



Chester-le-Street
District Council

Report to: Executive

Date of Meeting: 3 March 2008

Report from: Economic Development & Tourism Officer

Title of Report: Partnerships for Futures

Agenda Item Number: **TBC**

1. PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to recommend to Executive the establishment of a dedicated resource, Partnerships for Futures which will aim to address the district's skills shortages based on the short, medium and long-term needs of Chester-le-Street employers. Partnerships for Futures will add capacity where it is otherwise unavailable to work with employers to undertake workforce planning and to work with schools and colleges to influence future skills provision to ensure that meaningful and sustainable employment is available to young people and they are equipped with the skills needed to access it.
- 1.2 Partnerships for Futures will be constituted as a not-for-profit company limited by guarantee as recommended by the Partnerships for Futures business plan. A critical element of Partnerships for Futures is that it will be focused on the needs of real businesses, therefore it will be essential that employers are engaged in setting priorities for action.
- 1.3 In line with council priorities to be discussed as part of the budget process and subject to council decision on budget the Executive is asked to approve resources of £90,000 (composed £80,000 revenue, £10,000 capital). It is also recommended that Executive assist in establishing a board, appointing an Executive Director and developing a business plan for the initiative.

2. CONSULTATION

- 2.1 Key employers have been consulted to ensure that the initiative is demand driven, and is shaped to meet the needs of their respective organisations. Employers recognise that they are unable to make the necessary transformation

working independently as their individual reach and influence is limited. Through working in partnership with other employers, sufficient momentum is likely to stimulate a measurable change.

- 2.2 The education sector has been consulted, with secondary school head teachers recognising the importance of Partnerships for Futures in matching young people with real jobs, and to also influence the design of vocational training to meet the needs of employers.
- 2.3 Support agencies such as Connections and Job Centre Plus have also been consulted to ensure that Partnerships for Futures will not duplicate existing activity.
- 2.4 Partnerships for Futures has already stimulated significant interest from the business community, with key organisations in both the private and public sector making a commitment to sit on the board for Partnerships for Futures. Those organisations are: Durham County Cricket Club, Beamish, Cestria Community Housing (tbc), New College Durham, and Chester-le-Street & City of Durham Enterprise Agency.
- 2.5 Internally, the Acting Head of Regeneration and the Head of IT have been consulted to ensure they are able to provide support in the establishment of Partnerships for Futures. The Head of Legal Services has also been consulted to obtain advice in relation to establishing the company structure.

3. CORPORATE PLAN AND PRIORITIES

- 3.1 Partnerships for Futures will contribute to the achievement of a number of previous corporate priorities, specifically including:
 - Priority 2: Working in Partnership to Deliver the Sustainable Community Strategy – by up-skilling residents, reducing the number of NEET (not in education, employment or training), encouraging the number of working age adults to achieve NVQ Level 2.
 - Priority 4: Regenerating the District – by maximising the learning and skills attainment of residents of the district and by working with employers to access skills.
- 3.2 As part of the establishment of a new corporate priority for 2008/09, People and Place, Partnerships for Futures will address key sub-priority objectives to address worklessness in the district.

4. IMPLICATIONS

4.1 Financial and Value for Money Statement

There will be financial implications involved in establishing Partnerships for Futures. Initial 'pump priming' resource will be required from the council to

establish the initiative. Funding required to establish Partnerships for Futures will be £90,000, which relates to 2008/09 activity. The business plan is based on the premise that Partnerships for Futures will become self sustaining through membership fees and private sector investment. At this stage there is no commitment required for public sector funding beyond 2008/09. The new unitary authority will be required to consider further public funding to be injected into Partnerships for Futures in future years.

Durham County Cricket Club have made a financial commitment to Partnerships for Futures for 2008/09, and Beamish have also made a commitment of in-kind match funding to deliver training courses.

