

Item 9

REPORT TO CABINET

14TH SEPTEMBER 2006

**REPORT OF HEAD OF STRATEGY &
REGENERATION**

LEARNING AND EMPLOYMENT PORTFOLIO

STRATEGIC TRAINING ALLIANCE

1. SUMMARY

- 1.1 There are a number of training organisations based in Sedgefield Borough; delivering work based learning programmes to both youth and adult learners. In general these organisations work in a complimentary manner, though there are also areas where agencies are duplicating each other's activity and effectively competing for training contracts.
- 1.2 The report seeks endorsement to investigate the feasibility of entering into a strategic alliance arrangement with Bishop Auckland College in order to provide a complimentary training service and in time, centres of excellence for differing types of training, located at strategic sites within South West Durham.

2. RECOMMENDATION

- It is recommended that Cabinet:
- 2.1 Endorses the concept of a strategic alliance between the council's training and employment services and Bishop Auckland College, and instructs officers to investigate the feasibility of such an alliance and report their findings to cabinet in due course.

3. TRAINING PROVISION IN SEDGEFIELD BOROUGH

- 3.1 Sedgefield Borough Council has operated a training service since 1978. It is now the only Council in the region to do so. The Council's training service focuses on return to work training for long term unemployed people as well as modern apprenticeships, specialising in business administration, construction and engineering training for young people.
- 3.2 The Council's training service is held in extreme high regard by the Adult Learning Inspectorate, being awarded one of the best inspection reports in the country in October 2005. SBC training is the only training provider ever

to have received an award of “outstanding” for leadership and management within County Durham.

3.3 There are a number of other training providers operating in the Borough. The most significant being Bishop Auckland College, offering adult and youth training in a range of disciplines, South West Durham training offering youth training in Engineering and S&D training in continuation and adult programmes.

3.3 Whilst there has been attempts to secure greater collaboration between the training agencies, with such initiatives as the “Prince Bishops Agency” the contracting arrangements with Government create a competitive environment with some services being duplicated across agencies and investment split.

4. **CONTRACT SITUATION**

4.1 The method by which the Government award contracts for the provision of training has changed significantly over the past few years. The most significant change is the Government are now looking to award single contracts to large region wide agencies that would then subcontract to a limited number of smaller, county or sub county providers. Within this environment agencies the size of SBC training are significantly disadvantaged, despite the excellent value for money and quality of the service provided

4.2 The second significant change is that within the adult training sphere the contracts provided from Jobcentre plus have become increasingly haphazard with no provision for long term planning. The situation is such that many providers, such as New College Durham, no longer provide adult training. As with the youth contracts, this seriously disadvantages the smaller agencies such as SBC training that do not have the resources to ride through the financial shocks that the current environment creates.

5. **PROPOSAL**

5.1 In discussion with senior officers from Bishop Auckland College, a proposal has arisen to investigate the feasibility for much greater joint working, with the potential for a Strategic Alliance between the College and the Council to provide a service with a single point of access for clients and a single, proactive contracting arm.

5.2 It is also proposed to investigate the feasibility to provide strategic centres of excellence within South West Durham building upon existing centres, cutting out duplication, and maximising investment. Such an arrangement could for example see Spennymoor recognised as the centre of excellence for construction and business administration training.

- 5.3 This would require a review of existing training facilities in the Borough and the investigation into the feasibility of constructing a new purpose built construction-training centre adjacent to the existing training centre at Merrington Lane. It is proposed to set up a project-working group of officers from the Borough Council and the college to oversee any project development work.

6. RESOURCE IMPLICATIONS

- 6.1 There are no immediate financial resource implications of the investigation work, as this can be carried out from within existing staff time and budget provision.
- 6.2 However there are major investment and HR implications attached to the implementation of any findings from the feasibility. These would be brought to Cabinet as decisions needed to be made according to the information provided through the feasibility.
- 6.3 Through the County Durham Economic partnership, there is the potential to lever in £1.8m for the construction of any new training facility. Initial estimates indicate a facility would be in the region of £2 – £2.5m. It is envisaged that the Council's capital receipts would form part of the gap funding for this proposal.

7 CORPORATE POLICY IMPLICATIONS

- 7.1 One of the top priorities within the Community Strategy and the Council's Corporate Plan is the objective to improve the employment rate of the Borough. Performance data shows that the most vulnerable groups are those under 25 and those over 50. In particular there are a growing number of young people who are not in employment or training with serious consequences for their future employability and the productivity of the Borough.
- 7.2 The Sedgefield Borough's training and employment service are already working more closely on the provision of training for 14-19 year olds with a growing role with secondary schools. This proposal is to investigate whether an alliance with the college can improve the training infrastructure in the Borough and so contribute significantly to this objective.

8. CONSULTATIONS

- 8.1.1 to date, a limited consultation has taken place with the staff at the training centre. Early signs are that staff are positive about the feasibility being undertaken.

9. OTHER MATERIAL CONSIDERATIONS

- 9.1 **Legal and Constitutional Implications**

There are no implications in undertaking feasibility into closer working. However there could be major implications of a legal and constitutional nature, should the feasibility recommend a partnership, alliance or even a merger between SBC training and Bishop Auckland College.

Sustainability

The proposal is intended to ensure the long-term sustainability of training provision within South West Durham.

Risk Management

There are no risks to the Council arising from the feasibility. However in the longer term the proposal is based upon the successful partnership arrangements and capital build of a new training facility. The proposed project-working group will determine the risks of both of these. It is further envisaged that a project management tool such Prince 2 be utilised.

There are no further material considerations.

10. **OVERVIEW AND SCRUTINY IMPLICATIONS**

10.1 There has been no previous consultation or engagement with the Overview and Scrutiny Committees.

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Ward:
Key Decision validation: Not a Key decision
Background Papers: None

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council’s Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>