

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Special Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 16 November 2015** at **9.30 am**

#### **Present:**

**Councillor R Crute (Chairman)**

#### **Members of the Committee:**

Councillors E Adam, A Batey, J Bell, J Clare, M Davinson, T Henderson, B Kellett, J Maitland, H Nicholson, R Ormerod, P Stradling, O Temple and A Willis

#### **Co-opted Members:**

Mr I McLaren

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors J Armstrong and S Zair.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Declarations of Interest**

Councillor A Batey declared a personal interest in Item 5, having experience of the National Apprenticeship Service. Councillor E Adam declared a personal interest in Item 5 as an employee of Darlington College.

#### **4 Items from Co-opted Members or Interested Parties**

There were no items from Co-opted Members or Interested Parties.

#### **5 Apprenticeship Offer within County Durham - Overview**

The Chairman introduced the Employability Manager, Regeneration and Economic Development (RED), John Tindale who was in attendance to give an overview of the apprenticeship offer within County Durham (for copy see file of minutes).

The Employability Manager thanked the Committee for the opportunity to give an update in respect of the apprenticeship offer and reminded Members that previously a successful work placement scheme had operated, utilising the Future Jobs Fund (FJF) and that this scheme had engaged with approximately 875 young people. It was explained that this scheme only required the employer to commit to a young person for a 6 month period, although some did commit for longer, and therefore Durham County Council (DCC) had looked to develop a local programme to support young people into apprenticeship positions. It was added that the County Durham Apprenticeship Programme (CDAP) utilised a variety of funding streams, including: FJF, DCC's RED budget; some AAPs; and from the Coalfields Regeneration Trust. Members were reminded of the role of the National Apprenticeship Service (NAS), with the CDAP linked to the National Apprenticeship Programme.

The Committee were given a breakdown by sector of apprenticeship performance over the period 2012-2015, noting that the highest number were within the "other" category, this encompassing a number of different types of apprenticeship framework. Members learned that there was now the ability to tailor apprenticeship frameworks to best suit the employer and employee in terms of skills training, being able to add modules to a programme as appropriate. It was noted that the programme mainly supported those aged 18-24, mirroring the support offered by the NAS. Councillors noted that there was some flexibility for DCC to assist some people aged 25 or older, each looked at on a case-by-case basis. Members were informed that there was a greater proportion of male participants, however, the numbers of female participants was increasing.

The Employability Manager explained that in the past there had been a predominance of Level 2 qualifications in terms of apprenticeships this was changing, with a larger proportion of Level 3 qualifications, and some Level 4 qualifications, now being taken. It was added that it was hoped to build and continue to increase the numbers of higher level apprenticeships, including Levels 4 and 5.

Members were referred to the funding and number of apprenticeship starts by AAP area, noting some AAPs had not contributed even though there had been a number of apprenticeship starts. With the exception of Durham City AAP, those AAP's which had not contributed financially do support the mentoring programme working with officers from the RED Service Grouping. It was noted that while AAPs may contribute financially for an initial number of apprentices, as interest is generated more applicants come on board which generates more funding from DCC and other funding sources and can therefore provide greater value. Councillors were reminded that several AAPs had jobs/employability as a priority and a lot of the interest came from small and micro-businesses.

The Committee noted that there were 34 training providers that DCC dealt with in terms of the apprenticeship programme, and that as each were their own business, the RED Skills Team kept in regular contact with providers to remind them of what DCC can offer. It was added that in some cases it was disappointing that referrals to the NAS were being made by the providers without letting the employers know that there was possible assistance available from the Council, not just in terms of financial help (an employer who take on a County Durham resident as an apprentice is entitled to receive £1,000 top up grant), also in terms of mentoring support.

Members noted that the training providers engaged with included four County Durham colleges: New College Durham; Derwentside; East Durham; and Bishop Auckland; as well as other colleges from the region and specialist providers including: Profound; Construction Industry Training Board (CITB); Ingeus, South West Durham Training (SWDT); the North East Chamber of Commerce (NECC).

The Employability Manager explained that the County Durham Apprenticeship Programme did not require an employer to be within the County, as long as the apprentice was a resident, and reiterated that the financial assistance given to employers was more often just “a cushion”, and that a lot of value was actually in the continued mentoring and support given. It was noted it was important for DCC to maintain these relationships to make any apprenticeship sustainable, and to look to develop further apprenticeship opportunities in the future. Councillors learned that AAPs looked to support local people or local employers, and in some cases had a specific employment sector they wished to support, such as engineering.

