

# **YOUTH UNEMPLOYMENT IN HARTLEPOOL**

**UPDATE MARCH 2008**

*Tracy Elwin – Research and Consultancy*

# DRAFT EXECUTIVE REPORT

Contents	Page
----------	------

<b>1. Introduction</b>	
------------------------	--

1.1 The First research brief	3
1.2 The Second research brief	6
1.3 Reviewing the brief	6
1.3 Methodology	7

<b>2. Data Review</b>	
-----------------------	--

2.1 NEETs	8
2.2 18-24 New Deal	9

<b>3. Key issues for further exploration</b>	
--	--

3.1 Review of Current provision	10
√ <sup>1</sup> Provision of IAG	10
√ <sup>1</sup> Sustained support for young people	11

3.2 Modern apprenticeships	12
----------------------------	----

<b>4. Conclusions and Recommendations</b>	20
---	----

## Appendices

Appendix 1 - Scrutiny Forum Report

Appendix 2 - Mapping Table

Appendix 3 - List of interviewees

Appendix 4 - Desk case studies: Group Training Associations/Organisations

    √<sup>1</sup> ESH Group – County Durham, UK

    √<sup>1</sup> GTO's in New South Wales – Australia

Appendix 5 – Outline Costings for GTA

# 1. Introduction

## 1.1 The first research brief

The first piece of work – Youth Unemployment in Hartlepool – developing an evidence base (February 2007) came about as a result of a meeting of the Regeneration and Planning Services Scrutiny Forum on 16 June 2006 where Members of the forum considered potential work programme items for the 2006/07 municipal year. During this meeting members selected the ‘youth unemployment’ topic as its second main Scrutiny investigation for the current municipal year.

The initial research brief outlined a number of key areas for further exploration.

- √<sup>1</sup> What is the real scale of the NEET problem in Hartlepool and what are the factors that lead to 16 and 17 year olds becoming classified as NEET?
- √<sup>1</sup> What has been the impact of mainstream publicly funded employment and training programmes targeted at 16-24 year olds?
- √<sup>1</sup> Where are the gaps in mainstream provision?
- √<sup>1</sup> What are the perception of employers and young people?

## Key findings and recommendations

The research took place between November 2006 and February 2007 and involved consultation with key stakeholders, including agencies, employers and young people.

**Young People 16-18** whilst the majority of young people at 16 are identifying progression routes, for a significant number of these young people this is not a sustained outcome and they are disengaging from learning for a variety of reasons:

- √<sup>1</sup> Lack of direction – “I don’t know what I want to do” and many seem unsure about progression routes
- √<sup>1</sup> Unable to secure a placement
- √<sup>1</sup> Inappropriate provision often due to:
  - basic skill needs
  - ‘academic’ teaching and learning styles

There was a general consensus that training and education was not adequately preparing young people for the labour market.

**The NEET group** - There are vulnerable groups within the NEET group who require targeted and intensive support – in particular teenage parents and young carers. The wider issues of social deprivation and generational

unemployment also need to be addressed before issues relating to learning or employability can be addressed.

### **Barriers to training and employment**

Young people face particular barriers in relation to their engagement and retention in training and employment:

- √<sup>1</sup> Lack of employability skills
- √<sup>1</sup> Lack of basic skills
- √<sup>1</sup> Structural barriers, including benefit dependency and a lack of jobs in the local labour market

### **18-24 Age group**

Over the last 10 years Hartlepool has seen a reduction in the number of 18-24 year old claimants. But there is insufficient data available to ascertain the impact of New Deal on this reduction or to analyse the destinations of these young people. Within this cohort there is significant 'churn' on and off the claimant register which would be consistent with feed back from young people, agencies and organisations that young people are dropping out of provision or avoiding New Deal, however, without further data and analysis this cannot be confirmed.

### **Recommendations**

#### **Data**

There are a number of data issues that need to be addressed

- √<sup>1</sup> More in depth analysis of 18-24 claimant count and flow
- √<sup>1</sup> Data on the delivery and outcomes of New Deal for Young People in Hartlepool.
- √<sup>1</sup> In order to gain as full an understanding of this claimant group systems for recording, collating and sharing data between agencies need to be developed and implemented.

### **Potential projects areas**

**Extending ILM type activities** across the age range to provide intensive support that can effectively address issues of basic skills, employability and wider social issues. Consideration needs to be given to extending current provision to 12months and introducing increments as incentives. Particularly with the 'hard to reach' groups a significant amount of resources and multi-agency working is required to remove more fundamental barriers eg care, financial/benefit, health, housing, aspirations

**Support for those young people unemployed under 6 months** to ensure they identify an appropriate progression route and that their engagement and retention in that provision/opportunity is supported to prevent them returning to the claimant count.

**Support for young vulnerable young people** – ensure existing and new provision can be targeted to the needs of vulnerable young people as identified in this report: young people leaving care, teenage parents, young carers and those with other 'family issues', homeless young people, young people with mental health issues, dependency issues and learning difficulties and disabilities. This also touches on the need for **support for those young people on incapacity benefit**. A greater understanding of this group and the support they require to move into training or employment is needed.

**More training and vocational tasters** to provide young people with the opportunity to gain a real insight into different courses and areas of work

**IAG** must be focused and clearly linked to progression routes in the local labour market and provide targeted support for those that drop out of training or are in danger of dropping out of training.

**Explore the potential for social enterprise activities** to support young people in training and employment opportunities

**Further consultation with young people, agencies and organisations**  
The research brief 'threw a very wide net' over the issues to be explored. This initial report has highlighted some of the key areas that require further exploration.

### **Other issues**

Impact of the EMA needs to be monitored in terms of how far it assists young people to engaged and stay engaged in learning.

A report was taken to the Scrutiny Forum that drew heavily on the findings of this report in March 2007. The Scrutiny Forum made a number of recommendations some of which formed the basis of this second research brief and some of which Economic Development have begun to progress (see appendix 1 for further details).

Subsequently, a further research brief was drawn up focussing in particular on:

- √<sup>1</sup> Careers guidance (provision of Information, Advice and Guidance)
- √<sup>1</sup> Increased flexibility of the New Deal programme
- √<sup>1</sup> Identifying future opportunities for Modern Apprenticeships

## 1.2 The second research brief

The second research brief intended to 'pick up' on the recommendations made by Scrutiny Forum but also to try and move the research forward by exploring potential gaps in current delivery.

