

Dorset and Somerset Training Provider Network Ltd



Business Plan

2011/12

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1. Executive Summary

DSTPN Ltd is a company limited by guarantee with a membership consisting of a fee paying membership who are training organisations, colleges and stakeholder bodies delivering and working in the post 16 education and training sector.

DSTPN has had a successful 2010/11 achieving;

- A good level of service to members,
- Accurate and timely communications in a time of change
- Strengthened relationships with stakeholder bodies
- Beneficial relationships with emerging bodies (ESB's etc)
- An increased number of high quality and geographically accessible development opportunities for members

The network vision for 2011/12 is to encourage and support providers to operate in a culture of collaborative working for the benefit of all whilst continually enhancing the experience, learning and achievement of learners and meeting employer and community needs.

The sector in which the network operates and the membership it supports is changing extensively due to the economic environment and the shift in the contracting, skills and investment policy. The number of potential member organisations may reduce due to mergers and acquisitions, organisations restructuring, reducing budgets and the refocus of funds.

DSTPN will react to the changing environment in which it operates by being aware of its membership needs and adapting its service accordingly. To this end DSTPN will adjust the structure, the skills set balance and the business model to suit.

DSTPN will operate a leaner business model with the capacity to deliver the services required and expected by the membership. The MD will be responsible for the operation, accessing support where appropriate and affordable or in the interest of the business or the service. The MD will work from a home office.

2. The Company

DSTPN is a not for profit company limited by guarantee owned by its 43 independent provider, college and stakeholder members.

The network is governed by an elected Board of provider members and has full time Chair/MD.

The network vision is to encourage and support providers to operate in a culture of collaborative working for the benefit of all whilst continually enhancing the experience, learning and achievement of learners and meeting employer and community needs.

The network mission is to provide effective strategic and operational support to members through the networks aims.

The networks aims as determined by the membership are to provide;

1. Communication

Deploy an effective communication strategy to provide members with timely information relevant to the sector, resources where appropriate and an effective communication platform.

2. Support and development

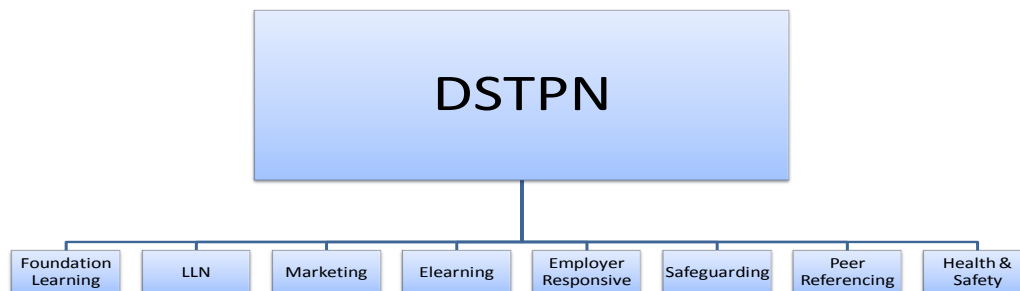
Provide a support and development service to the membership by sourcing, coordinating and delivering (where appropriate) initiatives that meet current needs and aid members to reach their objectives.

3. Representation

Provide strategic and operational representation for the provider membership where appropriate ensuring that the interests of the members are represented in a fair manner and members are consulted when required.

The network has quarterly meetings, an interactive website used for communication and information. It leads PRD groups and has 9 sub (focus) groups (8 shown below plus the new addition of the Bournemouth, Dorset and Poole ESB Provider Forum) with structured meetings create a development and support network to allow exchange of good practice and joint development. The diagram below identifies the sub group focus topics.

DSTPN Sub Groups



DSTPN provides a vehicle for members to become a collaborative group to achieve:

- The outcomes required by learners, employers and communities;
- increased value for money and cost effectiveness through economies of scale;
- continually increasing quality of service delivery through peer referencing, and sharing of good practice and resources;
- improved customer service through improved quality and efficiency and access to a wider range of services and geographical coverage than can be offered by providers working individually;

- through the network the members have the opportunity to draw on the expertise available within Member organisations by seconding staff, short term contracting, or buying in/'trading' services on an on spec basis, as well as through the good practice sharing and peer referencing that will be inherent to company quality improvement processes.

