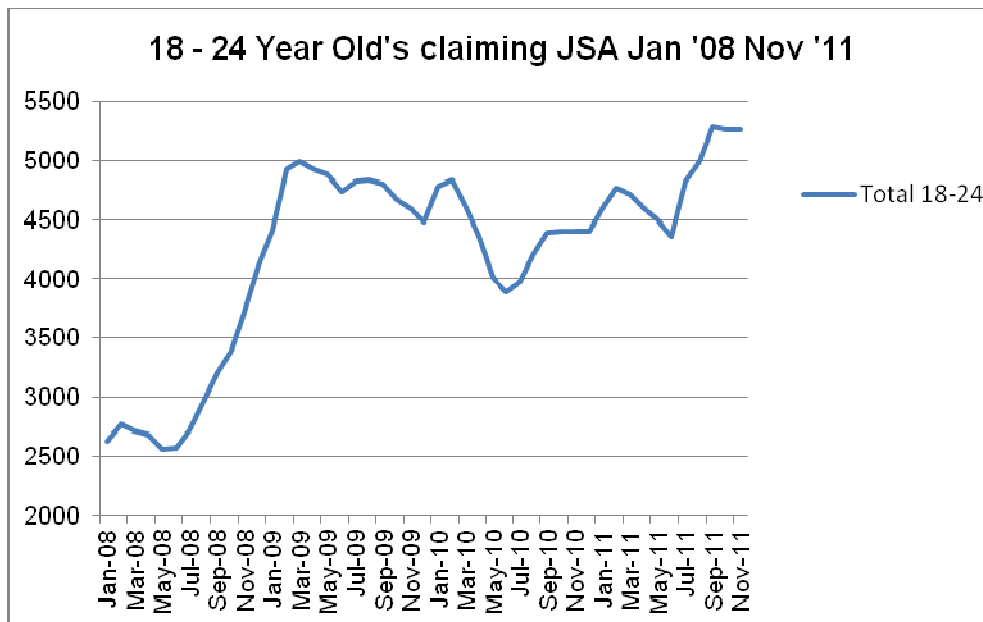


## *Altogether Wealthier*

# Economy and Enterprise Overview and Scrutiny Committee Report of Scrutiny Working Group

## Increasing Young People's Employment Opportunities (18-24) in County Durham

### Summary



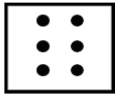
(Office of National Statistics – December, 2011)

**June 2012**

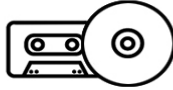


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## **Contents:**

<b>Section</b>	<b>Subject</b>	<b>Page</b>
1.	Foreword	1
2.	Executive Summary	2 - 37
3.	Methodology, Terms of Reference and Membership of Working Group	38- 46
4.	Background to the proposals	47 - 71
5.	Evidence	72 - 149
6.	Examples of Schemes/Best Practice	150 - 165
7.	Conclusions and Recommendations	166 - 177
8.	Appendices	
	Appendix 1 Terms of Reference and Project Plan	177 - 186

## 1. Foreword



(Chairman:  
Councillor John Moran)

The Economy and Enterprise Overview and Scrutiny Committee receives, on a quarterly basis, comprehensive performance data on the key performance indicators for the 'Altogether Wealthier' priority theme of the Council. As part of the performance monitoring process Members of the Committee became were informed that the number of 18-24 year olds claiming Jobseekers Allowance (JSA) in County Durham had increased on a quarterly basis from 4,360 (8.3%) claimants in June 2011 to 5,280 (10.1%) claimants in September, 2011.

The Committee has also received an overview of the County Durham Economic Assessment (CDEA) which had drawn on regional forecasts of economic and employment change to draw out the key lessons for County Durham over the next decade. Whilst highlighting that there is a need to exercise considerable caution, the Assessment forecasts that employment losses will continue. However, the CDEA has also identified that there will be strong replacement demand for workers (associated primarily with the retirement of older workers). Durham County Council and Partners have also recognised the need to leverage the widest possible benefits from Hitachi locating its manufacturing base to build the new trains at Amazon Park, Newton Aycliffe. Indeed, projections at August 2011 suggested that 200 construction jobs will be created in building the new unit, 500 people are to be employed once the site is operational with a potential 8,000 jobs created within the supply chain. We have also heard during the Review process that particular sectors, (engineering and manufacturing) within the County are in a growth position providing opportunities for young people in the form of apprenticeships.

The Review has examined in detail the support and interventions which are currently available for the 18-24 age group provided by both Durham County Council and Partners and looked at how we can further develop partnership working to increase the employment opportunities of young people in this age group. In addition, the working group has spoken to local employers to identify potential barriers to employing young people as well as undertaking a small number of visits to see 'first hand' some of the training provision available to young people in County Durham.

I would like to thank everyone who has participated in the review for the evidence and information they provided. I would also like to thank my colleagues on the working group for their valuable contribution and the evidence, advice and information provided from all the Officers who have supported the Review.

**Councillor John Moran**  
**Chairman of the Economy and Enterprise Overview and Scrutiny Committee**

## **2 Executive Summary**

### **Introduction**

- 1 The Economy and Enterprise Overview and Scrutiny Committee receive quarterly performance reports which identifies that the number of 18-24 year olds claiming Jobseekers Allowance (performance indicator RED PI 7) within County Durham was increasing on a quarterly basis giving, Members cause for concern. In addition, as part of the refresh of the Economy and Enterprise Overview and Scrutiny Committee work programme undertaken in July 2011, Members identified the need for a focused piece of work to be undertaken looking at how Durham County Council and Partners could further develop partnership working to increase the employment opportunities of young people (18-24) within County Durham.
- 2 During the initial scoping session Members identified that the review would focus upon the following:
  - understanding the national policy context and the implications for County Durham;
  - understand employment trends within County Durham;
  - details of various interventions available for young people aged 18-24 years of age;
  - work currently in place to enhance employment opportunities for young people;
  - engagement activity with employers; and issues /barriers experienced by employers in relation to employing young people;
  - examining case studies of young people engaged in various interventions and examples of best practice in relation to employer engagement; visits to various providers to see the support currently available to young people in the 18-24 age group.

### **Overview of Government policy implications for County Durham**

- 3 The Review commenced with an overview of the implications of Government policy in relation to management, funding and delivery of employment and skills support available to young people aged 18-24 in County Durham.
- 4 In relation to delivery, Members were informed that Government had removed a regional tier of economic development and spatial planning (including employment and skills) with the closure of the Regional Development Agencies (RDAs). Members were reminded of the RDAs replacement by Local Enterprise Partnerships (LEPs), County Durham being 1 of 7 local authorities within the North East LEP.
- 5 There has been significant change to the amount of funding available to be used to support employment with the abolition of Single Programme, Working Neighbourhoods Fund (WNF) and the Local Enterprise Growth Initiative (LEGI) which focused on tackling barriers to employment, enhancing job creation and helping people get back into work by addressing worklessness.

The Government has introduced the Regional Growth Fund (RGF) which will provide £1.4 billion over 3 years in the form of capital, revenue grants or repayable loans. The fund will be managed as a 'challenge' fund, with competitive bidding. It is intended that Durham County Council will submit a bid for funding to support 'young peoples' employment opportunities.

- 6 The Government's Comprehensive Spending Review (CSR) has also significantly impacted upon the amount of funding Durham County Council (DCC) has available to support employment and skills training as well as providing employment opportunities to young people within DCC. The Council for 2011-2015, was required to achieve £125m of savings; however the Medium Term Financial Plan (MTFP) for 2012/13 has identified the need for further savings for the five year period 2011/12 to 2015/16 of £159.2m; and savings of £171.8m when including forecasts for 2016/17. This equates to a 40% net revenue reduction over this period. In order to meet the original savings for 2011-2015 it was expected that around 1,600 posts would be removed from the establishment across the MTFP period.
- 7 In addition Government has removed the entitlement to free training for a first 'full' Level 2 qualification (GCSE equivalent) for those over 25 years of age. Funding is focused upon young people aged 19 up to 24 with low skill levels seeking to make a successful transition from education into work. The burden of funding training is placed on employers with small and medium sized enterprises (SMEs) having to pay half the cost of Level 2 courses for employees aged 25 or over and large companies being required to pay the full cost of training.
- 8 However the following funding is available within County Durham aimed at supporting young people into employment:
  - The Improving Progression Partnership (IPP) has secured a £2 million European Social Fund (ESF) co-financed programme for the next 2 years.
  - The Department of Work and Pensions (DWP) has launched an Innovation Fund (IF) worth £30 million over 3 years from 2012.
  - A ESF/DWP co-financed programme with a budget of £200m nationally with £2.1million for County Durham over the next 2-3 years.
  - The Adults, Wellbeing and Health (AWH) Directorate have secured funding and approval to deliver 5 apprenticeship frameworks (Level 2 and 3) with approval for 4 further apprenticeships frameworks being sought.
  - The Skills Funding Agency (SFA) is currently providing funding and support for the unemployed and apprenticeships within County Durham.
- 9 The Working Group was informed that provision introduced by the previous Government focusing on young people had been withdrawn including the 'Young Person Guarantee' and 'Future Jobs Fund' (FJF) which had been successful at gaining employment opportunities for 872 young people in County Durham.