The brief prioritised 4 key areas:

### **Reviewing the data in relation to:**

- √<sup>1</sup> The NEETs and not knowns in the 16-19 age group.
- √<sup>1</sup> 18-24 New Deal programme – in particular a more in depth analysis of claimant count and flow, as well as the impact of New Deal on young people in Hartlepool.

### **A mapping exercise of current provision and services for young people in Hartlepool.** This exercise will also explore further the delivery of:

- √<sup>1</sup> IAG services as part of this provision
- √<sup>1</sup> The provision of sustained support aimed at:
  - Completing/achieving positive outcome
  - Identifying further appropriate progression routes
  - Aftercare – to ensure long term sustainability within the labour market

**Modern Apprenticeships** – explore the benefits of modern apprenticeships for young people and employers and the potential for encouraging more employers and young people to take up these opportunities.

### **The benefits of and potential for targeted interventions for those unemployed less than 6 months.**

## **Reviewing the brief**

As work commenced on the second research brief it became increasingly evident, in particular in discussions with key stakeholders, that the brief needed to be narrowed. Consultation took place with a number of agencies and organisations in an attempt to undertake a mapping exercise of youth employment and training support initiatives across the town (see appendix 2 for full list). However, in consultation it was felt that this was not necessarily the most desirable exercise to undertake given how quickly mapping becomes outdated but also because of the plethora of various questionnaires – all aiming to map out provision of different services across the town. It was recommended that a consultation event would be of more use in not only providing an overview of provision and Providers but in assisting to identify gaps in provision and potential overlap/ duplication. It was felt that not only would this exercise assist in building a clearer picture and understanding of provision but would ensure that providers were involved in the process.

Taking this into account the research brief focussed on the other three areas identified for further exploration. The limited work completed on the mapping to date has been included in appendix 3 for reference and could be used as a starting point for the consultation event.

#### **1.4 Methodology**

The research took place between August 2007 and January 2008. The first stage of the research involved a review of the existing data relating to the NEET group and 18-24 claimant count. A series of semi structured interviews were also arranged with a range of agencies and organisations. To date consultation has taken place with 14 organisations (see appendix 2). In addition desk research was undertaken to compile case studies relating to Modern Apprenticeships (see appendix 4).

## 2. Reviewing the Data

### 2.1 The NEET Group

	Hartlepool 2006	Hartlepool 2007	Tees Valley 2006	Tees Valley 2007	England 2006	England 2007
<b>16-18 Cohort Profile</b>	2950	2930	21209	21269	1125658	1268423
% In learning	70.2	73.7	71.2	73.7	75.2	76.7
% NEET	11.7	10.4	12.4	10.7	8.6	7.7
% In employment	17.2	8.5	15.5	10.0	17.9	13.4
% Not known	4	8.4	4.8	8.1	5.4	5.0

**Source: Hartlepool Borough Council**

The above table is taken from the initial report and has been updated with data from Children's and Families Services (Hartlepool Borough Council). On first impressions of the data it would appear that whilst the percentage of 16-18 year olds in learning has increased slightly, those in employment has significantly decreased and those not known has significantly increased. However, the sudden increase in not knowns is related to 250 young people who have been recorded as completing post compulsory education in June rather than July and have therefore appeared in this category one month early. The employment data compiled for 2007 was not the same as that used for June 2006 and this goes some way to explaining the decrease in this indicator across Hartlepool, Tees Valley and England.

The number of young people unavailable for work has declined from 3.6% in June 2006 to 2.8% in 2007. There are still significantly more teenage parents unavailable for work in the town (making up 1.8% of all those unavailable) than in Tees Valley (1.5%) and England (0.8%).

Overall there have not been significant changes in the data and Connexions are confident they are within their targets on their key indicators with the exception of the recording issue relating to the 250 16 year olds.

Since the disaggregation of the Tees Valley Connexions Service in April 2007, the Connexions Service in Hartlepool has continued to provide a universal service for 13-19 year olds with targeted provision for vulnerable NEETs. In particular, targeted youth interventions are focused on issues relating to teenage pregnancy and those young people on incapacity benefit. The service failed to meet it's NEET target in December 2006 which it attributes to:

- √<sup>1</sup> Introduction of EMA

- √<sup>1</sup> Loss of targeted provision for NEETs: Hartlepool 100 project and the Kick Start project.

Connexions are confident of being able to work effectively with the NEET group if more resources are made available to target this group as part of their universal service.



## 2.2 18-24 New Deal

A meeting was arranged with JCP to discuss the data issues identified in the initial piece of research. Unfortunately the representative from **district office** was unable to attend. The data queries were forwarded but to date no response has been received. It is recommended that this needs to be pursued at officer level via **JCP District office?**

Two key points emerged from the discussions regarding the 18-24 age group:

- √ Potential to explore the feasibility of a pre new deal project to work with young people unemployed less than 6 months to provide intensive support to identify progression route. Projects to support early entry to New Deal at this stage would need to be developed and explored via co financing routes rather than mainstream JCP due to the risk of benefit sanctions.
- √ In discussion with JCP, it was felt that there were still gaps in provision for young people, notably in relation to basic skills. In particular it was commented that initiatives such as the current Intermediate Labour Market (ILM) managed by Hartlepool Borough Council was an effective and sustainable stepping stone to employment for this target group.

### **3. Key Issues for further exploration**

#### **3.1. Current Provision**

As the mapping exercise was suspended – this section of the brief focussed on issues regarding the provision of IAG and the provision of sustained support aimed at:

- Completing/achieving positive outcome
- Identifying further appropriate progression routes
- Aftercare – to ensure long term sustainability within the labour market

#### **The Provision of IAG**

√<sup>1</sup> IAG and the labour market – it was identified, particularly in schools that IAG was not sufficiently labour market focused. ‘Preparation for work’ support is needed from age 11 as well as support to develop and identify transferable skills. Opportunities were identified for Connexions and Economic Development to work more closely with school aged young people in order to better prepare them for the world of work.