3. The Sector

Current Government and funding body strategy suggest that the network will be operating in a landscape that will be changing extensively. The current sector landscape has nationally in excess of 500 colleges and training organisations delivering approximately £3.7 bn of Adult skills funding and approximately £688m of YPLA 16 – 18 funding for apprenticeships (rising by 16% in 2011/12). Over 50% of the colleges and training organisations delivering adult learning and skills have contracts with the funding body of £236k or less. Therefore the funding body is implementing a strategy to overhaul the commissioning and contracting model leading to a rationalised model with fewer but larger contractors.

The drivers for the strategy are:

- To improve the service to employers and learners through partnership working and a consolidated provision.
- To introduce the opportunity for the sector to rationalise and benefit from the efficiencies partnership working and shared services bring.
- To rationalise the Skills Funding Agency to provide the required cost savings to the Department of Business Innovation and Skills.

The aspiration promoted in the Government Skills Strategy – Skills for Sustainable Growth published in December 2010 is for apprentice volumes to increase and quality to improve and there is an additional aspiration of the accepted level of qualification becoming level 3. This is tempered with the Adult Skills Funding Strategy – Further Education – New Horizon, Investing in Skills for Sustainable Growth moving towards a more focused and prioritised allocation of a decreasing budget over the term of the spending review and an expected increase in contributions from employers and learners.

The volume trend for Apprenticeships has shown a year on year increase as has the improvement in quality. The latest regional statistics show that the South West remains the highest performing region for apprenticeship success and achievement in all age groups in the country but the volume trend is showing signs of slowing, compared to other regions.

Commentators are suggesting that the increase in university fees proposed will lead to a rise in the number of Apprenticeships in the country.

The introduction of the Qualification Credits Framework has refreshed the framework of qualifications and offers increased opportunities for employers to access the specific training and development required in turn providing a commercial opportunity for providers.

The trend for the industry as a whole, is an increased targeting of funding for individuals with low level skills who are out of work, plus an increased requirement for employers and/or learners to contribute towards the cost of the service being delivered by providers to individuals outside of these categories.

4. Customers (membership)

DSTPN's key customers are:

- Training organisations and colleges delivering education and training services in the sector;
- Stakeholder agencies and bodies engaged in the sector;
- Stakeholders and funding bodies, seeking cost effective, high value for money delivery of quality training that addresses government priorities and policies and meets the needs of local learners, employers and communities.
- Local communities seeking to ensure good levels of education and training;

All of the DSTPN Members are established training organisations, colleges or stakeholders with a long track record of delivering training services to meet the needs of learners and employers in the communities they serve and the requirements of the stakeholders and funding bodies.

As Local Enterprise Partnerships in the region are established and the outputs of the Employment and Skills Boards become available provider members will align their strategy and provision to ensure the requirements and priorities indicated by these bodies are met and the requirements of local communities are catered for.

As established providers in their communities and occupational areas, each member organisation has a strong existing customer base of learners and employers. In addition, the collective offer of the network will enable a wider range of services and geographical coverage to be offered both by each individual member to their existing customers and by the network as a whole to new ones.

Employers require flexible services delivered cost effectively and using delivery methods, modes and styles that accommodate their business patterns and needs. Small and medium enterprises in particular often require the assistance of government funding to be able to take up training offers and all employers will look to minimise costs in terms of cash payment or demands on their resources. They also prefer to minimise the number of providers they have to work with to access the full range of training services they need.

Similarly, learners need training services that suit their learning styles, needs and employment circumstances and are often reliant on the support of government funding to be able to access opportunities to upskill or get qualified.

The funding agencies want to contract with providers that offer reliable, good quality, value for money contract delivery supported by effective quality improvement, equality and diversity and health and safety management, and sound and robust data management with financial control.

All the member organisations already provide services designed and tailored to respond to these customer needs. The network will provide added value to its customers (members) to support them meeting the needs of their market through following the company's vision and mission and achieving the aims.

5. Competition

The competition is the neighbouring TPN's and other organisations offering support and development services to providers seeking benefit from their loose association with the sector in an environment where the funding opportunities are diminishing.

The South West has 4 Training Provider Networks with a joint membership of over 170. Competition has always existed in the market but co existence has always prevailed due to the size of the market, the geographical differences and the South West Training Provider Network. The SWTPN is a partnership group consisting of the leads

of the 4 Training Provider Networks in the South West and ALP and covers 97% of the providers delivering in the region.

- Devon & Cornwall TPN
- Gloucestershire & Wiltshire Partnership
- Western TPN
- ALP

The recent change in the Skills Funding Agency and National Apprenticeship boundaries may encourage interest from the networks in the South East as Dorset becomes part of the South Coast region. Opportunity may also come with this change. In reality the region changes have been made to facilitate the SFA and NAs business needs not to support strategic or political boundaries or policy as in previous boundary changes. Therefore the need to consider change at this stage is minimal or non-existent.