- 10 The Government is promoting apprenticeships as the main mechanism to get young people into employment with the current approach to apprenticeships based upon a National Budget of £1.4 billion for 2011/2, with a target of having 400,000 apprentices by 2014/15. An inquiry is also being undertaken by the Business Innovation and Skills (BIS) Select Committee into apprenticeships, inviting evidence in relation to the work of the National Apprenticeship Service (NAS), the use of Government funding, quality of apprenticeships on offer, apprenticeship bonuses and current funding arrangements (100% for 16-18 year olds and 50% for 19-24 year olds). It is expected that the Select Committee will report in the Summer of 2012.
- 11 Government has also introduced a package of Welfare Reforms in 2011 which includes the 'Get Britain Working' measures: a set of flexible support measures which are delivered by JobCentre Plus (JCP) working in partnership which includes, Work Clubs, promoting volunteering, self employment via the New Enterprise Allowance (NEA), pre-employment and work placement through Service Academies and work experience. In addition to the 'Get Britain Working' measures, the Work Programme provides a single integrated package of personalised support for everyone who finds themselves out of work regardless of the benefit they claim. Current information for January 2012 shows that within County Durham the 18 - 24 year old proportion (29%) of all Work Programme clients is double that envisaged when the programme started in June 2011.
- 12 Further measures for claimants aged 18 - 24 have been added to the above with the Government's announcement of the Youth Contract in November, 2011. These measures provide for additional JCP Advisor time, extra work experience places, financial incentive payments for employers to take on apprentices and cash payments to employers who take on an 18-24 year old for six months from the Work Programme.
- 13 It was highlighted that within County Durham there are a number of current and emerging projects that support young people into employment which include: The 'Esh Connexxts' Scheme; 'Future Business Magnates'; The 'Manufacturing Skills Challenge'; 'Learning the Business'; Targeted Recruitment and Training Project (Durham County Council – TRT); County Durham Apprenticeship Programme and work being undertaken within the Council's Area Action Partnerships (AAPs) focusing on young people and employment.

#### 14 Conclusion

The Working Group commented that the radical changes made by Government to regional economic development with the abolition of the RDA and regional funding streams (Single Programme and Working Neighbourhoods Fund - WNF) together with the loss of the Local Enterprise Growth Initiative (LEGI) and the Future Jobs Fund (FJF) schemes had reduced significantly the resources available to tackle barriers to employment for young people.

However, it was recognised that Government has launched various funding and support initiatives focused at young people within the 18-24 age group.

The Working Group identified that the focus of the Review would be to look at the provision/support which is currently available which can be influenced or further developed by Durham County Council and Partners rather than focusing on those areas which are nationally driven such as funding.

## **Current support provided by Durham County Council**

### **Education Business Partnership**

- 15 The Education Business Partnership (EBP) sits within the Children and Young Peoples Service (CYPS) service grouping of Durham County Council. The objective of the Partnership is to bring together schools and businesses to raise students' awareness of the world of work and to develop their employability skills through the provision of a range of high quality work related programmes.
- 16 Examples of activities the EBP co-ordinate includes: 'Careers in Action' events in schools; finding speakers from industry to talk to students; organising workplace visits for students; arranging work experience placements; providing industry days for students; 'Learning the Business' - a one-to-one EBP brokerage relationship between a school and employer; Business Ambassador Programme; raise awareness of apprenticeship opportunities and the post-18 experience.
- 17 In addition the EBP arranges opportunities for teachers to spend time in industry to improve their knowledge and understanding of different sectors/ pathways available for young people to access career opportunities. This enables them to make links between the operation of the business and all aspects of the school curriculum.
- 18 The Working Group was informed of a new innovation 'Learning the Business', a concept developed to promote employability skills in young people in County Durham. The idea was developed by employers from the Employment and Skills Group of the County Durham Economic Partnership (CDEP) and involves a partnership between employer and school. One of the greatest impacts of the 'Learning the Business' programme is the impact on teachers, who learn about the world of business and in turn are able to draw links with all areas of the school curriculum and improve its delivery. An evaluation of year one of the programme has been undertaken by the EBP which found that all of the partnerships have been successful in terms of raising employability skills and increasing children's awareness of the world of work enhancing students' chances of finding work when leaving school/college. It was highlighted that the EBP now has to charge schools for the delivery of this programme.



- 19 One of the main areas of activity for EBP relates to arranging work experience placements in County Durham for students at Key Stage 4 (14-16 age group) for over 20 years (2010/11-7909 County Durham students had work experience placements arranged by EBP). Work experience has been highly valued as an introduction to the world of work however the loss of Government funding for education business links means that work experience is only now available to schools at full cost. It is therefore anticipated that the numbers of students undertaking work experience will be significantly reduced in the future and it is estimated that the EBP will arrange approximately 2200 placements during the academic year 2011/12 for students from County Durham schools.
- 20 The Business Ambassador Programme, developed 20 years ago, involves business volunteers working with young people raising their awareness of the world of work and awareness of the roles and responsibilities within those organisations and was originally funded via Single Programme which had been withdrawn in 2010 by the present Government. However the EBP had maintained the programme to date although it was highlighted that the EBP had been adversely affected by the reductions imposed by the Medium Term Financial Plan (MTFP) on the CYPS Directorate, impacting upon their ability to offer the breadth of service that has been available in the past.
- 21 Members commented that the work of the EBP in providing a brokerage service between the business community and schools via work experience and projects such as 'Learning the Business' and the 'Business Ambassador Programme', allows young people an early insight into the world of work whilst providing an opportunity for them to develop their employability skills. In addition the 'Business Ambassador Programme' provides an insight for business into what is happening in schools today including changes in the National Curriculum.

22 **Conclusion**

It was felt by the Working Group that the work currently undertaken by the EBP in relation to work experience and schemes such as 'Learning the Business' and the 'Business Ambassador Programme' are useful models, providing young people with an early insight into the world of work, whilst also providing an opportunity for business to be kept current with developments and changes in the National Curriculum.

- 23 The Working Group's recommendation in relation to the Education Business Partnership is:-

1. That Cabinet and the County Durham Economic Partnership (CDEP) continue to promote work experience and schemes such as 'Learning the Business' and the 'Business Ambassador Programme' as useful models of collaborative working between educational institutions and business within County Durham.

## Area Action Partnerships

24 Durham County Council has 14 Area Action Partnerships (AAPs) which set their own priorities on an annual basis. For 2012/13, 10 of the 14 AAPs have identified job creation/employment in relation to young people as one of their top three priorities. Below is a summary of the various projects being undertaken within the AAPs focusing on job creation/employment in relation to young people:

- **Great Aycliffe and Middridge AAP (GAMP)** - their project involves two funds designated to supporting any unemployed person over the age of 16 in the Great Aycliffe and Middridge area. These two funds are; an 'Employability Skills Fund' aimed at responding to specific training needs and a Discretionary Fund' aimed at removing barriers that prevent clients from accessing training. In addition GAMP has an Apprenticeship Bursaries project which aims to increase the number of apprenticeships in the area. The project will create 11 new apprenticeship opportunities within SMEs.
- **Spennymoor AAP** - are undertaking a project that aims to establish a Duke of Edinburgh Award Scheme. The project will engage with 60 young people between the ages of 14 and 24, to link opportunities for volunteering and hands on experience with the DurhamGate Development. In addition the Partnership is also undertaking the REACH project which provides intensive support to the most vulnerable of clients.
- **Derwent Valley AAP** - Connect 2 Enterprise (ongoing) - the project aims to work with 16-18 year olds from Derwentside College on a project which will provide the young people with an awareness of retail. The Engineering Challenge project, completed but funded again in 2011, aims to raise students' aspirations by providing an awareness of the potential for a career in engineering or manufacturing. The Derwent Valley Sports Club Coaches project funded by the Derwent Valley Partnership aims to offer sports qualifications to young people in the Derwent Valley area. The Connecting 2 Connexions (now completed) aimed to address issues faced by young people not in education, employment or training (NEET). The purpose of the Connecting 2 Connexions fund was to support individuals and groups to improve opportunities for young people to take part in employment, education and training. The AAP is currently working in partnership with the Derwentside Enterprise Agency to provide regular Enterprise Clubs in the area. In addition, an Apprenticeship Scheme aims of the apprenticeship scheme is to increase the number of apprenticeships to increase the number of apprenticeships in the area by incentivising small businesses to create additional opportunities. The project will provide 14 new apprenticeship opportunities to local young people aged between 18 and 24.

