

SKILLS EXECUTIVE BOARD

Date: Thursday 12 January 2017

Venue: 11 Broad Street West, Sheffield

Time: 8.30 am

AGENDA

Item	Subject	Method	Lead	Page
	<u>Introduction</u>			
1	Welcome and Apologies	Verbal	Chair	
2	Minutes and Actions of the Previous Meeting	Paper	Chair	1 - 6
3	Declarations of Interest	Verbal	All	
4	Urgent Items/Announcements	Verbal	All	
5	Matters Arising	Paper	R Adams	7 - 8
	<u>Business Items</u>			
6	Skills and Employment Strategy Development	Presentation	York Consulting	
7	Establishing Local Integration Boards across the SCR	Paper	A Fitzgerald, D Brennan	9 - 18
8	Skills Capital - RNN Group Ltd - Centre for Higher Level Skills	Paper	R Bentley, D Brennan	19 - 42
	<u>Updates for Information</u>			
9	Apprenticeships Update	Presentation	J Farr	

Item	Subject	Method	Lead	Page
	Devolution and Programmes Update			
10	<ul style="list-style-type: none"> • AEB • DWP • ABR Implementation • Skills Bank 	Paper	D Brennan	43 - 54
	<u>Actions & Forward Planning</u>			
11	Agree Actions & Summary Resolution Log	Verbal	Chair	
12	Forward Plan	Paper	R Adams	55 - 56
13	Any Other Business	Verbal	All	

DATE OF NEXT MEETING – 23RD FEBRUARY 2017

SCR SKILLS EXECUTIVE BOARD

17th NOVEMBER 2016

BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Nigel Brewster, LEP - Chair Julie Kenny, LEP Jo Miller, DMBC Cllr Chris Read, RMBC</p> <p><u>In Attendance / Advisory Members</u> Conor Moss, SHU Ruth Adams, SCR Executive Team Richard Howard, SCC / SCR Executive Team Dave Brennan, SCR Executive Team James Farr, SCR Executive Team Dan Fell, DCoC Paul Corcoran, Sheffield College Tom Smith, Barnsley MBC Craig Tyler, Joint Authorities Governance Unit</p> <p>+ Tim Allan (York Consulting) for item 8</p> <p>Apologies were received from Board Members: Cllr Ann Syrett, (BoDC) and Dorcas Bunton (DDDC) + Paul Jagger (TRC), Stuart Cutforth (Chesterfield College), Tony Tweedy (SCC) Melanie Ulyatt (OnetoOne Support Services) and Simon Perryman.</p>	
	<p><u>Chair's Announcements</u></p> <p>The Chair reminded the Board of the current review into SCR governance structures, including the current makeup of the Executive Boards. It was suggested the review will help clarify policy formulation responsibility confusion between the Executive Boards and the CA / LEP. It was suggested the Executive Boards will have an important, commissioned role to play in assisting policy formulation, given the CA / LEP's finite agenda time and the Executive Boards ability to engage with, and take account of, all stakeholders' interests. It was agreed there are a number of areas where SEB's current work should</p>	

	<p>be continued whilst the review is underway.</p> <p>It was noted that the agenda items were to be taken in a different order than published, in the interests of ensuring all matters of importance can feed into the SCR SEP Skills and Employment Plan debate (now at item 8)</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 14th July were agreed to be an accurate record.</p> <p>It was confirmed all actions are complete and updates were to be addressed under the substantive agenda items.</p>	
3	<p><u>Declarations of Interest</u></p> <p>None received.</p>	
4	<p><u>Urgent Items / Announcements</u></p> <p>No urgent items were requested.</p>	
5	<p><u>Matters Arising</u></p> <p>An update report on matters of significance was provided for Members information.</p> <p>It was agreed this was an excellent means of providing the Board with an informative update and requested that similar reports go to all future meetings to assist with agenda time management.</p> <p>Action: Ruth to provide to future meetings.</p> <p>Conor and Jo identified to need to determine where we are with the SCR Education Initiative and suggested this may be an agenda item for the next meeting.</p> <p>Action: Conor / Jo to discuss.</p>	<p>RA</p> <p>CM/JM</p>
6	<p><u>Apprenticeships</u></p> <p>A presentation was provided on SCR's emerging apprenticeship ambitions, set against the context of national policy, which will in turn feed into the SEP Skills and Employment Plan (SEPSEP).</p> <p>It was noted the government has a target to create 3m apprenticeships by 2020 and is introducing a new Apprentice Levy initiative which will encourage employers to invest in apprenticeship programmes and raise additional funds to improve the quality and quantity of apprenticeships. It was noted that from April 2017,</p>	

	<p>employers with payrolls of £3m+ will be subject to a 0.5% payroll levy which can then be reclaimed via an online digital apprenticeship account to pay for apprentices.</p> <p>It was noted the UK Commission for Employment and Skills has suggested that some of the revenue collected should be diverted to supporting voluntary organisations' creation of apprenticeship positions rather than the money going back to employers.</p> <p>It was agreed that whilst according with national policy, it is important we decide what kind of apprenticeship system will work for the SCR (what types of apprenticeship and in which sectors) and feed this into the SEPSEP, particularly given that most of the businesses in the SCR have payrolls below the levy threshold. Members also asserted the importance of using the apprenticeship system to boost social mobility and help address inequalities.</p> <p>Members also recognised the danger that chasing 'quantity' may risk losing out on quality.</p> <p>It was agreed that progression, and the ability for apprenticeships to stay on the skills ladder should also be factored into our apprenticeship system.</p> <p>It was agreed SEB needs to offer clear direction and leadership to the Apprenticeships Working Group.</p> <p>It was suggested we need to assess the preparedness of businesses in the SCR for the incoming levy.</p> <p>It was noted that research from other areas, with established apprenticeship systems, suggests it may be difficult to have a single brand covering all levels of apprenticeship</p> <p>Action: James to convey the Board's comments to the Apprenticeship Working Group members.</p> <p>RESOLVED, that the Board:</p> <ol style="list-style-type: none"> 1. Agree that an action plan should be developed to assist learners, employers and providers in SCR with government's planned reforms to apprenticeships, for review by the board at a future meeting 2. Agree the action plan should include a focus on activities that can be undertaken in the coming months, ahead of the changes taking effect from April 2017 3. Agree that work should continue, led by the SCR exec, to develop a longer term vision for apprenticeships within SCR, noting the opportunities created by devolution 	<p>JF</p>
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7	<p><u>Careers</u></p> <p>A presentation was provided on the activities of the Careers Working Group.</p> <p>It was noted the Group has gathered together a large range of stakeholders from all appropriate sectors and agencies to develop a collective understanding of the careers education, information, advice and guidance (CEIAG) landscape, investigate similar activity nationally and commence the mapping of existing SCR provision.</p> <p>It was suggested that initial findings indicate that the CEIAG landscape is complex, fragmented and incoherent and in general, individuals of all ages are not getting good advice or guidance, but, there are some examples of good practise worthy of further investigation. It was also suggested there is a dichotomous relationship to be recognised in that more employers demand experience that offer opportunities to attain it.</p> <p>Julie noted that UKCES have undertaken research into CEIAG gaps which may be useful.</p> <p>The Board was presented with a suggested framework for what 'good should look like' and the types of activities that should be expanded to help achieve 'good' ambitions. It was noted this work will play into the development of the SCR SEP Skills and Employment Plan (see next agenda item).</p>	
8	<p><u>SCR SEP Skills and Employment Plan</u></p> <p>The Group welcomed Tim Allan from York Consulting who led a facilitated discussion on work planned to develop the Skills and Employment Plan.</p> <p>Regarding timescales and milestones, it was noted that engagements with all stakeholders, including the leads of all sector groups, will be held be over November and December. The vision and strategy will then be ready for the end of January 2017 and the Implementation Plan by February 2017, with documents being fed into the refresh of the Strategic Economic Plan.</p> <p>Action: All to submit ideas to Tim regarding any other bodies that should be engaged</p> <p>It was noted this work will overlap with the SCR Visioning study being led by Prof Heather Campbell and requested that Tim take account of this work.</p> <p>It was suggested that forecasts are positive and actually indicate the SCR will have the jobs and opportunities in place to address the current skills gap and support more people going into work. It was noted the SCR districts also have a good track record of young</p>	ALL

	<p>people qualifying up to level 2 education attainment between 16 and 19.</p> <p>Considering ideas for what we can still do better though that could be driven forward via the Skills and Employment Plan; it was suggested that more employers could offer work experience, a higher proportion of people in working age could be encouraged to develop the skills needed for sustained employment, the 'skills gap – training' paradox could be explored further (in which many businesses say they provide above average training but still report an above average skills gap) and we could try to close the higher level skills gap to put us in a better position to meet future demand.</p> <p>Regarding 'vision', and key themes to be explored through the consultation it was suggested that 'maximising potential', 'opportunities', 'progression', 'productivity', 'aspiration' and 'inclusion' may be good themes.</p> <p>Members suggested that the words need to resonate with employers. It was therefore agreed the consultation exercise should explore; ambition, the need for a sustainable skills system, the expansion of inclusion to 'inclusive growth', enterprise and entrepreneurship, profitability, the transferability / flexibility of skills, the role of the public sector, better informing people they have options and empowering people to make careers choices.</p> <p>Action: Tim to redraft the consultation vision themes</p> <p>Regarding consultation action areas, it was suggested these be based around; maximising employment, maximising the potential of the workforce and maximising the potential of our young people (supported by a series of cross-cutting components). It was suggested that 'maximising employer growth' should also be a substantive topic for consideration</p> <p>It was noted there may be some overlaps with this work and the Science and Innovation Audit.</p> <p>Action: Ruth to provide Tim with details</p> <p>It was suggested that the importance of 'progression' as a cross-cutting theme can't be underestimated</p> <p>It was suggested it needs to be effectively communicated to all that this isn't just another skills plan, the Skills and Employment Plan will be the single skills plan for the SCR.</p> <p>It was requested that communications with stakeholders be assisted and informed by a brief note explaining what the current work is trying to achieve.</p> <p>Action: David B to draft</p> <p>Regarding the longevity of the plan, it was suggested this should open</p>	<p>TA</p> <p>RA</p>
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	ended and supported by a number of short, medium and long term horizons	DB
9	<p><u>Skills and Employment Devolution and Programme Update</u></p> <p>A report was received to give the Board an update on key aspects of the Devolution Deal in relation to Skills and Employment (and current key programmes). The report also identified challenges/issues and key milestones.</p> <p>Information was presented in respect of the substantive programmes (Skills Bank, Adult Education Budget, Employability Pilot Work and Health Trial and Employability Pilot Work and Health Programme (co-design)).</p> <p>The Board was also presented with the Skills Bank dashboard and general performance dashboard.</p> <p>It was suggested the update report should also be presented the LEP Board members for information.</p> <p>Action: Ruth to arrange</p> <p>RESOLVED, that the Board notes the update and endorses the proposed actions to address identified challenges and issues</p>	RA
10	<p><u>Forward Plan</u></p> <p>The Board was provided with the updated Forward Plan to April 2017.</p>	
11	<p><u>Any Other Business</u></p> <p>No further matters requested.</p>	
12	<p><u>Date of Next Meeting</u></p> <p>12th January 2017, 8.30am at Broad Street West, Sheffield</p>	

SCR COMBINED AUTHORITY SKILLS, EMPLOYMENT & EDUCATION EXECUTIVE BOARD

12th JANUARY 2017

MATTERS ARISING

Purpose

This paper provides an update on matters arising from the previous meeting of the Skills, Employment and Education Board – 17th November 2016 and subsequent activity.