The Committee noted a pilot scheme operated in conjunction with Public Health that looked to help Teenage Parents into apprenticeship positions. It was added that there was significant funding available from Public Health, up to £3,000 for employers on top of the £1,500 from the NAS and a potential £1,000 in terms of “transition support”. It was noted there was some flexibility in terms of the use of money for wages or training and it was reiterated that mentoring and support would help to maintain any apprenticeship and develop relationships to enable further starts in the future.

The Employability Manager informed Members of 3 cases studies highlighting apprenticeship successes, the first being the Great Annual Savings Group. It was explained that Business Durham had assisted the company in relocating to County Durham and while they brought their existing team with them, following some successes the business had looked to recruit and approached DCC in June for 10 apprenticeship starts for September. It was added that the Council put forward a number of young people and the company were very happy with their progress and were looking to have another 10-12 starts next year. Members noted that the company were very supportive and offered training and options for qualifications over and above the usual offer.

Councillors noted that there were several examples of successful apprenticeship starts via Sedgefield Sports Partnership, based at Chilton Primary School. It was explained that they had taken on a number of apprentices who were then seconded out to work in other schools. Members noted that all the apprentices were still working towards Level 2 qualifications and gaining valuable work experience. It was noted that the Partnership was looking for approximately 30 further apprenticeship starts, with DCC looking to match up suitable young people.

The Employability Manager referred to a case where the Teenage Parent programme had assisted a young father into a 3 year engineering apprenticeship, with support including equipment such as a laptop, as well as advice and mentoring. It was added that the young person had been “headhunted” by another company, and therefore the Council was looking to assist the original company in backfilling their apprenticeship vacancy.

Councillors were informed of the work ICT apprentices taken on by DCC, with the Head of ICT Services leading on the scheme to involve having the apprentices shared across a number of public and private sector bodies, giving them additional skills and making them better equipped for the ICT sector in the future. It was also noted that there was work to enable DCC to become an Apprenticeship Training Agency (ATA) in this sector, however, discussions were ongoing as regards how this would operate in practice, with a pilot of the ATA planned for early 2016.

The Employability Manager noted that at the regional level, the Apprenticeship Growth Partnership was looking to encourage higher level apprenticeships, at Levels 4 and 5, adding it was hoped that DCC could work to promote and support these higher level apprenticeships, with both young people and employers.

The Chairman thanked the Employability Manager and asked Members for their questions on the presentation and report.

Councillor J Maitland asked where the DCC Team dealing with apprenticeships was based, with the Employability Manager noting they were based at Spectrum Business Park, Seaham.

Councillor R Ormerod noted the positive portrayal of teenage parents through the apprenticeship programmes, and felt their successes should be publicised and celebrated.

Councillor E Adam noted the information as regards the levels of qualifications offered, Level 2 and above, however asked whether there was any information as regards “traineeships” as this could prove to be an initial step for some young people, for example NEETs. The Employability Manager noted that it was a valid point in terms of traineeships having their place in terms of skills development, however, there had been very little take up by employers. Members noted that, through Generation North East, DCC worked with referrals from JobCentre Plus and were more likely candidates for traineeships and that the Employability Manager could look to find out as regards the number of work placements. Councillor E Adam noted that he felt that it could be that employers believed it would be too much hassle in facilitating trainees at the lower levels and added that therefore this was an area in which support and mentoring would be key in convincing employers that investing in a trainee’s skills would be worth their time and effort. The Employability Manager noted that small and medium sized enterprises (SMEs) were less likely to take on trainees, citing issues of supervision, however larger companies were able to set aside resources to help a young person progress via a traineeship.

Councillor O Temple asked why some providers were not promoting the assistance DCC offered, both in terms of financial and mentoring support, and whether the funding for Teenage Parent Apprentices was available over 3 years, noting the nature of the engineering example given. The Employability Manager explained that the funding in terms of Teenage Parent Apprentices could be spread over 2 years, as this is the minimum employers must commit to, however, in the main apprenticeship funds were to act as a buffer for employers for the first 12-18 months. Members noted that for the highest level apprenticeships, Levels 4 and 5, it would be possible to have funding spread out over a longer period, however, there was always the element of “risk versus reward” for employers, noting that they were investing in young people.

