

Open Report on behalf of Debbie Barnes, Executive Director of Children's Services and Richard Wills, Executive Director for Environment and Economy

Report to:	Children and Young People Scrutiny Committee
Date:	24 July 2015
Subject:	Improving Employment and Skills in Lincolnshire's Growing Business Sectors

Summary:

This report invites the Children and Young People Scrutiny Committee to consider a report on Improving Employment and Skills in Lincolnshire's Growing Business Sectors, and invites views on how all our children and young people can be better prepared to meet future skills requirements, therefore securing better outcomes on leaving education and throughout their adult lives. The outcomes of discussions will inform the setting of the strategic priorities for post 16 education and training for 2016/17 which are due to be considered by the Committee in September 2015.

Actions Required:

The Children and Young People Scrutiny Committee is asked to consider the attached report and to make recommendations regarding the priorities and actions required to ensure our young people are well equipped to achieve their full potential to meet the skills needs and economic growth requirements in Lincolnshire and beyond.

1. Background

There has been some recent improvement (reduction) in the overall number of people who are unemployed. However, the proportion of the total unemployed that are aged 16 – 24, remains worryingly high, particularly in Lincolnshire where the proportion of the total unemployed remains consistently 5% higher for this age group than the national average (25% in Lincolnshire compared to 20% nationally as at the end of May 2015). Although there has been some improvement nationally, (after peaking in late 2011 at 22.5% the youth employment rate has fallen to 16.2%) the position of young people in the labour market has steadily worsened from the early 1990s to the recent recession. In Lincolnshire there are currently 1,850 young people aged 16 – 24 registered as unemployed (May 2015), a reduction of 1,065 from the same time last year.

This is in the context of relatively high participation of 16 – 18 year olds in education where our performance compares favourably with that nationally, suggesting that the situation for 19 – 24 year olds is even worse. This is at a time where employers are already reporting skills shortages and have high numbers of hard to fill vacancies. This suggests that young people are not leaving further and/or higher education with the skills they need to benefit from the available opportunities within Lincolnshire and beyond and/or they are not choosing to work in the sectors where jobs exist.

Alongside this the Greater Lincolnshire Local Enterprise Partnership (GLLEP) has identified that, even with full employment and every young person entering the labour market with the required skills at the appropriate levels, there will still be insufficient individuals to meet the requirements of the local economy.

A recent forecast predicts that 200,000 jobs will need to be filled across the Greater Lincolnshire area by 2022 (includes North and North East Lincolnshire).

Source: Working Futures 2012-2022, Warwick Institute for Employment Research/Cambridge Econometrics 2014.

A large proportion of the 200,000 jobs will be due to people retiring and a number due to overall growth of industry. It is important to note that even if an industry is not growing it will still need to replace those who are retiring.

The forecast shows that the greatest numbers will be needed in health and care, public sector (education) and retail/wholesale, with large numbers also needed in manufacturing/engineering, agriculture/food and the visitor economy.

The forecast also shows that the demand for staff with higher level skills is increasing with degree level jobs and higher needed. This is not necessarily about academic skills. Fewer jobs will be available for those with no, or low (Level 1) qualifications.

Summary of current situation and issues

- Evidence suggests the number of young people who are unemployed may be higher than the official statistics as some young people do not register with Job Centre Plus (ONS October 2014 stated that nationally 237,000 young people who are unemployed do not claim, an increase of 20% since 2012).
- Nationally, 14% of economically active 19 – 24 year olds are unemployed compared to 5% for 25 – 49 year olds. In Lincolnshire the figures are 9% and 4%*. *Source: Annual Population Survey * small sample.*
- Within the youth labour market there is significant hidden talent which includes:
 - unemployed young people
 - economically inactive young people who want a job
 - ‘under-employed’ young people who want more hours than they currently work,
 - young people on government training schemes (NEET engagement programmes, youth contract etc.) undertaking small amounts of job search, work preparation and/or work experience,

