

**17<sup>th</sup> October 2013****Agenda Item: 7****REPORT OF THE CORPORATE DIRECTOR, POLICY, PLANNING AND  
CORPORATE SERVICES****SUPPORTING YOUTH EMPLOYMENT****Purpose of the Report**

1. To consider proposals for partial allocation of the £500,000 budget set aside by the Council in February 2013 to support the delivery of the Youth Employment Strategy. This includes:
  - endorsing the proposals for the delivery of a County Apprenticeship Project
  - delegating the authority to enter into a contract with Nottingham and Nottinghamshire Futures to deliver the proposals set out in this report to the Corporate Director, Policy, Planning and Corporate Services in consultation with the Chair of Economic Development Committee

**Information and Advice**

2. In February 2013, Policy Committee approved the following objective to support young people into employment:

*The establishment of a £500,000 programme of investment to support the delivery of a Nottinghamshire Youth Employment Strategy aimed at increasing young people's access to employment opportunities through the development of employability skills and more effective employer engagement.*

This was subsequently approved by Full Council in the budget meeting of February 2013.

3. To further understand the Nottinghamshire Youth Employment Strategy, Economic Development Committee received a presentation on it from the Chief Executive of Nottinghamshire Futures and the Service Director, Youth, Families and Cultural Services in March 2013. This was followed by an overview of apprenticeship provision in Nottinghamshire in July 2013, and a visit by Members of this Committee to Ashfield School and Vision West Notts in September 2013. These reports, presentations and visits have helped to inform the proposals included within this report for partial allocation of the £500,000 budget.
4. In the summer of 2013 the respective Chairs of the Economic Development and Children and Young People's Committees agreed that responsibility for the design and management of the contract for delivery of this programme of work sits most appropriately with the Economic Development Committee.

5. Committee has expressed an intention to increase apprenticeship opportunities and take-up around the County as the main focus of this investment. There will be a particular focus on encouraging employers who have not historically recruited apprentices to see apprentices as valuable entrants to their workforce and potentially skilled employees of the future. It is proposed that this will be achieved by funding activities under the following 4 broad headings:
- Differentiated incentive payments to employers to encourage new apprenticeships with a particular focus on sustainable job outcomes;
  - Promotion of apprenticeships to young people in school;
  - Promotion of apprenticeships to businesses; and
  - Preparation of young people for apprenticeships.
6. These activities meet the objective set out in the Nottinghamshire Growth Plan, under the theme of Aspiration and Talent:
- *“Increase the competitiveness of Nottinghamshire by creating the conditions to grow an increasingly skilled and productive workforce.”*

## **Nottingham and Nottinghamshire Futures**

7. Nottingham and Nottinghamshire Futures (NN Futures) is a not-for-profit company jointly owned by Nottingham City Council and Nottinghamshire County Council. The company undertakes a number of functions on behalf of the two Authorities, primarily focussed on supporting young people aged 13-19. The County Council has a Service Level Agreement (SLA) with NN Futures to deliver the Targeted Support Service within Children’s Families and Cultural Services, the focus of which is to support vulnerable young people. Core outcomes targeted by this SLA include:
- Closing the gap in educational attainment
  - Reducing the number of children and young people missing school
  - Reducing the rate of teenage pregnancies
  - Increasing the rate of participation in education, training and employment by 16-18 year olds
8. NN Futures also provides various services and support to schools, individuals and employers, all available on a commercial basis. These services range from careers advice and work experience for schools, through to acting as an Apprenticeship Training Agency (ATA) for local employers. The County Council’s successful internal apprenticeship programme is delivered in partnership with NN Futures.
9. The activity proposed within this report falls outside of the County Council’s Service Level Agreement with NN Futures and is additional to the company’s commercial offer.

## **Proposal**

10. In discussion with County Council officers and Members, NN Futures has drafted a proposal to deliver against the objective as set out in the introduction to this report. The proposal consists of 3 main areas of work to be delivered between November 2013 and March 2016:

- Incentive payments to employers for taking on an apprentice, with incentives back-loaded to encourage completion of the apprenticeship and progression into employment
- Promotion of apprenticeships to local employers, schools and school children
- Pre-apprenticeship training to help ensure sustainable placements.

11. The table below shows how the funding is proposed to be split between the different budget headings.

Budget Heading	Summary	Amount
Employer subsidies <i>(this includes the resources required by Futures to recruit both employers and potential apprentices and to manage the recruitment process)</i>	Incentive grants made to employers to encourage greater take-up of Apprenticeships	£279,000
Pre-Apprenticeship Training	Intensive training to ensure work-readiness of candidates	£30,000
Marketing	Promotion of Apprenticeships to businesses	£30,000
Evaluation	Independent evaluation of project	£3,000
		<b>£342,000</b>

12. The employer incentives element of the project will be delivered in alignment with other local and national employer incentive programmes in order to ensure that best value is achieved. The focus of these incentives will be on encouraging first-time employers to take on apprentices. Nationally, employer satisfaction with apprenticeships is good, with 81% of employers stating that they would recommend the scheme. However, employer take-up for apprenticeships still sits at below 10%, suggesting that there is plenty of scope for more placements to be created. An incentive payment for employers removes some of the prohibitive cost implications associated with taking on an additional member staff and if structured correctly, promotes sustained employment beyond the lifetime of the grant.
13. Grants of up to £1,500 will be available solely to support the recruitment of County residents, aged between 16-19 years old in opportunities that would not otherwise have been offered. Payments to employers will be weighted to promote sustained employment, with £500 being released at both 26 and 52 weeks of the placement. A further payment of £500 will be made if the apprentice is taken on as permanent member of staff by the employer, progresses onto a further Apprenticeship Framework or is supported by the employer to find alternative employment. A full list of criteria for the employer incentives is listed in Appendix 1.
14. The Marketing element of the project will be focussed on engaging businesses on Apprenticeships, promoting active discussion on the subject, encouraging take-up and showcasing the enhanced offer provided through this project. This will be delivered through a range of bespoke events, links with established business networks, direct marketing and advertising.

15. The above proposals result in £158,000 remaining unallocated at this stage. Following discussion with the Chair and Vice Chair of the Committee, it is recommended that further work be undertaken to ascertain where gaps in addressing youth unemployment exist and how best these might be met through the County Council's investment. Further, it is proposed that a commissioning exercise be undertaken to ensure that the £158,000 investment aligns effectively with existing provision and offers best value for the Council. At this stage, it is envisaged that activity to support apprenticeships in specific sectors and / or with specific groups of young people may warrant further investment, alongside consideration of possible relaxation of the 16-19 age range to enable young people up to the age of 24 to be considered through the scheme. Proposals for the use of the remaining budget will be brought back to this Committee in November 2013.

## Outcomes & Outputs

16. The project will deliver a range of outcomes linked directly to the objectives set out earlier in this report. These are as follows:

- New apprenticeship opportunities made available for County residents, aged 16-19.
- Sustained employment secured through the apprenticeship placements.
- Young people prepared more effectively for apprenticeships and a reduced proportion of people leaving an apprenticeship early.
- An increased awareness within the business community of the benefits of apprenticeships.

17. In order to meet these broad outcomes, NN Futures will be contracted to deliver the following outputs:

Outcome	Output		Notts Baseline (2011/2012)
Apprenticeship opportunities made available to County residents aged 16-19	No. of apprenticeship starts	<b>150</b>	N/A (However, there were 1,919 Apprenticeship starts for 16-18 year olds in 2011/12 across all of Nottinghamshire)
Sustained employment secured through the apprenticeship placements	Progression to employment (to include progression onto next level of apprenticeship)	<b>85%</b>	N/A (However, National figs suggest 73% average across all Apprenticeships)
Young people prepared more effectively for apprenticeships and a reduced proportion of	Proportion of candidates supported with apprenticeship application	<b>100%</b>	N/A

people leaving an apprenticeship early	Proportion of candidates progressing onto an apprenticeship to have completed the pre-apprenticeship course	<b>100%</b>	N/A
	Proportion of candidates completing their apprenticeship	<b>90%</b>	72.5%
An increased awareness within the business community of the benefits of apprenticeships	Proportion of businesses engaged that respond to an initial approach.	<b>20%</b>	<b>N/A</b>

18. The delivery of activity will be staggered over the lifetime of the project, with some elements being aligned to maximise the potential uptake (e.g. aligning apprenticeship recruitment to capitalise on 2014 school leavers). It should be noted that the outputs listed may vary slightly once the final delivery proposals have been agreed with Futures.

### **Performance management and evaluation**

19. The project will be contract managed by the Council's Economic Development team, with an external evaluation built into the programme.

20. A progress report will be presented to this Committee in October 2014, after the first 12 months of the project will have been delivered.

### **Reason for Recommendations**

21. The Committee is required to endorse a proposal for delivery against the objectives outlined in this report, and approve the Council entering into a contract with Nottingham and Nottinghamshire Futures for the delivery of the proposal.

### **Statutory and Policy Implications**

22. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

23. The project will be delivered over the 2013/14 to 2015/16 financial years and will be fully funded from the £500,000 set aside for this purpose by the Council at its budget meeting in February 2013.

24. It is also worth noting that the Council already has a separate arrangement with Futures for £300,000 for the delivery of internal Apprenticeship placements within the Council. This is

managed through HR & Customer Services and was approved by Full Council at its budget meeting on 28 February 2013.

## **RECOMMENDATION/S**

25. That Committee endorses the proposals for the delivery of a County Apprenticeship Project.
26. That Committee approves delegated authority for the Corporate Director, Policy, Planning and Corporate Services in consultation with the Chair of Committee to enter into a contract with Nottingham and Nottinghamshire Futures to deliver the proposals set out in this report.

**Report of the Corporate Director, Policy, Planning and Corporate Services – Jayne Francis Ward**

**For any enquiries about this report please contact: James Mann - extn 72686**

### **Constitutional Comments (NAB 7.10.13)**

Economic Development Committee has authority to consider and approve the recommendations set out in this report by virtue of its terms of reference.

### **Financial Comments (SEM 08/10/13)**

The financial implications are set out in the report.

### **Background Papers and Published Documents**

Nottinghamshire Youth Employment Strategy and presentation to Economic Development Committee, 28-03-2013

Apprenticeship Update – report to the Economic Development Committee, 09-07-2013

### **Electoral Division(s) and Member(s) Affected**

All