

Appraisal Panel Summary

Scheme Details

Project Name	Digital Engineering Skills Development Network		
Grant Recipient	The Sheffield College		
SCR Executive Board	Skills	SCR Funding	£3,712,655
% SCR Allocation	80%	Total Scheme Cost	£4,640,819

Appraisal Summary

Project Description
<p>This is a Sheffield College led collaboration with the principal partner being Liberty Speciality Steel, plus other engineering manufacturers, including Sheffield Forgemasters and CTL Seal.</p> <p>The college, with its employer partners, will establish a transformational digital engineering skills network in the city to increase the technical training offer at levels 3 and 4 for STEM occupations 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.</p> <p>Funding will be used to develop skills training capacity at the college's Olive Grove engineering training centre in the city centre, the Liberty Steel engineering training centre in the north of the City region, and the CTL workplace training facility in the north east of the city. The key developments are:</p> <p><u>Olive Grove</u> Refurbishment of the training centre to allow for the installation of a new robotics training area, expansion of the engineering training facilities, and a new digital technology learning area.</p> <p><u>Liberty Steel - Stocksbridge</u> Installation of new modern mechanical and electrical engineering equipment on which apprentices and existing staff can be trained.</p> <p><u>CTL Seal</u> Installation of modern CNC machinery for use in workplace training.</p>
Strategic Case
<p>The application:</p> <ul style="list-style-type: none"> • Demonstrates the alignment of the scheme to Sheffield City Region's objectives, particularly the "Better Skills" theme. It will support the development of the region's skills base and contribute to enhanced educational performance. • Emphasises 'Learn to Work' outcomes and supports STEM L3 learning areas, with clear SMART targets. • Shows that any negative impact of the project will be limited. All outcomes offer additionality and enhanced social value. <p>The training programmes and activities that this project will support include:</p> <ul style="list-style-type: none"> • Full time technical programmes leading to industry recognised vocational qualifications at level 3 such as BTEC Diploma in Engineering • Higher level technical training programmes such as HNC and HND in engineering manufacturing (mechanical and electrical) as well as IT and Digital Technology • Engineering and Digital apprenticeships at advanced and higher levels • New T Levels in the Engineering & Manufacturing and the digital technical routes • Short technical refresher training and workforce upskilling • Updating and building capacity of the college's and employer's own technical training staff • Taster sessions for school students

Value for Money

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.

Risk

Key risks and their mitigation are set out below:

- **Course demand** – it is assumed that there is more demand for courses (learner up take) than can be provided by this project
- **Private sector partners withdraw** – letters of support provided
- **Impact of refurbishment on learning** – works planned for periods when impact will be minimal
- **Costs risks for all services, appointments and equipment** – College to shoulder such risk
- **LEP changes causing changes in Skills Capital programme** – LGF objectives will remain unchanged during the investment period
- **Brexit impact** – national issue but need for technical skills will remain strong

Project risks have been quantified using an expected value methodology

A risk register of likely, high level risks is provided and expected values of their impact are calculated to the extent possible. The register considers all the risks that are within the influence of the college.

As the project progresses, it would be expected that a more detailed risk register is developed with risk owners and regular reviews as part of the wider project governance processes.

Delivery

A detailed project plan / Gantt chart has been provided for the duration of the project development. This includes relevant RIBA stages associated with the refurbishment aspects of the project, and procurement aspects.

The business case also includes a project team structure for the development and operational phases.

The college has engaged Turner and Townsend to develop the programme and refurbishment costings which offers confidence of external review and challenge of the proposal and greater certainty of the delivery timescales.

Accordingly, subject to the risks identified, the timescales for delivery appear realistic.

Legal

The college has sought external advice relating to the application of State Aid. The report from Stone King LLP identifies a series of safeguards, to ensure either –

- the project is not construed as state aid, or
- is permissible under such regulations

The project should ensure that any onward distribution of public funding has appropriate state aid cover.

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

1. Formal confirmation of all other funding approvals required to deliver the project.
2. Confirmation that the profiled LGF spend can be defrayed in year, as SCR is unable to guarantee that this will be reprofiled beyond year end, and/or that the applicant will cover any unfunded works from alternate sources.
3. Agree detailed schedule of appropriate 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 socio-economic benefits and that these can be captured, monitored and reported.
4. Formal confirmation all relevant statutory requirements, if applicable (including any planning permissions) are in place and have been satisfied.

The conditions above should be fully satisfied by 29th August 2019. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

5. Submission of evidence of Board approval from the applicant and all scheme delivery partners
6. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.
7. Confirmation of the agreed contract price with the preferred contractor(s) and any relevant conditions precedent thereof.

The following conditions must be included in the contract

8. Clawback on outputs.
9. Clause that equipment remain for intended use and for the benefit of employers and learners in the event of contractual changes
10. A requirement for the college to share their quality improvement plan and actively involve the SCR Executive in its quality improvement strategy.
11. The college develops an income generation strategy to ensure costs for replacement equipment are factored into future plans

Record of Recommendation, Endorsement and Approval

Project Name

Appraisal Panel Recommendation		Board Endorsement		CA 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	Mike Thomas Senior Finance Manager	Statutory Finance Officer Approval				
Signature						Name:
Date						Signature:
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor					Date:
Signature						
Date						