



Report

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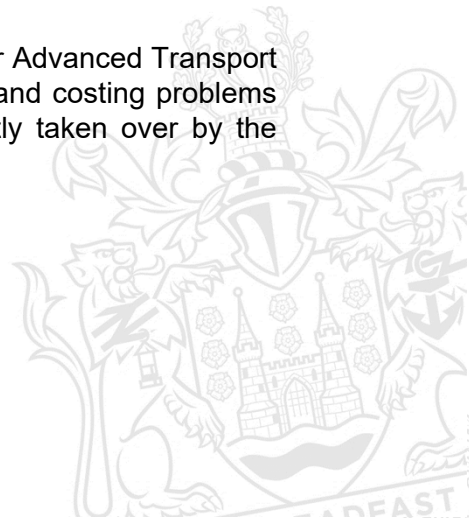
To the Chair and Members of Cabinet

Report Title: The future of the former National College for Advanced Transport & Infrastructure Building

Relevant Cabinet Member(s)	Wards Affected	Key Decision?
Cllr Lani-Mae Ball, Cabinet Member for Early Help, Education, Skills & Young People	All	Yes

EXECUTIVE SUMMARY

1. Doncaster has a long-standing ambition to more closely align the local skills supply and development offer with the needs of local economic growth sectors as a means to developing a more highly skilled and productive economy. This ambition is most recently articulated by both Doncaster's Education & Skills 2030 Strategy, and Doncaster's Economic Strategy 2030, both of which acknowledge the need to develop a 'Talent and Innovation Ecosystem' model that centres on five 'Centres of Excellence' which offer the opportunity for highly productive and innovation-led growth.
2. In line with this longstanding ambition, the Council supported, both financially and practically, the development of a new independent national college – the National College for High Speed Rail (NCHSR), funded from a combined grant from the Department of Business, Energy and Industrial Strategy and the Mayoral Combined Authority. In January 2015, Cabinet also approved a decision to provide delegated authority for individual decisions on NCHSR to the Chief Executive in consultation with the Mayor, the Director of Finance and Corporate Services and Director of Regeneration and Environment in order to facilitate and expediate the development.
3. In October 2017 the NCHSR – a £26m purpose-built facility – opened on Carolina Way with the express purpose of training and upskilling new engineers, managers and designers for the UK high-speed rail industry.
4. In October 2019, the College rebranded (as the National College for Advanced Transport & Infrastructure (NCATI)) and re-scoped its offer following delays and costing problems with the HS2 project, and financial difficulties. It was subsequently taken over by the University of Birmingham Group.



5. In spite of these changes, the College continued to experience difficulties, and on the 13th February 2023 following a robust consultation formally announced it would cease direct delivery and wind down by 31st July 2023.
6. Since this announcement, CDC has made every effort to proactively secure a positive future for this strategically important asset and ensure that it continues to benefit residents and businesses within the city and wider region. As such, on 23rd March 2023, CDC responded to the consultation requesting that the facility and its offer be reconfigured to suit a multi-occupancy, multi-purpose use: a hub for learning and enterprise to support a Centre of Excellence in Advanced Manufacturing, Engineering, and Rail.
7. This wind down process is still being worked through, including timescales. The freehold land for the college is owned by CDC and was provided by CDC for the college under the terms of a 125 year lease. The freehold of the NCATI building will therefore revert to CDC by operation of law immediately following the surrender of that lease.
8. Whilst the closure of the Doncaster based NCATI is disappointing, it also presents an opportunity for the Team Doncaster Partnership and CDC to develop a new and exciting offer which supports local strategic plans for skills and economy.
9. CDC is presently liaising with NCATI and the Department for Education (DfE) (discussions with the latter include a request for funds to aid the transition and provide an indemnity for gaps in occupancy) whilst simultaneously engaging in a consultation with partners to develop a business case for a new offer that is aligned to local strategy with a robust framework in order to maximise the opportunity for the City and region.
10. This report therefore seeks to provide an update on the current position regarding the former NCATI building as well as the steps the Council has been taking thus far, and will continue to take over the coming weeks, in order to secure a positive future for the building.
11. As the exact timescales for the return of the building are unclear, and because the remits of directors and portfolio holders have been updated since delegated authority was originally provided, this report also makes a request for delegated authority to be provided to the Director of Children, Young People and Families, the Director of Corporate Resources, and the Portfolio Holder for Portfolio Holder for Early Help, Education, Skills and Young People, to make individual decisions about the former NCATI building in order to progress the development of a new offer as and when this is practicable.
12. The building costs up to £629k per annum to run. In the longer-term CDC expects these costs to be covered by income generated by occupancy/rental.