Item no.

5. Update Report

This is a standing item on the agenda and is included in the paper pack.

5. Education Activity

SCR Exec is doing work on the Sainsbury report and evidence of SCR and will report this to a subsequent board. Work to consider further the Northern Powerhouse Schools Initiative and work of SHU remains outstanding and requiring progression.

6. Apprenticeships

On agenda for discussion

7. Strategy

On agenda for discussion

REPORT AUTHOR

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POST

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Background papers used in the preparation of this report are available for inspection at:

Other sources and references:

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SKILLS, EMPLOYMENT AND EDUCATION EXECUTIVE BOARD

12 January 2017

Establishing Local Integration Boards across the SCR

Purpose of Report

The purpose of the paper is:

- a) For the Board to consider the suggested framework for mobilising the Local Integration Boards and to recommend this to the CA Chief Executives for adoption and implementation.

Thematic Priority

This activity will directly develop the SCR skills base, labour mobility and education performance.

Freedom of Information

Executive Boards do not make decisions on behalf of the CA therefore are not *made available under the Combined Authority Publication Scheme*.

This paper is not exempt under [Part II of the Freedom of Information Act 2000](#).

Recommendations

The Board recommends the “Framework for Delivering Employment Support in the SCR” (appendix 1) to the Combined Authority.

1. Introduction

1.1 The Sheffield City Region Devolution Deal Agreement (DDA) enabled 3 important work streams to help address the challenges in our local labour market:

- Co-design of the Work and Health Programme, the procurement of the provider and ongoing performance management of the contract across the Combined Authority.
- Development of a pilot programme aimed to help reduce long term unemployment across the City Region. The SCR was the first of the DDA areas to submit a business case in the summer 2016 and this is now in the latter stages of Ministerial approval.
- All DDA areas were then invited to develop a Health-Led Employment Trial aimed at understanding the benefits from bringing in employment conversations into the health arena ensuring people with mild to moderate (common) mental health and back problems are supported to get and stay in work.

1.2 Alignment and connectivity of multiple local services is critical to achieving the best outcome from local employment support and local service integration boards are key to this. These will be imperative for the City Region in the context of receiving positive decisions on our Devolution Pilot, delivering the Health Led Trial and directing the delivery of the Work and Health Programme across the Sheffield City Region.

1.3 The establishment of Local Integration Boards across the SCR are at the heart of the successful delivery of the employment programme activity within our Devolution Deal Agreement. With a clear local directive from Chief Executives that Boards should add to and not replace existing structures, all of the 9 authorities within the SCR have discussed how these boards will shape and operate in their area which has culminated in a suggested employment programme delivery framework being presented for consideration by the board.

1.4 The Work and Health Programme

This will be smaller than the current Work Programme, 20% of its current size; targeting support at “middle difficulty” claimants. Launching in 2017 it will be procured through an umbrella framework which is currently being established. The other SCR programmes are filling vital gaps in provision needed by the scaling back of this activity.

As a DDA area, the SCR is involved in the procurement and contract management of the prime contractor for the North East contract area which extends from the foot of the DN2:N2 geography up to the Scottish Boarder. The importance of integrating provision into the developing landscape within the SCR is a priority and key factor in scoring of proposals.

1.5 The SCR Employment Support Pilot

Developed in active partnership with JobCentre Plus and DWP, the pilot proposal will identify and support individuals early in their benefit claim who are at risk of becoming long term unemployed. The programme will provide personalised support to help them address their barriers to employment, strengthening service provision at a strategic level and building employer demand. This is strategically important to the SCR as this is the first step towards a longer term devolved employment system across the SCR. The SCR were notified in December that a formal decision will be taken by Ministers in line with the appraisal of the submissions from other DDA areas which will be received in January. Indications remain strong that we will receive a positive outcome.

1.6 Health Led Employment Trial

The SCR trial proposal will target additional resource at individuals who find it difficult to find and keep work because of a low/moderate (common) mental health issue or a low/moderate physical condition (i.e. a back problem). Developed with local health partners, the aim is to bring the objective and conversation of paid work more frequently into the health system, and to then enable referrals to appropriate health-led employment support as a follow-on. In December 2016, we received approval from the Work and Health Unit to progress the development of the Health-Led trial design, meetings are scheduled with senior health partners for the New Year to align provision.

1.7 Taken together, these could result in an additional investment into the City Region of between £15m-£20m cumulatively across the next 3 – 5 years. Achieving this makes the SCR only the 3rd area outside of London and Greater Manchester to receive this level of resource and flexibility.

1.8 Our window to mobilise these activities are short with the expectation that these will go live across the Autumn 2017. Partners remain confident that it can and must be achieved. The development of Local Integration Boards building on existing local governance structures may require some stretching of existing local resources as those structures broaden to cover wrap around activities required for effective employment support where they are not currently in place. If we receive approval from the government departments for the pilot and trial, a centralised resource will be in place to support areas to deliver those enhanced requirements.

2. Proposal and justification

2.1 To achieve effective integration of employment services, including those with a health dimension, local management is required. To this end the Employment Working Group has developed a delivery framework with Integration Boards at its heart (appendix 1). Previously approved and supported by the Executive Board and Chief Executives, these Local Service Integration Boards (LIBs) will develop to add value to existing structures and resources in each area, some creating new structures and others broadening existing ones

2.2 Reflecting our “combined” approach to their delivery, this is structured in an Ask and Offer framework and builds on good practice proven in Greater Manchester. GM identify the critical element of success being the clear area buy in through physical “pledges” of support and the establishment of an area Leads Group, comprising a senior strategic representative from each of the areas in a position to reallocate resources and make decisions, as such both elements are recommended within our approach.

2.3 Key features of the Employment Programme Implementation Framework include:

- An “ask” of the areas with an “offer” from the centre in return.
- Direct involvement at a senior level from all areas participating to ensure delivery and alignment
- Development of a decision making body in each area to ensure integration and remove barriers
- Development of an incentive framework, learning from Troubled Families, the intent is to develop a local investment fund through which benefits from the approach can be shared.
- Local Integration Strategies for each area delivering activity and support for its development and implementation providing a local articulation of the SCR policy.
- 3 Integration Support Officers, housed centrally, but with identified areas of priority (estimating 3 LIBs each) to provide support and consistency to the reporting and sharing of good practice across each area.
- Dedicated employment support team resource across areas participating funded through devolved and trial budgets.

Strong performance framework and evaluation so that lessons learnt can be captured and impact measured.

2.4 All three elements of the employment programmes will enter mobilisation and live running across the next financial year. We recognise that mechanisms to operationalise and deliver this activity need strengthening and further proposals will come back to a future Board as part of the overarching paper on the working groups underpinning current Board activity.

- 2.5 The board receive regular updates on the progression of this activity through our Devolution Updates. Operationally, we recognise that that we need a mechanism to engage stakeholder organisations and technical expertise. A paper will come back to the February Board meeting with recommendations as part of the broader review of the Working Group structure.

3. Consideration of alternative approaches

- 3.1 In the establishment of the business case model, national and international good practice was considered and external support engaged to develop the costing model.

4. Implications

4.1 Financial

Effective governance is a prerequisite to the Combined Authority accepting any grant.

The complex nature of this activity underscores the need for collaborative and efficient governance infrastructure between the Authority and other partners.

This paper seeks to address this issue, identifying Local Integration Boards as best practice and a necessary precursor to operationalising programmes in the new financial year.

The paper notes the outline and proposed ways of working for these new boards. This includes resource burdens on both the region and local partners. The paper recognises that local burdens will fall on local partners to fund, whilst regional commitments will be entirely predicated on resource becoming available from programme funds granted by government.

Future paper will further develop the financial implications of the proposed programmes.

4.2 Legal

Commissioning of services will require a full EU compliant procurement process and be subject to appropriate data and information sharing agreements and protocols. The DoE requirements are imposed upon SCR via their Agreement(s) which require confidentiality (to avoid an EU Procurement challenge) and information assurance (to avoid data and information breaches). Legal and procurement advice will be sought for each element of this programme.

4.3 Risk Management

- **There is a risk we fail to establish Local Service Integration Boards with coverage across the whole of the SCR.** These are a critical element in the implementation from our Employment Support Pilot. This model needs to be developed in localities and sustained, therefore no direct budget has been created to support their establishment however a central resource will be in place to support areas. This is mitigated by the active involvement from all areas across the development of these proposals. Developing a localised model will ensure that the maximum added value is achieved through service provision reaping longer term rewards through less reliance on public sector support.

- **There is a risk that the approval process for both the Devolution Deal Pilot and the Health Led trial continue to slip which in turn shortens the delivery horizon for the activity.** The impact of this is a delay in support to our vulnerable communities and reducing impact. We intend to negotiate extension of the delivery horizons to maintain or desired 3 year delivery timespan.
- **There is a risk we are unable to secure ESF investment which is critical to bolstering volumes in both the Employment Support Pilot and Health Led Trial.** As we are not currently a co-financing authority, it is challenging for us to access the ESF funds. As matters stand, to access this we will have to bid against a call. The risk here is that the ESF investment is made in a way which results in a less effective procurement as a result of this lack of control by the SCR CA.

