

SKILLS AND EMPLOYMENT THEMATIC BOARD

25/07/19

LGF Investment Approval – Sheffield UTC From Teenager to Employee

Purpose of Report

Following the acceptance at LEP board (5th Nov 2018) of this scheme to the Local Growth Fund (LGF) programme, this paper requests approval for Sheffield UTC's scheme with an LGF grant value of £0.495m

Thematic Priority

- Facilitate and proactively support growth amongst existing firms
- Develop the SCRs skills base, labour mobility and education performance
- Secure investment in infrastructure where it will do most to support growth

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

Under the Freedom of Information Act this paper and any appendices will be made available under the SCR Publication Scheme

Recommendations

The Skills and Employment Thematic Board consider and approve:

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

1. Introduction

- 1.1 The LEP Board (18th Aug 2018) approved that a £16.9m LGF Skills Capital Commissioning Call be launched inviting strategic business case submissions from interested applicants. The call specifically asked for projects that supported delivery of education and skills across science, technology, engineering and maths (STEM) with a focus on higher level skills in recognition of the strategic role such skills play in supporting growth in the region.

On the 5th Nov 2018 the Strategic Business Case (SBC) submitted by Sheffield UTC for the scheme ***From Teenager to Employer*** was accepted by the LEP Board into the LGF programme. This paper requests approval for the Sheffield UTC scheme which has a total LGF value over all years of £0.495m.

2. Proposal and justification

2.1 From teenager to employee

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

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

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

The investment is therefore considered acceptable value for money for the LGF investment.

Appendix A provides a summary of the scheme appraisal and the suggested conditions of award

3. Consideration of alternative approaches

3.1 The SCR governance approach, including delegation levels made to Thematic boards is outlined in the approved report to the MCA and LEP. All schemes seeking LGF investment are tested in line with the approved LEP / MCA Assurance Framework based upon the HMT Green Book assessment approach.

4. Implications

4.1 Financial

The total project costs are £1.1m, Sheffield UTC are proposing a contribution of £0.62m and seeking the remaining £0.495m funding from the Local Growth Fund.

4.2 Legal

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

4.3 Risk Management

Risk management is a key requirement of the Full Business Case (FBC) submission. If weaknesses in the business case are identified as part of the scheme appraisal, the Scheme Promotor is asked to provide further analysis of risk and mitigations. The Appraisal recommendation considers the risk of schemes including the application of clawback conditions if appropriate.

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

5.1 Financial awards of LGF grant/loans are subject to national requirements from MHCLG for communication and publicity in addition to providing the opportunity for locally driven

activity. The Executive Team work with Scheme Promotors to agree communications messaging.

6. Appendices/Annexes

6.1 Appendix A – From teenager to employee Appraisal Panel Summary

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

Other sources and references: Full Business case documentation and application forms – which can be made available to Board Members