

1 – SCHEME DETAILS

Project Name	South Yorkshire Apprenticeship Hub	Type of funding	Grant
Grant Recipient	The Sheffield College Acting as lead organisation and accountable body on behalf of South Yorkshire Colleges Partnership (SYCP).	Total Scheme Cost	£ 438,135
MCA Executive Board	Skills	MCA Funding	£350,508
Programme name	Gainshare	% MCA Allocation	80%
Current Gateway Stage	BJC	MCA Development costs	n/a
		% of total MCA allocation	n/a

2 – PROJECT DESCRIPTION

The SEP clearly articulates that South Yorkshire is being held back by long term attainment levels in education and skills that are behind the national average and that impact on our region's productivity and growth potential. As a region, we will only be able to change this through leadership of the system and by driving transformative change focused on delivering a high quality and timely response to skills demand from employers and those seeking to invest in the region and giving residents the means to seek more and better employment opportunities.

A key part of this is the reinvigoration of apprenticeships across the region. Apprenticeships have been part of the fabric of working life in South Yorkshire for centuries. But while some measures have improved lives for the region's apprentices, the overall impact of decades of funding and policy changes have resulted in system that is poorly understood by parents, teachers, young people and employers. Apprenticeships are still viewed as a second-class choice to Higher Education, rather than a fundamental part of the HE offer. The benefits of choosing a vocational path are not well understood and the potential benefits to businesses, especially following the challenges of the CV-19 pandemic are not clear when balanced against the challenges of accessing funding and the system.

The project will therefore see the establishment of a South Yorkshire Apprenticeship Hub to:

- help businesses (SMEs in particular) access technical talent across the region to address skill shortages and to fill vacancies
- myth bust misconceptions in relation to apprenticeships (for both learners and employers)

- create growth opportunities in apprenticeship starts across the Region
- develop progression pathways (e.g., Study Programmes, T Levels, Traineeships, Employability and Careers programmes, AEB funded provision) into and out of high quality level 2 and 3 apprenticeships (e.g. Higher and Degree apprenticeships and Higher Technical Qualifications);
- support development of a public sector approach to apprenticeships including flexi job apprenticeships
- identify and secure additional funding to boost apprenticeship activity in the region and ensure the sustainability of the South Yorkshire Apprenticeship Hub
- Support the potential SY levy matchmaking service by encouraging large employers to pledge their apprenticeship levy.
- promote a large scale and high impact apprenticeship campaign, including events that are open to all communities
- compliments existing activity to raise awareness amongst young people of benefits of apprenticeships
- contribute to the development of the South Yorkshire skills strategy in respect of apprenticeships, the Mayors Manifesto and developing Skills Strategy
- work with the Chambers of Commerce to ensure that LSIP activity systematically informs the region’s approach to apprenticeships.

The remaining funding for the project of £87,627 is being provided by the SYCP

3. STRATEGIC CASE

<p><i>Options assessment</i></p>	<p>The business case is based on:</p> <ul style="list-style-type: none"> • Do Minimum Option – Maintaining the status quo of partners working independently to try to empower employers to make better decisions for their workforce without any additional investment. • Viable Option 1 – SYMCA disregard the Apprenticeship Hub and release funds to the Apprenticeship Levy Matchmaking Service. • Preferred Option - funds will be used to support the establishment and operational delivery of the South Yorkshire Apprenticeship Hub made up of 2 employees to deliver 300 additional Apprentices by March ‘25 <p>There isn’t appear to be much difference between the options. An alternative option of the hub acting as the apprentice employer for small businesses which want an apprentice but would like the option of sharing one between them as they are each unable to guarantee the provision of sufficient work for an apprentice (the “Flexi-job Apprenticeship Agency) has been discounted as a stand-alone option at this stage as registration with DfE for such a scheme is currently closed. When it is open this is likely to become part of the offer under the Preferred Option Apprenticeship Hub.</p> <p>From this somewhat narrow list of options the rationale is clear for the preferred option being developed in partnership between SYMCA and South Yorkshire Colleges Partnership and in response to stakeholder consultation and approval.</p> <p>Of the three options considered, only the preferred option will help in delivering the SEP’s ambition to achieve transformative change and develop an employer led World Class Technical (and Vocational) Education System</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p>There aren’t any statutory requirements for this project.</p>
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The BJC demonstrates a strong alignment to the SEP. This proposal will provide the dedicated resource to create the Apprenticeship Hub to engage with all relevant stakeholders to identify, promote & support apprentice opportunities across South Yorkshire.</p> <p>The project aims to deliver the following outcomes: <u>Stronger</u></p>

	<p>Increasing Apprentices particularly at levels 2 & 3 will deliver a more productive workforce, will enable business to tap into a more highly skilled workforce and thus will see more people in better jobs.</p> <p><u>Fairer</u> Increasing Apprentices at levels 2 & 3 will increase the volume of people available to progress to Higher Apprentices and HE, thus being able to obtain higher earnings and live longer healthier lives.</p> <p><u>Greener</u> The Hub will work with providers and employers to ensure that there is a comprehensive range of programmes that address the Green Skills agenda thereby helping to increase the uptake of green technologies that will contribute to the net zero target.</p>
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4. VALUE FOR MONEY

