

Appraisal Panel Summary

Scheme Details

Project Name	Barnsley College Digital Innovation Hub		
Grant Recipient	Barnsley College		
SCR Executive Board	Skills	SCR Funding	£2.59m
% SCR Allocation	44.7%	Total Scheme Cost	£5.796m

Appraisal Summary

Project Description					
<p>Investment in this proposal will create a Digital Innovation Hub in the centre of Barnsley.</p> <p>This project will reconfigure and refurbish Barnsley College's existing Sci Tech Campus building into the Digital Innovation Hub (DIH) through a total capital investment of £4.946m (LGF grant £2.59m). This will deliver 3,723 m² (GIA) of learning and teaching space designed to ensure learners have access to high-quality facilities and industry standard equipment to gain the skills and knowledge employers demand.</p> <p>The Hub will support the creation of a talent pipeline through the delivery of the Government's flagship T-levels as well as a wider technical/vocational offer to support apprenticeships, other classroom-based activity and up-skilling for adults and those already currently in employment.</p>					
Strategic Case					
<p>The strategic case is sufficiently robust and shows good alignment with SCR objectives. In particular, it:</p> <ul style="list-style-type: none"> • Demonstrates the alignment of the scheme to Sheffield City Region Growth Plan, particularly the "Better Skills" theme. It aims to address recognised skills shortages and support the workforce needs of industry for digital expertise. • Illustrates the wider community value, by providing opportunities for those who are currently economically inactive • Is aligned to national and local policies • Presents the options available for extending the facilities and explains the rationale for the short list and the preferred option. • Demonstrates the need for digital skills from local employers. This includes some vacancies from employers and expectations in terms of the development of the workforce in the coming years, based on forecast business growth. 					
Value for Money					
<p>Over a period of 10 years, the project is estimated to support 3,435 learners (gross additional) with an estimated 1,239 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £2,091 per job to SCR and is estimated to generate benefits of £7,894,878 of GVA over this period. This project therefore offers good value for money for SCR with a benefit cost ratio of 4.23.</p>					
Risk					
<p>The top risks and mitigations identified are:</p> <table border="1"> <tr> <td>1. Unable to deliver the specified Capital project within the set budget for the build of £4.946m. – Med-Low/Med-High</td> <td>Development of a budget strategy and budget options to maintain budget spending to £4.946m for all building works and additional £850k for specialist equipment for completion to September 2020, with a draft project plan including efficiency plan to SLT and Governors by July 2019. Estates are required by the budget framework to bring forward mitigating measures where practical to address adverse budget variances– at each budget monitoring review meeting.</td> </tr> <tr> <td>2. Unable to source/acquire funding to support all aspects of the redevelopment of the building</td> <td>Strategic Business Case has been submitted and feedback received detailing support in principle. Maintain open dialogue and good relations with BMBC and Sheffield City Region LEP in continuation of Business</td> </tr> </table>		1. Unable to deliver the specified Capital project within the set budget for the build of £4.946m. – Med-Low/Med-High	Development of a budget strategy and budget options to maintain budget spending to £4.946m for all building works and additional £850k for specialist equipment for completion to September 2020, with a draft project plan including efficiency plan to SLT and Governors by July 2019. Estates are required by the budget framework to bring forward mitigating measures where practical to address adverse budget variances– at each budget monitoring review meeting.	2. Unable to source/acquire funding to support all aspects of the redevelopment of the building	Strategic Business Case has been submitted and feedback received detailing support in principle. Maintain open dialogue and good relations with BMBC and Sheffield City Region LEP in continuation of Business
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and specialist equipment purchases. – Med-Low/High	Case with feedback from LEP on further information to support a successful business case. Develop project plan to achieve submission timescales for acquisition of funding.
3. Cashflow based on project cost profile and the requirement for the college to pay upfront before drawing down funding – Med-High/Low	Financial plans are in place to deliver the capital project. The college will utilise its cash reserves to support the cashflow of the project and is not reliant on external loans.
4. Potential loss of income through full implementation of T Levels – Low/Low	The college's performance-based systems ensure budget holders reduce costs in line with income levels. This is monitored through performance review undertaken quarterly and business planning annually with additional review meetings.
5. Decanting of building and capacity in other facilities – Low/Low	Identification of underutilised buildings have been established and agreed locations for relocating students to available teaching and learning spaces.

Funding risks will be cleared through securing LGF Grant. Some additional conditions have been included to monitor satisfactory delivery of the project through key contractual milestones. There is reasonable assurance that the project will be deliverable.

Delivery

The management case provides reasonable assurance that the project will be well managed and controlled and the realisation of expected benefits monitored.

A high-level project plan / Gantt chart has been provided for the duration of the project development, moving from January 2019 to August 2020. This includes relevant RIBA stages associated with the refurbishment aspects of the project, and procurement aspects.

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

Key tasks and milestones are in place, but the timescales are tight. The project has met key milestones at the end of last year including completing procurement and starting on site so work is progressing well. There is limited allowance for slippage.

Legal

Based on a self-assessment of State Aid requirements, the college considers that it is not relevant as it will not:

- favour certain undertakings or the production of goods
- distort or threatens to distort competition
- affect trade between member states.

The College argues that, in the main, it delivers publicly funded education and training activities and is not deemed to be an “economic undertaking”. It is regarded to be a constituent non-economic organisation, within a publicly funded education and training system, established through national public policy.

Recommendation and Conditions

Recommendation	Full award subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation of all other funding approvals required to deliver the project. 2. Confirmation that the profiled LGF spend can be defrayed in year, as SCR is unable to guarantee that this will be reprofiled beyond year end, and/or that the applicant will cover any unfunded works from alternate sources. 3. Agree detailed schedule of appropriate inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. 	

4. Formal confirmation all relevant statutory requirements, if applicable (including any planning permissions) are in place and have been satisfied.
5. Detailed milestones which will be monitored against, and if not met, may result in funding being withdrawn
6. Submission of acceptable State Aid opinion
7. Submission of baseline of current learners prior to start of project
8. Submission of evidence of Board approval from the applicant and all scheme delivery partners

The conditions above should be fully satisfied by 29.02.20. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

9. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.
10. Confirmation of the agreed contract price with the preferred contractor(s) and any relevant conditions precedent thereof.

The following conditions must be included in the contract

11. Clawback on outputs and outcomes
12. The college develops an income generation strategy to ensure costs for replacement equipment are factored into future plans

Record of Recommendation, Endorsement and Approval

Barnsley Digital Innovation Hub

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting		Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Simon Tompkins Finance Manager	Statutory Finance Officer Approval Name: Signature: Date:			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor				
Signature					
Date					