EXEMPT REPORT

13. This report is not exempt.

RECOMMENDATIONS

14. This report recommends that Cabinet:
 - R1. Notes that since the freehold land for the college is owned by CDC and was provided by CDC for the college under the terms of a 125 year lease, the freehold of the NCATI building will therefore revert to CDC by operation of law immediately following the surrender of that lease.
 - R2. Notes and supports the process the Council is following to ensure the future use of the building aligns to local and regional strategic ambitions.

- R3. Delegates authority to the Director of Children, Young People & Families and the Director of Corporate Resources, in consultation with the Portfolio Holder for Portfolio Holder for Early Help, Education, Skills and Young People, to make decisions relating to the running and operations of the former NCATI building.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

15. The College is a £26m purpose-built facility on Carolina Way and had been offering a range of part-time and full-time courses and apprenticeships across Levels 3 to 6, with introductory units on rail, engineering and management, as well as specialist subjects such as digital railway systems, track engineering, and train technologies of the future.
16. CDC has been in contact with NCATI and other local education providers to ensure all learners have the opportunity to complete or continue their studies. Dependent on their location, 24 learners on study programmes have transferred to either DN Colleges Group or to South & City College Birmingham, 25 higher education learners will complete their programme in partnership with Sheffield Hallam University, and 38 apprentices will complete their programme with NCATI before 31st July 2023. With the support of their employers, a further 81 apprentices with an end date beyond 31st July 2023 have been transferred to other good quality providers.
17. Whilst it is disappointing to see the closure of the existing NCATI offer, CDC is making every effort to proactively secure a positive future for this strategically important asset and believes the availability of the Doncaster-based site presents an opportunity for the Team Doncaster Partnership to work with industry and learning provision partners to curate a unique offer delivering a vibrant hub of business and education providers that delivers Team Doncaster's ambition to create a locally grown, place-focused talent and industry ecosystem which supports regional and national requirements.
18. Doncaster's Education & Skills 2030 Strategy commits Team Doncaster to the following key priorities and aims, through a 'Talent & innovation Ecosystem' approach:
- A New Model of Post-16 Education:
 - An Education & Skills System that is Responsive to the Needs of the Local & National Economy
 - A Co-Ordinated Post-16 Education Offer that Gives Learners the Skills they Need to Prosper
 - Transform Doncaster into a University City that Provides Advanced Learning through Centres of Excellence
 - New Skills and Pathways to Fulfilling Life & Work
 - Establish Learning Partnerships with Local & Regional Industries that Provide Quality, Sustainable Employment
 - Ensure All Residents have Opportunity to Thrive & Access Fulfilling Careers
19. In a similar vein, Doncaster's Economic Strategy 2030 includes a Mission Priority for 'Innovation Platforms' with an aim to 'Create Industry, Learning, & Research Partnerships' in pursuit of this ecosystems approach.
20. The closure of NCATI presents an opportunity to develop a new locally-led offer at the building that will create clear pathways to local, skilled employment that will benefit the Doncaster economy (and therefore to deliver against the aforementioned priorities and aims).

