

Title of report: Strategic investment proposal on a special purpose site in the Dinedor Hill Ward

Meeting: Cabinet

Meeting date: Thursday 20 July 2023

Report by: Cabinet member community services and assets;

Classification

Open

Decision type

Non-key

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Dinedor Hill;

Purpose

To agree the principle of Herefordshire Council investing in an initiative where the council is in partnership with Herefordshire and Worcestershire Group Training Association (HWGTA) to enable further development of vocational work based skills across the county, and to authorise the Director of Resources and Assurance in consultation with the Portfolio Holder for Community Services and Assets to sign Heads of Terms for both parties to agree the principles and to further explore options around a strategic investment partnership, and bring a business case back to cabinet for approval in autumn 2023.

Recommendation(s)

That:

- a) authority is delegated to the Director of Resources and Assurance in consultation with the Portfolio Holder for Community Services and Assets to sign Heads of Terms between Herefordshire Council and Herefordshire and Worcestershire Group Training Association**

for a partnership to enable further development of vocational work based skills across the county;

- b) Cabinet authorises the development of an options appraisal to inform a business case of an investment model most appropriate to allow the project to progress and bring that back to cabinet for further authorisation in autumn 2023; and**
- c) authority is delegated to the Director of Resources and Assurance in consultation with the Portfolio Holder for Community Services and Assets to take all operational decisions relating to the above recommendations**

Alternative options

1. To not agree to signing Heads of Terms – this is not recommended as this will delay Herefordshire Council working in partnership with HWGTA to further develop vocational skills within Herefordshire when there is a skills gap in vocational skills across Herefordshire. The national intention is to grow the offer to our residents in terms of skills development and by not doing this we are limiting opportunity in Herefordshire.

Key considerations

2. Herefordshire and Worcestershire Group Training Association Ltd (HWGTA) have been training apprentices and delegates to develop skills, knowledge and behaviours for 56 years, making a significant contribution to the Herefordshire economy. The centre has been so successful that it has outgrown its current operating centre and there is a requirement for a new centre to enable growth. Outgrowing their current premises and requiring a new site has meant that the association has been given the opportunity to rethink their premises strategy.
3. In 2020 HWGTA scoped out a proposal to move to Skylon Park but at the time of scoping it was not financially viable. However, in 2022 a revised offer was made for the current site making the project feasible once again so a full design process was instructed which is now complete. The intention is to move to Plot 7 on Skylon Park and build a new Centre of Vocational Excellence.
4. Due to inflation and construction pressures there is an estimated funding gap of approximately £2m, however, until this is tested through the tender process the actual firm cost is unknown. As an independent training provider HWGTA are not eligible for further education capital grant funding and other grant streams have been exhausted.
5. HWGTA approached the council to see if the council would like to explore an investment opportunity with the association based on some shared objectives around developing local people, increasing skills in the county and ultimately driving up productivity and economic growth.
6. Skylon Park has developed over the years and has grown into the business quarter in Hereford. It's gone from strength to strength and through investment has been able to turn brown field sites into green field sites ready for development which Herefordshire Council own.
7. Plot 7 at Skylon Park is adjacent to the newly built Shell Store and the New Model Institute for Technology & Engineering (NMITE) Skills hub for timber technology. The Shell Store presents incubation space for new businesses to develop and has a café facility which is widely used. It hosts many business meetings and conferences and provides space for several different initiatives.
8. Adjacent to the Shell Store is the new NMITE skills hub which is a learning centre of excellence for timber technology. This space is used by the NMITE students regularly. What is materialising

in this quarter of the park is a real sense of a learning skills village, new businesses developing, students learning ground breaking engineering so the vacant plot 7 lends its self very well to becoming a new centre of vocational excellence.