√<sup>1</sup> Quality of provision – a number of issues were raised in relation to this:

- Current provision was often fragmented.
- All IAG practitioners should be qualified to NVQ level 4 and able to offer a ‘full service’ to young people to include engagement, rapport and confidence building, counselling and guidance.
- The Introduction of IAG standards was viewed as a means to help to drive up the quality of IAG provision for young people.
- It was felt that there was a potential role for Economic Development in the commissioning of IAG provision via Children’s Trust to ensure a more labour market focus to provision.

√<sup>1</sup> Quantity of provision – feed back from partners indicated that there was sufficient IAG provision but concerns were raised that provision was being curtailed or fragmented due to funding issues and restrictions regarding eligibility of young people and the time allocation for working with them.

There have been a number of developments since this research was undertaken that will assist with addressing some of the issues raised in relating to the quality of provision:

- √<sup>1</sup> Connexions Service 14-19 Coordinator has commissioned a consultant to bring together agencies who deliver IAG to discuss issues regarding the IAG standards.
- √<sup>1</sup> Economic Development are working towards Matrix accreditation for the whole department

- √<sup>1</sup> The Jobsmart Consortium (HBC) are working towards all those involved in the Consortium becoming Matrix accredited.

## **Sustained support for young people**

This was recognised by all partners as key to ensuring young people are able to maintain a long term connection with the labour market, but ultimately their ability to do this is linked to funding. Long term support is costly and funding programmes and structures need to take this into account. The importance of aftercare and sustained support for workless people has been recognised both regionally and nationally; in terms of the Regional Employability Framework and central government's Welfare Review — Reducing dependency, increasing opportunity: options for the future of welfare to work (David Freud 2007) which refers to the provision of aftercare of up to three years. However, funding structures and programmes need to reflect this to ensure continuity and progression for all workless people over this sustained period.

Two further issues were identified as crucial when working with this target group:

1. **Mentors for young people** were raised as a potential future project area in the first report. Provision of this type of support was again stressed in relation to providing sustained aftercare. The Mentor would act as mediator between the young person and agency/training provider/employer/family.

2. The importance of **Family Caseloading** was reiterated by all partners and echoes the Youth Matters green paper, "parents are the strongest influence on young people lives". There is a clear need for sustained support for young people but also for holistic support that acknowledges the wider social/family issues that impact on this target group and can often have a detrimental effect on their access to and 'perspective' on training and employment opportunities. It was strongly felt there are key families in the town who experience multiple barriers/issues. Partners and agencies need to focus resources and expertise in a joined up approach to supporting these families. For this 'joined up' approach to work, the role of the 'lead practitioner' and common assessment framework is crucial. Furthermore, in relation to providing a continuum of support for these families, the role of employability support and Economic Development is key.

There are a number of potential actions that could be further developed in relation to ensure sustained and holistic support for young people:

- √<sup>1</sup> Mentoring - and this would need to link into the emerging role of the newly appointed Performance Support Officer (HBC).
- √<sup>1</sup> Build on the Council's current objective 2 funded project – Connect2Work that provides a family caseloading approach to supporting young people into training and employment.

- √<sup>1</sup> Close working between Economic Development and Children and Families Services to ensure support around issues relating to training and employability for all family members can be seamlessly integrated to the menu of support that is on offer to these families:
- Representation from Economic Development on Hartlepool Intervention Project (HIP). This is a multi agency group that works to ensure young people do not fall through the net in terms of accessing appropriate support provision.
  - Establish close links with Children's Centres and recently appointed Parenting Practitioners (to operate as a single referral point for families)
  - Possible opportunities for joint project work via Family Intervention Project (FIP). The FIP targets key families in the town with the aim of having a dramatic effect on key indicators. The FIP works with a small number of families who account for a disproportionate amount of anti-social behaviour, with the ultimate aim of changing their "problem" behaviour via an intensive support package. Families sign up to an action plan involving all aspects of family life such as health, housing, education and employment.

### **3.4 Modern Apprenticeships**

This aspect of the research brief aimed to explore the benefits of modern apprenticeships for young people and employers and the potential for encouraging more employers and young people to take up these opportunities.

#### **Local Context – Modern Apprenticeships in Hartlepool**

As part of the research large employers, including North Tees Primary Care Trust, Connexions, Hartlepool Borough Council and North Tees and Hartlepool NHS Trust, were consulted on their Modern Apprenticeship programmes and asked what they felt made or would make these programmes successful.

The key elements of a successful programme were identified as follows:

- √<sup>1</sup> Pastoral care – all employers interviewed stressed the importance of intensive mentoring for young people, particularly to support them to deal with wider family and social issues.
- √<sup>1</sup> Waged apprenticeships. It was felt that the employment relationship between the young person and the employer was central to a successful programme. The employers interviewed stressed the

importance of paid employment as the incentive that many young people needed – the training could then add value to their hands on experience in the job.

- √<sup>1</sup> Constant dialogue between employer, training provider and young person. All employers interviewed had established systems of regular review meetings to review progress and ensure the programme was meeting all parties' needs. This provided the opportunity to identify any potential issues/problems and to arrange for any additional support.
- √<sup>1</sup> Dedicated management support – it was recognised that managing an apprentice both in terms of one to one support and the administrative requirements meant that it was essential that the employer identified dedicated management support to ensure the programme ran smoothly. It was also identified that managers themselves needed support in order to carry out this role. Hartlepool Borough Council are currently developing a Managers Handbook to support managers in this role.

It was acknowledged across the board that this level of intensive support required significant resources and more funding was required to ensure all employers could offer this level of support in order to ensure young people complete their programmes

Consultation with Partners and employers revealed that whilst there is a level of awareness amongst some employers of the long term benefits of replenishing an ageing workforce, particularly for SMEs, apprentices are generally seen as:

- √<sup>1</sup> an administrative burden – particularly in relation to employment law, health and safety and insurance. In many instances this can also have a financial impact on the employer.
- √<sup>1</sup> unreliable and in many cases, a hindrance to the business.

Employers also acknowledged that managing a modern apprenticeship programme was very labour intensive. For larger employers this could be absorbed within HR/training departments but for smaller employers, many of whom have no dedicated HR/training function, this level of investment was often 'a step too far'. In order to increase the number of apprenticeships in the town, employers would need targeted assistance to recruit, manage and support apprentices. In discussions with employers and agencies, it was felt that there was a definite role for some kind of an intermediary body to support both employer and young person to make apprenticeships more attractive and sustainable

## **National Policy Context**

Many of the issues raised locally are also being scrutinised on a national level in an attempt to increase apprenticeship opportunities.

