

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

5 August 2014

Joint Report of the Strategic Director for Economy, Transport and Environment, the Strategic Director for Children and Younger Adults and the Strategic Director for Corporate Resources

**INTERIM REPORT ON THE EMERGING STRATEGY FOR
EMPLOYMENT AND SKILLS IN YOUNG PEOPLE (JOBS,
ECONOMY AND TRANSPORT)**

(1) **Purpose of the Report** To provide Cabinet with an update of the on-going work to review the effectiveness of Council and partner services in supporting the transition of young people into education, training and employment and to seek approval to establish a member-led programme board to effectively co-ordinate and develop the Council's resources used to support employment, training and skills in young people to ensure they align to the work of external providers and partners.

(2) **Information and Analysis**

Background - Current Position

The Council Plan sets out a priority to deliver a 'Derbyshire that works', including express support for delivering a Skills Strategy, better engagement with employees and improved training providers to ensure the best opportunities for all Derbyshire's residents, especially young people and vulnerable adults.

The Council continues to support successful interventions for young people, for example:

- Adult Education provides learning and development support to adults, including vulnerable adults, and utilises Education Funding Agency/Skills Funding Agency funding to deliver various qualifications, traineeships and apprenticeships
- Children and Younger Adults (CAYA) provides a host of interventions and services, including support to children with disabilities, looked after children, the traded careers service and annual skills festival.
- Corporately, the Council is committed to creating 500 internal apprenticeship placements via its Apprentice Training Agency

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agreement with Learning Unlimited and has improved its access to work experience and achieved the Department for Works and Pensions Fair Train Silver Award.

- Economic Development Service has successfully delivered two Apprentice Grants for Employers (AGE) schemes to stimulate the creation of apprenticeships in the private sector.

The Council's performance on 16-17 year olds "Not in Employment, Educations or Training" (NEET) has improved in recent years. NEET performance for June 2014 was 4.4%, equating to a 0.8% improvement on the England average of 4.7% and a 0.8% improvement on the previous year¹. This is also reflected in the Derbyshire Economic Review – June 2014 which is also on the agenda.

This has resulted in a considerable improvement of the Council's comparative position from joint 56th position in the national tables in February 2014 to joint 48th position in March 2014 out of 152 local authority areas. This places Derbyshire in the second quartile of performance nationally.

However, Derbyshire's statistics for youth unemployment (18 – 24 year olds) remain high and suggest that young people are being disproportionately affected by the recent economic down turn. In May 2014, 2,675 people aged 18 – 24 were unemployed, representing almost a third of all unemployed people in the County, which is significantly higher than the England average (23.6%).

As part of the Council's on-going work to support the development of a Combined Authority, the Council is committed to exploring more innovative ways in young people are supported into education, training or employment by families, schools and communities and making sure they have the necessary skills and knowledge to fully participate in the labour market.

Progress to Date

The Council started work on developing its Skills Strategy in early March 2014. Good progress has been made to date and work has focused on two key areas of activity:

- 1) The effectiveness of Council services in providing targeted support to young and vulnerable people.
- 2) The degree of alignment, overlap and effectiveness in the provision of skills and training support by external providers.

Both these areas of work have included discussions with young people, businesses, colleges, universities and representative organisations, such as the Chamber of Commerce and Federation of Small Businesses. Work has

¹ Latest verified and published figures

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also involved pulling together a baseline assessment of performance to understand the current impact and outcomes of activity and interventions.

In developing the content of the strategy, the Council is initially concentrating on proposals to improve the effectiveness of its own services. To support this work, the Council has:

- Collated desk-top intelligence using the Local Economic Assessment, performance results for key indicators and the Chamber of Commerce's Quarterly Economic Survey.
- Reviewed and mapped relevant Council services and identified 34 different interventions currently being provided.
- Held workshops with colleagues from Council services and external providers between May and June 2014 to explore issues, barriers and opportunities in supporting young people into employment.
- Met with apprentices from service areas across the Council to gain first hand feedback on the experience of young people in the transition from education to employment.
- Gathered views from the business community.
- Undertaken initial scoping and crafting of a Young People's Strategy for Employment and Skills – to be subject to wider sharing and consultation with key partners.

Summary of Emerging Issues

There are some excellent examples in Derbyshire of schools, colleges, employers and others preparing young people for employment. However, the above work has provided a clear understanding on some of the main concerns that need to be considered.

Support for Young People

- Council services are not aligned and co-ordinated to full effect and there is scope for greater effectiveness and impact in the use of the Council's resources.
- Derbyshire schools buy insufficient quantity of quality independent careers education, information advice and guidance (CEIAG).
- There is fragmentation in the way external agencies and organisations across Derbyshire work together to support young people into work – much duplication and some obvious gaps.
- Schools appear to lack the appropriate level of knowledge and understanding of the employment apprenticeship and training opportunities that are available and appear not to be giving rounded advice to young people on the alternative to education.
- Only limited schools are actively engaging with local businesses.
- Young people receive most of their advice and influence from parents who may lack the knowledge or aspiration for their children.

