

Apply to the levelling up fund round 2

Submission details

Submission reference	LUF20316
Created time	Wed, 10 Aug 2022 08:59
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What is the legal name of the lead applicant organisation?

Blaenau Gwent County Borough Council

Where is your bid being delivered?

Wales

Select your local authority

Blaenau Gwent

Enter the name of your bid

HiVE

Does your bid contain any projects previously submitted in round 1?

No

Bid manager contact details

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Enter the name of any consultancy companies involved in the preparation of the bid

WSP

Enter the total grant requested from the Levelling Up Fund

£9360000

Investment themes

Regeneration and town centre	100%
Cultural	0%
Transport	0%

Which bid allowance are you using?

Full constituency allowance

How many component projects are there in your bid?

1

Are you submitting a joint bid?

No

Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

Costings and Planning Workbook

1 LUF_Single_Project_Costings_and_Planning_Wkbook_v2.00_HiVE Master RH.xlsx

Provide bid name

HiVE - (High Value Engineering) – Blaenau Gwent County Borough Council (BGCBC)

Provide a short description of your bid

HiVE will be a sector-leading, education establishment embodying the ideals of Industry 4.0 & 5.0. There is currently no facility of this kind across the Heads of the Valley region. It would enable up to 600 students from across Blaenau Gwent and northern valleys in Wales, apprentices and commercial learners to study and experience advanced engineering from levels 1 to 6, and provide an adaptable platform offering a range of technology awareness programmes. HiVE will also allow SMEs to explore the benefits of deploying a range of technologies deliver a new curriculum fit for the engineering industry of the future.

Provide a more detailed overview of your bid proposal

The proposal will enable a long-vacant former factory building in the economically challenged south Wales Valleys to be utilised to create a state of the art, highly relevant and forward-looking skills centre; HiVE.

As the face and future of engineering is rapidly changing to heavily rely on new technologies and respond to industry 4.0, it has never been more important

that new technologies that enable advanced robotics and automation are embraced and brought to the forefront of our community. At HiVE, there will be focus on the use of augmented and virtual reality to design, analysis of data in real-time and manufacturing. Students and industry will have access to the latest in materials technology such as metal additive manufacturing and composites.

The vision is to equip local people with the right skills for a changing world and to build capacity for lifelong learning. HiVE will be constantly adapting to produce highly trained students who have a real passion for engineering and will also upskill the current engineering workforce, ready for the next industrial revolution.

It is envisaged that schools across Blaenau Gwent and the Heads of the Valley primary and secondary schools will have access to HiVE and will be able to have guest lectures, demonstrations and develop STEM knowledge through project work through accessing the equipment and experiences outside of a school's limited capability. A remote taster hub is being created in Tredegar comprehensive school and further hubs will be created at other comprehensive schools within the borough to enable secondary and primary schools access to advanced robotics to promote the educational pathway towards HiVE's offering.

Once construction of HiVE is completed, it is proposed that there will be up to 600 full time, part time, HE, apprenticeships and commercial learners by 2026/27. This will lead to an increase in the number of students enrolling/completing Further Education/Higher Education courses.

Coleg Gwent college is committing up to £200,000 per annum to operate the facility as well as to lease the building for the term of the lease (aligned to Coleg Gwent's Innovation centre in Lime Avenue this gives a lease of 80 plus years). To date Coleg Gwent has invested a significant amount of time on design and specification for HiVE.

HiVE is well-aligned with the Welsh Government's priorities. Engineering is a Welsh Government priority, evident in policy, educational funding, initiatives and investment funds such as the Tech Valleys programme. The vision for the Tech Valleys programme is to create a vibrant, world-class, high technology focus for Welsh-based manufacturing companies of all sizes spanning many key sub-sectors, including digital, cyber, AI, robotics, manufacturing, etc. providing employment that is challenging, rewarding and valued. The programme aims to encourage the adoption of digital technologies and developing high value advanced technologies that support cutting edge industries such as 5G, battery technology and research into automotive and autonomous vehicles. HiVE sits at the heart of this programme.

Provide a short description of the area where the investment will take place

Blaenau Gwent is located in the shadow of the Brecon Beacons in the former mining and steel works northern valleys of South Wales. It is less than an hour from Cardiff and less than two hours from Birmingham.

Ebbw Vale, where HiVE will be located in Blaenau Gwent (along with the rest of the South Wales Valleys), has significant socio-economic challenges, and these are detailed in strategic documents such as Our Valleys Our Future Evidence Paper 2018. It is also highlighted in the latest UK Competitiveness report, where Blaenau Gwent is ranked the lowest.

The Cardiff Capital Region Skills Partnership Plan 2019-2022, a 3-year vision for employment and skills across the region, developed by the Regional Skills Partnership in consultation with business, education and training partners details Advanced Material & Manufacturing as a key sector, reporting a skills gap of 21% in Wales, which is the highest reported figure for Wales by sector. It suggests that a relatively large proportion of the workforce do not possess the skills to meet current needs.

HiVE will aim to reflect what the Welsh Government has outlined in 'A

Manufacturing Future for Wales' document. The ten themes to future proof the manufacturing community across the Heads of the Valley feature as cross cutting themes; one of the key points is the collaboration between Government, Industry and Academia which is the basis of the partnership for the delivery of this proposal.

The 1.96-acre site is just off the A4046. The current building area is 17,593sqft, while the proposed building area is 21,808sqft. The site is a closed down former sign manufacturing facility that ceased its industrial life more than five years ago. The council purchased this site for redevelopment and its size and location fit well with the intended purpose and local travel plans. HiVE's location will mean that it will be a 10 mins walk from the rail/bus and existing Coleg Gwent provision; it has potential for immediate uses on receipt of investment which will be used to complete the refurbishment works.

Optional Map Upload

4 Attachment 4_Map Defining the Area.docx

Does your bid include any transport projects?

No

Provide location information

Location 1

Enter location postcode

NP23 6UZ

Enter location grid reference

SO 16224 10285

Percentage of bid invested at the location

100%

Optional GIS file upload for the location

Select the constituencies covered in the bid

Constituency 1

Constituency name

Blaenau Gwent

Estimate the percentage of the bid invested in this constituency

100%

Select the local authorities covered in the bid

Local Authority 1

Local authority name

Blaenau Gwent

Estimate the percentage of the bid invested in this local authority

100%

Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment

Civic
Other Regeneration

Describe other regeneration sub-category

HiVE will be a sector-leading, education establishment embodying the ideals of Industry 4.0 & 5.0. There is currently no facility of this kind across the Heads of the Valley region

Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

There has been no application made to other funding schemes for this same bid that are currently pending an outcome. As consequence the development of this scheme is acutely linked to receiving funding from the LUF.

Provide VAT number if applicable to your organisation

655646703

Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

HiVE will be a key facilitator of good community relations as it will 1) provide much needed educational learning opportunities for the whole community and 2) will be well connected to the centre of Ebbw Vale and hence all parts of the local community. In other words, HiVE is not just a new training and educational facility but will be a major focal point or 'hub' within the community. This will help to foster and promote good community relations.

HiVE will also help to reduce disparities amongst different groups by offering those who may be underqualified or lacking in certain technical skillsets the opportunity to be trained and learn highly marketable skills. Once qualified, these students (who may come from more deprived parts of the community) will be able to enter the labour market and offer a far wider skillset to employers, especially those in higher value sectors. This will help to 'level up' the community and to reduce today's disparities across different groups (a feature of the local area following the decline in traditional manufacturing industries).

In addition, HiVE will strengthen integration across the local community by offering a broad range of educational opportunities to young people and those of working age. HiVE will have several positive benefits, including helping to stem the outflow of young people who move away from the area in search of employment opportunities. By helping people to develop their skillsets and thus be more willing to stay within Ebbw Vale and the wider Blaenau Gwent area, there will be strengthened community integration as more people, including young people, will remain in the area along with their families and other dependents.

Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

Yes

Does the support measure confer an economic advantage on one or more economic actors?

No

Provide further information supporting your answer

The support will be provided to Blaenau Gwent County Borough Council. The Council will be acting in its capacity as a local authority, not as an economic actor. The Council will use the funding to develop an advanced engineering centre (HiVE), a facility which will be used in the provision of public education that is available on a non-discriminatory basis.

It is proposed that Coleg Gwent will be granted a lease of the centre for a peppercorn rent. Coleg Gwent will be required to use this for the purpose of public education that is available on a non-discriminatory basis. The lease will only provide for permitted use of the property for the provision of education and training as defined by Planning Use Class D1. There will therefore be no potential for Coleg Gwent to obtain an economic advantage as an economic actor.

Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

No

Provide further information supporting your answer

As explained above, the support will not benefit any economic actor over others.

Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

No

Provide further information supporting your answer

No, as explained above, the support will not benefit any economic actor over others. Also, the support will be used to provide facilities for education services which are specific to the local area and will address local need. It will not therefore have any potential to cause a distortion in or harm to competition, trade or investment.

Will you be disbursing the funds as a potential subsidy to third parties?

No

Has an MP given formal priority support for this bid?

Yes

Full name of MP

Nick Smith

MP's constituency

Blaenau Gwent

Upload pro forma 6

2 MP LUF Round 2 Pro formas V6.1 Proforma 6.docx

Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

Overall, stakeholder engagement in relation to the construction and delivery of HiVE has been extensive throughout the Blaenau Gwent community. Both the Council and Coleg Gwent have invested a significant amount of officer's time networking with the local community and businesses to ensure the need and purpose of HiVE can be ratified.