4.4 Equality, Diversity and Social Inclusion ([Equality Act - Public Sector Equality Duty](#))

Proactive work has been undertaken in the design of proposals involving service users and key stakeholders. The Health Led Trial, aligning health and employment systems requires a detailed consideration of ethics developed with and monitored by the Work and Health Unit.

Ongoing participation of service users and employers is critical to success and the communications and participation plan will facilitate ongoing participation in the delivery of the services.

A full procurement will be undertaken which will specify that providers must promote equal opportunity ensuring that no groups or individual suffers discriminations or is otherwise disadvantaged. In addition, the specification will promote - social inclusion, community cohesion, widening access and issues relating to fairness and justice

5. Communications

- 5.1 A communication and participation plan will be developed under a single area brand to enable active participation by the SCR communications team aligned to the broader SCR branding.

Key stakeholders including service users, employers and providers have been involved in the design and development of the models and this will continue across the life of the programmes.

6. Appendices/Annexes

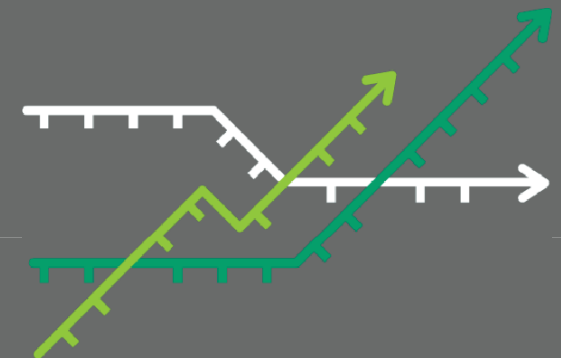
- 6.1 *Appendix 1* - Mobilising devolution deal employment support programmes in the SCR

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Sheffield City Region

**EMPLOYMENT SUPPORT: LOCAL INTEGRATION
MOVING TOWARDS MOBILISATION
A DRAFT APPROACH FOR CONSULTATION
NOVEMBER 2016**



PHASE 1: STRATEGIC (NOV - JAN '17)

ASK OF AREAS		OFFER TO AREAS	
✓ A Pledge - An Executive Decision to support to deliver the Employment Support Pilot across an identified local geography	<i>An identified geography and mandate for the work.</i>	✓ Ongoing strategic development of the approach	<i>Ongoing work to develop the strategic approach, working with central government to enable scaling.</i>
✓ A named Strategic Responsible Officer – Executive Level	<i>Receive escalation of strategic issues and dispute resolution.</i>	✓ Service mapping – ability to understand the flex and bend of provision	<i>Independent support to undertake a detailed mapping exercise of all the services caught by your local integration board and decision making routes, e.g. contract scope, targets (waiting lists) etc</i>
✓ A named Lead Officer Local Integration – Director	<i>Named lead officer, attending regular meetings.(monthly?). Input in the design of the pilot & resource allocation. Executive support to Chair of the Board.</i>	✓ Local Investment Fund development	<i>Resources allocated to establish a mechanism where areas share risk but also reward from engagement.</i>
✓ A decision making body is in place, able to perform as your Local Integration Board, meeting on a regular basis and more than 4 times a year	<i>Enables integration of services.. Coverage includes employment, skills, health and inclusion.</i>	✓ Evaluation framework	<i>An independent evaluation will measure the impact from your LIB.</i>
✓ An Operational Officer who will work within the Employment Working Group	<i>Working with the SCR Exec to develop and implement the Pilot.</i>	✓ Action Learning	<i>Strong links to the work at Greater Manchester offer the opportunity for Leads meetings (twice a year?) across the Pennines to share good practice and learning.</i>

Page 16

PHASE 2: IMPLEMENTATION (JAN – MAR)

ASK OF AREAS		OFFER TO AREAS	
<p>✓ Local Integration Strategy and Plan in place</p>	<p><i>With a common structure these will provide a focused plan for integrating the Key Worker service with wider local services. Providing more detailed information about governance structures, collocation opportunities, delivery processes, case conferences etc.</i></p>	<p>✓ Delivery Support</p>	<p><i>A central resource will work with the area leads to shape Local Integration Strategies and Plans.</i></p>
<p>✓ “Ask and Offer” documents</p>	<p><i>A strategic overview of how each authority will support the keyworker service to integrate with local services and their expectation from the providers.</i></p>	<p>✓ Governance framework</p>	<p><i>Toolkit including an outcomes framework, Terms of Reference Template</i></p>
<p>✓ Delivering the Pledge – bringing it to life</p>	<p><i>Workshop with Integration Board members considering what that means to them and what they need to do to achieve it. How will you collaborate? What are the roles of partner in case management</i></p>	<p>✓ Facilitated session with the board</p>	<p><i>Ability to have a facilitated workshop with your Integration Board focusing on how collaborative working will deliver outcomes.</i></p>
<p>✓ Co-location for Key Worker service</p>	<p><i>The ability to offer co-location to the Key Worker team</i></p>	<p>✓ Local Performance Reporting</p>	<p><i>You will receive regular performance reports linked to your geographical area to inform decision making and direction</i></p>

Page 17

PHASE 3: MOBILISATION (APR - JUN)

ASK OF AREAS		OFFER TO AREAS	
✓ Forward Plan and Pipeline for meetings	<i>Structure for meetings</i>	✓ Delivery Support	<i>An allocated Project Officer to support your meetings, collect and share performance information and reporting</i>
✓ Local Induction Programme	<i>Key worker team required to have a meeting in all areas at inception to share ask and offer and develop further</i>	✓ Knowledge transfer	<i>Programme of knowledge sharing sessions will be scheduled across the SCR and with Greater Manchester to capture learning and embed knowledge</i>
✓ Performance monitoring	<i>Information provided to central resource to support performance monitoring, reporting and evaluation</i>	✓ Performance management information	<i>This will be collected and reported on your behalf through a central resource and localised so you can see risks and opportunities</i>
✓ Embedding learning	<i>A plan for how you will ensure that the findings from the evaluation are embedded in improvements in your locality, and, how will you capture the broader outcomes from this approach and how will this feed in and influence broader services in your locality?</i>	✓ Evaluation	<i>Local level outcomes demonstrating impact from the intervention. Broader discussions about risk</i>

Page 18

SCR COMBINED AUTHORITY SKILLS, EMPLOYMENT AND EDUCATION EXECUTIVE BOARD

12th January 2016

SCR Capital – Rotherham Centre for Higher Level Skills

Purpose of Report

This paper provides an update to the Executive Board on the current status of the proposal submitted and provides a summary of the Moderation Panel feedback following the appraisal of the third iteration of the Full Business Case (FBC) which was re-submitted to the SCR Executive Team on the 8th October 2016.

In appraising the previous versions of the FBC, the moderation panel identified a number of significant weaknesses in the evidence provided in support of the strategic, economic and commercial cases. Further clarity was also requested regarding scheme costs and finances as the request was changed from a grant only scheme to a grant AND loan request in the second iteration of the FBC. The third iteration has clarified all of the above supported by strong evidence of employer engagement.

This paper asks that the Exec Board considers the progress to date and the moderation (Appendix 1) and appraisal panel (Annex 2) feedback.

Thematic Priority

The Business case for the Centre for High Level Skills is a cross cutting thematic priority primarily focussed on achieving priorities:

- 1. Ensure new businesses receive the support they need to flourish.*
- 2. Facilitate and proactively support growth amongst existing firms.*
- 3. Attract investment from other parts of the UK and overseas, and improve our brand.*
- 4. Increase sales of SCR's goods and services to other parts of the UK and abroad.*
- 5. Develop the SCR skills base, labour mobility and education performance.*
- 6. Secure investment in infrastructure where it will do most to support growth.*

Freedom of Information - No exemptions.

Recommendations

Consider and endorse progression of the Centre for High Level Skills to Full Approval and Award of Contract at a cost of £3,513,134, subject to the conditions set out in the Project Approval Summary Table attached at Appendix 2. Noting that endorsement of this recommendation is subject to approval by the SCR CA.

1. Introduction

- 1.1** The SCR appraisal panel is seeking the endorsement to proceed to Full Approval and Award of Contract of the Full Business Case (FBC) relating to the Centre for High Level Skills in Rotherham. This has been reviewed by the SCR Appraisal Panel;

Skills Capital Funding (LGF) – RNN Group Ltd – Centre for High Level Skills

2. Proposal and justification

- 2.1** Following the production of a Commissioning Prospectus for skills capital schemes, Rotherham College submitted a Strategic Mandate outlining their proposal for the development of a centre for higher level skills in Rotherham. The SCR Skills, Employment and Education Executive Board recommended to the SCR CA that this mandate progress to Outline Business Case at their meeting on 8th October 2015. This decision was ratified by the SCR CA at their Board Meeting 26th October 2015.

- 2.2** Rotherham College submitted a capital grant proposal at Outline Business Case (OBC) in December 2015. The amount of grant requested was £4,386,274 which equated to 40.1% of the total project costs of £10,965,685. Following moderation in February 2016 the RNN group re-submitted the OBC and a few days later the Full Business Case (FBC) in April 2016. The amount of grant requested was amended in line with moderation feedback to £3,524,800 (equivalent to 33.3% of the costs) however alongside this a new request was made for a £6,000,000 loan facility. Total project costs were also amended to £10,574,401 (from £10,965,685) by the scheme promotor.

Following a meeting with the Finance Director of RNN Group on the 5th July 2016 it was clear that there was no cause for us to support this project through additional loan funding so SCR Executive Team encouraged the scheme promotor to pursue the commercial finance route and seek an in-principle decision to coincide with the second re-submission of the FBC. They have done this.

- 2.3** The latest (8th October 2016) FBC requests grant funding of £3,513,134. Total project costs have been reduced again to £10,539,403 (from £10,574,401 and initial outline business case total costs of £10,965,685).
- 2.4** In accordance with the requirements of the SCRs agreed process for skills capital scheme appraisal (SCR Assurance and Accountability Framework March 2015) this scheme has been jointly appraised by a moderation panel including SCR Executive, a representative from the SFA national Property and Finance Team and a peer appraiser from a neighbouring Local Authority.
- 2.5** The project represents very good value for money with a GVA/£SCR CA of £4.7m, an SCR£/Job of £17,566 and an SCR£/people assist with skills of £3,314 (calculated over a 5 year period).

3. Consideration of alternative approaches

- 3.1** Alternative approaches including do nothing and do less were considered as part of the options appraisal in the Economic Case of the FBC, all of which were not viable alternatives or would significantly impact the value for money of the project.