In terms of providers not passing on information to employers in terms of assistance DCC could offer, it was explained that as funding from the Skill Funding Agency (SFA) was via the NAS then this was the paperwork that was required to be completed by providers. It was added that as there was no funding from DCC to providers in this respect, then providers' focus would be on the NAS paperwork. The Employability Manager noted that providers should simply pass on the DCC details to the employer involved and DCC could then get involved, noting that where details are provided to employers they do contact the Authority.

Councillor O Temple noted that he felt it was for the Committee to look at the challenge of getting the message across to employers of what DCC could offer, understand why and improve the situation in terms of providers referring employers to DCC. The Employability Manager noted that while there were cases of non-referral, this was not the case for all apprenticeships starts.

Councillor H Nicholson referred to page 7 of the agenda pack, paragraph 32 and the "increased level of input from businesses to the whole process". The Employability Manager reminded Members that there was the flexibility to add-in modules that would help fit the apprenticeship to the needs of the employer and that by listening to businesses DCC could give employers the framework for the apprentices they need.

The Chairman asked whether there was any scope for retrospective grants via DCC, should a referral to DCC be made by an employer later in the apprenticeship process. The Employability Manager noted that such issues would be looked at on a case-by-case basis.

Councillor O Temple asked whether once registration with the SFA or NAS had been completed, information could be passed onto DCC to allow us to them become involved, providing the support as described. The Employability Manager explained that the NAS had shrunk over the last few years, noting that in the past there had been a member of NAS staff embedded within the Council's RED Directorate and this had enabled information to be shared relatively easily, however, this was not the case now and there was no automatic trigger informing DCC of apprenticeship starts. Councillor A Batey noted examples of two referrals to the NAS by a provider, with one going forward, one not, and neither having been referred to DCC for any assistance they could offer. Councillor A Batey added that she felt it was an area the Review Group could look at, recommending that "checklist" was followed in terms of providers when they completed the NAS paperwork, there was a step to inform DCC, and give the employers information of what DCC could offer. Councillor A Batey noted that the mentoring support DCC offered was important in sustaining apprenticeships and therefore it would be important for DCC to be involved to be able to: inform employers of what the implications of taking on an apprentice actually were in terms of cost and support; help young people in their apprenticeship; and to be able to monitor progress via some form of "passport" system. The Employability Manager explained that DCC would speak to employers as regards the financial obligations of taking on an apprentice, including issues such as the SFA paying for training for those aged 16-18, however, the employer must meet 50% of the cost should the apprentice be aged 19 year or older.

Councillor E Adam noted, in his experience working for a training provider, that often it can be difficult for providers, with complex systems and Governments changing the goalposts in terms of different schemes.

Councillor E Adam added that the support offered by DCC would be looked at as being an outside service, an “add-on” to that of the NAS, and that those providers that did not have close links to the Council may not recognise the opportunity. Councillor E Adam noted cuts to Local Government and Education, including adult training, and noted that as providers had reducing staff numbers, including the loss of experienced staff through retirement, there was less scope for new staff to be trained in terms of all the schemes and programmes that were coming on-stream.

Councillor E Adam noted it was important to be able to develop the networks by which providers, colleges, Business Durham, Employers’ Federations can come together and discuss what skills were needed. The Employability Manager noted that he met with Business Durham on a weekly basis and attended the business forums held at Newton Aycliffe and Peterlee. It was added marketing of the DCC service was important and the use of websites may not be the most effective methods, with social media playing a greater and greater role in being able to communicate effectively. The Employability Manager added that DCC worked with individuals directly noting that, through the Generation North East, DCC approached the employers themselves looking to identify a suitable young person matching the needs of that employer. It was added that DCC gave information to both employers and young person and would look to support the young person through mentoring and coaching for interviews, as required.

Councillor J Clare asked if AAP funds were included in the amount set out as being DCC funding or separate and whether it represented all apprentices or only those that were DCC funded. The Employability Manager noted that the AAP funds were included within the DCC amounts as set out and added that the figures related to DCC funded apprenticeship starts. Councillor J Clare noted the difference in the “effectiveness” of AAP funds, with some appearing to get better value for money. The Employability Manager explained that AAPs would look to submit an amount towards funding a number of apprenticeships starts, however, in some cases information as regards the apprenticeships spreads within the local community and the number of people applying to DCC from those areas increases, so accordingly in those instances there appears to be a lot more starts for the initial input from the AAP. It was added that AAPs do usually stipulate that starts are for local young people or local businesses.

