

HEAT

Project Confirmation Table					
Project Name: HEAT Institute					
Date: 22.04.21					
Towns Fund ask (£ million)					
1.12					
Match funding total, breakdown and status (secured/applied for/not yet applied for)					
1.3 secured					
Expected outputs and outcomes					
<ul style="list-style-type: none"> • Estimated number of new learners = 600 per annum, with an achievement rate of 75% (450 learners) • Availability of new specialist equipment • The facility will engage with around 200 new employers every year • 600 new learners to begin with across 20 new courses • 25% of learners gaining relevant experience 					
Plan for addressing key conditions					
N/A					
Fast tracked project (yes or no)					
no					
Capital/revenue split					
100% capital					
Nominal Financial Profile (£ million)					
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
0.0000	0.80	0.312	0.0000	0.0000	0.0000
Signature of Town Deal Board Chair and accountable body's Chief Executive Officer or S151 Officer					
To be completed – subject to Town Board Approval					

Additional Questions – To Inform Selection Process (not required for government submission)

Please confirm that you will be able to develop a full business case for this project within 12 months
I can confirm that full business case can developed for this project within 12 months. Extensive work has already completed in relation to the HEAT project, which we have been working on since 2018.
Please confirm that your organisation has capacity to deliver this project within the Town Deal Programme timeframe, setting out in brief your delivery arrangements
<p>In 2018 Greater Lincolnshire welcomed over 21 million visitors per year which generated around £2.39bn revenue for the region. Prior to the pandemic the sector was growing quickly, by over 13% in the previous two years, which in turn created jobs and national prestige.</p> <p>Tourism in Greater Lincolnshire has a lot of strengths:</p> <ul style="list-style-type: none"> • Renowned heritage attractions including the Castle, Cathedral and Magna Carta in Lincoln, Belton House and the International Bomber Command Centre. • Over 50 miles of coastline. • Skegness – Britain's fourth most popular holiday resort. • A strong nature/wildlife tourism offer.

- Aviation Heritage.
- Enhanced connectivity by road and rail.
- 110 hotels in the region with capacity for more than 3.4m overnight stays.

However, according to industry bodies, the advent of Covid-19 led to 89% of businesses in the sector closing completely and 11% operating on a reduced basis, mainly offering takeaway services. Naturally, this had a significant impact on the 39,000 staff employed in the sector across Lincolnshire, with more than 80% of them being furloughed, resulting in many experienced employees leaving the sector altogether and working in alternative sectors such as retail or health and care.

The complexity of the recruitment and training challenge faced by the sector is enhanced following the UK's departure from the EU, as many sector workers are expected to have returned to mainland Europe. Therefore, there is an urgent need to improve the training offer in the sector, in order to retain the remaining staff and attract high quality new employees.

Capital funding will enable the UK's first Hospitality, Events, Arts and Tourism (HEAT) College to be developed in Greater Lincolnshire.

The project will provide an employer-led training facility designed to offer critical support to one of the GLLEP's Priority Sectors, the Visitor Economy, at a time when it is needed the most.

Over the past 12 months, the tourism and hospitality industries have faced unprecedented challenges, with significantly decreased demand and many local businesses closing temporarily. HEAT will offer active support to local businesses via a range of training services that will help the sector to grow, develop and innovate by upskilling the workforce.

The new development will offer a total of approximately 5,000 sq ft of educational floor space which will include the provision of a C-hotel (College Hotel), which will offer learning in a live environment.

Working in partnership with the University of Westminster and educational institutions in Denmark, the USA and the Middle East, along with Lincolnshire based employers such as the Intercontinental Hotel Group, the Hilton Worldwide Group, the Stonegate Pub Company and Butlins, the project will provide a state-of-the-art learning environment, with cutting edge technologies focused on plugging skills gaps and delivering training in the application of digital assistive technologies. Having consulted with local employers and industry bodies such as Visit Lincoln, we will increase the number and range of new apprenticeships offered and launch T-Levels in Hospitality and Tourism, Cultural Heritage and Visitor Attractions, and Catering.

Students will also benefit from the opportunity to work in the theatre and events sector at the Drill Hall, the arts sector via our partnerships with local galleries and the catering and events sector via Lincoln College's own commercial catering business. The majority of the placements on offer through the College or our partners will be paid, enabling students to earn-while-they-learn.