- **East Durham Rural Corridor AAP** - Apprenticeships - their project aims to create 45 apprenticeship opportunities within the AAPs area of responsibility. These would be in sports coaching and apprentices would gain an NVQ qualification. A Youth Work Project will train 6 local people from across the AAP to Level 3 Youth work status that will enable them to deliver youth work across the whole AAP. A SME Apprenticeship Scheme aims to increase the number of apprenticeships in the area by incentivising small businesses to create 14 new apprenticeship opportunities.
- **East Durham AAP** - they have elected to have job creation as the overarching priority for the first two years. All projects within their Action Plan for years 09/10 and 10/11 were required to evidence how they contributed to the Job Creation Priority. The Partnership has created the following employment opportunities for 31 young people aged 18 - 25 years:
  - Sport Development Worker (1) - Robin Todd Centre,
  - Construction Trainees (5) - Peterlee Environment Project,
  - Horticultural Apprenticeship (1) - Shaw Trust,
  - Playworker Park Rangers and Youth Workers Trainees (24) – Groundwork.
- **4 Together AAP** - their first project is aimed at increasing the number of apprenticeships in the area by incentivising small businesses to create additional opportunities that otherwise would not have existed. The project aims to create 14 new apprenticeship opportunities in the 4Together AAP County Durham Furniture Help Scheme (CDFHS). Their second project involves delivering a training and work experience scheme to provide individuals with a placement in a business environment which fully prepares them for the world of work.
- **Weardale AAP** - their Rural Employability Project is aimed at individuals residing in Weardale who fit the appropriate criteria, providing post employment support (up to 26 weeks) to clients who have gained employment through the programme. Clients on the programme receive mentoring support during their job hunt, help with CVs or application forms, links to local employers, career options, post employment support, personal development programmes and skills training. An Employer Incentive Fund is also available for SMEs in the South Durham and Weardale areas that are employing a client from the above groups. A Personal Progression Fund is an easy to access grants scheme offering grants from £50 to £350 to fund activities and other items that cannot be offered through other schemes or mainstream provision.
- **Bishop Auckland and Shildon AAP (BASH)** - they are running a pilot Employment Exchange: Sustaining Existing Jobs project to help businesses take a flexible approach to managing short term staffing issues and retain skilled staff. An Apprenticeships and Bursaries project created new employment opportunities by working with local employers and training providers to support 10 new apprenticeships within the manufacturing industry.

A Skills Survey by the Enterprise Agency identified 350 local businesses from its database within the AAP area and surveyed them to gather information to signpost businesses to appropriate support solutions. An Employment Fair was held at Bishop Auckland College (BAC) on the 21 July 2010 with 32 local and national businesses from a number of sectors exhibited at the Fair. In relation to participation the event was attended by 359 local residents and students from Bishop Auckland College.

In addition, in 2011/12 BASH is taking forward the following initiatives: Business Advisors - South Durham Enterprise Agency are to employ 2 Business Advisors to work across the AAP area in supporting existing small and medium sized enterprises (SMEs) within priority sectors and those wishing to start up their own business. An Employability Project seeking to build upon existing work tackling employability in the area through a model previously funded by the Working Neighbourhoods Fund and Single Programme.

- **Three Towns AAP** - employment and job prospects is a new priority for the Three Towns Partnership in 2011/12. Three projects are currently being developed, one is specific to young people the other two include young people as part of their target groups:
  - South Durham Schools Enterprise Challenge - this project will be developed and delivered by the South Durham Engineering & Manufacturing Forum (SDEMF) and will be open to 30 year 9 pupils from Parkside Sports College and will be delivered over 16 weeks.
  - Three Towns, Weardale and Teesdale Employability Project - the project will be a partnership between the Three Towns Partnership, Weardale AAP and Teesdale AAP. The proposal builds upon the work to date and best practice of the Rural Employability Project in tackling employability issues in rural areas.
  - Crook Community Partnership - local project with a shop front advertising job vacancies, offering support with on line job searches, CV writing and signposting function for further advice and training opportunities all delivered in an informal setting, with no pressure or time limits.
- **Teesdale AAP** - job prospects is a new priority for Teesdale AAP for 2011/12. The Teesdale AAP is undertaking a Rural Employability Project which will be developed and delivered in the area. This project has previously been delivered in the neighbouring Weardale AAP area with great success. The aim of the project is to co-ordinate a programme of pathways into employment; enabling workless people to access opportunities and build skills that lead to sustainable employment. It is expected that the project will support 40 clients into employment and create 7 apprenticeships.

25 The Working Group commented that although some of the projects reported upon were in their infancy a number of the projects stated that they had increased significantly the employment opportunities of local young people. The AAPs have recognised the need to invest in young people to ensure the sustainability and vibrancy of a community. The Working Group commented that the wide range of projects currently being undertaken within the various AAPs focusing on young people and employment demonstrated the success of true partnership working and the creative use of funding.

26 The Working Group suggested that an update be provided in relation to the various AAP projects focusing on young people and employment as part of the systematic review of progress against recommendations contained within the Working Group report. It was also commented that the information gathered from the respective AAPs for inclusion in the Working Group report is shared as examples of work undertaken to engage young people into employment.

27 Conclusion

The Working Group acknowledged the positive work currently undertaken by the AAPs which had increased significantly the employment opportunities for young people in County Durham.

That the information gathered from the AAPs for inclusion in the Working Group report is shared as examples of work undertaken to engage young people into employment.

It was suggested by the Working Group that an update is provided in relation to the various AAP projects focusing on young people and employment as part of the six month systematic review of the Working Group report (**see recommendation 12**).

28 The Working Group's recommendation in relation to the Area Action Partnerships (AAPs) is:-

2. That the information gathered from the respective AAPs for the Working Group report is shared as examples of work undertaken to engage young people into employment.

### **The County Durham Apprenticeship Programme**

29 The Working Group was informed that the County Durham Apprenticeship Programme (CDAP) was launched on 4 November 2011, signaling the start of an initiative to encourage SMEs to take on unemployed young people across the County, for a minimum of two years. Information on the County Durham Apprenticeship Programme is available on the CDEP website providing detail on the programme and highlighting the benefits to both the business and the young person.

- 30 The CDAP will create 148 (originally was to be 125, however further funding was secured after the launch event) additional apprenticeship opportunities for unemployed individuals who live in County Durham and are between 16-24 years of age. Funding for the programme has come from Durham County Council (Regeneration and Economic Development-RED), Durham County Council AAPs (East Durham Rural Corridor, Derwent Valley, BASH, 4 Together and GAMP ) and the Coalfields Regeneration Trust (CRT). In May, 2012, 93 young people had started the apprenticeship programme with a further 54 live vacancies identified and a further 72 expressions of interest.
- 31 The CDAP provides a wage subsidy allowance of £2,500 (maximum - based upon a 37 hour week) at the National Minimum Wage (apprentice rate) of £2.60 per hour for apprentices under 19 or 19+ and in the first year of their apprenticeship. For individuals who are 19+ years of age, it will be the responsibility of the employer to pay the additional wage in the second year of the apprenticeship period.
- 32 All potential apprentices referred to employers will have undertaken a pre-employment training course (2 weeks) prior to a work-trial and/or employment. The pre-employment training will focus on developing employment/soft skills required by employers, including communication and presentation skills. A number of providers will be responsible for delivering this training.
- 33 It was highlighted by Members that apprenticeships cannot resolve the problems arising from failure to achieve the basic skills or choose the correct career direction at school. A business will always take the best candidate, therefore there is a need to improve the skills of our unemployed young people. Reference was made to a CBI report 'The Voice of Britain' published in 2011 which states 'that 37% of apprenticeship places are taken by those aged over 25, who are better able to compete' highlighting the need for business, colleges and training providers to work together to develop effective pre-employment programmes for young people.
- 34 In addition members referred to the information provided by the North East Chamber of Commerce (NECC) at a previous meeting of the Working Group, when it was emphasised that there is a need to tackle some of the misconceptions associated with apprenticeships particularly in relation to cost. However members made reference to the information provided by the National Apprenticeship Scheme (NAS) highlighting the work they have undertaken promoting apprenticeships and tackling some of the misconceptions by working with specific sectors showing return on investment.
- 35 Members of the Working Group commented on the positive partnership working undertaken by Durham County Council, the CDEP, AAPs and the CRT to promote, publicise and finance the apprenticeship programme.

It was suggested that this model of partnership working is used to develop further apprenticeship programmes within County Durham. The success of this model was also commented upon during evidence gathering sessions with Derwentside Further Education College and the NAS.

36 Conclusion

Pre-employment programmes provide an opportunity for young people to develop the less measurable employability skills e.g. punctuality, enthusiasm, customer service and work ethic which are desired by business. It is essential that businesses, colleges and training providers work together to develop effective pre-employment programmes.

The model of partnership working adopted for the CDAP should be used to develop further apprenticeship programmes within County Durham, acknowledging the financial constraints which currently exist.

37 The Working Group's recommendations in relation to the County Durham Apprenticeship Programme are:-

- 3(a) That Cabinet and the County Durham Economic Partnership (CDEP) continue to support and promote the development of effective pre-employment programmes which have employer input and equip young people with the necessary less measurable employability skills which are desired by employers.
- (b) That Cabinet and the County Durham Economic Partnership use the model of partnership working adopted for the County Durham Apprenticeship Programme (CDAP) to develop further apprenticeship programmes within County Durham acknowledging the financial constraints that exist across the sectors.

### **Durham County Council Apprenticeship Programme**

38 In relation to apprenticeships within Durham County Council, as an organisation itself, it was confirmed that the number had reduced in 2010/11 as a result of the implications of the MTFP savings and the resulting pressures on the existing workforce. The approach agreed by the Council to make the required savings of £125m for 2011-2015 was to achieve more than half of the savings through reductions in management, support services, efficiencies and increases to fees and charges. After the deletion of 350 vacant post, it was identified that a further reduction in full-time equivalent posts of around 1,600 would be necessary across the MTFP period (2011–2015).

