

Public Document Pack



23rd October 2020

To: Members of the SCR - Education, Skills and Employability Board and Appropriate Officers

You are hereby invited to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Virtual Meeting**, on: **Friday, 30 October 2020** at **10.00 am** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read 'D. Smith'.

Dr Dave Smith
Chief Executive



You can view the agenda and papers at www.sheffieldcityregion.org.uk or use a smart phone camera and scan the QR code

Member Distribution

Councillor Sir Steve Houghton CBE (Co-Chair)	Barnsley MBC
Nigel Brewster (Co-Chair)	Private Sector
Charlie Adan	Sheffield CC
Councillor Nuala Fennelly	Doncaster MBC
Councillor Abtisam Mohamed	Sheffield City Council
Councillor Denise Lelliott	Rotherham MBC
Professor Chris Husbands	Private Sector
Dr Dave Smith	MCA Executive Team

SCR - Education, Skills and Employability Board

Friday, 30 October 2020 at 10.00 am

Venue: Virtual Meeting



Agenda

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Date of next meeting: Tuesday, 5 January 2021 at 1.00 pm
At: Virtual Meeting

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SCR - SKILLS & EMPLOYMENT BOARD

MINUTES OF THE MEETING HELD ON:

TUESDAY, 1 SEPTEMBER 2020 AT 11.00 AM

11 BROAD STREET WEST, SHEFFIELD, S1 2BQ



Present:

Nigel Brewster (Co-Chair)	Private Sector
Councillor Denise Lelliott	Rotherham MBC
Councillor Tim Cheetham	Barnsley MBC
Dr Dave Smith	SCR Executive Team
Councillor Mazher Iqbal (Reserve)	Sheffield City Council

In Attendance:

Jacque Chambers	Assistant Director - Skills & Employment	SCR Executive Team
Claire James	Senior Governance & Compliance Manager	SCR Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	SCR Executive Team
Sue Sykes	Assistant Director - Programme and Performance Unit	SCR Executive Team
Rob Harvey	Senior Programme Manager	SCR Executive Team
Councillor Chris Furness		Derbyshire Dales DC

Apologies:

Councillor Bill Mordue	Doncaster MBC
Councillor Tricia Gilby	Chesterfield MBC

1 Welcome and Apologies

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2 Declarations of Interest by individual Members in relation to any item of business on the agenda

None.

3 Urgent items / Announcements

None.

4 **Public Questions of Key Decisions**

None.

5 **Matters Arising**

None.

6 **Minutes of the meeting**

RESOLVED – That the minutes of the Board held on 29 June 2020 be agreed as a true record.

7 **SCR Renewal Action Plan Implementation**

A report was considered which presented the SCR Renewal Action Plan (RAP) Implementation Plan and set out the actions being undertaken to deliver the People intervention in the Plan.

The Board noted that the RAP focused on three main areas of action:

- People – to invest to ensure local people had the opportunity to develop their skills, and to find, stay and progress in work
- Employers – to invest to ensure employers can survive, adapt and thrive
- Places – to invest to create jobs and thriving places, in a way that would reduce inequality and enhanced the environment.

The Board discussed the intended interventions in each of the areas of focus.

People – The SCR Jobs Programme, South Yorkshire Works, which was intended to help 35,000 people re-engage with the labour market, creating benefits such as 3,000 apprenticeships.

Employers – Backing employers to adapt, survive and support a jobs-led recovery and backing employers to accelerate growth. This was intended to support over 25,000 businesses in the areas of Covid-19 adapted working environments, reduction of carbon emissions, to create 15,000 jobs through supply chain localising and invoice and cashflow support.

Places – Strengthened communities and urban centres underpinned by maintained cycling and walking routes, uplift in urban footfall and spend, created/supported across 6,0000 new jobs across infrastructure programmes.

Members noted that national programmes were complicated due to the number of initiatives, timescales and current lack of detail. The MCA was actively engaging with government both nationally and locally with a focus on influencing and co-design interventions where possible.

Locally, a review by the Local Authority Officers Group for Skills and Employment was underway looking at what opportunities there may be to build upon or invest in several areas including support for people facing barriers and employment creation incentives.

Members were informed that there was currently an opportunity for areas to bid for additional ESF funds to be drawn from a National Reserve Fund.

MCA Executive Officers, working with local authorities, were seeking to bid for allocations from the National Reserve that would align to the RAP objectives, for example job creation and unemployed skills and existing workforce digital skills.

Given the speed that the Renewal Plan was evolving the Board agreed to meet more frequently in the short-term, whilst also adhering to the MCA's governance arrangements. C James was asked to arrange this.

Officers were requested to provide a 1-page update on the national programmes being developed, how these related to the RAP and what gaps there may be.

RESOLVED – That the Board:

1. Note the update on the SCR Renewal Action Plan, including the update on work to better understand the national and local programmes in order to shape and develop the actions being taken to implement the plan.
2. Note the priorities for the future ESF commissioning activity which had been influenced to deliver priorities outlined in the Renewal Action Plan.

8 **Adult Education Budget**

The Board considered a paper which provided a progress update to enable effective commissioning of Adult Education Budget (AEB) provision to Sheffield City Region (SCR) residents from 1st August 2021.

The paper presented additional detail relating to:

- Commissioning Approach including alignment to the Strategic Economic Plan (SEP) and Recovery Action Plan (RAP)
- Approach to Procurement
- Skills Plan and Soft Market Testing
- Implementation Funding

The Board discussed these in detail noting the areas for the basis of the MCA Commissioning Strategy were:

- Progression Pathways
- Skills Acquisition
- World Class Technical Education

The Board noted that the MCA intended to run a procurement round in autumn 2020 for provision to commence in August 2021; the paper contained a set of procurement principles.

With regard to the Skills Plan it was noted that this was a government

requirement. A draft had been submitted to the DfE and the intention had been to publish and consult in late summer in advance of the autumn procurement round. Due to the Covid-19 pandemic and the impact that had on the publication of the SEP and RAP that had now been delayed. The Board was asked to endorse an approach to enable key stakeholders the opportunity to engage on the AEB to meet the requirement set out in the devolution deal.

The Board noted that the proposed approach was, as part of the Soft Market Testing, approximately 8-10 questions specifically related to the AEB would be developed for response by interested parties. The questions would be live for 2/3 weeks and the responses would then inform the approach to commissioning both grant and procured provision.

It was acknowledged that the commissioning and procurement timelines were challenging and it was agreed to arrange an extra meeting of the Board in 2-3 weeks' time to enable them to be involved in the process.

RESOLVED – That the Board:

1. Agree the Commissioning approach, including the proposal that the MCA focus on the three areas detailed in section 2.2 of the report.
2. Approve the Commissioning Approach, detailed in section 2.3 of the report, as the basis for the forward work programme.
3. Recommend the Procurement Principles, set out in section 2.4 of the report, for onward approval by the MCA.
4. Agree the approach to Soft Market Testing, set out in section 2.5 of the report and agree to approve the questions for this either by an additional meeting of the Board or by written procedures as the timetable required these to be agreed prior to the next scheduled Board meeting.
5. Note the position regard Implementation Funding, detailed in section 2.6 of the report, and the risks this presented as detailed in the risk management section 4.3 of the report.
6. Note that the Communications Strategy being developed would be agreed either by an additional meeting of the Board or by written procedures as the timetable required these to be agreed prior to the next scheduled Board meeting.

9

National Retraining Scheme / National Skills Fund

A paper was presented which provided early visibility of an opportunity to position Sheffield City Region to participate in the Department of Education's National Retraining Scheme.

The Board was reminded that the National Retraining Scheme was a national Government programme to help adults retrain into better jobs.

Members were informed that under the National Retraining Scheme DfE had

funded 6 new pilots which were being branded as bootcamps and were expected to be employer led and start with vacancies employers would like to fill. The bootcamps would then support local people acquire the skills to move into these vacancies.

DfE would initially fund six areas over the period September 2020 to end of March 2021 to test the model by delivering 12-week flexible courses to train adults in a range of technical skills.

DfE were planning a second wave of initiatives from April 2021 and had asked SCR to consider whether there were any particular skills shortages within Sheffield City Region that may be considered for the next wave.

Members noted that there was no guarantee that work invested in engaging with DfE would result in funding for the area to develop the technical bootcamps. However, there was strong alignment between the proposed pilots and the Recovery Action Plan and the Strategic Economic Plan.

RESOLVED – That the Board:

1. Note the report.
2. Confirm that officers should to continue with DfE on this work.

10 **Getting Building Fund (GBF) Capital Programme Approval**

A paper was considered which sought approval in principle for one scheme with a total value of £1.45m Getting Building Fund and also sought delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes subject to statutory due diligence and satisfactory grant conditions being received and accepted by the statutory officers.

Members were reminded that in June 2020 the MCA was awarded £33.6m GBF to invest in 'shovel-ready' projects that would provide stimulus to local economies. The funds need to be defrayed by 31st March 2022 which left an 18-month delivery window.

The paper sought approval for a £1.45m grant for the Barnsley College Digital Innovation Hub Phase 2. The Board was informed that the project would build on the partnership between BMBC, the College and numerous employers to create a Digital Campus in Barnsley the re-purposing of the ground floor of the Digital innovation Hub would add to the current refurbishment of the building funded by the MCA and DfE to provide a world class digital learning experience.

The GBF grant would be used to fund construction of a side extension to maximise the footprint of the building and the provision of an additional entrance opposite to the DMC2 owned by BMBC to further integrate the College within the Barnsley Digital Campus.

Members were informed that the project would not provide any additional

student/learner places but would enhance the learning experience of students. Details of what the project would provide were detailed within the report.

As the meeting was inquorate the Board could not approve the recommendations but the Board did support the recommendations, whilst noting that Cllr Cheetham had an inherent interest in the project.

11 Performance Dashboard

S Sykes presented a report and accompanying performance dashboards to provide the Board with up to date performance information on all skills and employment programmes delivered on behalf of the LEP and the MCA.

The performance dashboards considered were:

- Working Win – the Health Led Employment Trial
- Skills Bank
- Local Growth Fund (Skills Capital)
- The Enterprise Advisor Network

The Board was informed there were no issue to report.

RESOLVED – That the report be noted.

12 Any Other Business

None.