- young people who are working in temporary jobs but want permanent work
 - young people that are 'over-qualified' for the work they are doing because they are graduates working in non-graduate roles.
- The Local Government Association (LGA) state that 2.46 million young people are part of what they call hidden talent (or two in every five young people)
- The links between the curriculum offer and skills needs (local, regional and national) are under developed and despite much encouragement, the post 16 curriculum offer in Lincolnshire has not changed significantly to meet skills needs in the last four years. In some cases there has been a slight reduction in some local priority sectors including engineering, hospitality and retail.
- The duty to provide impartial independent careers guidance transferred to schools in September 2013. The local authority does not have any role in monitoring the delivery of careers guidance in schools. Support has been provided to schools to advise and encourage them to develop this, but the quantity and quality of the support does vary between schools. An Ofsted thematic review found that nationally only 1 in 5 schools visited had ensured that all students received sufficient information to consider a wide breadth of career possibilities.
- There are a number of nationally commissioned initiatives to support schools to deliver careers guidance and develop links with employers including: National Careers Service, CAPITA (DfE run Careers and Enterprise Company), and Job Centre Plus meaning the system is fragmented and uncoordinated.
- As a result of the protection of schools funding (pre 16), overall funding for 16 – 19 education has reduced by 12% (*Source: LGA Hidden Talents, October 2014*). The Further Education (FE) sector is facing increasing pressure due to reductions in the Adult Skills Budget and all our main General Further Education (GFE) colleges have, or are undertaking, significant restructuring and re-organisation to take account of budget cuts. The impact of these changes on curriculum is not yet clear, but as a result the sector is likely to become even more competitive.
- The national lagged learner funding model encourages school sixth forms, colleges and other providers to compete to attract learners rather than to collaborate to work collectively to create a mix of courses that meet the needs of local employers and the ambitions of young people in an area. In Lincolnshire this is compounded by the reducing cohort size which will not plateau until 2020/21
- There is an oversufficiency (and growing number) of small academic school sixth forms in Lincolnshire, creating additional tension between the duty to provide independent impartial careers and advice about all the available careers options and the need to maintain sixth form learner numbers in a school. The high proportion of students that drop out of school sixth form, having completed part or a full year at AS level, suggests some of those young people would be more suited to an alternative vocational route.
- Disadvantaged young people including Looked after Children (LAC), Care leavers, those with Special Educational Needs (SEND), those known to the Youth Offending Team (YOT) and those who have been eligible for free school meals (FSM) continue to be over-represented in NEET (Not in Employment, Education or Training), and have poorer prospects for employment and earning potential in their adult life.

- The gap in attainment for those students who have been eligible for pupil premium, (LAC or FSM) and the overall cohort is higher in Lincolnshire than that nationally, regionally and that of our statistical neighbours.
- These groups (LAC, Care leavers, SEND, YOT, FSM) make up part of the 'hidden talent' referred to earlier.
- There has been some success in increasing the proportion of 16 and 17 year olds undertaking apprenticeships from 3% in May 2012 to 6.7% in May 2015. However, a high proportion of these apprenticeships continue to be at level 2 (twice as many as at level 3) and there are limited opportunities currently for progress to level 4 and above.

The role of Lincolnshire County Council

- The Council continues to seek to use its influence in relation to shaping post 16 provision in the area, through publishing annually its strategic priorities for post 16 education and training, and communicating these through meetings with senior leaders in school sixth forms, colleges and other providers.
- Officers from Children's Services and Economy and Environment work together to produce and disseminate labour market information to schools, including the termly publication of 'Aspirations' providing information about the local economy and emerging and growing sectors in Lincolnshire
- The Council has, as part of its youth employment strategy, established (and appointed to) a post dedicated to increasing the number and range of opportunities for young people to access supported internships (SEND), traineeships, apprenticeships and work experience within the Council with a view to becoming an exemplar employer in relation to youth opportunities.
- In addition, the potential to develop and deliver higher and degree level apprenticeships is being explored, as a means of providing a meaningful alternative to the academic route to degree level, and to potentially meet some of the Council's own future recruitment requirements in terms of hard to fill vacancies.
- The Raising the Participation Age (RPA) vulnerable learners group meets termly and is comprised of a range of stakeholders from the public, private and voluntary sector. The remit of the group is to identify barriers to participation and to ensure appropriate provision is in place to support participation of vulnerable young people.
- The Council's own Supported Internship programme delivered by the Promoting Employment Team (formerly Welfare to Work) and funded via mainstream funding from the Education Funding Agency has been particularly successful in supporting young people with special educational needs and disabilities (SEND) into employment. In 2013/14 8 out of 12 young people went on to gain paid employment following completion of a supported internship programme, and of the 2014/15 cohort of 36 internees, 19 have already gained employment. We expect this figure to rise over the summer.
- Efforts continue to encourage schools, colleges and other providers to collaborate to ensure an appropriate curriculum to meet the needs and aspirations of young people and future skills needs of employers. This is likely to become increasingly challenging given the increased competition for students.

- Subject to consultation, the Council's resource to support schools to develop and improve their career education and guidance offer will no longer be available from September 2015. The quality and appropriateness of schools' careers guidance offer and their student destinations will be included in the work to support the development of sector led school improvement and school to school support.
- Support for young people who are NEET aged 16 and 17, to support them back into education, or signpost to appropriate engagement activity is currently provided by the Lincolnshire County Council Careers Services. Job Centre Plus also has one member of staff to support hard to engage NEET across Lincolnshire as part of the Department of Work and Pensions (DWP) 16/17 NEET Initiative pilot.
- The range of support and services supporting youth transitions is huge, with much of it centrally managed by different Government Departments and Agencies, with the result that it is fragmented and uncoordinated, with limited or in most cases no local accountability or powers to intervene or shape. Appendix A contains further information on the range of support and services available.

Role of the Greater Lincolnshire Local Enterprise Partnership and Employment and Skills Boards

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) is one of 39 Local Enterprise Partnerships (LEPs) that Government asked local areas to create. It is a private sector led Board with the aim of increasing economic growth in the area it covers and increasing prosperity. It has a wide strategic agenda, including housing, transport, water management and how it can lobby Government to unlock barriers to growth.

The Employment and Skills Board (ESB), also private sector led, was set up to champion learning and skills, and influence skills funders on behalf of employers in Lincolnshire. Decisions on skills funding are often made with no knowledge of the local area or how best to support employers, communities or individuals. Making use of research it commissions, pilot projects, and local statistics, the Board lobbies and influences Government on how it spends on skills. The ESB is a formal structure within the LEP and deals with skills on its behalf.

Our LEP Board Directors and Skills Board members go through a transparent recruitment process and are volunteers from across the private and public sector. Councillor C J Davie is a member of the LEP Board and Councillor Mrs P A Bradwell is a member of the ESB.

2. Conclusion

Most of the issues and challenges outlined in this report are reflected nationally and are not specific to Lincolnshire. There is a need however, to identify what action can be taken locally to improve the prospects for those of our young people who are not able to benefit from the current and future employment and career opportunities in Lincolnshire as well as elsewhere. This includes how Lincolnshire County Council can influence key stake holders and partners including the Greater Lincolnshire Local Enterprise Partnership, District Councils, Education and Training

providers and others to improve the employment prospects for our young people and therefore help to provide the skills required to ensure future economic growth in Lincolnshire.

3. Consultation

a) Policy Proofing Actions Required

Not applicable

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Services supporting youth transitions by age

5. Background Papers

Local Government Association: Youth Transitions. Helping every young person reach their full potential http://www.local.gov.uk/web/guest/post-16/-/journal_content/56/10180/6703916/ARTICLE

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