BACKGROUND

Development of the Existing Offer

21. Doncaster has a long-standing ambition to more closely align the local skills supply and development offer with the needs of local economic growth sectors as a means to developing a more highly skilled and productive economy. This ambition is most recently articulated by:
- Doncaster's Education and Skills 2030 Strategy, which commits Team Doncaster to a 'Talent & Innovation Ecosystem' model which represents a whole-systems approach involving partners from across and outside of the education sector (but particularly local industry) to deliver learning for the real world, a 'hybrid' learning model, and industry-led challenges. This creates a different lens for skills development, one that is rooted across the learner's life course, but linked to the current and future needs of Doncaster's key industries – encapsulated by five 'Centres of Excellence' (one of which is Advanced Manufacturing & Engineering).
 - Doncaster's Economic Strategy 2030, which strategy presents four Sectors of Opportunity, which are priority areas for economic development, along with industry 'niches' which offer the opportunity for highly productive and innovation-led growth. This likewise acknowledges the need to focus talent development and industry support around niches that are aligned to the Centres of Excellence. The strategy's five delivery Mission Priorities work in conjunction with the Education and Skills 2030 Strategy to ensure holistic delivery and joined up thinking.
23. In line with this longstanding ambition, the Council supported, both financially and practically, the development of a new independent national college - the National College for High Speed Rail (NCHSR), funded from a combined grant from the Department of Business, Energy and Industrial Strategy and the Sheffield City Region with the Council gifting the land to help secure funding and accelerate the project. CDC itself put forward £1.1m of capital corporate resources and £150k of revenue contributions towards pre-development costs, and further supported key project strands of governance, curriculum development and the design and construction of the building.
24. On 7th January 2015 Cabinet approved a decision to provide delegated authority for individual decisions on NCHSR to the Chief Executive in consultation with the Mayor, the Director of Finance and Corporate Services and Director of Regeneration and Environment.
25. In October 2017 this £26m purpose-built facility opened on Carolina Way with the express purpose of training and upskilling new engineers, managers and designers for the UK high-speed rail industry.
26. In October 2019, the College rebranded (as the National College for Advanced Transport & Infrastructure (NCATI)) and re-scoped its offer following delays and costing problems with the HS2 project, and financial and student recruitment difficulties. It was subsequently taken over by the University of Birmingham Group.

Closure of the Existing Offer

27. In spite of these changes, the College continued to experience difficulties, and on the 13th February 2023 entered into a robust consultation process with staff, learners, employer partners, and other stakeholders to explore different ideas and suggestions for its future.
28. Since this announcement, CDC has made every effort to proactively secure a positive future for this strategically important asset and ensure that it continues to benefit residents

and businesses within the city and wider region. As such, on 23rd March 2023, CDC responded to the consultation requesting that the facility and its offer be reconfigured to suit a multi-occupancy, multi-purpose use: a hub for learning and enterprise to support a Centre of Excellence in Advanced Manufacturing, Engineering, and Rail.

29. The consultation, which ended on 31st March 2023, concluded that the Board, with support from the University of Birmingham, had resolved to discontinue the direct delivery of its further and higher education programmes, and to wind down the College by 31 July 2023.
30. This wind down process is still being worked through, including timescales. The freehold land for the college is owned by CDC and was provided by CDC for the college under the terms of a 125 year lease. The freehold of the NCATI building will therefore revert to CDC by operation of law immediately following the surrender of that lease.

Proposal for a Team Doncaster Offer & Next Steps

31. CDC is presently liaising with NCATI and the DfE whilst simultaneously engaging in a consultation with partners to develop a business case for a new offer that is aligned to local strategy with a robust framework in order to maximise the opportunity for the City and region.
32. The Council's ambition is to curate, in partnership with local anchor institutions, a unique offer delivering a vibrant hub of business and learning providers which would help deliver on Team Doncaster's ambition of creating a locally grown, place-focused education and skills ecosystem, aligned to key growth sectors.
33. This vision would align with both regional and local strategic ambitions. Doncaster's Education & Skills and Economic strategies seek to better-integrate local skills (talent) with the local business base (industry). Both of these strategies include a focus on five Centres of Excellence which offer the opportunity for highly productive and innovation-led growth:
 - Engineering & Manufacturing
 - Green Technology
 - Health & Care
 - Creative & Digital
 - Culture
34. This is core to the Council's approach and the vision for Carolina Way, which is for a blend of education and skills delivery providers as well as sector-aligned businesses to operate within an integrated hub model.
35. A project delivery team has been established with a range of critical workstreams identified including:
 - Education and Skills
 - Identifying potential education provision and training courses specific to the identified sectors.
 - Working with education providers to map out the space requirements and constraints.
 - Working with sectors to co-design/agree flexible training space which will also provide a commercial offer.

