

Committee: **Regeneration Scrutiny Committee**
 Date of meeting: **24th March 2021**
 Report Subject: **Advanced Engineering Centre & MTC Report**
 Portfolio Holder: **Cllr D Davies, Executive Member Regeneration and Economic Development**
 Report Submitted by: **Tara Lane, Skills Development Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
02.03.21	03.03.21	11.03.21			24.03.21			

1 Purpose of the Report

- 1.1 The purpose of the report is to seek endorsement of the Blaenau Gwent Future Skills report and the subsequent funding proposal submitted to Tech Valleys for the refurbishment of the Monwell Building into an Advanced Engineering Centre.

2. Scope and Background

- 2.1 In 2018 the Council acquired the former Monwell Factory and set about developing the site to realise an ambition to create a venue which would support the future skills needs of the manufacturing industry across Blaenau Gwent and the Heads of the Valley.

2.2 MTC – Future Skills Recommendations Report

In December 2020, MTC Training Services published their findings based on research across Blaenau Gwent industry for Future Skills Recommendations and delivery within the proposed training centre. (Appendix 1)

- 2.3 The report highlighted several factors not least the impact of Brexit and more recently the Covid pandemic that needed to be considered. The area is largely made up of SME companies who albeit expressed the need to maintain with traditional engineering techniques, there was a requirement for more support and knowledge on the implementation of robotics and automation, in addition, additive manufacturing and digital manufacturing awareness. All of which have been considered for delivery within the facility by the Coleg Gwent Team.

- 2.4 The employer survey identified that “SME businesses are not currently in a financial position that would encourage any significant investment in either staff training or new equipment. Anecdotal evidence suggests that many SMEs are experiencing a great deal of uncertainty – primarily due to the impact of the pandemic, but also due to the lack of clarity regarding trading conditions post-Brexit. Even prior to the impact of the pandemic, the reluctance (or inability) of many SMEs to invest in training was a concern

- 2.5 As a result, the report recommended that the Advanced Engineering Centre offers a range of technology awareness programmes that will allow SMEs to explore, at minimal cost, the benefits of deploying a range of technologies with the potential to improve the efficiency of their business, while also developing additional revenue streams via diversification into additional products and services. It is with these recommendations that the teams at Coleg Gwent and the Local Authority have considered carefully the equipment purchases for the facility that will be required to support industry.
- 2.6 One of the headline recommendations within the MTC report: “is that all necessary efforts should be made to support, enhance and, where possible, expand the activities of the Aspire Shared Apprenticeship programme. The Programme is an award-winning programme which has been of benefit to companies in the Blaenau Gwent region since 2015. The recommendation is for this to continue, along with several recommendations to provide support for school engagement and career guidance:

Key Supporting Documents

- 2.7 In addition to the MTC report 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 – there is a reported 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.
- 2.8 The Advanced Engineering Centre will aim to reflect what 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.

Tech Valleys

- 2.9 Since 2018 a number of meetings have been held with the Tech Valleys board to fund the refurb. The delivery concept of the facility has changed and developed in that time and on the advice of the board to source an anchor tenant at the end of 2019 a partnership with Coleg Gwent was established.
- 2.10 On January 29th 2021 the TV Board endorsed the proposal and have written a letter of recommendation to go alongside the Business Case which has been submitted to Welsh Government.
- 2.11 The Tech Valleys programme has a vision:

"In 2027 the South Wales Valleys and Blaenau Gwent in particular, will be a globally recognised centre for the development of new technologies, to support cutting edge industry"

In support of this vision BGCBC and Coleg Gwent have proposed to develop an Advanced Engineering Centre which will create an environment that will attract hi-tech inward investors within the Advanced Manufacturing sector.