In accordance with Combined Authority’s Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed

Name

Position

Date

SCR - SKILLS & EMPLOYMENT BOARD

MINUTES OF THE MEETING HELD ON:

TUESDAY, 8 SEPTEMBER 2020 AT TIME NOT SPECIFIED

WRITTEN PROCEDURE



Present:

Nigel Brewster (Co-Chair)
Councillor Denise Lelliott
Councillor Bill Mordue
Councillor Tim Cheetham
Councillor Tricia Gilby
Councillor Nuala Fennelly

Private Sector
Rotherham MBC
Doncaster MBC
Barnsley MBC
Chesterfield MBC
Doncaster MBC

1 Getting Building Fund - Barnsley College - Written Procedure

Permissible by section 11 of the terms of reference for the Board and in line with the Decisions Between Meetings protocol:

RESOLVED – That the Board:

- a) approve the award of a £1,455,000 grant to Barnsley College subject to satisfactory due diligence and any agreed conditions being met.
- b) delegates authority to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the scheme subject to satisfactory grant conditions being received and accepted by Statutory Officers.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed

Name

Position

Date

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EDUCATION, SKILLS & EMPLOYMENT BOARD30th October 2020**Terms of Reference & Meeting Arrangements****Purpose of Report**

This report summarises the governance arrangements for the Education, Skills and Employment Board, approved by the Mayoral Combined Authority on 21st September 2020 and the Local Enterprise Partnership on 10th September 2020. The paper also confirms the schedule of meetings.

Freedom of Information

Thematic Board Papers and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

Board members are asked to:

1. note the approved governance arrangements and identify any issues,
2. note the schedule of Education, Skills and Employment Board meetings

1. Introduction

- 1.1 Thematic Boards were first established by the MCA in early 2019 with the rationale of:
- achieving an efficient, effective and transparent model for decision making;
 - collaborating to build collective and combined decisions to deliver the outcomes identified in the Strategic Economic Plan (SEP);
 - providing strong and accountable leadership in setting the agenda, and delivering a defined programme of activity, to rigorously realise the outcomes of the SEP; and
 - scrutinising planned and ongoing activity to deliver the best outcomes for the region and value for money

A review of the Boards has been undertaken to ensure that they are well placed to fulfil the duties and responsibilities secured through the recent devolution agreement and are aligned to the priorities of the new Strategic Economic Plan (2020-2040). Proposed changes were considered by the LEP Board on the 10th September 2020 and approved by the MCA on the 21st September 2020.

- 1.2 This paper provides the Terms of Reference for the Education, Skills and Employment Board (appendix 1), summarises the key changes and clarifies arrangements.

2. Proposal and justification

2.1 The Education, Skills and Employment Board is one of four new thematic boards established within the MCA. The role of each Board is to take a city region wide strategic perspective on issues relevant to the thematic area, to support the delivery of the Strategic Economic Plan and the Recovery Action Plan. The principle role of the Education, Skills and Employment Board is to:

- shape future policy development and priorities on issues related to education, skills and employment
- develop new education, skills and employment programmes
- monitor programme delivery and performance on skills and employment.
- act as the Programme Board for Adult Education Budget (AEB) delivery

2.2 Other matters to note are:

Delegations (section 3 of the Terms of Reference)

Each Board has a delegation to:

- agree investments up to £2m
- recommend investments over £2m to the MCA
- accept grants up to £2m
- award contracts for the supply of goods/services up to £200,000

These delegations remain unchanged from previous arrangements.

2.3 Transparency (section 13 of the Terms of Reference)

To ensure an appropriate level of transparency it has been agreed that for each Board:

- papers will be made available to the public 5 clear working days before the meeting
- the public can submit questions and receive a written response
- meetings will be held in private and minutes made available to the public within 10 working days of the meeting taking place

These arrangements remain unchanged from those previously in place.

2.4 Advisory Boards (section 12 of the terms of reference)

It has been agreed that the Skills Advisory Network (SAN) will be a formal advisory board to the Education, Skills and Employment Board.

2.5 Frequency of Meetings (section 5 the Terms of Reference)

It has been agreed that the Board continues to meet on (at least) an 8-week cycle aligned to the 8-week MCA meeting schedule. This remains unchanged from the arrangements previously in place. Additional meetings, dependent on business need, can be agreed with co-Chairs and will observe publication requirements for papers, minutes and key decisions. The Board may also determine to have informal intermediate meetings where discussion is required mid-cycle

2.6 Meeting Schedule

Meetings will be scheduled to ensure the Education, Skills and Employment Board meets around the 4th week of the MCA 8-week cycle. This allows any decisions requiring escalation to the MCA, for example, due to the value exceeding delegations, to progress through the decision-making process in a timely manner. The next meeting of the Board is

currently scheduled for the 5th January which precedes an MCA meeting on the 25th January.

3. Consideration of alternative approaches

- 3.1 There is no discretion to change governance arrangements, as these have been approved by both the MCA and the LEP however, each Board is empowered to determine an appropriate work plan to ensure thematic priorities are met.

4. Implications

4.1 Financial

Thematic Boards have the authority to approve projects and schemes with a value of less than £2m. The Thematic Boards are also able to accept tenders and quotations for the supply of goods, materials and services up to a limit of £200,000.

4.2 Legal

The changes to the Terms of Reference have been captured in the MCAs Constitution.

4.3 Risk Management

Strong governance arrangements are an important mechanism in managing a number of corporate risks. These arrangements reflect the commitment of both the MCA and LEP to transparency, and the clear delineation of responsibilities between different elements of the decision-making system.

4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity and social inclusion issues arising from this report.

5. Communications

- 5.1 The roles and responsibilities of the new Thematic Boards are explained in the Assurance Framework and the MCA Constitution which is published on the website. All meeting papers, minutes and membership of the Thematic Boards are also published on the website. In addition, members of the public can submit questions to the Thematic Board and receive a written response.

6. Appendices/Annexes

- 6.1 Appendix 1- Terms of Reference

REPORT AUTHOR	Claire James
POST	Senior Governance & Compliance Manager
Officer responsible	Dave Smith
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

- [MCA Meeting September 2020](#) & [LEP Board Meeting September 2020](#)

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Education, Skills and Employability Board

Terms of Reference

1. Purpose and Role

1.1 The purpose of the Education, Skills and Employability Board is to provide leadership, the development of policy and the delivery of activity aligned to the priorities of the Strategic Economic Plan, the Recovery Action Plan and other approved strategies associated with education, skills and employability.

1.2 The role of the Education, Skills and Employability Board is to:

- Shape future policy development and priorities on issues related to education, skills and employment
- Develop new education, skills and employment programmes
- Make investment decisions up to £2 million within the agreed budget and policy on education, skills and employment, as delegated by the Mayoral Combined Authority (MCA)
- Accept grants with a value of less than £2 million
- Monitor programme delivery and performance on skills and employment.
- Act as the Programme Board for Adult Education Budget delivery

2. Responsibilities

2.1 The Education, Skills and Employability Board is responsible for:

Funding

- Approving, deferring or rejecting funding applications for education, skills and employment projects that fall within the financial limit of delegated authority, and which are within the education, skills and employment budgets agreed by the MCA and, where appropriate, Local Enterprise Partnership (LEP);
- Making recommendations to the MCA to approve, defer or reject funding applications for education, skills and employment projects that exceed the financial limit of delegated authority, and which are within the education, skills and employment budget; and
- Making recommendations to approve, defer or reject funding applications for education, skills and employment projects to form part of the project pipeline where relevant.
- Commissioning adult education provision and allocating funding to grant funded providers, monitoring performance

Strategy and Policy

- Ensuring that education, skills and employment policies developed by the Board and agreed by the MCA and LEP are enacted effectively through appropriate investments including provision funded through the Adult Education Budget
- Reviewing economic intelligence and evidence of economic performance on skills and employment (e.g. qualification levels,

attainment, unemployment) and identifying propositions to accelerate growth

- Developing and managing relationships with key stakeholders and partners

Programme Delivery

- Commissioning of activity to deliver and implement priorities on education, skills and employment
- Monitoring education, skills and employment programme and project delivery including provision funded by the Adult Education Budget.

Performance and Risk Management

- Reviewing project performance, outputs and outcomes
- Identifying and recommending mitigations for any programme risks or poor performance
- Escalating any strategic, policy or programme risks to the MCA and LEP Boards

3. Delegated Authority

- 3.1 In order to enact its responsibilities, the Education, Skills and Employability Board will have delegated authority from the MCA to approve investment decisions for agreed pipeline projects up to £2 million.
- 3.2 The Education, Skills and Employability Board will have delegated authority to accept grants with a value of less than £2 million.
- 3.3 The Education, Skills and Employability Board will have delegated authority to accept a tender or quotation for the supply of good, materials or services for which financial provision has been made in the Authority's Revenue Budget up to a limit of £200,000.00 in value for any one transaction.
- 3.4 The Education, Skills and Employability Board may refer a matter or decision within their delegated authority to the MCA or LEP.

4. Membership

- 4.1 The Education, Skills and Employability Board will be co-chaired by the MCA portfolio lead for education, skills and employability and a private sector LEP Board member.
- 4.2 Membership of the Education, Skills and Employability Board will comprise:

- One Leader, who is the portfolio lead, from an MCA constituent Local Authority who will co-Chair the Board
- A nominated representative for each of the constituent Local Authorities
- A lead Chief Executive from a constituent Local Authority
- Two private sector LEP Board members, one of whom will co-Chair the Board
- The MCA Head of Paid Service (or their nominated representative)

4.3 Elected members can nominate a deputy to attend meetings of the Board in their absence. All deputies must be named, elected members and must complete a Register of Interests Form.

4.4 Each of the non-constituent Local Authorities can nominate an elected member to attend and participate in the meetings but not vote.

5. Frequency

5.1 The Education, Skills and Employability Board will meet on an eight-weekly cycle.

6. Secretariat

6.1 The MCA Executive Team will provide the secretariat for the Education, Skills and Employability Board.

6.2 Papers and presentations for Board meetings will be circulated to Board members five clear working days in advance of the meeting.

7. Attendance

7.1 Consistent attendance at the Education, Skills and Employability Board meetings is essential, and attendance will be recorded.

