

**Forward Plan reference number: (N/A)**

<b>Report title:</b> To Agree Sector Support Fund Grant Allocation to the Delivering Skills Of The Future Through Teaching: Teaching For Growth Project	
<b>Report to:</b> Chief Executive Officer of the SELEP	
<b>Report author:</b> Helen Dyer, SELEP Capital Programme Officer	
<b>Date:</b> 7 <sup>th</sup> January 2019	<b>For:</b> Decision
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<b>Divisions affected:</b> Pan - LEP	

## **1. Purpose of Report**

- 1.1 The purpose of this report is to set out the recommendations and supporting documentation of the Sector Support Fund (SSF) Bid for the Delivering skills of the future through teaching: teaching for growth project (the Project). The Project has been through an Independent Technical Review (ITR) process, to enable £166,600 of Growing Places Fund (GPF) Revenue grant to be devolved to Essex County Council for Project delivery. The bid document is included in Appendix 1.
- 1.2 The ITR report sets out an analysis to demonstrate that the Project meets the criteria for funding. This report is included in Appendix 2.

## **2. Recommendations**

- 2.1 **Approve** the award of £166,600 GPF Revenue grant to Essex County Council to support the delivery of the Project identified in the Funding Bid and which has been assessed as meeting the criteria for funding.

## **3. Summary of issue**

- 3.1. On 9<sup>th</sup> June 2017 the SELEP Strategic Board (the Board) approved the use of the GPF Revenue grant to fund a programme of works to support the sector focussed activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP working groups, namely, the Sector Support Fund (SSF).
- 3.2. The Board agreed, in 2017, the programme of total funding available in each year would be up to £500,000 of revenue grant per annum for three financial years, beginning 2017/18.
- 3.3. The purpose of the SSF is to support one-off, discrete pieces of work of a pan-LEP nature with a sector focus that brings demonstrable benefits and has support across the LEP. All applications must meet the criteria detailed in

section 3 of the SSF Guidance and be submitted in line with the process in section 4 of the same. This process ensures that the funding is allocated in accordance with the requirements of the SELEP Assurance Framework.

- 3.4. The SELEP Skills Advisory Group has submitted a bid for SSF of £166,600 to support the delivery of the Project, which was endorsed by the Board on the 7<sup>th</sup> December 2018 and by the Essex Employment and Skills Board and Skills East Sussex. The project has also been considered by the Kent and Medway Skills Commission.

#### **4. Project Summary**

- 4.1. The Project will address the widespread shortage of tutors, teachers and trainers across the SELEP area which is highlighted in the SELEP Skills Strategy. Training providers, colleges and universities have reported challenges in recruitment. This is particularly the case for priority sectors such as construction, logistics, engineering, health, care and digital and is therefore a significant impediment to economic growth and productivity. This has created a major obstacle to addressing skills shortages where these sectors themselves are struggling to recruit and can often offer higher salaries.
- 4.2. Research has identified that the challenges in recruitment stem from:
  - 4.2.1. Limited budget for educators to compete with industry on salary;
  - 4.2.2. Misconceptions regarding what working in further education/training involves;
  - 4.2.3. Lack of awareness around the shortages and broader implications for economic growth;
  - 4.2.4. Lack of awareness around roles working in education;
  - 4.2.5. Limited knowledge of positive aspects such as longer holidays, less commuting, flexible working, cutting edge facilities and the working environment's rewarding nature of work; and
  - 4.2.6. Requirements from some providers for new recruits from industry to pay for teaching qualifications themselves.
- 4.3. The project will seek to address these challenges through:
  - 4.3.1. Delivering a high quality awareness raising campaign which will showcase the sector locally, demonstrate the range of innovative and inspirational facilities and articulate the benefits of working in the sector;
  - 4.3.2. Making a contribution to teacher training costs aligned to priority sectors comprising of 40+ grants of up to £4,000 to be issued across the LEP area and to raise awareness of the issue and SELEP/partners commitment to addressing it; and
  - 4.3.3. Providing programme management to carry out the project and capture and showcase existing and related support available such as 'Teach Too' and the tutor CPD work undertaken by local skills boards.

- 4.4. It is anticipated that the project will result in a minimum of 241 new tutors, trainers and teachers being recruited, either through awareness raising or through provision of at least 34 bursaries. Furthermore, indirect benefits relating to 24,100 people entering employment in priority sectors as a result of being trained by the new tutors, trainers and teachers are stated in the bid. In order to ensure that these benefits are realised, consideration will be given to placing a condition on the award of a bursary that requires commitment from the recipient to remain in the industry for a stated period of time.
- 4.5. The original SSF bid from the SELEP Skills Advisory Group requested funding totalling £195,000 to support the Project. Due to the level of interest in the SSF, allocation of the full request would have resulted in over-allocation of the 2018/19 SSF provision by £28,400. To mitigate this issue the Board approved a reduced SSF allocation to the project of £166,600, in line with the bid document which indicated that the project costs could be scaled down if required according to availability of SSF funding.
- 4.6. The reduction in SSF allocation will impact on the number of bursaries that can be offered by the Project. The bid document specifies that a minimum of 41 bursaries will be provided. As a result of the reduction in SSF contribution this will reduce to a minimum of 34 bursaries. The change in SSF allocation will also result in a reduction in match funding as training providers have committed to making a contribution to each bursary available.

## 5. Project Funding

- 5.1. The total cost of the Project is estimated at £247,900 including a SSF ask of £166,600, along with match contributions from Essex County Council/Essex Employment and Skills Board and East Sussex County Council/Skills East Sussex. In addition, in kind funding contributions will be received from colleges and providers through a contribution to teacher training costs and East Sussex College, as set out in Table 1 below.

