

(Note: These minutes are subject to confirmation at the next meeting of the sub-committee scheduled to be held on 13 November 2018.)

Economic Prosperity Sub-Committee

11 September 2018

Present: Councillor Janet Hunter (Chair)
Councillors J Cassidy, D Drummond,
J Harrison, J Mole, W Samuel
and J Walker.

EP07/09/18 Apologies

Apologies for absence were received from Councillors K Lee, M Madden and M Rankin.

EP08/06/18 Substitute Members

There were no substitute members appointed.

EP09/06/18 Declarations of Interest and Dispensations

There were no Declarations of Interest or Dispensations reported.

EP10/09/18 Minutes

Resolved that the minutes of the previous meeting held on the 26 June 2018 be confirmed and signed by the Chair.

EP11/09/18 Apprenticeships (Previous Minute EP37/02/17)

The sub-committee had previously received reports in relation to the development and effectiveness of apprenticeship programmes. The sub-committee had agreed to review the topic when the Apprenticeship Levy and other government reforms had been operational for some time to evaluate their effect in terms of the number of apprenticeships in North Tyneside.

Prior to the meeting members of the sub-committee had visited Accenture's Technology Centre on the Cobalt Business Park. Accenture employed 1,200 people at the centre who were engaged in developing IT applications for a wide range of customers including government departments, banks, utility companies and retailers. Members heard about Accenture's Apprenticeship Programme and how young people were recruited, trained and supported through the programme. Accenture described the range of activities it undertook to promote apprenticeships in schools and among young people and how it targeted disadvantaged groups including young people not in education or employment (NEETs). The sub-committee met 3 young employees who were each at a different stage in the apprenticeship programme to hear their views and experiences about being an apprentice.

The Council's Senior Manager: Employment and Skills, Mark Barrett, attended the meeting to present details of the main changes to apprenticeships, the local response to them and the impact of the reforms on apprenticeship numbers in North Tyneside.

The main reforms had been:-

- a) The Apprenticeship Levy which required all employers with an annual pay bill of £3m or more to pay the levy in return for a digital voucher, topped up by the Government, to purchase apprenticeship training;
- b) The Public Sector Apprenticeship Targets which required prescribed public sector bodies with 250 or more staff in England to employ an average of at least 2.3% of their staff as new apprentice starts over the period of 1 April 2017 to 31 March 2021;
- c) Changes to Education Skills Funding Agency which meant the Agency no longer paid training providers directly for apprenticeship training, instead employers were issued with a digital voucher to 'purchase' delivery of training when they employed an apprentice;
- d) A difference in funding rules between employers liable for the Apprenticeship Levy who paid the costs for training through the levy and the Government added 10% to this funding, and smaller employers who did not pay the levy but paid 10% towards the cost of training and the Government paid the rest (90%) up to a funding band maximum;
- e) New Apprenticeship Standards where employers had been given the opportunity to write and design their own apprenticeships which matched the needs of their business; and
- f) The Digital Apprenticeship Service, an online portal enabling employers to have a levy account showing the amount of funding they can spend on apprenticeships.

The sub-committee noted the range of initiatives in North Tyneside to support and promote apprenticeships. The North Tyneside Apprenticeship Partnership brought together key partners to work together to ensure employers and individuals received a comprehensive offer of apprenticeships and associated training. It delivered a range of joint activities and events including National Apprenticeship Week, 'Get Up and Go' events, awareness and drop in sessions and Learning Packs for schools.

The Council had operated an Apprenticeship Academy for a number of years taking on around 20 new recruits each year. Of the apprentices completing their programme so far, 78% were now in a job and 48.5% were employed by the Council. The Academy encouraged applications from those in less advantaged groups and since 2015 over half of the apprentices had been from these targeted groups. An Apprenticeship Strategy for the Council as an employer was being developed to fulfil the authority's corporate social responsibility towards apprenticeships and ensuring apprenticeships became an integral part of the workforce strategy.

The Council was also a training provider. Following a restructure a dedicated Programme Manager for Apprenticeships had been appointed which had enabled a full review of the training provision and the development of an Apprenticeships Delivery Model. The review had identified a number of improvements including addressing the requirements for employers recruiting apprentices in a more holistic way and ensuring the apprentices themselves are better supported whilst on programme.