There are approximately 271 employers within Blaenau Gwent region and ensuring that their voices are heard in regard to the future plans for the area is crucial to the success and delivery of HiVE. In July 2020, the Aspire apprenticeship team, one of the main partners on apprenticeship programme, set up an on-line employer survey, which consisted of 29 questions. The primary aim of the survey was to determine employers' attitudes with respect to the following:

- The suitability of existing training provision within the Blaenau Gwent area
- The suitability of existing apprenticeship provision within the Blaenau Gwent area
- The business community's attitude towards the benefits (or disbenefits) of employing apprentices
- The intention to diversify core business activities in the near to mid-term

The sector with the most respondents was the construction sector followed by general engineering and plastics. Due to COVID, the results were skewed towards construction sector respondents. The main issue identified from the survey was the lack of suitable local apprenticeship programmes to support the construction industry and its supply chain. Several companies also commented that it would be beneficial to have access to training and skills development in Modern Methods of Construction (MMC). This supports the premise that a greater provision of skills programmes is needed in the area in order to meet the demands of the employers.

In terms of direct support for HiVE, following consultation with the Cardiff Capital Regional Skills Partnership, the Regional Skills Manager, Richard Tobutt stated:

"I strongly believe that the proposed HIVE Centre and Extension of the STEM Facilitation Project has a key role to play when addressing challenges. In this regard, available skills and talent pipelines will be crucial".

Support for HiVE also came from the Tech Valleys Strategic Advisory Group, both for the curriculum content and the forward-looking facilities that will be available to students and others for learning and test-bed purposes. The group strongly supported the proposal for a low energy / carbon neutral building and recommended the proposal was taken forward to be worked up in greater detail.

Please find a letter of support for the project included in this bid in appendix 6.

Has your proposal faced any opposition?

There are no controversial elements of the bid, and we confirm that there are no campaigns or opposition groups which have been formed with respect to the proposals. The project is also supported by the Members of Parliament within the county of Blaenau Gwent.

As demonstrated in response 4.2.1, the project of this bid has been born out of stakeholder consultations, involving a range of stakeholders throughout the Blaenau Gwent County.

Do you have statutory responsibility for the delivery of all aspects of the bid?

Yes

Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

Ebbw Vale is a town in South Wales, located in the county of Blaenau Gwent, it is the largest town in the area and an important centre for manufacturing and engineering. The town is home to a population of 70,020 (2020).

Despite the areas strong history in the coal mining, iron and steel making industries, the gradual decline in mining and steel industries have contributed to the area having one of the highest unemployment rates in the United Kingdom. As a result, the area has significant socio-economic challenges including but not limited to high deprivation levels, low skill attainment levels, low productivity, low wages and generally lower wellbeing levels.

As documented above, one of the key challenges facing the area is low skills attainment levels, this not only impacts wage potential but also contributes to a large skills gap. In Blaenau Gwent, only 27% (2021) of the residents have an NVQ level 4+, this in contrast to 43% (2021) in the UK, and this coupled with a very high proportion of residents with no qualifications (16%, 2021) when compared with Wales (8%, 2021) and the UK (7%, 2021) figures. Adding to this narrative, educational attainment is lower than the regional and Welsh average at grades A*-C and under 50% of the population have skills level 3 and above.

A low-skills level environment is often associated with low pay and Blaenau Gwent is no exception. Median gross weekly pay in Blaenau Gwent was £578 (2021), which compares to £611 (2021) in the UK. With such a substantial gap, there is a strong need to raise the overall skills level to ensure that residents are best placed to secure employment opportunities including higher skilled and paid work.

Another local challenge observed in the labour market is that there are comparatively very high unemployment levels in Blaenau Gwent. In 2021 the unemployment rate was 5.7%, this in contrast to 5.3% for the UK. The area has had an inability to replace all the jobs lost to the demise of traditional heavy industry. The significant numbers of jobs lost are near impossible to replace in the short to medium term and the lack of business competitiveness has combined to exacerbate the situation, creating generational high unemployment and a demotivated populous who have seen little incentive to engage with education as their prospects in the area are so poor. There is also evidence that attitudes have become reinforced with time and gender stereotypes for employment opportunities have become entrenched. As a consequence, great efforts are now being made with regard to the promotion of STEM to young females.

In terms of the business environment, in 2021 the UK Competitiveness Index (UKCI) found that the competitiveness of Blaenau Gwent was well below the UK average (100.0) with a UKCI score of 72.3. This means that Blaenau Gwent in 2021 was classed as the least competitive locality benchmarked; a position retained since the 2018 survey. Only 10.1% of its businesses were classified as knowledge-based businesses, this is less than half of the UK figure of 24.6% in 2021. The figure below provides greater context for the area's performance in this area. It highlights that the strong need to invest in the future of businesses and young people within this locality cannot be overstated. While there have been improvements from the 2018 survey, it will be extremely difficult for the locality to close the gap with the UK benchmark without investment targeted towards areas such as education and businesses.

Another key issue facing the business environment for Blaenau Gwent is the weakened Small and Medium Sized Enterprises (SME) environment. SMEs reported that their financial position does not permit them to invest in either staff training, or new equipment and uncertainty is underpinning the reluctance to invest. The lack of investment and proposition of knowledge-based businesses all contribute to its relatively low economic activity rate which stood at 70.8% (2021), this in contrast to 78.3% in 2021.

This bid responds to the challenges by directly addressing the range of issues

within and around the area. HiVE will play a central role in providing programmes to enable businesses to become more aware and explore the benefits of deploying a range of technologies. The Centre will aim to reflect what Welsh Government has outlined in 'A Manufacturing Future for Wales' document. By encouraging collaboration between government, industry and academia, it is hoped that the area will be able to deliver required skills and opportunities for the local people of Blaenau Gwent.

The UKCI provides a benchmarking of the competitiveness of the UK's localities and it has been designed to be an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals

Explain why Government investment is needed (what is the market failure)

This bid involves investment to construct an advanced engineering centre; HiVE, an educational facility that will bring about public realm improvements and increased public infrastructure. Given the public nature of this good this case can be described as a public good market failure.

The scale of investment required to produce the 'goods' outlined above is far beyond the capacity and role of the private sector, with the private sector unable to supply these types of 'goods' at a profit. Owing to their 'public goods' status, there isn't a clear and fair way for the private sector to charge for the consumption of the 'goods' and the sector would be unable to recoup the positive benefits associated with the outcomes and impacts of these 'goods', leading to positive externalities.

Given the scale and lack of return associated with the investment in this bid, unless the public sector intervenes, there will be continued under provision of these public goods and their associated outputs and outcomes; an advanced engineering centre, educational qualifications, improved educational facilities and an improved skill of residents. Public funding for the Centre is therefore needed in order to ensure that the council can continue to support the UK and Wales's foundational and knowledge economy.

As a consequence of this development, the bid also includes public realm works which will act as an enabler for private sector investment. These are difficult to achieve without public subsidy but are enablers to support opportunities for wider regeneration. Often government investment in public assets leads the way for stimulating private investors' confidence to invest in an area. For example, with public money invested into the area, companies such as CiNER, a glass manufacturing company, will be attracted to the area, bringing much needed jobs to Ebbw Vale.

Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

The bid is focused on one location in Ebbw Vale in Blaenau Gwent County in South Wales.

HiVE:

The Centre will be located on a 1.96 acre site in Ebbw Vale, the site of a former Monwell Hankinson Building on Letchworth road. The 21,808sqft building will be located close to Ebbw Vale town centre (0.5 miles); a 10 min walk, providing a good basis for footfall between the site and the high street, adding to the regeneration aspiration of the town. The new Centre will deliver high-quality teaching space with the capacity for up to 600 students complete with classrooms, study areas and a range of workshop spaces.

HiVE aims to:

- Provide relevant, up-to-date qualifications for the next industrial revolution;
- Raise awareness in schools, pupils, and the wider community;

- Raise aspiration and inspire future generations;
- Improve accessibility;
- Raise attainment levels in STEM;
- Align with partners/stakeholders to develop a skills package/offer; and
- Address the gender imbalance in Engineering.

The Centre will offer employment and skills opportunities with training, specifically allowing students to experience the world of work and equipping them with a qualification such as BTEC, HNC or HND. It will be a Centre of academic excellence for relevant engineering qualifications up to level 6 and therefore responding to industry and their needs. The business environment will be bolstered by the increased number of skilled residents, adding to the area's competitiveness.

The development of the Centre will future proof the area by being able to respond to companies that locate themselves within the Tech Valleys by having residents with the appropriate skillsets. The appropriate skillset will lead to the reduction in the number of young people classified under the NEET status, thus raising employment and economic activity in the area.

HiVE will ensure that young people will have the relevant training and skills to apply for jobs in the Advanced Materials and Manufacturing Sector and the Digital and Enabling Technologies. Students will be trained to have the STEM skills valued by local employers.

Upload Option Assessment report (optional)

How will you deliver the outputs and confirm how results are likely to flow from the interventions?

Theory of Change for HiVE:

Context

The proposition of this scheme is centred around the development of HiVE. The outcome of which will lead to high quality human capital and entrepreneurship as stated in the Professor Huggins report from Cardiff University which looked at Blaenau Gwent's Competitiveness. It examined whether or not there is evidence of the presence of personality psychology and cultural traits associated with entrepreneurial and innovative activities in Blaenau Gwent, and whether a culture exists to support such individuals. The Report suggests that Blaenau Gwent is lacking in both of these. This partly explains the low UKCI Input Index score as business creation is below the UK average. HiVE will look to create human capital by creating a more skilled workforce.

Inputs:

In total the project costs £12,350,000.

The LUF funding ask is totalled at £9,360,000.

Match Funding is equal to £2,990,000.

Activities & Objectives:

These can be outlined as follows:

- To refurbish a derelict building;
- To provide a cutting-edge provision delivering new, relevant curriculum meeting the demands and needs of Industry 4.0, employers, the objectives of Welsh Government and the Tech Valleys Initiative in a 2,143 sqm education facility;
- Provide high quality curriculum to ensure Learners have the training and skills relevant to the needs of industry ranging from Level 1 to Level 6;
- To act as a centre for the delivery of STEM enrichment programs to Schools

and Settings;

- To deliver community engagement activities, including adult learning courses and career education events;
- Encourage underrepresented groups studying STEM subjects which lead to STEM jobs;
- To work with Industry, particularly SMEs to generate income for the college, without compromising the teaching and learning experience
- To target a net zero carbon; and
- Provide clear education and career pathways for Learners by improving the transition between Secondary, Further Education and Higher Education.

