

Hambleton District Council

Report To: Cabinet

Date: 10 March 2020

Subject: **Skills Village**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 To seek approval in principle for the development of a Construction Skills Village in Hambleton and to work up a project in partnership with a skills provider with the aim of establishing a skills village as soon as practical. Construction businesses have highlighted a shortage of skilled workers in the local construction industry. Both local companies and national housebuilders operating in the area are reporting a lack of available labour force for brick laying and allied construction trades.
- 1.2 Work undertaken with the businesses at Dalton and discussions with companies such as Sirius Minerals has also identified that there are similar issues with more specialist construction skills and the supply chain. This has been evidenced in the Construction Industry Training Board report 'Construction Gap Analysis for the York, North Yorkshire & East Riding Area' published in 2018. This research demonstrated in York, North Yorkshire & East Riding Area:-
- Annual construction spending of £1.3bn for next 5 years
 - Total (peak) construction workforce of more than 49,000 required
 - 5,000 new homes in YNYER p.a. to 2021 and beyond

Hambleton Issues/challenges:

- 1.3 There are no vocational colleges within the market towns for school leavers to study construction therefore they have to travel to Darlington, Middlesbrough or further afield. Rural transport means this can be challenging for school leavers and younger learners. Destination data from 2017 school leavers demonstrates a low number of school leavers going onto apprenticeships. Businesses in all sectors struggle to recruit apprentices due to the high number of students who go on to sixth form.
- 1.4 Hambleton S106 obligations have not included requirements to factor in apprenticeships to date. Having a Construction Skills Village locally may encourage builders to adopt this/reduce resistance to it being included in future S106 agreements which would potentially support the increase in house building within the District.

Proposed solution

- 1.5 The Construction Skills Village model as currently employed in Scarborough is the favoured model as it provides site ready, appropriately certified apprentices into developer companies working in the locality.
- 1.6 The proposal is to partner with an appropriate organisation that has the experience and capability to deliver a project within the district that is similar to the Scarborough model. The procured partner will work closely with HDC to design a project that meets the unique needs of the district and its residents. The partner organisation will bring an in-house capability regarding project management to the partnership and can advise on costs and requirements. By using a proven model of delivery we can develop a scheme for the district that is self-sustaining within one year. Based upon a cohort of 30 learners the model would initially focus on trades such as brick-laying, plastering etc., but can be expanded to other skillsets within the industry as the scheme progresses, therefore starting to address the broader skills gap. This would ensure:
- Local labour force is better skilled increasing the number of people with construction trades certification and experience.
 - Pupils at local schools provided with an enhanced choice of vocational training opportunities and routes to skilled, well paid jobs.
 - Housebuilders are able to deliver housing targets.
 - The District is able to retain more skilled younger people helping to address an aging workforce issue.
 - Partnership working with housing developers, builders and education establishments
 - Possible opportunity for schools with pupils who have additional special educational needs, to enable them to utilise this training prospect for their pupils.
- 1.7 The Skills village will be located in the district, with the initial site being in close proximity to ongoing major building schemes, this provides opportunity for learners to be involved in real construction projects through apprenticeship opportunities. Developers and construction trade businesses operating in the district have engaged and expressed support for the project.

2.0 Link to Council Priorities

- 2.1 A development of a Skills Village will support the Council's priority of driving economic vitality; specifically creating opportunities for young people to develop vital employment skills and contribute to reducing the skills gap in the construction sector.

3.0 Risk Assessment

3.1 Risk in approving the recommendations

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
Reputational Risk to the Council	Council may be criticised if the project does not deliver the educational and skill outputs.	3	4	12	Develop and promote the skills village and work closely with partners to ensure that the outputs are deliverable	2	3	6
Initial Set up costs used and project not viable	Loss of initial funding from the Council	3	4	12	Monitor the project closely and work closely with Leisure	2	3	6

3.2 The Skills Village will provide opportunities for learners to remain in education within the district boundaries and contribute to reducing the skills gap in the construction sector in Hambleton; therefore the risks of agreeing with the recommendations outweigh the risk of not agreeing them and are considered acceptable.

4.0 Financial Implications

4.1 The estimated cost of the scheme, based upon the known costs of the Scarborough model, to be funded by the Council is £125,000 which includes site preparation, construction and fit-out of the village and a contribution towards the employment of a village co-ordinator for 12 months to oversee the set-up and liaise between the partners and education authorities.

4.2 The breakdown of the estimated costs of the skills village set-up will be as follows:-

Revenue Expenditure	2020/21
Site co-ordinator costs (12 months)	£30,000
Office costs and marketing	£6,000
Consultancy	£5,000
Capital Expenditure	2020/21
Site preparation and security	£11,000
Site offices and cabins	£44,000
Fixtures and fittings	£13,000
Tools and materials	£7,000
Capital contingency	£9,000
Total	£125,000

4.3 All of the £41,000 Revenue and £84,000 Capital costs will be funded from the Economic Development Fund.

4.4 The Council does not expect any ongoing revenue costs after the set-up of the skills village in 2020/21. The partnership becomes self-funding with the skills provider partner drawing down funds from the Education Skills Funding Agency and the Construction Industry Training Board Construction Skills Fund to cover ongoing revenue costs.

5.0 Legal Implications

5.1 There will be a requirement to secure a skills provider in line with procurement regulations.

5.2 Dependent upon the best identified location for the skills village there may be a need to obtain a licence or request a deed of variation to any existing s106 agreement in relation to the land.

6.0 Equality/Diversity Issues

6.1 Equality and Diversity Issues have been considered however there are no issues associated with this report.

7.0 Recommendation

7.1 That Cabinet approves:

- (1) the development, in principle, of a Skills Village partnership in the district;
- (2) the initial start-up costs of £125k to be funded through the Economic Development Fund; and
- (3) the Council procures a partner to deliver the Skills Village.

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Background papers: Skills Village

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