At a regional level, the Apprenticeship Growth Partnership continued to assess the impact of the reforms and promote the benefits of apprenticeships to employers. This work was also supported by the North East Local Enterprise Partnership (LEP) who had been extremely active during National Apprenticeship Week. The North of Tyne Devolution Deal included a key focus on ensuring that the most vulnerable groups in the area were supported to secure and progress into employment. This would include work to promote and increase the number of apprenticeship opportunities. Discussions had commenced with Government on the use of unused Apprenticeship Levy funds to be reinvested back into the North of Tyne area to support employers. (Accenture reported to the sub-committee that it did not have the capacity to recruit the number of apprentices that would be required to spend all of the funding available to it through the Apprenticeship Levy. Funds therefore remained unused.)

The sub-committee were presented with a summary of the numbers of apprenticeships in the region and in North Tyneside. After a slight decline in apprenticeship starts between 2012-2014 numbers had recovered between 2014-2016 reflecting the increased awareness and promotion of apprenticeships. However the extent of the Government's reforms and uncertainty amongst employers had had a dramatic impact on apprenticeship starts since 2016. The latest provisional data indicated a reduction in apprenticeship starts of 27% in the North East between 2016-17 and 2017-18 and 18% in North Tyneside over the same period. This compared favourably with figures quoted elsewhere in the country where reductions had been reported of between 40-50%.

The sub-committee reflected on the emphasis given by Accenture during its recruitment and selection processes to softer employability skills. Members considered whether the new Apprenticeship Standards designed by employers provided young people with the core transferrable skills that would serve them during the course of their working lives. It was stated that good training providers did work beyond the limits of the standards to ensure that a more holistic approach was adopted in supporting individuals to develop these softer skills. It was suggested that consideration needed to be given to the development of core employability skills in formulating the Council's Apprenticeship Strategy.

The sub-committee also discussed the challenge in predicting the skills that would be required by businesses in 5 to 10 years' time although the design of skills training could be informed by the Council's vision for the borough and its Local Plan. It was stated that European Funding for employability projects was guaranteed up until 2021 and that Brexit may provide opportunities to simplify the funding systems.

It was **agreed** that (1) the reforms to the apprenticeships system, the local response to them and the impact of the reforms on apprenticeship numbers in North Tyneside be noted; and
(2) the sub-committee continue to monitor the number of apprenticeships in North Tyneside and their outcomes.

EP12/09/18 Retail and Town Centres Sub Group (Previous Minute 06/06/18)

At its previous meeting the Deputy Mayor had suggested that the sub-committee could usefully investigate the future role and nature of town and retail centres. Councillor Pickard had posed the question that if the Council were to regenerate its town and retail centres, how could it develop sustainable retail models in the light of the growth of online shopping?

The sub-committee agreed that such an investigation be included within its work programme for 2018/19. Since then work had been undertaken to define the terms of reference for the investigation and prepare an outline work programme. The outcome of this work was presented for the sub-committee's consideration.

It was proposed that the sub-committee appoint a time limited sub group to:

- a) Examine the existing local plans and strategies that aim to develop town and retail centres in North Tyneside;
- b) Examine national policies, strategies, campaigns and reports, including
- c) Examine how the retail sector and consumer behaviour have changed and how retailing may develop in the future;
- d) Examine what other local authorities have done to successfully remodel their town centres; and
- e) formulate evidence based recommendations as to how the Council might shape its regeneration plans to develop and support sustainable retail and town centres in North Tyneside.

The sub group would aim to complete its investigation by the end of the current municipal year with a view to submitting any final report and recommendations to the sub-committee on 12 March 2019.

Resolved that (1) a time limited sub group be appointed to investigate the future development of retail and town centres in North Tyneside;
(2) the terms of reference as set out above, and the outline work programme, be approved;
(3) the membership of the sub-group comprise Councillors Sandra Graham, John Harrison, Frank Lott, John O'Shea, Willie Samuel; and Judith Wallace; and
(4) the sub group appoint a lead member at its first meeting.

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