

# Item 5b

## SEDGEFIELD BOROUGH COUNCIL OVERVIEW & SCRUTINY COMMITTEE 3

Conference Room 1,  
Council Offices,  
Spennymoor

Tuesday,  
26 September 2006

Time: 10.00 a.m.

- Present:** Councillor Mrs. B. A. Clare (in the Chair) and  
Councillors D.R. Brown, G.C. Gray, Mrs. J. Gray, K. Henderson,  
M.T.B. Jones, A. Smith and Mrs. C. Sproat
- Invited to attend:** Councillor R. A. Patchett
- In Attendance:** Councillors A. Gray, B. Hall, D.M. Hancock, J.E. Higgin, J.G. Huntington,  
J.M. Khan, J.P. Moran and T. Ward
- Apologies:** Councillors B.F. Avery J.P, V. Crosby and Mrs. L. Smith

**OSC(3)7/05 DECLARATIONS OF INTEREST**  
No declarations of interest were received.

**OSC(3)8/05 MINUTES**  
The Minutes of the meeting held on the 11<sup>th</sup> July, 2006 were confirmed as a correct record and signed by the Chairman.

It was pointed out that at that meeting discussion on the cleansing of Woodham Burn related to one specific area from Greenfield Way to Stephenson Way.

**OSC(3)9/05 OPERATION AND ACHIEVEMENTS OF THE COUNCIL'S TRAINING AND EMPLOYMENT SERVICES.**  
Shaun Meek, Training Services Manager, attended the meeting to give a presentation in respect of the Operation and Achievements of the Council's Training and Employment Services.

The presentation gave an overview of the work of the Section, put into context what the Section was trying to achieve and how the Section was responding to changes in Government policy.

It was explained that the Training and Employment Services was originally part of the Personnel Section of the Council but had subsequently been transferred to the Strategy and Regeneration Section of the Council. The rationale behind this move was that regeneration was not merely about physical regeneration but also raising the social aspects of an area, including improving the basic skills levels of the community to deal with unemployment.

The Training and Employment Service was a non statutory service and was not provided by a number of other Councils. It had been established

in the 1980s in response to the unemployment situation in the area at that time and at the request of Manpower Services Commission.

Members were informed that the service was self-financing and did not rely on funding from the Borough Council. Income was generated from external contracts with Job Centre Plus and the Learning and Skills Council.

It operated in a competitive environment with competition from other organisations and institutions such as colleges, schools etc.

With regard to finance, the service operated a trading account which allowed surpluses to be carried forward to the next financial year and enabled investments to be made. It also allowed balances to be used to smooth out difficult times.

Training and Employment Services were traditionally involved in work - based learning, i.e school leavers who did not go on to further education and wished to pursue Modern Apprenticeships. Most of its work was now with the unemployed, i.e those claiming Job Seeker's Allowance and the jobless, i.e those not claiming any form of benefit.

In addition to those areas, it was now involved in two new initiatives:

- Train for Gain scheme, and
- A project involving Year 10 and 11 pupils.

The Train for Gain Scheme concentrated on raising skills levels in the workplace to Level 2 and offering incentives to employers to encourage employees to participate. The project involving Year 10 and 11 pupils offered the opportunity for training, particularly in engineering, at Shildon workshops. To date 100 young people had taken part in the project which had given them the opportunity to work on up-to-date equipment. The project was proving successful and this year had generated 10 Modern Apprentices from the programme.

It was explained that at the current time, Training and Employment Services had 61 clients on the unemployed programme which was split into 2 groups – those aged 18 – 24 and those 25+. The programmes were for either a 13 or 26 week duration. There were approximately 140 apprentices on various programmes. The Borough Council used the apprentice programme as the main source of recruitment for junior clerical staff. There was one client on the Train for Gain programme which would be built up over time. With regard to the Years 10 and 12 pupils, five schools were involved in the project with approximately 90 pupils taking part.

Two Environmental Taskforces had been formed working with the Council's Housing Department – the Helping Hands Project and a Rapid Response Team. The Helping Hands programme provided a service to assist tenants in undertaking tasks which they were unable to carry out

themselves such as gardening, decorating etc. The Rapid Response Team's task was to generally clean up the environment.

Training and Employment Services operated from three premises :-

- Spennymoor Training Centre
- Chilton Depot, and
- Shildon Business Centre

The Council's Training and Employment Services was self-financing and had approximately £458,000 in balances accrued as at 31<sup>st</sup> March 2006. For this financial year, however, the Service was running at a deficit of £42,000 after 5 months. It was aimed to keep the deficit at around £60,000 for the financial year.

The Council accrued financial benefits from Training and Employment Services in the form of rental from premises and internal service charges of around £130,000. It was estimated that the apprenticeship scheme saved the Council in the region of £60,000 per annum in recruitment and salaries costs and the Environment Service Teams saved the Council £60,000 a year in salary costs.

Funding for the Training and Employment Service came from the Learning and Skills Council and Job Centre Plus. Job Centre Plus this year, however, had made a significant change to the way in which the Service was funded. Previously contracts had been awarded directly to organisations. Now, instead of a number of smaller contracts, there was one large contract awarded to a lead provider. Action for Employment was the contractor with Cee Mac the link provider. The Council's Training and Employment Services was now a sub-contractor, which meant working for a private company which took a cut of the money allocated.

