

REPORT TO: Employment, Learning, Skills and Community
Policy & Performance Board

DATE: 25th March 2013

REPORTING OFFICER: Strategic Director - Policy & Resources.

PORTFOLIO: Economic Development

SUBJECT: Employment, Learning & Skills Quarterly Policy
Update

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 To inform the Board of recent national policy announcements relevant to employment, learning and skills.

2.0 RECOMMENDATION:

- 2.1 That the report is noted.**

3.0 BACKGROUND

- 3.1 A steady flow of policy announcements, consultation exercises, reports and ministerial statements are issued by government departments and agencies that have varying degrees of relevance to issues on the employment, learning and skills agenda and related topics.
- 3.2 Therefore, brief summaries of key announcements in a 'digest' format to the board are provided on a quarterly basis, along with observations of local relevance, where appropriate, so the Board can consider whether to initiate more detailed scrutiny and/or a more detailed report to a future meeting.

4.0 RECENT KEY POLICY ANNOUNCEMENTS

4.1 Richard Review of Apprenticeships

An independent review of apprenticeships chaired by entrepreneur, former Dragon's Den Investor and founder of School for Start-ups, Doug Richard, issued its final report and recommendations in late November 2012. A summary of the report can be found [HERE](#).

Richard calls for an improvement in the quality of apprenticeships and that they are more focused upon the needs of employers.

His key recommendations include:

- A redefinition of apprenticeships: they should be targeted only at those new to a job or role that requires sustained and substantial training.
- A stronger focus on the outcome of an apprenticeship: what the Apprentice will be able to do upon completion of training, and a freeing up the process by which they get there. The development of trusted and independent assessment is a key element.
- The basis of an apprenticeship should be the relevant recognised industry standards.
- All Apprentices should have reached a good level in English and maths before they can complete their apprenticeship.
- Government funding should be used to create the right incentives for apprenticeship training, with the purchasing power for investing in training being with the employer.
- A greater diversity and innovation in training – with employers and government taking more active role in safeguarding quality.

The Secretaries of State for Business and Education, and the government will now consider the recommendations.

COMMENT; Reaction to the Richard Review has been generally favourable, especially the strong recommendation to tighten the definition of an apprenticeship. A greater involvement of employers in the design and planning of apprenticeship frameworks was also generally welcomed.

The main area of concern has been around the frequent use of the phrase 'light touch' throughout the report. Any mention of 'light touch', particularly in regard to the approval of training organisations that provide good-quality training relevant for the this sector inevitably generates unease.

4.2 Coalition Government Mid-Term Review

In early January the Coalition Government published its 'Mid-term Review' along with a detailed pledge-by-pledge audit of its progress so far.

Whilst not a great deal of direct significance to the employment, learning and skills agenda, key 'pledges' in the Coalition Agreement that have been achieved include:

- Welfare reforms delivering savings of £19bn per year by 2014-15
- Creation of a Benefit 'Cap' to apply from 2013
- Design of a single benefit - Universal Credit to simplify the benefits system
- The number of people on incapacity benefits reduced by 145,000
- Launch of the Youth Contract.
- Increased financial support for poorer students
- Funded nearly a million new apprenticeships
- Maintained investment in science and research

Action points on the 'To do' list for the second half of the current Parliament that are relevant to employment, learning and skills:

- The implementation of Universal Credit
- Start all remaining outstanding parts of the Youth Contract
- Introduce the Personal Independence Payment for disabled people
- Provide start-up loans and business mentors to unemployed people
- Implement the Wolf reforms to vocational qualifications
- Reduce the number of further education qualifications
- Introduce Advanced Learning Loans in August 2013
- Provide £920m extra investment for UK science research infrastructure

COMMENT: Whilst there is not anything 'new' in the mid-term review about employment, lifelong learning and skills the Coalition Government's commitment to delivering its existing pledges on issues such as welfare reform should be noted.

4.3 Consultation on pre-Apprenticeship Traineeships

In January the Government's Department for Education, and Department for Business, Innovation and Skills ('BIS') issued a joint discussion paper on pre-Apprenticeship Traineeships. It is proposed to introduce the programme in September 2013 alongside 16 to 19 study programmes.

The aim is to establish traineeships as the preferred route for young people aged 16 to 24 to equip them with the skills and experience they need to go on to secure an apprenticeship. An issue that was raised in the Richard Review – see paragraph 4.1 above.

It is proposed that traineeships will last around 6 months and consist of three core elements:

- A focused period of work preparation training. E.g. CV writing, interview preparation, job searching, strengthening inter-personal skills.
- A high quality work placement (extended, where possible).

- English and maths for those who have not yet achieved at least a GCSE Grade C or an equivalent.

The programme, which would include mentoring and other pastoral support, is intended to be flexible enough to allow for the needs of individual young people, and of the local labour market, with the objective of helping young people to successfully progress into an apprenticeship.

Comments were invited by 8 February 2013.

COMMENT: A generally positive reception, with a consensus that Traineeships should seek to equip young people with the skills and experience they need to secure an Apprenticeship or another good job.

It has been pointed out that there are a proportion of adults over the age of 24, who would similarly benefit from this structured approach to acquiring essential employment skills and experience, rather than when entering the Work Programme after a period of employment.

More precise details of the content of Traineeships is to be published during the spring, but it is hoped that it will be as expansive as possible and suitable to be tailored to the needs of the individual, and providing them with sufficient support and advocacy to successfully launch their employment career. Clarification of how this will work alongside any welfare benefits they may be in receipt of, and other programmes is also awaited.

4.4 Consultation on changes to TUPE Regulations

In November 2011 BIS issued a call for evidence on the effectiveness of TUPE. Also, in May 2012 businessman Adrian Beecroft's review of employment regulations for BIS included several radical recommendations across a wide range of issues, including introduction of 'no-fault' dismissal and a significant weakening of TUPE regulations and redundancy consultation notice periods, especially for employees of SME's.

In January 2013 BIS launched a formal consultation on a set of proposed changes to the TUPE Regulations, stating that the changes will "improve and simplify" the Regulations. The consultation document is available [HERE](#)

There are changes proposed in a number of areas of the current TUPE Regulations. These include:

- service provisions changes
- employee liability information
- contractual changes, protection against dismissal and substantial changes to working conditions

- dismissals arising from a change in the workplace
- collective redundancy consultation
- micro-businesses
- terms and conditions derived from collective agreements
- pre-transfer dismissals.

The closing date for the receipt of responses is 11 April 2013

Comment: Reaction has been very mixed with a considerable amount of concern and uncertainty from both employers and trade unions as well as amongst specialist employment lawyers, as to whether the changes as currently drafted will clarify the current situation.

4.5 Regional Growth Fund ('RGF')

The results of Round 3 of the RGF were announced in October 2012, and 21 projects in the North West were successful, receiving a total of £88m. Nationally there were 130 successful bidders sharing £1bn. The Government claims that for every £1 of taxpayer money spent, the fund would leverage £6 of private sector investment.

Locally, Sci-Tech Daresbury was successful in securing £10m towards funding its expansion plans, and the five local enterprise partnerships in the region, will also share £65m to deliver business support programmes and prepare sites for development. Liverpool City Region LEP has been awarded cash to create a three-year grant programme

On 17th January 2013 the latest round (Round 4) of the Government's Regional Growth Fund opened, with a £350 million cash pot, and closes for applications on 20 March. All grant offers will be confirmed within six months.

The aim of the Regional Growth Fund is to help rebalance the economy by investing in companies that can create jobs and attract substantial match-funding from the private sector. It has a target for every pound of government money, the private sector to put in six pounds.

Potential applicants are advised to participate in 'expressions of interest' events in their region for support and further help with the application process. The north west hosted the first of these, in Manchester on 31 January 2013.

COMMENT: The Government states that over 180 RGF-supported projects are already under way and that it is expected there will be strong interest from across a wide range of industries for this latest round.

4.5 Launch of Industrial Cadet Scheme

A new scheme to raise the aspirations and develop the employability skills of young people by exposing them to career opportunities in local industry was launched on 21st January 2013 by His Royal Highness the Prince of Wales and Communities Secretary Eric Pickles at the Jaguar Land Rover plant in Halewood, Liverpool.

The Industrial Cadets scheme offers students aged 12 - 14 in six areas across the country a programme of activities including 'hands-on' project work, mentoring and company visits to build awareness of their local manufacturing industry and future career opportunities. The experience gained on the scheme, supported by funding provided by the Department for Communities and Local Government, is designed to help young people develop important skills and abilities such as creativity and innovation, critical thinking and problem solving, digital skills, and personal development.

The scheme is being implemented by the education charity Engineering Development Trust, that works to promote science, technology, engineering and maths (STEM) subjects and careers to children and young people aged 11 to 21.

More information can be found at the Industrial Cadets website: <http://industrialcadets.org.uk/>

COMMENT: Whilst Halton is currently not one of the six places covered by the scheme, if it is successful we need to explore how to establish it with local STEM employers in the borough and adopt any emerging good practice.

4.6 Publication of further 2011 Census Data

A steady stream of data from the 2011 Census has been published by the Office for National Statistics in recent months. The Council's Research & Intelligence Unit has collated this into a single document that shows Halton's position in 2011 relative to the 2001 Census (where applicable) and to England. A copy of the document can be found at this hyperlink [Halton Census Summary](#) .

Further data has very recently been received, and should permit analysis down to ward level for several of the key indicators. It is hoped to publish this in the spring.

COMMENT: The Census is a valuable 'snap-shot', providing a wealth of information that shows Halton's position relative to both where we were a decade ago, and to that of other local authority areas. The ward level data expected later this year will be especially helpful when planning services.

4.7 Launch of International Business Festival in Liverpool

On Friday 4th January during a visit to Liverpool, the Prime Minister announced the launch of the UK's International Festival for Business 2014, to be take place in the city region in June and July 2014.

The festival is planned to be a global showcase of business, with a programme of events across the city region over 61 days and attracting over 250,000 international visitors and a target of £100 million of inward investment.

COMMENT: Planning is already underway to ensure that Halton is well represented during the festival, such as events at the iconic tower at Daresbury as part of our drive to draw in new businesses to the thriving and growing Sci-Tech Daresbury campus.

More detailed progress reports on the International Festival for Business will be brought to future meetings.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The varied range of issues covered in this report potentially present a number of challenges and opportunities across a number of the Council's Current priorities. Each would therefore require a thorough analysis at some point in the future.

6.0 RISK ANALYSIS

There are no immediate risks or opportunities directly relating to the information in the report at this point in time. Again, a full assessment could be necessary at some point in the future.

7.0 EQUALITY AND DIVERSITY ISSUES

Not applicable.

FURTHER INFORMATION

If members require a more detailed analysis of any of the issues in this report, or copies of any of the documents referred to, they should contact;

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