- Links with relevant strategies ensuring the proposition is marketable within the local area.
- Demand and recruitment planning.
- Consultation and engagement
 - Detailed business engagement strategy development and delivery.
 - Assessment of opportunities and modelling.
 - Wider stakeholder engagement and consultation strategy and delivery.
 - Development of detailed communication plans to support the development and delivery of the project.
- Finance and governance
 - Development of project governance structure and decision-making process.
 - Management of internal democratic approvals process and associated briefings and other activity.
 - Developing the financial proposition and commercial offer.
 - Sensitivity and risk assessment.
 - Development and approval of detailed project delivery budget and resource plan.
 - Monitoring the agreed budget and escalating any concerns, issues, or risks through the appropriate governance channel.
- Legal and property
 - Provision of expertise advice and guidance in respect of the building leases and use.
 - Work with the relevant stakeholders and decision makers regarding the processes and approvals required for the delivery of the building back to CDC.

36. Consultation with local industry and learning providers so far has made clear that there is a strong appetite to deliver a new offer of the nature proposed; with potential for a multi-occupancy, multi-use space that supports one or more of Doncaster's Centres of Excellence.

Finance & Maintenance

37. CDC's Finance and Property Services Teams have also liaised with NCATI to establish the annual costs associated with running the building:

Item	£
2 x facilities management staffing costs	62,496
Cleaning	78,355
Security	39,600
Water	31,250
Lift maintenance	528
Insurance	14,000
Business rates	47,104
Electricity	56,135

Gas	37,383
Waste	2,841
Planned maintenance	15,456
CHP	8,085
Reactive maintenance	33,174
Health & Safety	13,794
Total non-staff costs	377,705
Total premises costs	440,201
Additional business rates	188,416
Revised total premises cost	628,617

38. In addition, it should be noted that:

- there is an extant issue with the roof of the building which will likely incur further costs to resolve; though these are currently assessed to be relatively minor, and still covered by warranty
- there is no allowance within the running costs for contribution to a sinking fund or other means of paying for lifecycle costs

39. CDC expects these costs to be covered by income generated by occupancy/rental.

40. Based on discussion with business to date the Council is confident there is a reasonable amount of positive interest across each of these sectors to develop such an offer. Further, the Council will discuss with the DfE the possibility of the provision of additional funds to aid the transition and gaps in occupancy as an indemnity to cover the transition period.

Next Steps

41. CDC will continue to progress the workstreams already in train (outlined in paragraph 35).

42. As soon as practicable, the Council's proposal is to then develop a detailed business case which demonstrates the viability of the proposal, delivery timescale and phasing alongside detailed commitments from education and skills delivery partners, business and the wider Team Doncaster partnership. As part of the business case, CDC will explore a phased approach to delivery, to facilitate handover of the building and ensure the running costs are recovered as early as possible.

43. To enable this, it is requested that Cabinet approves the provision of delegated authority to the Director of Children, Young People & Families and the Director of Corporate Resources, in consultation with the Portfolio Holder for Portfolio Holder for Early Help, Education, Skills and Young People to make all decisions relating to the running and operations of the former NCATI building.

44. CDC has engaged specialist resources and briefed them of these developments to then be able to instruct them, with immediate effect to support the business case development should the recommendations within this report be accepted. It is anticipated that this work will take approximately three months to complete.

45. Formal project governance will be implemented and will include key Team Doncaster and CDC representation and decision makers as well as wider stakeholders including the DfE where appropriate.

