

Appraisal Panel Summary

Scheme Details

Project Name	Doncaster College Construction Space		
Grant Recipient	DN Colleges Group		
MCA Executive Board	Skills	SCR Funding	£990,557
% SCR Allocation	100%	Total Scheme Cost	£990,557

Appraisal Summary

Project Description
<p>This project comprises the reconfiguration of areas of the existing Doncaster College East Block building at its Hub campus to create a Construction T-Level centre totalling c. 1,283m², including some small relocated spaces that will enable the refurbishment. It will create a range of highly flexible teaching facilities to support the Construction T Level provision as well as breakout/employer engagement suite. Specialist facilities will be created including surveying/construction office environment, Modern Methods of Construction (MMC) demonstration workshop, two sustainability demonstration resources focusing on electrical installation and plumbing.</p> <p>The condition and suitability of existing Doncaster east building will be addressed through the improvement to the entrance and circulation to the T-Level areas and the inclusion of glazed screens to showcase specialist T-Level curriculum activity. The refurbishment works will primarily cover internal doors, walls and partitions, internal finishes and mechanical and electrical installations. Refurbishment will provide Construction T Levels with a distinctive new identity, supporting the aim to raise the profile and encourage employer/industry engagement. By locating the T Level Construction area adjacent to existing construction provision, this maintains student access to specialist facilities and ensures spatial efficiency and value for money through lack of duplication.</p>
Strategic Case
<p>The scheme aligns strongly with the strategic rationale within the SEP and Renewal Action Plan due to its focus upon skills development, construction as a sector and MMC. These cross-cutting priorities and the context in which it is being delivered (within Further Education college and in a learning environment which caters for learners from deprived backgrounds) further enhances the strategic rationale. Furthermore, the importance of construction in the local economy and how the scheme can contribute to improvements to productivity and provide pathways from deprived backgrounds confirms its alignment.</p> <p>This scheme aligns strongly with the strategic context. The scheme has no identifiable disbenefits if not taken forward and not undertaking this work could have negative impacts upon resident's skills progression, employment ambitions as well as the wider economic aspirations for the construction sector and infrastructure investment.</p>
Value for Money
<p>Over a period of 10 years the project is estimated to support 330 learners gross additional with an estimated 111 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £8,953 per job to SCR and is estimated to generate benefits of £504,385 of GVA. This project therefore offers acceptable value for money for SCR. BCR = 1.6.</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 average apprenticeship standard fees. Using this method, the applicant calculated an NPV of £115,117 and BCR of 1.12; 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.</p> <p>Using either of the methodologies above, VFM is low.</p>

The applicant states the project will have social benefits in providing young people in Doncaster with learning experiences and access to enrichment opportunities. The project would target under-represented groups and work with other stakeholders to encourage and enable access.

The applicant also states the project will help deliver the Government's Clean Growth Strategy (2018) by providing local people with skills that will be required to support major initiatives to reduce carbon output in the construction of domestic, commercial and industrial infrastructure.

Risk

A thorough risk analysis is provided as an annex to the business case. The project has identified a number of risks including any impact from Covid-19. The construction schedule can accommodate any building works delays. Covid-19 is referenced as having a short-term impact on demand for courses, with the July 2020 intake holding up well. Lower student numbers over the medium or long term has an effect on the ability for the centre to be sustainable for the College and mitigation is close dialogue with ESFA.

The college has adjusted the size of the scheme in order to enable a realistic capital delivery. However, a number of risks have a medium probability with high impact and so this should continue to be monitored closely as the scheme continues to develop and deliver. Financial risks of increased costs, lower student intake and cashflow problems are all highlighted as significant so the colleges continued use of a Risk Assessment Tool should continue to be reported to SCR.

In its response to a clarification question the College has acknowledged that the impact from COVID-19 on the 2019/20 year and uncertainty for 2020/21 leave little manoeuvre for the Group, with any additional cash requirements placing significant pressure on College liquidity over this uncertain period.

Delivery

The delivery plan is sufficiently developed at this stage of the project. The college is to appoint an internal project manager with the Chief Operating Officer acting as Senior Responsible Officer. An organisation chart is provided with the application which highlights the extensive hands on role of the Chief Executive for the refurbishment.

Milestones look realistic and achievable, with procurement complete by March 2021 and start on site around Easter 2021. As internal works there is no requirement for planning permission.

Alongside securing GBF monies, the DN College Board is due to consider approval of internal funds in October 2020.

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 onto 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. DNCG to confirm the internal Board approval which is due to be agreed in October 2020.2. Following the procurement of a contractor, DNCG to confirm the final tender price is in line with the FBC Financial Case. <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <ol style="list-style-type: none">3. 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.	

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					