Outputs:

The refurbishment of a derelict building will remove vacant space from Ebbw Vale town, contributing to the regeneration efforts (public realm improvements). The main direct output from this project is the creation of an educational and training centre. Alongside this output, this project will contribute to improved public transport connectivity (improved pedestrian pathways) and alternative fuel charging points.

Outcomes & Impacts:

In the medium term, a positive shift in the perception of place will attract businesses, helping to strengthen the business environment. The main direct long-term impact on the area is the positive change in the skill attainment levels of the residents, which will consequently help residents to secure better jobs, raise the earnings, economic activity and hence quality of life.

The following number of students are expected to enrol over the next five years:

Year	23/24	24/25	25/26	26/27	27/28
Students (full-time)	203	278	323	339	345

Growth is based on existing college data from similar projects. However, there is further evidence with underpins are estimated numbers, these are:

- There are a number of existing students that will be transferred over to the new building from an existing site;
- Student trends have been widely documented by the college and given its existing size, there is a comprehensive database;
- Engagement with local industry, universities and schools have been instrumental in determining the new curriculum and local needs; and
- There are progression between levels from year 1 to year 2 courses.

There is also an expectation of an additional 120 part-time apprenticeship students by 2026/2027 with a similar growth trajectory. The impact on the young is expected to be particularly significant by raising their aspirations and reducing the number of young people who are NEET.

In addition to the outcomes and impacts outlined above, there are also other outcomes and impacts expected from this project, these include:

- Improve life expectancy as a result of greater quality of life and earnings
- Reduced outward movement of population
- Enable SMEs to gain skills in industry 4.0
- Providing residents/community with the skills to meet employer demands

Theory of change upload (optional)

7 ToC attachment.docx

Set out how other public and private funding will be leveraged as part of the intervention

The Welsh Government has committed £3.97 million to this proposal comprising:

£20,327 contribution to evaluation of need study commissioned by BGCBC

from the Manufacturing Technology Centre (MTC).

£200,000 seed funding for detailed design development (specifically, activities and reports to bring architectural drawings and ecological and other surveys required to enable the planning application to be submitted this sum has been paid in full).

£160,000 was awarded in January 2022 to assist in de-risking detailed design work and moving from RIBA 3 to 4 in the development of tender documents.

£600,000 for the purchase of autonomous robotics equipment and creation of feeder / taster learning hubs in Tredegar Comprehensive School and Coleg Gwent Learning Campus.

£2.99 million in March 2022 for the delivery of HiVE going forwards.

In addition, BGCBC has made the following commitments:

Purchase land (£57,000)

Technical services resources

Planning fees

Street lighting bus stop up-grade active travel investment

Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up

The Blaenau Gwent Employment & Skills Plan (2020-2023) is deeply reflected in this bid, specifically Priority Two; Learning and Skills, which seeks to ensure that the skills provision at all levels is responsive and accessible to residents.

The plan recognises the need to ensure that residents in Blaenau Gwent are best placed to secure employment including skilled and higher paid jobs and additionally a need to align skills provisions in growth sectors particularly advanced materials and manufacturing. This will meet the demand which is expected to be high for STEM related positions moving forward.

The bid is also aligned with the three priority areas that sit under this theme; these are:

- Strengthen links between industry, further and higher education establishments.
- Provide innovative and responsive delivery models to facilitate specific industry requirements.
- Encouraging flexible delivery to facilitate alternative learning pathways, which provide opportunities for all.

The Tech Valleys Strategic Plan published by the Welsh Government in April 2018 provides a strong basis for this project. It maps the transition from Ebbw Vale Enterprise Zone to a programme of activities that will address the economic and societal needed. The key elements that will support the Tech Valley's programme are:

- Property (commercial and residential) – to accommodate businesses and their workforces
- Education and Skills – to enable businesses to implement new technologies, secure existing revenue streams, and diversify their products and services into new markets
- Infrastructure – improved transport links, and, crucially, digital connectivity throughout the region
- Inward investment – companies, especially the smaller SMEs will require access to funding to enable them to invest in Industry 4.0 technologies such as automation, data analytics and additive manufacturing

The education and skills element are the most closely aligned to the project. Ensuring that the skill and training ecosystem is strong will provide the businesses in the area with the talent required in order to grow and strengthen.

HiVE has been identified as the top priority for the delivery of the Tech Valleys programme going forward by the external Tech Valleys Strategic Advisory Group. This facility would support the objectives of the Tech Valleys programme and the aims of the Manufacturing Action Plan (2021) which highlights steps needed to develop a resilient, high value manufacturing sector with a highly skilled and flexible workforce able to deliver the products,

services and technologies necessary for our future economy. The facility is also supported by the findings of the Cardiff Capital Region Skills Partnership Employment and Skills Plan 2019-22 which identified manufacturing as the largest skills gap by sector in Wales (21%) and the Industry Wales 2019 report highlighting the need to improve higher vocational and technical education.

This bid has strong synergies to the Well-being of Future Generations Act passed in 2015. This Act is about improving the social, economic, environmental and cultural well-being of Wales. Its primary focus is to ensure that Public Bodies think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. This project is well aligned with this act, specifically the wellbeing goals of a prosperous, resilient, healthier, cohesive and vibrant Wales and the five the five well-being objectives in the Blaenau Gwent Well-being Plan 2018-2023, specifically objective 4; forging new pathways to prosperity – a place where people thrive and achieve their full potential. The proposal will bring together multiple stakeholders and support regeneration and economic prosperity of Blaenau Gwent.

The Well Being of Future Generations (Wales) Act 2015 also specifies two highly relevant challenges for places like Ebbw Vale, namely, equipping everyone with the right skills for a changing world and the need to build capacity for lifelong learning.

There is currently no advanced engineering facility of this kind across the Northern South Wales Valleys region. HiVE will be a 21st century learning facility that will act as a hub for economic development and to local and regional regeneration strategies, that will inspire post-16 learners including adult learners and support individual learning pathways within an integrated centre of learning.

In 2022, the Welsh Government published the document, Stronger, Fairer, Greener Wales, detailing the importance of building an economy based on the principles for fair work, sustainability and the industries and services of the future. It sets out a range of priority actions to ensure educational inequalities narrow and standards rise. There is a particular emphasis on education, the creation of apprenticeships and training young people (under 25). HiVE will be central in helping Wales meet the listed priorities set out in this government document.

The Blaenau Gwent Corporate Plan (2018) details the importance of Education and specifically aims to improve the quality of education services and school buildings to help learners achieve better outcomes. The Economic Development & Regeneration theme in this plan is also acutely linked to this bid. One of the six aims highlights the requirement to work with partners to provide effective employment support and access to skills development.

The Welsh Government Pathway to Net Zero Carbon for 2030 sets out the strategic priority areas for Welsh public sector to reach net zero greenhouse gas emissions. HiVE is designed to achieve BREEAM Excellent rating and there is an aim towards net zero carbon for operations by utilising solar photovoltaic panels and heat pump technology to serve the heating and electrical requirements. Additionally, there will be multiple green initiatives for staff, and students such as electric charging points, and an active travel plan will encourage sustainable. The active travel plan has been created by Blaenau Gwent County Borough Council (BGCBG) and meets the criteria for this aspect of the project. There is also a plan to upgrade the street lighting and the bus stops in the area that BGCBG is committed to bring forward to coincide with the delivery of this project. Students will be guided via the town centre to the bus station as this is the safer route and will benefit the High Street with increased foot fall.

Explain how the bid aligns to and supports the UK Government policy objectives

At a national level, UK Government's Plan For Wales (2021) will support ambitious programme for renewal that will generate jobs and prosperity for our local communities. The project will create opportunities that will directly generate employment and develop wealth across deprived, rural communities

of Wales.

As noted, the Levelling Up will be targeted towards regenerating towns and this project, comprises of an investment in an area that not only requires investment to safeguard its structures but has been economically disadvantaged for decades. Investment in their urban fabric will contribute towards the economic regeneration of the towns and area as a whole.

The Government's 'National Infrastructure Strategy' (NIS) is based around two primary agendas; Levelling Up and Net Zero Emissions by 2050. The NIS suggests that revitalising town centres and high streets will help rebalance the UK economy and improve environmental outcomes. This bid supports these ambitions through the regeneration of underutilised assets to increase the vitality of the Blaenau Gwent and to stimulate new economic activity in the advanced engineering science sector that will help the town realise its full potential.

Build Better Back: Our Plan for Growth (2021) acknowledges the challenges faced by the economy and communities over the past 18 months. Social and economic regeneration is at the heart of the aim to revive communities. There is a will to tackling disadvantage in struggling towns focusing on supporting regeneration in struggling towns. The investment proposed through this project will provide a firm foundation for change and future regeneration.

Alignment and support for existing investments

Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality

The LUF investment would complement and add value to a number of projects, including the creation of a new National Digital Exploitation Centre at the Works Site in Ebbw Vale; this is a collaborative project with the Welsh Government and Thales (an engineering and cyber security company) and will work with local SMEs to maximise the opportunities for business partnerships and local supply chain development.

Similarly, the investment will also support our work in developing our town centres through the implementation of Place Making Plans, which are investment frameworks co-produced with local business, residents, the local college and other stakeholders. The Place Making Plans aim to transform our town centres through a range of interventions such as improving access to town centres through infrastructure improvements and attracting new local entrepreneurs to establish businesses through test trading opportunities within buildings in the town centre.