8. Quorum

8.1 Meetings of the Education, Skills and Employability Board will be quorate when five members are present and provided that there are at least 2 constituent Local Authority elected member representatives and one LEP member present. A member who is obliged to withdraw under the Code of Conduct for Members shall not be counted towards the quorum.

8.2 A Board member may be counted in the quorum if they are able to participate in the meeting by remote means e.g. telephone, video or electronic link and remain available for the discussion and decision items on the agenda.

9. Decision Making

- 9.1 Board decisions are legally taken by the Head of Paid Service (or their nominated representative) in consultation with the co-Chairs of the Board. By protocol, decisions will not be taken unless there is Board consensus for the decision. Where consensus cannot be reached the issue will be escalated to the MCA and/or the LEP as appropriate for final decision.
- 9.2 Decisions made by the Education, Skills and Employability Board will be presented to the MCA Board in a written Delegated Decisions Report at the next meeting. As the delegating body, the MCA will have the right to review or amend decisions made by the Education, Skills and Employability Board where such decision has not been acted upon subject to giving due reason for doing so.

10. Conflicts of Interest

Register of Interests

- 10.1 All Board Members and deputies must complete a Register of Interests Form within 28 days of being appointed to the Education, Skills and Employability Board. This must disclose any disclosable pecuniary interests (as defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012) for the Member, their spouse, their civil partner or partner. Completed Register of Interests Forms for all Board Members are published on the website.
- 10.2 It is the responsibility of every Education, Skills and Employability Board Member to ensure that their Register of Interests Form is up-to-date and declare any new interests within 28 days of this being known.
- 10.3 Interests declared by Education, Skills and Employability Board Members will be listed on the Register of Members' Interests and published on the website.

Declarations of Interest at Board Meetings

- 10.4 It is the responsibility of Board members to declare any disclosable pecuniary interests (as defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012) and any other personal interests whether financial or non-financial in specific agenda items at the start of each Education, Skills and Employability Board meeting.

11. Urgent decisions between meetings

- 11.1 This procedure is to be used only by exception.
- 11.2 When an urgent matter or decision falls outside the parameters of the meeting cycle, the Education, Skills and Employability Board will be permitted to make decisions through this procedure. If the matter is a Key Decision the procedure in Part 5B (Access to Information Procedure Rules) of the Constitution also needs to be complied with.
- 11.3 The Head of Paid Service (or their nominated representative), in consultation with the Chairs of the Education, Skills and Employability Board, will contact Board Members by email to notify them of the following:
- Details of the matter requiring comment and/or decision;
 - The name of the person or persons making or putting forward the proposal/decision
 - The reason why the matter cannot wait until the next Board; and
 - The date responses are required by.

Two working days after the close of responses, the following will be circulated to all Board Members:

- The outcome of the decision taken noting that for a decision to be agreed the unanimous agreement of all those Board Members that respond by the date set for responses is needed;
 - The date when any decision comes into effect; and
 - Any mitigating action taken to address stated views or concerns.
- 11.4 Decisions and actions taken will be retrospectively reported to the next meeting of the Education, Skills and Employability Board and MCA in accordance with paragraph 9.2 above.

12. Advisory Groups

- 12.1 The Skills Advisory Network Board will be an advisory board to the Education, Skills and Employment Board. The Education, Skills and Employment will approve changes to the advisory board terms of reference and will receive regular reports from the Skills Advisory Network Board Chair.
- 12.2 The Education, Skills and Employability Board will be supported in making investment decisions an independent Appraisal Panel. The Appraisal Panel will assess all applications for funding and will present their findings

and recommendations to the Board on whether the application should be approved, deferred or rejected.

- 12.3 The Education, Skills and Employability Board is permitted to form Task and Finish groups of key stakeholders and advisors to assist in the management and monitoring of individual programmes or projects. Any such groups are purely advisory and must submit reports to the Education, Skills and Employability Board.

13. Transparency

Key Decisions

- 13.1 Key decisions to be taken by the Education, Skills and Employability Board will be published in the Forward Plan of Key Decisions on the website 28 days in advance of the decision being made.
- 13.2 Questions and comments submitted by the public on the pending decisions will be notified to the Education, Skills and Employability Board and will be responded to in writing.

Meeting Papers

- 13.3 Agendas and papers for the Education, Skills and Employability Board will be published on the website at least five clear working days before the meeting date.

Exemptions

- 13.4 Where reports or information for Board meetings is exempt from disclosure under Section 12A of the Local Government Act 1972 or the Freedom of Information Act 2000, these papers will either be reserved or specific information in the paper will be redacted.
- 13.5 Reserved papers and reports can still be requested under the Freedom of Information Act. Requests will be considered on a case by case basis (taking into consideration such factors as timing, any applicable exemptions and the public interest test).

Meeting Record

- 13.6 Draft minutes will be published on the website within ten clear working days of the Education, Skills and Employability Board meeting taking place. The meeting record (approved minutes) will be published on the

website within ten clear working days of the subsequent Education, Skills and Employability Board meeting.

14. Amendments to Terms of Reference

- 14.1 These Terms of Reference will be reviewed annually. Any changes will be approved by the MCA and LEP.

Education Skills and Employment Board

30th October 2020

Role of the Education Skills and Employability Board

Purpose of Report

The paper builds on a discussion to help frame the focus on the ESE Board and to consider an initial programme of work.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be made available under the MCA transparency scheme.

Recommendations

That Board Members:

1. Note the key points set out in section 2.1 and comment on whether they provide an appropriate big picture summary.
2. Consider the framework of activity set out in section 3.4 and comment on whether it reflects the direction of the Board appropriately.

1. Introduction

- 1.1** With the completion of the South Yorkshire Devolution Deal securing control over the Adult Education Budget, the impact of the Coronavirus pandemic, the continued Government ambition for further devolution and the opportunities secured through the Gainshare resources to invest in skills and employment programmes this is an important time for the Board to consider its strategic intent and particular focus for its work plan.
- 1.2** To shape the discussion at the Board an initial session was convened with Cllr Sir Steve Houghton, Nigel Brewster, Angela Foulkes and the MCA Executive Team. The outcomes of that meeting are reflected in this paper.

2. Proposal and justification

2.1 The big picture

- The Board over time may want to look at **the whole cradle to grave skills system** including developing an end to end employment and skills system with clear progression routes, support and skills acquisition for all those who need it, driven by employers offering good jobs and skilled residents able to access them. Currently we do not have all the levers, capacity or capability to do this.

- There is good provision already available and we should be looking to scale up – do more of what works and don't reinvent the wheel. This means trusting and empowering providers to respond to businesses and individuals
- The pandemic is likely to create **financial challenges for businesses who were looking to invest in their workforce** – but also may stimulate innovation, new business ideas and formation and effect a quicker shift to new sectors.
- **We need a deep and pervasive understanding of what works well and what does not work well**, including an assessment of why major interventions through ESIF and national programmes over a long period have not managed to resolve some of the structural failures in the skills and employment system.
- **Individuals still face significant barriers to employment** including physical and mental health as well as skills gaps.
- **Colleges and training providers** and informed individuals are best placed to know what is needed or best to help either them upskill their workforce or get into a job and get on. we do not yet understand the impact of the pandemic in terms of sector. Decline of traditional 'entry level' jobs. Need to reassess the things we were training people for and shift the focus.
- **C19 means it is very likely that unemployment is going to leave some individuals in our communities even further from the labour market** – the best we may be able to do in the short term is prevent that 'scarring' by keeping them in touch with either a job and / or skills. The pandemic has also had a significant impact on adults who previously have not needed to engage with the "digital world" or were already facing significant barriers to employment. This will be exacerbated by self-isolation and local lockdowns.
- We've still got a **major issue with Level 2 qualifications** – not enough of our people have the basic qualifications that enables them to progress into further learning.
- **Progression of people into further learning (both before, during and after their working life) is a major issue.** The Government's national offer of apprenticeships, traineeships and Kickstart all have their positive elements. Stronger leadership and direction at local level could help to make much better use of the national offer and join those programmes up with local provision.

Does the Board consider this 'big picture' review appropriately reflects the position locally?

2.2 Potential focus for the work of the Board

Beyond the existing work on AEB taking the 'big picture' perspective enables us to draw our focus to a narrower set of potential objectives for the Board. Some proposals for discussion are set out below.

2.3

Making 'sense' of the system locally – knowing what is working well, what has worked well in the past, and what might work well in the future will with greater levels of insight and local intelligence we can gain, will enable the Board to take more empowered decisions.

it would be helpful to gain a steer from the Board on the following:

- is there a clear understanding of what type of support (on the demand and supply side) works well?
- Is there a need to better understand why the current education, funding and skills system continues to fail many of our residents, especially our young people and those furthest from the labour market (noting that we don't control all the levers?)

- Further analysis on how our investment can de-risk the system for individuals wanting to learn and employers wanting to invest in their workforce.

2.4 What can we do directly?

Responding to the impact of the pandemic take the opportunity to develop policy built on better intelligence/evidence. Look strategically at what works locally and do more of it. Focus on making what we can control deliver better results that it has historically. Develop a programme of work that builds upon the national offer but is driven by what is need “in places”. Enable residents to keep in touch with the labour market, tackles known skills gaps enabling people to progress into and in employment or further learning. This work would inform the RAP implementation delivery plan.

2.5 What can we influence?

The Covid pandemic and the Government’s response means that in the short term the focus will be on working effectively across Government, key stakeholders, providers, employers and residents to ensure that we can influence the major national offers e.g. business support; Kickstart; apprenticeships and Traineeships so that as many employers and residents access and benefit from the support available.

It would be helpful to gain a steer from the Board on where we believe we can have the most influence. E.g.

- Helping stimulate employer demand for the opportunities available (employer incentives and marketing and communications efforts.
- Investing in wrap-around support for employers and individuals on local and national schemes.

2.6 What might we want to seek further control of in the future?

In the longer term we may want to consider looking to influence, co-design and where we can take control/ownership to enable the funding whether provided nationally, regionally or locally to deliver the greatest impact for residents.

2.7 Does the Board consider this framework a sensible driver of Board activity, particularly;

- Building our understanding of what works well
- What can we do directly?
- What can we influence?
- What might we want to seek further control of in the future?

Are there other elements the Board considers important for the workplan to include?