6. Marketing Plan

The DSTPN market is prescribed by the sector and the geography in which it operates. However the changes in policy, member's client group and reorganisation of stakeholder roles and structures may engage more stakeholders in the sector. In this instance the membership of the network may be beneficial to these organisations and membership can be promoted. In addition additional provider groups may gain benefit from membership including Third Sector organisations and schools.

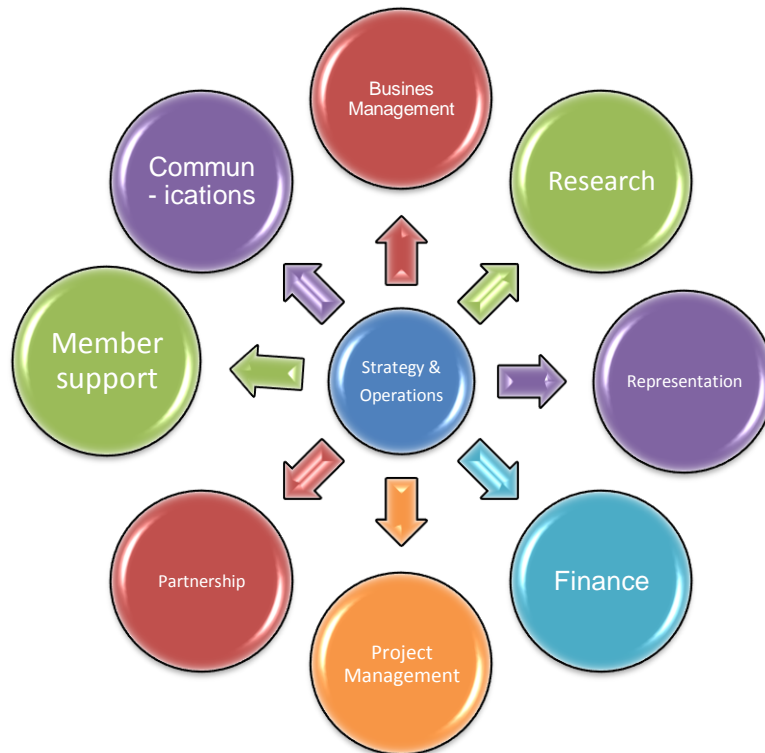
Marketing will predominantly be carried out in face to face meetings and contact within the everyday activity of the networks business.

7. Operations/Design and Development Plans

There are regular meetings of the DSTPN Board to ensure progress towards meeting milestones and objectives and the membership priorities.

DSTPN has a robust and costed priorities approved by board members that details the actions and activities required to implement the business model by developing the network, delivering the service, its structure and its functions and meeting the membership needs. The plan is reviewed quarterly by the Board.

DSTPN requires the following functions:

