

MID SUFFOLK DISTRICT COUNCIL

To: Overview and Scrutiny (Community Services) Committee	Report Number: M28
From: Joint Working Group on Encouraging Young People Apprenticeships and Work Experience	Date of meeting: 22 May 2012

HOW TO ENCOURAGE WORK EXPERIENCE AND APPRENTICESHIP SCHEMES IN MID SUFFOLK AND BABERGH DISTRICTS

1. Purpose of Report

- 1.1 In November 2011, Mid Suffolk and Babergh District Councils set up a short-term working group, the objective of which was to consider, and recommend, how best to encourage work experience and apprenticeship schemes for young people in Mid Suffolk and Babergh, with the private, public and voluntary sectors.
- 1.2 Subsequently, the joint strategic priorities 2012/13 of both councils now include an objective to “Improve the employability of our young people and reduce the numbers of those Not in Employment, Education or Training (NEETs) particularly in isolated or income deprived areas”.
- 1.3 This is the report and recommendations from the Working Group, to the MSDC and BDC Scrutiny Committee(s), for onward or parallel submission into the executive decision processes in each Council, for formal agreement and implementation.

2. Recommendations

- 2.1 That the relevant Head(s) of Service be directed to set out the aims, objectives and potential initiatives for improving employability of young people across the Councils’ districts (as identified by the Joint Working Group on Encouraging Young People Apprenticeships and Work Experience, in the report) within a Strategic Plan to be brought forward to the Executive Committee.
- 2.2 That the relevant Head(s) of Service be instructed to develop a business case to deliver the initiatives identified within the Strategic Plan referred to at Resolution 2.1 for consideration by the Strategy Committee.
- 2.3 That general policies concerning young people/NEET employability and economic growth be incorporated into the Council’s Strategic Priorities and Objectives within the current policy review framework.

The Committee are asked to make recommendations to Strategy Committee on the above.

Note: Recommendation 2.3 was added by Mid Suffolk District Council Executive Committee.

3. Financial Implications

- 3.1 This proposal, which has a direct impact on meeting both councils' strategic priorities and on the nurturing of sustainable communities and a vibrant economy, is seeking to draw down significant funds (up to £200k in each council, spread over three years) from the New Homes Bonus allocation. The precise costs are subject to more detailed business case(s).
- 3.2 If activated, the scheme would start part way through the current financial year, however maximal benefit will be realised if the framework is put in place and apprenticeships are commenced in sufficient time for the college year that starts in September 2012.

4. Risk Management

- 4.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No.G1, "Failure to meet Strategic Task Group objectives could lead to bad reputation for the Authority", and Babergh's Significant Business Risk No.1, "Failure to deliver intended outcomes and necessary change".
- 4.2 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to improve the employability of our young people and reduce the level of NEETS results in an increase in the number of young people out of work and claiming benefits	2	3	Joint programme of initiatives, complementing the national agenda

5. Consultations

- 5.1 The Working Group has engaged with various internal and external parties (see section 8.7).

6. Equality Analysis

- 6.1 Not applicable at this stage. The mechanisms for assigning young people onto apprenticeship and work experience schemes would need to comply with the relevant equality policies and guidelines.

7. Shared Service / Partnership Implications

- 7.1 This is a joint proposal between Mid Suffolk and Babergh District Councils.

8. Key Information

8.1 Background Information:

- 8.2 The overall objective for the Councils' joint work on improving young people employability, is as stated in the recent report, "Alignment Of Strategic Priorities And Delivery Plan 2012/13", that was submitted to MSDC Executive and BDC Strategy Committees on 10 and 12 April respectively. This is to:

“Improve the employability of our young people and reduce the numbers of those Not in Employment, Education or Training (NEETs) particularly in isolated or income deprived areas”

- 8.3 Overall performance measures (per the joint aligned strategic priorities and plan) are as follows (NB. These will be achieved jointly with other key stakeholders):-
- Reduction in 16-18 NEET levels compared to the November baselines.
 - Reduction in Job Seeker’s Allowance (JSA) benefit claimant number/rates among 16-24 year olds compared to the baselines.
- 8.4 In addition to the above it is proposed in this Working Group report that additional overall performance measures (to be achieved jointly with other key stakeholders) should be:
- A significant increase in the number of successful 16-24 apprenticeships in Mid Suffolk and Babergh districts (NB. Greater than 50 - exact figures to be quantified).
 - A significant increase in the number of successful 16-24 work experience placements in Mid Suffolk and Babergh districts (NB. Greater than 30 - exact figures to be quantified).
- 8.5 On 17 November 2011, MSDC Scrutiny Committee received a report on Young People aged 12-18 in Mid Suffolk, in particular those who are not in education, employment or training (NEET). The Scrutiny Committee recommended, and the Executive Committee on 28 November endorsed, “That the Scrutiny Committee set up a working group to consider how to encourage work experience and apprenticeship schemes in Mid Suffolk with the private, public and voluntary sectors” and, “That an invitation be extended to Babergh District Council Scrutiny Members to participate in the working group”.
- 8.6 The Joint Working Group consisted of Councillors Rachel Eburne [Chair], Diana Kearsley, John Matthissen, Martin Redbond, Peter Burgoyne, David Busby and Kathryn Grandon, with officer support primarily from Sue Dawes, Dawn Easter, Dave Benham and Paul Banjo. The desire was to have short, sharp focus on what could be done jointly in MSDC and BDC to encourage apprenticeships and work experience in the two districts.
- 8.7 At an initial meeting of the working group councillors and council staff on 9 January, it was emphasised that a co-ordinated cross-county approach is needed into which the District Councils can link and add value, rather than initiating anything in isolation. On 16 March, a second meeting was held, as a workshop involving the Working Group together with a large number of external stakeholders, representing County Council Children and Young People’s Services, Mid Suffolk Action Partnership (MAP), Mid Suffolk Citizens Advice Bureau (CAB), Training Providers, Stowmarket Job Centre, MidSuffolk volunteer centres, Suffolk ACRE, Wingfield Barns, National Apprenticeship Service (NAS), and Suffolk Education Business Partnership (EBP). A final meeting of most of the Working Group on 11 April finalised the recommendations. Notes and associated documentation from these meetings are referenced in Section 10.

8.8 Key questions that were scoped for the Working Group to address were:-

- What is the current position within Mid Suffolk and Babergh (baseline data) regarding provision of work experience and apprenticeships to young people?
- What are the current initiatives in Suffolk (public, private, or voluntary sector), that MSDC (or BDC) could link into (if not already doing so)?
- What are the possible further options for consideration by the Council, including examples from other parts of the country?
- How feasible will it be for the District Councils (and partners) to implement the various initiatives that could be considered? (resources, cost, timescales, etc).
- What is the recommended way forward for the District Councils to meet the objective, including the mechanism for monitoring and review of progress towards achievement of the desired outcomes?

8.9 In BDC there has been an apprenticeship scheme operating for several years, supported by funding from the LSPs. However, LSP funding has now ceased. The 2011 BDC scheme has resulted in 15 external apprenticeships. The scheme is managed by WS Training for a modest one-off fee of £1500. Up to £1995 per apprentice, funded by the BDC LSP is paid to the employer (WS Training advised that in practice some employers do not require the full subsidy; just enough to get over the bureaucracy and 'red tape'). The employer pays the apprentice a statutory minimum of £95/week. In addition, BDC has 5 internal apprenticeships within the council itself. The cost of these is not offset by the £1995 per apprentice from the LSP funds – this applies only to the external placements.

8.10 In MSDC, currently there is no internal apprenticeship scheme operating, however in 2010/11 there were two Modern Apprentices taken on for approximately 9 months, at the instigation of a couple of officers, rather than as part of a council wide scheme.

8.11 A number of views and comments were raised in the initial meeting of the Working Group:

- Whilst the scope is across all three sectors (private, public, voluntary), more emphasis should be placed on encouraging apprenticeships in the private sector, in line with national trends.
- Work experience, aimed at the growing pool of people who are 'stuck' can help them towards securing apprenticeships.
- Public sector apprenticeships, where offered, should be 'real' jobs.
- Small organisations need help with the 'red tape' of managing apprenticeships.
- Initiatives that could be considered would range, with increasing cost/resourcing requirements, from simple 'signposting', through facilitation, to actual running of schemes.

- In general it was felt unlikely that the councils themselves could run apprenticeship schemes. The more likely scenario would be to be an enabler / funder, especially for small organisations.
- The BDC experience of using and funding WS Associates was very good, better than the previous experience of working via West Suffolk College, partly due to transport issues getting to West Suffolk College.
- In the longer term, the councils should be seeking to influence the County Council with regard to early stage interventions, schooling, etc.
- In the short term, focus is needed on specific opportunities, eg. focusing on the almost 180 confirmed NEET young people in each district, (there are thought to be 2 or 3 times as many who may be NEET) with a view to getting, say, half of the 180 out of NEET. Perhaps some of the New Homes Bonus funds could be used towards this.
- Businesses were unlikely to altruistically support apprenticeship schemes; they would want to know what is in it for them, and would need training support and some funding support to assist/encourage them and cover their costs.
- A coordinated cross-County approach is needed, with the County Council team taking the lead, and the district councils linking in and supporting.
- A County Council scrutiny committee task group had recently considered Transport Issues for Young People (16-24 yrs), to which Suffolk ACRE had provided input, with recommendations to be followed up in March 2012.

8.12 There are many initiatives underway already, in public, voluntary and business sectors, for example:-

County Council: Facilitating the 'Skills for the Future' strategy (involving Local Authorities, Chamber of Commerce, Voluntary Sector, etc), the Backing Young Suffolk initiative covering Apprenticeships, Careers advice and guidance, and Integrated Teams (since July 2011, when Connexions stopped).

- JobCentre Plus: One third of the JCP register is 18-24 yr olds. High priority focus on work experience opportunities, turning work experience into apprenticeships. Successful example is the 'Supporting Young Haverhill' initiative. Good MP support / involvement. Youth Contract (April 2012) - Every young person to be offered work experience opportunity; Financial incentives, through Work Programme providers.
- Training Providers: Work with employers (apprenticeships / training). All sectors, all ages 16+. Funding from Skills Funding Agency. Most apprenticeships delivered in the workplace. Some attendance at Training Centre for off-job training. Support IAG (information, advice & guidance). Work closely with SCC, JCP, NAS, schools, etc.
- Community Learning and Skills Development (CLSD): 'gateway to learning in your community'. Various courses, free to those on benefit or with < 5 GCSE.

- Voluntary Sector: >50 organisations (in Mid Suffolk) looking for volunteers, Supporting people on Job Seekers' Allowance, or Income Support. Impact of withdrawal of EMA (Education Maintenance Allowance). Travel impact. Access to colleges. Especially in Stowmarket. Lack of car is a barrier. Young people need support – a 'Helping Hand'. Ladders 2 Success project (training / volunteer placement). Need to be able to offer pathway – different routes, confidence building, etc. Some voluntary organisations won't take on people who need a lot of 'support'. Volunteers add to capacity, but they also require management support and training. Voluntary sector can help reach those who are switched off from formal opportunities. Stowmarket CAB has 53 volunteers and 5 full time staff: additional volunteers need to be supervised – capacity issue. Suffolk ACRE Kickstart scheme (mopeds): now just operating in Suffolk Coastal District, as Mid Suffolk funding has ceased. Evidence provided to SCC Scrutiny Committee recommending county-wide Kickstart scheme - this will save costs elsewhere (eg. taxis) and is also more empowering for the young person.
- Business: Suffolk EBP (Education Business Partnership) has a database of employer offers to 16+. Potential for offering 'preparatory' sessions / 'vetting' in advance of commencing employment. Stowmarket Chamber is very interested in the problems of youth employment, and participates in workshops held by local High Schools to address the problems of School to Work Transition, and supporting the Suffolk Start Up Initiative, which is also supported by Babergh and MSDC."
- National Apprenticeship Service (NAS): NAS has end-to-end responsibility for the apprenticeship programme. NAS is part of the Business Department (Minister: Vince Cable). NAS gives funding to the Skills Funding Agency (SFA), which funds training providers, etc. Both SFA (money) and NAS (quality) monitor the overall performance of the apprentice scheme. Apprenticeships follow the same framework: what differs is the training attached. Employers choose apprenticeships to fit with business need. The AGE16-24 grant scheme is aimed at small businesses: Only first-time apprentices are eligible, £1500 incentive, paid in two tranches. (NB. WS Training advised that the majority of the external apprentices that they managed to secure during 2011, using the BDC LSP funding subsidy, would not have met the more restrictive criteria for the new national AGE16-24 grant, hence the suggested need for some additional localised subsidy schemes).

8.13 Proposals and recommendations:

8.14 At the second Working Group meeting / workshop the key issues and suggestions centred around:

- Provision of Information, Advice and Guidance (IAG) – consistent, accurate, up-to-date, to/from various stakeholders (young people, schools, businesses, parents, service providers).
- Co-ordination / facilitation - central point of local co-ordination linking various 'service providers': Local authorities, NAS, training providers, businesses, head teachers, transport providers, voluntary organisations, etc.

- Targeted funding support – complementing existing initiatives and appropriately addressing ‘easier to reach’ and ‘harder to reach’ segments.
- 8.15 In addition to the overall strategic objectives in paragraphs 8.2 to 8.4 above, some specific ‘SMART’ targets for BDC / MSDC to achieve under the councils’ directly control are proposed below, arising from the Working Group discussions. These will contribute towards the achievement of the overall objective and outcomes (ie. reduction in NEET levels and significant increase in apprenticeships and work experience in the two districts).
- 8.16 At the third Working Group meeting on 11 April it was agreed that the following recommendations would be put forward:
- (i) **Councillors.**
- i.1. Ensure there is appropriate Member support and a clear mandate to take forward the Young People employability initiatives across both councils. This would include the commitment already indicated by both Cllrs Diana Kearsley and Kathryn Grandon, the existing Portfolio Holder / Member Champion for children and young people in each Council.
- i.2. Members of Mid Suffolk and Babergh to seek to engage with School governing bodies, and with Head Teachers, to encourage employability initiatives such as job clubs.
- (ii) **Specific Initiatives.** A programme of initiatives is proposed, over a three year timeframe, to ensure the longevity of the scheme and enable initiatives that might straddle several financial years. Each initiative has an approximate budget estimate which would need to be further developed. The proposal is to assign part of the **New Homes Bonus** fund in each Council to drive sustainable economic benefit in the communities. Up to **£200,000**, within **each Council**, over **three years**, is the overall estimated requirement, however the precise figures would be subject to more detailed business case(s). This would address all of the following:
- ii.1. Set up MSDC **internal young apprentice** (or work experience) scheme, similar to BDC, whose scheme has already been budgeted by BDC for 2012/13. (This will also build on recent learning from neighbouring councils such as St Edmundsbury and Suffolk Coastal). Target achieving at least 5 new internal apprentices and 5 internal work experience opportunities per year within each District Council. (separate from any external apprenticeships). Precise incremental costs will depend on the number of internal apprentices employed, and work experience placements, and will be subject to a more detailed business case (NB. BDC has already budgeted for 5 apprenticeships and 5 work experience placements in 2012/13 at a very approximate cost of £31,000). (Note that internal apprentices are employees, undertaking real council work, with apprentice rate wages paid by the Councils).

- ii.2. Set up MSDC **external young apprentice** (or work experience) subsidy scheme, similar to BDC's scheme in 2011/12, and continue the BDC scheme during 2012/13. Budget on an average subsidy payment of £1500 per apprenticeship (similar to the national scheme) and £150 per work experience opportunity (eg. towards travel costs). Assume £2000 set-up/recruitment/management costs with one or more external organisations. Target directly subsidising a minimum of 15 apprentices and 15 work experience opportunities each year within each District (separate from the internal apprentices). Precise incremental costs will depend on the number of external apprentices subsidised, and the level of subsidy, and will be subject to a more detailed business case. (Note that this is a direct subsidy towards creation of a number of external placements with employers, who will bear the full costs of employing an apprentice. This will make a contribution towards the 'bigger picture' overall strategic objectives in paragraphs 8.2 to 8.4 above to achieve a significant increase (eg. greater than 50 – target not yet defined) in the number of successful 16-24 apprenticeships in Mid Suffolk and Babergh districts).
- ii.3. **Events and facilitated engagement** and interaction between young people, schools, businesses, parents, service providers, etc. Precise incremental costs and target numbers will be subject to a more detailed business case. Very indicative estimated budget that might be required within each of MSDC and BDC is in the region of £7,500 per annum. This would be in support of achieving the overall strategic objectives and targets (in paragraphs 8.2 to 8.4 above) and would include:
 - ii.3.1. 'Easier to reach' cases, such as business forums, apprenticeship week, visits, conferences, annual youth conference, joint conferences of head teachers and business leaders, etc.
 - ii.3.2. 'Harder to reach cases, many of which might be NEET, and which might require more specialised funded engagement via the voluntary and community sector (VCS).
- ii.4. **Staff / Co-ordination resource.** A key message from the working group discussions is the need to ensure that there is appropriate staffing support in MSDC and BDC to take forward the Young People initiatives identified across both councils. In particular it has been reiterated that there is a need for a 'Young Person Employability' **overall co-ordination / facilitation role** for MSDC/BDC, working with other disciplines internally (mainly Communities and Economy service areas) and externally (various organisations and stakeholders) who can help drive the three-year programme of work to deliver the objectives and hence make a real difference for young people in the districts. This would be in support of achieving the broader overall strategic objectives and targets (in paragraphs 8.2 to 8.4 above), in addition to overseeing the delivery of the specific MSDC/BDC targets proposed in paragraphs ii.1 and 0.

- ii.4.1. Ultimately the co-ordination role would be 'mainstream' within the Councils organisation structure, however in light of the current re-organisation process, it is proposed that this function be initially outsourced to an external organisation, such as one of the Training Provider organisations, during 2012/13, and then potentially run in-house thereafter. Precise incremental costs will be subject to a more detailed business case. Very indicative estimated budget that might be required for this joint role within each of MSDC and BDC is in the region of - £1250 per annum.
- ii.4.2. It is assumed that there will be **ongoing commitment of existing staff resources** (mainly in Communities and Economy service areas) that have been historically involved in various aspects of work associated with young people employability. This is estimated roughly as at least approximately 0.5 FTE staff resource in total, across the two shared Service Areas (Communities and Economy), and is assumed to be already built into the staffing budget. (ie. it is the overall coordination / facilitation role that is the new / additional requirement, as identified from the Working Group discussions).
- ii.4.3. The co-ordination role will,
- Ensure that the Councils have access to consistent and accurate Information, Advice and Guidance (IAG) regarding apprenticeships and work experience for young people.
 - Facilitate opportunities, in conjunction with partners, for information to be disseminated to/from various stakeholders in the Districts (young people, schools, businesses, parents, service providers). District council value-add could be, for example, inclusion of some information with the annual business rates letters, or 'signposting' of relevant sources of information, whether web-based sources or details of brokerage contact points, etc.
 - Act as a focal point within the Districts, linking in to the County Council initiatives, and co-ordinating across various service provider organisations in the District, in particular the large number of small organisations, to enable aligned interventions and a 'one stop shop'. (Learn from the successful approach of 'Supporting Young Haverhill', and from the approach in Essex).

(iii) **Policy Initiatives:**

- iii.1. Investigate use of S.106 or Community Infrastructure Levy to be used to encourage developers to run apprenticeship, work experience or training schemes.
- iii.2. Require outsourcing partners to commit to provision of apprenticeship and work experience schemes.
- iii.3. Procurement process to favour organisations that offer apprenticeships and work experience places.

- iii.4. Lobby Suffolk County Council on transport matters, and matched funding. Include consideration of the following key examples:
- Funding of 'Kickstart' or similar scheme county-wide.
 - Selective scheduling of demand responsive transport (DRT) in peak periods.
 - Matched funding of the proposed internal and external apprenticeship / work experience scheme in the district.
 - County Council views on how best to align district initiatives and funds with the County-led initiatives.
- iii.5. Investigate the potential to offer Business Rate relief to businesses achieving / offering apprenticeships. To include how much might be required, how it could be administered, and how it would dovetail with the other incentive schemes.

9. Appendices

None.

10. Background Documents

- Scoping Document for the Young People Working Group.
- Relevant working group papers.

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