Councillor J Clare noted that, in his experience, a number of young people post-16 were often repeating lower level training they had already received at school and he felt this was disappointing. Councillor J Clare asked whether there was a danger in frameworks being too bespoke, leaving young people trained for a very specific role that may disappear should a business fail. Councillor J Clare noted he supported the idea of a “passport” that would accompany a young person in order to monitor progress and destinations, helping to ensure that they were not repeating courses. The Employability Manager noted that DCC did monitor the apprentices that start via the DCC programme regularly, with an “exit strategy” being developed for each young person. It was added that figures on destinations could be obtained. The Employability Manager noted that in some cases the “repeating” of a Level 2 qualification may not be an issue as when the qualification was outside of school there were differences, such as actual work experience, that can be more valuable for the young person, enabling them to get the grades and experience required to move on to the next level, either in terms of further qualifications or work.

The Chairman asked whether AAP funding was aligned to the AAPs' priorities. The Employability Manager noted funding was aligned to priorities, with several AAPs having identified employability and jobs as a priority, with RED working with AAPs to add value.

Councillor R Ormerod asked how the £1,000 offered by DCC compared to amounts offered by other Local Authorities nationally. The Employability Manager noted that nationally the average in terms of financial support was around £2,500-3,000.

Councillor E Adam noted, in response to comments as regards a "passport" for young people, that a "passport" did exist in terms of a document signed by all parties involved with a young person's training. It was added that this document was updated at least every 12 weeks, and maintained for a minimum of 12 months, though in the case of some longer apprenticeship frameworks this could be up to 48 months. It was explained at the end of the training there would be a "destination report" and that the quality of the document and it being up-to-date was an issue of having good providers, good employers and good mentoring all in place to support the young person. Councillor E Adam added that a lack of resources can be a reason that affects the quality of any monitoring process.

The Chairman thanked the Employability Manager for the information and noted that Members had raised points in relation to potential recommendations in terms of systems being in place to ensure a trigger for DCC to be kept in the loop, whether this was required at a regional or national level, involving the NAS and SFA. Councillor P Stradling noted that the issue of retrospective support via DCC, should an apprenticeship have already started. Members noted that this was in the context of understanding that there was not an infinite pot of funding available for such retrospective support.

Councillor H Nicholson noted that he felt that it should be an aim for a Level 3 qualification as a minimum, adding he felt that in some cases a Level 2 qualifications could not sustain the interest of young people and that a Level 3 qualification helped to motivate and focus the young people on working hard, better for both the young people themselves and the employers.

The Employability Manager noted he could speak to the NAS/SFA as regards a potential trigger to alert DCC, adding the NAS provide the Council's Children and Adults Services (CAS) Directorate with information. It was reiterated that retrospective support was offered, however, this was on a case-by-case basis. The Employability Manager noted that there would be the high level apprenticeship pilot, however, there was a need to cater to the abilities of young people, with Level 2 being a starting point for many in a longer journey to develop their skills. Councillor H Nicholson noted that this was the case, however added that it should be an ambition to have more Level 3 apprentices than Level 2 at some point in the future. Councillor J Clare agreed that it was important to have the ability to cater for all young people that wanted to take a vocational route, however, it was also important that the issues raised were looked at to ensure that young people were moving forward and progressing.

Councillor J Clare added that from the information received it was clear DCC were trying to support young people and it was for the Committee to support this and to look to see what more could be done.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Employability Manager investigate with the NAS and training providers the possibility of incorporating in the current apprenticeship funding model a 'trigger' to signpost employers to DCC for additional funding when the apprentice is a resident of County Durham.
- (iii) That DCC retains the potential to make retrospective payments, looking at applications on an individual basis, to employers of apprentices who are County Durham residents.
- (iv) That the progress towards higher level apprenticeships within the County, Level 3 to Level 5 is monitored by DCC with a progress update provided to the Economy and Enterprise Overview and Scrutiny Committee.
- (v) That comments and issues raised by members during the meeting be incorporated into the evidence of the Economy and Enterprise Overview and Scrutiny review of Skills Development within County Durham supported by Durham County Council.