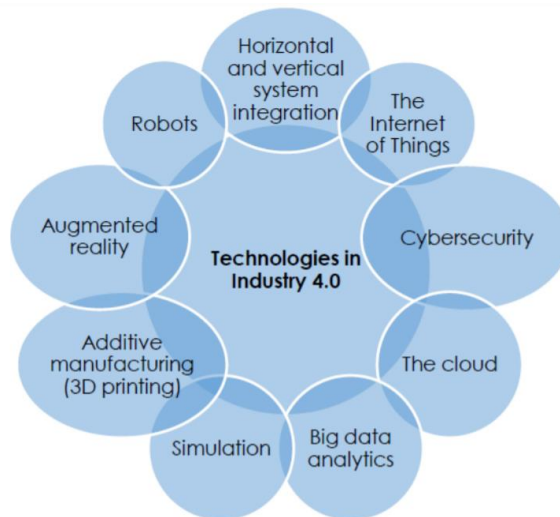
2.12 **Advanced Engineering Centre**

The facility will be sector-leading, a pioneering Centre of Excellence embodying the ideals of Industry 4.0, the Digital 2030 Framework and with education at its core. The goal is to provide an adaptable platform capable of delivering a new curriculum fit for the engineering industry of the future.

2.13 There is no venue or facility currently across the Heads of the Valley that seeks to capitalise on the collaboration between academia, industry and challenges the boundaries of manufacturing to create more efficient methods of working.

2.14 The curriculum offer will range from L1 to L6 in the areas identified as in-demand by the Welsh Government, local industry and the Manufacturing and Technology Catapult Centre (MTC) as written in the recent recommendation report for Blaenau Gwent (2020).

2.15 These areas include Autonomous Manufacturing, autonomous vehicles with battery technology and Collaborative Robotics incorporating the ever-increasing Cyber influence, such as machine learning, predictive analytics, artificial intelligence and security. Aspects of this will be embedded in and delivered in conjunction with the Cyber College initiative Coleg Gwent has already established with University of South Wales



2.16 There will be focus on the use of Augmented and Virtual Reality to design, analyse data in real-time and manufacture. Students and Industry will have access to the latest in Materials Technology such as metal additive manufacturing and composites. As the face and future of Engineering is rapidly changing to heavily rely on these new technologies and respond to industry 4.0, it has never been more important that these new technologies are embraced and brought to the forefront of our community.

- 2.17 Across Blaenau Gwent and the Heads of the Valley primary and secondary schools will have access to the facility 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.
- 2.18 The Advanced Engineering Centre will be constantly adapting to produce highly trained students who have a real passion for engineering and upskill the current engineering workforce, ready for the next industrial revolution. The partnership with the Aspire Shared Apprenticeship Programme will ensure local industry and Tech Valleys are provided with skilled young people for the jobs of the future.
- 2.19 Ebbw Vale (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.
- 2.20 The Well Being of Future Generations (Wales) Act 2015 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.
- 2.21 It is proposed that 600 full time, part time, HE, apprenticeships and commercial learners by 2026/27. The additional state of the art equipment and resources will allow for a far greater range of commercial training and additional income all identified as required in Ebbw Vale by the Manufacturing and Technology Catapult Centre Report (MTC) conducted on request by Tech Valleys and BGCBC.
- 2.22 The aim of the Advanced Engineering Centre is not to duplicate current provision but to ensure that there is holistic provision across the region to enhance skills development in the Advanced Manufacturing Sector and Digital Industries. It will complement the immersive digital arena centre at Thales (NDEC) as their new building will have an area dedicated to public engagement and there are already partnership developments in reviewing learning pathways for apprentices across this sector.
- 2.23 There have also been curriculum developments at the Coleg Gwent campus which will enable cyber security learning opportunities and also universities and stakeholders will in turn bring benefits to the regional economy

The Building

- 2.24 The team are keen to explore the implications of a low carbon approach to running the building and have made an allowance in the cost model for appointing a specialist consultant in that field to advise together with a provision in the construction budget for the findings from such a study.
Photographs of the site (appendix 2)

3. **Options for Recommendation**

3.1 Option 1 Do Nothing

- Do not endorse the MTC report and associated recommendations
- Do not note and endorse the TV submission for the refurbishment of Monwel into the AEC.

3.2 Option 2 Preferred option

- To endorse the MTC report and associated recommendations
- To note and endorse the TV submission for the refurbishment of Monwel into the AEC.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

- Blaenau Gwent Well-being Plan: Forge new pathways to prosperity through employment and skills development
- Corporate Plan: Economic Development and Regeneration
- Regeneration Priorities: employment and skills, enterprise and innovation.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

Short Term

In the short term the implications for BGCBC is the cost of officer time and resource to develop proposal and to initiate developments until the funding is confirmed. This is the funding contribution to the overall programme.

