



North Tyneside Council

Economic Prosperity Sub-Committee

Please note time and venue of meeting.

30 August 2017

Wednesday 6 September 2017 Room 4.01, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside **commencing at 6.30pm**

The meeting will follow a visit to Formica. Details of the visit have been sent to members separately.

Agenda Item

Page(s)

1. **Apologies for Absence**

To receive apologies for absence from the meeting.

2. **Appointment of Substitute Members**

To be notified of the appointment of any Substitute Members.

3. **Declarations of Interest**

You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.

You are also invited to disclose any dispensation in relation to any registerable interests that have been granted to you in respect of any matters appearing on the agenda.

You are also requested to complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.

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4. **Minutes** 3
- To confirm the minutes of the previous meeting held on 18 July 2017.
5. **Young People Not in Education, Employment or Training (NEET) and EET in North Tyneside** 5
- To examine the current status of the borough's performance in relation to NEET and Participation in EET.

Members of the Economic Prosperity Sub-Committee:

Councillor Ken Barrie	Councillor Janet Hunter (Chair)
Councillor Joanne Cassidy	Councillor Pam McIntyre
Councillor Steve Cox	Councillor Maureen Madden
Councillor Sarah Day	Councillor Martin Rankin
Councillor Karen Lee	Councillor Joan Walker (Deputy Chair)
Councillor Peter Earley	Councillor Frances Weetman

Economic Prosperity Sub-Committee

18 July 2017

Present: Councillor Janet Hunter (Chair)
Councillors S L Cox, S Day, K Lee,
P Earley, M Madden, M Rankin,
J Walker and F Weetman.

EP07/07/17 Apologies

Apologies for absence were received from Councillor P McIntyre.

EP08/07/17 Substitute Members

There were no substitute members appointed.

EP09/07/17 Declarations of Interest and Dispensations

There were no Declarations of Interest or Dispensations reported.

EP10/07/17 Minutes

Resolved that the minutes of the previous meeting held on the 14 June 2017 be confirmed and signed by the Chair.

EP11/07/17 Skills Shortages

Craig Anderson, Senior Manager: Policy, Performance and Research, attended the meeting to provide an overview of the structure of North Tyneside's economy and report on progress with delivering the relevant parts of the Our North Tyneside plan. The Our North Tyneside plan contained a section about 'our economy' which included ambitions to:

- a) grow by building on our strengths, including our existing world-class companies, and small and growing businesses; and
- b) have the right skills and conditions to support investment, and create and sustain new, good-quality jobs and apprenticeships for working-age people.

It was reported that there were 4,870 enterprises operating in North Tyneside, which represented an increase of 600 since 2014 and over 1,000 since 2008. Just under 90% of these enterprises employed less than 10 people and 60 companies employed more than 100 people. The sub-committee considered the increasing number of self employed people and very small businesses and the detrimental impact on investment in skills and training.

There were now 80,000 jobs in the borough mainly associated with the wholesale and retail trades, human health and social work and administrative and support services. This figure represented an increase of 10,000 since 2013.

Resident surveys indicated that 55% of residents believed that the economy was “thriving/ on way up”, compared to 16% in 2012. 80% of residents were economically active and 76% were in employment. Both rates were higher than the regional average.

There had been an increase in skills shortage vacancies since 2013 within the skilled trade and machine operative sectors and a smaller increase in caring, leisure and other services. These sectors accounted for 78% of the rise in the reported skills gap but 27% of the people employed in North Tyneside. Regionally it had been reported that there were 2,000 vacancies in IT/digital sector. Whilst this data reflected anecdotal evidence much of the data was drawn from national surveys and so it lacked a local profile. Furthermore some skills shortages were likely to be related to very specific skills required by certain industries which were difficult to identify. The Cabinet had therefore asked officers to investigate options on how the Council could gain a better understanding of skills shortages in the borough not just in relation to young people moving from education to employment but also the skills shortages among older working age adults. The sub-committee were willing to contribute to this work. It was suggested that the options be presented to a future meeting and that any anecdotal evidence obtained by the sub-committee during its visits to local businesses could be helpful in confirming statistical data.

The Cabinet had approved an employment and skills strategy which would be delivered in partnership with bodies such as the Children and Young People Partnership and TyneMet College. It was suggested that as part of its future work programme the sub-committee could contribute towards the formulation of the associated delivery plans and examine its delivery.

The North East Local Enterprise Partnership (LEP) had produced a Strategic Economic Plan for the region focused on creating ‘more and better jobs’. The sub-committee examined the role and effectiveness of the LEP in achieving its goals. The LEP had refreshed its plan in January 2017 and officers undertook to circulate a copy to members as it included a summary of performance against the plan’s targets since 2014. It was suggested that a representative of the LEP be invited to a future meeting to outline the role of the LEP and present its refreshed Strategic Economic Plan.

Members considered the possible implications of Brexit on the economy of North Tyneside. It was suggested that as part of its future work programme the sub-committee might examine the steps being taken by the Council to identify economic development programmes currently supported by European funding, for example the Business Factory, and to consider the risks of Brexit. The sub-committee also wished to explore the possibility of the Council developing a programme to attract talented people to the borough.

It was **agreed** that (1) the overview of the structure of North Tyneside’s economy and report on delivery of the Our North Tyneside plan be noted; and (2) the suggested topics for inclusion in the sub-committee’s work programme be given further consideration by the Chair and Deputy Chair of the sub-committee.

Meeting: Economic Prosperity Sub-Committee
Date: 6 September 2017
Title: Young People Not in Education, Employment or Training (NEET) and EET in North Tyneside

Authors: Tim Downing / Mark Barrett
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Tel. 0191 643 5863

Service: Health, Education and Safeguarding

Wards affected: All

1. Purpose of Report

The purpose of this briefing note is to provide an update to:

- Confirm the current status of the borough's performance in relation to NEET and Participation in EET – more detailed statistical tables are included in Appendix 1
- Provide an understanding of the definitions and calculation of NEET data
- To give a better understanding of who is at greater risk of becoming NEET and what provision exists to address them.

2. Recommendation

That the sub-committee:

- note the borough's performance in relation to NEET and participation in EET; and
- consider whether it wishes to undertake further in-depth scrutiny work in relation to young people in education, employment and training.

3. Background

The term NEET was first introduced circa 2000 and formed part of the National Indicator set of performance measures. Prior to, the general term used was 'youth unemployment', or in some cases, the 'missing 10%', given that this was the average national figure.

Over time, there has been greater scrutiny of youth activity in relation to work and learning, with expanded definitions being introduced as well as further statutory obligations being placed upon young people as well as on local authorities, in particular, the Raising of the Participation Age to 18 in 2014.

4. Defining NEET

The NEET group, for the purposes of this report, are those young people aged 16 to 18, of post compulsory school leaving age, who are not engaged in a full time (18 hours plus – from April 14) job, apprenticeship, course of study or other vocational or study programme. As such, this group are not included in the count of "unemployment" unless they are in receipt of benefits and are 18+. The majority of those in NEET do not have access to the benefits system. They are, in effect, in transition between Education, Employment or Training.

5. 'Available' and 'Not Available' NEET

To get a better impression of the number of young people who are “actively seeking education, employment or training”, the NEET group is split into two distinct categories:

- those ‘Available to the Labour Market’
- those ‘Not Available to the Labour market’

Young people in NEET who are ‘not available’ are, in the main, young people who are incapacitated on health grounds, or who have full-time caring responsibilities, such as teen parents, or be restricted in their activity by judicial measures as a consequence of their offending. As a very general rule, the ratio of NEET ‘available’ to ‘not available’ is 4 to 1.

6. How NEET young people are tracked and monitored?

All Local Authorities are required to provide central Government with a monthly summary of the destinations of young people. This is provided through the ‘National Client Caseload Information System’ (NCCIS) for which a local area CCIS record management database must be maintained and which meets the reporting specification set by the Department for Education.

In North Tyneside, these destinations checks and changes are completed for the Local Authority by Connexions who are a partner to the Connexions Tyne and Wear Hub Service who manage a shared CCIS system on behalf of the five Tyne & Wear Authorities plus Northumberland LA and who provide the monthly data returns to the DfE.

The DfE provide summary reports on receipt of all LA CCIS returns. This allows for statistical comparisons to be drawn with respective LA statistical neighbours, between regions and with the all England averages on such aspects as NEET, EET and Participation rates.

7. NEET Data Reporting

The DfE produce a number of “Risk” reports showing the differences and change for each LA across a range of factors, including NEET and Participation. The picture of NEET can be volatile with significant peaks and troughs throughout the year and which reflect some of the key transition stages for young people, such as summer school leaving date, sixth form and college start dates.

There is also a “churning” aspect of NEET, which is to some extent hidden within the rate of NEET. This churning of young people moving in and out of NEET can provide a clearer picture of the unsettled nature of the destinations and movements of young people – the population of NEET can be replaced by an entire new population of NEET from one period to the next, but the rate of NEET may stay roughly the same.

One approach to monitoring the changes in NEET is to take a three month average of the NEET flows, with the three month period November to January being accepted as the most ‘settled’ period of NEET/EET at which to measure change. In North Tyneside this measure of NEET has shown year-on-year reductions in NEET, from a high of 13.2% in 2005 when the average rate for NEET was first calculated, to a rate currently of 2.6% (July, 2017) – lowest NEET rate of the 12 North East LA’s.

This NEET average has for the last two years been reported annually by Government on what has been termed the “NEET Scorecard” and shows LA rankings for performance in this area. In 2016, North Tyneside was ranked in the top quintile of LA’s in the UK for its low level of NEET.

8. The ‘Not Known’ factor

In addition to the NEET rate, a further reportable measure is that of the 'Not Known' rate for the activity of young people. The term describes those young people who the Local Authority lose track of and are unable to confirm their current activity within a set time period.

Up until 2016, the reporting of Not Known's was separate from NEET reporting and the two were not compared. This meant that some LA areas were reporting very low rates of NEET, but in some cases had corresponding high rates of Not Known's, therefore providing a very incomplete picture of the activity of young people in their areas. North Tyneside has always reported a low rate of Not Known's, providing a much more accurate picture of all of the activities of young people (EET and NEET).

The current rate of Not known's for North Tyneside is 0.6% - one of the lowest in the North East region a fifth of the national rate (3.2%) and half the rate for the North East region (1.3%).

9. The NEET picture for North Tyneside:

With a current rate of NEET in North Tyneside of 2.6% and a combined NEET and Not Known rate of 3.3%, this is close to half the rate for the Tyne & Wear LA's combined (4.6% NEET; 6.3% NEET and NK). *(Ref appendix table 1)*

Set against the NEET rate for the North East region (4.8%), and for all England LA's (3.1%), North Tyneside out-performs all other areas of the North East region and many LA's beyond. Overall, North Tyneside out-performs its 10 LA Statistical Neighbours for the rate of NEET - equalled by just one other LA (Wigan). *(Ref appendix table 2)*

From 2016, the national NEET scorecard reports the combined rate of NEET and Not Known for each LA. North Tyneside is in the top quintile for NEET and Not Known rates. The current rate for NEET and Not Known (combined) in North Tyneside is 3.2% (July 2017). *(Ref appendix table 3)*

The corresponding 'Participation' (RPA) rate for 16 and 17 year olds for North Tyneside is 93.4% and is higher than the England rate (92%) and the North East rate (92%).

10. Further analysis of NEET

- Young people in the NEET group who are 'available to the labour market', and are therefore able to participate in learning, currently number 76 young people, whilst the number of young people who are 'not available' (due to illness, parenting or pregnancy) in North Tyneside is 31.
- The gender split within the NEET group is fairly evenly split (50 males, 57 females).
- Those in the NEET group with SEND represent some 6% of the overall SEND cohort - 12 young people. This is a lower proportion than all other LA's in Tyne and Wear/Northumberland (Ncle 13.5%; Ghead 12.9%; Nland 8.6%; Sland 10.4%; STyne 8.3%). *(Ref appendix table 4)*
- Looked After Children feature significantly in the overall NEET number – 16 LAC young people are in NEET (58 in EET) aged 16 to 17 or 27.5% of the overall LAC Cohort. However, the trend with LAC-NEET has seen a steady month on month improvement over the last 18 months. *(Ref appendix table 5)*

- A third of the borough's NEET population reside in three of the borough's Ward areas – Wallsend (9 young people; 5.1% ward NEET rate) Valley (11 young people; 4.6% ward NEET rate), Riverside (12 young people; 5.0% ward NEET rate). By contrast, there are wards with consistently low levels of NEET – below 1% (Benton - 0.5%, Preston – 0.5%, St. Mary's – 0.% and Tynemouth – 0.5%). (*Ref appendix table 6*)
- The percentage of NEET group joiners is lower for North Tyneside at 9% than the England rate (12%) and the North East rate (11%); correspondingly, the rate of NEET group leavers for North Tyneside is greater at 14% than the England rate (10%) and the North East rate (9%). This indicates a lower NEET “churn” rate as well as signalling that those entering NEET do so for a shorter time period than in other areas and re-join the EET group at a faster rate.
- Of the current NEET group, some 14 young people have been NEET for 12 months plus, of which seven of those young people are 'Not Available' to the labour market. 50% the NEET group have been NEET for 6 months or less.
- In terms of the qualification level of those in NEET, as might be expected, there is some correlation between those with low levels of qualification and NEET. But the picture is a more open one, with equally high numbers of young people with qualifications that would give direct progression to level 3 and above learning and study routes featuring in the NEET count too. There may be differences though in the length of time spent in NEET between those with lower levels of qualification and those who have higher levels. This requires further investigation.

11. Provisions to address NEET.

- Connexions Service – the council commitment to this service has been rewarded with low levels of NEET. A relatively small investment will generate a life-time return. Every ten young people we prevent from becoming long term NEET saves in the region of £0.5m over a life time – the lowest estimate. Some estimates are 2 to 3 times this amount.
- Customised Programmes – *Get Into . . . Employment & Skills*, in conjunction with local employers, deliver work introduction courses (*Get into Construction, Get into Digital, Get into Retail, Get into Alternative Energy*).
- Employability – opportunities designed to bring young people back into Learning. Example: “*Working Roots*” – a three-way partnership (Justice Prince/Council/Keir).
- Employability support – externally funded – mainly 18+ but some 16/17 year old provisions.
- High quality training and learning provision that is responsive to the needs and issues that many young people in NEET contend with (eg roll-on/roll-off starting points; levels of learning at all levels.
- Stakeholders that want to work together in partnership to address NEET – eg Care2Work Partnership has contributed to reducing LAC NEET by more than 50% over last 2 years. Recognised by Ofsted in their awarding of outstanding to this area of activity:
“ Care 2 Work is an extremely successful council initiative, working across the region to help care leavers into work. High numbers of care leavers have benefited from bespoke training opportunities, for example vocational taster programmes, English and mathematics and work experience. Young people are extremely positive about the support that they receive. . . . the vast

majority have the skills and knowledge that they need to become successful adults” .

- SEND Employment Pathways – a new Partnership group incl Business Community, Voluntary Sector, Public Sector with a remit to increase number and range of opportunities for young people with SEND to experience work. To date a focus upon developing the Internship model has resulted in 12 new Internships with the NHS for young people with SEND starting September 17.
- Alternative Curriculum for those young people unable to follow a school curriculum and who are vulnerable to becoming NEET. The Alternative curriculum engages some xxx number of young people and its impact is reflected in the number who successfully continue into work and learning upon leaving school.
- Connexions buy-in by all of our secondary and special schools – ensures NEET prevention by supporting delivery of good careers-learning in the classroom.
- Schools into Work – bringing businesses into the curriculum.
- Employment and Skills Strategy - launched earlier this year and ratified by cabinet, the Strategy identified the need to target resources toward those at risk of not being able to engage in work and learning. The E&S Service has identified one of its key priorities to address as part of that strategy is to reduce NEET to below 2% by 2018. To achieve that we plan to focus our attention upon targeting those who we know are at greatest risk of being NEET at 16/17 – Looked after Children, young people with SEND, those with low achievement levels and poor school attendance. This will see even closer working with some of our agencies in the borough, such as TyneMet College, our Schools, and Training providers, to find yet more ways that those coming into NEET or at risk of being NEET can have positive pathways identified for them.

12. Appendices

Appendix 1 - NEET related Data Tables

13. Background Information

The following documents have been used in the compilation of this report:

- All of the data references and tables used in this report have been drawn from the Client Caseload Information System – CCIS. This system is used by all LA's to record the current activity of young people in relation to work and learning. Extracts of this data are passed to Department for Education every calendar month from which national data sets are compiled.

NEET related Data Tables
Source: Connexions CCIS data-system

Table 1 - NEET and Not Known in North Tyneside – comparison with Tyne & Wear / Northumberland LA's

JULY 2017	North Tyneside	Tyne & Wear and Nland LA's
EET TOTAL	4053	21,370
NEET Total	107	1034
Completed Compulsory Education Cohort Total	4189	22,790
Current Situation Not Known	28	383
Currency - EET	8	211
Other situation not known	20	172

NEET and Not Known percentages	North Tyneside	Tyne & Wear and Nland LA's
NEET%	2.6%	4.6%
NK%	0.7%	1.7%

-		
NEET% + NK%	3.3%	6.3%

-		
Yr 12 Participation Rate	94.8%	94.1%
Yr 13 Participation Rate	91.3%	89.5%

Table 2 (A). Statistical Neighbour comparison (June 2017)

<i>Statistical Neighbours</i>	Academic Age16-17 (Y12-Y13) NEET %	Y12 NEE T%	Y13 NEE T%	Academic Age 16 - 17 (Y12-Y13) NK %	Y12 NK %	Y13 NK %	Academic Age 16 - 17 (Y12-13) In Learning %	Y12 In Learning %	Y13 In Learning %
North Tyneside	2.4	2.5	2.2	0.8	0.3	1.2	93.4	95.7	91.2
Mean indicator for statistical neighbours	4.2	3.4	4.9	2.0	1.1	2.5	91.5	94.0	89.1

Table 2 (B). National, Regional comparison (June 2017)

	Not known		In learning		16-17 year olds NEET	
	% 16-17s NK including currency expired	% change over last 12 months	% 16-17s in learning	% change over last 12 months	% 16-17s NEET	% change over last 12 months
April 2017						
ENGLAND	3.0%	-14.4%	91.8%	0.7%	3.0%	-5.0%
NORTH EAST	1.6%	23.4%	91.6%	-0.5%	4.8%	2.6%
North Tyneside	0.8%	-48.2%	93.4%	0.3%	2.4%	-24.5%

Table 3.
NEET and Not Known Scorecard
(NEET- Not in education, employment or training)
Published 13th October 2016

LA North Tyneside		Latest performance		Quintile				
		LA	England	1	2	3	4	5
NEET and Tracking	% 16-17 year olds NEET or whose activity is not known	3.4%	7.1%	1	-	-	-	-
	% 16-17 year olds NEET	2.4%	2.7%	-	-	3	-	-
	% 16-17 year olds whose activity is not known	1.0%	4.4%	1	-	-	-	-
LA support	% 16-17 year olds participating in education and training	93.7%	91.5%	1	-	-	-	-
	- full-time education	83.2%	83.4%					
	- apprenticeships	7.5%	5.8%					
	- other education and training	3.0%	2.3%					
	% 16-17 year olds made offer of an education place under September Guarantee	97.5%	94.6%	-	2	-	-	-
	% 16-17 year olds NEET re-engaging in EET	9.5%	7.9%	-	2	-	-	-

Table 4: SEND in NEET

SEND Academic Age 16-17	June 2017						
	16-17 yr olds with SEND	% In Learning	NEET	NEET %	% not known	NEET & Not Known	% NEET & Not Known
ENGLAND	43,986	86.8%	3,153	7.2%	3.1%	4501	10.3%
NORTH EAST	2,465	85.0%	254	10.3%	1.6%	293	11.9%
North Tyneside	185	89.7%	11	5.9%	0.5%	12	6.5%

Table 5: Teenage Mothers in NEET

Teenage Mothers - Academic Age 16-17	June 2017								
	T M's	EET	EET %	Not known	Not known %	NEET	NEET %	NEET & Not Known	NEET % & NK %
ENGLAND	4,645	1,173	25.4%	185	4.0%	3,286	71.2%	3,471	75.8%
NORTH EAST	413	125	30.3%	11	2.7%	277	67.1%	288	69.7%
North Tyneside	22	10	45.5%	-	0.0%	12	54.5%	12	54.5%

Table 6: Looked after Children (LAC) in NEET

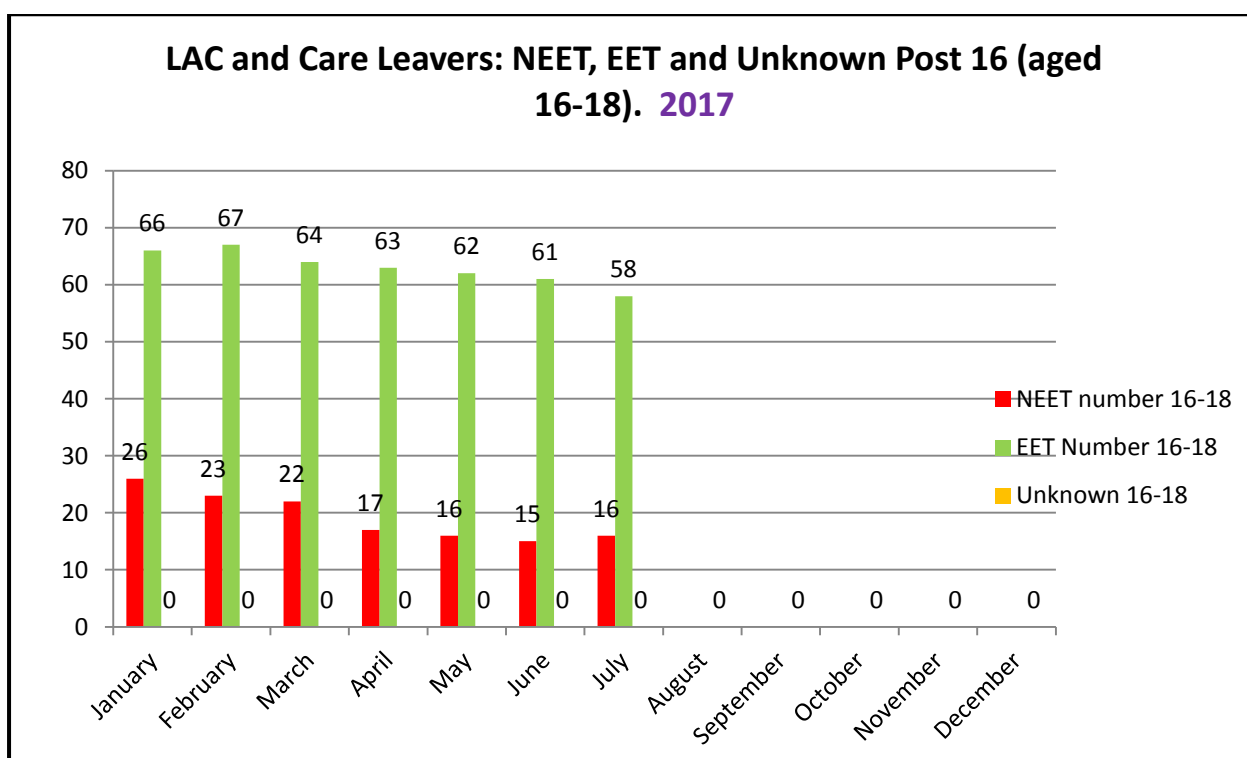
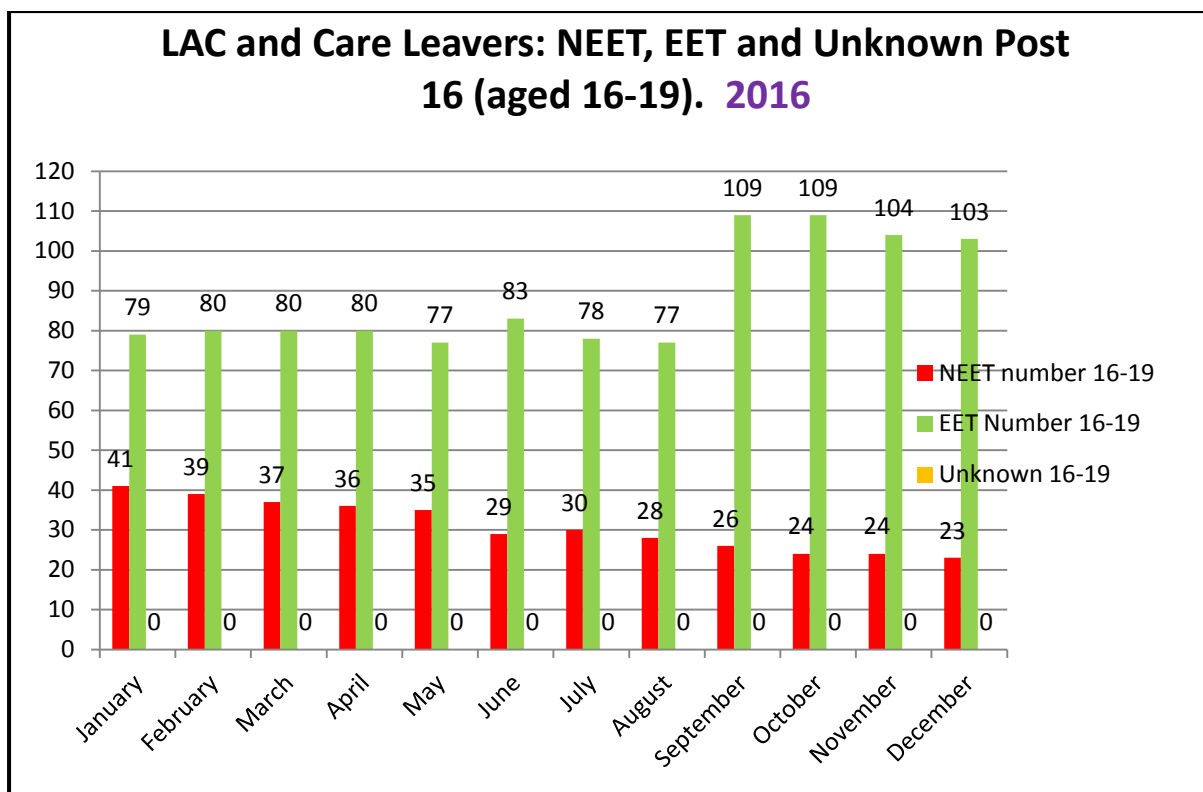


Table 7. NEET x Ward areas

