

Economy and Enterprise Overview and Scrutiny Committee

27 January 2014



Skills Development in County Durham

Joint Report of Lorraine O'Donnell, Assistant Chief Executive, and Ian Thompson, Corporate Director of Regeneration and Economic Development

Purpose of the Report

1. The purpose of the report is to provide Members of the Economy and Enterprise Overview and Scrutiny Committee with an update on skills development in County Durham highlighting issues, opportunities and priorities for 2014. The presentation will be given by Graham Wood, Economic Development Manager, Regeneration and Economic Development Service.

Background

2. The key driver to stimulate an economic renaissance within the county is the employment rate, for improving this will increase levels of disposable income, increase the number of businesses, and should, as a result, begin to reduce the chronic levels of relative deprivation. As a county we need to aim to achieve an increase of 30,000 jobs over the next 20 years, through business growth, inward investment and business creation. It is also important that we continue to invest in people through skills development and by supporting our residents to access and maintain employment opportunities.
3. In 2008, Economy and Enterprise Overview and Scrutiny Committee carried out a review on Skills Development. This review highlighted that there was a need to build the skills of the workforce and the need to raise aspirations, participation and attainment.
4. A further piece of work by the committee was carried out in 2012 which focused on Increasing Young People's Employment Opportunities (18-24). A key issue raised within the review was the need to develop young people's less measurable employability skills via work experience, volunteering and pre-employment.

Detail

5. The presentation highlights employment projections for both the UK and the North East over a ten year period (2010 -2020) and stresses key issues such as labour market intelligence, economic confidence and rigid funding mechanisms.

6. It discusses emerging issues for businesses including: the complexity of skills system; the need for a better understanding of future skills needs; how the current skills system delivers transferrable qualifications employers want and the current costs of training.
7. In addition, the presentation emphasises the emerging priority areas for action, which include:
 - Supply side
 - Need to do better on level 3 and level 4 qualifications.
 - Support more effectively tackling the problem of those with no/low qualifications.
 - Demand side
 - Employers need to invest more in skills development.
 - Need to raise overall skills profile.
 - Need to attract and retain high skills/high value jobs.
 - Interconnectivity
 - Need more activity in relation to work experience for young people.
 - Employers need to lead the process for articulating their skills needs.
 - Need for ongoing assessment of performance of skills systems.
8. The presentation then comments on why needs are not being met. In relation to employers they find it difficult to articulate their skill needs, find the current skills system difficult to access with confusion around what is available. Concerning schools they tend to push academic routes more than apprenticeships and vocational routes and give fragmented information advice and guidance. In addition, schools have limited knowledge of emerging sectors and occupations and limited engagement with employers.
9. In addition, the presentation identifies the priorities for 2014 which include:
 - Implementation of school-business engagement action plan.
 - Continue to encourage and facilitate apprenticeship creation.
 - Workforce up skilling.
 - NEETs.
 - Adult Skills Strategy/Community Learning Strategy.

Recommendations

10. Members of the Economy and Enterprise Overview and Scrutiny Committee are requested to note the content of the report and presentation and comment accordingly.

Background papers:

Business, Enterprise and Skills Working Group – presentation and report.

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Appendix 1: Implications

Finance - None

Staffing - None

Risk - None

Equality and Diversity / Public Sector Equality Duty – None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement - None

Disability Issues – None

Legal Implications – None