Leaders
for the Heart of the South West

HotSW Joint Committee

Meeting Date – 23 March 2018

SOUTH WEST INSTITUTE OF TECHNOLOGY

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1.   Summary

1.1   The South West Institute of Technology ('SWIoT') is a £15.1m joint bid by HotSW and Cornish partners to the Government's Institute of Technology competition.

1.2   Bringing together a consortium of 5 of the region's colleges (Exeter, PETROC, City College Plymouth, Bridgwater and Taunton, and Truro and Penwith); our two universities (Exeter and Plymouth), and 5 core business partners (Babcock, TDK Lambda, Met Office, Watson Marlow and Oxygen House), the SWIoT seeks to secure designation for an distributed IoT model to be rolled out across the HotSW area from 2019, focusing on enhancing digital and advanced engineering / manufacturing skills.

1.3   A successful SWIoT bid will enable the development of six interlinked training centres across the peninsula, delivering a range of tailored provision to businesses and individuals within our golden opportunity sectors and beyond. Co-located with and complementary to our existing college and university offer, the new provision would be industry led, incorporating the latest in process and digital content, as well as drawing upon the experience of key industrial partners from across the area.

1.4   The SWIoT bid is complementary to our ongoing focus on productivity and skills development, meeting the HotSW's emerging ambition to secure additional technical training capacity (as set out within the Employment, Skills and Learning theme of the Productivity Strategy), as well as the broader ambitions of the Government's recent Industrial Strategy.

2.   Recommendations

2.1   The Joint Committee is asked to:

- Note the content and ambition of the SWIoT bid, seeking to support the bid with Ministers and wider stakeholders / influencers as appropriate.

3. Background to Institutes of Technology

3.1 Originally announced by the Prime Minister in January 2017, Institutes of Technology ('IoTs') are a central element of the Government's refreshed approach to addressing skills productivity within the UK.

3.2 Recognising a growing requirement across the economy for intermediate and higher level technical skills (i.e. above Level 3 / 'A Level' Equivalency), IoTs are envisaged as reinforced centres for technical education, bringing together industrial, HE and FE partners to provide industry relevant and industry led training. Prestigious new bodies, the IoTs are to provide a complementary learning environment for emerging 'T' Levels (the Government's new technical qualification), as well as build upon existing industrial strengths across the country.

3.3 To facilitate the development of these bodies, the Chancellor announced a £170m competitive fund for the establishment of the first 10-15 IoTs at Budget 2017. The resource was to be used to establish the new centres, with an expectation that the funding would attract additional match and private sector engagement to facilitate the creation of a small number of industry led, high quality institutions. The detail of the competition process for the £170m was duly launched by the SoS for Education in November 2017, with bids due to be submitted by the 1 March 2018.

3.4 Further detail on the IoT competition, their focus and approach, can be found in the IoT Prospectus linked to below.

4. The South West Institute of Technology

4.1 The SWIoT is a joint £15.1m bid from partners within the HotSW and Cornwall and the Isle of Sicily LEP area, to create a new Institute of Technology within the peninsula focusing on digital and advanced engineering / manufacturing skills.

4.2 The bid, submitted on 1 March, brings together 5 HotSW and Cornish colleges (Exeter, PETROC, City College Plymouth, Bridgwater and Taunton, and Truro and Penwith); our two universities (Exeter and Plymouth), and 5 anchor business partners (Babcock, TDK Lambda, Met Office, Watson Marlow and Oxygen House), as well as a range of supplementary support from neighbouring colleges and wider business partners.

4.3 Developed around a distributed model, and building on the experience of the National College for Nuclear in Somerset, the bid outlines the creation of 6 learning hubs across the peninsula to lead the IoT approach, specialising in a range of engineering and industrial capacity:

- **North Devon**– A refurbished centre of excellence located within PETROC's Northern Campus, delivering an enhanced learning environment for engineering and computing studies.

- **Plymouth** – An enhanced centre of learning within City College's recently completed STEM centre, equipped to an industrial standard and focused upon new engineering, digital and manufacturing capabilities.

- **Bridgwater / Taunton** – Refurbished and expanded facilities to allow for additional capacity around nuclear and engineering training, including system management and high value welding and fabrication.

- **Exeter University**– A new training facility, located within the University's refurbished Innovation Centre, providing an enhanced digital and data science offer with strong links to the University's research and higher-level skills capability.

- **Truro and Penwith** – A new centre focused on manufacturing and engineering specialisms, including materials inspection, testing and precision fabrication to industry standard.

- **Exeter College** – Development of new purpose-built centre for digital training, providing industry standard equipment and IT capacity to focus on data analytics, cloud-based processing and services and other emerging IT specialisms

4.4 Collectively, the 6 SWIoT Centres will provide technical and specialist skills coverage of the entire peninsula area, with each hub covering both their immediate vicinity and providing a specialist resource for one or more sub-sector. As set out, centres will be located within or alongside existing college or universities facilities, seeking to build upon existing capacity and complement the existing learning offer across the area.

4.5 Whilst co-located however, the SWIoT is required to be a wholly independent and new body by Government. Anchor colleges, the universities and business partners will become directors / shareholders of the new institution on a successful bid, with related assets and staff contributed to the project as support in kind / as a direct contribution as appropriate.

4.6 Testing financial rigour and acceptance of the governance model with boards / governors has therefore also been a key part of the preparation process for the IoT, with all partners expected to be able to demonstrate good financial health as a minimum before being able to join the consortium and sign up to a divested governance model with a business led board.

5. Wider Associations / Linkages

5.1 In bringing forward the SWIoT proposal, the consortium has been through an iterative process to reach the final list of anchor partners involved. Critical to this has been the ability to commit to a significant capital contribution at short notice, as well as have the collective capacity to service the bid.

5.2 Partners have however been careful to ensure that partners that were unable to meet this commitment in time have not been excluded from the SWIoT approach, and that a route has been left open for wider partners to become involved, either directly or indirectly at a future date. As such, the bid includes reference to a wider group of associated Colleges who have been involved in the SWIoT development process, but were either not in a position to engage at this point (South Devon, Strode and Cornwall

College), or had already committed to other approaches (Yeovil). It is envisaged however that close working will continue with each of these college partners as the SWIoT develops, with a hope that one or more may join the initiative at a future data.

5.3   Similarly, the bid includes mention of a range of associated industrial partners, who were interested in involvement but were unable to secure agreement to become an anchor in time for the initial deadline. These include EDF Energy, IBM and Goonhilly Earth Station Ltd (the later two of which have already offered some form of revenue support). Discussions continue with these partners, in hope that they can be fully incorporated within Stage 2 of the bidding process.

6.   Next Steps

6.1   Following the submission of the bid on 1 March, the SWIoT is now awaiting formal or informal feedback from Government. This is likely to include a first stage process where Government considers the potential for merging bids if appropriate, as well as eliminating those bids considered to not meet the outline criteria.

6.2   In terms of partner engagement during this period, the SWIoT consortium is focused upon raising awareness of its bid with key partners (including today's paper) as well as continuing its discussions with key industrial and other anchors. In particular, it is seeking the support of key partners with Government and Ministers, outlining and reinforcing the case for its IoT bid and the benefits and synergies with Government's own policy.

6.   Background papers

5.1   The following background papers have been utilised / referred to in the production of this paper:

- Institute of Technology Prospectus
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/663691/DfE_IOT_Prospectus_Nov17.PDF

Note: For sight of individual background papers please contact the report author.