In addition to supporting established employers, the HEAT Institute will offer advice, guidance and support for those individuals who would like to open their own hospitality business via an Entrepreneurship Scheme in partnership with NBV Enterprise, leading to empty spaces in the city becoming repurposed.

The project will deliver economic impact at all levels:

- Providing individuals with access to qualifications that have previously never been delivered in Greater Lincolnshire, including the cross cutting digital skills that will support growth and innovation.
- Offer a routeway to new employment opportunities.

- Support the post-Covid demands of the industry and the pace of tourism development within Greater Lincolnshire.
- Strengthen institutional capability and human resources in the tourism industry and increase employment opportunities.
- Support the new era of tourism and cultural changes that are required in a post-pandemic world.
- Support the sector to adopt digital technologies and platforms which will enable them to improve productivity and attract more visitors.
- Provide accessibility, inclusivity and support social mobility and reducing the transitory nature of the industry's workforce and demonstrate career possibilities.
- Re-imagine, accelerate and upgrade vocational education in the region.
- Deliver via a blended model - mix of digital and face to face, live learning, work experience placements and industry visits.
- Supporting local businesses across all sectors to fill **their 'hard to fill vacancies' and succession plan** for the future.
- Creating bespoke employment routeways that will provide job-ready candidates to local businesses.

Within the first two years of delivery, the new facility is expected to engage over 250 local businesses in skills training, have created at least 50 new apprentices, supported 50 learners into new jobs and supported the creation of 20 new businesses.

In addition to the HEAT College hub in Lincoln, training delivery will be supported by either permanent or pop-up spokes across the county of Greater Lincolnshire. As well as the physical locations, the College will use digital technology to deliver remotely, enabling students to access learning at home or at work and giving them the flexibility to study at a time that suits them. This technology will also allow the College to use the senior education expertise that exists in Lincoln College International and provide access to contributions from partners based outside of the region.

Lincoln College has extensive experience of carrying out projects which require new build, refurbishment, purchasing of equipment and the reshaping of education, training and commercial ventures.

Key points regarding the team are as follows:

- **Proven track record:** We will draw on our proven reputation of delivering high profile infrastructure and education projects and programmes both nationally and internationally. The project will include staff with experience of substantial new build programmes, as well as projects to transform existing parts of our estate. Our experience includes:
 - Since 2016, opening five new micro-college campuses, in 2016 the Construction College in Gainsborough and the Air and Defence Career College in Lincoln and in 2019 the Lincoln Construction College, Care College and Policing College. These offer employer-led, career focused education and technical training for 16 -19 year olds.
 - Since 2016 LCG mobilised five new further education colleges in the Kingdom of Saudi Arabia as part of the **Colleges of Excellence** programme, providing teaching space for over 10,000 students.
 - **Newark Academy**, we led the construction and relocation of the Academy to a brand new £15.5 million school as part of the Priority School Building Programme in 2015/16.

- **Deans Sport and Leisure**, 2012/13 we opened one of the best sport facilities in Lincoln, offering fitness suites, squash and tennis courts, a spa and floodlit all weather pitches, as well an internet cafe, juice bar and many corporate facilities, such as conference and meeting rooms.
- **Made in Gainsborough**, development of a bespoke Engineering training centre in conjunction with local employers.
- **Strong project management experience:** We have experience of operating collaboratively with multiple partners, and have extensive programme resources, knowledge, expertise and skills to deliver the project and mitigate associated risks. A project delivery plan is in place, with progress regularly monitored by our Group lead for projects using Prince 2 and Managing Successful Programmes (MSP) approaches.
- **Project team:** We will deploy a team of in-house expertise and externally sourced advisors to ensure the best mix of resources.
 - Graham Harrison, Group Director of IT, Information Management will lead the project.
 - He will be responsible for implementing the project delivery plan. This will include key milestones, monitoring/reporting requirements, financial controls and a risk register.
 - He will report on progress direct to the College Executive Leadership Team on a monthly basis.
 - He will lead a multi-disciplinary project delivery team including the Group Head of Infrastructure, Facilities and Estates, the Vice Principal, Curriculum, and the Group Director of Finance and Commercial.
 - This project team will be supported by other College business support teams as appropriate. Any additional recruitment needs that may be required as the project progresses will be managed quickly and effectively by Lincoln College Group's in-house agency, FE Resources.