The National Context

9. On 28 April 2022 the Department for Education passed new laws through the Skills and Post 16 Education Act 2022 stating ways that it will help transform the skills and training landscape across the Country. The law sets out that schools will be required to make sure all children get to meet people that provide technical education routes such as apprenticeships, T Levels or Traineeships, making sure they understand a wider range of career choices, not just academic routes through university.
10. The legislation will help economic recovery and growth by making it easier for people to get the skills they need to secure well paid jobs in industries with skills gaps, such as health and social care, engineering, digital, clean energy and manufacturing. It will also give more people the opportunity to get jobs in their local areas, by requiring employers and colleges to work together to identify the skills needed within communities.
11. The Act underpins the government's transformation of Post-16 education and skills as set out in the [Skills for Jobs White Paper](#) and help level up and drive growth across the whole country.

Regional Context

12. Herefordshire is part of a local enterprise partnership with Shropshire and Telford and Wrekin called the Marches Growth Hub. The partnership has some very clear priorities of which skills development is part of. There are three key priorities set out:
 - a) Business Growth – creating an exceptional business growth environment through access to finance and incentives to innovate
 - b) Skills Development – Supporting employers to develop themselves and their workforce and to provide employment opportunities
 - c) Infrastructure and Places – Its our mission to provide an infrastructure framework fit for tomorrow business need
13. The vision is, “Together we are developing a vibrant regional economy, putting business at the heart of our work and removing barriers to growth through investment in our key projects”.

Local context

14. Herefordshire Council's County Plan has some clear objectives around skills development. It states that we are committed to encouraging continuous investment in our local workforce and culture of lifelong learning in our community. It states that we will strengthen the use of our assets. Work with organisations to be more creative in how we use and share our collective assets, increase our local investment, encourage the development of new businesses and explore new methods of financial support.
15. Herefordshire Council is committed to exploring opportunities around skills development across the County, and by enabling organisations like HWGTA to grow and develop is contributing positively towards growing the opportunity and offer in terms of skills development to all Herefordshire residents contributing to the economic circle of skills and growth in Herefordshire.

Community impact

16. Through this investment in a skills development opportunity it is likely that the county will attract high quality and better paid employment and encourage entrepreneurship and innovation
17. The initiative will develop a more adaptable and higher skilled workforce
18. By enabling HWGTA to grow and develop through investment, jobs will be created and a more local skilled workforce will develop which in turn will attract business opportunities into Herefordshire.

Environmental Impact

There are no known environmental impacts caused through this decision at this point.

Equality duty

19. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
20. In the business case development stage there will be an equalities impact assessment carried out which will detail information about if any groups of people with protected characteristics are at a disadvantage in the workplace or seeking opportunities in particular industries. If there is any national and local data we will note this in the impact assessment.

Resource implications

21. There are no resource implications at this point. The intention is to bring back a business case to an Autumn 2023 cabinet which will then outline the resource implications around the investment opportunity.

Legal implications

22. There are no legal implications at this stage.

Risk management

23. There are no risks currently associated with this decision. It is anticipated that when a business case is brought back to cabinet outlining options around the investment model, risks will be identified.

Consultees

24. There has been consultation with the Portfolio for Economy and Growth and the Portfolio for Community Services and Assets of which both are satisfied with the proposal as set out in this paper. There was a meeting on 15 June 2023 where by it was agreed that the Portfolio Holder for Community Services and Assets would take the decision to cabinet in July 2023.
25. Herefordshire Councils Corporate Leadership Team supported the proposal at a meeting on 27 July 2023
26. The local ward member for the Dinedor Hill Ward has been consulted with via email on the 04 July 2023

Appendices

None

Background papers

None

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	Sarah Buffrey	Date 29/06/2023
Finance	Wendy Pickering	Date 29/06/2023
	Karen Morris	Date 30/06/2023
Legal	Emma-Jane Brewerton	Date 29/06/2023
Communications	Luenne Featherstone	Date 28/06/2023
Equality Duty	Harriet Yellin	Date 11/07/2023
Procurement	Lee Robertson	Date 30/06/2023
Risk	Kevin Lloyd	Date 30/06/2023
Approved by	Director for Resources and Assurance	Date 04/07/2023