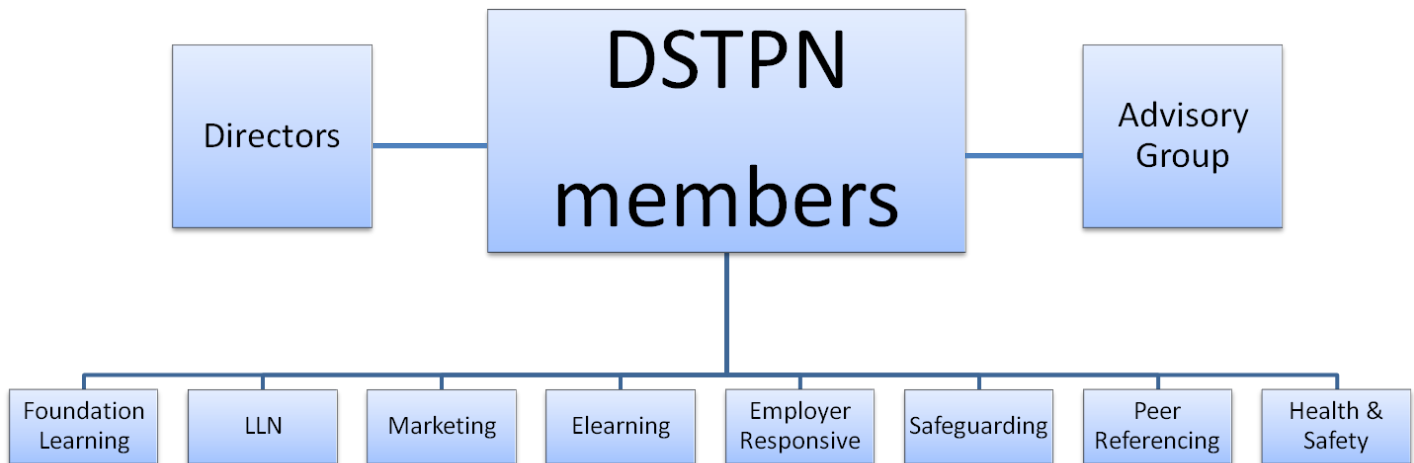


DSTPN will react to the changing environment in which it operates by being aware of its membership needs and adapting its service accordingly. To this end DSTPN will adjust the structure, the skills set balance and the business model to suit.

The DSTPN office function previously based in rented office accommodation will now be operated from a home office. The network staff resource will have the capacity to deliver the services required and expected by the membership as the sector evolves. The MD will be responsible for the operation, accessing support where appropriate and affordable or in the interest of the business or the service. The new resource and office accommodation model will deliver a leaner business model and offer the flexibility for more resource to be focused on member services.

8. Management Team.

The company structure is;



Executive responsibility for DSTPN lies with the MD and the Board. Rod Davis is the Chair/Managing Director of the Dorset and Somerset Training Provider Network and a founder member of the South West Training Provider Network. He is actively engaged in strategic and operational issues and developments. He leads the network's strategy and is working with the membership on the current priorities within the sector. He is a well known and respected figure in the sector due to his work with networks, funding bodies, providers and stakeholders and his successful track record as co owner and founder Director of a successful provider.

The Board of Directors:

Name	Organisation	Responsibility
Rod Davis		Chair /MD
Jon Gibson	Didac Ltd	Deputy Chair
David Watson	Somerset Skills & Learning	Board member
Tom Lund	Nacro	Chair – FL Sub group
Brian Lewis	Pathway for Success	Board member
Vacant position		

The professional advisors engaged by DSTPN include:

Equation Ltd – Accountants

TBC – Company lawyer

Lloyds Bank

9. Finance

The P&L income for 2011/12 has been based on the same level of membership fees as in 2010/11, 30% of the project income achieved in 2010/11 due to the budget constraints in the sector. The direct costs allow for the network office to be located in the network MD's home office and other costs in line with the previous year trends. NOTE no MD salary or benefits have been added as the values have not been discussed at this stage.

The sensitivity of the financial projections is low due to the straight forward business and finance model.

The profit and loss prediction for 2011/12 follows on page 11.

01/08/2011	Dorset & Somerset TPN 2011 - 2012											Profile Budget	
	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	
FINANCIALS													
Total carry in = 65401													
INCOME													TOTAL
Network funds (carry in)	65,401	0	0	0	0	0	0	0	0	0	0	0	65,401
Membership fees	1,000	8,502	3,751	2,170	0	2,294	916	1,000	250	0	0	0	19,883
Project	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,000
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Holding Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	69,151	11,252	6,501	4,920	2,750	5,044	3,666	3,750	3,000	2,750	2,750	2,750	118,284
DIRECT COSTS													
Salary costs	2,791	2,791	2,791	2,791	2,791	2,791	2,791	2,791	2,791	2,791	2,791	2,791	33,492
PAYE	542	542	542	542	542	542	542	542	542	542	542	542	6,504
NI	328	328	328	328	328	328	328	328	328	328	328	328	3,936
Pension costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Associate costs	0	250	250	0	0	0	500	0	0	0	500	0	1,500
Mobile phone	31	31	8	8	8	8	8	8	8	8	8	8	142
Training Materials	0	0	0	0	0	0	0	0	0	0	0	0	0
Project Direct Costs	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,500
Professional fees	100	171	100	100	100	260	1,266	154	420	100	100	100	2,971
Motor/Travel (network business)	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Meeting costs (network)	0	95	815	0	600	35	0	780	0	0	0	700	3,025
Website	0	0	0	353	0	0	270	0	0	0	0	0	623
Overhead (office facilities)	500	0	0	0	0	0	0	0	0	0	0	0	500
Telephone/Broadband	0	0	0	200	50	50	50	50	50	50	50	50	600
Stationary	0	0	200	50	50	50	50	50	50	50	50	50	650
Marketing materials	50	0	0	0	0	0	0	0	0	0	0	0	50
Holding funds	0	0	0	2,000	0	2,000	0	2,000	0	2,000	0	1,500	9,500
TOTAL DIRECT COSTS	5,967	5,833	6,659	7,997	6,094	7,689	7,430	8,328	5,814	7,494	5,994	7,694	82,993
INDIRECT COSTS													
TOTAL INDIRECT COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	5,967	5,833	6,659	7,997	6,094	7,689	7,430	8,328	5,814	7,494	5,994	7,694	82,993
NET CASH BALANCE	63,184	68,603	68,445	65,368	62,024	59,379	55,615	51,037	48,223	43,479	40,235	35,291	35,291

Annexe A

Dorset and Somerset Training Provider Network Ltd – Member list as at June 2011.