Rotherham and North Notts (RNN) College group requested that the Local Authority and the SCR CA consider whether in addition to a 33% LGF grant for the scheme, that the SCR CA offer a repayable loan for the remainder or a proportion of the remainder of the balance of the scheme.

RMBC confirmed they would be a lender of last resort.

Following the review and consideration of a paper on the CA loaning to partner organisations prepared by the Deputy Director of the SCR Executive Team, the CA confirmed this was not an approach they would support.

4. Implications

4.1 Financial

Financial implications have been fully considered by a representative of the S151 officer and included in the recommendations agreed by the Appraisal Panel as presented in this report.

This scheme sees contributions to the total cost from the region, the college's own funds, and a private bank. The bank (who provide the majority of the funding) have made the college an offer contingent upon the college's own contributions and the region's going into the scheme first. As standard practice, the region would require all funding contributions to go into the scheme at the same time to manage risk.

However, in this instance the region would be content to provide resource in advance of the bank funding so long as the college's own funding advances at the same time. This would be subject to the bank committing to the credit facilities in advance of formal CA approval, with appropriate safeguards to the region linked to the bank's own covenants.

Endorsement is sought to progress the scheme business cases to Full Approval and endorse the entering into Contracts for the Centre for High Level Skills at a cost of up to £3,513,134.

4.2 Legal

Legal implications have been fully considered by a representative of the Monitoring officer and included in the recommendations agreed by the Appraisal Panel as presented in this report.

4.3 Risk Management

A detailed risk log has been prepared as part of the FBC which will form part of the regular contract review process.

The top 5 risks of the project at this stage are as follows :-

1. Failure to secure funding from the SCR CA – the scheme promotor has advised that the project cannot proceed without grant funding from the SCR CA.
2. Unknown ground conditions affecting the design – Intrusive survey to be conducted following desktop exercise.
3. Cost exceeds budget – professional consultants have been brought in early to ensure the design is developed in line with agreed budget and to ensure effective management of procurement and delivery of the project. Savings have already been made on the total scheme costs in between the outline and full business case submissions.
4. Construction related delays – buffer built into the programme to account for a degree of delays. Date moved from 2017 opening to 2018 opening which has mitigated this risk somewhat.
5. Failure to gain planning approval – pre-application meeting has taken place in a bid to support to validation of the planning application.

4.4 Equality, Diversity and Social Inclusion (Equality Act - Public Sector Equality Duty)

None as a result of this paper. Outcome reporting will include a breakdown of students attending the centre for high level skills which will include details on ethnic background.

There is some evidence within the latest FBC that the Scheme Promotor has considered diversity issues as national and local evidence of diverse communities participating in higher levels of learning and accessing higher level skills / jobs would point to diversity being a strong consideration in a scheme of this nature and for Rotherham.

The evidence provided in the FBC recognises that having a centre for higher level skills will increase participation in the Rotherham area which historically has lower than average participation rates when compared to regional and national figures. Higher education is currently available to many local residents which has contributed to inequality issues.

The scheme promotor will be monitoring learner information in line with their equal opportunities policy which is focussed on providing access to learners of all ages, backgrounds, ethnicities, beliefs, disabilities and sexual orientation.

5. Communications

- 5.1 The intention for this project is already out in the public domain as it forms part of the Rotherham Economic Plan 2015-2020. The scheme promotor has also provided a stakeholder management plan as supporting documentation to the FBC.

The scheme promotor has set out their intentions to create a project steering group involving key stakeholders within the LA area and SCR, curriculum advisory group and a number of sector based employer boards.

Detailed plans are on public display in the town centre campus.

The scheme promotor will continue to work with local community groups.

Details of the project plans along with loan information have been leaked to Rothbiz. The scheme promotor has confirmed the proposal is at the Full Business Case stage but has not offered any further information to Rothbiz - <http://www.rothbiz.co.uk/2016/11/news-5247-lloyds-loan-for-rotherham.html>

6. Appendices/Annexes

- 6.1 Appendix 1 – Moderation feedback

Appendix 2 – Appraisal Panel Feedback

REPORT AUTHOR	Roz Bentley
POST	Economic Policy and Delivery Officer
Officer responsible	Ruth Adams
Organisation	Sheffield City Region Executive Team
Email	Ruth.adams@sheffieldcityregion.org.uk
Telephone	0114 220 3442

Background papers used in the preparation of this report are available for inspection at:

[N:\PROGRAMMES\SKILLS\SKILLS CAPITAL\RNN GROUP - ROTHERHAM COLLEGE](#)

[N:\PROGRAMMES\SKILLS\SKILLS CAPITAL\RNN GROUP - ROTHERHAM COLLEGE\FBC\FBC 8 October 2016](#)

[N:\PROGRAMMES\SKILLS\SKILLS CAPITAL\RNN GROUP - ROTHERHAM COLLEGE\FBC\FBC 8 October 2016\ADDITIONAL CLARIFICATION](#)

[N:\PROGRAMMES\SKILLS\SKILLS CAPITAL\RNN GROUP - ROTHERHAM COLLEGE\Loan\CA paper on loans v5.docx](#)

Other sources and references:

- SCR Skills Capital Prospectus
- SCR Assurance and Accountability Framework
- SCR CA Meeting – 8th October 2015
- SCR CA Meeting – 12th September 2016
- SCR SEB – 26th October 2015
- SCR SEB – 14th July 2016

Scheme Promotor	RNN Group Limited
Project Title	Centre for Higher Level Skills
Project Cost	£10,539,403 (Previous FBC was £10,574,401) (OBC was £10,965,685) Total cost inclusive of land valued at £350k/50% funded by RMBC
Grant Requested	£3,513,134 (33%) FBC submission 2 = £3,524,800 (33.3%) OBC was £4,400,000 (40.1%)
RNN Group project contribution (from reserves)	£1,026,269
Loan Requested from Bank	£6,000,000 (Lloyds Bank – Revolving Credit Facility)
Appraisal Panel date	29 th November 2016

Timeline

- **OBC received – 17th December 2015**
- **OBC Moderation – 8th February 2016**
- **OBC to SEB – 25th February (recommendation made to re-submit OBC with potential to submit FBC at the same time)**
- **OBC re-submission received – 12th April 2016**
- **FBC received – 18th April 2016**
- **Re-submission of the FBC – 10/13th June 2016**
- **Appraisal Panel – 14th June 2016**
- **Re-submission of the FBC – 8th October 2016**
- **Appraisal Panel – 29th November 2016**
- **FBC and recommendations to the SEB – 12th January 2017**

Recommendation of the SCR Appraisal Panel

The opinion of the SCR Appraisal panel is that following the third iteration of the FBC this project proposal should proceed for endorsement to the Skills, Education and Employment Executive board with a view to seek formal recommendation and agreement by the SCR Combined Authority.

Please note that there are a number of documents within the proposal that may/will require amendments as more up to date information is available (e.g. learner numbers breakdown by curriculum area and qualification). The SCR exec team contract manager will ensure these are updated and feedback given to the Skills, Education and Employment Executive and the Combined Authority board as and when may appropriate. It is worth noting there is nothing outside of what would constitute normal contract management processes involved.

The scheme will only be considered by the Combined Authority on confirmation of the loan facility. Please see actions at the end of the document.

Explanation of the appraisal process

The SCR Skills Executive Board, issued the SCR Skills Capital Fund Prospectus. As part of the approved assurance process of the SCR CA and LEP board, a SCR Appraisal Panel, comprising SCR officers, SCR

Finance, SCR Legal, SCR Policy, national SFA finance and a Peer Local Authority is constituted to appraise schemes submitted for funding.

Specifically the Skills Funding Agency assess the property, financial and affordability elements, of submitted schemes, utilising national baselines, prior to making a recommendation to the wider SCR Appraisal Panel, the SFA assess 5 key estates elements relating to:

- Eligibility of overall project costs, including project tenure/ acquisition arrangements
- Ability to meet project delivery timescales,
- Addressing poor quality estates condition
- Estates rationalisation
- Alignment to estates strategy

A review of the net present value, affordability, value for money/ efficiency savings and project risk has also been undertaken where applicable.

Assessment of the application has been undertaken by SCR colleagues. Internal moderation and peer review work has been undertaken to ensure a consistency of approach in the assessment and scoring process. This is in line with the approved SCR Assurance and Accountability Framework.

Feedback

Appendix 6 refers to all previous feedback submitted at both OBC and the 2 FBC stages prior to this submission. All actions have been completed in terms of previous feedback.

Strategic Case

The FBC confirms that L3 provision will not be displaced. L3 information is included within the proposal as evidence that the scheme promotor will be increasing numbers of L3 programmes to provide a pathway through to L4 provision at the HE centre. This is backed up by evidence of employer engagement.

An external survey on local employers has been undertaken by J2Profit which includes consideration of the apprenticeship levy. 175 employers responded. The information included supports the curriculum areas the scheme promotor is proposing.

A number of employers have sent in letters of support for the project with permission for the SCR LEP to contact them should we wish. The employers in question are also those who have supported the inclusion of their company case study within the FBC.

Evidence provided states the average travel to learn pattern of Rotherham residents to learn is around 6 miles.

Public/Private Collaboration

It is clear that since the previous iteration of the FBC (version 2) a considerable amount of work has been undertaken around employer engagement within the local authority area and there are some really good examples and case studies supplied with the application to evidence this at appendix 7. One of the employers (ALcontrol) has also been working very closely with the Enterprise Adviser Network. In this particular case study the employer has noted the issues they face with employing

and keeping staffing as the roles are specialised. They have a really bad staff turnover as their employees are in the main currently coming from outside the region or in the majority of cases from another country. The scheme promotor has been and will be working with this employer to develop provision within the laboratory sciences sector to plug a gap they have to enable them to train and develop current staff as well as be able to offer jobs to local people.

Another example given is from a local glass employer who has an ageing workforce but also has issues in developing staff due to the company operating on a shift pattern basis. The scheme promotor is working this through with them by mapping training needs of the company with a view to reviewing how they could 'flex' the curriculum to accommodate the employer requirements.

Stakeholder map included at appendix 3 and governance model included at appendix 7.

The planned curriculum has been revised following employer consultation and included at Appendix 7. Planned courses for new areas of provision have been included and may be subject to some small changes as the project moves forward. There are also numbers omitted from certain sector subject areas while this is being worked through by curriculum leads. Updates on this will be included as part of regular contract reviews with the SCR contract manager. The scheme promotor has also included a breakdown by level backed up by the evidence collated as part of their employer engagement strategy.

