



FE London Capital Investment briefing

Wednesday 16th July 2014

The Government has recently announced through the London Growth deal the availability of capital investment for FE.

The London LEP through the GLA will be responsible for the complete process and subsequent contract management.

This note attempts to summarise the key points covered in a consultation event hosted by the London LEP/GLA in advance of an official prospectus to be published in the next 4 weeks.

The capital investment fund will be open to all providers based in London approved on the SFA register.

The purpose of the note is to stimulate ideas and advance thinking for any provider who wishes to submit a bid to the fund. It is not to offer guidance on how to bid.

These notes were taken by Victor Farlie, Executive Chair LWBLA, who attended the event on the 16th July 2014.

1. Harvey McGrath Deputy Chair LEP - Intro.

- £120m available for London.
- FE Colleges and other SFA approved providers.
- £55m in 2015/16 and £65M in 2016/17.
- Aim: narrow the gap between skills and opportunities for London's businesses.

2. Mark Kleinman GLA

- Part of overall London LEP growth bid – major element.
- Reflect the major priorities of the (see SMART London Plan) LEP as a whole.
- Fe focus: renewal, rationalisation and modernisation.
- Physical pace that is fit for purpose.
- Clear focus on LEP priority areas.
- Progression to highest levels to high levels of vocational study (level 4 +).



- Demonstrating collaboration with other educational providers & bringing employers into the world of education.
- GLA/LEP Prospectus to be published at the end of the month.
- Internally the GLA/LEP will establish a committee known as the FE Capital Group to make recommendations to the LEP Board.

3. Kathy Walsh Principal Barking & Dagenham College. LEP Board member: adopting a transformative building investment strategy.

- B&D estate was traditionally categorized by condition – poor.
- Chunks or phasing of the redevelopment.
- Used to transform the College not simply replace old estate.
- Strategic document drove the capital investment.
- Values drives behaviours.
- Linked to the LEP priorities.
- Heavy use of ICT.
- Operate commercial use of space - shops and use of space for students.
- Financed by SFA capital bids, cash reserves and borrowings.

4. Debbie Jackson Asst. Director regeneration GLA & Michael Heanue GLA (economic policy and regeneration teams)

Key managers responsible for managing all aspects of the process. Issues to be considered in the prospectus include:

- College estates
- Strategic context
- Evidence
- Project eligibility
- Minimum requirements
- Outputs, outcomes and measurability,
- Place making and wider regeneration
- Value for money, viability, and affordability.



Key is Evidence so look for:

- London's labour market projections.
- Occupation categories and qualification levels required in future.
- See growth plan.
- Population increases.

Application Criteria

- Approved providers only - includes non-FE.
- Capital only.
- 2:1 matching – for every £1 of LEP money requires £2 of matched cash.
- Joint applications ok but must have a lead.
- Must demonstrate deliverability: 'hit the ground running'.

Two Stage Process

1. **Expressions of interest** – End of September 2015.
Capital group makes recommendations on who is invited to submit a full application. If no then feedback provided.
2. **Detailed Application then required to be submitted** – End of January 2016.
Applications – scored and recommendations made to LEP.
3. Contract agreed start from April 2016 onwards.

Detailed criteria:

To be scored – as in a bid. Think like ESIF.

- Eligibility
- Strategic fit
- Benefits
- Property and estate
- Place making
- VFM
- Deliverability (important)
- State aid compliant
- Risks and mitigation
- Submission of key documents.



Next steps

- EOI Requirements & timetable.
- Publication of prospectus.

Questions Raised

- Future funding rounds are dependent on the first round.
- No minimum or max. Value £3-5M assumed.
- 2:1 match – very good case needs to be made if not.
- Local partners are a good idea particularly employers.
- Ofsted report may be taken in to consideration.

Victor Farlie, Executive Chair LWBLA

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