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Witnesses: Dawn Baxendale, Yolande Burgess,

Theresa Grant and Andrew Hodgson

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on
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Members present

Baroness Corston (Chairman)
 Baroness Berridge
 Baroness Blood
 Lord Farmer
 Lord Holmes of Richmond
 Baroness Howells of St Davids
 Earl of Kinnoull
 Baroness Morris of Yardley
 Baroness Sharp of Guildford
 Baroness Stedman-Scott
 Baroness Tyler of Enfield

Examination of Witnesses

Dawn Baxendale, Chief Executive, Southampton Council, **Yolande Burgess**, Strategy Director, London Councils, **Theresa Grant**, Chief Executive, Trafford Council, and **Andrew Hodgson**, Vice-Chair of North East LEP Board, and North East LEP Employment and Skills Board

Q119 The Chairman: Thank you very much. We appreciate the fact that you have given time to come to appear before us today. This session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence, and that will also be put on the parliamentary website. A few days after this session you will receive a copy of the transcript. We ask you to check it for accuracy and let us know of any corrections as quickly as possible. If, after the session, you want to clarify or amplify any points you have made, or if you have any additional points to make that did not arise during the session, you are very welcome to submit supplementary written evidence to us. Perhaps for the record you could introduce yourselves and then we will begin with the questions.

Dawn Baxendale: My name is Dawn Baxendale. I am chief executive of Southampton City Council. Good morning.

Yolande Burgess: Good morning. I am Yolande Burgess. I am the strategy director for young people's education and skills at London Councils.

Theresa Grant: Good morning. I am Theresa Grant. I am chief executive of Trafford Council, and I am the lead for work and skills for the Greater Manchester Combined Authority.

Andrew Hodgson: Good morning. I am Andrew Hodgson. I am a business board member for the North East Local Enterprise Partnership. I am the vice-chair of the local enterprise partnership. I am also the chair of the North East LEP Employment and Skills Board.

Q120 The Chairman: Thank you very much. In your experience, how have local authorities, combined authorities and the local enterprise partnerships effectively used their powers to provide skills and employment opportunities for underserved groups of young people? We are particularly interested in what is often called the overlooked majority—people who are not going to university and not in education or training. We can start with Dawn and you can chip in as appropriate.

Dawn Baxendale: The first thing I would say is that it has been a very changing landscape over a large number of years, with lots of policy changes and new organisations appearing and then understanding how everything is going to fit together. If we could step back and talk from a local authority perspective, local authorities have statutory duties, and remain having statutory duties, even though their relationships with schools have changed over a number of years. Those statutory duties are quite clear. We have to ensure that we have enough suitable learning and skills provision in the area for young people up to the age of 19, but for those who have learning difficulties that is up to the age of 25. Also, we have to ensure that there is progression and continuation of learning up to post-16. It is fair to say that Southampton has been fairly bullish in the field where we have some of our most disadvantaged communities. You can tell from my accent that I am not a southerner; I am from the north of England. My city could quite easily sit in the Midlands and the north, and fit in very comfortably. We are clear that in relation to our community of children and young people, it is our duty and responsibility to ensure that they have the best possible start in life, and we do not necessarily see that day in, day out.

The approach we have taken is very much needs and data led in the first place. You have to understand your evidence to understand what impact you are having. Tied to that is the fact that education is important, but it is also there for a reason, and that is the relationship with the employer, so we need to understand the employer demand within our locality and within our region. That link goes back to where the supply comes from. That supply is our residents. We want our residents to benefit from the economic growth that is happening in our city.

We have worked very hard on that and been successful in the City Deal with Portsmouth. We concentrated very heavily on the skills agenda within that. As part of our Hampshire and Isle of Wight devolution deal, about which we hope to be meeting the Secretary of State next week, this will be a major plank of our work. That is predicated on real experience achieving results. For example, four years ago Southampton had the poorest NEETs—not in education, employment or training—figures of all the core cities and all of our statistical neighbours. Today, we have the best performing of all of those comparator cities and statistical neighbours, at 4.9%. We recognised that we could not achieve that in isolation. We absolutely had to do that in partnership with schools, with parents, the pupils themselves, and in particular with our employers.

The way we have approached that is through a whole raft of different methodologies, because one thing will not fix it, in our experience. We have used our regulatory framework, through planning, through the use of Section 106, and we have been doing that for eight or nine years, and tying our approvals to employment and skills plans. We signed our 50th skills plan last year in the 50th year of being a city. We were very pleased with that. We have used our scrutiny process in local government to look at how we can improve our apprenticeships. We have put resources into that and now have a situation where we have the best apprenticeship starts in the south-east. It is a whole range of different things that you need to use.

The Chairman: Would anybody like to add anything?