3. Consideration of alternative approaches

3.1 n/a

4. Implications

4.1 **Financial**
n/a

4.2 **Legal**
n/a

4.3 **Risk Management**
n/a

4.4 **Equality, Diversity and Social Inclusion**
An Equality Impact Assessment will be undertaken.

5. Communications

5.1 There are no direct communications implications in this report.

6. Appendices/Annexes

6.1 n/a

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

Education Skills and Employment Board

30th October 2020

Renewal Action Plan (RAP): Update on the People Theme

Purpose of Report

This paper seeks Members direction on the scope of activity which could support the People theme of the Renewal Action Plan and the context in which these schemes should be considered.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme

Recommendations

Board Members:

- confirm if the actions at para 2.2 reflects the role that Members would like the MCA to engage with in relation to the national programmes
- Note the activity the Board has already supported and the update on ESF para 2.3 and Appendix 1
- Consider the proposal for Gainshare funding paras 2.4 and Appendix 2
- Consider whether to prioritise the programme of activity should funding become available para 2.5 and Appendix 3

1. Introduction

- 1.1** This paper seeks Members direction on the scope of activity which could support the People theme of the Renewal Action Plan (RAP) and the context in which these schemes should be considered.

2 Proposal and Justification

- 2.1** For Members to develop the proposals that deliver on the RAP the wider context of the employment and skills system must be considered. This paper seeks to:

- highlight the importance of working with the national offer (section 2.2) to ensure it works effectively in South Yorkshire.
- remind Members that extending Working Win, expanding Careers Hubs across South Yorkshire, continued delivery of the Skills Bank and the commissioning model for the Adult Education Budget (AEB) have all been approved by the Board. (2.3)
- provide an update on ESF

- Identify a set of deliverable opportunities for further development that deliver on the proposals set out in the RAP

2.2 Influencing the National Offer

The Chancellor's Plan for Jobs announcements in July set out a package of measures to help people adversely affected by the economic impact of the pandemic gain new skills and find work. These include:

- £2.1bn for Kickstart
- £1.6bn for Workstart and Apprenticeships
- £111m for Traineeships
- £17m for Sector based work academies
- £32m for National Careers Service
- £101m for additional year in learning for 18-19 yr olds

It is critical that these programme work locally across South Yorkshire and that individuals and businesses access and benefit from the available opportunities.

There are a range of actions the MCA could take in respect of the national offer:

- Stimulate employer demand, brokerage to help employers understand options and make the right decisions on which programme to support, secure incentive payments to help sustain their businesses
- Examine the progression pathway as a whole – do we have employers offering all the different elements of the package? E.g. traineeships – do we have providers bidding into the current procurement exercise?
- Kickstart has emerged as the most significant opportunity to support young people seeking work. It is critical that the current proposal works for SCR residents.
- Bring together key intermediaries to consider wrap around support for individuals, address employer issues, act as a basis for future co-design with Government on solutions to problems as they arise
- Provide a vehicle for apprenticeships / traineeships – with a focus on getting apprentices to complete through to end point assessment, noting Government flex on those who have completed 75% of their practical learning, and its apprenticeship redundancy scheme.
- consider the role of Employment Hub(s) as trusted gateway(s) providing support for all ages and employment status to help navigate what is increasingly a confusing and fragmented landscape and will be difficult to navigate.
- Continued policy engagement with Government and with other Mayoral Combined Authorities on Skills and Employment policy development e.g. FE Reform White Paper; UK Shared Prosperity Fund and development of the National Skills Fund.

Do these actions reflect the role that Members would like the MCA to engage with the national programme on?

2.3 What should we continue to support?

There are key programmes of activity that are the Board have already agreed to support additional information is included at Appendix 1.

2.4 New opportunities to make a difference in the short term – Gainshare

The proposed approach is to fill identified gaps in provision, working alongside the national offer. The focus will be on stimulating employer demand which links directly to the supply of a skilled workforce. An adult Kickstart South Yorkshire 25+ and an Extended Apprenticeships Training Agency/Brokerage (EATA) have been proposed as highest priority interventions. They are relatively affordable and can be delivered at pace. The Board is

invited to discuss and consider this so that they can be developed further. Additional information is included in Appendix 2.

2.5 New opportunities to make a difference – Require funding

Our ask of Government for the RAP and the CSR has been ambitious, but they are expensive and will require Government funding before they can be delivered. For completeness the key skills and employability asks are attached at Appendix 3. Members are asked to consider this list.

3. Implications

3.1 Financial

This is a draft document for discussion. The MCA will be considering the deployment of Gainshare funding and other sources of funding as they become available. The Boards priorities for skills within the RAP will form part of the picture for consideration by the MCA.

3.2 Legal

There are no legal implications arising from this report

3.3 Risk Management

There are no legal implications arising from this report due to this being a draft document for discussion and no risk analysis has taken place or deemed necessary at this stage.

3.4 Equality, Diversity and Social Inclusion

No requirements associated with the discussion of this paper at this point.

4. Communications

4.1 It is anticipated that at the point funding decisions are made, then appropriate communication activity will need to be undertaken.

5. Appendices/Annexes

5.1 Appendix 1 - Programmes being supported
Appendix 2 - Proposal for Gainshare
Appendix 3 - Key asks to support delivery of RAP informed by discussions on the CSR

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Other sources and references: N/A

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Programmes currently being supported

Expansion to the Working Win - The current extension will allow us to continue this work and support the Local Integration Boards in not just considering how to get people into work but also supporting them to continue successfully in work.

Expansion of the Careers Hub - This will work with schools in the most disadvantaged areas of Rotherham, Barnsley and Sheffield. Doncaster already has a Hub; it will broaden students' understanding of the career's opportunities available to them.

The Skills Bank – Options for continuation of the Skills Bank under the direction of the LEP / MCA are being developed, a range of options being considered each which cement the role of the Skills Bank as the LEP/MCA route to co-investment in skills as part of its business support offer. This will be presented to the Board imminently.

Commissioning of the devolved Adult Education Budget - Full devolution of AEB, whilst a small part of the overall national investment in education and skills, provides an opportunity to focus on “individual places” within SCR as well as on equality, equity and inclusivity.

ESF – European Social Fund projects are being delivered across the SCR, many supporting the RAP. A response has been provided to the ESF Reserve Fund Call. Identifying and securing sufficient local match funding, will be a challenge. The Board may want to consider how the MCA engages with national Government and how we might prioritise funding within SCR, particularly given the level of disadvantage that still exists. Five interventions, fully aligned with the RAP, have been proposed for the ESF call and are set out below:

- Reducing youth unemployment and inactivity in Sheffield City Region LEP Area;
- Improving existing workforce digital skills and Business Productivity Levels;
- Overcoming Barriers to Work – Digital Inclusion;
- Existing Workforce Progression / Productivity / Underemployment / Career Change;
- Job Creation and Skilling the Unemployed.

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Proposals for Gainshare

Enhanced Apprenticeship Training Agency/Broker (EATA)

Apprenticeships starts were down 52.3% on the same period in 2019, 16-18 year olds down 73.2%. This decline in numbers of young people taking up an apprenticeship is consistent with the national trend but exacerbated in SCR because of the skills deficit and the focus on low levels of skills development. It will also be exacerbated by the loss of opportunities in sectors traditionally seen as offering 'entry level' jobs for young people e.g. hospitality.

The apprenticeship levy represents a significant investment in skills by employers and the MCA could to take a leading role to:

- ensure that employers engage with apprenticeships and understand / acknowledge the value it can add to their business
- ensure that apprenticeship opportunities align with labour market priorities, whether that be volumes of jobs or addressing skills challenges
- ensure that individuals see apprenticeships as a good progression option linked to future job / career opportunities
- ensure that the quality of apprenticeship experiences across South Yorkshire is high, and particularly in the post pandemic world that apprentices are able to complete their programmes.
- ensure progression pathways to give young people who are not quite ready to start an apprenticeship and opportunity to acquire the skills / experience they need

A series of measures are proposed:

Set up an Apprenticeship Hub to take the lead for the MCA in driving quality and volume across South Yorkshire, working with employers, providers, careers services and local authorities. Critically, it would promote a narrative about the value of apprenticeships and where priorities for apprenticeships sit considering current and future labour market priorities.

The Hub could also become an Apprenticeship Training Agency to provide additional support to young people whose apprenticeships are at risk post pandemic and for those who face additional barriers to completing an apprenticeship such as those with SEND / care leavers.

As an ATA, the MCA could:

- focus on businesses whose order books currently do not allow them to commit to employing an apprentice for the full period of the Apprenticeship but need a pipeline of trained employees when the economy picks up.
- support with recruitment – finding the right apprentice to meet the employers' needs and targeting employers in recovery / growth sectors;
- responsibility for the wages, tax, National Insurance as well as administration and performance management;
- supervision of the apprentice during the Apprenticeship period
- links with an approved training provider and support to both the apprentice and host employer throughout the Apprenticeship;

We propose that the ATA model could become an Extended ATA model, giving it a real focus on progression and a pipeline of talent. It could then step into the space de-risking the taking on of apprentices for employers who wish to take one on but are unable to in the current economic climate. It could also broker opportunities for young people to carry out traineeships as a pathway to apprenticeships.

Through the CSR, the MCA has asked for flexibility to pool and manage levy transfer funds, to support apprenticeship take up in smaller businesses aligned with our priorities for recovery and growth.

Kickstart South Yorkshire 25+

The SCR has the tenth highest economic inactivity rate across all LEAs; 23.1% of people aged 16 to 64 are economically inactive (around 266,500 individuals) and the impact of the pandemic is set to worsen this position. Young people are expected to be hardest hit by the consequences of the pandemic and SCR will prioritise effective implementation of the 16-24 programme. However, older people will also be affected and, coupled with existing skills challenges SCR proposes to put in place a parallel programme - Kickstart South Yorkshire – for people aged 25+. There has been some good preparatory work that could align with the Kickstart model, including Green Retrofit Intermediate Labour Market (ILM) approach with transferability to Modern Methods of Construction and Advanced Manufacturing and digital. This proposal would sit as part of a package of measures aimed at sustaining and creating good jobs in the local economy, with integrated support for individuals and businesses to create an inclusive economy. A key priority would be to support a strong and diverse private sector which can deliver sustained jobs and growth. The key will be engaging with businesses and a clear offer and ask in return.