**Table 1: Project Funding breakdown (£s)**

Sources	2018/19	2019/20	Total
SELEP SSF	35,000	131,600	166,600
<b>Match contributions</b>			
Essex County Council/Essex Employment and Skills Board	4,000	16,000	20,000
East Sussex County Council/Skills East Sussex	6,000	-	6,000
<b>In kind funding contributions</b>			
Colleges and providers – through contribution to teacher training costs	3,000	48,000	51,000
East Sussex College	-	4,300	4,300
<b>Total</b>	<b>48,000</b>	<b>199,900</b>	<b>247,900</b>

- 5.2. The in kind contribution from colleges and providers through a contribution to teacher training costs has not yet been confirmed, as this will be provided by recipients of the bursaries. However, consultation with a number of colleges has confirmed that the in kind contribution is achievable. In addition, the bid indicates high levels of confidence in securing this contribution based on previous experience of delivering similar programmes.

## **Issues for consideration**

### **6. Risks and Dependencies**

- 6.1. The Project risks and dependencies, as detailed in the bid document include:

- 6.1.1. Finding a suitable delivery partner to lead on the project;

- 6.1.2. Ensuring take up of the bursaries in order to realise the expected project benefits.

- 6.2. Both risks will be minimised through strong partnership engagement.

### **7. Outcome of ITR Process (*Accountable Body Comments*)**

- 7.1. The Accountable Body has independently assessed the Project Bid Document and has confirmed that the Project meets the criteria for funding, including the Assurance Framework requirement with regard to the expectation that high value for money will be achieved.

- 7.2. The project aligns with SELEP's strategic objectives to increase skills levels and STEM sector growth across the SELEP area. Match funding and in kind contributions totalling 33% of the total project costs are expected. It was noted that 63% of the match funding is not yet secured, however, based on previous experience the bid indicates high levels of confidence in securing the indicated level of match.

- 7.3. The project is stated to be pan-LEP as the benefits arising from the project in terms of increased recruitment to skilled jobs, through increased provision of tutors and training opportunities will be experienced across the entire SELEP area. The project has been supported by the three Employment and Skills Boards across the SELEP area.

- 7.4. The application references significant potential indirect benefits, through the uptake of skilled jobs by people who have benefited from training as a result of this project, however, these benefits do not take into account the impact of displacement from other jobs. It is considered that given the strategic importance of the project in relation to delivering the SEP, and the difficulties in accurately quantifying value for money offered by skills projects consideration should be given to applying value for money exemption 1 as set out in the SELEP Assurance Framework in this case.

7.5. Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

7.6 Exemption 1 will only apply if the following conditions are satisfied:

- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

## **8. Financial implications** (*Accountable Body Comments*)

8.1. A total of £1m of SSF funding was available in 2018/19, when taking into account the brought forward funding of £500,000 from 2017/18; of this amount, a total of £793,400 has been awarded to date, leaving an outstanding £206,600 to be allocated.

8.2. Two Projects came forward for endorsement for funding at the December 2018 Strategic Board meeting (to note, the 'Coastal Communities Supplement' decision is considered in a separate report); the funding allocation for each is set out in Table 2 below. It should be noted that insufficient funding was available to fund both projects in full, however, the Board agreed to endorse both projects on the basis that the Delivering Skills for the Future Project, set out in this report, was scaled down to fit within the funding envelope available in 2018/19.

8.3. On approval of these two Project awards, the full 2018/19 funding allocation will have been applied.

**Table 2: Sector Support Fund Summary**

<b>SSF Funding Available</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	£	£	£	£
Total Funding	1,000,000	500,000	500,000	2,000,000
Less Funding approved to date	793,400	-	-	793,400
<b>Balance of funding available</b>	<b>206,600</b>	<b>500,000</b>	<b>500,000</b>	<b>1,206,600</b>
Plus funding c/f from 2018/19		151,600		
<b>Funding available</b>	<b>206,600</b>	<b>651,600</b>	<b>500,000</b>	

<b>Projects seeking approval:</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	£	£	£	£
Coastal Communities Supplement	20,000	20,000		40,000
Delivering skills of the future through teaching: teaching for growth	35,000	131,600		166,600
<b>Total projects seeking approval:</b>	<b>55,000</b>	<b>151,600</b>	<b>-</b>	<b>206,600</b>
Funding Available	206,600	651,600	500,000	
<b>Total carry-forward to future years</b>	<b>151,600</b>	<b>500,000</b>	<b>500,000</b>	

8.4. This grant is a fixed maximum contribution to the Project; any Project over spends incurred will be required to be addressed by the Project delivery partner.

## 9. Legal implications (*Accountable Body Comments*)

9.1. The grant will be transferred to Essex County Council via a notional grant agreement; the grant agreement will include a requirement for claw back of the funding if it is not fully expended or not expended in line with the Project Bid Document.

## 10. Equality and Diversity implications

10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

10.3 In the course of the development of the project business cases, the delivery of the project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

## 11. List of appendices

11.1. Appendix 1 – Project Bid Document

11.2. Appendix 2 – Independent Technical Review report

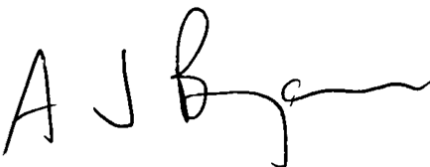
## 12. List of Background papers

12.1. Sector Support Funding Guidance

12.2. SELEP Assurance Framework

12.3. Minutes of the Strategic Board Meeting 7<sup>th</sup> December 2018

Role	Date
<b>Accountable Body sign off</b>  <i>Stephanie Mitchener</i>  (On behalf of Margaret Lee)	02/04/19

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>    Adam Bryan Chief Executive Officer for the South East Local Enterprise Partnership	<b>Date</b>  4/4/19
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