Acacia Training & Development Ltd
Primary contact - Hazel Lessiter 01752 670811
Ansburry (Connexions BDP)
Primary contact - Martin Vowles 07773 388417
Aspire Training Team
Primary contact - Kelly Russell 01202 649646
BTCV
Primary contact - Rob Pollard 07740 899 672
Best Training Poole
Primary contact - Lin Manners 0845 450 8600
Bournemouth Adult Learning
Primary contact - Ian White 01202 262312
Bournemouth and Poole College
Primary contact - Andrew Thomas 07803 210367
Bournemouth local authority
Primary contact - David Beardsley 01202 458269
Bridgwater College
Primary contact - Graham Corner 07703 192 819
Brockenhurst College
Primary contact - Derek Mather 01590 625549
Connect South West

Primary contact - John Allen 01823 423470
DCC & Dorset Adult Learning Centre
Primary contact - Ian Burch 01202 851492
Didac Ltd
Primary contact - Jon Gibson 0117 9049377
Dorset Local Authority
Primary contact - Linda Wyatt 01929 401810
EYS Ltd
Primary contact - Marc Ashworth
FNTC
Primary contact - Heath Rawles
First 4 Skills
Primary contact - Simon Baker 07795256555
Futures Training
Primary contact - Angie Broderick 01202 556551
HIT Training
Primary contact - Robert Bird 01202 862323 / 07958 467437
Hair Academy South West
Primary contact - Sarah Conibeer 01823 350444
Hudson and Hughes
Primary contact - Rob Davin 0870 2416109 / 07989 983616
Intraining (CBE) Ltd

Primary contact - Sandra Ainger 07739 194968
JHP Training
Primary contact - Jane Abbey 07885 557909
Kingston Maurward College
Primary contact - Peter Churchill 01305 215131
Learning South West
Primary contact - Jakki MacPhail 01823 365437
Life Long Learning UK
Primary contact - Geraldine Cook 07986 458470
Locomotivation
Primary contact - Sarah Jane Bowley 01202 567204
NAS
Primary contact - Rob Sly 07990 508505
Nacro
Primary contact - Tom Lund 01202 539966
Open College Network South West Region
Primary contact - Chris Latham 07917712014
PGL Training Limited
Primary contact - Anita Butt 01392 437373 / 07854771523
Paragon Skills for Industry
Primary contact - Jo White 01305 831912
Pathway for Success Ltd

Primary contact - Brian Lewis 08454678120 / 07762 332 535
Pathways International Education & Training Ltd
Primary contact - Andy Driscoll 01202 393394 / 07968269973
Poole Adult Learning
Primary contact - Ian White 01202 262312
Poole Hospital NHS Trust
Primary contact - Di Halliwell 01202 448771
Prospect Training and Recruitment
Primary contact - Sarah Powell 01452 886888
Richard Huish College
Primary contact - Carys Evans 01823 320875 / 07970 550 928
SWRAC (South West Regional Assessment Centre)
Primary contact - Adrian Gunner 01202 848099
Serco Defence, Science and Nuclear
Primary contact - Lesley Watson 01256 745 900
Side by Side Training
Primary contact - Joy Scadden 01305 787678 / 0773 4034451
Smart Training and Recruitment
Primary contact - Moya Hannon 01202 557700 / 07851 209700
Somerset College
Primary contact - Virginia Byrne 01823 366509
Somerset Local Authority
Primary contact

- Helen Roper 07769 742814 / 01458 834368
Somerset Skills & Learning
Primary contact - David Watson
Strode College
Primary contact - Graham Knight 01458 844476
Training the Carer Ltd
Primary contact - Caroline Raynsford 01962 736922 / 07745 570627
W&P Assessment and Training Centre LLP
Primary contact - Joanna Grattidge 01305 767104
Wessex Training and Assessment Ltd
Primary contact - Lynn Croucher 01305 770007 / 07768 211068
Weymouth College
Primary contact - Becky Moate 01305 208984 / 07525 668717
Yeovil College
Primary contact - Adrian Bromfield 01935 845556