In terms of asset contribution that equates to the cost of the purchase of the site itself £57k with a property value of £150k

The proposal under consideration will require capital investment from Tech Valleys.

The overall capital investment sought is £8million:

- Construction costs £5m
- Consultants / Surveys /Professional Design fees – £800k
- Equipment costs £2.2k

The annual revenue investment – Coleg Gwent

- £196k

Long Term

Coleg Gwent will be the tenant and therefore all operational cost will be covered within their budget which been agreed by their finance and resource committee in Jan 21. The estimated running costs will be £196k per year.

Should funding not be awarded for the refurbishment, the property would not be fit for use and therefore it would be reasonable to advise to sell and utilise the land for other uses.

5.2 ***Risk including Mitigating Actions***

The risks associated are:

- Not acknowledging the future skills needs of the local authority and therefore not putting in place measures to support training and future employability opportunities.
- If the proposal is not endorsed, then the building will not be refurbished or even fit for any learning purposes. There would have to be alternate plan for the use maybe disposal.

5.3 ***Legal***

There will be lease arrangement with BGCBC & Coleg Gwent on a peppercorn rent basis for a term yet to be determined.

BGCBC along with the College has taken VAT advice on the proposed arrangement throughout the proposal development to ensure that the zero VAT position currently assumed is feasible. Advice has supported the position subject to a number of key controls including:

- The total scheme must be commissioned and procured by BGCBC
- There must be no capital contribution from the College.

5.4 ***Human Resources***

Not required for this update

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

There is a target programme of events for this development which will require early funding decisions. There is an expectation that the facility will be open for learning in September 2022.

6.2 ***Expected outcome for the public***

The Employment and Skills plan will outline specific priorities and associated actions to:

- Increase the number of employment opportunities available
- Increase the range of employment opportunities available
- Ensure appropriate employment provision to support people into work and progress once in work
- Train and upskill local residents aligned to demand or growth sectors
- Raised awareness of opportunities to support educational attainment and aspiration
- Increased employment and skills opportunities secured through community benefits.

6.3 ***Involvement (consultation, engagement, participation)***

To date the emerging proposal has been developed in consultation/discussions with:

- Schools across Blaenau Gwent
- University of South Wales
- Cardiff School of Engineering, Cardiff University, UK
- Manufacturing Technology Centre (MTC), Coventry
- Renishaw
- Thales (NDEC)
- Industry Wales
- Welsh Valleys Engineering Project (WVEP)
- Technology Connected
- Local Industry
- Employability & Skills partners
- Coleg Y Cymoedd

6.4 ***Thinking for the Long term (forward planning)***

- The future proposals aim to meet the needs businesses; future skills planning and fulfil current skills gaps. with learning providers.
- The Aspire team are continually working with education to identify progression routes onto higher education as industry requires these higher level skills and with this apprenticeship pathway it provides alternative routes to employment for young people
- The proposal is offering employers and local authorities to demonstrate the employment opportunities within local areas providing skilled young people locally and meeting regional needs

6.5 ***Preventative focus***

6.6 ***Collaboration / partnership working***

- The proposals are integral to collaborative working across the city region and with individual local authorities, that is the key to its success, to date there has been RSP engagement, partner LA and FE discussions, business engagement,

- It is vital that the team works closely as they have done in the past with FE. It will be important to utilise the apprenticeship contract within individual providers for each area. Relationship with the FE to support delivery

6.7 ***Integration (across service areas)***

The contents of the plan will link closely with Education.

6.8 ***EqIA***

The plan is aimed at ensuring Blaenau Gwent Prospers, this is inclusive of all in our efforts to raise skills and employment levels for residents.

7. **Monitoring Arrangements**

7.1 A baseline, aligned to the proposals will be developed to measure the medium and long term impact of the programme. An annual review and update on progress will be prepared and reported through Scrutiny and Executive Committees and the PSB.

7.2 This will also be monitored through the Post 16 Partnership in line with the governance structure of the Employment and Skills plan.

Background Documents /Electronic Links

- Appendix 1 – BG Aspire Academy – Future Skills
- Appendix 2 – Photographs of the Site