The Ciner development has recently received planning approval and will provide around 600 local jobs in Ebbw Vale. HiVE will play a key role in supporting this development through facilitating training programmes and employment pathways for local residents.

Likewise, significant investment has been made in 5G infrastructure in the area as well as the establishment of an 'Immersive Classroom' on the Works Site, providing training opportunities for local school children and college students. This classroom will be co-located at HiVE site once complete.

The Council is also working with Welsh Government and Transport for Wales on improving transport infrastructure within the area through investing in increasing the rail frequency along the existing rail line and advanced plans to create a new rail link from Llanhilleth to Abertillery. This rail investment is part of wider transport improvement programme including the duelling of the A465 Heads of the Valleys road and innovative pilots to improve bus transport such as the Fflecsi scheme which provides bus transport to areas which did not previously have a bus service, including access to the strategic employment site at Rassau Industrial Estate.

Confirm which Levelling Up White Paper Missions your project contributes to

Select Levelling Up White

Living Standards

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

- Living Standards – HiVE will help raise economic activity by ensuring that businesses will have access to skilled residents. This will feed through to higher wages for residents, raising overall living standards in the area.
- Research and Development (R&D) – HiVE will be a driving force into research activities in the area contributing to increased business productivity.
- Education – Raising the overall education attainment levels in an area where there are a significant number of residents without qualifications will be a key aim for the Centre.
- Skills – High quality training will be enabled via the development of HiVE, helping to combat the skill shortages in and around the area.
- Well-being – The construction of HiVE will help close the skills gap, promoting greater wellbeing among residents in the area on the back of higher earnings and skilled jobs for residents.
- Pride in Place – The proximity of the projects to the high street will help to raise its profile by increasing footfall in and around the vicinity

Provide up to date evidence to demonstrate the scale and significance of local problems and issues

The need for HiVE as a regional hub for developing skills (and thus being an enabler for local workers to access higher value employment opportunities) is clearly demonstrated by 'earnings by place of residence' data from ONS NOMIS. This shows that for 2021, the gross weekly pay for full-time workers in Blaenau Gwent is £523 compared to £571 in Wales and £613 across Great Britain. This means that average weekly pay in Blaenau Gwent is 10% lower than the average across Wales and almost 15% lower than the average across Great Britain.

Other key metrics supporting the need for HiVE as a facilitator of skills development and better opportunities in the labour market include claimant count data showing that the proportion in Blaenau Gwent making claims (4.3%) is higher than both the Wales and Great Britain averages (3.4% and 3.9% respectively).

ONS NOMIS jobs density data ('density' represents the ratio of total jobs to the population aged 16-64) also shows how Blaenau Gwent is severely lagging behind other areas in Wales and across Great Britain. The respective jobs density ratios are 0.47 (Blaenau Gwent), 0.76 (Wales) and 0.84 (Great Britain). This again demonstrates why from an economic and labour market perspective, HiVE is so important as it will be a major contributor to skills, learning and training development and the positive impact this will have on helping to 'turn around' the county's economic underperformance.

ONS NOMIS 'employee jobs' data from 2020 reinforces this need for HiVE by showing that at 64.7%, the proportion of workers in full-time employment lags behind that in Wales (66.3%) and Great Britain (67.9%).

The need for HiVE is also demonstrated by employer surveys where the findings identified that SMEs are not currently in a financial position to encourage significant investment in either staff training or new equipment. Further to this, anecdotal evidence suggests that many SMEs are experiencing a great deal of uncertainty, primarily due to the impact of the pandemic as well as the lack of clarity regarding trading conditions post- Brexit. Even prior to the pandemic, the reluctance (or inability) of many SMEs to invest in training was very notable.

This means that when trading conditions improve, it is essential that businesses within Blaenau Gwent have confidence that there will be opportunities for them to develop and grow their businesses. To facilitate this, businesses will require access to a range of skills and training services that enable them to use digital technologies within the manufacturing sector alongside an awareness of the potential Return on Investment (ROI) of particular technologies.

HiVE will provide specific and meaningful training in advanced manufacturing, robotics automation as well as training in the automotive, aerospace and

information technology fields.

In addition, the Cardiff Capital Region Skills Partnership Plan 2019-2022 (a 3-year vision for employment and skills across the region developed by the Regional Skills Partnership in consultation with business, education and training partners) states that advanced material and manufacturing is a key sector whilst there is a reported skills gap of 21% in Wales. This is the highest reported figure for Wales by sector and suggests that a relatively large proportion of the workforce do not possess the skills to meet current needs.

The need for HiVE and its ability to provide skills and training is demonstrated by the percentage of residents of Blaenau Gwent who do not have any formal qualifications or who have qualifications below Level 2 (GCSE level). Data from the ONS National Population Survey shows that from of 43,200 people aged between 16 and 64, only 27,900 (65%) have attained a qualification at Level 2 or above. This has significant negative consequences, not only for the individuals concerned, but also in the wider context of apprenticeships, with Level 2 mathematics and English being considered as the minimum requirement for successful progression on to an apprenticeship programme. Further ONS National Population Survey also shows that Blaenau Gwent has a high proportion of households that are workless (21.5% in the county versus 18.4% in Wales and 13.9% in Great Britain). This places further onus on a facility such as HiVE to help alleviate this by providing the necessary skills and training to local workers. This will give people the skills they need to become far more 'marketable' in the labour market and will help to bring down worklessness.

Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues

The economic data collated to support the need for intervention (and the local context) has been principally sourced from recognised agencies and in particular the ONS NOMIS database covering key labour market statistics for Blaenau Gwent, Wales and across Great Britain. The metrics sourced from ONS NOMIS clearly show how the county lags well behind Wales and Great Britain across a number of indicators.

Blaenau Gwent is also the most granular 'spatial geography' with respect to available economic and labour market indicators.

The Employer Skills Survey of 2015 also demonstrated the reluctance (or inability) of many SMEs to invest in training. This was demonstrated through use of statistics covering training activity by region.

Earnings by place of residence (2020) data from the ONS also highlights the need for intervention with respect to skills development as Blaenau Gwent's gross weekly pay statistics clearly show the disparity to Wales and Great Britain averages.

The ONS data covers metrics such as Gross Value Added (GVA) and GVA per head for Blaenau Gwent as well as ONS National Online Manpower Information System (NOMIS) data covering labour market statistics for the county.

The most up to date data was used and the data from all of these sources is recognised by both the UK and Welsh Governments as being the most robustly collated in all of these particular areas.

Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions

Where possible, supporting data and metrics were collated for Blaenau Gwent as HiVE is located in Ebbw Vale at the heart of the county.

This meant that county-level data and metrics were used. Based on ONS and ONS NOMIS data, metrics covering GVA and GVA per head were obtained at a county level as were all key metrics covering the labour market in the county (the latter from NOMIS). Given that Ebbw Vale is the principal economic 'hub' in the county and therefore plays a major role with respect to county-wide economic activity, it is important – and relevant – that economic and other data is reported at this spatial level.

Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

A key source of evidence supporting how HiVE will help to address local problems in the Huggins Report. The Report notes that there are two key areas where Blaenau Gwent struggles to compete with the rest of the UK 1) the percentage of knowledge-based businesses currently located in the region and 2) the level of access to local higher education institutions. This is demonstrated below.

UKCI 2021 INPUT INDICATORS

Knowledge Based Businesses NVQ Level 4 Business Registrations Business Presence Economic Activity Rate

Blaenau

Gwent 10.1 27.6 30.0 19.0 70.8

UK 24.6 43.0 53.3 41.2 78.3

In the UK as a whole, nearly one in four businesses can be classed as knowledge based. In Blaenau Gwent the figure is closer to one in ten. The Huggins Report suggests that the traditional focus on manufacturing in Blaenau Gwent has created a greater challenge for the economy to re-orientate to knowledge-based services than many other localities. In order to boost the creation and attraction of knowledge-based businesses, a skilled workforce is required.

Blaenau Gwent also lags behind the UK average with respect to the number of graduate equivalent workers that are present in the working age population. In the UK as a whole, over two fifths of the working age population hold the equivalent of university degrees or higher. In Blaenau Gwent, this rate is just over one in four. The Huggins Report suggests that a lack of access to higher education institutions means that young people must seek to move away from home to continue to degree level education or choose not to follow a particular career. Once they have moved away, the report argues there is relatively limited prospect of a majority returning to localities such as Blaenau Gwent given the relative scarcity of opportunities in the region.

The Huggins report also highlights that it is the 'new universities belonging to the Coalition of Modern Universities, which have a more local mission, that have the most benefits with regard to retaining graduates in local employment'. The report continues to state 'that higher education plays a further role in that the R&D activities they undertake. This R&D is more likely to spill over into local businesses, which increases the demand for skilled labour even if a majority of those trained within the locality move to other areas in search of employment. The delivery of HiVE will give the region the ability to retain and train young people in Blaenau Gwent. By default, it will also create a more skilled and talented workforce, attracting businesses to the area and generate entrepreneurial endeavours.

In the long-term, improved competitiveness will be based upon the opportunities available to individuals within a locality and the quality of the decisions individuals make in response to these opportunities. HiVE thus represents an ideal vehicle to begin to experiment with behavioural policies to promote local economic development and greater well-being.

HiVE will create an environment that attracts hi-tech inward investors from the advanced manufacturing sector. The curriculum offered will cover the areas identified as being critical by the Welsh Government and local industry. These areas include Autonomous Manufacturing and Collaborative Robotics incorporating the ever-increasing Cyber influence, such as machine learning, predictive analytics, artificial intelligence and security.

In total up to 600 full-time, part-time, HE, apprenticeships and commercial learners will be in place once HiVE is fully operational and student numbers have 'ramped up'. The state of the art equipment and resources to be

deployed at HiVE will allow for a far greater range of commercial training and additional income.