The Service was beginning to generate some funding from schools (approximately £90,000) but the real benefit of this was creating a stepping stone into training from the Schools. Job Centre Plus and the Learning and Skills Council paid on performance. With regard to the apprenticeship scheme an amount was paid per apprentice and a further amount when the programme was complete. For the adult programme there was additional payment if full-time employment was gained.

In relation to Key Performance Indicators (KPIs), the percentage of unemployed adults gaining employment last year ran at 32% against a target of 20%. In relation to the percentage of young people on the Entry to Employment Programme who progressed to employment the target was about 50% against an actual figure of 43%. However, even though the target had not been met, the national target was around 40% and the outcome was above national target. 75% of apprentices completed their apprenticeships, although a problem was that only 35% were completed within the agreed timescale as a result of high staff turnover.

The Training and Employment Services was subject to inspection by the Adult Learning Inspectorate. It had last been inspected in September

2005 and had received an excellent report and a Grade 1 for Business Administration.

Issues being faced included the decline in the number of school leavers, with more remaining in full-time education, the number of young people deciding to do nothing after the age of 16, the introduction of education maintenance allowances, the lack of employers willing to employ apprentices and the changing priorities of Job Centre Plus.

There were also internal issues which needed to be addressed including a high staff turnover, with the loss of 25% staff in the last three months.

The challenges being faced included the need to retain a financial surplus, the need for staff stability, implementation of the Train to Gain project, development of a strategic partnership with Bishop Auckland College, engagement of more employers and contractual performances.

Members of the Committee queried what changes would assist in dealing with the challenges. It was explained that the introduction of the new Job Centre Plus arrangements, which involved awarding a big contract covering County Durham and Sunderland to a lead provider, made it difficult for contractors. It was felt that the contract covered too wide an area and the use of lead providers diverted resources from its purpose with a detrimental impact on Training and Employment Services.

It was noted that Cabinet at its meeting on 14<sup>th</sup> September, 2006 had considered a report seeking agreement to investigate the feasibility of entering into a Strategic Alliance arrangement with Bishop Auckland College to provide a complementary training service and, in due course, Centre of Excellence for different types of training located at strategic sites within South West Durham. That concept was endorsed and officers were to investigate the feasibility of such an alliance. It was considered that this would lead to a better strategy for the area and avoid providers all bidding for the same learners.

Discussion was held regarding the Adult Learning Centre and issues in relation to premises. There would be a loss of income which had been generated by sharing the premises with Bishop Auckland College and it may be necessary to consider sub letting premises in the future.

Concern was expressed at the level of staff turnover and in particular the impact that this had on the standard of trainers and the programme delivery to trainees. It was explained that there was a shortage of trainers, particularly in the construction industry, related primarily to the low level of pay offered in comparison to other providers and the construction industry.

In response to a query raised regarding the level of 16 year olds not engaged in education, employment, or training which at the current time was running at 10%, it was explained that issues were being discussed at LSP meetings, although more work needed to be undertaken. However, a number of initiatives, including Sure Start and work in schools, were tackling some of the issues .

*AGREED : 1. That the information be noted and the work undertaken be supported.*

*2. That the concerns of the Committee that the decision to award large Job Centre Plus contracts to lead providers had diverted funding from its purpose, with a detrimental impact on training and employment services, be referred to Cabinet for further consideration.*

### **OSC(3)10/05 PERFORMANCE INDICATORS**

Consideration was given to Performance Indicators actual outturn 2005/2006 (for copy see file of Minutes) relating to the Social Regeneration and Partnership, Environment, Learning and Employment and Planning and Development portfolios.

It was explained that the targets had been set by Strategic Working Groups and the report identified how outcomes had performed against those targets.

The comments of the responsible officer for particular targets were identified in the report and explanations given on individual results.

During discussion of this item, specific reference was made to **BVPI204 – The Percentage of Appeals Allowed against the Authority’s Decision to Refuse on Planning Applications** and Members queried the reason for the disappointing outcome. It was suggested that this could be examined at a future meeting and an item be placed on the Committee’s Work Programme.

*AGREED : That the information be noted and areas of concern be highlighted in the Work Programme.*

### **OSC(3)11/05 WORK PROGRAMME**

Consideration was given to a report of the Chairman of the Committee setting out the Committee’s Work Programme for consideration and review. (For copy see file of Minutes).

Members were updated on the current position in relation to the Recycling Services Review Group and the Reducing Economic Inactivity (Worklessness) Review Group.

Discussion was held regarding progress towards the achievement of **Best Value Performance Indicator 204 – the percentage of appeals allowed against the Authority’s Decision to refuse on planning applications** – and it was considered that clarification was needed on the reason for the disappointing performance.

A question was raised about scrutiny of licensing policies and whether members may periodically consider the impact of such decisions.

*AGREED : 1. That the Work Programme be noted.*

2. *That an item be placed on the Work Programme relating to progress towards the achievement of Best Value Performance Indicator BVPI 204.*
3. *That the Chairman and Vice Chairman seek further advice on the issue of scrutiny of licensing policies.*

**OSC(3)12/05 THE NOTTINGHAMSHIRE DECLARATION ON CLIMATE CHANGE**

Members were updated on the Nottingham Declaration on Climate Change, a pledge to actively tackle climate change and work to reduce emissions.

It was suggested that this may be an issue for future consideration by the Committee.

*AGREED: That the information be noted*

**ACCESS TO INFORMATION**

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Liz North 01388 816166 ext 4237 email:enorth@sedgefield.gov.uk