

PART A

Report to: Cabinet
Date of meeting: 8th February 2016
Report of: Jane Custance, Head of Regeneration and Development
Title: Skillmakers

1.0 **SUMMARY**

1.1 Skillmakers is a business and community led initiative intended to bring businesses and education closer together, to support future economic sustainability and improve employment opportunities for local people. It intends to become a self sustaining Community Interest Company with impact across Watford and South West Herts.

2.0 **RECOMMENDATIONS**

2.1 That the Council agrees to being a board member of Skillmakers and that the Managing Director be the Council's nominated representative.

2.2 That the Council offers the company a £11,500 loan to be repaid by the end of 3 years on similar commercial terms to that of the LEP loan to go towards the start up costs of Skillmakers.

Contact Officer:

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Report approved by: Jane Custance, Head of Regeneration and Development

3.0 **DETAILED PROPOSAL - Skillmakers**

3.1 The Skillmakers initiative supports the Council's objectives in several ways, as detailed in the Skillmakers Project Initiation Document: Sections 1 Introduction and 2 Business Case, appended.

3.2 The detailed proposal for Skillmakers is outlined in the Project Initiation Document and the Skillmakers' Business Plan, both appended.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 **Skillmaker Funding**

The investment required to support Year 1 staffing is £115k. Other projected costs and income are detailed in the Skillmakers business plan.

A loan is being sought from Herts LEP to fund 80% of this £115k. West Herts College are leading this bid, not the Council. The remaining 20% will be funded on a loan basis 50/50 between WHC and WBC.

Therefore the Council would offer a loan of £11.5k from April 1st 2016, repayable at the end of Year 3 2018/2019 with interest applied.

The Skillmakers' loan will need to go onto the Council's risk register in case, for any reason, the service is not successful and the £11.5k cannot be repaid.

The LEP is discussing Skillmakers at their board meeting on 21st January. If for any reason the 80% loan is not secured the funding proposal will need to be reviewed. However, there is already strong support for this service within the LEP and it is expected to be approved.

4.1.2 **Skillmaker Membership**

The cost of the Council's membership of the Skillmakers service is £985 per annum.

4.1.3 It is recommended that the LABGI reserve be used to fund Skillmakers. It may be that membership can be offset against the Employer Levy when it comes in from April 2017, however colleagues on the Skillmakers board advise that much of the detail is still to be confirmed, and it is not yet clear what costs could be offset against the Levy.

4.1.4 The Shared Director of Finance comments that the financial implications are contained within the report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that In order to avoid issues of State Aid the loan to the company needs to be on commercial terms. The Managing Director as the Council's nominated representative would owe specific obligations as a director of the company to the company.

4.3 **Equalities**

4.3.1 In order to fulfil our duties under the Equality Act 2010 and the Council's commitment to equality and diversity, where a report relates to a new policy it will be necessary to indicate that the appropriate equality impact assessments are taking place. This paragraph must indicate what consultation and/or assessments have taken place and their outcome. It is not necessary to attach the full assessment.

4.3.2 Skillmakers will seek to help people access new learning and employment opportunities across the community, regardless of age, gender, disability or any other factor. Skillmakers intends to help maximise the economic potential of all of the local

working age population, enhancing career and job opportunities for residents across all groups.

4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Forward funding is not secured (LEP, WBC, WHC)	1	4	4
Skillmakers initiative is not successful and the Councils loan cannot be repaid	1	4	4
Not enough members recruited to support year on year financial model	1	4	4
Members are not retained after Year 1	1	3	3
Activity becomes too focused on a single or small number of groups	1	2	2
Priorities are not seen as relevant to a broad enough spectrum of employees and partners	1	2	2
Activity is too broad to achieve impact	1	2	2
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

4.5 Staffing

4.5.1 None

4.6 Accommodation

4.6.1 None

4.7 Community Safety

4.7.1 None

4.8 Sustainability

4.8.1 Would assist in providing a sustainable workforce within the town and deliver some of the aims of the Economic Development Strategy.

Appendices

Appendix A: Skillmakers Business Plan Final January 2015

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- The Skills Challenge May 2015

File Reference

- None