The Economic Case for HiVE has been completed in line with guidance from 21st Century Schools and the HM Treasury Green Book. The case is based on the development of the disused and dilapidated 'Monwel-Hankinson' site to create a state-of-the-art engineering and digital manufacturing training facility under the Tech Valleys and 21st Century Schools and Colleges Programme. The evaluation of the project has been based on both the financial and economic benefits that will be generated. The financial benefits comprise the financial income Coleg Gwent will receive from students paying course fees to attend HiVE. There will also be monetised economic benefits in the form of 1) productivity enhancements (i.e. workers produce more Gross Value Added, GVA) as a result of HiVE students entering higher value employment and 2) the daily expenditure in of students in Ebbw Vale and the local area.

The Economic Case is also based on evaluation of the Preferred Option for HiVE. This comprises the removal of the Engineering Department at BGLZ and the refurbishment of the existing Monwel Hankinson building in Ebbw Vale.

The financial benefits are therefore based on multiplying the forecasts of students (by different categories of learning) by the expected fees per course. These benefits are forecast over an initial five-year 'ramp up' period before being evaluated over a 10-year period. A 10-year evaluation period is selected for the Economic Case as this is appropriate based on the types of economic impacts and their 'persistence' over time.

The economic benefits comprise productivity improvements and additional expenditure in the local area. The productivity improvements are based on calculating the difference between the average GVA across a range of 'lower value' occupations in Blaenau Gwent (based on ONS data) compared to the average GVA across a range of 'higher value' occupations. The differential is an annual amount and this is applied to the number of qualified students leaving HiVE each year.

For expenditure benefits, these are based on applying typical average daily spend metrics to the number of students attending HiVE. These are annualized based on the number of days during the year when students will be attending HiVE.

All economic benefits are also subject to both displacement and leakage factors given a) not all impacts will be fully additional and b) there will be some 'leakage' of the impacts outside the Ebbw Vale and Blaenau Gwent areas.

All monetary values covering costs and benefits are subject to standard Green Book discount rates (e.g. 3.5% over the first 30 years).

Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs

The analysis and modelling are based on forecasts of student numbers according to the different types of courses. The courses cover the following categories:

- Full time (e.g. Engineering Levels 1 and 2);
- Part time (e.g. City and Guilds CAD courses);
- Higher Education (HE, e.g. HNC and HND in Advanced Manufacturing);
- Commercial courses (e.g. Digital Manufacturing Awareness and Robotics / Automation Awareness); and
- Apprenticeships (e.g. Level 3 Diplomas).

The forecasts of students over the first five years of HiVE activities are based on a 'ramp up' profile' to reflect that it will take this length of time for the centre to reach its optimal or maximum level of usage. The ramp up profile will also reflect the time taken to take on all staff and to train them suitably / introduce them to how the centre will operate.

The forecasts of annual student demand are then multiplied by the respective annual charges per course. These range from £100 for some of the courses through to £6,333 per year for the full-time courses at HiVE. For the purposes of Economic Case modelling, no real terms growth in annual course charges has been assumed throughout the appraisal period.

The economic benefits are based on taking ONS GVA data for Blaenau Gwent

(as well as ONS NOMIS labour market data) and calculating an average 'GVA per worker' total for three lower value occupations as well as that for three higher value occupations. The differential between the two represents the monetized productivity gain generated by those students who leave HiVE with qualifications that will enable them to enter higher value employment.

Economic benefits also comprise the additional expenditure generated by students who spend their disposable income in Ebbw Vale (on day to day items such as food and beverages as well as expenditure in local shops and leisure / entertainment outlets). This further economic boost will also support wider employment (both direct and indirect) in Ebbw Vale and the surrounding area.

The cost components of the evaluation comprise the following:

- The estimated capital cost of delivering HiVE; and
- Various annual 'operational' costs associated with regular activities at HiVE (these cover staff salary costs, examination costs, staff development, consumables / equipment, equipment replacement costs and estates- related costs.

The annual operating costs are also 'ramped up' over the initial five-year period before staying at a constant level throughout the remainder of the evaluation period.

Once all the monetised costs and benefits have been evaluated, these are then subject to standard Green Book public sector discount rates before the NPVs are calculated.

Explain how the economic costs of the bid have been calculated, including the whole life costs

The costs for HiVE were estimated by Royal Institution of Chartered Surveyors (RICS)-qualified cost estimators as well as CIPFA / AAT-qualified cost estimation professionals within the Council's Technical Services Department. All cost estimates were prepared in accordance with relevant professional guidance as well as through the utilisation of historical and actual cost data for both capital and operational costs for the site.

The final version of the cost plan prepared prior to the tender package being sent out to prospective main contractors was selective market tested from established, well known and reliable subcontractors who were not involved in the tender process. These costs were then reviewed by Blaenau Gwent County Borough Council's external project managers (including a team of experienced quantity surveyors). Although the final costs will be determined by the tenders submitted, the latest RIBA Stage 4 cost estimate provided for the application is as accurate as it is possible to be at this stage.

Risks associated with the costs were reduced by full identification of the specification for HiVE and this was achieved through regular consultation between the parties involved throughout all phases of the design and costing exercise. The cost estimates were made as accurately as possible whilst regular risk mitigation and risk management processes were put in place.

The capital costs for HiVE include the demolition costs as well as the principal construction costs. These include the following:

- Facilitating works (including demolition)
- Substructure works
- Superstructure works
- Internal finishing work
- Fittings, furnishings and equipment
- Services
- External works

Further elements added to these costs include:

- Main contractor's preliminaries (14%)
- Main contractor's overheads and profits (4%)
- Project/design team fees (£673,704)
- Other development/project costs (£60,152)
- Risks (design development risks, 1%, construction risks, 2%, employer change risks, 1% and employer other risks, 4.5%)
- Client procured items (£2,685,652)

Before applying Optimism Bias (OB) for the Economic Case costs, the total capital costs are £10,392,736 (£10,400,000). The Stage 4 Cost Plan was prepared in June 2022, however with the unpredictability of cost certainty within the current market conditions this base line cost estimate has been reviewed, and the following additional costs have been added to the base line cost to provide the estimated overall project out-turn cost

Additional Project Design Fees £450,000
 Market Tender Risk £600,000
 Equipment Inflation £300,000
 Legal Fees £100,000
 Optimism Bias Risk Contingency £500,000

The Estimated Overall Project Out-Turn Cost is £12,350,000

OB totals £500,000 of additional economic cost. This amount reflects the current uncertainty regarding delays in obtaining funding. The Council's current understanding is that the LUF approval is not anticipated until Autumn 2022. This means the authority cannot award a contract until all the funding is in place. The level of OB therefore reflects this uncertainty.

Describe how the economic benefits have been estimated

As described in Section 5.2.2, the monetised benefits of HiVE comprise three components: 1) the financial benefits associated with student fee revenue streams, 2) the economic benefits associated with higher productivity in the county (as measured by workers producing more GVA per head as they are able to enter higher value employment once they have left HiVE with suitable qualifications) and 3) local additional expenditure impacts.

The financial benefits are calculated by taking the forecast number of students at HiVE and applying the respective course fees to these students. There is a five-year 'ramp-up' period with respect to student numbers whilst the forecasts of student numbers represent the following:

- Coleg Gwent know the existing numbers of students that will transfer to the new building – this provides confidence with respect to the 'baseline' number of students in the early phase of HiVE operations;
- Coleg Gwent are also aware of the current trends and Welsh Government priorities with respect to further education and training / skills development. This reflects Coleg Gwent's status as a very large college in the region;
- Coleg Gwent intends to operate the new curriculum based upon its knowledge of the Labour Market Information (LMI) and local needs based on its engagement with local industry, universities and schools – this provides confidence that there is demand for these types of courses; and
- There is evidence of progression between levels and from Year 1 to Year 2 of the two-year courses.

For the economic benefits, the following apply:

- Productivity (GVA per worker) gains are calculated by taking ONS and ONS NOMIS metrics for Blaenau Gwent (covering GVA and labour market data respectively) and calculating the difference between GVA per worker across three 'lower value' and three 'higher value' occupations;
- The 'lower value' occupations cover 1) Transportation and Storage, 2) Accommodation and Food Service Activities and 3) Administration and Support Service Activities;
- The 'higher value' occupations cover 1) Manufacturing, 2) Construction and 3) Wholesale and Retail Trade / Repair of Motor Vehicles;
- The averages of these two sets of occupations are £24,333 and £46,898 per

worker per annum respectively. This means the differential is £22,564 per worker per annum. In other words, workers will be generating approximately £22,564 in GVA per annum once they are better qualified from taking courses at HiVE and thus able to gain employment in higher value sectors;

- Before this GVA gain is applied to the number of students qualifying from HiVE each year (and thus entering the labour market), displacement of 25% (i.e. 75% of the benefit is taken) and leakage of 50% is assumed; and
- The benefits are calculated over a standard 10-year additionality guidance-compliant evaluation period.

The economic impact associated with the expenditure of students in Ebbw Vale is also taken into account. This expenditure covers day to day spending on items such as food and beverages as well as expenditure in local retail outlets and leisure facilities. The metrics applied to student numbers over the 10-year evaluation period are that £15 is spent per day and that this is spent on 200 days of the year (to reflect term days and holidays). Displacement of 25% (75% of benefits taken) and leakage of 50% is also assumed.

All of the above additional economic benefits will strengthen the overall Value for Money (VfM) category of HiVE.

Provide a summary of the overall Value for Money of the proposal

All monetised costs and benefits are expressed in 2021 prices and are discounted by 3.5% per annum over the 10-year evaluation period. Where benefits such as GVA-based impacts are in scope, a relatively short 10-year appraisal period is appropriate based on additionality guidance.

The economic and financial benefits also reflect the five-year ramp up period for take-up of courses at HiVE.