Key asks to support delivery of RAP informed by discussions on the CSR

Early Intervention Support Pilot To provide early intervention support for individuals receiving support from mainstream employment services. Focused on whether early referral to support for those with complex needs reduces incidence of long-term unemployment. Also, whether providing a co-ordinated local approach reduces welfare benefits and other service dependence.

Full Level 2 or Full Level 3 qualifications -Take up is very low across the SCR and the focus would be to link the qualifications to occupations in growth sectors. Or people who need to upskill or reskill due to the Covid pandemic and require a second Full Level 2 or Level 3 to enable them to access new opportunities in growth sectors.

Apprenticeship Advance - Allow pooling of transferred apprenticeship levy funding as already available to the West Midlands MCA, the establishment of new ATAs to support SME take up of apprenticeships, and an employer incentive scheme to stimulate demand in key skill gap disciplines.

Supporting our young people to progress into work or education - Advanced Economy Institute with a Hub in Sheffield with spokes in Doncaster, Rotherham and Barnsley to provide a seamless approach to skill development across the city region. Linked to shortage of technical and professional skills at level 4 & 5

Disadvantaged Learner Pilot -Deliver and test a pilot programme of specialist employment and skills support for learners in 'alternative provision', including those within the existing Care Leaver pathway to increase the number of most vulnerable young people aged 19-24 participating in education, training or employment.

Closing the Digital Divide - Deliver Community Digital Skills Hubs to improve the number of South Yorkshire residents accessing and developing digital skills

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EDUCATION, SKILLS AND EMPLOYMENT THEMATIC BOARD

30 October 2020

Skills Bank – Future Options

Purpose of Report

This discussion paper sets out for Board the current status of the regional Skills Bank programme, commissioned by the ESFA on behalf of the LEP and presents for consideration some future options regarding the programme operation.

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme. This paper may be released under a Freedom of Information request.

Recommendations

That the Board

1. Agree that the short-term sustainability options are progressed to maintain the Skills Bank service, including the back-stop suggestion of extending the SLA agreement to ensure continuity.
2. Discuss the longer-term sustainability options for the Skills Bank and agree to a specification being developed and presented to the next board.
3. Consider the future funding options presented, in advance of making the final decision on AEB commissioning.

1. Introduction

- 1.1** In 2015 the SCR LEP secured a six-year deal with Government for funding of £21.6m to develop and deliver the Skills Bank project. The Skills Bank was designated as a national demonstrator project (one of three nationally), as its ambition was to test a new and different model of co-investing in deals with businesses for their workforce.

Whilst the government has moved away from its interest in national demonstrator projects, the role the Skills Bank has played in the region in shaping business offers, on a co investment basis, has been established as a valuable and much needed part of the training architecture. The agreed Operating Model of the Skills Bank is summarised for Members in Appendix A.

- 1.2** To date, 1,061 business applications have been received and 935 applications approved. Through the Skills Bank, 15,704 employees have been supported to develop their skills, with an additional 400 due to commence training imminently.
- 1.3** Recent work on the Comprehensive Skills Review submission advocated for the continued use of the MCA / LEPs successful Skills Bank project, as the approach to

matching public sector investment with private sector funding to unlock additional employment and productivity gains with a new focus on extending the model further.

- 1.4 The current Skills Bank Operator procurement, led by the ESFA, concludes at the end of this financial year and therefore a next phase of the Skills Bank requires operationalising. This paper seeks the Boards agreement to an option presented.

2. Proposal and justification

2.1 Short Term Sustainability Option

The current operating model, procured on behalf of the LEP by the Education and Skills Funding Agency (ESFA), is due to conclude at the end of March 2021. To avoid a cliff edge of months without a Skills Bank service there are three options we can progress

2.1.1 **OPTION 1:** ESFA extend the contract for 6 months.

This option enables additional time for the procurement of the next phase of the Skills bank to be agreed. However, it maintains the involvement and contractual control of the ESFA delaying further local direct control.

It is believed the ESFA are seeking to withdraw from these bespoke local arrangements and so this option is possibly unlikely to be agreed by the agency.

2.1.2 **OPTION 2:** ESFA extend the contract with the Skills Bank Operator (Calderdale College) and novate to the MCA for the MCA to directly control from April 1st. Or the ESFA immediately novate their contract and the MCA Executive for the MCA to extend the agreement with the Skills Bank Operator.

This approach will give stability for a duration of 6-12 months to give increased time to procure the next phase of the Skills Bank.

2.1.3 **OPTION 3:** The ESFA refuse to extend or novate. This leaves one final option that is focused upon utilising the Innovation Fund that Calderdale have generated as a consequence of running the Skills Bank. This approach would see the MCA extend a Service Level Agreement currently in place with Calderdale College to enable them to utilise the retained Innovation to fund the continuation for a defined period.

An explanation of how the Innovation Fund is created is included in Appendix B. As with option 2 this will give stability for a duration of 6-12 months to give increased time to procure the next phase of the Skills Bank.

- 2.2 The MCA Executive have entered into discussions with the ESFA regarding their appetite to extend the contract. If these discussions are not fruitful the final option of extending the SLA directly is suggested to be progressed to ensure at this critical time for business, there is continuity of service.

2.3 Longer term options for the Skills Bank

In addition to finding an immediate short-term sustainability option, there is a requirement to put in place the next phase of the Skills Bank. This will be the first phase of the Skills Bank directly commissioned by the MCA without the ESFA leading the procurement, which will be beneficial to the service delivered. A detailed specification of the service will be worked up and brought to the Board for consideration. This specification will be based upon the continuation of the original principles agreed, with the Board invited to critique these and consider any new areas for development. In order to work up this specification the Board is asked to consider future financing of the Skills Bank.

There are two options for the future financing of the Skills Bank service, briefly set out below:

2.3.1 OPTION 1: Continue the Skills Bank utilising only the retained Innovation Fund

The financing model agreed with the ESFA enabled the potential for the development of an Innovation Fund. The Innovation Fund model was developed to:

- a. consider the sustainability of the Skills Bank beyond the finance made available by the ESFA
- b. to be able to supplement Inward Investment deals where an attractive training offer could be part of the regional offer.
- c.

The financial Model of the Skills Bank, that led to the creation of the Innovation Fund is set out in Appendix B.

The current Innovation Pot held in a Skills Bank Reserve by the MCA on behalf of the LEP is £5.084m with a further £1,46m already held by the Skills bank Operator and a further £1,15m forecast to be generated by June 2021. Total of £7.69m

Based on current spend profiles it is envisaged that this could sustain the Skills Bank for two additional years

2.3.2 OPTION 2: Continue the Skills Bank utilising some devolved AEB Budget and the Innovation Fund

The original deal made with Government, saw the government top slice the Adult Skills Budget (ASB), the predecessor fund of AEB, to fund the Skills Bank by £3.62m per year. The MCA in commissioning AEB could consider supporting skill development of the workforce fully or partially via the Skill Bank route.

The injection of new AEB resource into the Skills Bank would create a sustained route for the Skills Bank for the next three years, aligning with the AEB procurement timeframe, which can be utilised alongside the Innovation Fund.

2.4 Option 2 is the preferred option for a number of reasons:

- The approach supports the agreement of the Board to utilise the Skills Bank as a significant element of its training infrastructure, outlined in the RAP and CSR submission
- Utilising AEB resource enables the Skills Bank to be procured to match the agreed timeline of the AEB programme
- This gives greater business confidence of a sustainable and available offer over the next three years as businesses seek to grow, refocus or maintain resilience as a result of COVID.
- Option 1 would see the Skills Bank conclude prior to the second local AEB procurement exercise (scheduled for 2024) leaving a gap in the service to business

2.5 The proposal section above, outlines a range of short- and longer-term options for the continuation of the Skills Bank.

Subject to the Boards discussion, a more detailed business plan would be developed for consideration and consideration of the use of AEB would be brought back to the Board to consider as part of its agreed AEB procurement approach.

3. Consideration of alternative approaches

Subject to discussion and agreement of the continuation of the Skills Bank Operating Model, there are two delivery options to consider. Firstly, that the MCA Executive become the Skills Bank Operator or as is currently the case an independent Skills Bank Operator is procured. Each delivery option is detailed below:

3.1 Delivery Model 1: MCA Executive run the Skills Bank

Whilst this model would have the benefit of closer oversight of activity and remove the need for procurement this is not a preferred option to progress for this next immediate phase. The rationale for discounting this option is:

- Lack of infrastructure in the MCA Executive to manage the volume of business through the Skills Bank, both in terms of processing deals and paying deals
- Lack of expertise to quality assure the training delivery partners

3.2 Delivery Model 2: Procure the Skills Bank Operator via an open process

This option is the preferred approach to delivery of the next phase of the Skills Bank, albeit there are two alternative procurement strategies that could be followed:

3.2.1 Delivery Model 2 (a) Procure as part of the AEB procurement exercise soon to go to market

In discussion with the team leading AEB this approach is the least preferred option. The rationale for this is:

- Market Confusion: AEB offers fully and co-funded training whilst Skills Bank is based on the principle of employer co-investment, the danger is this could create unnecessary confusion in the specification of the service for both the Skills Bank and the proposed Lots for the mainstream AEB programme
- The principle of the Skills bank Operator being independent of delivery – The AEB programme is procuring delivery only, whilst Skills Bank seeks an independent operator who puts in place the delivery infrastructure and procures delivery partners in response to business requirements

3.2.2 Delivery Model 2 (b) Procure as a standalone procurement exercise but run this in parallel with the AEB exercise

This is the preferred option as it mitigates against the risks identified in section 3.2.1 above.

Whilst this will involve two parallel processes it will enable specificity in target the services to be bought

4. Implications

4.1 Financial

The paper sets out the potential for the future of the Skills Bank utilising either a blend of local devolved AEB allocation and the Innovation Fund or Innovation Fund only. The Innovation Fund is currently held in reserve for the LEP by the MCA.

A full operating and delivery model specification will be developed and presented to the Board which sets out the financial implications of the continuation of the Skills Bank model.

4.2 Legal

The immediate legal implications associated with the short-term solution are to agree with the ESFA whether a contract novation from government to the MCA will be required or whether the MCA will extend the option in the SLA agreement it has with the Skills Bank Operator.