## **Increasing opportunities**

The Government has recently outlined its plans for apprenticeships in its Apprenticeship Review (January 2008). The review outlines the measures the government will take to ensure apprenticeships become a mainstream option for young people as well as plans to boost apprenticeships for older learners. They aim to expand the programme over the next 3 years ensuring an apprenticeship place is available for all qualified young people by 2013.

The measures include:

- √<sup>1</sup> A pilot wage subsidy programme small businesses to make it more attractive for them to offer apprenticeships
- √<sup>1</sup> Use public procurement to encourage companies to offer apprenticeships
- √<sup>1</sup> Help with recruitment through a national apprenticeship service – giving employers a wider and more diverse pool of talent and making the process easier. This would include a dedicated field force – to help employers with the process of hiring and training apprentices.

A key strand running through much of current government thinking on issues relating to skills and worklessness is allowing greater local flexibility so delivery can match local need – backed by greater targeted funding (Ready to work, skilled for work January 2008).

## **Involving Employers**

In 2005 a group of senior executives were asked to advise on increasing employer involvement in apprenticeships. The Apprenticeships Task Force Report (2005) The Business Case for Apprenticeships, came up with a number of recommendations in relation to the delivery of apprenticeship programmes which included the Learning and Skills Council (LSC) considering funding work with Sector Skills Councils (SSCs), employers, and providers to develop approaches aimed at improving delivery, including:

- √<sup>1</sup> promotion of group training associations in sectors where they do not operate;
- √<sup>1</sup> development of models that address the skills needs of more than one sector.

The development of an 'intermediary' body or Group Training Association/Organisation (GTA/GTO) would 'tune in' to both local and national thinking enabling the town to be at the forefront of developing and piloting new and innovative approaches to addressing issues relating to youth unemployment and worklessness. The GTA would provide the foundation for developing a range of support services to assist employers in hiring and training apprentices; whilst at the same time supporting young people to embark upon and complete apprenticeship programmes.

## **Group Training Associations/Organisations (GTO/GTAs)**

GTAs have their roots in 1960s and were promoted under 1964 Industry Training Act. They initially involved small groups of firms in the same industry based in the same local area and were set up in response to common difficulties in attracting and training young people.

The Research brief “The role and impact of group training associations” December 2002 (K Burge, A Vasey, K Mcquade, R Hardcastle) considered in detail the different models and how effective they were in delivering training and how they might assist the government in achieving its ambitions for apprenticeship training and adult workforce development.

When the report was compiled there were between 150-170 GTAs in the UK. 50% of these provided apprenticeship training in the engineering sector. Over 50% of them were concentrated in 4 regions and two thirds provided a full range of training, workforce development and consultancy services.

Key findings of the report:

- √<sup>1</sup> GTAs operated by charging a membership fee. Fees ranged from zero to £2,250 pa.
- √<sup>1</sup> Membership did not appear to offer substantial financial benefits on employers. GTAs stated that membership added accountability, ownership and direction on GTA activities.
- √<sup>1</sup> Demand led GTAs appeared more effective and more responsive to employers needs than supply led GTAs.
- √<sup>1</sup> Employers reasons for using GTAs included:
  - Training tailored to individual employers needs.
  - Better overall understanding of employers needs.
  - Higher success rate in achieving qualifications.
- √<sup>1</sup> Policy implications – the report concluded that there maybe a case for encouraging new GTAs where employers can demonstrate their needs cannot be met by other provision and went on to say that guidelines might be derived from a combination of existing UK practices and the principles that underpin Australian models of GTA which could potentially offer useful evidence and lessons on how future policy towards group training might be developed.

## **Group Training Organisations/Associations at home and abroad**

As the above research brief outlines, the UK does have a significant number of GTAs – usually sector based. The ESH group in County Durham provides services to all sectors of the construction industry. The company was formed in 1999 by the merger of like minded regional businesses. The Fit for Employment programme involves recruiting apprentices from local schools. The programme was devised to improve recruitment and retention of young people in the construction industry and was developed as a transition route for students from school to college with those progressing to employment with apprenticeship training at the college. Assistance included: training and support to complete CITB tests (which will form part of the apprenticeship entry criteria in the future) as well as access to IAG throughout the programme.

Following completion of the programme, the ESH group offered 20 students apprenticeship jobs from within its network of employers.

### **Group Training Organisations in Australia (GTOs)**

The operation of GTOs in Australia is on a much larger scale. There exists a network of around 180 companies across the continent and this network represents the largest employer of apprentices in the country.

The primary activity of GTO's in Australia is the management, recruitment, employment and training of apprentices and trainees. The GTO acts as primary and legal employer. They select the apprentice carefully to ensure suitability for the employer. The range of services on offer to employers includes:

- √<sup>1</sup> arranging and monitoring both the on the job and off the job training;
- √<sup>1</sup> acting as consultants and trouble-shooters for both host employers and apprentices or trainees throughout the period of employment and training;
- √<sup>1</sup> arranging rotations to broaden the training experience of the apprentices/trainees;
- √<sup>1</sup> arranging alternate work placements when required;
- √<sup>1</sup> freeing the host employer from the burden of paperwork and payroll and providing a safety net for the apprentices and trainees; and
- √<sup>1</sup> assuring the apprentice or trainee of continuous work and training, culminating in a nationally recognised vocational qualification.



## **Benefits of the GTO model**

### **Benefits for employers**

- √<sup>1</sup> The GTO sources and employs a quality candidate.
- √<sup>1</sup> The GTO takes responsibility for all paperwork connected with wages, allowances, superannuation and other employee entitlements leaving the employer free to run their business.
- √<sup>1</sup> The employer does not have to provide a permanent position – pertinent to SMEs who only want to have an apprentice to meet needs during peak workload times.
- √<sup>1</sup> The GTO acts as consultant and trouble shooter throughout the period of employment and training.
- √<sup>1</sup> Employers may request an alternative apprentice if not satisfied.
- √<sup>1</sup> A cost effective means of replenishing the workforce.