Economic Impact

The centre will focus on the following sectors – Health and Social Care, Construction, Business and Leadership, Manufacturing and Design and Creative and Digital Arts. Provision will be from L3 to L7.

Appendix 14 includes a copy of the data analysis undertaken as part of the Area Based Review process which has been considered in terms of the local offer as so as to avoid duplication. It is clear from this analysis that the majority of courses currently offered by the scheme promotor (and other colleges who are and will be part of the group in coming months) are at L2.

Copies of board papers included in relation to the recruitment of 16-18 year olds as the scheme promotor has seen a decline in recent years. Restructures of internal teams has been undertaken in order to put further resource into working directly with schools within the Rotherham area and inform the pipeline.

Curriculum profiles included within appendix 9 which include sector based information as well as headline numbers.

The scheme promotor has worked with RMBC with a view to being able to provide training and qualifications in relation to safeguarding/prevent.

A vector analysis has been included within the submission which shows that the scheme promotor is delivering significantly less adult apprenticeships on average than other FE colleges. It also confirms that on average a higher proportion of Rotherham residents are from disadvantaged backgrounds (43% from most 3 deprived bands) against FE colleges at 30% and HE institutions at 20%.

Deliverable	Total for Scheme (All years)
Outputs	
new commercial floor space	3,300sqm
Brownfield site/land unlocked	0.38 ha
Outcomes	
net new or safeguarded jobs accommodated (to 2025)	200 new/40 safeguarded
GVA (over 25 years)	£175 - 202m
GVA (to 2025)	£16.5m
People Assisted with Skills	1,060 (5 year period)
People Assisted into work	200
Businesses engaged	500
Businesses assisted	216
Employers engaged in training	184
New business start ups	32
Increase in Apprenticeships	200
Increase in employment rate	901
Progression to higher level skills and increase in earnings	600

Outputs, outcomes and results

Breakdown in terms of sector subject areas and qualifications will be monitored as part of normal contract management processes.

Estate Gateway

Signed HoT document has been included at Appendix 19. Leasehold agreement will not be signed until confirmation of grant funding has been given.

In previous feedback we have requested a copy of an up to date estates strategy, this has been included as an interim document at Appendix 15 due to the upcoming merger with Dearne Valley College. An updated strategy will be provided during quarter 2 of 2017/18 when the merger has been completed.

LMI and curriculum plan included within Appendix 7.

Previous moderation feedback has raised questions around why the best option is for a new building and not re-modelling of existing space within the college. The response to this is three-fold: the scheme promotor plans to increase the numbers of L3 qualifications to ensure there are pathways for learners to progress, the scheme promotor intend to use the new building for new courses only so there will be some use of specialist facilities in other buildings for courses already in existence and the scoring criteria has been revised within the proposal at appendix 15.

BREEAM pre assessment included within appendix 17 where additional points have been noted that will ensure the project is designed and costed to deliver BREEAM excellent. See para 5.8 within the full business case template (page 41) where this has been confirmed.

Financial Assessment

Spend profile included within appendices but funding included within quarter 3 and quarter 4 of 2016/17 which is unrealistic given the timeframe for agreement and endorsement by the Skills, Education and Employment Executive and subsequent Combined Authority meeting. Profile will require further amendment to timescale.

Confirmation received that the £109k referred to in the previous FBC is in fact an increase in costs and not savings as is the line it has been included in.

Funding interdependencies have been clarified. There is an expectation that some of the current and continuing higher education programmes the college offers will be in receipt of funding by HEFCE. The rate of funding has been assumed as flat profile/static.

Loan considerations are included at Appendix 21. The process has been led by Finanalysis. The scheme promotor has included a copy of the paper to be presented to the governors meeting on the 13th October 2016. Confirmation will be required by way of minutes from the meeting to confirm the outcome of the recommendations. TO NOTE: proposal also includes further loan amount of £4.5m so that the scheme promotor can pay off an outstanding loan they have with RMBC.

The scheme promotor has confirmed that the figure of £5,900 per academic year has been derived by calculating a unit cost for HE provision delivered by the same type of organisation as the scheme promotor. Examples given are Bradford at £6,000 and Kirklees at £5,900.

Other areas of clarification

The scheme promotor has plans to offer a suite of qualifications in relation to safeguarding and prevent.

Clarity given on the role of HE partners within the proposal - SHU and Hull University are awarding bodies for the existing offer. The scheme promotor has also confirmed involvement in the successful SHU DADF funding application.

State aid statement included from the scheme promoters solicitors at appendix 20.

Planning consent will be applied for in December 2016/January 2017. The scheme promotor has advised this will be submitted following endorsement by the Skills, Education and Employment executive board.

YORbuild will be used as the OJEU complaint framework for procurement.

A governance structure has been provided including reporting lines for the curriculum boards whose main remit is to keep up to speed with the industry and engage with employers within the industry.

Further things to note/General Feedback

Further requests to be made to scheme promotor/for consideration/further discussion

- **Copy of the minutes from the governors meeting on the 13th October confirming the recommendations made by governors in relation to the bank loan. COMPLETED. ALSO SUPPLIED UPDATED TERMS FROM LLOYDS BANK IN RELATION TO THE LOAN FACILITY.**

- Timeline on page 49, section 7 under 'key milestones' needs to also include the wider evaluation dates referred to within the FBC. These are mid-point in 2019, post occupancy in 2021 and post project in 2026. These will be included within contract schedules. **COMPLETED.**
- State Aid – requested refresh on the 22nd November 2016. Clarification required that the statement in question applies to both the grant funding and the fact that RMBC have given the scheme promotor a 50% reduction in the land value (£175k). **COMPLETED.**
- Page 50 – timeline not correct, needs updating/amending. **COMPLETED**
- Capital Strategy – confirmed this will be refreshed in quarter 2 of 2017/18 following the merger with Dearne Valley College. Need to ensure this is completed by including within the contract schedules/project highlight report/timeline. **TO NOTE.**
-

Next steps

- Proceed for endorsement by the Skills, Education and Employment Executive Board.
- Following endorsement by the Skills, Education and Employment Executive Board proceed to agreement to full contract by the SCR Combined Authority Board.

Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Skills, Employment and Education	Strategic Case	<p>The Business case for the Centre for Higher Level Skills is a cross cutting thematic priority primarily focussed on achieving priorities:</p> <ol style="list-style-type: none"> 1. Ensure new businesses receive the support they need to flourish. 2. Facilitate and proactively support growth amongst existing firms. 3. Attract investment from other parts of the UK and overseas. 4. Increase sales of SCR's goods and services to other parts of the UK and abroad. 5. Develop the city regions skills base. 6. Secure investment in infrastructure where it will do most to support growth <p>With a strong focus on 5.</p>	Funding	LGF
Project Name	Centre for Higher Level Skills	Value for Money	The fund is envisaged to achieve a GVA / £ SCR CA fund invested of £4.7m and a SCRCA £ per job of £17,566 and SCRCA £ per people assisted with skills of £3,314 (calculated over a 5-year period).	Approval Requested	Full Approval and Award of Funding
Scheme Promoter	RNN Group Ltd	Risk	<p>The grant requested represents 33% of the total building cost.</p> <p>Risk registers have been provided and will be updated as part of normal contract management processes and during contract review meetings with the scheme promotor.</p>	Grant Award	£3,513,134
SCR Funding	£3,513,134			Grant Recipient	RNN Group Ltd

Total Scheme Cost	£10,539,403	State Aid	<p>A state aid statement has been submitted advising that the scheme promotor will not receive or grant unlawful state aid as a result of receiving this grant.</p> <p>The scheme promotor has confirmed there is also no state aid implications in relation to the discounted cost associated with the land.</p>	Payment Basis	Grant claim based on defrayal.
% SCR allocation	33%	Delivery	<p>The fund will be delivered using the existing arrangements in place to manage the skills capital fund.</p> <p>The project will be managed by the Director of Estates and a newly appointed Director of Higher Education Programmes. The Director of Estates will be the main point of contact for the build and the Director of Higher Education will have a lead in terms of the numbers of students attending the centre.</p>	Claw Back Clauses	<p>Recommended. Link to learner numbers attending the centre.</p> <p>Clawback of 30% based on learner number outcomes.</p>
Description				Conditions of Award	
				<ol style="list-style-type: none"> 1. BREEAM Excellent. 2. Use total learner numbers with the split of 200/860 as a guideline in terms of the split between higher and degree apps and 'other' HE courses. 3. Funding profile is within 2017/18 financial year. 	
				Appraisal Panel Recommendation	

The project is for the building of a 3,300sqm centre for higher level skills in Rotherham. The centre will offer an employer driven curriculum providing the skills and competency training provision that best meets the needs of the local economy and is focussed on key growth sectors.

The curriculum offer will focus on higher level vocational training, apprenticeship, degree apprenticeships and foundation degrees. The Centre for High Level Skills will also be used to deliver full cost commercial Training, host small conferences (aimed at employers and learners at the centre), seminars and other stakeholder activity such as business, skills and employment groups.

The wider curriculum offer will be focused on the following sector subject areas:

- Health and Social Care
- Construction and facilities management
- Manufacturing and Engineering (with a focus on glass, packaging and print industries)
- Business and Finance
- Leadership and management
- Creative and Digital Industries

Consider and endorse progression of the Centre for High Level Skills to Full Approval and Award of Contract at a cost of £3,513,134, subject to the conditions set out in the Project Approval Summary Table above. Noting that endorsement of this recommendation is subject to approval by the SCR CA.

Deliverable	Total for Scheme (All years)
Outputs	
new commercial floor space	3,300sqm
Brownfield site/land unlocked	0.38 ha
Outcomes	
net new or safeguarded jobs accommodated (to 2025)	200 new/40 safeguarded
GVA (over 25 years)	£175 - 202m
GVA (to 2025)	£16.5m
People Assisted with Skills	1,060 (5 year period)
People Assisted into work	200
Businesses engaged	500
Businesses assisted	216
Employers engaged in training	184
New business start ups	32
Increase in Apprenticeships	200
Increase in employment rate	901
Progression to higher level skills and increase in earnings	600

Record of Approvals					
Northern Gateway					
Appraisal Panel		Executive Board		CA	
Date of Meeting	29/11/2016	Date of Meeting	12/01/2017	Date of Meeting	30/01/2017
SCR Officer Presenting Paper	Roz Bentley	SCR Officer Presenting Paper	Ruth Adams	SCR Officer Presenting Paper	Ruth Adams
Signature		Signature		Signature	
Approving Officer	Gareth Sutton	Approving Officer		Approving Officer	
Signature		Signature		Signature	
Date		Date		Date	

Full Business Case Appraisal Summary



ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)

ALL FBC DOCUMENTS ARE SAVED [HERE!](#)

This project proposed is for the development of a new centre for higher level skills in Rotherham. This will be a newly built provision at a vacant brownfield site at Doncaster Gate. The total project costs are £10.57m; of which; the scheme promotor is asking the SCR to approve grant funding for £3.51m.