Partnerships for Futures must be able to demonstrate its medium and long-term viability by achieving financial independence. This will be achieved through commercial income derived from consultancy activity and membership fees.

4.2 Local Government Reorganisation Implications

At this stage no LGR implications arise from the establishment of Partnerships for Futures, as the organisation will be established as a completely separate entity to the Council, and will be constituted as a company limited by guarantee.

4.3 Legal

The development of Partnerships for Futures will have legal implications, and the legal structure of the organisation will need to be established. The Business Plan for Partnerships for Futures recommends the legal structure of the operation to be constituted as a company limited by guarantee. Those organisations who have made a commitment to sit on the board for Partnerships for Futures include: Durham County Cricket Club, Beamish, Cestria Community Housing (tbc), New College Durham, and Chester-le-Street & City of Durham Enterprise Agency.

Legal services have advised that the following statutory requirements need to be undertaken in establishing a company limited by guarantee; preparation of statutory books, registering the company name; development of memorandum of association and articles of association; and registering the company with Companies House. Legal Services have advised that external specialist legal assistance will be required in establishing a company limited by guarantee, and also to ensure a conflict of interest does not arise.

4.4 Personnel

The success of Partnerships for Futures will depend largely on the quality of the team delivering the initiative. The business plan recommends the appointment of an Executive Director who will have ultimate responsibility in delivering the Partnerships for Futures initiative.

The Executive Director will be supported by an officer who will be seconded from the Regeneration Team, and will be available to start working on Partnerships for Futures prior to the Executive Director starting in post.

Administrative support has been confirmed by CDC Enterprise Agency who will provide services at MILE house, where the Partnerships for Futures team will be based.

4.5 Other services

The main impact on other services arising from the establishment of Partnerships for Futures will include back-filling of the seconded post from the regeneration team, and support from IT to ensure required equipment and software is installed at MILE House.

4.6 Diversity

Partnerships for Futures will undertake a positive approach towards equality and diversity. The initiative will ensure no groups are excluded from its reach by developing and adhering to recommendations of impact assessments.

4.7 Risk

The key strategic risk arising from not having Partnerships for Futures in place is that the current scenario will prevail. It will be increasingly important for employers to source people with the right skills in a timely manner to meet the needs of their organisation, and for the education sector to have a good understanding of the real needs of businesses in relation to workforce planning. Currently, local employers are finding that they are recruiting from outside of the district, county and in some cases the region to fill posts within their organisations, which further reduces opportunities for residents to access employment.

The viability of Partnerships for Futures in the longer-term will depend on the ability of the project team to generate revenue through consultancy activity. If Partnerships for Futures fails to generate significant income, there will be risk associated with the longer term sustainability of the initiative.

4.8 Crime and Disorder

Partnerships for Futures will strive to make a positive impact on the lives of young people, and allow them to access a better future through finding meaningful employment. This in turn will create positive role models for young people, who otherwise may be distracted by a small minority of individuals who participate in anti-social behaviour.

4.9 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation and the appendices attached are accurate, timely, consistent and comprehensive. The council's Data Quality Policy has been complied with in producing this report.

4.10 Other implications

The following implications have been considered:

4.11 Key Decisions

A key decision is required due to the level of resource requested. Partnerships for Futures appears on the forward plan.

4.12 Communications

The Partnerships for Futures board/team will identify what communications activity will be required to ensure local employers and residents are able to benefit from the initiative.

4.13 E and T-Government

IT implications that arise from Partnerships for Futures are ensuring the necessary IT equipment and software are installed at MILE House.

4.14 Procurement

Partnerships for Futures will adhere to the Council's procurement procedures.

4.15 Service Plan

This report relates to the Regeneration Service Plan 2006/2009 objective 4, to Develop Partnerships for Futures project to meet identified skills gap.

4.16 Performance Management and Scrutiny

Partnerships for Futures will be measured against key milestones and outputs and day-to-day management of this will be the responsibility of the Executive Director. Formal reporting will be made to the Partnerships for Futures board.