39 Apprenticeship figures within Durham County Council for 2009 - 2011 are as follows:

- Apprenticeship intake for September 2009 - 23 apprenticeships (6 - Finance, 5 - Direct Services, 12 - Technical Services).
- Apprenticeship intake for September 2010 - 11 apprenticeships (4 - Customer Services, 1 - Technical Support, 1 - Licensing Support, 1 - Passenger Lift Engineer, 1 - Gas Service Engineer, 3 - Business Administration and Financial Management).
- Apprenticeship intake for 2011 to date - 6 apprenticeships (3 - Financial Management, 1 - HGV Fitter and 2 - Business Administration).

40 In relation to apprenticeship recruitment for 2012, work is currently ongoing between Workforce Planning (Human Resources) and various managers within Service Groupings looking at opportunities to create apprenticeships in 2012.

41 The Working Group commented that the implications of the Medium Term Financial Plan (MTFP) savings on the current workforce figures requires the Authority to look carefully at the apprenticeship offer, however discussions are taking place with Service Groupings looking at possible apprenticeship opportunities for 2012.

42 Conclusion

In relation to the number of apprenticeship opportunities available within Durham County Council for 2012, it was accepted by the Members of the Working Group that the implications of the MTFP savings on the current workforce figures require the Authority to look carefully at the apprenticeship offer available. However, it was felt that Durham County Council should continue to promote in principle the development of the apprenticeship offer with Service Groupings.

43 The Working Group's recommendation in relation to the Durham County Council Apprenticeship Programme is:-

4. Whilst recognising the implications of the MTFP savings on current workforce figures, it was felt that Cabinet should continue to promote in principle the development of the apprenticeship offer within Durham County Council.

### **Derwentside Training**

44 Derwentside Training is a self-financing, training unit which has been operating for 30 years (previously as part of Derwentside District Council) and is part of the RED Service Grouping of Durham County Council. The main site is located at Derwentside Business Centre however there are satellite centres based at Stanley, Chester-le-Street and Crook.



- 45 It is fully funded from contract activity and in 2010/11 had a turnover of circa £1 million employing 22 staff. It continues to be recognised as a prime deliverer of educational and skills programmes and currently delivers the following programmes:
- The Work Programme
  - Skills Funding Agency (SFA) delivery - short accredited training courses delivered to employees.
  - SFA delivery - short accredited training courses delivered to unemployed clients.
  - SFA/ESF - skills for the unemployed.
  - Not in Education Employment or Training (NEETs) – SFA/ESF funded programmes to support young people.
  - Durham County Council apprenticeship programme (pre apprenticeship delivery).
  - DWP/ESF Families with multiple barriers to work.
- 46 In relation to the CDAP, it was confirmed that Derwentside Training will be one of the providers with responsibility for the delivery of the pre - apprenticeship programme.
- 47 Derwentside Training, as part of RED Service Grouping, are in a unique position having ongoing linkages with both the regeneration and employment sections of Durham County Council. These linkages are invaluable, as they can be used to identify potential employers coming into the County; the skill requirements of those employers; the development of a suitable training programme and the placement of local clients to a job vacancy.
- 48 Several planning applications for large supermarket developments across the County are pending presenting an opportunity for Durham County Council to support these businesses by using the holistic approach to training, adopted by Derwentside Training. It was highlighted that this approach had been successful previously in achieving local jobs for local people (Derwentside Training have assisted Tesco, using this holistic approach when they established their store in Annfield Plain).
- 49 The Working Group commented that the pro-active approach adopted by Derwentside Training and its linkages with the regeneration and employment sections within RED, had allowed the early identification of employers' training needs and the development of targeted training packages had resulted in jobs for local people. It was highlighted that the model of delivery developed by Derwentside Training was an example of good practice, creating local employment opportunities.
- 50 Conclusion
- Derwentside Training provides an example of how early identification of potential employers, their skill requirements and the development of suitable training programmes has resulted in local jobs for local people.

51 The Working Group's recommendation in relation to Derwentside Training is:-

5. That Cabinet and the County Durham Economic Partnership (CDEP) note the model of delivery developed by Derwentside Training as an example of good practice in creating local employment opportunities.

### **Targeted Recruitment and Training**

- 52 The Council's Corporate Procurement is committed to ensuring that the Council's economic policy objectives, including those related to Targeted Recruitment and Training (TRT), are taken into consideration in all relevant contracts and procurement exercises, building on work to assess the Council's potential suppliers not only on their ability to deliver the core elements of a contract, but also to create wider positive economic, social and environmental outcomes.
- 53 Corporate Procurement and the TRT Officer have worked closely to ensure that TRT considerations are integrated as standard practice in key procurements enhancing the Pre-Qualification Questionnaire (PQQ) and/or invitation to tender (ITT) to secure TRT outcomes.
- 54 To date 17 procurement contracts have secured opportunities or included TRT evaluation criteria within the procurement process to facilitate discussions post contract award. The TRT project is currently reporting 32 beneficiaries (job starts and/or apprentices) from July 2011 to November 2011 (5 months), 31 are from one project - the Brandon & Esh School Build through Sir Robert McAlpine. It was highlighted that the TRT Officer post ensures that those companies who succeed in the contract process fulfill the TRT requirements.
- 55 With reference to the wider context, the Working Group was informed that a total of 67 TRT projects have been identified across procurement and planning. Of these, 31 planning projects have the potential to include planning obligations for social clauses. The TRT Officer and Planning Policy Officers are currently developing a draft 'Developers Contributions Policy' as part of the Durham Plan. TRT will form part of this policy and will seek to secure a financial contribution and a person weeks target within planning obligations.
- 56 It was commented by the TRT Officer that feedback from employers has indicated that in some cases young people have failed to be 'employment ready' despite pre-employment training, attending interviews de-motivated or disinterested. This issue had already been highlighted to the Working Group in discussions with local employers as a barrier to employing young people.
- 57 Another issue highlighted by the TRT Officer related to the cancellation of arranged work experience placements either by the school due to exam or revision timetables or in favour of academic subjects, or because the student lacks motivation or there is a lack of parental support to transport the student to their work experience placement.

58 Having considered the evidence provided in the presentation, the Working Group commented that TRT had delivered significant outcomes in a relatively short timescale (32 job starts and/or apprenticeships from July to November, 2011). In addition, Members commented on the future opportunities which had been identified for the use of TRT in planning and procurement projects (67 TRT projects identified).

59 The Working Group understand that there is a need for the importance of work experience, work placements and pre-employment training to be recognised by schools, parents and students in determining the future employment opportunities available to young people, particularly in relation to the development of less measurable employability skills. It was suggested that this must be seen as part of Durham County Councils' approach to 'Think Family' and the 'One Point' service offer.

60 Conclusion

The Working Group commented that TRT had been successful in delivering a number of job starts and/or apprenticeships for young people in County Durham (32) in a short timescale, and that a significant number of TRT opportunities had been identified for the future within procurement and planning projects.

In addition, Members commented on the need to reinforce with schools, parents and young people the importance of work experience, work placements and pre-employment training in determining young peoples' employment opportunities, particularly in relation to the development of less measurable employability skills including punctuality, commitment, enthusiasm, customer service and work ethic. It was suggested by the Working Group that this must be seen within the context of the Councils' approach to 'Think Family' and the 'One Point' service offer.

61 The Working Group's recommendations in relation to Targeted Recruitment and Training are:-

6(a) That Cabinet and the County Durham Economic Partnership (CDEP) acknowledge the TRT approach adopted by the Authority as a model of good practice in providing a significant number of job starts and/or apprenticeships to young people in County Durham.

(b) That Cabinet and the County Durham Economic Partnership (CDEP) continue to reinforce and publicise with schools, parents and students the importance of work experience/work placement in determining young people's employment opportunities. This must be seen as part of the Councils' approach to 'Think Family' and the 'One Point' service offer.

## **Housing Providers**

### **Durham City Homes, Dale and Valley Homes and East Durham Homes**

- 62 Durham County Council is the landlord for 19,000 homes in County Durham. The housing stock is managed by three housing providers Durham City Homes (in-house provider), Dale and Valley Homes and East Durham Homes (Arms Length Management Organisations - ALMOs).
- 63 The Economy and Enterprise Overview and Scrutiny Committee receives on an annual basis the Annual Reports of all three housing providers on an annual basis, together with presentations detailing key performance information. The Housing Providers included within their performance presentations reference to the employment support opportunities they offer to local young people, including any opportunities offered by sub-contractors.

#### **64 Durham City Homes (DCH)**

- Durham City Homes (DCH) repairs service is part of Durham County Council and has applied a 'freeze' to its apprentice programme. Currently they have 1 apprentice. In relation to planned improvements delivered in house and through North East Procurement (NEP) contracts, there is a target of 2 trainees per £1m contract value. In 2010/11 - 49 people undertook training (11 with Durham post codes) and for 2011/12, 51 people have undertaken training (13 with Durham post codes).

#### **Dale and Valley Homes (DVH)**

- With reference to Dale and Valley Homes (DVH), Esh Property Services (their Decent Homes Contractor) currently employ 4 apprentices, Frank Haslam Milan (FHM - New Build Scheme Contractor) employs 9 apprentices, Dale and Valley Homes employ 7 apprentices plus 12 former apprentices who now have permanent jobs with the company. In addition, 5 apprentices have moved into employment with other employers.