The centre will provide higher level skills and education focused on the delivery of higher and degree apprenticeships, short courses and foundation degrees. Degree awarding powers will be provided by the scheme promoters 2 existing higher education partners, Sheffield Hallam University and Hull University.

The proposed curriculum at the centre has been designed in direct response to extensive employer consultation and will focus on the following areas:

- *Management and leadership*
- *Business and Finance*
- *Sales, marketing and customer service*
- *Technical construction and facilities management*
- *Health and social care - particularly around new skill sets for multi-disciplinary working and management and practice in relation to safeguarding of children and vulnerable adults.*
- *Nursing, including new work based routes to qualification*
- *Health and other laboratory sciences*
- *Design engineering and manufacturing (with a particular focus on the packaging sector)*

Full Business Case Appraisal Summary



Please summarise your assessment of the scheme's Strategic Case and set out any recommendations.

The strategic case focuses around the lack of higher level skills currently available in the local authority area of Rotherham and how having a centre for higher level skills will plug this gap. Local higher level skills training will enable innovation and business growth, increase opportunities for local people, increase attainment and impact positively on the quality of life for the people of Rotherham and surrounding areas.

The objectives of the scheme promotor are therefore to utilise skills capital funding to support the delivery of 3,300sqm of new floor space which will accommodate a minimum of 1,060 students (modelled 5 year figure/to 2023) and will contribute GVA of between £175-202m over a 25 year period (or £16.5m to 2025) to the local economy.

The curriculum has been developed with extensive employer consultation and includes higher level skills in key areas of economic activity, supports better opportunities for local people in work as well as increasing productivity and the GVA impact of local employers.

Links to SCR vision and ambitions:

1. Developing strengths in new economic sectors - provision of specialist higher level skills in manufacturing sectors (emphasis on paper, print and glass).
2. Increasing the skills levels of Rotherham residents (contribution towards the SCR target of an additional 30,000 highly skilled occupations).
3. Increased business and leadership provision which supports entrepreneurship, business start-ups and business scale ups (contributes to the SCR target of 6,000 new enterprises).
4. Higher level skills will enable better progression for those already in work as well as new entrants into the market. The progression of existing workforce also enables better succession planning by employers which will need to 'backfill' roles with new entrants as employees acquire higher level skills and move into more senior roles. Some early conversations with employers in Rotherham have raised succession planning as a major concern within certain manufacturing sectors.

The Business case for the Centre for Higher Level Skills is a cross cutting thematic priority primarily focussed on achieving priorities:

1. *Ensure new businesses receive the support they need to flourish.*
2. *Facilitate and proactively support growth amongst existing firms.*
3. *Attract investment from other parts of the UK and overseas.*
4. *Increase sales of SCR's goods and services to other parts of the UK and Abroad.*

Full Business Case Appraisal Summary



5. *Develop the city regions skills base.*
6. *Secure investment in infrastructure where it will do most to support growth*

The scheme promotor has also made links to other SCR priorities, for example the building of new homes under the SCRIF programme and the fact the higher skills curriculum will include development of new apprenticeship standards in level 4+ construction skills. These will sit alongside the traditional qualifications offered and will have a focus on the technical aspects of construction such as design, quantity surveying, building engineering and project management.

Please summarise your assessment of the scheme's Commercial Case and set out any recommendations.

The full business case submitted has included evidence that the scheme promotor has undertaken employer consultation with just under 200 businesses in the Rotherham area (175 via telephone/20 face to face). The results confirm that there is no significant, accessible or consolidated higher education skills offer within the Rotherham area; more specifically though; that the availability of the curriculum areas identified as priorities by local employers is lacking or that the progression beyond level 2 has previously been non-existent and as such is impeding progression of students within the college and local area.

The scheme promotor has also included within the submission a number of appendices which support employer requirements versus what is currently available within the area and has mapped out the requirements to 2023 in the development of the curriculum. There is also mention of the development of new trailblazers in the sector subject areas of construction, health and social care and leadership and management.

Although there is an acknowledgement it is early days in terms of mapping through the individual workforce requirements in detail with a number of the employers in Rotherham the scheme promotor has included a number of business cases within the submission detailing individual employer training requirements.

Specific partnerships have been made in the following sectors:

Construction – Keepmoat, Wilmott Dixon and Mears

Health and Social Care – Rotherham Foundation Hospital Trust, Chesterfield and Bassetlaw Health Trusts and Mears (Care) group.

Creative and Digital – SCR CDI sector group

Manufacturing and Engineering – Cepac, ALcontrol and Beatson Clark.

Professional Services/Facilities Management/Management – Keepmoat, Mears, Wilmott Dixon and ALcontrol.

Full Business Case Appraisal Summary



Please summarise your assessment of the scheme's Economic Case and set out any recommendations.

The presence of a 'state of the art' higher level skills centre in Rotherham aims to widen participation amongst young people (as well as adults); especially for those with potential to enter higher education but are either under achieving, are first family HE entrants or are from underrepresented groups as well as catering for those already in work, but require further career development training or upskilling so they can progress.

At 39% Rotherham lags behind sub-regional (43%), regional (49%) and national (48%) higher education participation rates. A level point scores demonstrate that there is no indication that Rotherham is lacking in residents who are academically able to move into level 4 and above provision.

On average a higher proportion of Rotherham residents are from disadvantaged backgrounds (43% from most 3 deprived bands) against FE colleges at 30% and HE institutions at 20%.

Data analysis undertaken as part of the Area Based Review process has been considered in terms of the local offer so as to avoid duplication. It is clear from this analysis that the majority of courses currently offered by the scheme promotor (and other colleges who are and will be part of the group in coming months) are at L2 so progression above this is very limited. Provision at the centre for higher level skills will be from L4 to L7 but a fall out of the planning process has resulted in a review of curriculum at L3 so that the Rotherham offer ensures a seamless progression pathway.

The centre for higher level skills will support a local workforce with the skills local employers have told the scheme promotor they need supported by a curriculum employers are involved in designing. An outcome of this is the expectation that improved work skills and competency development will result in better opportunities for those people in work which in turn will increase productivity and the GVA impact of local employers. The centre 'offer' will also include a tailored leadership and growth pathway which is aimed at small business owners and managers.

The scheme promotor has engaged with over 200 employers in Rotherham and the surrounding areas who have fed back that there is a lack of local candidates for posts they may have which require higher level skills. The lack of higher level provision makes progression for local people in work more difficult as they are less likely to travel further afield to do any training.

The scheme promotor has modelled the learner numbers to include 200 higher and degree apprenticeships but has also acknowledged the apprenticeship reforms and the impact of the apprenticeship levy so expects that these numbers may increase as the reforms are embedded.

Full Business Case Appraisal Summary



On-going review of the split between apprenticeships and 'other' higher education will need to form part of the regular contract review process as this will have an impact on the number of jobs the scheme promotor has detailed within the full business case.

Outcomes

Outcome Measures <i>This must relate to the outcomes outlined in the SEP / business plan for the programme area</i>	Scheme Targets by Year				
	All years	August/ July 2018/19	August/ July 2019/20	August/ July 2020/21	August/ July 2021/22
Increase in commercially focused and paid for training	184	32	40	50	62
Increase in employment rate	901	127	170	255	349
Progression to higher-level skills and increase in earnings	600	100	125	150	225
Increase in employers engaged in training	184	32	40	50	62
New businesses	32	4	6	8	12
New / Additional Higher Level Apprenticeship Provision	200	30	40	50	80
People assisted to develop skills	1,060	150	200	300	410

The fund is envisaged to achieve a GVA / £ SCR CA fund invested of £4.7m and a SCRCA £ per job of £17,566 and SCRCA £ per people assisted with skills of £3,314 (calculated over a 5-year period). The project will contribute GVA of between £175-202m over a 25 year period (or £16.5m to 2025) to the local economy. GVA modelling is included within appendix 11 of the full business case.

Full Business Case Appraisal Summary



Please summarise your assessment of the scheme's Financial Case and set out any recommendations.

The college has an existing loan with RMBC for £4.5m which is to be transferred to Lloyds along with a revolving credit facility for the £6m contribution to the building costs of the centre.

The scheme promotor has confirmed the project is unviable without 33% of investment/grant from the SCR. The balance of the total project costs are made up of a loan plus £175k of discounted land costs from RMBC.

The project generates a strong +ve NPV which is better than the base case option. The preferred option NPV is driven by increased HE income.

The financial plan shows the financial health as outstanding in the 2018/19 financial year. The college is forecasting an operating surplus. The current ratio is forecast to be 1.75 with cash balance of £10.5m (79 cash days). Total borrowing forecast to be £10.4m which is 25% of the income. From the information presented within the financial plan the project appears to be affordable at the requested grant rate of 33%.

Need to note that the scheme promotor will be merging with another further education college in February 2017. This is not expected to have a negative impact on the financial health of the scheme promotor.

All costs/grant will be claimed during the 2017/18 financial year.

Full Business Case Appraisal Summary



Please summarise your assessment of the scheme's Management Case and set out any recommendations.

The management of the fund will be subject to the normal contract management processes of the Skills Capital Fund (Local Growth Fund – LGF). Monthly contract review meetings will be held with the Director of Estates and Director of Higher Level Education and Training throughout the build process.

State Aid – refreshed state aid statement to be submitted. The scheme promotor has been asked to make it clear that both the grant amount and the reduced land cost have both been state aid assessed as this is not clear in the current version.

Risk – risk register supplied with the full business case which will be monitored and updated on a monthly basis. Top 5 risks currently relate to the agreement of grant funding.