The longer-term model will involve a procurement exercise be undertaken to deliver the next phase of the Skills Bank.

4.3 Risk Management

A full risk plan will be developed as part of the specification development phase. The direct management of the Skills Bank Operator, by the MCA Executive will mitigate some of the risks experienced by businesses in the early years of the Skills Bank, where the arm's length contractual relationship led to a number of operational and reputational risks materialising.

The main risk associated with the proposal is that the service ends with a significant gap between this and the follow-on service. At a time of high business insecurity this risk would have significant economic impact for our businesses.

In mitigation of this risk, the short-term solution outlined in section 2.1 is a response to minimise any cliff edge in the loss of service and the offer. Alongside working at pace to develop, agree and procure the next phase of the service this should reduce this risk. A second risk is the availability of funding for business deals. The Innovation Fund reserve is of a scale that will continue the Skills Bank for c 2 years. Using this as the sole source of finance will reduce the flexibility the region has to make significant deals in support of new investment and also reduce the ability to offer highly subsidised deals in the context of COVID.

A third risk is that the MCA is challenged on its decision to top-slice AEB to support a specific project rather than include it in the AEB procurement round. In mitigation of this, a requirement of Skills Bank Operator is that delivery partners are procured to a framework and that the funding for deals regardless of the source of the funding (AEB and Innovation Funding) would be subject to a competitive process driven by market choice.

4.4 Equality, Diversity and Social Inclusion

The Skills Bank Operator as a contractual requirement monitors all data on take up and beneficiaries supported.

5. Communications

- 5.1 The Skills Bank has been supported by a detailed communications plan. A recent business webinar saw positive feedback on the service and the offer by businesses. Subject to decisions made by the Education, Skills and Employment Board and the LEP and MCA, a further detailed communications plan will be shared with the Board for approval.

6. Appendices/Annexes

- 6.1 Appendix A – Skills Bank Operating Model
Appendix B – The Skills Bank Financial Model

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Other sources and references:

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Appendix A

Skills Bank Operating Model

The Skills Bank Operator

The operator of the Skills Bank is independent of the training delivery infrastructure. This was designed into the model following feedback that identified models integrating management of a programme alongside delivery had an increased potential for a business to be sold the training offer of the Managing agent. This was often at the expense of a more dispassionate impartial discussion and the building of a wider local training supply chain.

Independent brokerage

The evaluation of the Skills Made Easy programme, developed as part of the City Deal received business feedback valuing an impartial service that not simply referred to the training offer of the programme but could have a wider discussion with businesses on other options including apprenticeship provision or mainstream AEB.

In the first procurement of Skills Bank the brokerage was integrated into the Managing Agent, this was changed in the second procurement where the brokers are an integral part of the business support offer through the Growth Hub. The primary role of the independent brokerage is as much about supporting a business access other national and regional offers including apprenticeships, AEB and Kickstart for example as it is about accessing the Skills Bank funding. The first phase model was perceived to perversely skew the operator to delivery of Skills Bank first deals as opposed to exploring with the business the other options including AEB and apprenticeships.

A locally based delivery training supply chain

The model requires the Operator to develop a locally based training supply chain, made up of our colleges and Independent Training Providers. The stipulation of the Operator not being able to deliver training activity means they need to access and work with a breadth of suppliers to ensure the offers meet the specific requirements of businesses.

Marketing and Communications of the Skills Bank Service

The marketing and communications activity in the first three years of the Skills Bank was managed directly by the Operator. In the second procurement this was brought in house within the MCA Executive function to be developed in conjunction with the Operator. This gives greater control the key messages about Skills Bank, and enables greater alignment with LEP, MCA and Growth Hub communications and campaigns. It provides the opportunity to flex communications to respond to specific business priorities as and when required.

Co-investment in deals linked to business growth

Continuing on from the Skills Made Easy model, co-investment of the business with the training offer was hard wired into the Skills Bank model. A Skills Bank deal would be made where there was a credible and demonstrable business growth story and a requirement for training to realise this growth. This potentially could be a company with expansion plans leading to the creation of new jobs, the introduction of new technology, or access to new markets etc.

The requirement is for every business to make a contribution to their training deal. The extent of the co-investment made by the Skills Bank is determined by the perceived return to the economy of the co-investment. Once a deal has been secured the employer has the autonomy to select a training provider of their choice.

The employer co-investment in deals currently stands at £5.44m.

In response to the current issues facing businesses a number of agreed training offers have been made that have been fully funded to support business recovery.

Differential Deals

Linked to the co-investment requirement the potential to do differential deals with businesses linked to the social value and public return was built into the model. This has been the hardest element to operationalise under the management of the ESFA. The operating principle for this was that the level of contribution to a deal made by the Skills Bank should be differentiated based upon the return on investment for the public purse.

As an example. Company A and Company B are both seeking a deal to train 5 middle managers. Company A during the negotiation of the deal with the Skills Bank agree to take on an apprentice and participate in providing work experience linked to a local school. Company B are unwilling or unable to take on apprenticeships and are not interested or able to support work experience. The potential return on investment of the management training to both businesses is broadly similar however the social value associated with the Company A deal is greater given the wider benefits for young people. The operating model allowed therefore for a higher contribution to be made to Company A than to Company B.

Three application routes to access a Skills Bank deal

In recognition of the need for the Skills Bank to support businesses of all sizes, not simply those that had the size and internal training capacity to make an application, the operating model provided three routes to accessing a Skills Bank deal:

- A direct single business application,
- an aggregated demand application made on behalf of a group of businesses (usually for very small businesses who do not have the capacity to apply individually) or
- a training provider application where they can evidence, they are working with businesses with shared demand.

The application process was overhauled by the second Skills bank operator, taking this through a portal and fixing key KPIs for business responsiveness.

Appendix B

The Skills Bank Funding Model

Introduction

The funding model, negotiated with government, for the Skills Bank is designed on a flat rate cost per output. Where deals are made on a lower cost per output the excess money is placed in an Innovation and Capacity Fund.

This innovation fund allows greater flexibility in the potential deals, can support the bespoke requirements of inward investors, especially if new specialist capacity or curriculum is required or it could extend the life of the Skills Bank.

Alongside the injection of AEB made by the Government each year the fund has invested in the following areas

- Reinvested in additional education and training, provide skills solutions to meet identified gaps in provision and support capacity building of sub-contractors in the region.
- Provision of single or multiple business or wider sectorial approaches to skills solutions, where a publicly funded offer does not currently exist but demand for the activity is clearly evidenced.
- Support inward investment and major developments in the region
- Support interventions where the sub-contractor delivery network requires capacity building to widen their curriculum offer to meet current or future skills needs as determined by employers.

The model in practice

For every training activity the Skills Bank draws down £2k. This amount is fixed regardless of the cost of the training or the co-investment in the training by the business.

- Where the training cost is less than £2k for the individual the surplus after the Skills Bank contribution is placed in the Innovation Fund.
- If the training cost is more than £2k the additional cost is either met by the company co-investment contribution or the Innovation Fund pays the excess

An illustrative case study

In Company A - 5 individuals are part of the deal for middle management training. The Skills Bank Operator therefore is able to draw down £10k of the government allocation.

In negotiating the deal with the company, the intervention rate for the deal is 50% meaning the total cost of the training will be 50% funded by the Skills Bank and 50% funded by the business.

Training Provider Z meets the requirements of the business and agrees a total cost for training 5 individuals of £8k.

Given the £8k deal is to be met on a 50/50 basis – the Skills Bank pays a £4k contribution and the business £4k. Therefore, the surplus made and added to the Innovation Fund for this deal is £6k.

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EDUCATION, SKILLS & EMPLOYMENT BOARD

30th October 2020

AEB Update

Purpose of Report

This report provides an update on recent activity undertaken to prepare for the devolution of the Adult Education Budget.

Freedom of Information

Thematic Board Papers and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

Board members are asked to note the update.

1. Introduction

1.1 This paper is to provide an update on recent activity around preparation for the devolution of the Adult Education Budget since the last Employment and Skills Board meeting.

Specific updates include:

- Implementation Funding
- Communications Strategy
- Market Engagement / Soft Market Testing Event
- Procurement

2. Key Updates

2.1 Implementation Funding

The Board were advised, previously that the Mayoral Combined Authority (MCA) had expected to receive confirmation of AEB Implementation Funding before the Summer Parliamentary recess but that had not been possible. In early October DfE have written to the MCA to provide confirmation of the Implementation Funding. The grant will provide additional resource to support AEB development. DfE are progressing the Section 31 Grant internally before it is submitted to HM Treasury. The MCA needs to provide DfE first claim documentation by the 22nd October 2020. The MCA have been told to expect the first payment will be made on the 12th November.

2.2 Communications Strategy

The Board were advised that an AEB communications strategy was in development and would be circulated to Members to review by written procedures in advance of Market Engagement. This is still in development. The Strategy will detail how the MCA will communicate about AEB to residents, potential providers, employers and other critical

stakeholders. It is important that this Strategy is fully developed to ensure the MCA maximises the value of devolving this budget.

2.3 Market Engagement /Soft Market Testing

The first formal meetings with all Colleges and Local Authorities who are based in Sheffield City Region has taken place. These meetings have considered the data and what this is showing and how the mix and balance of AEB provision that sits under the Grants could through the agreement of three-year delivery plans, better align to the skills needs of employers and residents

The meetings have provided an opportunity to explore the impact Covid19 is having on how young people and adults access skills training.

In the coming weeks, the MCA will be providing access to a Market Engagement Event presentation on AEB. The purpose of this event is to share our thinking on AEB and how it fits within wider strategies such as the Strategic Economic Plan and the Renewal Action Plan. The Webinar presentation also includes potential options for how AEB might be shaped in the future. Most importantly through this Market Engagement Event we are seeking to engage and seek market input into the AEB strategy. The presentation is complete, we are currently completing the technical and communication requirements for the Webinar.

2.4 Procurement

The documentation to support the Procurement process is in development. The lack of a dedicated Procurement expert to lead the procurement activity, continues to present a risk for the launch date of the Procurement process.

