

SKILLS AND EMPLOYMENT THEMATIC BOARD

2nd March 2020

LGF Investment Approval – Doncaster University Technical College (UTC)

Purpose of Report

This paper requests approval for Doncaster UTC's scheme with an LGF grant value of £0.150m

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 'Doncaster UTC' project to full approval and award of up to £0.150m grant to Doncaster UTC 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 Doncaster UTC for the scheme '**Doncaster UTC**' was accepted by the LEP Board into the LGF programme. This paper requests approval for the Doncaster UTC scheme which has a total LGF value over all years of £0.150m.

2. Proposal and justification

2.1 Doncaster UTC

Doncaster UTC have requested £0.150m LGF grant to support a £0.750m scheme to purchase and install specialist equipment focused on robotics, physics, computing, and

virtual reality at new site which specialises in Engineering and Creative and Digital Technologies opening in September 2020.

The full investment will allow the UTC to enhance their core curriculum based around STEM (science, technology, engineering and mathematics) and allow the college to place further emphasis on digital technologies.

Over a period of 10 years the project is estimated to support 589 learners gross additional with an estimated 191 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £787 per job to SCR and is estimated to generate benefits of £6,737,779 of GVA. This project therefore offers good value for money for SCR, with a BCR of 48.

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

3. Consideration of alternative approaches

- 3.1** The project considered two other options in developing their business case. They made the case that with reduced or no LGF investment the UTC would not be able to deliver the digital technologies aspect of the curriculum. They made the case that the UTC would suffer reduced learner numbers in this scenario. The SCR investment is supported on the basis that it will allow the UTC to strengthen its digital technologies offering which will in turn enhance the student and employer engagement.

4. Implications

4.1 Financial

The total project costs are £0.750m, Doncaster UTC are proposing a contribution of £0.600m and seeking the remaining £0.150m funding from the Local Growth Fund. The project has been in the LGF pipeline since November 2018 and at the current level the project only has a very marginal effect on remaining LGF available.

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. Doncaster UTC has identified a number of risks events such as insufficient budget, main build programme delays and lack of student numbers which they consider having a low probability of occurring. As a result, overall risk probability is rated as low.

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 Annex 1 – Doncaster UTC Appraisal Panel Summary

Report Author	Carl Howard
Post	Senior Programme Manager
Officer responsible	Ruth Adams
Organisation	Sheffield City Region Mayoral Combined Authority
Email	Ruth.adams@sheffieldcityregion.org.uk
Telephone	0114 220 3437

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