

5th July 2016

Agenda Item: 6

REPORT OF THE CORPORATE DIRECTOR, PLACE**SUPPORTING YOUTH EMPLOYMENT FUNDING****Purpose of the Report**

1. To update Members on the progress of projects funded from the Supporting Youth Employment reserve and to seek approval for two new initiatives to be delivered from the existing budget.

Background

2. £500,000 from the County Council Reserves was allocated to Supporting Youth Employment projects, to be delivered from April 2014 to March 2017. The funds were allocated as follows;
 - £342,000 to increasing SME take-up of apprenticeships, and;
 - £158,000 to supporting the employability of young people who are LLDD (Learners with Learning Difficulties and Disabilities) or NEET (Not in Education, Employment or Training)
3. The Say 'YES' to an Apprentice project, delivered by Futures (Futures Advice, Skills and Employment) has provided grants of up to £1500 to Nottinghamshire SMEs who take on their first apprentice. The project has now achieved the original target, with 176 grants allocated (10 more than the original target) between May 2014 and February 2016. Grants are paid in stages to support the sustainability of the apprenticeship position; at 6 months, 12 months and on completion of the apprenticeship/retention with the business. Because of this payment schedule, grants will be continued to be paid until March 2017.

3.1 Outputs for this project can be summarised as follows;

Number of young people supported to take up an apprenticeship	176
Number of SMEs taking on their first apprentice under the scheme	149
Number of SMEs taking on a second apprentice under the scheme	27
Percentage of apprentices retained after completing their apprenticeship (of those confirmed in writing by employer)	100%
Number of apprentices reported left the programme before completing their apprenticeship	29

3.2 There has been a very low drop-out rate on the programme. Where this has occurred, it has more commonly been in the first few months, when a young person may feel they have made the wrong choice. Early leavers have been replaced with a new apprentice/placement, depending on the wishes of the employer. Of those leaving the programme before completion, the following information has been provided by Futures;

Left before 1 st grant payment (6 months)	14
Left between 1 st and 2 nd grant payment (6-12 months)	10
Left between 2 nd and final grant payment 3 (12-18 months)	5

3.3 Unfortunately Futures are not able to provide information on the reasons for and destinations of early leavers from the programme. However, the likelihood is that young people have moved on to other options, and leavers late in the programme have most likely secured employment.

3.4 As well as the above outputs, many of the businesses involved have continued to recruit more apprentices independently of the Yes grant.

4. The Engage2Employ (E2E) project, delivered by Skills for Employment (now part of Inspire - Culture Learning and Libraries) delivers supported work placements leading to internships and employment. The project coordinator works with partner organisations, and through outreach activities, to identify young people who are ready to undertake a supported placement, and match them to employers. The project will continue to March 2017 to enable the new coordinator to develop the project further and increase the outreach activity in order to achieve the targeted outputs.

5. The outputs delivered to date can be summarised as follows:

Output	To Date	Target
Number of young people starting a work placement	36	45
Number of young people progressing to a supported internship	22	30
Number of young people securing employment	6	15
Percentage of young people who were NEET at point of contact	33%	-

6. As part of an update to Committee in January 2015, it was agreed to give delegated authority to the Economic Development Service to use £30,000 of the approved funding for a flexible support fund, to be used to support additional grants and targeted support for identified needs. Information is provided in point 8 below on how this fund is proposed to be used.

7. In the original Yes Apprentice project budget, an additional allocation was made for marketing the scheme to SMEs. Futures have achieved the outputs more cost-effectively through recommendations and information sharing using existing relationships with training providers and businesses. This has resulted in an

unspent portion (£27,000) of the marketing budget which can now usefully be used to support youth employment activities specifically targeted at responding to emerging market needs. More information is provided in point 8 below.

Proposals

8. Research and consultation with local businesses and partners has evidenced some emerging market trends and local skills levels gaps which can be addressed under the Supporting Youth Employment programme. The projects described below can be delivered within the current contracts and approved budget as described above:

8.1 Digital pre-apprenticeship training

- a) Evidence is emerging to suggest a shortage of digital skills locally with some larger national businesses relocating some of their functions outside of the area. If this trend continues, businesses will increasingly choose to locate elsewhere, and the growth of SMEs will be restricted.
- b) It is proposed to deliver a pilot scheme to support young people into digital apprenticeships and provide SMEs with a digital marketing strategy, and the resources to carry it out.
- c) The pilot scheme would provide a minimum of 6 young people with a 6-month pre-apprenticeship training scheme, to provide them with the employer related skills and knowledge to design and deliver a marketing strategy. At the end of the 6 month period the young person would progress into an apprenticeship.
- d) Employers would be recruited who would benefit from increased sales, customer base and productivity, through the development of a digital strategy

8.2 Targeted apprenticeships with SMEs in the Creative Employment Programme

- a) New College Nottingham (NCN) is involved with the Creative Employment Programme, a training scheme to support businesses in the arts and cultural sector with specialised training, apprenticeships, financial incentives and access to targeted recruitment activities.
- b) The creative sector covers a wide range of businesses, including craft, arts, fashion, museum, theatre, and digital. These are often smaller SMEs who would benefit from support and guidance to employ young people.
- c) There is now an opportunity to roll out this programme into the wider County area, to support a number of targeted county businesses with grant support to encourage the take-up of apprenticeships.
- d) The funding could provide incentive grants for up to 18 businesses who take on an apprentice.

Reason(s) for Recommendations

9. The requirement for digital skills development, particularly at an apprenticeship level, is emerging as a market need which needs to be addressed. Failure to do so would leave Nottinghamshire at a disadvantage compared with other areas.

The two projects will provide routes into digital sector for young people, as well as support business growth. The digital apprenticeship project is a pilot project with associated start-up costs, for which £30,000 will be allocated. The Creative Sector project will build on an existing scheme, for which an allocation of £27,000 is proposed.

Other Options Considered

10. A number of options were considered to maximise the impact of the Supporting Youth Employment funds. A pilot project supporting apprenticeships in Health and Social Care was investigated, but would require more time and funding to deliver. A working group developed through the N2 Skills and Employment Board will be considering the development of new projects in the future.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the report.

Financial implications

12. The funding for the activity described above is already allocated to Supporting Youth Employment from County Council Reserves. Efficiencies in delivery have enabled the availability of funds to deliver the programme on a wider scale than originally envisaged, at no additional cost.

RECOMMENDATION

13. It is recommended that Committee approve the use of the allocated Supporting Youth Employment funds for the activities described in 8.1 and 8.2.

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Corporate Director, Place

For any enquiries about this report please contact:
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Constitutional Comments [KK 20160622]

The proposals in this report are within the remit of the Economic Development Committee.

Financial Comments [RWK 20160622]

The financial implications of the proposals are set out in paragraph 12 of the report.

Background Papers

- *Supporting Youth Employment* (progress update) – Report to Economic Development Committee published on 06/01/2015
- *Supporting Youth Employment* (proposal for allocation of remaining funds to E2E project) – Report to Economic Development committee published on 11/02/2014
- *Supporting Youth Employment* (proposal for allocation of remaining funds) – Report to Economic Development committee published on 19/11/2013
- *Supporting Youth Employment* ((proposal for allocation of reserves) for County Apprenticeship Project) - Report to Economic Development Committee published on 17/10/2013
- *Apprenticeships Update* – Report to Economic Development Committee published on 09/07/2013

Electoral Division(s) and Member(s) Affected

All