### **Benefits for apprentices and trainees:**

- √<sup>1</sup> The GTO secures on the job training.
- √<sup>1</sup> The GTO looks after wages, monitoring progress and offers support throughout the term of the apprenticeship or traineeship.

## **Funding for GTOs**

GTOs in Australia are not for profit organisations and are funded through a combination of fees and government grants. Each GTO has a charge out rate according to the type of apprenticeship or traineeship. In addition, an employer of an apprentice or trainee in Australia is entitled to a Commonwealth Employer Incentive worth up to \$4,000 per apprentice/trainee. Further government funding is available to not for profit GTOs in Australia to assist GTOs to target certain disadvantaged groups as well to maintain their case management/pastoral care model of apprentice/trainee employment.

For further details of how the Australian model operates in New South Wales see appendix 4.

## **A GTA Model for Hartlepool?**

A GTA type model would go some way to addressing the following issues:

- √<sup>1</sup> Labour market orientated – offering real opportunities to work, earn a wage and gain a qualification.
- √<sup>1</sup> Relieve the administration and management burden on SMEs of taking on an apprentice
- √<sup>1</sup> Sustainability – by offering intensive and sustained support for both employers and young people, the GTA would assist in improving completion rates of apprenticeships and also employment opportunities

for young people. The GTA would also provide support and mediation role between apprentice, employer and training provider.

As part of this research some initial consultation was undertaken with a number of stakeholders in order to develop an outline model of how a GTA might operate in the town.

The key functions identified included:

- √<sup>1</sup> Recruitment of potential apprentices
- √<sup>1</sup> Sourcing training
- √<sup>1</sup> Matching of apprentices with employers
- √<sup>1</sup> Aftercare – intensive and sustained support for both employer and young person for a fixed period. The GTA would act as ‘mediator’ between the employer and the young person; offering practical support to employers, for example to develop and implement policies and procedures eg relating to employment law, health and safety, HR and offering mentoring support to the young person to assist them to become responsible employees and also to deal with any wider social/family issues that may act as barriers to taking up or retaining employment.

As with the Australian GTOs, a charge out fee (to cover the recruitment, matching and aftercare) was discussed as an element of the model that would be necessary for it to become sustainable. However, it was felt that in the pilot phase of the project this may not be possible.

Two potential employment models were discussed:

1. The apprentice is employed by the GTA for a period of approximately 8 weeks. During this time the apprentice receives their full wage and undertakes a work programme in preparation for ‘matching’ with an employer. This programme could include activities such as:

- Meeting employers
- Site visits
- Mock interviews
- Visit to college/training provider
- Team Building exercises
- Pre employability training
- Job rotations/work tasters
- Matching young people and employers
- Enrolling at college.

At the end of the programme the young person is matched with an employer and they become the legal employer of the young person. The GTA provides on going support to both employer and young person for a fixed period.

2. The GTA remains the legal employer at the end of the work programme and places apprentices with local employers. The GTA

continues to support both employer and young person for a fixed period. The GTA invoices the employers to cover wages. There would also be the potential for the GTA to charge a 'charge out fee' to cover the administration and aftercare.

Further and extensive consultation would be required to further develop the model into a workable project. In particular, the following issues would need to be considered:

- √<sup>4</sup> The model would need to sit comfortably alongside the current Modern Apprenticeship programmes and E2e provision, the work of the Sector Skills Councils, and the foundation learning tier, ensuring its work compliments and enhances this provision.
- √<sup>4</sup> Links to existing HBC projects need to be further explored eg ILM, Job Performance and Conect2Work.

Some outline costings for this kind of provision can be found in appendix 5.

### **Way forward**

- √<sup>4</sup> Present findings of this report to the Economic Forum as a means of starting the consultation process regarding the model.
- √<sup>4</sup> Establish a forum/steering group to further develop the model of a GTA for Hartlepool and consider the issues and recommendations raised in this report.
- √<sup>4</sup> Explore the potential for establishing a network of employers as potential members of the GTA. The Worksmart project could be used to consult with employers regarding the model and ensure it meets the needs of local employers looking to employ an apprentice.
- √<sup>4</sup> Identify potential funding routes eg Working Neighbourhood Fund, Learning and Skills Council.
- √<sup>4</sup> Further research into existing GTAs in this country to identify examples of good practice

GTAs are in no way to be seen as the panacea for youth unemployment in the town, but this research has highlighted the potential this approach can have not just for young people but for employers and the Hartlepool economy in general. The above recommendations are very much the start of a significant piece of work that would need to be coordinated, steered, guided and resourced if it is to realise its potential.



## 4. Conclusion and Recommendations

This report set out to explore further some of the recommendations of the Scrutiny Forum. In so doing it has become apparent that in considering any new provision for this target group, there are 3 key elements that must be integrated as part of it:

- √<sup>1</sup> **Labour market orientated** – it was clearly identified in the first piece of research and has been reinforced in this report; that many young people are ‘turned off’ by the more traditional learning and training routes and want employment. There exists a plethora of training and learning routes for young people but still a significant number of them end up NEET. Any new provision must provide real opportunities to work and receive a wage as a means of incentivising young people whilst offering them the support they need to develop as ‘employees’.
- √<sup>1</sup> **Family caseloading** – given the multi faceted nature and complexity of the barriers many young people face – a multi agency family caseloading approach is needed that acknowledges issues relating to generational unemployment and wider social issues that can mitigate against progression in training or employment for that young person.
- √<sup>1</sup> The provision must offer **sustained support** - a full package of aftercare support is needed and this should offer intensive support to:
  - the young person to ensure they remain connected to the labour market. Linking the young person with a mentor who is able to ‘hand hold’ the young person, particularly at the start of the employment relationship when everything is ‘new’; as well as act as a mediator between the young person and the employer.
  - the employer in terms of supporting the business to develop and implement the policies, procedures and management mechanisms to effectively employ, develop and support that young person in both their work and training.

## Recommendations

The table below details the progress made against each of the issues identified in the brief.