Theresa Grant: I would like to add a little to that. As you are aware, in Greater Manchester we have been fortunate enough to receive devolution over the last year—a year this week. One of the most important aspects is that that has given us the opportunity to try to join work and skills into an ecosystem. That means that people who are furthest from the workforce get a better chance and we can focus more of our resources and efforts on disadvantaged people, and do so at a local level. Some of the areas we had already been focusing on using our City Deal money, and we have invested £2 million in improving information, advice and guidance in schools. We feel that is critical to the future career paths of our young people, especially around the vocational FE sector, which is the path many of our young people take. We have a standard, a kite mark, in place for all of our schools. And we are moving fast to having all of them being accredited to improve their information, advice and guidance. As you know, it is a duty for schools; it is no longer a duty

for local authorities. The standard initially dropped when that shift happened. We understand how critical it is that it is brought back up to a consistent standard. We widely use our data around the labour market to influence and to direct our strategies around advice and guidance, and try to support schools to direct their young people, especially towards apprenticeships now that we are trying to achieve so many more hundreds of thousands of apprenticeships.

Yolande Burgess: I would like to add to Theresa's comments about careers information, advice and guidance, because I do not think we can say it enough. It does need to be better. Working across local authorities in London, but also working in partnership with the London Enterprise Panel in the mayor's office, we have begun a campaign in London called London Ambitions. That is ensuring that there is a proper, consistent framework around the entire careers offer for young people. It is not only about careers guidance, to touch on some of the things Theresa has already said and picking up some comments that were made in the earlier session. The whole issue is around work experience, but not only those two weeks of work experience; it is around the whole offer of experiences of the world of work, right from primary school all the way up. We have a campaign starting now where we are saying we want all young people, before they reach the age of 16, to have had 100 hours of experience of the world of work. That could be industry talks from employers coming into the school. What we want to see is schools having a rounded offer for young people. We will be working with schools and colleges over the next five years to make sure we get that consistent framework in place.

It is also worth noting, particularly around employment and skills related to education, that local authorities see young people through different services and so have the opportunity to integrate how they support young people through that transition period from school to work. For example, Greenwich looked at their young people who come through homeless services or leaving care, and worked with those young people to move them into their apprenticeship schemes. It is really successful, because they are well supported, but rather than simply looking elsewhere to support that young person through that transition, they are making sure that they are building transition support around them. I think you can only do that at a local level.

Andrew Hodgson: I would like to echo some of my fellow panellists' thoughts. One thing I would say is in the north-east of England we have really tried to embed this in our strategic

economic plan, which is the foundation of everything that we do within the local enterprise partnership. Through the independent economic review, we recognise where the major gaps are, first of all at level 3-plus provisioning and uptake within our young people, but also in communities which are traditionally known as socially disadvantaged—we call them economically disadvantaged—and trying to link those communities. We understand very clearly from an economic perspective the drag that those communities have. We take a community-led as well as an individual-led approach. For us, it is about trying to ensure both the demand and the supply are in place, so getting businesses to understand what they can do as much as getting the support of other services. Obviously the constitution of our skills boards reflects that. It is about getting the inclusion piece right but also getting the demand piece right.

In our area, one of the challenges is that our business demographic is largely SME—we do not have many head offices—and it is difficult to get a strategy like this embedded through the SME community because clearly businesspeople want to know what is in it for them. Being able to demonstrate that through a strategic economic plan is the foundation of everything we do. That is the one big area where we have had success through the combination of the local authorities and the local enterprise partnerships.

Q121 Baroness Berridge: You have touched on this, Ms Grant, but I want to ask for more detail on how the local government organisations have used the labour market data to inform your approach for the area and provide the training needs. Are there any policy changes? Could any of you talk about not only the labour market information—we are predicting huge changes in the labour market with digital skills—but how you are taking the current information and what could be future enormous changes into your plans?

Theresa Grant: Not only because of our devolution, we have started and are in the process of an area-based review of our FE provision. It will be an evidence-based review, so labour market information is key in planning the future shape of our provision. We are also working not only with FE providers but sixth forms and the private sector. We are about halfway through this process. That will involve a review of the curriculum. We are looking at how effective the curriculum is, and overlaying that with labour market information, looking at destinations and future employment opportunities, so that the model that emerges should be one that provides the right skills in the right place for employers. Employers have been

very involved in the process. Our LEP has been heavily involved in the process as well, and sits on our steering group for the Area Based Review..

We work through our skills and employment partnership, where we have very strong representation from the private sector, as well as colleges, our chamber of commerce and our LEP, to make sure that all institutions are using labour market information to influence their strategies, not in isolation but using the same information to influence strategies, so ultimately they should join up. We have a fantastic opportunity now through the area-based review of our FE provision to make sure that we do produce an eco-system. I think it is a probably once-in-a-lifetime, once-in-my-career opportunity, to deliver something that is going to make a massive difference to the residents of Greater Manchester. It will ensure that we have specialist provision and we also have provision at a local level up to level 3 that it is high quality, consistently produced and monitored and that it is financially viable, but, more importantly, one which employers get the skilled staff they need when they need them. We have been doing some predictive mapping on future skills requirements, especially around digital. This is a specific piece of work we have undertaken to make sure that when we build our centres of excellence, which will be some of the outcomes of the area-based review, that those are located and delivering the skills nearest to those employers that we see developing in the future in Greater Manchester. We have done a lot of work in the past, but we are at the beginning of a very interesting and great opportunity.

