - 2019	<i>Insert Year 1 academic year</i>	<i>Insert Year 2 academic year</i>	<i>Insert Year 3 academic year</i>		
Jobs Created/ safeguarded						
Apprenticeship Posts created						

Other Skills and Education outcomes

Area of new or improved learning/training floorspace (m2)	<p>The amount of "new build" training/learning floorspace constructed. Figures to be provided following completion.</p> <p>The amount of training/learning floorspace refurbished to improve building condition and/or fitness for purpose. For FE Colleges, this should be by estate grading. Figures to be provided following completion.</p>	
Prior Estate Grade	Condition graded by surveyor – A, B, C, D	
Post Completion Estate Grade	Condition graded by surveyor – A, B, C, D	
Floorspace rationalisation (m2)	<p>The amount of overall floorspace reduced following completion of the project through, for example, demolition or disposal.</p> <p>Figures to be provided following completion.</p>	
Number of New Learners Assisted (in courses leading to a full qualification)	The number of new learners assisted as a direct result of the intervention, in courses leading to a full qualification.	
Specialist Capital Equipment	<p>Type of new specialist equipment - Specialist equipment:</p> <p>Resources specific to a particular sector or industry, and which are required in connection with that sector or industry's production of goods and services.</p> <p>These resources will usually comprise specific mechanical devices, but may include bespoke software, or a combination. Includes resources used to produce goods and services, as well as training resources unique to the</p>	

	industry (e.g. simulators). Does NOT include general equipment, IT infrastructure or resources used for several curriculum areas.	
Other Capital Equipment	Non-specialist capital equipment (see above).	

Funding

Sources of funding – please complete the following table, adding lines and providing background information as necessary.

Type of Funding	Provided/Sourced by Sponsor	Request from SIF	Total
[Item 1]			
[Item 2]			
Total			
Proportion of Total			100%

Where you are considering different options, please repeat this table for each option, noting that, if the CA accepts your project beyond the outline stage, its investment team will engage directly with you to structure a heads of terms for SIF financing.

You may also describe the key terms of the funding to be provided. Guide 200 words excluding tables.

Organisation and Personnel

Please provide, with brief appendices if necessary, an organisation chart for the project including funders and key stakeholders, the proposed legal structure of the project and the biography of key project team members.

Please also provide summary evidence, whether by reference to previous projects, case studies, corporate performance or other, of the sponsor's and its team's previous experience in delivering comparable and equivalent projects. Guide. 400 words plus charts.

Please attach most recent Annual Accounts for your organisation (not required for public authorities).

Risks

Please provide a brief summary table of the main project delivery risks per the below:

Risk	Probability and Impact	Potential Mitigation
[Risk 1]	<i>Select [low/medium/high] probability of risk occurring</i> <i>Select [low/medium/high] negative impact on project delivery if risk occurs</i>	
[Risk 2]		
[Risk 3]		
[Risk 4]		

Please focus on the quality of risk assessment above the quantity of risks listed. Max.400 words.

Declaration

Please complete by appending your (the project lead's) electronic signature below or by copying the declaration into the email submission of this form.

Signature.....

Name.....

Company name.....

Position.....

Date.....