

Report to Accountability Board	Forward Plan reference number: FP/AB/044
Date of Accountability Board Meeting: 10th June 2016	
Title of report: Skills Equipment Fund Approval round 3, and Skills Capital Process	
Report by: Mike Rayner, SELEP Skills Lead	
Enquiries to : mike.rayner@kent.gov.uk	

1. Purpose of report

- 1.1 The purpose of this paper is to present recommendations regarding the recent Skills Equipment bidding round to inform the board's decisions about whether or not to accept the applications for funding, and approve the new process for the distribution of the remaining Skills Capital Funding.

2. Recommendations

The Board is asked to:

- 2.1 **Approve** the recommendation from the Assessment Group for the allocation of £198,500 from the Skills Equipment Fund to MidKent College, Swale Skills Centre Equipment.
- 2.2 **Approve** the revised process for the distribution of the remaining Skills Capital Funding, as set out in Appendix B.

2 Background

- 3.1 The South East Local Enterprise Partnership (SELEP) was awarded £22m for skills capital building projects and equipment in 2015. To date the following allocations have been made:
- Round 1 - £16,099,440
 - Round 2 - £620,540
 - Round 3 - £3,212,905
- 3.3 The SELEP initiated round 3 of bidding for the capital equipment grant in October 2015. Organisations eligible to bid for the grant were defined as further education colleges and approved training organisations within the SELEP area that are on the Register of Training Organisations and hold a direct contract with the Skills Funding Agency to deliver education and training.

- 3.4 Bidders were expected to provide 50% match funding of the total cost of the equipment. Where bidders were only able to provide a lower level of match funding, bids were required to be assessed as compelling (i.e. score greater than 85 out of 96 in the evaluation) in order to be put forward for funding.
- 3.5 Grant sizes were to be normally in the range of £50,000 to £500,000 unless a strong case could be made (Score 85/96 or higher). Bids in excess of £150,000 required an additional financial assessment by the Skills Funding Agency to provide assurance with regard to their financial plan.
- 3.6 Initially MidKent College submitted their bid on the incorrect paperwork, and were allowed to resubmit their bid. However, following a detailed assessment of the resubmitted paperwork it was clear that the College required additional support so as to enable them to submit a full and detailed bid. Accordingly the Accountability Board further deferred the decision on funding allocation on 8th April 2016 so as to allow MidKent College to resubmit their bid for a second time.
- 3.7 All other bids for round 3 Skills capital funding were dealt with at the previous two Accountability Board meetings. The re-submitted bid by MidKent College, Swale Skills Centre is the final bid to be considered as part of round 3.
- 3.8 The re-submitted bid has been assessed by the Skills Funding Agency, and scored 78/96, indicating an acceptable bid meeting local priorities. As the financial and technical aspects of the bid have not changed and already been approved, the Skills funding Agency require no further clarification on the information contained in the bid. Therefore the recommendation is for the funding of £198,000 to be approved.
- 3.9 In April 2016 the Accountability Board considered the draft process round 4 of the distribution the remaining funds to maximise involvement of the federated areas.
- 3.10 The Accountability Board determined that the ring-fenced allocations set out in the draft proposal should be removed and for the process to involve the federated boards. Accordingly the proposal has been updated and all ring-fenced allocations have been removed and a new paragraph 1.4 has been included as follows:

1.4 Involvement of Federated Areas and Employment and Skills boards (ESBs)

In round 4 the Employment and Skills Boards (ESBs) and Federated boards will work together to bring forward projects for the Skills Capital Fund. This is to ensure best fit with local priorities. Providers should therefore engage with their federated areas before developing any projects. Federated areas should:

- Engage with colleges and training providers in their areas to generate the bids.

- Provide a clear set of priorities/criteria for bidders.
- Prioritise projects locally and ensure that bids are submitted to the LEP.

Currently there is £1.868m available. Projects will be endorsed by the federated areas but the final decision will be based on the project merits not a specific allocation by area.

Bids will not be considered by SELEP without endorsement from the relevant Federated Area.

3.11 The full process is available in the attached guidance document (Appendix B).

4. Financial Implications

4.1 SELEP has received a £11m allocation in 2015/16 of Skills Funding as part of the Local Growth Fund (LGF) and a further £11m is has been allocated in 2016/17. Of this total overall amount, £19.932m has been previously allocated and accepted by colleges; the recommendation in this report, if approved, will amend this as follows:

	£m
Unallocated Funding to date	£2.067
Less: Funding for Mid Kent College (Swale)	£0.199
 Total Remaining Unallocated Funding	 £1.868m

4.2 It is expected that all the Skills funding is allocated and defrayed by 31st March 2017.

5 Legal Implications

5.1 All approved allocations will be required to enter into a Grant Agreement with the Accountable Body, which contains the obligations for monitoring and reporting, which will allow for updates to be received going forward.

6 Staffing and other resource implications

6.1 Resources will be required to monitor the spend and the targets to be achieved as agreed with the bidders. This will be delivered within individuals current workloads.

7 Equality and Diversity implications

7.1 None

8 List of Appendices

8.1 Appendix A - Skills Equipment bids collated with recommendations

8.2 Appendix B – ESB Round 4 Application Guidance

(available at www.essex.gov.uk if not circulated with this report)

9 List of Background Papers

9.1 Full bid documents.

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Lorna Norris	02/06/16
On behalf of Margaret Lee	

Appendix A SE LEP Skills Equipment bids collated with recommendations

Scoring Note:

- Compelling – 85/96
- Acceptable – 48/96

Bid recommended for approval

Organisation	Project	Items purchased/Buildings constructed or refurbished	Amount requested (£)	% of project	Score (/96)	Recommendation/Notes
MidKent College	Swale skills centre. Equipment to be used to teach courses in local growth sectors.	Equipment to support: <ul style="list-style-type: none">• Science Lab• Motor Vehicle servicing• Welding and Fabrication• Plumbing• Electrical fitting	198,500	50	78	Allocate the funds. No further Action Necessary.
Total			198,500			