The overall Value for Money (VfM) category is High over the 10-year evaluation period as the Benefit Cost Ratio (BCR) is 4.3. This reflects the extent the discounted financial and economic benefits exceed the discounted economic costs of the project (both capital and operating costs).

There are some benefits that will be generated by the project but are not monetizable and thus not included in the VfM assessment. These are covered in 5.4.2.

Upload explanatory note
(optional)

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Initial BCR 4.3

Adjusted BCR

Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

HiVE will generate a range of non-monetised benefits impacts, including several opportunities for achieving improved educational standards via the creation of improved facilities for learning and skills development at one central location in the county. Other non-monetised benefits will include the following:

- Improved staff and pupil morale given the 'state of the art' facilities at one

central location;

- The Preferred Option for HiVE has the lowest carbon input compared to the other options that were considered. This increases the likelihood of achieving carbon net zero;
- The refurbishment of the derelict, publicly owned building aligns with the objectives of both the County Borough Council as well as the Welsh Government;
- HiVE will help to meet the demand from increasing numbers of students who are opting to study engineering and then progressing to higher levels of qualifications;
- HiVE will also increase the value to the local community of improved college resources through 'makerspaces' and pilot schemes;
- HiVE will maximise the opportunities to generate income for the college (without compromising the overall teaching and learning experience);
- HiVE will create much needed space within the Blaenau Gwent Learning Zone (BGLZ) for other priority subjects to be taught as well as providing additional capacity to cater for the demand for skills learning; and
- As HiVE is not physically attached to the college, it will have its own unique identity and will provide Ebbw Vale with a distinct, much-needed centre of excellence within the town centre.

There will also be other non-monetised benefits associated with HiVE. These include the excellent connectivity that will be provided between the town centre and HiVE building. This will enhance HiVE's attractiveness to students and will help to ensure that the forecast student numbers are met.

From an enhanced perceptions perspective, HiVE will also have an important role to play as it will be a 'beacon' demonstrating the economic vitality and sense of renewal in Blaenau Gwent. HiVE will enable local people (especially young people) to develop skills that will give them far greater opportunities in the labour market and thus address many of the issues the area currently faces. These include a relatively low wage local economy, a lack of skills across workers and areas of high deprivation where there are low levels of employment opportunities.

Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

The risks and uncertainties that could impact on the Value for Money (VfM) category for this bid cover both costs and benefits.

Economic costs

VfM will be dependent on the accuracy of the economic cost estimates covering HiVE. Unforeseen cost over-runs and delays to the project could impact the final VfM outcome. The current unpredictability and uncertainty within the construction supply chains and the impact on the construction tender market is increasing the risk for major projects over the life on their delivery programme. The current ongoing impacts of Covid 19 pandemic, the future impacts of Energy price increases and the War in Ukraine can all influence the actual final cost of the project. The economic costs for HiVE are based on estimates that have been overseen by the project team leads. This means that appropriate contingencies and optimism bias amounts have been accounted for in the business case that has been produced prior to this LUF application, to minimise the risk of cost impacts on the project

To demonstrate the impact of a capital cost increase of 20%, for example, this will decrease the BCR to 3.5. This will still place the overall Value for Money (VfM) category within the High range, however, thus demonstrating that there will still be a strong Economic Case for HiVE even if construction costs escalate.

Economic benefits

The benefits are based on forecasts of take-up of HiVE student places and the annual fees that go with these. As with all usage-based forecasts, there will be some uncertainty as to the extent these will be realised. This is especially the

case at the current time given the uncertainty surrounding the extent and timing of the post-COVID 'bounce back'. With respect to risks associated with the forecast take-up of courses at HiVE, the usage forecasts are based on robust, prudent analysis of current demand for student places at Coleg Gwent as well as the anticipated take-up of the new courses given what is already being seen at the college in terms of student demand for various courses.

Sensitivity testing on the economic benefit calculations shows that a decrease in the anticipated productivity gain per worker (GVA per worker) from £22,564 to £15,000 per annum will reduce the BCR from 4.3 to 3.3. This still places the VfM category in the High range.

Upload an Appraisal Summary Table to enable a full range of impacts to be considered

Appraisal Summary Table 1

Upload appraisal summary table	8 BCR Appraisal Summary Table_HiVE_25Jul2022.docx
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Additional evidence for economic case

Additional evidence 1

Upload additional evidence	Economic Impacts_25Jul2022.xlsx
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Confirm the total value of your bid

Total value of bid	£12350000
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Confirm the value of the capital grant you are requesting from LUF

Value of capital grant	£9360000
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Confirm the value of match funding secured

£2990000

Evidence of match funding (optional)	9 Grant Offer Letter - Tech Valleys Funding for Capital Expenditure 18-03-22.pdf
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Where match funding is still to be secured please set out details below

N/A

Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below

N/A - Blaenau Gwent County Borough Council owns the land

Upload letter from an independent valuer

Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

There are no elements of unrecoverable VAT costs within the project

Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

In June 2022, Gleeds, a recognized construction consultancy, prepared a RIBA Stage 4 base-line cost plan for the Advanced Engineering Centre – Hive. The schedule of costs has been determined based on a gross internal area of the ground and first floor building of 2,085m². Where available selective sections of the cost plan have been market tested to achieve a level of cost accuracy, particularly in the current uncertain construction market.

Provide information on margins and contingencies that have been allowed for and the rationale behind them

In terms of the risk/cost allowances that have been made in the base line Stage 4 cost plan, these can be summarised as follows:

- (1) Design Development and risk: 1.00% - £71,000
- (2) Construction risk: 2.00% - £143,000
- (3) Employer change risk: 1.00% - £71,000
- (4) Construction inflation/ Covid 19 risk: 4.50% - £288,000

As a result of current inflationary environment, inflation for the production of these cost has been estimated at 4.5%.

Other risks/costs included within the overall project development cost, are identified below:

- (5) Additional Design Fees. £450,000
 - (6) Market Tender Risk £600,000
 - (7) Equipment Inflation £300,000
 - (8) Legal Fees £100,000
 - (9) Optimism Bias Risk Contingency £500,000
-

Describe the main financial risks and how they will be mitigated

The main financial risk will be cost overruns in the current uncertain construction market. Cost overruns will be dealt with by the partners.

In addition, robust cost planning following completion of stage 3 and stage 4 design has provided a rough indication of the project cost at a point in time of a global crisis and market fluctuation.

Evaluation criteria needs to encourage contractors to tender, i.e. high quality criteria (marked on relevant issues only – programme) and cost criteria geared

to mean validated price (not lowest validated price).

As outlined in the previous question, a variety of contingencies are in place.

Upload risk register

13 2022-06-01 HIVE - Risk Register - Rev 03a.xlsx

If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below

N/A

What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

HiVE project Team is set out in the organogram in Appendix 17.

Blaenau Gwent will lead, coordinate, design, procure and deliver HiVE. However, Blaenau Gwent Council and Coleg Gwent will be working in partnership to deliver HiVE. A Heads of Terms Agreement has been drawn up between the two organisations in order to clearly set out partner responsibilities. Please find the Head of Terms agreement attached in Appendix 16 for further details on governance arrangements.

Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted

Commercial Structure

The management of the delivery will be done in partnership with the Regeneration Team in Blaenau Gwent County Borough Council alongside teams at Coleg Gwent. Legal, Technical Service teams and Finance teams working closely together throughout the delivery of the project. Procurement of services will comply with the Local Authorities financial regulations and procedures.

Procurement Strategy

The authority will predominantly use in-house design professionals to manage the project construction supplemented where necessary by external consultancy parties. The building will be contracted using a NEC4 Option A Design and Build contract, albeit due to the current construction market the design has been developed to RIBA Stage 4, in order to minimise risk and maximise speed of construction.

The refurbishment contract to accommodate the new facility will be procured on the basis of a developed design and build solution for the site. The project design has been developed up to RIBA Stages 4, procured and managed by the Council's in-house Community Services Division. The Division is multi-disciplinary, professional organisation with extensive experience in the procurement and delivery of major educational buildings e.g 21st Century Schools programme.

Prior to inviting tenders, an expression of interest was issued to all contractors on the SEWSCAP lot, explaining the process for procuring the project, in order to understand the level of interest in the market, there was in tendering for the project. Our current experience on major projects is that the uncertainty within the construction market is creating a situation where tenders lists are being reduced to two or three contractors. We have received two positive responses, and currently inviting tenders from the two contractors.

We have considered alternative procurement approaches e.g two stage tendering, however we considered that this approach in the current market situation would significantly impact on delivery programme and not meet the occupation date of September 2023. The response from the market in regards to single stage design and build at RIBA Stage 3 was negative due to the risks to contractor's of supply chain cost increases. On that basis we decided that we would therefore take the scheme forward to RIBA Stage 4 design, to give more certainty to the cost a tender stage, and less risk to the tenderers by allowing the successful contractor to place orders as soon as possible as they are appointed. It also allows us to maintain the programme for occupation by September 2023.

Following the conclusion of the tender design Stages 4, and planning approval received for the project, a suitable contractor is being procured through the SEWSCAP 3 Framework, satisfying the requirement to follow the public procurement tendering directives. Tendering procedures will be in accordance with the guidelines set out in Council's Contract Procedure Rules. The selected Contractor to construct the facility will appoint their own consultants to develop the construction phase technical design for the project.

It is proposed that the project is being procured via a single stage, procurement tender process. Community Services technical officers and the Coleg Gwent Client have developed the project brief up to RIBA Stage 4 and are tendering the project to appoint the preferred contractor to further develop the construction phase production design requirements, and to subsequently undertake the construction of the building.

A single stage tender approach post Stages 4 design has been adopted to secure the contractor's involvement sufficiently early in the programme to benefit both the design and possible value engineering process which may be required, post the Contractor's appointment. Planning Approval has been obtained prior to inviting tenders.