Project Timeline and Milestones

Lincoln College has been developing the concept of this project for over two years. As a result, we have already achieved important steps and milestones which provide high confidence that the project will deliver on time and to quality standards, Points of note include:

- **Identification of skills gap:** In conjunction with stakeholders such as Visit Lincoln and Lincolnshire County Council, the College identified a need to enhance the region's hospitality skills offer in 2018. We explored this concept further and discussed the sector's requirements further with regional employers and local authorities. The message was consistent, that the region needed improved training provision to increase the quality of the visitor and customer experience in all manner of businesses. The HEAT College concept was born and shared with stakeholders in late 2018. The pandemic has only strengthened the view of partners, stakeholders and employers that such provision is necessary; now more than ever.
- **Initial design:** Several sites have been reviewed as the HEAT College hub and general plans have been drawn up for a C-hotel (College hotel) of six individually sponsored bedrooms and a small restaurant and conference facility. The College is also exploring the opportunity to purchase a small staycation venue just outside of Lincoln that would be included as part of the HEAT experience and is working on a proposal to re-open the Drill Hall in Lincoln city centre.
- **Project mobilisation:** We have put in place the necessary steps to ensure rapid project mobilisation if successful with the Town Deal bid. Lincoln College has previously signed a

SCAPE Access agreement with *Perfect Circle* under the Built Environment Consultancy Services (BECS) framework. Key points:

- The Scape Group is a public-sector owned organisation, dedicated to creating ongoing efficiency and social value via the built environment.
 - Perfect Circle have been appointed by Scape Procure to lead the national BECS framework and they will support every stage of the construction project.
 - They will lead the procurement process led by the Public Contract Regulations.
 - This offers the fastest route to market, will ensure full compliance with all public procurement regulations, offers complete auditability of project data and performance, and will create significant opportunities for local suppliers and tradesmen, as on average 35% of the total spend is distributed within 20 miles.
 - Using Scape, the procurement process will take between six and eight weeks.
 - The contractor will use Lincoln College construction students to support the refurbishment work.
- **Early outcomes:** Although the building would not be available for use for the nine months it will take to refurbish, the project will still be able to deliver outcomes from as early as July 2021 through HEAT College partnerships at the Drill Hall in Lincoln and the via the commercial catering business run by Lincoln College.

Milestone	Forecast Date	Comments
<u>RIBA Stage 1</u>		
Risk Register created	Feb 2020	
Outline Project Programme developed	Feb 2020	
Initial scheme design complete	Feb 2020	
Feasibility work completed	Feb 2020	
<u>RIBA Stages 2, 3 & 4</u>		
Acquisition of statutory powers		
Confirmation of Project Brief	Apr 2020	
Community & stakeholder engagement	Jun 2020	
Utility company engagement		
Detailed design completed	Apr 2021	
Cost Plan produced	Sept 2020	
Planning application submitted	May 2021	
Match funding secured	Sept 2020	
Planning permission secured	Aug 2021	
Procurement process issued	TBC	
Procurement contracts awarded	TBC	
<u>RIBA Stage 5</u>		

Start of construction/scheme	TBC	Project refurb will take approximately 9 months
Completion of construction/scheme	TBC	
<u>Post Construction RIBA Stages 6 & 7</u>		
Start of activity	TBC	
Claim submission and monitoring underway	TBC	
Outcome review – Evaluation report provided	TBC	

Project Outputs

	2021/22	2022/23	2023/24	2024/25	Future Years	Total
i) Core Outputs (Strategic Economic Plan)						
Private Sector Investment Leveraged (£)						
Number of new Jobs Created (gross)		9				9
Number of Jobs Safeguarded (gross)						
Number of new housing units completed						
ii) Local Strategic Outputs						
Commercial floorspace refurbished/constructed and occupied (sqm)	500					500
New training/learning space refurbished/constructed (sqm)						
Number of businesses assisted to improve performance		125	125	125	125	500

Number of learners supported		241	380	435	527	1,583
Number of new businesses created		4	10	15	15	44
GVA Uplift						
iii) Others (please list) *						

Key Risks – please set out the key risks to delivery and mitigation measures in place