3. Consideration of alternative approaches

3.1 Not Relevant – this is an update on previously agreed work.

4. Implications

4.1 Financial

No new Financial Implications

4.2 Legal

No new Legal Implications

4.3 Risk Management

Procurement Expertise in the MCA Executive to lead the exercise – a role is currently out for recruitment for a Procurement Manager to join the MCA Executive

4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity and social inclusion issues arising from this report.

5. Appendices/Annexes

5.1 None.

REPORT AUTHOR POST

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	0114 2203000

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

- [Skills and Employment Board \(Sept 2020\)](#)

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EDUCATION SKILLS AND EMPLOYABILITY BOARD

30th October 2020

GETTING BUILDING FUND CAPITAL PROGRAMME APPROVALS

Purpose of Report

The paper seeks approval of two schemes with a total value of £1.62m Getting Building Fund (GBF). Seeks approval of one change request and seeks delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes

Thematic Priority

Secure investment in infrastructure where it will do most to support growth

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme.

Recommendations

The Board consider and approve:

1. Doncaster College Digital Infrastructure proposal and award £630,000 grant to DN Colleges Group subject to conditions set out in the Appraisal Panel Summary Table.
2. Doncaster College Construction Space proposal and award £990,557 grant to DN Colleges Group subject to the conditions set out in the Appraisal Panel Summary Table.
3. A project change request from “Barnsley College Digital Innovation Hub Phase 2” to amend one condition prior to execution of contract into conditions prior to drawdown of funding and reprofile £1,145,000 expenditure from Q4 20/21 into Q1 21/22
4. Delegated authority be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the schemes covered above

1. Introduction

- 1.1** On 30th June 2020 the MCA was awarded £33.6m GBF to invest in ‘shovel-ready’ projects that will provide stimulus to local economies. The funds need to be defrayed by 31st March 2022 which allows an 18-month delivery window.

At the present time the guidance received from Government states that Sheffield City Region will be expected to deliver the agreed projects and any significant changes to the projects will be discussed and agreed with the Government in advance. All investment decisions must be undertaken in line with locally agreed audit and scrutiny arrangements.

The Assurance Framework established that some change requests will be presented for approval to the relevant Executive Board, in line with their agreed delegation levels whilst others will require the approval of the MCA Board.

This paper requests approval for two projects subject to any conditions set out in the Appraisal Panel Summary Table with a total value of £1,620,557 and approval for one project change request.

2. Proposal and justification

2.1 Doncaster College Digital Infrastructure

2.1.1 The Project

The project aims to invest in digital infrastructure to enable Doncaster College to help remote connectivity, blended teaching and digital connectivity. Specific improvements include:

- Improvements to increase capability for students to enrol in College systems remotely via web and mobile platforms without needing an initial visit to site
- Increasing the range of online teaching and learning applications to improve the quality of distance learning
- Improvements to our ability to communicate digitally
- Purchase of tablets, laptops, cameras, microphones and other technologies for staff which will enable them to produce and deliver enriched, high-quality online learning experiences for students
- Video-enablement of on-site classrooms and improvements to the IT infrastructure around these to allow online delivery
- Enhancing the Internet connectivity to Doncaster College to improve resilience for online learning
- Purchase of laptops and portable internet devices to loan to technologically disadvantaged students to ensure that they are not disenfranchised by a learning model which expects some degree of online learning

2.1.2 The Benefits and Outcomes

Over a period of 10 years the project is estimated to support 84 learners gross additional with an estimated 31 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £20,636 per job to SCR. However, due to the scale of the funding required in comparison to the level of benefits achieved, the project is estimated to generate a benefit of £253,901 of GVA and a Benefit Cost ratio of 0.6.

Whilst in these terms the value for money achieved is low there are additional, non-monetised, factors to be considered such as improved environmental and social benefits. For example, the project will provide equipment to disadvantaged students to ensure no one is disenfranchised and bridge the digital divide. These non-monetised benefits have become more critical in response to COVID-19. Overall the scheme can therefore be considered to provide acceptable value for money.

The project is required to report back when the project is procured to ensure the final tender price is in line with the FBC financial case. Internal Board approval is expected from DN Colleges for the project during October 2020 and confirmation is required.

The Board is asked to approve award of £630,000 to DN Colleges.

2.2 Doncaster College Construction Space

2.2.1 The Project

This project comprises the reconfiguration and refurbishment of areas of the existing Doncaster College East Block building at its Hub campus to create a Construction T-Level centre. It will create a range of highly flexible teaching facilities to support the Construction T Level provision as well as breakout/employer engagement suite. Specialist facilities will be created including surveying/construction office environment, Modern Methods of Construction (MMC) demonstration workshop, two sustainability demonstration resources focusing on electrical installation and plumbing.

The refurbishment works will primarily cover internal doors, walls and partitions, internal finishes and mechanical and electrical installations. Refurbishment will provide Construction T Levels with a new identity, supporting the aim to raise the profile and encourage employer/industry engagement.

2.2.2 The Benefits and Outcomes

Over a period of 10 years the project is estimated to support 330 learners gross additional with an estimated 111 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £8,953 per job to SCR and is estimated to generate benefits of £504,385 of GVA. This project therefore offers acceptable value for money for SCR with a Benefit Cost Ratio of 1.6.

In addition, the project will target under-represented groups and work with stakeholders to encourage and enable access. The College aims to provide local people with the skills required to help deliver the Governments Clean Growth Strategy.

The project is required to report back when the project is procured to ensure the final tender price is in line with the FBC financial case.

The Board is asked to approve award of £990,557 to DN Colleges.

2.3 Barnsley College Digital Innovation Hub

The Barnsley College Digital Innovation Hub grant was approved by the board on the 1st September 2020. The project involves the re-purposing of the ground floor (currently a car park) of the Digital Innovation Hub to provide a world class digital learning experience, creating an innovative space for use by businesses, start-ups, schools and college learners, with maker space, innovation labs and managed workspace.

Detail of request – Timescales for the submission of the planning application were optimistic and the college were unable to commit to this prior to the confirmation of funding. The planning application will be submitted by 31st October 2020 with a worst-case scenario of it being approved by the end of January 2021. The project is requesting:

Cost - to reprofile £1,145,000 from Q4 20/21 into Q1 21/22.

Time – Amendment to the condition before execution of contract to condition of drawdown of funding for planning from October 2021 to January 2022

3.0 Consideration of alternative approaches

3.1 DN Colleges underwent a comprehensive review of Estates Strategy in order to settle on the preferred option presented for the Construction Space proposal. A 'do

minimum' option of modest refurbishment was judged not to allow for a quality learning environment and would have left significant compromises on room layout. An alternative option of refurbishing a separate area was judged to have been more expensive.

If the Barnsley College change request is rejected, then the scheme will not be deliverable within the GBF funding window and this could result in a loss of £1.445m to the region.

4. Implications

4.1 Financial

The report proposes the projects presented for approval today are recommended for approval subject to the conditions set out in the Appraisal Panel Summary Table. To be eligible for grant, expenditure will have to have been defrayed by 31 March 2022.

If the Barnsley College change request is rejected, then the scheme will not be deliverable within the GBF funding window and this could result in a loss of £1.445m to the region.

4.2 Legal

Both projects for approval have made the case that as the projects are funding skills training then award of grant does not constitute a state aid. The legal implications each project have been fully considered the Monitoring Officer and included in any recommendations agreed by the Appraisal Panel.

4.3 Risk Management

Risk management is a key requirement for each of the submissions and is incorporated into the Full Business Case (FBC) submissions. Where weaknesses have been identified in the FBCs in terms of risk management, further work to capture and mitigate these risks is included as a condition of award in the appraisal panel summary sheets and explained above. Risks and issues management is reported quarterly to the MCA Executive as part of contract monitoring.

4.4 Equality, Diversity and Social Inclusion

Appropriate equality and diversity considerations are taken into account as part of the assessment of the project business case.

5. Communications

5.1 The business cases for GBF schemes presents opportunities for positive communications; officers from the MCA Executive Team will work with the relevant officers on joint communications activity at the appropriate time.

6. Appendices/Annexes

6.1 Appendix A: Doncaster College Digital Infrastructure
Appendix B: Doncaster College Construction Space

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Post **Senior Development Manager – Programme and Performance Unit**
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Telephone 0114 220 3442

Appraisal Panel Summary

Scheme Details

Project Name	DN Colleges Group: Digital Infrastructure		
Grant Recipient	DN Colleges Group		
MCA Executive Board	Skills	SCR Funding	£630,000
% SCR Allocation	100%	Total Scheme Cost	£630,000

Appraisal Summary

Project Description
<p>The COVID-19 pandemic demands an acceleration of the College's digital strategy, including the move to distance learning and home working identifying a high priority need for mobile devices. Additional project elements focus on Office 365 developments, password tools to facilitate remote connectivity, new teaching software to ensure that a blended teaching model is successfully embedded. All of these digital developments will enable Doncaster College to help drive forward the local economy and the demand for digital skills through an infrastructure that fully enables digital connectivity. Specific improvements include:</p> <ul style="list-style-type: none"> ● Improvements to increase capability for students to enrol in College systems remotely via web and mobile platforms without needing an initial visit to site ● Increasing the range of online teaching and learning applications to improve the quality of distance learning ● Improvements to our ability to communicate digitally; enhanced telephone and video calling capabilities ● Purchase of tablets, laptops, cameras, microphones and other technologies for staff which will enable them to produce and deliver enriched, high-quality online learning experiences for students ● Video-enablement of on-site classrooms and improvements to the IT infrastructure around these to allow online delivery ● Enhancing the Internet connectivity to Doncaster College to improve resilience for online learning ● Purchase of laptops and portable internet devices to loan to technologically disadvantaged students to ensure that they are not disenfranchised by a learning model which expects some degree of online learning
Strategic Case
<p>The scheme aligns strongly with the strategic rationale within the SEP and Renewal Action Plan (RAP) due to its focus upon digital skills, capacity and quality within the technical education system. The scheme aligns particularly well with the RAP due to the adaption to digital and the importance of digital to inclusion and skills progression.</p> <p>This scheme aligns strongly with the strategic context and not undertaking this work could have highly detrimental impacts upon recovery from the economic shock and leave young people in Doncaster and Sheffield City Region behind in developing their skills progression. There are no expected disbenefits of the scheme which is consistent with digital investments of this nature.</p>
Value for Money
<p>Over a period of 10 years the project is estimated to support 84 learners gross additional with an estimated 31 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £20,636 per job to SCR. However, due to the scale of the funding required in comparison to the level of benefits achieved, the project is estimated to generate a benefit of £253,901 of GVA and BCR = 0.6.</p> <p>An alternative cost benefit analysis was also submitted by the applicant with the business case, using various sources of data, including Manchester New Economy Model, FE funding 2019/20 and ESFA</p>

average apprenticeship standard fees. Using this method, the applicant calculated an NPV of £39,871 and BCR of 1.07; however, this does not appear to have taken into consideration the deadweight as a result of the do minimum option and is therefore likely to be lower.