#### **East Durham Homes (EDH)**

- East Durham Homes (EDH) have 8 Future Jobs Fund trainees; 2 extended contracts, 1 apprenticeship with partner, 7 young people via 'Get Britain Working' Campaign (2 still with the ALMO as volunteers), regular work experience trainees through schools. In relation to Partners (Capital), 13 apprenticeships (including sub contractors), 13 trainee placements (6 months). In relation to Partners (Repair & Maintenance), there are 6 apprentices and 4 trainees (12 week placements three times per year). EDH had also worked with 9 young people on Durham County Council's Impact Education Programme.
- 65 The Working Group commented upon the range of activities currently undertaken by the housing providers in relation to engagement with young people, the development of employability skills and increased employment opportunities.

It was also commented that other housing providers within County Durham also have initiatives focusing on young people and employment and it was suggested that examples of best practice should be shared amongst the various housing providers.

66 With reference to the ALMOs, it was highlighted that they sub-contract for periods of between 3 to 5 years, this allows sub-contractors the stability to commit to apprenticeships which can take up to 4 years to complete. In relation to DCH, the in-house provider they sub-contract for much shorter periods normally 1 year, this prevents sub-contractors from committing to apprenticeships. In addition DCH have introduced a freeze on apprenticeships as a result of the implications of the MTFP.

67 It was suggested by the Working Group that there is a need for discussions to be held to identify how DCH, can extend the length of sub-contracts to align with the timeframes of sub-contracts currently let by the ALMOs. This would allow apprenticeship opportunities to be created via the sub-contracting process.

68 Conclusion

The Working Group commented that the pro-active work currently undertaken by the housing providers in engaging with young people, increasing their employability skills and providing employment opportunities were examples of good practice. It was also suggested that housing providers within the County share examples of good practice in relation to initiatives focusing on young people and employment.

In relation to DCH, the Working Group commented that the length of sub-contracts (normally let for 1 year) prevented contractors from committing to apprenticeships, which can often take up to 4 years to complete. It was therefore suggested that discussions be held to determine how Durham City Homes can extend the length of sub-contracts, providing sub-contractors the stability to commit to apprenticeships.

69 The Working Group's recommendations in relation to Housing Providers are:-

- 7(a) That Cabinet and the County Durham Economic Partnership (CDEP) recognise as examples of good practice the pro-active work currently undertaken by the Housing Providers in relation to engagement with young people, the development of employability skills and increased employment opportunities via the apprenticeship offer.
- (b) That housing providers within County Durham share examples of good practice in relation to various initiatives developed to increase young peoples' employment opportunities.
- (c) That Cabinet suggests the Service Grouping enters into discussions to investigate the possibility of extending the length of sub-contracts let by Durham City Homes (1 year) to align with the timeframes of sub-contracts currently let by the ALMO's (3-5 years).

## **Adult, Learning and Skills Service (AWH) – Adult Learning Strategy**

- 70 The Adult Learning Strategy will be implemented by the Adult Learning and Skills Service, based within the AWH Directorate. The Strategy for adult learning will be to deliver and commission learning and skills for adults over 19 years for County Durham in line with identified priorities. The Adult Learning Service's strategic priorities are as follows:
- Literacy and numeracy training: delivered through a dedicated skills for life programme; skills for life will be embedded into all programmes at the appropriate level and will also be linked into apprenticeship programmes across the County. The funding used will be from the SFA.
  - First full Level 2 qualifications and a first full Level 3 for 19-25 year olds: delivered through a pre-apprenticeship and apprenticeship programme. Employers (including DCC) will be engaged and training will be provided to up-skill and re-skill their staff. Again this activity will be funded through the SFA to deliver five apprenticeship (Level 2) and advanced apprenticeship (Level 3) frameworks including Management, Business and Administration, Retail, IT in User Skills and Customer Services. In addition approval is currently being sought to deliver further apprenticeship frameworks.
  - The training for learners with learning difficulties and disabilities: this will be delivered through a targeted skills and supported employment programme, developed and delivered using a mix of SFA and DWP.
  - Training support for the unemployed: will be delivered through a programme focused on employability skills and will be targeted and use referral mechanisms already in place with JCP. This activity will be funded by SFA and the DWP.
  - Informal adult learning to engage the low-skilled learner: this will be delivered through a programme designed to engage learners, then progress them onto more formal accredited learning. One of the main focuses of this programme will be pre-employability skills. This programme will be funded through the SFA grant.
  - Level 4 qualifications: this programme will be developed to meet the skills needs of individual learners. Higher skills level learners, level 4 and above will access funding themselves to support their learning. They will then choose a provider to deliver this activity for them.
- 71 The members of the Working Group noted the work currently being undertaken by the Adult Learning and Skills Service in relation to the delivery of the Adult Learning Strategy, including the provision/delivery of 5 apprenticeship frameworks.
- 72 Conclusion
- The Working Group noted the work currently being undertaken by the Adult Learning and Skills Service in the delivery of the Adult Learning Strategy including the delivery of 5 apprenticeship frameworks.

## **Current support provided by Partners**

### **Improving Progression Partnership (IPP)**

- 73 The Improving Progression Partnership (IPP) consists of the Local Authority (Achievement Service, County Wide Services, Regeneration/Economic Development), Further Education (FE) Colleges, Secondary Schools, Special Schools, County Durham Learner Provider Network, Local Improving Progression Partnership Groups, NAS, One Point and Higher Education (HE).
- 74 In relation to supporting employability, the IPP`s role is to inform and support young people through the following:
- The changing/challenging context as a result of the new roles and responsibilities in respect of careers education, information, advice and guidance.
  - Programmes in relation to careers education are provided within the ‘Learner Journey’, a programme to develop the information, advice and guidance (IAG) skills and knowledge of Careers Co-ordinators. In addition ‘Accrediting Your Careers Education Programme’ consists of customised support designed to assist schools in working towards Investors in Careers, a national award. The IPP also work with employers to ensure that they play a full and varied role in the IAG programmes.
  - Ensuring young people understand all progression pathways (including apprenticeships) and economic and labour market conditions.
  - The need for high quality IAG and partnership working to ensure young people make a successful transition to post-16 education, employment or training following the changes to the delivery of vocational qualifications as a result of the Wolf Review.
  - Work related learning and work experience individually tailored work experience is provided via the EBP.
  - The IPP Team provide professional support and development to One Point who are responsible for providing information, advice and guidance to vulnerable groups including those with special education needs and those young people who are not in education, employment or training (NEET). The IPP also provide specialist services for young people with learning difficulties and/or disabilities who may find transition to post -16 learning particularly challenging.
- 75 In addition IPP is responsible for delivery of the ESF project, focusing on supporting high risk young people (£2 million secured) and aligns with and supports the development and implementation of Foundation Learning.
- 76 IPP has a comprehensive employer engagement strategy through the EBP, individual employers and employer groups. In addition employer involvement is at a strategic level through work with the County Durham Employment and Skills Group of the CDEP.

77 Members commented that there is a need to ensure that teachers are aware of the progression pathways available to young people, including vocational options (apprenticeships) and economic and labour market conditions. For many young people, teachers are often the first point of contact for advice about subject choices and future study or work. It was highlighted that employer involvement in IAG programmes is essential and Members commented on the pro-active work of the IPP in ensuring that employers play full and varied role in the IAG programmes.

78 In relation to the role of the IPP in building upon the work of the NAS, promoting apprenticeships as a career option, the Working Group felt that in order for an apprenticeship placement to be successful, there is a need for 'buy-in' from parents, so that they are aware of the progression paths available via the apprenticeship option and the support a young person will require to complete the apprenticeship framework.

79 Conclusion

The Working Group noted the work currently being undertaken by the IPP in relation to the provision of IAG programmes to teachers, ensuring that employers play a full and varied role in the IAG programmes

In relation to apprenticeships, there is a need for parents to realise the support a young person will require when undertaking an apprenticeship framework and it was felt that One Point could liaise with employers and families to ensure that the required support is provided.

80 The Working Group's recommendation in relation to the Improving Progression Partnership is:-

8. With reference to apprenticeships, there is a need for families to be aware of the support a young person will need when undertaking an apprenticeship framework. In line with recommendation 6(b) the Improving Progression Partnership is key within this context.

### **Jobcentre Plus**

81 In relation to the support provided by Jobcentre Plus (JCP), the focus is on diagnosing customers' individual needs. In addition, there is more flexibility and responsibility for JCP Advisers and increased autonomy for local managers. There is also raised expectations of customer commitment to finding work and a clear focus on getting customers off benefits and into jobs.

82 The Working Group was informed that County Durham had rising youth employment and that currently JCP is engaged with 5,260 young people in County Durham (November, 2011).



The priority of JCP is to support people into employment via various interventions in the 'Get Britain Working' measures including Work Clubs, volunteering, self employment, pre-employment and work placement (Service Academies) and work experience (398 young people had undertaken work experience placements between April-December, 2011 in County Durham).