Lincoln College has been developing the concept of this project for over one year. As a result, we have already achieved important steps and milestones which provide high confidence that the project will deliver on time and to quality standards. We are confident that we have identified and reduced many of the risks associated with the project. We have a good understanding of the overall risks and have robust systems and processes in place to identify and manage new risks. Key elements of our approach to risk management for this project are as follows:

- **Best practice systems:** Lincoln College uses the '4Risk' software system from one of the UK's largest advisory firms (RSM). We use this to manage and mitigate risks to the operational capability across the College and the wider Group's activities. This best practice system will allow us to view the complete picture of the project's risks and any mitigating actions. It will allow our project governance and oversight mechanisms to review any project risks. It will also enable managers to add perceived risks to the system at any time and to highlight required action. **Graham Harrison**, the Group Director of IT and Projects, owns the database and will review it on a weekly basis for project risks to monitor any new risks and to assess progress with existing entries. To track progress, we produce weekly reports for Department Heads to show new risks, any changes to RAG (Red, Amber, Green) rating or where a deadline for action has passed.
- **Risk Management Group:** These meetings are held on a quarterly basis and chaired by **Tom Dannatt**, the Group Director of Finance and Commercial at LCG. The Group will review all project risk areas, with those RAG rated as Amber or Red discussed in significant detail. Any specific action points will be allocated appropriately to address areas of concern. Minutes of the Group's meetings and therefore any specific issues relating to the project will be briefed to the Executive Leadership Team and Board of Governors.
- **Staffing experience:** **Graham Harrison** has broad experience of managing the delivery of similar projects and as such is well versed in their successful mobilisation and the development of robust implementation plans that minimise and mitigate risk. Our Group Director of Estates and Facilities will be working closely with the Project Manager and has experience of managing multiple, simultaneous projects. Furthermore, if new staff are recruited or seconded to the project, LCG will ensure that they have the appropriate risk management, mitigation expertise and experience.
- **Regular review:** In addition to the processes highlighted above monthly Risk Management meetings will be held. These meeting will focus on reviewing, identifying and managing all project risks

The following risks have been identified:

Risk	Owner	Probability	Impact	Mitigation
Delayed outcomes	Director of Business Development	Low	High	Segmentation of outcomes to reduce risk and ensure quick wins. Project based on employer feedback and demand. Business Development Team and Steering Group to ensure that project maintains a relevant offer with flexible delivery models that meet employer need.
Delays with refurbishment	Group Head of Infrastructure, Facilities and Estates	Low	Low	Timely award of procurement and award of contract, clear expectations within the contract
Delays in procurement	Group Head of Infrastructure, Facilities and Estates	Low	High	One of the attractions of operating under the Scape Framework is that approved supply chain partners have already tendered their service and price.
Availability of specialist equipment	Group Head of Infrastructure, Facilities and Estates	Low	High	Ensure requirements fully researched and lead times are clearly identified and understood. Procurement processes followed
Accidents on site	Group Head of Infrastructure, Facilities and Estates	Low	Medium	The College will create and enforce a robust plan to ensure that the site and all people on it and around it will be safe whilst the project is underway

Cost exceeds estimates	Group Head of IT Information Management and STEP	Low	High	Projected costs are based on current supplier's information. Robust tendering procedures will enable competitive prices for equipment to be secured.
Cashflow	Group Director of Finance and Commercial	Low	High	Robust internal financial reporting systems are operated. A project specific cashflow has been developed to track actual v planned income and expenditure; to be reviewed monthly. Agreement with the bank to ensure facility to cover cashflow.
Purchase of property – properties identified no longer available	Group Head of Infrastructure, Facilities and Estates	Medium	High	Identification of other suitable premises, discussions with agents. Delivery within temporary facilities until a property located e.g. Lincoln College or CVS

Priority Rank – Where you have multiple projects, please indicate a priority ranking for this scheme

- 1 – Drill Hall
- 2 – HEAT Institute
- 3 – Health & Wellbeing Hub

Can any additional match funding or alternative funding be sourced to support your project and to reduce the Town Fund ask? If yes, please explain.

No

Name of Lead Organisation

Lincoln College

Name & Position of Project Sponsor

Mark Taylor

Name of Chief Finance Officer or other person authorised to sign for and on behalf of the Lead Organisation

Tom Dannatt

Signature of Chief Finance Officer or other person authorised to sign for and on behalf of the Lead Organisation

Tom Dannatt