

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/061
<b>Date of Accountability Board Meeting: 20<sup>th</sup> January 2016</b>	
<b>Date of report:</b>	
<b>Title of report: Options for Skills Capital Underspend</b>	
<b>Report by</b> Louise Aitken, LEP Skills Lead	
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## 1. Purpose of report

- 1.1 To seek Accountability Board decision for utilisation of underspend associated with the Sussex Downs College 'Refurbished Science Facilities' project and of Local Growth Fund (LGF) allocated to colleges.

## 2. Recommendations

- 2.1 To approve the approach to be used to manage the Sussex Downs College underspend, from the following options:

**Option A:** Approve Sussex Downs College utilisation of all or some of the underspend to the broader project, enhancing their first floor laboratory with the new STEM Centre, subject to a full Business Case being provided and approved by the Accountability Board. Any business case would need to meet the requirements of the SELEP Assurance Framework.

**Option B:** Request a proportion of the underspend is reallocated to offset the £14k over-commitment within the Skills Capital Budget, before proceeding with either option A or one of the remaining options.

**Option C:** Request all or some of the under-spend is reallocated and agree how this and resultant additional under-spend should be deployed through either of the following options:

**Option C1:** establish the principle of using this and any other skills capital under-spend received for a ring-fenced skills activity funding pot, subject to competitive bidding in the next financial year and government approval

**Option C2:** utilise this and any other under-spend for the unfunded LGF3 project priority list

## 3. Background

- 3.1 The original bid from Sussex Downs College outlined proposals to create a new Reception /Hub on the Ground Floor of the new STEM Centre at their Lewes Campus and an alteration to the existing Science Laboratory which was inaccessible to many

students. The bid stated that *‘the Lab will be raised to adjacent floor levels, providing high quality science facilities’*. The Accountability Board approved £159,440 towards total project costs of £478,320 (33% of total costs).

- 3.2 Further to negotiations with builders and subcontractors, overall costs have reduced from £478,320 to £240,000. In accordance with the 33% ratio, the SELEP Skills Capital contribution therefore also reduces to £80,000, resulting in £79,440 surplus of the original £159,440 committed. Sussex Downs College have an associated (unfunded) project to build a first Floor Science Laboratory (above the funded project) at a cost of £125,000. Subject to a decision on the above options and the preparation of a full Business Case, they would like to use their unused grant for the development of a first floor laboratory which is part of the STEM Centre, which they would match with £44,560 (36.4%) of their own funding. The Business Case will be subject to the same due process as per other skills capital projects and assessed against the same criteria, ensuring compliance with the LEP priorities and Assurance Framework. A full independent assessment would also be required by the Skills Funding Agency or an independent assessor.

#### **4. Financial Implications**

- 4.1 The lower project costs will result in £79,440 of available funding depending on the option chosen. A decision on how to utilise this and any additional skills capital underspend is therefore required.
- 4.2 At the Accountability Board in September 2016, an over-allocation of the Skills Capital Pot was agreed to the sum of £14,661; it was agreed that this would be managed as part of the overall approach to LGF capital programme management through, in the first instance, offsetting against any underspend on the 2016/17 skills allocation where this occurs.
- 4.3 If this over-allocation of the Skills Capital Pot is addressed through the underspend on the Sussex Downs Project, this leaves a balance of £64,779 for re-allocation.
- 4.4 If the over allocation of £14,661 is not offset against this underspend, then this will need to be offset by any slippage in the rest of the capital programme in 2016/17 and accommodated by the headroom on the fund in future years.

#### **5. Legal Implications**

- 5.1 The Grant is paid in arrears, following receipt of the Grant Claim Form, and therefore there is a proportion that is still retained by the Accountable Body. The terms of the Grant Agreement dated 5<sup>th</sup> July 2016, sets out the conditions by which the Accountable Body may withhold, suspend or require repayment of all or part of the grant. This includes the provision to make adjustments to the values sought through the Grant Claim Form procedure. In the event of a change to the value of the Grant provided to South Downs College a Deed of Variation will be required to make the necessary amendments to the values and payments made under the terms of the

original Agreement. Should Option A be approved a new Grant Agreement will need to be put in place as this will be a new Grant award, for a new Project, in addition to the Deed of Variation.

- 5.2 The Board will need to consider whether there is enough justification to simply allow Sussex Downs College the opportunity to present a further business case for the use of the surplus through an alternative project, or whether the surplus should be made available for others to apply for, giving all FE and HE an equal opportunity to present a business case for their own projects against the available funding, or if it should be applied against the unfunded LGF3 priority list.

## **6. Staffing and other resource implications**

- 6.1 None

## **7. Equality and Diversity implications**

- 7.1. 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:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 In the course of the development of the business case and their ongoing commitment to equality and diversity, the Sussex Downs Collage will ensure that any equality implications are considered and were possible identify mitigating factors.

## **8. List of Appendices**

- 8.1 None

## **9. List of Background Papers**

- 9.1 Previous Accountability Report dated September 2016

**(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	12.01.2017
On behalf of Margaret Lee	