- 83 In addition to the 'Get Britain Working' measures, the Work Programme is now available nation-wide providing a single integrated package of support for anyone out of work receiving benefit.
- 84 In relation to provision for those young people with a disability, the Working Group was informed that Work Choice is a new programme introduced by Government, which takes forward changes to the Specialist Disability Employment Provision and replaced the DWP Work Preparation and WORKSTEP. The aim of Work Choice is to provide a tailored, coherent range of specialist employment services which can respond more flexibly to the individual needs of disabled people and their employers.
- 85 In addition to the above measures Government announced on the 25<sup>th</sup> November, 2011 the Youth Contract which is mainly aimed at JSA claimants aged 18-24. It provides additional JCP adviser time for young unemployed people. It was confirmed that much of the detail is still awaited, however the package of measures available include:
- Cash payments to encourage employers to recruit young people.
  - An extra 250,000 work experience places lasting up to eight weeks over the next three years, taking the total to at least 100,000 a year.
  - At least 20,000 extra incentive payments worth £1500 each for employers to take on young people as apprentices.
  - Extra support through JCP in the form of weekly, rather than fortnightly, signing - on meetings, more time to talk to an Adviser and a National Careers Service Interview.
- 86 JCP provide a wide range of services to employers including a vacancy advertising service, recruitment advisory service, small business recruitment service, rapid response service, access to work and a European Employment Service.
- 87 JCP has worked closely with Durham County Council to host a series of 'open day' events focusing on young people. The event at Bishop Auckland had over 500 young people in attendance, with over 70% directed into engagement with various employers, apprenticeship service and providers.
- 88 Members of the Working Group commented on the varied support provided by JCP, in particular work experience with 398 young people undertaking work experience between April-December, 2011. Work experience provides young people with exposure to the world of work and the opportunity to develop the less measurable employability skills, which during the review process has been highlighted by employers as an issue.

The Youth Contract (announced in November 2011) increases the number of work experience places available to young people. In addition members made reference to the value of volunteering in developing social skills, gaining new skills and improving job prospects.

## 89 Conclusion

The Working Group felt that work experience and volunteering via the 'Get Britain Working' measures and the Youth Contract, significantly help to develop young people's less measurable employability skills e.g. punctuality, commitment, enthusiasm, customer service and work ethic, so that young people are better equipped when applying for employment/apprenticeship opportunities.

It was suggested by the Working Group, that as part of the six month systematic review, an update is provided on the development of the Youth Contract within County Durham (**see recommendation 12**).

### **The Employment and Skills Group of the County Durham Economic Partnership**

90 The County Durham Economic Partnership (CDEP) was established in 1994 with the aim of promoting the economic wellbeing of the County. The CDEP brings together all relevant stakeholders within the County in order to work together to secure the economic wellbeing of the County. The CDEP has over 60 public, private and voluntary and community sector organisations making up the membership.

91 Following a review of the Partnership structure, the Employment and Skills Group was established in 2008. Brian Manning, Chairman of the Employment and Skills Group informed the Working Group that the aim of the Group is to raise employment and skills levels in County Durham by putting employers at the heart of planning and delivery.

92 To this end, the Group established a pilot scheme in January 2010 'Learning the Business', a concept developed to promote employability skills in young people in County Durham. The idea was developed by employers from the Employment and Skills Group of the CDEP and administered by the EBP. One of the biggest successes of the programme is the impact on teachers, who have learned a great deal about the world of business and the opportunities that exist. They have subsequently been able to draw links with all areas of the school curriculum to enhance its delivery.

93 Another project established by the CDEP 'Future Business Magnates' (FBM) competition has gone from strength to strength. The project provides an opportunity for schools to encourage enterprise skills and introduces students to the business environment. It also introduces local businesses to the world of education and provides a basis for developing corporate and social responsibility. Each school team is matched with a local business, which acts as a mentor for the year.

94 It was highlighted by the Working Group that schemes such as ‘Learning the Business’ and FBM, played a vital role in building that link between business and schools in County Durham and it is essential that these links continue and are further developed, increasing the opportunities for young people to develop employability skills.

95 Conclusion

That the County Durham Economic Partnership (CDEP) together with Partners, continue to further develop projects within County Durham which establish the necessary links between business and schools e.g. ‘Future Business Magnates’ and ‘Learning the Business’ projects.

### **National Apprenticeship Service**

96 The Working Group was informed that the NAS is part of the SFA which is a partner organisation of the Department for Business, Innovation and Skills.

97 The NAS has end to end responsibility for apprenticeships in England and has been designed to increase the number of apprenticeship opportunities, providing a dedicated, responsive service for both employers and learners.

98 The main role of the NAS is to work with employers helping more of them take on apprentices and to work with those who advise learners so that more young people and adults are able to benefit from the experience of work based learning.

99 In relation to priorities, it was confirmed that the overarching priority is to ensure that the NAS delivers on the Government’s ambition for more young people to undertake an apprenticeship.

100 The Government announced in November, 2011 as part of the Youth Contract measures a grant of £1,500 which will be available from April 2012 and is designed to stimulate the formation of new apprenticeships for young unemployed people aged 16-18 years. The programme is to be focused on SME employers, who are interested in employing an apprentice for the first time or taking on an additional apprentice over and above their normal intake.

101 NAS is engaged in County Durham with 28 large companies (over 250 employees), in initial talks with a further 21 companies and has a further 60 potential companies to engage with in 2012. It was highlighted that the NAS is currently working with Durham County Council (DCC) in relation to the CDAP and increasing the level of skills of the current workforce.

102 It was highlighted that the NAS promotes the considerable value apprenticeships bring to organisations, employers, individuals and the economy tackling the misconceptions held by business. It was highlighted that apprenticeship growth in the County for 2010/11 was 44.18%.

In addition, work has been undertaken by different sectors showing the return on investment in relation to apprenticeships. British Telecom had carried out research that showed that after 18 months an apprentice was £1800 more cost effective to the business than employing a qualified engineer.

- 103 It was felt by the Working Group that the work undertaken by the NAS in promoting the benefits of apprenticeships to a business would have helped to tackle the misconceptions associated with apprenticeships which had been identified as an issue in information received by the Working Group at an earlier meeting (The NECC 2011 Workforce Survey highlighted that 51% of businesses believed apprenticeships were not relevant to their business, with a further 20% stating the cost of an apprenticeship as a barrier to engagement). In addition, the Working Group requested that as part of the six month systematic review process, an update is provided detailing the development of the apprenticeship offer within County Durham by the NAS as a result of the cash incentives provided to SMEs within the Youth Contract.

#### 104 Conclusion

The Working Group noted the work which had been undertaken by the NAS on a national, regional and local basis to promote the benefits that an apprentice can bring to a business whilst also tackling the misconceptions associated with apprenticeships.

In addition, as part of the six month systematic review process, an update is provided detailing the development of the apprenticeship offer within County Durham as a result of the cash incentives provided to SMEs as part of the Youth Contract proposals (**see recommendation 12**).

#### **North East Chamber of Commerce**

- 105 The Working Group was informed that the NECC is the North East's leading membership organisation and the only regional Chamber of Commerce in the Country. The NECC represents more than 4,000 businesses located in Northumberland, Tyne and Wear, Durham and Tees Valley, with membership drawn from all sizes of businesses across all sectors which employ about 30% of the region's workforce.
- 106 It was highlighted by NECC that one of the main concerns cited by employers is that schools are failing to adequately prepare young people for the world of work: Employers have found it increasingly necessary to provide additional training to young people to boost literacy, numeracy and communication skills. In addition businesses have reported a decline in the quality of young people's less measurable employability skills (not technical skills) which employers value highly and include punctuality, commitment, enthusiasm, customer service ethic.

- 107 Employers felt that young people are not getting enough exposure to the world of employment during their studies, which leaves them unprepared for the workplace upon leaving education. These issues can only be resolved through dialogue between employers and educational institutions, with the responsibility falling to both parties. It was emphasised that most collaboration between educational institutions and business tends to be in the form of work experience, however there is a need to ensure that much stronger links/relationships are developed via innovative collaboration schemes.
- 108 In relation to apprenticeships, NECCs 2011 Workforce Survey highlighted that 51% of businesses believed apprenticeships were not relevant to their business, with a further 20% stating the cost of an apprenticeship as a barrier to engagement. It was highlighted that there is a need to continue to tackle misconceptions by business in relation to apprenticeships.
- 109 With reference to IAG, it was commented that this must be of good quality so that young people can make an informed decisions providing a range of career options available, including vocational as well as academic options. It was emphasised that employer input is required to ensure that young people receive an up to date industry perspective on career prospects and the skills required to enter the workforce.
- 110 The NECC is undertaking several initiatives during 2012 to drive the regional skills agenda forward. The 'Bridging the Skills Gap' event, arranged in partnership with Gateshead College and Teesside University, was held on the 7 February 2012 and was attended by over 50 representatives from business, further and higher educational institutions. The event was structured around how collaboration with education has brought business benefits. Further work is ongoing throughout 2012, encouraging business to be pro-active and work with educational institutions.
- 111 Having received the presentation the Working Group commented that educational institutions and business need to continue to develop existing links/relationships to ensure that career advice/guidance offered is current and relevant, that work experience is extensive, effective and worthwhile for both the employer and young people. The Working Group made reference to schemes developed by the Esh Group, 'Business for Castle View' and the 'Esh Student Engagement' programme as local examples of collaborative working.
- 112 The Working Group felt that as part of the six month systematic review, an update should be provided on the series of events planned by the NECC for 2012, promoting further collaboration between educational institutions and business on a regional level.

113 Conclusion

The Working Group recognised the need for educational institutions and business to continue to work in collaboration developing existing links/relationships to ensure the increased work relevance of the National Curriculum, that the IAG provided is current and relevant and that work experience is effective and worthwhile for both the employer and young person. It was highlighted by the Working Group that within County Durham examples exist of innovative collaborative projects and reference was made to the Esh Group, 'Business for Castle View' scheme and the 'Esh Student Engagement' programme.