Partnerships for Futures will not impact on other council services, policies or procedures.

4.17 Sustainability

Partnerships for Futures will have no adverse environmental impact, and will adhere to the Council's Environmental Strategy once it has been adopted.

4.18 Expenditure related to well-being powers

Partnerships for Futures will positively impact on the economic well-being of the district by enabling employers to access a skilled workforce from the local labour market.

4.19 Human Rights

There are no issues arising from Partnerships for Futures relevant to the Human Rights Act 1998.

4.20 Social Inclusion

Partnerships for Futures will ensure there is a positive approach towards social inclusion. Specifically, the initiative will ensure that young people are fully engaged in the initiative through working with secondary schools, further education establishments, and other support agencies. By doing this, and initiating apprenticeships young people will be fully engaged in opportunities to access training and employment.

4.21 Monitoring and Review

Partnerships for Futures will establish effective monitoring and review systems to ensure finance and output measures are achieved. Formal reporting of activity will be made to the Partnerships for Futures board.

5. BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL

5.1 Local employers, including Durham County Cricket Club and Beamish have reported they are experiencing a gap between their current and future skills needs and the local available workforce, both with respect to training existing staff, and recruiting new people.

5.2 The scope of activity proposed to be undertaken by Partnerships for Futures will include workforce development planning with employers, helping them to genuinely understand their skills needs, and then making the appropriate connections with support agencies, other employees, prospective employees and apprenticeships. A critical aspect of Partnerships for Futures will relate to working with the education sector to influence the skills supply of the future workforce.

5.3 The role of Partnerships for Futures will be to add capacity, and to campaign, innovate, support, inform, promote and challenge to ultimately enhance the future for both local employers and the job opportunities for residents.

5.4 Some of the critical milestones in the establishment of Partnerships for Futures will be as follows:

- March 2008: Approval of funding for £90,000 from Chester-le-Street District Council.
- March 2008: Establishment of Company Limited by Guarantee.
- April 2008: Initial meeting of board members to establish and agree remit, membership, company structure and objectives.
- April 2008: Commencement of appointment process for Executive Director.
- April 2008: Seconded from Regeneration Team to commence working on Partnerships for Futures, and administrative support provided by CDC Enterprise Agency.
- May 2008: Executive Director appointed.
- June/July 2008: Partnerships for Futures commences (depending upon successful appointment of Executive Director/notice period)

5.5 The following options have been considered:

- Do nothing: If no intervention is made the current situation will prevail, and employers will continue to face difficulties in accessing the right skills, and residents will continue to be disadvantaged in the labour market as they will be unable to access the relevant skills to meet the needs of local employers as indicated following consultation with local employers.
- Private sector led intervention: Individual employers working in isolation of other employers and support agencies will be limited to the difference they will be able to make on their own merit. Similarly a co-ordinated approach initiated by the private-sector is likely to incur difficulties due to the capacity needed to co-ordinate an initiative such as this on the scale needed to make a measurable difference to the economy of the district.

5.6 It is recommended that Partnerships for Futures is established as a company limited by guarantee and supported by a board made up of representatives from the public and private sector. The Partnerships for Futures team will add capacity where it is otherwise unavailable to co-ordinate activity with employers, the education sector, support agencies and residents.

6. RECOMMENDATIONS

6.1 Executive are required to:

1. Approve a commitment of £90,000 in 2008/09 budget to assist in the establishment of Partnerships for Futures, subject to council approving budget for 2008/09.
2. Support the establishment of a Partnerships for Futures board, to support in the appointment process of an Executive Director and to support in the development of a revised business plan for Partnerships for Futures.

7. BACKGROUND PAPERS

7.1 Partnerships for Futures Business Plan

Jenny Johns
Economic Development & Tourism Officer
Telephone: (0191) 387 2084

E-mail: jennyjohns@chester-le-street.gov.uk