

Appraisal Panel Summary

Scheme Details

Project Name	Doncaster UTC		
Grant Recipient	Doncaster UTC		
SCR Executive Board	Skills	SCR Funding	£150,000
% SCR Allocation	20%	Total Scheme Cost	£750,000

Appraisal Summary

Project Description

Opening in September 2020, Doncaster UTC will specialise in Engineering and Creative & Digital Technologies for students aged 13-19. Students will receive an educational experience based on an innovative and engaging learning environment designed to equip young people with the education and qualifications required for a successful future in industry. The UTC will deliver a core curriculum based around STEM (science, technology, engineering and mathematics) subjects, with an opportunity for learners to select units focused towards engineering or creative and digital technologies. In years 9-11, learners will access a range of employer projects and work experience across four pathways, rail, digital design, construction and infrastructure and advanced manufacturing. In years 12-13, students focus on either engineering or creative digital technologies.

Doncaster UTC will receive a budget of £600,000 from the Department for Education to purchase specialist kit and equipment. The budget is provided on the understanding that UTCs work with local partners and funding streams to effectively 'top this up' to provide either additional or higher-standard learning resources.

In addition to the core budget, the UTC has identified a list of equipment focused on robotics, physics, computing, and virtual reality. The SCR grant will specifically be used to purchase a range of equipment, resources, and software to deliver an enhanced curriculum with greater opportunities, higher standards, and an emphasis on digital technologies of the futures with a strong link to STEM learning and engineering disciplines.

Strategic Case

The business case aligns to Sheffield City Region Strategic Economic Plan Key Theme of "Better Skills" and the objective of developing the SCR skills base and education performance.

The strategic rationale for the project is based on lower levels of attainment Doncaster compared to national averages and highlights the success of UTC's in terms of the high proportion of learners who progress into employment, apprenticeships or stay in education. The business case also points to difficulties Doncaster experiences in recruiting to skilled manual/technical roles and a gap in the provision of an adequately skilled employee base in Doncaster to support the requirements of higher-level employers.

The business case relates the purchase of the equipment, enabled by LGF, to improved curriculum provision, supporting improved outcomes in STEM subjects and access to STEM related further education and employer opportunities.

Value for Money

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.

The high BCR for the project is due to the level of SCR investment (£150k) relative to the resulting additionality. Furthermore, the nature of the curriculum, is such that, based on Department for Business Innovation and Skills research, students with qualifications in Manufacturing and Engineering have better employment probability and potential earnings than other subject areas.

Risk

Top 5 risks as presented in the FBC:

1. Total budget is not sufficient to deliver the required equipment to match curriculum requirements. (Probability = Low / Impact = Medium)
2. Build programme does not complete in time for September 2020 opening. (Probability = Low / Impact = Medium)
3. Secretary of State doesn't enter into a Funding Agreement with the UTC to allow opening. (Probability = Low / Impact = High)
4. UTC fails to recruit enough students to be financially viable. (Probability = Low / Impact = Medium)
5. Lack of resource available to the project to advise and procure specialist kit. (Probability = Low / Impact = Low)

Overall risk probability is rated as low; however, the mitigation measures are in place for the management of these risks.

A plan is secured with the College for Advanced Transport and Infrastructure to provide alternative accommodation in the event of construction delays.

No contingency is allocated in the budget for cost increases; however, the applicant has confirmed that the costs presented in the business case are based on quotes obtained shortly before submission. Increases (up to 10%) will be absorbed by UTC, whereas larger increases will result in downgraded equipment or return of funds if unaffordable.

Delivery

Construction of the UTC commenced 4th November 2019. Procurement of the equipment is programmed for January 2020, subject to funding approval, with installation in February 2020. Large industrial equipment will require commissioning within the building construction, while the implementation of smaller equipment will be co-ordinated independently. The UTC is programmed for opening September 2020.

Procurement of the equipment will be managed in conjunction with the Land and Buildings workstream of the UTC. Specialist items will be procured in conjunction with the Department for Education. All spend approvals will be reviewed by the Land and Buildings Workstream and ratified and agreed at Project Steering Group.

Legal

The applicant has stated that the funding acquired as a result of this project will be utilised for the purposes of training and education and not for any economic activity. The sole use of the resources will be to support state funded students of compulsory education age. No commercial activity will be undertaken within the project so no economic activity supporting goods or services being brought to market will be part of the outcomes for this project.

Recommendation and Conditions

Recommendation	Full approval 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 acceptance of SCR's right to withdraw funding if DfE support is refused or reduced, resulting in the downgrading of equipment for the UTC.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. Submission of baseline of current learners prior to start of project6. The UTC develops a full procurement schedule and confirms key dates to SCR to identify when equipment will be purchased. <p>The conditions above should be fully satisfied by 06.03.20. Failure to do so could lead to the withdrawal of approval.</p> <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <ol style="list-style-type: none">7. Submission of evidence of Board approval from the applicant and all scheme delivery partners8. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.9. Confirmation of the agreed contract price with the preferred contractor(s) and any relevant conditions precedent thereof. <p>The following conditions must be included in the contract</p> <ol style="list-style-type: none">10. Clawback on outputs; specific to all equipment purchased11. The UTC develops an income generation strategy to ensure costs for replacement equipment are factored into plans	

Record of Recommendation, Endorsement and Approval

Project Name

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					