

EDUCATION, SKILLS AND EMPLOYABILITY BOARD

02.03.2021

Skills Bank Next Steps

Purpose of Report

This paper seeks approval for an extension and variation of an existing agreement with Calderdale College for an interim arrangement for the continuation of delivery of the current Skills Bank Programme until the new programme is fully developed and operational. The paper also seeks approval for delegated authority to be granted to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer to enter into legal agreement for the schemes

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme

Recommendations

Board members consider and approve:

1. Progression of an extension and variation to the existing agreement with Calderdale College for the continuation of Skills Bank;
2. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above

1. Introduction

- 1.1** On the 30th October 2020 the board agreed for interim arrangements to be explored to enable the current Skills Bank programme to continue until the new Skills Bank programme had been developed and implemented. Recent communications with the ESFA confirmed that, in recognition of the difficulties and delays caused by the pandemic, they were not able to extend their current contract beyond March 2021 for any funded delivery.
- 1.2** Work is underway to further develop the Skills Bank operating model to support a future programme, but this is unlikely to be ready for operation until early 2022. This paper outlines for Members the interim approach to maintain a Skills Bank service whilst the development and procurement work for the new programme is concluded. This will ensure a smooth transition is maintained.
This paper seeks approval from members to go ahead with interim arrangements as proposed until the new programme is fully developed and operational.

2. Proposal and justification

- 2.1 Skills Bank is currently delivered on behalf of the MCA by Calderdale College who were recruited through a full procurement exercise in 2018. They are contracted directly with the ESFA with a separate contract in place for the MCA element of the programme. A Memorandum of Understanding (MOU) is in operation between the MCA and Calderdale College which covers other aspects of the programme including skills brokerage and marketing.
- 2.2 As an interim arrangement it is proposed that the MCA issue an extension to this MOU to allow Calderdale College to continue delivery of the Skills Bank until the development, governance and procurement of the new programme is complete.
- 2.2 The current Skills Bank programme has been in operation since early 2019 and is currently performing well against its contracted outputs. Despite the difficulties experienced from the Covid-19 pandemic demand remains high with over 350 businesses and 895 learners supported so far this year from 399 approved Skills deals.
- 2.3 At the time of writing a further 22 employer applications are in appraisal and over 1300 learners approved for training to add to the 895 already supported. So far this year (20/21) £809,613.84 has been invested in training support from Skills Bank funds along with £393,604.36 employer contributions and we are on track to fully achieve programme outputs. Pipeline activity means we also have the potential to considerably overachieve on learner starts.
- 2.4 The proposed interim arrangement, aligned to the original principles and operating model agreed by the LEP via an extension to the current Memorandum of Understanding will ensure there is no gap in support for businesses
- 2.5 The interim model would require a maximum investment of £785,000 leaving a further £1,515,000 to support the future Skills Bank programme.

3. Consideration of alternative approaches

- 3.1 **Do Nothing** – without an interim programme the Skills Bank would cease to operate from 1 April 2021 leaving local businesses without access to training in support of business growth. With the country still in lockdown as a result of the Covid-19 pandemic there is even more need for businesses to look at the skills they have and will need in order to survive and grow once the pandemic is under control. Evidence supporting the priorities of both the Renewal Action Plan and the Strategic Economic Plan, the economic shock as a result of COVID and the impending issues for businesses following BREXIT provide an overwhelming case to continue to maintain support for businesses and their workforces to secure growth.

If the Skills Bank programme were to close at the end of March this would leave many businesses without the support needed to upskill their workforce which, for some, is critical in planning for future growth whilst surviving this difficult period.

- 3.2 **Do More** – The option of doing more for the interim period is unviable given the timescales, changes to the programme are being considered as part of the development of the next programme and will be designed into the new delivery model.

4. Implications

4.1 Financial

The Skills Bank Reserve held by the Skills Bank Operator is £2,134,833 and with activity is anticipated grow to £2,300,000 by June 2021. The interim model would require a maximum investment of £785,000 leaving a further £1,515,000 to support the future Skills Bank programme. In addition to this investment would be the MCA costs for programme management and admin of the programme which will be taken from a separate reserve budget.

4.2 Legal

The proposed value of the interim arrangement negates the need to undertake a full OJEU procurement exercise.

4.3 Risk Management

Without an interim arrangement there are some high-level strategic risk areas that the continuation of the offer seeks to mitigate are:

- Reliance on the national mainstream offer, is insufficiently flexible and fails to provide an offer to businesses to support their growth ambitions;
- The implications of Brexit and COVID, raise demand for business support to support business diversification, resulting in increasing demand for bespoke support for workforce development, which would not be met without the Skills Bank offer
- Current pipeline activity is high, and development of Skills Bank applications varies in timescales dependent on the complexity of the deal and availability of business resource. Any changes to the Skills Bank programme need to be communicated well in advance to avoid businesses spending valuable time on applications which will not be processed if the programme has to close.

4.4 Equality, Diversity and Social Inclusion

The Skills Bank is not designed as an approach to improving social inclusion, in the same way that this features in the devolved AEB programme, however data is monitored and reported upon and will continue for the duration of this interim programme.

5. Communications

- 5.1 Immediate communication requirements relate to the continuation of the service post March, a timely decision on interim arrangements will ensure we are able to communicate with stakeholders, and specifically with the local business community, that the programme will remain open.

6. Appendices/Annexes

- 6.1 N/A

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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: