

## **DURHAM COUNTY COUNCIL**

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

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Friday 21 February 2020** at **9.30 am**

#### **Present:**

**Councillor M Clarke (Chair)**

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

Councillors E Adam, J Atkinson, R Crute, T Henderson, S Iveson, R Manchester, C Martin (substitute for M Wilkes), E Scott, T Tucker and M Wilson

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

Mr G Binney and Mrs R Morris

#### **Also Present:**

Councillors J Clare, C Hampson, C Potts, M Simmons and H Smith

### **1 Apologies for Absence**

Apologies for absence were received from Councillors A Batey, D Hall, J Higgins, J Maitland, R Ormerod, P Sexton and M Wilkes.

### **2 Substitute Members**

Councillor Craig Martin substituted for Councillor Mark Wilkes.

### **3 Minutes**

The Minutes of the meeting held on 10 January 2020 and the Special meeting held on 27 January 2020 were agreed as a correct record and signed by the Chair.

### **4 Declarations of Interest**

There were no declarations of interest.

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

There were no items from co-opted members or interested parties.

## **6 Media Relations**

Diane Close, Overview and Scrutiny Officer referred Members to recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of Minutes).

The articles included: Fast Broadband for the Crook and Howden-le-Wear areas; a free business event on 22 January 2020 for small to medium sized businesses to simplify regulatory requirements; an international bowling contest in Stanley, and the celebration launch of Beamish Museum's Golden Jubilee, alongside the receipt of an award for venue of the year.

### **Resolved:**

That the presentation be noted.

## **7 North East Skills Advisory Panel - Overview:**

The Committee considered a report of the Corporate Director of Resources which provided some background detail in respect of the North East Skills Advisory Panel (for copy see file of Minutes).

Michelle Rainbow, Skills Director of the North East Local Enterprise Partnership gave a presentation to Members on the Skills Advisory Panel analysis of North East skills in order to bring together local employers and skills providers to understand and address key local challenges.

The presentation addressed the following:

- Detail of the Skills Advisory Panel – purpose and structure.
- Analysis of North East skills including analytical framework to identify skills priorities and mechanisms for delivering those priorities.
- Key findings and implications from the analysis in relation to
  - understanding demand for skills
  - meeting employer demand
  - meeting the needs of the community
  - ability to respond to wider trends.
- Further research in key sectors where rapid changes were expected – energy/offshore wind, digital skills in health and social care and in tourism and culture.
- Delivery and programmes underway.

Following a question from the Chair, the Skills Director explained that the Panel met every two months and that European funding had been secured to deliver work around careers and engagement which was undertaken by a team of 30.

Councillor Adam asked for sight of the final analysis of the skills environment when it was available. The Councillor queried the impact of funding on delivery of the findings, given

the recent announcement in respect of Further Education funding, and the reduction in employer training because of the lack of Government funding.

The Skills Director stated that the analytical data would provide robust evidence for the Government about where future funding should be targeted to ensure that skills needs were met. They were working closely with the Department for Education and the Government to ensure that key priorities would be addressed, linking in with the UK's Industrial Strategy. She acknowledged that Further Education funding levels were challenging, but the data would assist in influencing budgets and ensuring that courses matched identified needs.

Councillor Adam also referred to the skills needs analysis commissioned in tourism and culture, a sector that was not traditionally seen as high wage or high skilled employment. The Skills Director explained that tourism and culture had been chosen because it was a sector that was important to the North East economy.

Councillor Atkinson emphasised the importance of engaging children in career education at key points in the child's development and stages of progression at school. The Skills Director advised that a lot of work was focussed on career guidance, starting in primary schools, and engaging parents was an important part of this.

Councillor Tucker referred to the need to support older workers, who wished to return to employment, and the barriers to this because of a lack of opportunities to retrain. The Skills Director reported that the Panel was lobbying the Government about lifelong learning. There were opportunities within European Funding and Adult Education budgets, and she expected there would be opportunities within future funding regimes.

Mrs Morris considered that this was a huge undertaking and given future pressures she considered that priorities may have to be scaled down. She encouraged the Panel to focus on priorities that were achievable in the shortest possible timeframe and locations where there was greater need. Mrs Morris also made the point that some data being gathered by the Panel was already available, for example data provided by schools and she encouraged colleagues to use the data already available.

Following questions from Councillor Martin, the Skills Director advised that devolution had not had a detrimental impact on delivery, and if future funding was allocated according to skills demand, then education providers would provide appropriate courses to meet that need. Councillor Tucker noted that in Further Education Colleges courses were cancelled if they were under-subscribed because of budgetary pressures. The Skills Director acknowledged that this was an issue but was being addressed through increased collaboration between colleges.

### **Resolved:**

That the report and presentation be noted, and Members be provided with a link to the results of the analysis when published.

## **8 Business, Enterprise and Skills Working Group of the County Durham Economic Partnership - Overview:**

The Committee considered the joint report of the Corporate Directors of Resources and Adult and Health Services which provided members with an overview of the activities undertaken by the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership (for copy see file of Minutes).

Sue Parkinson, Chair of the Business Enterprise and Skills (BES) Working Group and Vice-Chair of the County Durham Economic Partnership (CDEP) Board was in attendance and gave a presentation to members which highlighted the following:

- Skills levels in County Durham, and comparison regionally and nationally
- Economic activity and inactivity
- Employment and unemployment rates
- Employment by Industry
- Adult Participation in Learning
- Apprenticeships
- Government Priorities
- Challenges
- Opportunities

Sue Parkinson discussed with Members the CDEP's approach to Resources and future funding opportunities, and how external funding would be maximised.

Members were informed of skills support for the workforce and the unemployed which was funded by the European Social Fund, and funding available for the regeneration of town centres.

Following a question from Councillor Scott, Sue Parkinson explained that a focus of the Partnership was to encourage involvement of the private sector in relation to skills development/training, show them the benefit to their workforce of employing young people and providing relevant training and gave the example of the DurhamWorks Programme that supports young people who are not in education, employment or training.

Councillor Tucker stated that to close the skills gap, closer working between education and training providers and employers was required to remove the barriers facing employees who wanted to up-skill. Sue Parkinson explained that the Skills Support for the Workforce Programme should address this by making funds available to employees to pay for their own training. However there also needed to be a cultural change so that employers became learning organisations and provided the time to employees for training. This was being facilitated by the Partnership.

Councillor Adam noted that the majority of employers in the County were small to medium sized businesses and asked how they would be encouraged to be involved. Sue Parkinson agreed that businesses in the County were pre-dominantly micro-businesses, some having only one or two employees, and therefore recruiting staff with the rights skills was very important. The DurhamWorks Programme aimed to facilitate this.

Mrs Morris asked about the potential implications of a no deal Brexit on funding for the North East. Sue Parkinson responded that the Government had committed to a 'Levelling up Agenda', and that she was also a member of the Government's National European Structural and Investment Funds (ESIF) Evaluation Sub-Committee which looked at European Funding.

Councillor Atkinson asked how Durham County Council would access the town centre funding. Graham Wood, Economic Development Manager explained that the Council was facilitating the funding opportunities available for local businesses as part of the Stronger Towns Fund for Bishop Auckland, and an Investment Plan would be developed for presentation to the Stronger Towns Investment Board. This would be reported to Scrutiny at a future meeting.

**Resolved:**

That the report and presentation be noted.

## **9 DurhamWorks Programme - Progress:**

The Committee considered a joint report of the Corporate Directors of Resources and Children and Young People's Services which provided Members with an update on the DurhamWorks Programme (for copy see file of Minutes).

Linda Bailey, the Strategic Lead for Progression and Learning was in attendance and gave a presentation which focused on the following:

- DurhamWorks Programme
- Evaluation of the Programme
- Employer Engagement and DurhamWorks Grant
- New European Funded Programmes

The presentation included performance of the Programme to date and the Strategic Lead was pleased to inform members that 69% of the young participants had progressed to employment. 700 of these positions were apprenticeships. The majority of businesses supported by the DurhamWorks grant were micro-businesses who although had found the financial contribution to be of benefit, the help and guidance they received from DurhamWorks was more important.

The strength of partnership working across the County had supported the integration of DurhamWorks and had avoided duplication of service provision.

Employer engagement continued to be a challenge; good networking and continuous engagement with key partners was key to overcoming this.

Outlining the next steps, the Strategic Lead advised that DurhamWorks ended in July 2021 and the evaluation of Stage 2 would be used to inform Stage 3, Durham Directions, which was the subject of a bid for European funding of £10 million to support 6,000 young people into employment. This would enable activities in schools to engage with vulnerable young people at risk of 'dropping out'.

At the end of the presentation Members were shown a video of young people discussing their individual experiences of the Programme.

Councillor Adam applauded the success of the Programme and noted that 50% of NEETs were aged between 20 and 24. The Councillor suggested that other ways of identifying young people in that age group be explored and asked if a separate Programme was needed for 20-24 year olds. The Strategic Lead advised that the Programme already used different approaches for each age group which had proved successful over time. She continued that the Programme acted as a triage service directing young people to various support available. Introducing a separate programme for a specific age group would be complicated for young people and partners who worked with DurhamWorks.

In respect of the 20-24 age group Mrs Morris was of the view that if young people were engaged at 16, then there would be fewer 20-24 year olds in need of employment. The Strategic Lead reported that the number of 16-17 olds who were NEET had fallen which could be as a result of transition work with vulnerable young people in schools. It was frustrating that at present DurhamWorks could only work with young people who had left school.

Following a further question from Mrs Morris, the Strategic Lead confirmed that all the apprenticeships were accredited, and were mostly Level 2.

Councillor Atkinson commented that he was impressed that each £1 spent returned £2.69 in social and economic benefits and asked how this was calculated. The Strategic Lead responded that it was a range across various factors and agreed to circulate detail of the factors to Members of the committee.

Councillor Henderson commented that the number of 16-24 year olds Not Known was very small and that he hoped that the bid for European funding would be successful.

**Resolved:**

That

- a) the report and presentation be noted;
- b) the Economy and Enterprise Overview and Scrutiny Committee includes a further progress report on the DurhamWorks Programme in its 2020/21 work programme together with consideration of the interim and final evaluation reports when available.