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- There is a need to ensure support and provision for vulnerable children - including those who are looked after and those with disabilities

Skills for Young People

- Employers report that young people seeking work are in many instances, just not work ready, this applies mostly to attitude, not skills.
- Employers and young people often feel CEIAG does not focus on informing young people of the importance of employability skills.
- Enterprise education and development of entrepreneurship skills is lacking within learning environments.
- Feedback suggests that schools and families do not know how to prepare young people for work.
- The myriad training providers results in a level of complexity of routes for skills/learning that people find difficult to navigate and often have several failed attempts before finding the right course.
- There is a clear need to ensure vulnerable young adults are supported into employment, skills, training or education.

Employment and Labour Market

- Apprenticeships are available across most of Derbyshire's key sectors (eg advanced engineering) but local people are not able/ willing to take up the appointments.
- Some young people are unaware of the job opportunities available as recruitment is often word of mouth especially by small/medium sized enterprises.
- Employers and young people can be confused by the range of different initiatives relating to youth unemployment, particularly in relation to apprenticeship, training and work experience.
- There is a lack of entry-level jobs and where they do exist, they are filled by more experienced workers.
- There is limited understanding by employers (and opportunities) of the potential contribution of vulnerable adults in the workplace
- Workless families do not have access to networks of employers who can provide opportunities.
- Local businesses advise they have job vacancies they cannot fill and often look elsewhere for their labour force.

Proposed Way Forward

An outline of the Young People's Strategy for Employment and Skills is currently being developed. The Strategy will likely to be split into two parts to address the issues of better alignment of internal service delivery and improved strategic co-ordination and co-operation with external providers.

As a result, the Strategy inevitably will be a combination of short, medium and long term objectives and actions, taking into account the current work of the

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D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Local Enterprise Partnership (LEP), the likely impact and potential of the Combined Authority and other emerging policy changes to the skills and employment landscape.

Some of the issues which have emerged from the early review work are quite significant (e.g. skills gaps in both growth and traditional industries) and require a more innovative and concerted approach across a range of partners if they are to be tackled effectively. This will no doubt take time and will require a long term, strategic perspective, co-ordinated with the Skills Commission and the D2 (Derby and Derbyshire) Employment and Skills Board of the LEP.

Other emerging findings from the review are more straightforward and fall well within the direct influence of the Council. At the moment, there is no single Council service or department with the sole (or lead) responsibility for skills and employment. Given the level of current activity and the financial and human resources applied to this area of work, it is proposed that formal mechanism be established to help improve programming and co-ordination in the form of a member-led Programme Board or 'task force'. Membership of this Programme board will consist of:

Elected Members	Cabinet Member for Jobs, Economy and Transport Cabinet Member for Children and Younger Adults Cabinet Member for Corporate Resources Or their nominated deputy
Lead Officers	Strategic Director, Economy, Transport and Environment Strategic Director, Children and Younger Adults Strategic Director, Corporate Resources
Key officers	
Director, Human Resources	
Service Director, Economy and Regeneration.	
Service Director, Universal And Targeted Services, CAYA	
Head of Service for Teenagers	
Head of Service for Economic Development	
Head of Adult Education	
Detailed advice and support from:	
Senior Economic Development Officer (ETE)	
14 – 19 Manager (CAYA)	
Manager, Youth Offending Team	
Commissioning Manager (Adult Care)	

In response to the current and emerging issues, it is proposed the Board be tasked with the following broad objectives (full terms of reference will be developed once the Board is in place):

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- To co-ordinate all Council resources on activities that support youth employment, skills and training via the development of a single Skills and Youth Employment Strategy.
- To develop a range of key workstreams to deliver improvement and change, and maximise opportunities.
- Based on the understanding of current issues, these workstreams could include employer engagement, commissioning, and procurement, provider engagement, youth council engagement and funding.
- To ensure activity delivered by the Council meets the identified needs of all young people (including those with special educational needs (SEN), children with disabilities and looked after children) seeking to enter the labour market or education/ training.
- To ensure the Council's activity is aligned and linked into the work of the Derbyshire Economic Strategy Statement, relevant LEPs and the newly created D2 Employment Skills Board through continued engagement and influence.
- To ensure the Council's approach to skills and youth employment is responsive to future funding opportunities via a mapping exercise to identify all current and future funding sources (e.g. EU Funding and Local Growth Plan).
- To support the work of the Combined Authority in developing a strong 'ask' around skills and employment applicable to Derbyshire's resident and employer needs.
- To influence and develop enterprise education in supporting entrepreneurial skills in young people.
- To ensure vulnerable and looked after children are fully supported and nurtured into employment.
- To meet the Council's needs as an employer and responding to the challenges of an ageing workforce.

If Cabinet approves the creation of the above Programme Board, it is envisaged it will be established during August 2014 and reports back to Cabinet will be made when appropriate.

(3) **Financial and Equality and Diversity Considerations** Particular regard has been given to the Council's current financial pressures and the need to ensure efficiency and the very best use of resources.

The scope of the overall project and likely content of the resulting strategy will have considerable, positive impact on young and vulnerable people, and ensuring equality of opportunity in accessing appropriate education, training and employment.

In preparing this report the relevance of the following factors have been considered: legal, prevention of crime and disorder, human resources, environmental, health, property and transport considerations.

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(4) **Key Decision** No.

(5) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** Documents held on file in Children and Younger Adults, Economy, Transport and Environment Department and human Resources. Officer contact details – Andy Williams, extension 38342.

(7) **OFFICER'S RECOMMENDATIONS** That Cabinet:

7.1 Notes the work being developed to support young people enter employment.

7.2 Approves the establishment of a member-led Programme Board as set out in this report.

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