In addition, the Working Group felt that as part of the six month systematic review, an update should be provided on the series of events planned by the NECC for 2012, promoting further collaboration between educational institutions and business on a regional level (**see recommendation 12**).

114 The Working Group's recommendation in relation to the North East Chamber of Commerce (NECC) is:-

9. That Cabinet and the County Durham Economic Partnership (CDEP) promote the models of collaboration adopted by the Esh Group in relation to the 'Business for Castle View' scheme and the 'Esh Student Engagement' programme as examples of best practice.

**Bishop Auckland Further Education College**

115 Bishop Auckland Further Education College (BAC) provides a wide range of services to the 18-24 age range. It was highlighted that in relation to literacy and numeracy skills the emphasis is on developing skills in both of these areas, which will be required in the work environment ensuring that young people can make the link between what they have learnt in the classroom and how it is applied in the work place.

116 In relation to work experience, the College worked closely with employers ensuring that the objectives of the work experience placement are clearly understood so that the experience is worthwhile for both the employer and the student. There are plans to introduce a work experience programme as part of student entitlement for all young people on full time courses.

117 BAC has a service to support students providing advice on employment and training opportunities together with a programme of careers education activities to develop their future employability skills or progression into further learning or higher education. It was confirmed that many young people when reaching Further Education were not fully aware of the career paths/options available.

- 118 BAC has been pro-active in relation to promoting apprenticeships with local employers and work is ongoing reviewing the range of apprenticeship frameworks on offer (including the launch of higher apprenticeship frameworks) so that it reflects local labour market requirements.
- 119 Additional work is also being undertaken to assist local employers with workforce development, ensuring that potential investors have access to a well trained labour market and the College offers a wide range of services to businesses, including bespoke training which is often provided in the work place.
- 120 In relation to transport it was confirmed that Colleges do have various transport schemes for students following the demise of the Educational Maintenance Allowance (EMA). BAC offers a bursary of up to £2,000 per year per student. It was highlighted that as BAC covered a very large geographical area a lot of which is rural in nature, a coach network had also been established by the College.
- 121 The members of the Working Group commented on the pro-active approach undertaken by BAC in relation to the further development of links with employers who can invest in apprenticeships, reviewing the range of apprenticeship frameworks on offer to reflect local labour market requirements, the introduction of a work experience programme as part of student entitlement and expanding the range of services and training opportunities available to employers.
- 122 Members of the Working Group felt that the scheme operated by BAC had helped to address potential barriers to accessing further education within that particular area although it was recognised that transport can act as a barrier to accessing training and further education within the County.
- 123 Conclusion

The Working Group felt that BAC had been pro-active in the further development of the apprenticeship offer and work experience opportunities available to young people together with the expanding range of services and training opportunities available to employers.

In relation to transport, BAC offer a bursary and provide a coach network for students from the rural areas which had significantly helped to overcome potential barriers to accessing further education and training within that area. However, it was recognised that transport costs and provision across County Durham can act as a barrier to training and employment.

## **Discussion with Local Employers SMC Training International**

- 124 SMC Training International is the educational division of SMC Corporation (the world leader in innovation and the sales of pneumatic and electro-pneumatic components for industrial automation). SMC employs over 350 staff in the UK and over 12,500 globally.
- 125 Martin Bevan, Business Manager for SMC Training International based at Bishop Auckland, is also Chair of the Manufacturing and Product Design Diploma, and serves on the 14 -19 Curriculum Review National Committee. For the past 8 years he has worked in the education sector, taking the knowledge of automation and control into the classrooms to assist the development of teacher's skills.
- 126 The domestic division of SMC speaks to hundreds of manufacturing businesses in the County on a weekly basis, covering sectors such as food, drink, process control, automotive. The message coming forward from business, is that the County is not producing enough new engineering students to replace those that will be retiring in the next 5-7 years.
- 127 In his role as Chair of the National Employers Group for Manufacturing Education, Martin Bevan had been working closely with the Design and Technology Teachers Association (DATA) on a national programme (Technical Training Foundation -TTF) that is being piloted within County Durham and will create a much higher level of IAG in schools and colleges of engineering and manufacturing career opportunities. The programme focuses on developing the skills of secondary school teachers (with an accredited learning programme should they choose) or simply provide them with the tools to inform young people of the career paths.
- 128 Funding and time committed to the programme have come from various sources including national bodies, SMC International Training, Durham County Council via the CYPS Directorate, local training providers and employers. It was highlighted that the programme is at the infancy stage, with the first session involving Design and Technology teachers taking place on the 30 January 2012 at Thorn Lighting factory in Spennymoor. This initial session was attended by 19 teachers and advisors and resulted in 9 teachers committing to participate in the National Programme with arrangements for further sessions ongoing.
- 129 Having received the information, the Working Group commented that concerns had been raised previously as to the sector relevance of the information, advice and guidance provided to young people (NECC, employers and training providers had commented on this issue previously). It was felt that this pilot programme would help to equip teachers with information on developments within the Design and Technology sector allowing them to provide a much higher level of IAG to young people whilst also allowing the further development of the Design and Technology curriculum.



130 It was recognised by the Working Group that the pilot programme was at the infancy stage and it was therefore thought appropriate that as part of the six month systematic review process, Members receive an evaluation of the pilot programme (Technical Training Foundation - TTF).

131 Conclusion

The Working Group concluded that the TTF pilot programme was an example of an initiative which would help to address concerns raised at previous meetings by the NECC, employers and training providers in relation to the quality and sector relevance of the IAG provided to young people. The pilot programme equips teachers with information on developments within a particular sector allowing them to provide a much higher level of IAG to young people whilst also allowing the further development of the Design and Technology curriculum.

That as part of the systematic review of progress against recommendations contained within the Working Group report, Members receive an evaluation of the TTF pilot programme (**see recommendation 12**).

### **The Esh Group**

132 Brian Manning, Chairman of the Employment and Skills Group of the CDEP is also Chief Executive of the Esh Group, a large construction company based in County Durham which provides a number of schemes focusing on increasing the employability skills of young people.

133 One of the schemes currently operated by the Esh Group, 'Business for Castle View', delivers weekly business sessions to all Year 7 students at Castle View Enterprise Academy as part of the curriculum. The Esh 'Student Engagement Programme' involves Esh Group employees who study at Northumbria University voluntarily delivering seminars to full time students which links workplace experiences to classroom theory.

134 In addition the Esh Group works to engage young people not in education, employment or training (NEET). The 'Esh Connexts' scheme is a pre-employment training course delivered by Esh employees including work experience to fill the skills gap preventing NEET young people from entering the workforce. The 'Esh Connexts' scheme resulted in eight participants gaining employment with the Esh Group. It was emphasised that there is a need for more large employers within the County to develop schemes based on the 'Esh Connexts' model.

135 In relation to the Esh Group it was commented by Members that they currently operate a variety of schemes focusing on improving young people's employability skills.

However in relation to the 'Esh Connexs' scheme, providing pre-employment training for those young people in the NEET category, was considered by the Working Group to be an example of best practice which should be adopted by more employers within County Durham including Durham County Council. However, the Working Group recognised the need to take into account the current financial constraints.

#### 136 Conclusion

In relation to the 'Esh Connexs' Scheme, it was felt by the Working Group that this model of providing employment opportunities to young people within the NEET category was an example of best practice and that more employers within County Durham should be encouraged to adopt this model to develop schemes focusing on young people in the NEET category including Durham County Council. However, the Working Group recognised the need to take into account the current financial constraints placed on the Authority when assessing the viability of any scheme.

#### **Derwentside Engineering Forum**

- 137 John Lyle attended the Working Group meeting in his capacity as a member of the Derwentside Engineering Forum (DEF). The Forum was established in 1999, with a focus of increasing engineering awareness, ensuring competitiveness, quality and growth of local engineering by using the concepts of integrated engineering services and industry/education partnerships. The Engineering Forum comprises of 30 plus companies employing 3,500 people.
- 138 One of the main roles of the Forum is to actively promote company links with education and the community through initiatives such as the Schools Engineering Challenge which provided an opportunity for young people to put their engineering skills into practice in a friendly but competitive environment. DEF actively engages with various educational institutions including, Schools, FE Colleges and Universities providing information on various engineering career pathways.
- 139 In relation to issues affecting young people, it was highlighted that students should not be purely forced down the academic route, they should be made aware of all the various opportunities available and it was confirmed that the Forum currently engages with Year 9 pupils making them aware of the various career opportunities and skill requirements within engineering.
- 140 It was highlighted that there were issues in relation to the quality of young peoples less measurable employability skills which employers value highly such as punctuality, commitment, enthusiasm, customer service and work ethic.
- 141 It was confirmed that in relation to the Engineering Forums, each Forum has a partner College however it was identified that there is a need for more regular dialogue between the relevant parties both on a local and regional level.

142 Conclusion

The Working Group recognised the collaborative work currently being undertaken by the DEF with Schools, FE Colleges, Universities and the local community.

143 The Working Group's recommendation in relation to the discussions with local employers is:-

10. In relation to the 'Esh Connexts' model, this is an example of best practice in pre-employment schemes focusing on those young people in the NEET category. Cabinet and the County Durham Economic Partnership (CDEP) need to further promote the 'Esh Connexts' scheme to local business within County Durham. It was suggested that Durham County Council as a major employer may want to investigate the viability of developing a scheme based on the 'Esh Connexts' model taking into account current financial constraints.

**South West Durham Training (SWDT)**

144 When scoping the project members decided that they would undertake a small number of visits to providers who currently support young people aged 18-24 into employment to see first hand the support available within Durham County.

145 South West Durham Training (SWDT) was founded in 1967 as a Group Training Association (Social Enterprise) and promotes training for local manufacturing and engineering companies predominantly around the Newton Aycliffe and Darlington areas.

146 It was highlighted that 75% of those in training at SWDT are apprentices with currently 180 apprentices from 120 companies undertaking training with a wide range of recognised qualifications available.

147 The CORE facility (Create Opportunity, Realise Excellence) was opened in November 2011 and is located at SWDT. CORE is an advanced manufacturing facility providing access to specialist qualifications, bespoke programmes, equipment and services. For companies, CORE offers bespoke and accredited vocational training and much more. For the learners CORE reproduces and simulates the real-life business of manufacturing across a range of sub-sectors, providing access to a variety of equipment including state of the art to older equipment 40-50 years old for use by the students to ensure that they meet the needs of employers.

148 With reference to NEETs, it was highlighted that manufacturing and engineering offer significant career opportunities, however, there is a need to promote these career opportunities in the IAG provided to young people, as well as tackling the myths associated with manufacturing and engineering.

There is also a need for the Sector Skill Councils (SSCs) to tackle the negative image of press releases highlighting the closure of manufacturing and engineering companies.

- 149 One of the issues experienced by SWDT relates to transport, which is one of the biggest barriers preventing young people being able to undertake training and apprenticeship positions. It was explained that this was not just in terms of the actual cost but also in travel time to and from the centre as a result of the rural nature of the County.
- 150 It was confirmed that schools visit SWDT and are invited to use the 'mini – production' lines providing them with an insight into manufacturing and engineering. However transport was an issue with schools having to fund the cost of transporting students to SWDT with now only 3 schools actively involved with SWDT as opposed to 9 previously.
- 151 At the conclusion of the visit Members of the Working Group commented that SWDT was a model of good practice, providing young people with access to high quality training and facilities.
- 152 In relation to transport, the Working Group commented that whilst there are some very good schemes provided within County Durham by the FE Colleges (bursaries and coach networks), transport can still act as a barrier to young people accessing training opportunities if the provider is not an FE College. It was suggested that there is a need to look at transport provision to key training providers within the County such as SWDT.
- 153 Conclusion

It was felt by the Working Group that SWDT is a model of good practice, providing young people with access to high quality training and facilities.

Concerning transport, whilst it was recognised that there are some very good schemes provided within County Durham by the Further Education Colleges assisting young people both in relation to transport cost and provision, it was felt by Members of the Working Group that transport issues can still act as a barrier to young people accessing training and that there is a need to identify transport provision to key training providers within County Durham.

- 154 The Working Group's recommendations in relation to South West Durham Training (SWDT) are:-

- 11(a) That Cabinet and the County Durham Economic Partnership (CDEP) note as a model of good practice the facilities and training opportunities available at South West Durham Training (SWDT).
- (b) That Cabinet investigate the possibility of using existing transport networks/provision for the benefit of young people accessing training and employment opportunities.

## **Derwentside Further Education College**

- 155 The second visit to be undertaken by the Working Group was to Derwentside Further Education College. Located in Consett it is the major provider of post 16 education and training in the Derwentside area. The College has a wide range of vocational and apprenticeship courses, excellent success rates and highly experienced Tutors.
- 156 In relation to working in partnership, the College delivers apprenticeship programmes and other vocational courses at the Consett Campus and with other Partners across the whole of the North East. It was highlighted that the College had been working closely with Durham County Council in relation to the CDAP, contacting local companies to get expressions of interest.
- 157 It was highlighted that the College arranges and hosts Jobs Fairs and open events throughout the year providing an opportunity for young people to get information about the courses on offer and talk face-to-face with specialist staff and to meet local employers.
- 158 In relation to apprenticeships it was confirmed that the College offers three levels of apprenticeship, Level 2, Level 3 and Level 4 in addition all full-time learners must study Functional Skills qualifications in communication, application of number and Information Technology. There is a wide range of financial support available including free travel to all full-time learners aged 16-18 regardless of where they live.
- 159 The College also provides pre-employment programmes which run for 12 weeks and focuses on getting the young people ready for the world of work. The programme is built around a group of core qualifications to develop and enhance the employability and work skills of young people. In addition, pupils from Greencroft, Tanfield and St. Bedes School attend the College to undertake a dual award in mechanical engineering. This results in many of these young people returning to Derwentside College to undertake further qualifications.
- 160 At the conclusion of the visit the Working Group commented on the high quality and wide range of support provided by the College, equipping young people with the necessary skills and experience desired by employers. Members also highlighted the pro-active approach of the College in engaging with local employers and the development of the apprenticeship offer to meet the needs of employers.
- 161 It was highlighted to the Working Group that there is a need for Government to provide some form of subsidy to employers as an incentive for them to employ young people. It was commented that the Youth Contract announced in November, 2011 offered an incentive (at least 20,000 extra incentive payments worth £1500) for employers to take on young people as apprentices, however, details are still awaited in relation to the Infrastructure.

162 It was also commented that there is a need for more schemes based on the CDAP. The College had worked closely with Durham County Council in publicising the scheme to employers resulting in a number of employers from the Derwentside area now being actively involved.

163 Having heard the comments made at the conclusion of the visit the Working Group commented that there is a need for more apprenticeship schemes based on the CDAP model to be developed to increase the apprenticeship opportunities for young people within County Durham. In relation to the Youth Contract and the potential provision of a subsidy to employers as an incentive to employ young people, it was suggested by Members that as part of the systematic review process of recommendations contained in this report an update is provided outlining the development of the Youth Contract within County Durham.

164 Conclusion

The Working Group commented on the high quality and wide range of support provided by the College, equipping young people with the necessary skills and experience desired by employers. In addition, Members highlighted the pro-active approach of the College in engaging with local employers and the development of the apprenticeship offer to meet the needs of employers.

It was identified that there is a need to create more opportunities for young people based on the CDAP model, developing partnership working and utilising funding creatively to provide apprenticeship opportunities (**see recommendation 3b**).

In relation to the Youth Contract and the provision of incentives to employers if they employ a young person, it was suggested by the Working Group, that as part of the systematic review process, an update is provided outlining the development of the Youth Contract within County Durham (**see recommendation 12**).

### **Jobcentre Plus**

165 The third visit of the Working Group was to Jobcentre Plus (JCP) based in Durham City. The visit consisted of a discussion with JCP advisors followed by a tour of the Jobcentre.

166 The Working Group was informed that there are around 80-100 vacancies per week in a variety of sectors, most notably in retail and hospitality amongst many others, including the Durham County Council (DCC).

167 In relation to promoting apprenticeships, the NAS website offered all the vacancies, though JCP received weekly updates so that they could advise any customers of appropriate opportunities accordingly. However, there was stiff competition from large numbers of young people applying for each position.

- 168 In terms of work experience, the JCP offer is with local employers for young people aged 18-24. Members noted that the schemes ran for up to 25-30 hours per week for 2-8 weeks. Customers remained on JSA, and are paid for the travel to and from the employer. It was highlighted that work experience helps to fill an experience gap on many young people's CVs, gave them experience of the actual world of work and could potentially lead to employment with the employer. During the period April - December, 2011, 398 young people in County Durham had undertaken work experience.
- 169 In relation to Partnership working, JCP is working with DCC via the Council's Economic Development Manager, Graham Wood in order to work with 14-19 years olds to ensure they have the requisite skills to be able to access upcoming future opportunities resulting from the location of Hitachi at Newton Aycliffe and to access 'displaced jobs' as a result of a larger employer coming to County Durham.
- 170 At the conclusion of the visit the Working Group commented that an issue raised in previous Working Group sessions relates to providing young people with the opportunity to develop the less measurable employability skills and experience of the working environment. It was felt that work experience and volunteering provide this opportunity and that the introduction of the Youth Contract provided further opportunities for young people.
- 171 It was suggested by the Working Group that as part of the systematic review process an update is provided outlining the development of the Youth Contract in County Durham.
- 172 Conclusion

Within the range of measures to support young people aged 18 - 24 under the 'Get Britain Working' measures and the Youth Contract, the Working Group identified the importance of work experience and volunteering in increasing young people's work relevant skills and improving their employment opportunities.

The Working Group felt, that as part of the systematic review process, an update is provided to Members outlining the development of the Youth Contract in County Durham (**see recommendation 12**)

## Systematic Review

173 The Working Group's recommendations in relation to systematic review process are:

12. That a review of this report and progress against the recommendations will be undertaken six months after it is considered by Cabinet with specific reference to the following:

- Area Action Partnerships (AAPs), an update in relation to the various AAP projects focusing on young people and employment.
- Jobcentre Plus (JCP), an update on the development of the Youth Contract within County Durham.
- National Apprenticeship Service (NAS), an update detailing the development of the apprenticeship offer within County Durham as a result of the cash incentives provided to SMEs as part of the Youth Contract proposals.
- The North East Chamber of Commerce (NECC), an update focusing on feedback from the series of events planned for 2012, promoting collaboration between business and educational institutions.
- Technical Training Foundation (TTF), an evaluation of the pilot programme.