OPTIONS CONSIDERED

46. The options for CDC in respect to the NCATI site are:



- To not make any new delegations to individual executive officers or elected members to make decisions about the former NCATI building. This option is not recommended because it would limit CDC’s ability to act flexibly and expediently in the development of a new offer at the site.
- To delegate responsibility to the Director for Children, Young People, and Families, and the Director for Corporate Resources in consultation with the Portfolio Holder for Early Help, Education and Skills, to make all decisions relating to the running and operation of the former NCATI building. (**Recommended option.**)







REASONS FOR RECOMMENDED OPTION

47. The proposal to delegate responsibility to the Director for Children, Young People, and Families, and the Director for Corporate Resources in consultation with the Portfolio Holder for Early Help, Education and Skills, to make all individual decisions relating to the running and operation of about the former NCATI building is recommended in order to prepare for the possible transfer of liability at pace, as well as to ensure CDC is responsive to the outcome of continued consultation with partners and other stakeholders in a way that ensures a sustainable offer at the site that supports local economic growth and economic strategies.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

48.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change	✓			
<p>Since the proposal is to take over the running of an existing building, there are no anticipated negative environmental impacts. However, there is a potential for environmental benefits if the offer includes provision for the development of green skills or technology.</p>				
 Developing the skills to thrive in life and in work	✓			
<p>The Council will ensure any new offer at the site will be directly aligned to our economic and education and skills strategies, with a focus on supporting one or more of the five Centres of Excellence. .</p>				

 Making Doncaster the best place to do business & create good jobs	✓			
<p>The Council will ensure use of the site continues to deliver on Team Doncaster's ambition of creating a locally grown, place-focused talent and innovation ecosystem, , with a focus on supporting one or more of the five Centres of Excellence..</p>				
 Building opportunities for healthier, happier & longer lives for all	✓			
<p>Through ensuring there are continued opportunities for learning, development, and quality employment at the site, a new offer at the former NCATI building would enhance the wider conditions needed to support healthier, happier and longer lives for all.</p>				
 Creating safer, stronger, greener & cleaner communities where everyone belongs	✓			
<p>Ensuring the site continues to serve the needs of local people and businesses will have a positive impact on the local area and communities.</p>				
 Nurturing a child & family-friendly borough	✓			
<p>Developing the local educational and employment opportunities on offer will facilitate more of Doncaster's young residents to study and work within Doncaster, rather than having to look outside of the borough. This will strengthen communities and make more young people feel that they have a future here.</p>				
 Building Transport & digital connections fit for the future	✓			
<p>The continued use of a purpose-built site for training across sectors of local economic importance will ensure that there is a local skills supply to support the development of better local transport and digital connections.</p>				
 Promoting the borough & its cultural, sporting, & heritage opportunities	✓			

As the birthplace of the Mallard and Flying Scotsman locomotives, Doncaster has a strong rail heritage, and a locally developed offer at the site would ensure the facility continues to build on this legacy.

Fair & Inclusive

✓

A locally led offer at the site would ensure there are equitable and opportunities for residents to engage in continues learning and access quality employment.

49. **Legal Implications [Officer Initials: PC | Date: 29 June 2023]**

Section 1 of the Localism Act 2011 gives the Council the power to do anything that individuals may generally do.

S111 Local Government Act 1972 states that a Council shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

Secretary of State for Education’s written approval is required for NCATI to surrender the lease back to the Council. Legal services should be consulted to prepare the deed of surrender.

The Council entered into two grant agreements to fund the construction of the building. Both grant agreements contain clawback clauses which allow the grant provider to clawback the grant in certain circumstances. South Yorkshire Mayoral Combined Authority have confirmed that they will not invoke the clawback provision in their grant agreement, however Birmingham City Council is the accountable body in relation to the grant received from Department of Business, Energy and Industrial Strategy. Birmingham City Council have entered into a grant agreement with the Council to pass Department of Business, Energy and Industrial Strategy grant funding to the Council. The Council have asked Birmingham City Council to confirm that clawback will not be invoked, and we await their response.