The value for money achieved using either method is low.

The project is likely to have environmental benefits by facilitating online teaching and therefore reducing the need to travel to the college.

The applicant has stated in responses to clarification questions that the investment is to ensure that the College address the digital divide and ensure that students (and to some degree staff) who do not have the means to provide their own IT for blended learning are supported, attracted and retained and do not miss out on the opportunity to study and progress due to their personal circumstances. In this respect, the project will also bring about social benefits.

Risk

A key risk to the Economic Case is that the equipment does not bring about the intended additionality. The rationale for investment seems reasonable, though lacks evidence of the additionality to be created as a result of the project. The applicant states that if project costs increase following procurement or for any unforeseen works, they will look to value engineer the project or fund from Group reserves.

There remains some uncertainty on the cost of the equipment which is being proposed. However, the risk allowance/contingency of £252k provides a significant margin to absorb these uncertainties.

The College explains that they have surveys and feedback from staff and learners on the current limitations of existing equipment. Whilst it is clear from information within the business case that there is existing demand for digital services, it does raise issues of ongoing sustainability where the college is unable to operate effectively without grant funding to provide what it sees as essential services.

Overall, the levels of risk seem acceptable. However, operational risks should be expanded upon as the scheme develops and should continue to be monitored closely as the scheme moves towards delivery. This point is captured in the conditions.

Delivery

An organisation chart has been provided with the application. The delivery is undertaken by the 'Capital Project Management' team. PRINCE 2 practitioners will be involved in the delivery and the Digital Programme Manager will manage the project with input from the Chief Operating Officer and Director of Digital Technologies.

The delivery plan is only provided at a high level, which reflects the early stage of development of the project. There is no detailed delivery plan of the actual roll out of IT infrastructure which would improve confidence in delivery.

The project has provided a list of procurement milestones in section 3.9 which looks achievable and realistic. However, the project is not as advanced as would be expected for a full business case stage with the procurement plan not expected to be in place until December this year and procurement not expected to be completed until July 2021. This is not in line with guidance issued by the MCA for GBF projects which stated that 'the MCA expects that at the point when an FBCs is submitted, all scheme development and documentation processes have been completed. This includes...procurement.'

Legal

The project explains that it has taken legal advice from Eversheds which covers that skills capital funding of this type does not constitute state aid. The application goes on to explain that appropriate state aid provision will be applied to any training carried out either through GBER Training aid or de minimis.

Recommendation and Conditions

Recommendation	Full award subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none">1. Following the outcome of procurement, DNCG to confirm the final tender price is in line with the FBC Financial Case.2. DNCG to confirm the internal Board approval which is due to be agreed in October 2020.3. DNCG to provide an update to the MCA on operational risk associated to the college and the associated sustainability of the investment being made.4. DNCG to define measurable SMART objectives for the scheme which would inform the Monitoring and Evaluation of the scheme. <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <ol style="list-style-type: none">5. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider social and economic benefits and that these can be captured, monitored and reported. This should include monitoring the use of green spaces, any benefits generated by those users and any neighbouring commercial developments.	

Record of Recommendation, Endorsement and Approval

Digital Infrastructure

Appraisal Panel Recommendation

Board Endorsement

MCA Approval

Date of Meeting

Date of Meeting

Date of Meeting

**Head of Paid Service
or Delegate**

Ruth Adams
Deputy CEX

**Endorsing Officer
(Board Chair)**

**Approving Officer
(Chair)**

Signature

Signature

Signature

Date

Date

Date

**S73 Officer or
Delegate**

Simon Tompkins
Finance Manager

Statutory Finance Officer Approval

Signature

Name:

Date

**Monitoring Officer or
Delegate**

Steve Davenport
SCR CA Solicitor

Signature:

Signature

Date

Date:

Appraisal Panel Summary

Scheme Details

Project Name	Doncaster College Construction Space		
Grant Recipient	DN Colleges Group		
MCA Executive Board	Skills	SCR Funding	£990,557
% SCR Allocation	100%	Total Scheme Cost	£990,557

Appraisal Summary

Project Description
<p>This project comprises the reconfiguration of areas of the existing Doncaster College East Block building at its Hub campus to create a Construction T-Level centre totalling c. 1,283m², including some small relocated spaces that will enable the refurbishment. It will create a range of highly flexible teaching facilities to support the Construction T Level provision as well as breakout/employer engagement suite. Specialist facilities will be created including surveying/construction office environment, Modern Methods of Construction (MMC) demonstration workshop, two sustainability demonstration resources focusing on electrical installation and plumbing.</p> <p>The condition and suitability of existing Doncaster east building will be addressed through the improvement to the entrance and circulation to the T-Level areas and the inclusion of glazed screens to showcase specialist T-Level curriculum activity. The refurbishment works will primarily cover internal doors, walls and partitions, internal finishes and mechanical and electrical installations. Refurbishment will provide Construction T Levels with a distinctive new identity, supporting the aim to raise the profile and encourage employer/industry engagement. By locating the T Level Construction area adjacent to existing construction provision, this maintains student access to specialist facilities and ensures spatial efficiency and value for money through lack of duplication.</p>
Strategic Case
<p>The scheme aligns strongly with the strategic rationale within the SEP and Renewal Action Plan due to its focus upon skills development, construction as a sector and MMC. These cross-cutting priorities and the context in which it is being delivered (within Further Education college and in a learning environment which caters for learners from deprived backgrounds) further enhances the strategic rationale. Furthermore, the importance of construction in the local economy and how the scheme can contribute to improvements to productivity and provide pathways from deprived backgrounds confirms its alignment.</p> <p>This scheme aligns strongly with the strategic context. The scheme has no identifiable disbenefits if not taken forward and not undertaking this work could have negative impacts upon resident's skills progression, employment ambitions as well as the wider economic aspirations for the construction sector and infrastructure investment.</p>
Value for Money
<p>Over a period of 10 years the project is estimated to support 330 learners gross additional with an estimated 111 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £8,953 per job to SCR and is estimated to generate benefits of £504,385 of GVA. This project therefore offers acceptable value for money for SCR. BCR = 1.6.</p> <p>An alternative cost benefit analysis was also submitted by the applicant with the business case, using various sources of data, including Manchester New Economy Model, FE funding 2019/20 and ESFA average apprenticeship standard fees. Using this method, the applicant calculated an NPV of £115,117 and BCR of 1.12; however, this does not appear to have taken into consideration the deadweight as a result of the do minimum option and is therefore likely to be lower.</p> <p>Using either of the methodologies above, VFM is low.</p>

The applicant states the project will have social benefits in providing young people in Doncaster with learning experiences and access to enrichment opportunities. The project would target under-represented groups and work with other stakeholders to encourage and enable access.

The applicant also states the project will help deliver the Government's Clean Growth Strategy (2018) by providing local people with skills that will be required to support major initiatives to reduce carbon output in the construction of domestic, commercial and industrial infrastructure.

Risk

A thorough risk analysis is provided as an annex to the business case. The project has identified a number of risks including any impact from Covid-19. The construction schedule can accommodate any building works delays. Covid-19 is referenced as having a short-term impact on demand for courses, with the July 2020 intake holding up well. Lower student numbers over the medium or long term has an effect on the ability for the centre to be sustainable for the College and mitigation is close dialogue with ESFA.

The college has adjusted the size of the scheme in order to enable a realistic capital delivery. However, a number of risks have a medium probability with high impact and so this should continue to be monitored closely as the scheme continues to develop and deliver. Financial risks of increased costs, lower student intake and cashflow problems are all highlighted as significant so the colleges continued use of a Risk Assessment Tool should continue to be reported to SCR.

In its response to a clarification question the College has acknowledged that the impact from COVID-19 on the 2019/20 year and uncertainty for 2020/21 leave little manoeuvre for the Group, with any additional cash requirements placing significant pressure on College liquidity over this uncertain period.

Delivery

The delivery plan is sufficiently developed at this stage of the project. The college is to appoint an internal project manager with the Chief Operating Officer acting as Senior Responsible Officer. An organisation chart is provided with the application which highlights the extensive hands on role of the Chief Executive for the refurbishment.

Milestones look realistic and achievable, with procurement complete by March 2021 and start on site around Easter 2021. As internal works there is no requirement for planning permission.

Alongside securing GBF monies, the DN College Board is due to consider approval of internal funds in October 2020.

Legal

The project explains that it has taken legal advice from Eversheds which covers that skills capital funding of this type does not constitute state aid. The application goes onto explain that appropriate state aid provision will be applied to any training carried out either through GBER Training aid or de minimis.

Recommendation and Conditions

Recommendation	Full award subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none">1. DNCG to confirm the internal Board approval which is due to be agreed in October 2020.2. Following the procurement of a contractor, DNCG to confirm the final tender price is in line with the FBC Financial Case. <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <ol style="list-style-type: none">3. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider social and economic benefits and that these can be captured, monitored and reported.	

Record of Recommendation, Endorsement and Approval

Barnsley Digital Innovation Hub

Appraisal Panel Recommendation

Board Endorsement

MCA Approval

Date of Meeting

Date of Meeting

Date of Meeting

**Head of Paid Service
or Delegate**

Ruth Adams
Deputy CEX

**Endorsing Officer
(Board Chair)**

**Approving Officer
(Chair)**

Signature

Signature

Signature

Date

Date

Date

**S73 Officer or
Delegate**

Simon Tompkins
Finance Manager

Statutory Finance Officer Approval

Signature

Name:

Date

**Monitoring Officer or
Delegate**

Steve Davenport
SCR CA Solicitor

Signature:

Signature

Date

Date: