

29th July 2019

LGF Investment Approvals

Purpose of Report

This paper requests approval for two schemes with an LGF grant value of £4.2m and updates on approval decisions taken by Executive Boards. It also seeks 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.

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 SCR MCA consider and approve:

1. Progression of Digital Engineering Skills Development Network to full approval and award of up to £3.713m grant to Sheffield College subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix A**
2. Progression of 'From teenager to employee – A Sheffield City Region, engineering and advanced manufacturing talent pipeline creator' project to full approval and award of up to £0.495m grant to UTC Sheffield subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix B**
3. Delegated Authority to the Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer, to enter into the contractual arrangements required as a result of the above approvals (1-7).

The SCR MCA are also asked to note:

1. The decision taken at the Business Growth Executive Board to award four LGF BIF grants totalling £0.488m, to award five Made Smarter LGF BIF grants totalling £0.204m and eight Productivity Challenge LGF BIF grants totalling £0.697m to businesses. Further details of the awards can be found in **Appendix C**

1. Introduction

- 1.1 This paper requests approval for two schemes with a total LGF value over all years of £4.2m and seeks 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. It also updates on decisions taken at Executive Boards which totals £0.901m.

1.2 The LEP Board and MCA have approved revised governance arrangements with delegated approval authority for projects below £2m which came into effect on 1st April 2019. Convening the first meetings of the new Executive boards during July and August has meant that one project has been planned for a full decision of the MCA rather than their relevant Thematic Board. This is due to the necessity to time physical works during the summer holidays should a decision to approve be made.

2. Proposal and justification

2.1 Skills

Digital Engineering Skills Development Network – See Appendix A

The Sheffield College have requested £3.71m LGF grant to support a £4.64m scheme to work in collaboration with the private sector to develop skills training capacity at the College's Olive Grove engineering training centre, the Liberty Speciality Steel engineering training centre and the CTL workplace training facility.

The refurbishment and new equipment will to increase the technical training offer at levels 3 and 4 in the Engineering and Digital Technology sectors to ensure that there is a skilled workforce to fill the increasing number of high value jobs in the Region. It will:

- directly support the 5,798 new learners.

Over a period of 10 years the project is estimated to support 2,051 learners gross additional with an estimated 826 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £4,496 per job to SCR and is estimated to generate benefits of £17,098,551 of GVA. This project therefore offers good value for money for SCR.

The investment is therefore considered acceptable value for money for the LGF investment. Appendix A provides a summary of the scheme appraisal and the suggested conditions of award.

2.2 Skills

From teenager to employee – See Appendix B

Sheffield UTC have requested £0.495m LGF grant to support a £1.11m scheme to purchase and install specialist machining and automation equipment at their Sheffield City Centre site.

The investment will allow the UTC to respond and adapt to the changing technology and demands from the employer base ensuring young people and adults are equipped with the skills needed by two priority sectors (engineering and digital).

Over a period of ten years this project is estimated to support 500 gross additional learners with an estimated 169 of the net additional learners moving in to employment. This indicates a potential cost equivalent of £2,928 per job to SCR and the project is estimated to generate benefits of £7,185,016 GVA.

The investment is therefore considered acceptable value for money for the LGF investment. - **Appendix B** provides a summary of the scheme appraisal and the suggested conditions of award.

2.3 Decisions Taken at the Business Growth Executive Board

The Business Growth Executive met on the 17th of July 2019 to consider and approve BIF grant for four projects. The BGEB also considered investment decisions for eight projects applying for BIF Productivity Challenge and five projects applying for BIF Made Smarter. A summary of the decisions is presented for each project in Appendix C. The BGEB also considered investment decisions for eight projects applying for BIF Productivity Challenge and five projects applying for BIF Made Smarter, with relevant annexes detailing the grant awards contained in Appendix D.

3. Consideration of alternative approaches

- 3.1 The SCR governance approach, including delegation levels made to Thematic boards is outlined in the approved report to the MCA and LEP.

4. Implications

4.1 Financial

By approving these projects to progress to delivery stage the remaining headroom for projects in the programme will reduce to £8.8m in year and £29.3m in total (excluding the retained major project).

4.2 Legal

The legal implications of each project have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed by the Appraisal Panel as presented in the supporting information.

4.3 Risk Management

Risk management is a key requirement for each of the submissions and is incorporated into the 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 suggested conditions in the appraisal panel summary sheets.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the application process and continue to be considered and addressed by all applications.

5. Communications

- 5.1 The approval of the business cases presents an opportunity for positive communications; officers from the SCR Executive Team will work with the relevant local authority officers on joint communications activity.

6. Appendices/Annexes

- 6.1 Appendix A – Digital Engineering Skills Development Network Appraisal Panel Summary
Appendix B – From teenager to employee Appraisal Panel Summary
Appendix C – Summary of BIF project decisions at BGEB 17th of July

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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: Full Business case documentation and application forms