

(Note: These minutes are subject to confirmation at the next meeting of the Sub-Committee to be held on 15 March 2017.)

Economic Prosperity Sub-Committee

15 February 2017

Present: Councillor Janet Hunter (Chair)
Councillors K Barrie, J Cassidy, S L Cox,
K Lee, P Earley, D McMeekan, A McMullen,
J Walker and F Weetman.

EP33/02/17 Apologies

There were no apologies for absence.

EP34/02/17 Substitute Members

There were no substitute members appointed.

EP35/02/17 Declarations of Interest and Dispensations

Councillor Janet Hunter declared a registerable personal interest in relation to Minute EP37/02/17 as she was a Governor of Tyne Metropolitan College.

Councillor S L Cox declared a registerable personal interest in relation to Minute EP37/02/17 as he was employed by Tyne Metropolitan College.

EP36/02/17 Minutes

Resolved that the minutes of the previous meeting held on the 18 January 2017 be confirmed and signed by the Chair.

EP37/02/17 Apprenticeships (Previous Minute EP16/10/15)

Mark Barrett and Tim Downing, Senior Managers, Employment and Skills, Alison Lazazzera, Head of Human Resources and Pat Blyth, Head of Apprenticeships at TyneMet College attended the meeting to present an update on apprenticeships. This followed a previous scrutiny exercise undertaken by the sub-committee on 22 October 2015.

The presentation included an explanation of the role of the Apprenticeship Growth Partnership which brought together employers, providers, schools and others to work together towards clear, shared goals and targets for apprenticeship growth. It was focussed on addressing the identified structural and information gaps in order to reduce barriers to the take-up of apprenticeships.

A summary of data relating to the numbers of apprenticeships in the region and in North Tyneside indicated that after a slight decline in starts between 2012 and 2014, the numbers had recovered over the last two years reflecting the increased awareness and promotion of

apprenticeships by the Government and local agencies. The numbers had increased over all age groups, but were particularly pronounced in apprenticeships being filled by those aged over 25. The increases were also across all levels of apprenticeships with an increasing focus on the advanced and higher level apprenticeships as a career progression route. Both the North East region and North Tyneside mirrored the national picture when it came to the main sector areas with business administration, engineering and manufacturing, health and care and retail apprenticeships providing the majority of starts.

In North Tyneside key providers worked together to ensure employers and individuals received a comprehensive offer of apprenticeships and associated training. This partnership also delivered a range of joint activities and events aimed at promoting apprenticeships including business support events, jobs fairs (Cobalt and Quorum) and activities in schools involving local businesses to promote apprenticeships as a progression route for young people.

The National Apprenticeship Week was a locally delivered national campaign driven by the Skills Funding Agency. Locally partners worked together to promote and deliver a range of activities aimed at promoting the benefits of apprentices to employers and young people. In 2017 the week would commence on 6 March and the range of activities would include an employer facing event and a 'Get Up and Go' event for young people considering an apprenticeship as an option.

In order to increase the number of apprenticeships by 2020, the government was to introduce a number of reforms, including:

- a) the Apprenticeship Levy. The levy was to be introduced from April 2017 on all employers with an annual pay bill of £3m or more. The levy would be collected directly from PAYE contributions and employers would then receive a digital voucher back, topped up by the Government, to purchase apprenticeship training;
- b) The Government envisaged that the public sector would play a significant role in helping to deliver apprenticeship growth. It had been agreed that the public sector would ensure that annually 2.3% of its workforce would be apprentices.
- c) From May 2017 the Skills Funding Agency would no longer pay the provider direct for apprenticeship training but employers would be issued with a digital voucher to purchase delivery when they employ an apprentice.
- d) Employers had been given the opportunity to write and design their own apprenticeships to match the needs of their businesses.
- e) The Government would be launching its new Digital Apprenticeship Service (DAS) from April 2017, an online portal will enable employers to manage their levy and make virtual payments to providers that are delivering their apprenticeships.

Since 2014, the Council had recruited 89 apprentices with a commitment to encourage applications from young people in less advantaged groups living in North Tyneside. Of the apprentices completing their programme, a healthy 72.5% were now employed with 47.5% being employed by the Council. The Council had given consideration as to how it could maximise its levy spending by identifying both potential internal and external apprentice starts. It was estimated that the Council could accommodate 70 apprenticeship starts and further work would be carried out as appropriate apprenticeship frameworks/standards and training providers are sourced.

The sub-committee was presented with a progress report on the action taken in response to suggestions and comments made by the sub-committee at its meeting in October 2015 in relation to apprenticeships.

Following the presentation by officers, members asked a range of questions and made comments in relation to:-

- a) the numbers of young people not known to the authorities, where there had been no contact for 12 weeks or more. This group accounted for 2% of the cohort;
- b) the financial incentives for schools to retain young people in sixth form colleges rather than take up apprenticeships. There was therefore a need for information and advice about apprenticeships to be available in schools to enable young people to make informed choices;
- c) the conditions required of small businesses to employ an apprentice;
- e) the implications of the merger of Tyne Metropolitan College and South Tyneside College on the delivery of training for apprenticeships. It was stated that the merger would be an advantage as the two colleges offered different activities;
- f) the risk of employers abusing the apprenticeship scheme and the sanctions that could be imposed such as blacklisting;
- g) the Council's approach to apprenticeships in terms of pay, their status as trainees not workers and the rate of young people entering employment at the conclusion of their apprenticeship;
- h) the approach of the Council's partners, Engie, Capita and Kier towards apprenticeships; and
- i) the level of preparedness among employers in North Tyneside for the Apprenticeship Levy.

Resolved that (1) the information in relation to apprenticeships be noted; and (2) a further report be submitted to the sub-committee when the Apprenticeship Levy and other government reforms have been operational for sometime to evaluate its effect in terms of the number of apprenticeships in North Tyneside.