Legal services will provide ongoing support as the position develops.

50. **Financial Implications [Officer Initials: MS | Date: 28 June 2023]**

The current running costs of the building are £440k per annum. This is net of a business rates relief related to the building being used for education purposes. Whether the relief continues will depend on how the building is used in the future; mixed use may mean the relief no longer applies. Without the relief the costs increase to £629k per annum. In the short-term the costs may reduce if the building is deemed to be empty for business rates purposes. Additionally, if the building is moth-balled then the costs will be lower (cleaning, energy, maintenance etc).

If the building becomes CDC’s responsibility from 1st August, then the cost in the 2023/24 financial year could be up to £420k. Funding to meet such costs will need to be identified as the business planning progresses. In the short-term, as stated above, the Council will discuss with the DfE the possibility of the provision of additional funds to aid the transition period.

The longer-term aspiration is that the building pays for itself though there is the risk that this is not possible. In the short-term no immediate alternative use of the building has been decided, therefore, unless alternative funding is secured the building will be at a cost to the Council.

The construction of the building was undertaken by CDC using grants received from South Yorkshire Mayoral Combined Authority (SYMCA) and the Department of Business, Energy and Industrial Strategy (via Birmingham City Council). The grants were provided subject to clawback provisions. SYMCA have indicated that they would not seek any clawback however confirmation is still awaited from Birmingham City Council. The grant received from Birmingham City Council was for around £17m. Clawback therefore remains a risk but, in the circumstances, the likelihood is low.

51. Human Resources Implications [Officer Initials: KW | Date: 30/06/23]

Based on the information contained within this report there are no apparent HR implications. As things progress please ensure there is ongoing communication with the HR team.

52. Technology Implications [Officer Initials: NR | Date: 28/6/23]

There will be a need to consider the ongoing support and maintenance (and costs) of existing technology infrastructure and systems (e.g., building management, access control, MFDs, telephony etc) and the novation of associated technology contracts. Without having the ability to assess the current technology and how it is implemented, it is impossible to say whether this could be supported in-house or not.

Dependent on emerging requirements, CDC Digital & ICT Department would potentially need to be involved to provide services to any CDC staff moving forward. This could involve substantial costs if the existing infrastructure is not fit for purpose.

Subject to the existing contracts and future usage, it may be a recommendation that the IT/infrastructure is continued to be supported by a Third Party with no, or very limited, CDC Digital & ICT involvement.

All technology will require an initial security assessment as part of any proposed transition plan to ensure required standards and certifications are met.

RISKS AND ASSUMPTIONS

53. The lack of a long-term investment plan has been identified as one of the reasons for the failure which further strengthens CDC and Team Doncaster's drive to create a hub which is sustainable and supports local economic growth and economic strategies. The co-location of Talent and Industry opportunities is vital. The closure of NCATI is a loss to the region but the Council has a proposed solution that will provide more opportunities and strengthen our strategic plans.

54. In order to succeed, it is necessary to understand any constraints which may impact project delivery. This includes any legal covenants that would specify future building use, the legal mechanisms that would transfer the freehold, and the timescales relating to this transfer. CDC is therefore looking to work closely with the DfE to agree the parameters of the proposed offer and will be requesting that the DfE consider an indemnity to cover any costs that are incurred as a result of any of these matters remaining unresolved.

55. There is a risk that CDC's favoured proposal for the building might not be viewed favourable by the planning authority. The business case development process will therefore review and assess the likelihood of this.

CONSULTATION

56. As noted above, CDC has already begun a consultation with local industry and learning providers and will continue to do this whilst working through the wind-down arrangements. Consultation will include updates to Team Doncaster and consultation with the planning authority as and when needed.

BACKGROUND PAPERS

57. Annex 1 – Due Regard Assessment

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

58. Below are the acronyms used in this report:

- CDC – City of Doncaster Council
- DFE – Department for Education
- HS2 – High Speed Two
- NCATI – National College for Advanced Transport and Infrastructure
- NCHSR – National College for High Speed Rail

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