

Marches local enterprise partnership executive joint committee

Meeting date: 15 February 2016

Title of report: Growth deal skills capital projects

Classification

Open

Key Decision

This is not a key decision.

Purpose

To approve the allocation of funds to four projects that have been approved by the Skills Funding Agency (SFA) for funding under the Marches Growth Deal Skills Capital fund.

Recommendation(s)

THAT the following skills capital allocations be approved:

- (a) Hereford and Ludlow College - £197,400**
- (b) Herefordshire Group Training Association - £158,200**
- (c) SBC Training Ltd - £50,000 (of which £40,000 conditional on SFA confirmation of satisfactory receipt of further information as set out at paragraph 3)**
- (d) Derwen College - £56,000**

Summary

1. The Marches local enterprise partnership (LEP) issued two calls for expressions of interest (EOI) from further education and private training providers in 2014/15 seeking responses that delivered capital projects (i.e. for equipment and training facilities to address the training needs of key sectors in the Marches strategic economic plan). The response was limited and a number of applicants subsequently withdrew mainly due to the shortage of match funding. The LEP scored the EOIs against agreed criteria and invited four training providers to submit full applications by 14 Sept 2015. The four applications received (are summarised at appendix 1). The applications were submitted to the Skills Funding Agency (SFA) for due diligence appraisal. The SFA have an in house team which undertakes such assessments for all capital investments the SFA undertakes and the SFA offered to do these assessments on behalf of the LEP as we did not have this expertise. The total project costs of the four projects is £1,170,600 with grant funding requested of £461,600 being 39.4% of the total costs.
2. The SFA recommended to the LEP that three of the projects passed the SFA due diligence appraisal – Herefordshire and Ludlow College, Herefordshire Group Training Association and Derwen College.
3. An element of the fourth project, from SBC Training, requested grant funding of £40,000 towards the cost of fit out of a new training facility SBC are in the process of purchasing in Shrewsbury. The SFA has recommended that the grant for the capital equipment element of £110,000 for this application is approved at this stage but that the element for fit out (£40,000) be conditional on provision of satisfactory detailed figures on the proposed fit out. This information is expected to be available by March 2016. The Marches LEP board recommended approval of the balance of the grant once they had been satisfied that the capital works meets the SFA requirements.

Alternative options

4. It is open to the committee to reject the applications or recommend an alternative grant allocation. This is not recommended as the applications have been through a robust appraisal undertaken by the SFA and funding allocations have been proposed in line with nationally determined funding criteria.

Financial implications

5. Confirmation has been received from DCLG that the funding for skills capital (£3.3m) is now available. This funding needs to be allocated and utilised in 2016/17.

Legal implications

The LEP team will put in place commercial contracts with the training providers awarded the skills capital funds. The contracts have been drawn up with the support of Shropshire Council legal team. The LEP team will monitor on a quarterly basis performance and spend against agreed contractual milestones and outputs and will report on this to both the LEP Skills Board and the LEP Performance, Risk and Monitoring Committee which are sub-groups of the LEP board. If the grant is not used for the purposes it was contracted the college or training provider, as outlined in the contract, will be required to pay back the grant.

Risks, opportunities and impacts

6. The £3.3m skills capital funds need to be spent in 2016/17 so we need to ensure we have the capacity in the LEP team to get the tenders and contracts in place in order to draw down the unspent balance of these funds. A new post is being recruited to amongst other things

Further information on the subject of this report is available from
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monitor performance and spend against agreed milestones and outputs in the contracts with the skills providers on a quarterly basis and will report on this to both the LEP Skills Board and the LEP Performance, Risk and Monitoring Committee which are sub-groups of the LEP Board. If the grant is not used for the purposes it was contracted the college or training provider, as outlined in the contract, will be required to pay back the grant. Consultation

7. The Marches LEP board has recommended approval of the proposed grants.

Additional Information

8. None.

Appendices

Appendix 1 – project summary

Background papers

None