Monetised Benefits:

VFM Indicator	Value	R/A/G
Net Present Social Value (£)	£2.55m	G
Benefit Cost Ratio / GVA per £1 of SYMCA Investment	6.92	G

Non-Monetised Benefits:

<i>Non-Quantified Benefits</i>	<p>The BJC references evidence from DfE research which states that: Hiring an apprentice is a productive and effective way to grow talent and develop a motivated, skilled and qualified workforce.</p> <ul style="list-style-type: none"> • 86% of employers said apprenticeships helped them develop skills relevant to their organisation • 78% of employers said apprenticeships helped them improve productivity • 74% of employers said apprenticeships helped them improve the quality of their product or service <p>ere</p>
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Value for Money Statement

The thread in the strategic options with regard to addressing the SEP objective of “Investment in our apprenticeship system to build upon existing high-quality education assets” is maintained in the narrative for the economic case.

The applicant hasn’t calculated the overall NPSV and BCR but has provided a number of Quantified direct monetised benefits based on studies carried out by EMSI, for Sheffield College. Based on these if applied to a BCR calculation then would give the following quantified benefits:

	£k	Preferred Option	Viable Alternative Option

Net Present Cost	£430	£35
Net Present Value of Benefits		
Benefits to Society	£2,015	£161
Benefits to Taxpayer	£964	£77
Total Quantified Benefits	£2,979	£238
Net Present Value of Benefits	£2,549	£203
BCR	6.92	6.8

Based on these illustrative values, the preferred option would appear to give a far higher Net Present Social Value. In addition, further indirect monetised benefits have been provided which would suggest that the Employer of the Apprentices will benefit by a return of £1.30 for every £1 they invest in the Apprentice and the individual will see a return £5.20 for every £1 they forgo in time and earnings whilst on an Apprenticeship. These benefits will be similarly amplified between the preferred and the alternative option.

5. RISK

The applicants risk register is limited to the 5 risks set out below. Whilst these risks and mitigations seem reasonable for the nature of the project, they do not include the risk regarding the availability of match funding and the BJC does not set out any details as to the specific source or any letters of commitment.

Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation	Owner
Economic growth stalls due to cost of living crisis and inflationary pressures resulting in employers becoming more cautious in taking on apprentices	High	High	The Hub team will promote to SMEs the benefits of taking on an apprentice and the Government incentives available to support this. In addition the Hub team will work with local training providers and employer groups to ensure that there is greater awareness of the benefits of taking on an apprentice	Hub Manager
Employers find it complicated to find out about apprenticeship training	Med	Med	The Hub team will provide clear and simple guidance for employers on apprenticeships and will signpost employers according to their specific skills needs	Hub Manager
Inability to recruit the Hub staff due to a tight labour market	Med	High	The salaries being offered are considered competitive, in addition secondment from colleges and providers will be explored to ensure a fast start to the project	Executive Director – Commercial & Operations at The Sheffield College

Unable to establish an effective Levy Transfer system	Low	Med	Advice will be sought from devolved MCAs (e.g. London and West Mids) where a Levy Transfer system has been established	Hub Manager
Hub not seen as employer focused or responding to employer need	Low	Med	The Project Board will be chaired by an Independent Chair and there will be strong representation on the Board from the Chambers of Commerce who have been designated as the Employer Representative Body in South Yorkshire and who developed the LSIP	Hub Manager

6. DELIVERY

The timetable for the project is a 2-year delivery programme, starting with immediate effect. This is reasonable but will be very dependent on the appointment of the 2 employees but this could be mitigated if staff are seconded from one of the partners.

Whilst the key element of this project is the recruitment of the HUB employees there is potentially some element of procurement for training providers which is set out and will be based on selection from at least 3 providers. There aren't any defined milestones but this is understandable as will be dependent on HUB creation and response to engagement with employers.

There is no detail as to how the procurement strategy will deliver social value but the delivery partners have a track record in delivering social value and the project itself main purpose is to encourage employers in South Yorkshire who have not had an apprentice recently to take on an apprentice aged 25 or under thus increasing the number of apprentices in South Yorkshire

The level of cost certainty is 95% which is as expected at this stage of the assurance process and in the main is based on salary costs which are in line with those currently offered by the College for similar roles.

The applicant has confirmed that any cost overruns would be funded by the College.

There is clear governance with creation of the Project Board and SRO being Sheffield College's Executive Director – Commercial & Operations who has signed the business case.

The proposals have been shared and endorsed by a number of key stakeholders including the South Yorkshire Skills Advisory Network and employers.

Monitoring and evaluation procedure are proposed with ongoing review linked to SYMCA's existing CRM system. An externally commissioned independent evaluation will be undertaken at the end of the project.

7. LEGAL

The applicants response with regard to Subsidy Control is n/a which may be appropriate for this business case but no rationale has been provided.

8. RECOMMENDATION AND CONDITIONS

Recommendation	Full approval subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied prior to execution of Contract

1. *Submission of suitable Subsidy Control opinion.*

The following conditions must be satisfied before drawn of funding

2. Evidence of availability and commitment to match funding.

The following conditions must be included in the contract

3. Clawback on achievement of 300 Apprenticeships by March 2025