The modernisation and remodelling of the existing building is being designed, procured and managed by the Council's in-house Community Services Division. The Division is multi-disciplinary, and contains professionally qualified architects, project managers, quantity and building surveyors, mechanical and electrical engineers, structural and highway engineers and can provide the required specialist disciplines to deliver the project. The in-house team have been supplemented with external consultant design capacity, i.e. Architect and Mechanical/Electrical to progress the design from RIBA Stage 3 to Stage 4, and maintain the delivery programme. Other specialist consultants have been appointed to advise throughout the design process e.g. BREEAM , Ecology and Zero Carbon etc.

Tenders will be assessed on a cost/quality basis, and the Contractor appointed at tender stage as the most economically advantageous tender. The project is currently being tendered, with tenders being returned in early August 2022. The following information in regard to the sites and the projects forms part of the tender documentation, as appropriate:

- (i) Site Investigation
- (ii) Travel Plan and Transport Assessment
- (iii) Design Guide
- (iv) Ecology Report
- (v) Planning
- (vi) Topographical Survey
- (vii) Statutory Utilities Surveys
- (viii) Health and Safety CDM Information
- (ix) Design Access Statement
- (x) Flood Consequence Assessment
- (xi) Community and Employment Benefits
- (xii) BREEAM
- (xiii) Refurbishment and Demolition Asbestos Survey

The preferred Contractor has not been appointed at this stage, and therefore, details of the final agreed contract sum cannot be provided.

The procurement process has not yet been completed and therefore there are

no completed tender responses/submissions received from the successful Contractor. The estimated timescales and milestones for this programme are set out in the below figure:

Stage HiVE

Council / Coleg Gwent Scheme Approval

January 2021

Wales Government - £200k Development Funding Approval April 2021

Project Brief Client Approved

May 2021

Submission of combined SOC/OBC to Welsh Government for Advanced Engineering Centre

May 2021

Site Surveys: and Investigations

February-August 2021

Planning submission

September 2021

Approval of Project SOC/OBC

July/August 2021

Tender documents preparation/detailed design

May 2022

Planning Approval

February 2022

Procurement of Contractor

August 2022

Tender Evaluation

August 2022

Contractor Appointment (subject to approval of Funding)

September 2022

Pre Start Planning Conditions Discharged

March/April 2022

Contract Commencement (subject to approval of Funding)

September 2022

Contract Completion (subject to Funding approval)

August 2023

Occupation

September 2023

The Council intends to make payments with respect to the proposed products and services in accordance with its Financial Regulations and Terms and Conditions of the Contract. A project bank account will be applied to HiVE contract management.

The project will be procured in accordance with the Council's Contract Procedure Rules. The JCT Design and Build standard form of contract will be utilised, as amended in accordance with the requirements of the SEWSCAP framework. Under the SEWSCAP Framework, both NEC and JCT forms are available for use with the design and build/develop and construct approach. The preferred contract is the NEC4 Option A form, which has been used successfully on other major Education and Regeneration Capital projects. As part of the contractual clauses the Council will require the Contractor to meet key community benefits.

Community benefits requirements are included within the tender documents for the project and will be assessed as part of the quality evaluation process and will follow the Welsh Government Guidelines, as identified within the SEWSCAP framework. The community benefits process will be managed by experienced officers within the Council, and will work with the appointed Contractor's community liaison representative to deliver the outcomes required. As the procurement process is currently being undertaken no responses/submissions have yet been received.

The aspiration for this project is in addition to BREEAM excellent, it will also align with Net Zero Carbon ambition e.g. the design incorporates PVs, and heat pump energy source. The team includes a Net Zero Carbon consultant advising on this specialist area of work.

Risk allocation

The regional SEWSCAP Framework arrangement is in place to allow access to suitably experienced building Contractors, enabling local authorities to appoint Contractors for construction activities in relation to educational and other public buildings. The procurement process will provide an opportunity for early Contractor involvement, to facilitate timely and cost effective delivery

The general principle is to ensure that risks should be passed to 'the party best able to manage them', subject to value for money (VFM) being achieved. Figure 5 below provides an indication of how the associated risks might be apportioned between the contractor and Blaenau Gwent County Borough Council.

Ecological surveys have been commissioned, and there are no current significant restrictions required to affect the delivery of the project.

Risk Transfer Matrix:

Risk Category HiVE

Potential Allocation

Public Private Shared

1. Design risk x
2. Construction and development risk including Covid x
3. Transition and implementation risk x
4. Availability and performance risk x
5. Operating risk x
6. Variability of revenue risks x
7. Termination risks x
8. Technology and obsolescence risks x
9. Control risks x
10. Residual value risks x
11. Financing risks x
12. Legislative risks x
13. Other project risks As assessed within the Economic Case above

Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?

Blaenau Gwent will lead on the procurement of services, and this will fall in line with the Local Authorities procedures. The in-house team contain professional and technical officers experienced in delivery of major education projects of this nature. An independent construction project manager has been appointed as part of the Client team, to maintain impartiality and objectivity in the contractual relationship between the Client parties i.e. Blaenau Gwent County Borough Council, Welsh Government and Coleg Gwent, and also the contractual relationship between the Employer and the Contractor.

In addition, Blaenau Gwent's partner, Coleg Gwent, is a large Further Education college with campuses in the following locations (key programmes

offered

at each campus are indicated):

- Ebbw Vale (Blaenau Gwent Learning Zone)
 - Construction and Built Environment
 - Advanced materials (partners with NCC)
 - City of Newport
 - Institute of the Motor Industry (IMI) accredited motor centre
 - Baxi gas heating training academy
 - Crosskeys
 - IMI accredited motor centre
 - Pontypool
 - Usk
 - Cwmbran (Torfaen Learning Zone)
 - Cyber Security
-

Are you intending to outsource or sub-contract any other work on this bid to third parties?

We do not intend to sub-contract any other works associated with this project.

How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

The procurement strategy for delivery of this project since its inception has needed to develop and change as the consequences of external factors such as Covid19, energy costs escalation, supply chain programme unpredictability, cost uncertainty, Ukraine war, have manifested themselves and impacted on the construction sector over the past two years.

We have consulted with the key suppliers in the construction market throughout the design process, and will continue this dialogue when a preferred contractor is appointed, to ensure that ongoing risks are managed, and the delivery outcomes are achieved. A requirement of the tender is that the contractors are to provide delivery programmes to meet the objectives included within the tender. This master programme will be regularly reviewed by the project manager and the contractor, to ensure that suppliers and subcontractors delivery programmes do not impact on the critical path delivery of the project. In such cases mitigating action will need to be taken maintain the programme for delivery.

The quality of construction will be maintained by regular site visits by the Client design team, monthly progress meetings, and a full time Clerk of Works on site inspecting the works in progress.

The Quantity Surveyor will prepare monthly valuations in agreement with the Contractor, and payments will be made in accordance with the contract terms and conditions to ensure that cash flow and payments to the main contractor, sub-contractors and suppliers is made efficiently. A Project Bank account will be utilised to ensure fair payment provision is made throughout the supply chain.

Set out how you plan to deliver the bid

The following table presents the timetable for delivering HiVE.

A detailed project programme is included in Appendix 10. The programme shows the key construction elements, and stage gates to meet the delivery programme for occupation in September 2023. There is a phased approach outlined below which complements the financial plan, nevertheless there is a view that the investment to refurbish the site should be done altogether rather

than test the concept over a pilot period. The partnership working will happen immediately, and it is felt momentum for the centre will soon gather pace once the facility is available and the team will be able to showcase its attributes and delivery model. Below is a target programme for this development which will require early funding decisions. We are currently in project delivery months 13 and 14.

Activity Timeline

Tender specification issued & Invitation to Bid Friday 27th May 2022

Submission of tenders 12:00 noon Monday 8th August 2022

Tender Evaluation 9th - 26th August 2022

Inception meeting/work plan W/c 29th August 2022

Contract Award 12th September 2022

Contract Completion (excluding client fit-out) 11th August 2023

Defects and Maintenance Period August 2023 to August 2024

The project team is a multi-disciplinary team, comprising experienced Client and Construction Project Managers, Architects, Mechanical and Electrical Engineers, Structural Engineer, Construction Cost Manager, Geotechnical Engineer, Specialist Consultants e.g. BREEAM, Ecology and Zero Carbon, Financial Accountant, and Legal Consultant. The team is experienced in the delivery and management of major capital works projects.

The project governance will be managed by the delivery partner representatives i.e. senior managers within BGCBC, CG and WG, who will meet on a regular basis throughout the duration of the contract, to monitor progress, review financial position, and deal with any key issues and decisions that need to be approved.

Land and building is currently in the ownership of BGCBC, and planning approval has already been granted for the project. Please note that evidence of the planning permission is attached in appendix 11. The project is currently being tendered in accordance with the Public Procurement regulations and the financial and contract regulations of BGCBC.

Financial valuations will be prepared on a monthly basis with regular financial and progress reports presented to the delivery partners.

Demonstrate that some bid activity can be delivered in 2022-23

The project (subject to funding approval), can be awarded in September 2022. Therefore, construction works will have commenced on site and contract progress payments will have been made within the 2022/23 financial year. Also design fees have already been expended during the 2022/23 financial year.

Risk Management: Set out your detailed risk assessment

The latest version risk register is attached, identifying the key risks, implications, mitigation measures, action owners and the opportunity to identify costs where appropriate.

The risk register will be further expanded when a preferred contractor is appointed and construction phase risks can also then be included.

The risk register will be reviewed and updated at regular intervals, to ensure that those items no longer identified as risks can be closed out, and new risks evaluated and added to the risk register.