Issue identified in brief	Progress made/Recommendations
<b>Reviewing data</b>	The data review, in the main, did not highlight any areas for particular concern. However, work will need to take place with JCP at officer level to determine what data exists and how it might best be used to progress this work.
<b>Mapping exercise</b>	It was agreed to suspend work on this area of the brief. It was recommended that a consultation event would be more productive in mapping provision and identifying gaps in current provision.
<b>Provision of IAG</b>	Current provision is not sufficiently labour market focussed. Opportunities were identified for joint working between Connexions and Economic Development to assist in addressing this issue. Quality issues were identified and it was hoped that the introduction of the IAG standards will help to drive up the quality of IAG provision.
<b>Sustained support</b>	Mentoring and family caseloading were identified as 'essential' approaches to project development and implementation. With reference to the employment of young people, sustained and intensive support is needed for both the young person and employer.
<b>Targeted intervention for those unemployed less than 6months</b>	Potential to develop early entry projects at this stage would need to be developed and explored via co financing routes rather than mainstream JCP due to the risk of potential benefit sanctions.
<b>Modern Apprenticeships</b>	Explore the establishment of a forum to further develop and take forward the recommendations in this report in relation to the setting up of a GTA in Hartlepool.

The opportunities to develop effective and innovative provision for young people in the town are evident and there is significant partner support and goodwill that can be built upon. The challenge that lies ahead is in ensuring:

- √<sup>1</sup> Resources can be allocated to enable, coordinate and guide partners to work in partnership to make this happen.
- √<sup>1</sup> Any new provision builds upon and enhances existing provision.

Given current government thinking and the direction that national policy is moving in – there are very clear opportunities for Hartlepool to 'take up the gauntlet' and be at the forefront of developing and piloting innovative approaches to youth unemployment, worklessness and the skills agenda that are based on local needs and locally identified solutions to the problems.



## Appendix 1

### OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN DATE?? NOVEMBER OR JUNE 2007?

	RECOMMENDATION	EXECUTIVE RESPONSE/PROPOSED ACTION	LEAD OFFICER	DELIVERY TIMESCALE
(1)	That the Authority is commended for taking on an active role in relation to Youth Unemployment and that the value of this work is supported and that, wherever possible, it should be supported further.	Economic Development acknowledges the support of the Regeneration and Planning Services Members.	Antony Steinberg	Completed
(2)	That the data issues and potential project areas identified in the <i>Youth Unemployment in Hartlepool: Developing an evidence base report</i> , which has been attached at Appendix A, are supported as a means to maintain the momentum generated for this issue through the introduction of the LAA target.	Hartlepool Economic Development will continue to develop partnerships so that they can maximise funding opportunities and progress project areas as identified within the stated report. Economic Development continue to lead on a number of very successful sub-regional employment and training projects (which are in partnership with the five local authorities within the Tees Valley) and this proven track record will be advantageous in bidding for other funding opportunities through Jobcentre Plus and The Learning & Skills Council's ESF Objective 3 Co-financing round.	Antony Steinberg	July 2007



(3)	That, given that Connexions is being brought under the remit of the Local Authority, the Authority (and Economic Development and Children's Services, in particular) seek to work closely with Connexions to support young people to achieve economic well-being.	Hartlepool Economic Development Department and Children's Services have formally agreed to meet on a quarterly basis as part of a working group to identify key actions that can be introduced to increase the number of young people to achieve economic well-being. The membership of this working group has further been widened and representatives from Children's Services (including the Assistant Director, Connexions Interim Locality Manager, 14-19 Co-ordinator, Economic Development Manager with Jobcentre Plus and the Learning & Skills Council) also being in attendance at future meetings.	Antony Steinberg	November 2007
(4)	That further research should be conducted into the impact of the provision of key stakeholders on careers guidance and training for under 16's and that these services should be fully integrated within schools.	A Curriculum Development Officer has now been appointed by the Children's Services Department whose remit is to develop and improve Careers Educational Guidance (CEG) within schools. Connexions have jointly commissioned a consultant to complete an audit review of current Information, Advice and Guidance (IAG) across Hartlepool. With the roll-out of national IAG standards due in April 2008 an improvement action plan will be introduced as providers will need to measure against these new IAG standards.	Mark Smith and Tom Argument	April 2008
(5)	That the Authority should lobby for increased flexibility of the New Deal programme so that young people are able to access training programmes through this programme even if they have been unemployed for less than six months.	There has been meeting's with Jobcentre Plus which has highlighted that day one eligibility for young people who have literacy and numeracy problems, are ex-offenders or where English is not their first language continues. Jobcentre Plus acknowledge that waiting six months before accessing the New Deal programme is not always beneficial but there was concerns	Antony Steinberg	November 2007

		<p>that the mandatory nature of New Deal may mean that young people who access the service too early – and cannot sustain the programme – are at serious risk of potential benefit sanctions. Therefore, Economic Development Department are exploring the potential to introduce a pre-New Deal project to work with young people unemployed less than 6 months to provide intensive support which will be used as a vehicle to assist individuals to identify suitable progression routes.</p> <p>This issue will be further reviewed within the quarterly youth unemployment working group as outlined in Ref. 3.</p>		
(6)	That the CVS's role should be maximised, wherever possible, in providing services for tackling youth unemployment.	Hartlepool Economic Development Department will continue to identify and raise awareness of funding opportunities through the commissioning and procurement process for the CVS. Currently over 40% of NRF and Jobs & the Economy Themed funding for 2007/08 has been allocated to the CVS and will be given to maximise funding opportunities through Jobcentre Plus and The Learning & Skills Council's ESF Objective 3 Co-financing round and JCP Deprived Area Fund. Where appropriate, partnership proposals will be submitted to utilise the specialist services available through the CVS which will compliment an holistic approach to overcoming the complex issues of eradicating youth unemployment.	Antony Steinberg	December 2007
(7)	Identifying where there are future opportunities for the number of Modern Apprenticeships to be increased within the	Economic Development commissioned a consultant to identify if there are future opportunities to increase the number of Modern	Patrick Wilson	April 2008

