

Appraisal Panel Summary**Scheme Details**

Project Name	DN Colleges Group: Digital Infrastructure		
Grant Recipient	DN Colleges Group		
MCA Executive Board	Skills	SCR Funding	£630,000
% SCR Allocation	100%	Total Scheme Cost	£630,000

Appraisal Summary

Project Description
<p>The COVID-19 pandemic demands an acceleration of the College's digital strategy, including the move to distance learning and home working identifying a high priority need for mobile devices. Additional project elements focus on Office 365 developments, password tools to facilitate remote connectivity, new teaching software to ensure that a blended teaching model is successfully embedded. All of these digital developments will enable Doncaster College to help drive forward the local economy and the demand for digital skills through an infrastructure that fully enables digital connectivity. Specific improvements include:</p> <ul style="list-style-type: none"> • Improvements to increase capability for students to enrol in College systems remotely via web and mobile platforms without needing an initial visit to site • Increasing the range of online teaching and learning applications to improve the quality of distance learning • Improvements to our ability to communicate digitally; enhanced telephone and video calling capabilities • Purchase of tablets, laptops, cameras, microphones and other technologies for staff which will enable them to produce and deliver enriched, high-quality online learning experiences for students • Video-enablement of on-site classrooms and improvements to the IT infrastructure around these to allow online delivery • Enhancing the Internet connectivity to Doncaster College to improve resilience for online learning • Purchase of laptops and portable internet devices to loan to technologically disadvantaged students to ensure that they are not disenfranchised by a learning model which expects some degree of online learning
Strategic Case
<p>The scheme aligns strongly with the strategic rationale within the SEP and Renewal Action Plan (RAP) due to its focus upon digital skills, capacity and quality within the technical education system. The scheme aligns particularly well with the RAP due to the adaption to digital and the importance of digital to inclusion and skills progression.</p> <p>This scheme aligns strongly with the strategic context and not undertaking this work could have highly detrimental impacts upon recovery from the economic shock and leave young people in Doncaster and Sheffield City Region behind in developing their skills progression. There are no expected disbenefits of the scheme which is consistent with digital investments of this nature.</p>
Value for Money
<p>Over a period of 10 years the project is estimated to support 84 learners gross additional with an estimated 31 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £20,636 per job to SCR. However, due to the scale of the funding required in comparison to the level of benefits achieved, the project is estimated to generate a benefit of £253,901 of GVA and BCR = 0.6.</p> <p>An alternative cost benefit analysis was also submitted by the applicant with the business case, using various sources of data, including Manchester New Economy Model, FE funding 2019/20 and ESFA</p>

average apprenticeship standard fees. Using this method, the applicant calculated an NPV of £39,871 and BCR of 1.07; however, this does not appear to have taken into consideration the deadweight as a result of the do minimum option and is therefore likely to be lower.

The value for money achieved using either method is low.

The project is likely to have environmental benefits by facilitating online teaching and therefore reducing the need to travel to the college.

The applicant has stated in responses to clarification questions that the investment is to ensure that the College address the digital divide and ensure that students (and to some degree staff) who do not have the means to provide their own IT for blended learning are supported, attracted and retained and do not miss out on the opportunity to study and progress due to their personal circumstances. In this respect, the project will also bring about social benefits.

Risk

A key risk to the Economic Case is that the equipment does not bring about the intended additionality. The rationale for investment seems reasonable, though lacks evidence of the additionality to be created as a result of the project. The applicant states that if project costs increase following procurement or for any unforeseen works, they will look to value engineer the project or fund from Group reserves.

There remains some uncertainty on the cost of the equipment which is being proposed. However, the risk allowance/contingency of £252k provides a significant margin to absorb these uncertainties.

The College explains that they have surveys and feedback from staff and learners on the current limitations of existing equipment. Whilst it is clear from information within the business case that there is existing demand for digital services, it does raise issues of ongoing sustainability where the college is unable to operate effectively without grant funding to provide what it sees as essential services.

Overall, the levels of risk seem acceptable. However, operational risks should be expanded upon as the scheme develops and should continue to be monitored closely as the scheme moves towards delivery. This point is captured in the conditions.

Delivery

An organisation chart has been provided with the application. The delivery is undertaken by the 'Capital Project Management' team. PRINCE 2 practitioners will be involved in the delivery and the Digital Programme Manager will manage the project with input from the Chief Operating Officer and Director of Digital Technologies.

The delivery plan is only provided at a high level, which reflects the early stage of development of the project. There is no detailed delivery plan of the actual roll out of IT infrastructure which would improve confidence in delivery.

The project has provided a list of procurement milestones in section 3.9 which looks achievable and realistic. However, the project is not as advanced as would be expected for a full business case stage with the procurement plan not expected to be in place until December this year and procurement not expected to be completed until July 2021. This is not in line with guidance issued by the MCA for GBF projects which stated that 'the MCA expects that at the point when an FBCs is submitted, all scheme development and documentation processes have been completed. This includes...procurement.'

Legal

The project explains that it has taken legal advice from Eversheds which covers that skills capital funding of this type does not constitute state aid. The application goes on to explain that appropriate state aid provision will be applied to any training carried out either through GBER Training aid or de minimis.

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. Following the outcome of procurement, DNCG to confirm the final tender price is in line with the FBC Financial Case.2. DNCG to confirm the internal Board approval which is due to be agreed in October 2020.3. DNCG to provide an update to the MCA on operational risk associated to the college and the associated sustainability of the investment being made.4. DNCG to define measurable SMART objectives for the scheme which would inform the Monitoring and Evaluation of the scheme. <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <ol style="list-style-type: none">5. Agree detailed schedule of 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 social and economic benefits and that these can be captured, monitored and reported. This should include monitoring the use of green spaces, any benefits generated by those users and any neighbouring commercial developments.	

Record of Recommendation, Endorsement and Approval

Digital Infrastructure

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					