Evaluation – to be undertaken at 3 main points. Mid-point (2019), post occupancy (2021) and post project evaluation (2026). The scheme will report via the Logasnet reporting system and this will continue throughout the duration of this fund investment. Other headings in line with the Strategic Economic Plan (SEP) will also be monitored. These include but are not limited to the following:

- Numbers of employers engaged
- Number of employers supported
- Total number of learners
- Number of employed learners
- Attainment levels
- Progression information
- Business assists
- GVA impact
- Number of apprenticeships
- New jobs created
- New business start ups

Full Business Case Appraisal Summary



Summarise your overall assessment of the scheme and recommendations for SCR.

Following the third iteration of the FBC this project proposal should proceed for endorsement to the Skills, Education and Employment Executive board with a view to seek formal recommendation and agreement by the SCR Combined Authority to proceed with a contract.

Please note that there are a number of documents within the proposal that may/will require amendments as more up to date information is available (e.g. learner numbers breakdown by curriculum area and qualification). The SCR exec team contract manager will ensure these are updated and feedback given to the Skills, Education and Employment Executive and the Combined Authority board as and when may be appropriate. It is worth noting at this stage there is nothing outside of what would constitute normal contract management processes involved.

A moderation document has been prepared and will be shared with the scheme promotor following appraisal panel review and recommendations.

SKILLS, EMPLOYMENT & EDUCATION EXECUTIVE BOARD

12th January 2017

SKILLS & EMPLOYMENT DEVOLUTION & PROGRAMME UPDATE

Purpose of Report

The purpose of this paper is to give the Skills, Employment & Education Board an update on key aspects of the Devolution Deal in relation to Skills and Employment and activity on current key programmes.

Thematic Priority

The work undertaken as part of the Area Based Review in terms of stabilising the financial position of the FE sector, directly supports the SEP thematic priority of 'Developing the SCR skills base, labour mobility and education performance', by ensuring we have a responsive and robust FE sector.

Freedom of Information

This paper is not exempt under [Part II of the Freedom of Information Act 2000](#)

Recommendations

The board is asked to review the update and comment on any proposed action in relation to identified challenges/issues.

1. Introduction

1.1 The Devolution Deals agreed in 2015 detailed where and how the Sheffield City Region (SCR) Combined Authority (CA) would have control or greater influence over key Government budgets in relation to the provision of skills and employment support.

1.2 The papers included as Appendix 1, 2 and 3 provide further detail on the following

Appendix 1 – Area Based Review Implementation

Appendix 2 - Employability Pilot

-Work and Health Trial

-Work and Health Programme (co-design)

Appendix 3 - Skills Bank Dashboard

2. Proposal and justification

2.1 The 2015 Devolution asks aimed to join together a fragmented skills and employment system to provide a joined-up response to economic challenges in our region.

2.2 The Deals SCR secured with Government included:

-Growth Deal funding to implement an employer driven 'Skills Bank' with a focus on investment of funds for training with employers who can demonstrate growth (March 2015)

-Devolution of the Adult Education Budget in 2018/19. This budget provides passport qualifications (first level 2/3 for those who didn't achieve them in mainstream 11-18-year-old education, English and maths qualifications, support for unemployed people to move into employment and learning for those from disadvantaged communities)

-Co-design of the national Work and Health programme in SCR

-Ability to design a local Employment Support programme

-Commitment to an Area Based Review of post 16 education with the Combined Authority and stakeholders taking forward recommendations from the review

Separate from the Devolution deal we also secured funding from the Work and Health Unit (one of only two devolution areas) to develop an innovative trial which looks at employment in relation to key health conditions.

2.3 Progress with DWP, the SFA and what is now DfE (BIS moved into DfE following the cabinet re-shuffle) has been challenging at times and there continues to be elements that we have pushed back to Government on or where progress hasn't been at the rate or scale we anticipated.

2.4 The attached Appendices' provide further detail in relation to progress around the individual elements of Devolution and where issues or challenges are.

3. Consideration of alternative approaches

3.1 *Not Applicable*

4. Implications

4.1 Financial

Not Applicable

4.2 Legal

Not Applicable

4.3 Risk Management

Not Applicable

4.4 Equality, Diversity and Social Inclusion ([Equality Act - Public Sector Equality Duty](#))

Not Applicable

5. Communications

5.1 Progress on the implementation of recommendations following the Area Based Review have already been communicated via a Press Release following the formal publication of the Report by Government. This was signed off by the Combined Authority and all stakeholders.

A Press Release has also been issued in relation to the Work and Health Unit Trial

Press Releases will also be issued in relation to the Employability Pilot once we have received a formal decision from Government.

6. Appendices/Annexes

6.1 Appendix 1 – Area Based Review Implementation

Appendix 2 - Employability Pilot

-Work and Health Trial

-Work and Health Programme (co-design)

Appendix 3 - Skills Bank Dashboard

Appendix 4 – Adult Education Budget

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Background papers used in the preparation of this report are available for inspection at:

Other sources and references:

Appendix 1

Sheffield City Region Devolution Update

Devolution Area:	Implementation of Area Based Review
<p>Progress Update:</p> <p>In July 2015, the government announced a rolling programme of 40 local Area Based Reviews, to be completed by March 2017, covering all general further education and sixth-form colleges in England.</p> <p>The reviews were designed to ensure that colleges were financially stable in the longer-term, that they were run efficiently, and were well-positioned to meet the present and future needs of individual students and the demands of employers.</p> <p>Sheffield City Region took part in the first wave of Area Based Reviews between September 2015 and July 2016. In scope were six General Further Education (FE) Colleges and two Sixth-Form Colleges. We were the second region to successfully conclude its review with a set of agreed Recommendations.</p> <p>The review considered all aspects of the FE landscape including; curriculum offer, estates, quality, travel to learn patterns and finances. The recommendations made by the ABR focused on maintaining a financially resilient FE Sector and supporting the SCR LEP/CA by developing an educational offer that supported growth and aspirations of the regions.</p> <p>Recommendations from the review which were signed up to and agreed by all participants at were as follows:</p> <ul style="list-style-type: none">•Dearne Valley College and the RNN Group to merge•Barnsley College and Doncaster College to merge, subject to a successful application to the restructuring facility, should this be required to address debts presenting a barrier to the merger•Sheffield College to continue as a stand-alone college for the short to medium term.•Thomas Rotherham College and Longley Park Sixth Form College to explore joining a multi-academy trust in their locality.•Barnsley College, Chesterfield College, Dearne Valley College, Doncaster College, the RNN group, and Sheffield College to develop their strategies for the delivery and growth of apprenticeships, responding to the priorities agreed through the review.•An implementation group to be formed to support and monitor delivery of the recommendations of this review.•The Combined Authority/LEP to commission full curriculum mapping of all post 16 education in the Sheffield City Region.•To strengthen governance within institutions across the city region, the Combined Authority/LEP commits to support governing bodies in identifying individuals from the private sector to become college governors <p><i>Activity:</i></p> <p>Work on the recommendations began in earnest following the conclusion of the ABR with the establishment of an ABR Implementation Steering Group, chaired by an Independent Chair (David Cragg OBE/CBE) and consisting of representatives from the SCR LEP/CA, all Colleges and 6th Forms, Local Authorities, SFA and EFA. This group has now met twice with the latest updates on the recommendations outlined below:</p>	

The RNN/DVC merger is progressing well with due diligence undertaken by both Colleges and a public consultation, DVC have issued TUPE letters and are soon to issue new staffing structures. A proposed merger date for the 1st Feb has been set with all indications that this will be met.

Following further Due Diligence on the Doncaster/Barnsley merger the decision was taken by Doncaster's Board of Governors not to progress with the merger. Both Colleges are still open to collaboration and are exploring other options

Longley Park Sixth-Form are exploring joining a local Multi Academy Trust which will provide education for 2-19 year olds. A draft application will be submitted by the end of the week commencing 12th Dec with processes in place for the Academy to start in January. Thomas Rotherham are still exploring options as the Board has been unable to come to a decision (they hope this to be concluded in January).

The ABR Implementation Steering Group approved the proposal laid out by the SCR Executive Team to adopt a phased approach to the Curriculum Review focusing initially on STEM related occupations at Level 3 and above. This was with a view to the review having more impact if actions and recommendations were in manageable bite sized chunks and allows a blue print for further reviews to developed.

The review will consist of mapping of available provision to key occupations and a sizeable element of fieldwork to understand in more detail the staff, facilities and employer engagement that sit alongside delivery.

A grant application has been submitted to the Gatsby Charitable Trust to fund the first phase of the review with a projected plan to issue an Invitation to Tender on the 15th Dec to procure an organisation to undertake the review, with a view to appoint in late Jan and the review starting early Feb.

Conversations with the Education Training Foundation are also taking place to explore the possibility of an SCR led pilot into Staff Development as an off shoot of the review process.

Work on development of a shared Apprenticeship company gained momentum following the successful submission to the Restructuring Fund of an application for £50,000 to support the development and legal work required in the initial scoping out and design of the company.

A procurement exercise for an organisation to undertake this initial scoping work concludes week commencing 12th Dec with two organisations invited for formal interviews.

Sheffield City Region Devolution Update

Devolution Area:	Employment growth (to the 30th November 2016)
<p>Progress Update:</p> <p>Generally the pace of development in this policy area is building, all business cases have been developed in active local partnership working with Government Departments and are now with Government for final decision, if successful this will bring approx. £20m of additional investment in to the SCR over the next 3 years.</p> <ul style="list-style-type: none"> <p>• Work and Health Programme</p> <p>Active engagement in the development of the Umbrella Agreement for the Provision of Employment Health Related Services (UAEHRS) through which the Work and Health Programme will be procured in 2017. The SCR were part of the tender assessment process and moderation of the proposals. Once established the Combined Authority will also be able to procure work and health related services through it. We will continue involvement across the next year as the Invitation To Tender for the Work and Health Programme launches as part of the procurement process and then with an ongoing role in the performance management of the awarded contract.</p> <p>• Devolution Deal Employment Pilot</p> <p>Partners were involved in an appraisal panel meeting against our submitted Business Case for £11m investment into the programme from DWP. Senior representation was involved in the meeting from DWP, CLG, BIS and SCR. The outcome from which was a recommendation to Ministers to approve the submission. We expect to be informed of the outcome before Christmas 2016.</p> <p>Meanwhile, work continues locally to create the right environment for delivery, a workshop involving the Employment Working Group identified opportunities and challenges in implementation and action plan to address those has been shaped and continues to be delivered. A suggested framework for implementing the Local Integration Boards at the heart of the programme has been developed and will go to the Skills, Employment & Education Board for consideration in January.</p> <p>• Work & Health Unit Trial</p> <p>Work in this area intensified across November in order to meet the submission deadline of the end of the month to Ministers for our Trial Protocol. This very challenging deadline was achieved and initial feedback received and addressed, presenting a strong example of the strength of partnership working across the SCR with stakeholders from JobCentre Plus, Local Authorities, health, service users and community groups actively participating in its development.</p> <p>The outcome from this process of proactive co-design is a cohesive local programme through which GPs and Health Stakeholders will refer individuals presenting with mild/moderate mental health or back problems who are unemployed but could benefit into employment into the programme where they will receive targeted support to help them find and keep paid work. A second element of the programme will provide support to people who are in employment.</p> <p>The £15m trial is being considered by Ministers on the 13 December 2016, we will be notified following that discussion if the Work and Health Unit wish to progress the trial across the Sheffield City Region</p> <p>• Next steps</p> <p>Specific task and finish activity will emerge in January 2017 around the following themes:</p> 	