	<p>public, private and voluntary sector (with a specific review of Hartlepool Borough Council and the Primary Care Trust).</p>	<p>Apprenticeships within the public, private and voluntary sector. A proposed action currently being assessed is the development of a blueprint for HBC to facilitate another organisation to take on the role of a Group Training Association (GTA).</p> <p>A GTA is highlighted within the Modern apprenticeships – Apprenticeship Task Force report as <i>“bringing together employers in a locality to share the costs and administrative burden of running an apprenticeship programme which has encouraged many smaller companies to take on apprenticeships”</i> pg21, (July 2005).</p> <p>Interest and support has been expressed from partners (including HBC and the Primary Care Trust) for an intermediary body to support both the employer and the young person. Discussions are currently ongoing with the LSC in relation to funding the start up for a GTA. A host organisation is still to be identified who could become a GTA ‘Ambassador’ but it is proposed that if start up funding is secured then it should be utilised to employ an Intermediary worker. This individual would be employed by the host organisation who would liaise with a number of employers within a specific geographical area or across a number of sectors.</p> <p>In Australia, similar schemes such as Group Training Companies are running successfully. The proposed GTA would provide a similar</p>		
--	--	--	--	--

		<p>scheme to the Australian model which provides core services to the employer including:</p> <ul style="list-style-type: none"> <li>√<sup>4</sup> Arranging and monitoring apprenticeships training</li> <li>√<sup>4</sup> Arranging job rotation</li> <li>√<sup>4</sup> Mentoring (for apprentice and employer)</li> </ul> <p>For sustainability of the GTA, the consultant is also evaluating the feasibility of charging employers a small cost recovery charge for providing this service.</p> <p>An Employer event in February 2008 is being arranged through Worksmart to promote the benefits of the introduction of a GTA including support to employers from Small to Medium Sized (SMEs) companies to offer apprenticeships and mentoring and support (for the apprentice and employer).</p>		
--	--	---	--	--

## Appendix 2 Mapping Exercise

Type of support	Organisation	Target groups	Funding	Area covered
Parental and family	HBC Acorn			
	Barnardos – Hart beat	Young offenders		NDC
	HBC social inclusion team	School age young people		townwide
	MIND	Mental health		townwide
	CAMHS	Mental health		townwide
	YOS	Young offenders		townwide
	Hartlepool Intervention Project			townwide
	FAST – managed by Barnardos	ASBO		townwide
	Straight line	Alcohol misuse		townwide
	BME community coordinator	School/behavioural		townwide
	Teenage parent coordinator	Teenage pregnancy		townwide
	Family Intervention Project	Part of respect agenda - ASBos		
	Anna court	Teenage pregnancy		
	Hartlepool Young Carers	Young carers		townwide
	Leaving care team	Young people leaving care		townwide
Training and employment	JCP	Support for people of working age.New Deal for Young People 18-24 years: √ Mandatory programme √ Must have been claiming JSA for 6 months to be eligible for the programme	DWP	
	LSC	Apprenticeships - Entry to Employment (E2E) Further Education 1 <sup>st</sup> level 2 Entitlement Adult & Community Learning Skills for Life Train to Gain - for businesses	DCSF	

	HBC √ <sup>1</sup> Targeted Training √ <sup>1</sup> Womens Opportunities √ <sup>1</sup> Jobs Build √ <sup>1</sup> Work Route (ILM) √ <sup>1</sup> Enhancing Employability √ <sup>1</sup> Progression to Work √ <sup>1</sup> Work Smart	Residents of working age	HBC, NRF, ESF.	NRS area
	HCFE			
	REspect			
	West View Project	Community based youth work and accredited training with young people		
	Positive choices for carers			
	OFCa			Owton Fens
	Headland Development Trust	Sigma Youth project range of accredited training fir 11-19 year olds		Headland
	Children's Centres	Training and support for parents		townwide
	Headland Future	Abbey Street project – developmental and recreational opportunities for 13-19 year olds		
	Hartlepool Milenium Volunteers	Encourages 16-24 year olds to undertake volunteering activity in their communities		
	Hartlepool Youth Offending Service	Its going to work	ESF co Financing	
IAG	Igen T3F Community crossroads  E2V Next step Skills coaching	unemployed unemployed  NEET Unemployed 20+	LSC co financing JCP co financing  LSC co financing LSC LSC	Middlesbrough Stockton Hartlepool  Tees Valley
	Connexions			

	Universal service - Offers a family of services Valley including impartial and accessible information, advice and guidance for 13-19 year olds HOT Connect2work	All young people	HBC  NRF ESF	
	Hartlepool Youth Service	Personal and social development of 13-19 year olds		





### **Appendix 3**

#### **List of consultees/interviewees**

Miriam Robertson/Mark Smith, Connexions

Danny Dunnleavy, Youth Offending Service

Peter Davies, Hartlepool Youth Service

John Robinson and Dawn Gilderoy, Hartlepool Children's and Families Services

Eddie Costello, IGEN

Sue Alderson and Jackie McNab, Job Centre Plus

Rachel Wood, Training Services Hartlepool Borough Council

Bob Champion, North Tees Primary Care Trust

Caroline Ozelton, North Tees NHS Trust

Sheila Watson, Worksmart, Hartlepool Borough Council

Stephanie Hynes, Connexions

Steve Wright, Learning and Skills Council

Paul Marshall, Hartlepool College of Further Education

Kay Forgie, Children's and Families Services Hartlepool Borough Council

Danielle McNamara, New South Wales Group Training Organisation

## **Appendix 4 Desk Case Studies**

**ESH Group** – industry specific group training association.

North East company providing services to all sectors of the construction industry and employ nearly 1200 people. Formed in 1999 by the merger of like minded regional businesses and offer bespoke work related learning programme – Fit for Employment.

### **Fit for Employment**

The programme recruits apprentices from local schools and is devised to improve recruitment and retention of young people in the construction industry.

Programme has 3 phases

- Phase 1 120 students in years 10 and 11 have 1 week of training in general employability skills
- Phase 2 60 students progress to a 1 week course in construction industry
- Phase 3 30 students progress to gain work experience on a construction site.

The project was developed as a transition route for students from school to college with those progressing to employment with apprenticeship training at the college. The project assisted students with this transition by providing training and support to complete CITB tests (which will form part of the apprenticeship entry criteria in the future). IAG formed an integral aspect of the programme.

Following completion of the programme ESH Group offered 20 students apprenticeship jobs..