In summary the key risks with the greatest risk exposure score alongside their mitigation are as follows:

- Project Funding - Failure to agree heads of terms between WG, BGCBC and CG: Early engagement of discussions between parties to find mutual agreement to proceed on terms have taken place, and a draft heads of terms has been attached in appendix 16

- Programme - Programme Delays due to the tender returns being in excess of the budget: Tender quality questions to be weighted heavily on programme requirements
 - Programme - Not achieving end user opening date; CG Impact: Clear project delivery strategy which is bought into by all parties
 - Programme - Achieving the operational date: Continuous engagement with Welsh Government officials
 - Planning Permission - Client failure to discharge pre-commencement planning conditions: Early engagement with Client and design team to review required actions and implement.
-

Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

Senior Responsible Officer BGCBC - Eleanor Fry

Overall project accountability. Responsible for reporting to Members and Corporate Leadership Team – Chartered Planning Officer – Experience of delivery of major Regeneration Projects

She has worked in project and programme management and delivered successful projects for over 25 years. She has daily contact with local Elected Members and regular contact with MPs including reporting updates on various projects currently running. Currently, she also has overall project accountability for a £70M rail improvement scheme.

Client Project Manager BGCBC–Tara Lane

Responsible for managing Client interface with BGCBC, WG and CG, and reporting to SRO

She has over 20 years' experience in project management and working with strategic partnerships to facilitate outcomes. Most projects have been linked with employment and skills and the management of funding from numerous sources.

Property Manager BGCBC– Michael Price

Responsible for overall procurement of the HiVE project including tender process, construction, contract and financial management – Chartered Surveyor

Responsible for delivery of major capital projects. Experience Ebbw Vale Works projects c£200M, and 21st Century Schools programme.

Construction Project Manager Gleeds – Ryan Lester

Responsible to the project delivery, co-ordination of construction professional team, risk and programme management. – Chartered Project Manager
Experience of project managing major capital projects.

Client Technical Manager – CG – Alex Anderson

Responsible for Client End User brief, and managing interface with BGCBC, WG and CG, and reporting to CG Senior Management Team – Architect
Experience of delivering major education capital projects.

Client Design Manager – BGCBC – Simon Jennings

An architect with over 20 years experience in managing a range of high value projects working closely with partners, managing risk and design evolution.

Set out what governance procedures will be put in place to manage the grant and project

The project will require a project task and finish group to bring together key officers internally and a lead Corporate Manager will be responsible for assurance. The group will meet as required and will have finance representation – however it is expected to be front-loaded, and mainly to set out and agree the work packages and resource.

The Council has an Internal Audit service which undertakes its duties in

accordance with its professional responsibilities as set out in the Public Sector Internal Audit Standards which are accompanied by CIPFA's Local Government Application Note.

The service undertakes an annual self-assessment of its compliance with the standards which is supported by a 5-yearly external review. The Council's Capital programme is a standard item on the Governance & Audit Committee agenda. An internal audit of Capital Governance was undertaken during 2020/21 for which a high assurance was provided that there was a sound system in place in those areas reviewed.

The Council will establish a project board to manage and monitor the delivery of the bid. Each project will have its own governance and management arrangements.

The Chief Financial Officer (Section 151) acknowledges the responsibilities of the Council as lead authority – and is supportive of the bid with the governance and management arrangements outlined to manage and mitigate delivery risks

If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised

The operational costs for HiVE will be covered by Coleg Gwent, who are allocated funding for each student on a course taught at HiVE.

Financial modelling was undertaken in 2021, which details the NPV of HiVE to be circa £14,600,00. In regard to income, the NPV calculated considered the funding received per learner for the variety of courses programmed for HiVE. When these calculations were undertaken when the initial investment figure was lower than that predicted currently however, given the large NPV value, the initial investment would have to rise significantly for the NPV to be negative.

Upload further information (optional)

Set out proportionate plans for monitoring and evaluation

A Tech Valleys Education & Skills Task and Finish Group has been established to create an Advisory Group to monitor HiVE. This will bring together a network of key senior stakeholders to ensure the following:

- on-going strategic advice to support the realisation of identified KPIs;
- receive an annual report on the operation of HiVE including progress against agreed KPIs
- facilitate and enable discussion around courses and equipment to keep the facility in-line with industry needs
- raise awareness of HiVE through positive news / use of networks
- report annually to the Tech Valleys Strategic Advisory Group
- Undertake a comprehensive review every five years

The Advisory Group will include representation from Welsh Government, Coleg Gwent, Blaenau Gwent County Borough Council and key stakeholders from Industry.

Through the life span of the programme there will be annual evaluations completed to ensure the benefits do not cease once initial investment has been allocated. There will be sufficient income streams to cover the running costs of HiVE but there need to be assurances that the concept enables lifelong learning opportunities for residents within the Tech Valleys regions to support emerging technologies and employment. An estimated 5-year Income and Expenditure forecast based on projected

learner numbers has been undertaken. The College is currently operating below its funded learner target so the growth in full and part-time provision estimated within this report will not attract any additional cash funding to the College, it will only be growing into an existing target.

HiVE is an integral part of the wider Tech Valleys Programme. It is necessary to instigate a programme of monitoring impact assessments to assess the investments committed to date in Tech Valleys and inform future investment decisions in the Northern South Wales Valleys region. These activities will be designed to:

- Review the impact of the existing programmes funded to date and consolidate the activity.
- Monitor the key strategic risks of the programme
- Consider the current aims and objectives of the programme in context of current and future local / national needs, taking into account the impact of Covid-19.
- Provide checks and balances to maintain the alignment with the vision and strategic ambition for the Tech Valley's
- Communicate the strategic work of the Tech Valleys to the local community and businesses.
- Analyse what inward investor sectors suit the current and future strengths of the Tech Valleys and wider region, in conjunction with the findings of the Manufacturing Action Plan, Supply Chain Mapping Exercise.
- Consider how current WG financial incentives and funding could better stimulate opportunities in the region.
- Identify future direction and establish objectives to support continuous improvement in project delivery

In addition, Blaenau Gwent County Borough Council will work with the Tech Valleys Programme and other interested parties, such as Careers Wales, Welsh Government's Knowledge Analytical Services, Cardiff Capital Region and the Welsh Government Equality in STEM Education Sub-Group to carry out a longitudinal study into the impact of HiVE on Learners and Students. The aim is to ascertain the impact on the uptake of STEM subjects which lead to STEM Careers by understanding the positive association between initiatives and participants. This will inform funding for future programmes. The following over-arching monitoring indicators have been identified which will establish a baseline and measure / demonstrate the impact of Tech Valleys Programmes over a period of time. This analysis is necessary to ensure HiVE maximises the positive impact on people, places and economies and to challenge the original aims and objectives of Tech Valleys

- STEM GCSE entries and results
- STEM A Level entries and results
- Employment by sector
- Economic activity and inactivity
- Average annual earnings
- Rank in the Welsh Index of Multiple Deprivation
- % of 16-24 year olds not in employment, education or training
- Productivity
- Economic output (by sector, annual growth rate)
- Location quotients data and industrial specialisation
- Number of jobs by sector
- Jobs density
- Learners in work-based learning provision by programme
- Learners undertaking Foundation Apprenticeships, Apprenticeships and Higher Apprenticeships broken down by subject
- Job related training of working age adults (not in full-time education) by industry
- Young people not in education, employment or training (NEET)

A Power Bi database has been created by external consultants, Hatch Regeneris which will record baseline evidence over a period of years.

In addition, Welsh Government has placed an advert to employ a PhD student. If a suitable candidate is recruited this person will create an evaluability assessment of the Tech Valleys Programme and the individual projects within, particularly HiVE. By reviewing data availability and understanding progress from the inception of the Programme, the intern will inform the drafting of

specification to evaluate the Programme to date. It is anticipated that the PhD student will use an existing benefits realisation table and undertake primary research to produce a logic model that retrospectively maps the expected impacts of the Programme as part of the evaluability assessment. This work will form a spec which will form the basis of a tender to engage an external organisation to carry out a 5 year economic impact assessment of the Tech Valleys programme of which HiVE represents a major investment. This will assess whether, on balance, the Tech Valleys programme is on track – and if not, what we need to do about it.

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration 14 LUF Round 2 Pro formas V6.1 Proforma 7 (005).docx

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration 15 LUF Round 2 Pro formas V6.1 Proforma 8.docx

Publishing

URL of website where this bid will be published <https://www.blaenau-gwent.gov.uk/>

Additional attachments

Additional file attachment 1

Upload attachment 2 MP LUF Round 2 Pro formas V6.1 Proforma 6.docx

Additional file attachment 2

Upload attachment 1 LUF_Single_Project_Costings_and_Planning_Wkbook_v2.00_HiVE Master RH.xlsx

Additional file attachment 3

Upload attachment 5 Attachment 5_Site Drawings_& Plans.docx

Additional file attachment 4

Upload attachment 6 Letter of Support.pdf

Additional file attachment 5

Upload attachment 7 ToC attachment.docx

Additional file attachment 6

Upload attachment 8 BCR Appraisal Summary Table_HiVE_25Jul2022.docx

Additional file attachment 7

Upload attachment	9 Grant Offer Letter - Tech Valleys Funding for Capital Expenditure 18-03-22.pdf
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Additional file attachment 8

Upload attachment	10 HiVE Delivery Plan.docx
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Additional file attachment 9

Upload attachment	11 DECNFGC C_2021_0307.pdf
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Additional file attachment 10

Upload attachment	12 Integrated Assurance Plan.docx
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Additional file attachment 11

Upload attachment	13 2022-06-01 HIVE - Risk Register - Rev 03a.xlsx
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Additional file attachment 12

Upload attachment	14 LUF Round 2 Pro formas V6.1 Proforma 7 (005).docx
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Additional file attachment 13

Upload attachment	15 LUF Round 2 Pro formas V6.1 Proforma 8.docx
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Additional file attachment 14

Upload attachment	16 HoT.pdf
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Additional file attachment 15

Upload attachment	17 Organogram.docx
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