- Implemented Employment Service Integration and Governance
- Aligning personalised Key Worker provision
- Developing a Local Investment Fund
- Employer engagement
- Client referrals and diagnostics
- The right delivery model, options appraisal
- Measuring Impact from Investment
- Learning from Good Practice
- Establishing an Expert Panel

Sheffield City Region Devolution Update

Devolution Area:	Skills Bank (to the 30 th November 2016)
<p>Progress Update:</p> <p>Total training cost (approved deals only) of £1,409,477. 52% of this has been invested by employers in SCR (£736,550). Delivery is currently at 22% of profiled funding of £3,037,222 in 2016/17 but it must be noted the Skills Funding Agency (SFA) have imposed a flat profile.</p> <p>596 employers are registered on the website.</p> <p>436 registered employers have completed skills assessments and are currently reviewing the training catalogue online.</p> <p>133 skills bank applications have been received to date with 108 approved and 25 currently in appraisal.</p> <p>1,620 learners have approved skills deals with a further 326 learners in the appraisal stage.</p> <p>To date we have approved 37 bespoke skills deals with a further 35 bespoke requests posted on the website and in the discussion stages.</p> <p>Background</p> <p>The SCR Skills Bank is working to increase GVA in the region by 10% (£3bn) through delivering interventions which help employers meet their skills challenges.</p> <p>The Skills Bank helps to provide the training needed to address a shortfall of around 30,000 higher skilled people in the region by investing £17.1m funding across two funding streams.</p> <p>Objectives</p> <p>As a part of the overall SCR growth hub; the Skills Bank is facilitating strategic business-led skills conversations that:</p> <ul style="list-style-type: none"> • Create Skills Deals providing clear economic benefits for the region, the SFA and employers. • Deliver training through a high quality and diverse provider network. • Signpost to other services where the skills required can be delivered through mainstream education and training. <p>Key Deliverables</p> <ul style="list-style-type: none"> • 8,676 individuals receiving training and support through the Skills Bank. • Delivery of an online portal which facilitates employers creating Skills Deals. • Creation of a provider framework which provides employers with high quality choices of training partners. • Development robust fiscal guidance policies and governance which delivers value for money and high impact from the use of public funds. 	

Sheffield City Region Devolution Update

Devolution Area:	Skills (Adult Education Budget)	
<p>Progress Update: <i>The Deal:</i> The Devolution Deal agreed with Government in October 2015 in relation to the Adult Education Budget (AEB) included six Readiness Conditions for Government and the Combined Authority (CA) to work through and agree before Orders can be laid in Parliament passing statutory duties in relation to the budget from Government to the CA.</p> <p>Work in relation to Devolution has centred around progressing elements of these conditions as well as CA's developing Outcome Agreement Priorities in relation to skills and understanding the mix and balance of provision from Block Grant Providers in their region (those who have an automatic allocation of AEB without having to bid for funds, these providers are Colleges and Local Authorities).</p> <p><i>Activity:</i> Work with Government, post Brexit and appointment of a new Skills Minister (Justine Greening) has slowed significantly. Three weekly meeting cycles for workshops on the detail of Devolution haven't taken place since early August although dates for a series of 'Commissioning Academy' workshops are now pencilled in for December and January.</p> <p>Papers requesting key decisions to be made by the Minister (i.e. new funding formula, approach for National providers and details for each Readiness Condition) are yet to be approved and by their own admission mean the deadline for Orders to be laid in March 2017 for Statutory powers to pass to the Combined Authority can now only be achieved if there is no further slippage and Combined Authorities are issued with the required level of detail for each Readiness Condition before the end of the calendar year.</p> <p>Below is an overview of Progress against each Readiness Condition</p>		
No	Readiness Condition	Update
1	Completion of the Area Based Review	Achieved in SCR
2	Transfer of Statutory duties from the Apprenticeship, Skills, Children & Learning Act 2009	Sections of Act identified for transfer
3/4	Agreement with central Government on arrangements to ensure funding decisions by either the CA or other funding agencies are not detrimental to provider sustainability AND sharing financial risk where providers do fail	Further work required
5	Agree how the CA will work in partnership with Ofsted who will continue to inspect AEB (including the approach to intervention for poorly performing providers)	Further work required
6	Agree details around reporting requirements and duties (if any) as a CA we pick up from the Skills Funding Agency (SFA)	Further work required
<p>Activity within the SCR Executive Team, in relation to Devolution has continued over the summer and into early Autumn, this has included:</p> <ul style="list-style-type: none"> • Development of a baselining tool to understand the mix and balance of provision currently available in the SCR via AEB in relation to the identified priorities in our Outcome Agreement 		

- Testing of baselining tool with Colleges and Local Authorities
- Development of a Provider Delivery Agreement (issued 1st November) to allow Colleges and Local Authorities to demonstrate strategic alignment of provision with local residents needs and those identified by SCR
- Work with DfE to understand detail around proposed Insolvency Regime
- Initiated dialogue with Block Grant providers outside of the Region but who deliver to learners within SCR
- Work with SFA on the one-year commission of AEB activity from Private Training Providers to ensure they are aware of SCR priorities as we move towards 2018/19 and their allocation of AEB passes to the CA.
- Work with internal 'technical' experts to convene a multi-disciplinary technical working group (i.e. finance, legal, procurement)

Challenges/Issues	Mitigating Action
Continued lack of detail in relation to each Readiness Condition and implications for CA with short deadline to respond (Jan- March)	SCR Exec to convene multi-disciplinary technical resource (i.e. legal, finance, procurement etc) to quickly digest and respond to Readiness Conditions and advise CA
Access to relevant/meaningful data in relation to delivery	Developed in-house tool to extract College/Local Authority data (in relation to our own Priorities) continue to feed back to Gov on the availability on data in SFA issued tools, e.g. LEP data Cube and LEP Dashboard- which still don't allow for detailed interrogation to understand mix and balance to make funding policy decisions
Delay on Ministerial approval of new Funding Formula for AEB (based on 'need' within a region) and potential delay of implementation till 2018/19	Pushed back to Government that SCR is ready for implementation in 2017/18 and that a delay until 2018/19 when we have full Devolution could place added pressure on Colleges/Local Authorities who may also have a new Funding Policy, Payment Structure and MI system

Key Milestones	
Date	Action
Nov 2016-Jan 2017	Colleges/Local Authorities work on populating Provider Delivery Agreement for 2017/18
Dec 2016	CA's provided with Readiness Conditions detail to make an assessment on implication and impact
Jan 2017	SCR Exec & Colleges/Local Authorities meet to discuss plans for delivery outlined in Provider Delivery Agreement
March 2017	Provider Delivery Agreement for 2017/18 signed off by all parties
	CA sign up to Readiness Conditions
April 2017	Orders laid in Parliament to pass Statutory duties (in relation to delivery of AEB) to Combined Authorities

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SKILLS, EMPLOYMENT & EDUCATION EXECUTIVE BOARD FORWARD AGENDA PLAN

February				April				May			
Items	Title	Method	Speaker	Items	Title	Method	Speaker	Items	Title	Method	Speaker
Introduction				Introduction				Introduction			
1	Welcome & Apologies	Verbal	Chair	1	Welcome & Apologies	Verbal	Chair	1	Welcome & Apologies	Verbal	Chair
2	Declarations of Interest	Verbal	All	2	Declarations of Interest	Verbal	All	2	Declarations of Interest	Verbal	All
3	Urgent items	Verbal	All	3	Urgent items	Verbal	All	3	Urgent items	Verbal	All
4	Minutes of the last meeting & Matters arising	Paper	Chair	4	Minutes of the last meeting & Matters arising	Paper	Chair	4	Minutes of the last meeting & Matters arising	Paper	Chair
Business items				Business items				Business items			
5	<i>Performance dashboard</i>			5	<i>Performance dashboard</i>			5	<i>Performance dashboard</i>	tbc	tbc
6	<i>Business case endorsement & change requests:</i>	Paper		6	<i>Business case endorsement & change requests:</i>			6	<i>Business case endorsement & change requests:</i>	tbc	tbc
7	<i>Scheme Scrutiny/Project Updates</i> • SIA Update			7	<i>Scheme Scrutiny/Project Updates</i>	tbc	tbc	7	<i>Scheme Scrutiny/Project Updates</i> • Skills Capital	tbc	tbc
Discussion items				Discussion items				Discussion items			
8	Mitigating the impact of Economic Shocks across the SCR	Paper	Dave Brennan/ Andrea Fitzgerald	8	Mobilising Employment Support in the SCR	Paper	Dave Brennan/ Andrea Fitzgerald	8	tbc	tbc	tbc
9	AEB Devolution	Paper	Krysia Wooffinden	9	Careers	Papers	Dave/Karen O'Donoghue	9	tbc	tbc	tbc
10	Mobilising Employment Support in the SCR	Paper	Andrea Fitzgerald	10	ESF	Paper	Dave Brennan	10	tbc	tbc	tbc
11	Skills Strategy	Paper	Dave Brennan	11	SEP Refresh & Conditional Outcomes	Paper	Fiona Boden	11	tbc	tbc	tbc
Actions & Forward Planning				Actions & Forward Planning				Actions & Forward Planning			
12	Agree action & summary for Resolution Record	Verbal	Chair	12	Agree action & summary for Resolution Record	Verbal	Chair	12	Agree action & summary for Resolution Record	Verbal	Chair
13	Forward Plan	Paper	Chair	13	Forward Plan	Paper	Chair	13	Forward Plan	Paper	Chair
14	AOB	Verbal	All	14	AOB	Verbal	All	14	AOB	Verbal	All

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