ESH Group have developed a new project **Fit for Employment Again** which aims to develop people who for a number of reasons have become difficult to employ and have no recognised training or experience eg long term unemployed, ex services, lone parents, ex offenders. Referrals are provided by Norcare and JCP. Newcastle college provides NVQ in building maintenance and Deer Valley school provides training and support in basic and key skills and IT skills. 30 candidates have been taken on the 4 week training programme and then fast tracked onto the NVQ. Site experience is provided by ESH Group. There are 16 people on the NVQ and its anticipated this will result in 6-8 jobs at the end of the project.

## **Group Training Organisations in Australia – New South Wales**

GTOs are a one stop shop for employers apprenticeship and traineeship needs. NSW has a network of 25 not for profit organisations that make up the GTO. They provide employment and coordinate training for over 10,000 apprentices and trainees. Operate very much as a recruitment and employment agency for apprentices. Not industry/sector specific

### **How does it work?**

Each GTO has a charge out rate according to the type of apprenticeship or traineeship. This charge out rate includes:

- √<sup>1</sup> IR instrument rate
- √<sup>1</sup> Administration fee
- √<sup>1</sup> Workers compensation cost
- √<sup>1</sup> Payroll tax cost
- √<sup>1</sup> Annual leave entitlements
- √<sup>1</sup> Sick leave entitlements

The charge out rate is quoted to the potential host employer and they choose whether they want to go through group training or direct employment. Each week or fortnight the apprentice/trainee must send in a time sheet signed off by the host employer so that the GTO can administer the payroll. The host employer is then invoiced or direct debited for this.

GTOs aim to make the employment of apprentices as simple and straightforward as it can be. This is for the benefit of the apprentices and trainees as well as for the businesses that need these skilled workers.

Benefits for apprentices and trainees:

- √<sup>1</sup> GOT secures on the job training
- √<sup>1</sup> Look after wages, monitoring progress and offer support throughout the term of the apprenticeship or traineeship

Benefits for employers

- √<sup>1</sup> GTO acts as primary and legal employer. They select the apprentice carefully to ensure suitable for the employer
- √<sup>1</sup> GTO takes responsibility for all paperwork connected with wages, allowances, superannuation, other employee entitlements leaving the employer free to run their business
- √<sup>1</sup> Employer doesn't have to provide a permanent position – pertinent to SMEs who only want to have an apprentice to meet needs during peak workload times.
- √<sup>1</sup> Hiring an apprentice is cost effective to your business

- √ GTO acts as your consultant and trouble shooter throughout the period of employment and training
- √ Employers may request an alternative apprentice if not satisfied.

An employer of an apprentice or trainee in Australia is entitled to a Commonwealth Employer Incentive worth up to \$4,000 per apprentice/trainee. Joint Group Training Funding is available to not for profit GTO in Australia. It is government funding from both Commonwealth and State but is administered by the State Government. The funding is to assist GTO to target certain disadvantaged groups as well to maintain their case management/pastoral care model of apprentice/trainee employment. Members of NSW GTO access funding on a yearly basis ranging from \$15,000 - \$330,000

The host employer/business and apprentice are visited 6 weekly or the minimum standard of 4 times a year (quarterly). This is how the progress and relationship is monitored. At any time the apprentice/trainee and host employer can come back to the GTO and ask for another placement. If this occurs then the apprentice/trainee is on downtime and is encouraged to take some annual leave until another placement is found otherwise in some cases they are still paid until another placement is found (only in some cases).

A GTO can refuse to work with a host employer if there are legitimate reasons eg financial, health and safety, outstanding employer/employee relations. The GTO can suspend the apprentice/trainee and or fire them for misconduct. There is a Vocational Training Tribunal set up in NSW where either party i.e GTO and Apprentice/trainee can lodge their grievance and have a hearing. The training contract can be broken by either party.

## **Funding of GTOs**

An employer of an apprentice or trainee in Australia is entitled to a Commonwealth Employer Incentive worth up to \$4000 per apprentice/trainee. Each GTO claims this incentive and some GTO:

- √ Pass 50% of the incentive onto the host employer OR
- √ Use the incentive to off set a cheaper charge out rate

Joint Group Training Funding is available to not for profit GTOs in Australia. It is government funding from both Commonwealth and State but is administered by the State Government. The funding is to assist GTO to target certain disadvantaged groups as well to maintain their case management/pastoral care model of apprentice/trainee employment. Members of NSW GTO access funding on a yearly basis ranging from \$15,000 - \$330,000.

**Project funding** – to target specific disadvantaged groups.

**Group Training in the Trades Programme (GTTP)** – government financial incentive to facilitate pre-vocational courses and encourage the take up of school based apprentices.

**Group Training Targeted Initiatives Programme** – project funding to support group training to increase apprenticeship and traineeship uptake

### **The GTO Network**

Each 'local GTO feeds into a national body: Group Training Australia – which represents over 150 employers and over 41,000 apprentices and trainees.

Goals of Group Training Australia:

1. Strengthening capacity of members – through the provision of intelligence and forecasting information.
2. Strengthening the network – support and build a cohesive network.
3. Strengthening the profile - recognised as an industry leader.
4. Critical influencer of decision makers.

## **Appendix 5**

### **Outline Costings of a GTA**

(Costings based on current Intermediate Labour Market run by Hartlepool Borough Council)

Minimum wage for 16-17 year olds	£3.40
Minimum wage for 18-21 year olds	£4.60
On costs estimated at 12%	
2 x 'Supervisor' salary at £27606 (inc 26.9% oncosts)	

Model costings based on 20 young people – 10 16-17 year olds and 10 18-21 year olds.

The work programme would run for 37 hours per week over 8 weeks at this point salary costs would transfer to the employer either directly as they become the legal employer of the apprentice or the GTA invoices the employer to cover salary costs.

16-17 year olds wages	£11,272
18-21 year old wages	£15,248
Supervisor Salary	£8,496
<b>TOTAL</b>	<b>£35, 016</b>
<b>Unit costs per young person</b>	<b>£1,751</b>

However, the costings would also need to take into account the aftercare element of the programme – to continue the 'supervisor role to provide intensive support for both young person and employer for, for example 12 months, would cost an additional £46,716 (2 FTE), increasing the unit cost to £4,087. However, there would also be the potential for this cost to be shared between other apprentices if the model operated on a rolling programme.

Other potential costings that would need to be included/considered include: accommodation and overheads, transportation costs and any additional training costs if this was felt appropriate during the work programme.