Andrew Hodgson: I want to answer a very specific part of the question. I said the strategic economic plan defines where we think job growth is going to come in the next 10 to 20 years. I have to say, as an employer, it is a very difficult in a dynamic and changing environment to identify exactly what those jobs are. We have a rough idea and we have our smart specialisation areas. For us, it is offshore, engineering, automotive, the pharmaceutical sector and digital. We have a very large digital sector in the north-east.

You asked about some of the policy implications of that. For us, there are a couple of things. One is we were fortunate to win a skills pilot, which allowed us to have control over a portion of the funding for the FE colleges. That has enabled us to encourage the FE provision to move towards our strategic aims rather than immediate outputs, which is quite challenging because we are asking colleges to build a business plan based around something in an unknown market, and that is a big change in philosophy.

The other thing I would say is that we have been pushing quite hard—and as an employer this is quite a difficult thing to say—against the employer ownership of skills frameworks because the difficulty is that presupposes that employer exists in your community at that point in time. Therefore, you are trying to create a pull with a mechanism where that pull does not exist. For example, if we were going to build an offshore wind turbine factory we might employ 2,000 people. I do not have that company in the north-east of England today, so how can they commit to that? Working together with the local authority, now the combined authority and the LEP, we know that is a strategic provision and we can help support and finance that. For me, those are two areas of policy—employer ownership of skills and how colleges are funded—where we have to think a little more laterally in how we encourage and incentivise people in those places.

Dawn Baxendale: We think about that from the perspective of our local or regional economy, but the other part is that we can also use this data to influence the EU strategic framework. Where European money is coming into national government and being distributed, it is critical that those common data are being utilised to influence how that spend can be bent. You need to think about that from the perspective of how you can look at other pots of resourcing that is not your traditional Education Funding Agency or Skills Funding Agency money. We have used an example where we have bent transport resources to assist with our skills agenda. We have directly tied that to new growth sectors around logistics, because the port of Southampton is a national asset. We have a massive shortage of driver skills.

Finally, I would say we also need to influence our young people. All of this data is not only what the strategic authorities or businesses are thinking, but how we can aid our young people to think where the future career opportunities are going to be. We have put together some specific work around the “your career” website for young people to aid them to start to think wider and broader. We have commissioned specific local research with our LEP and within our own areas as well.

Yolande Burgess: I would like to come at this at a slightly different angle. The other side of the labour market coin is that we tend to use qualifications as a proxy for skills, but are the right qualifications being delivered? We have started a piece of work in London to correlate the qualifications that directly link to jobs and careers and to identify if those are the right qualifications. We have a huge focus on A-levels, but for some industries is an A-level the

right qualification? So we are putting back on to the table a proper conversation about what good, high-quality vocational and technical provision looks like and giving it value—not parity of esteem, but value for what it is. It is technical and vocational education. We need to be doing much more of that whilst we are also talking about trying to drive up the skills base. Dawn mentioned this in the context of local authority statutory duties. Particularly when we think about using qualifications as a proxy for skills, there are some young people out there who may never get any qualifications, but they still have skills. Less than 7% of people in this country with a learning disability are in paid employment. Unfortunately, in the majority of cases it is because they do not have qualifications, but that does not mean they do not have skills.

Q122 Baroness Morris of Yardley: You are describing a really complicated scene. That has been part of the problem historically. Had you been sitting here five years ago, you would have been using completely different words, describing completely different quangos and it would be a completely different structure. If you are a 15 year-old trying to move to that area, that is quite difficult. It is difficult for schools and colleges because, although it is their responsibility, they have enough to keep up with without monitoring the changes in economic and skills planning. If we look at what you have said you are trying to put in place and provide, how can organisations in your group, at your level, work with schools and colleges to make that transition for young people easier? You mentioned the keyworker taking them through, if they are homeless, and that is a really good idea, but right across the piece—because this is not a small group of children but a very large group of young people—do you think that anything needs to be done so that transition from school to work for this group is made easier?

Yolande Burgess: Yes, definitely. It is the nature of the conversation that we as local authorities have with educational institutions. I am not using the term “schools” there because I want to encompass independent private organisations, UTCs, everybody who delivers education. Local authorities’ leverage, particularly with schools now, is almost non-existent, to be frank, so a much more strategic conversation is required.

That strategic conversation can start with the granular data that local authorities have that you do not necessarily see at national level. Local authorities really do track, and put an awful lot of resource into tracking, their 16 to 18 year-olds because they want them to be engaged in education, employment or training. To go into a school and say, “Did you know

that you actually produce 25% of this borough's young people who are not engaged in education, employment or training?" for some heads that has been a shocking revelation. They are good head teachers and want to do something about it. Shining a light on the fact that it is not only about where you sit in the performance tables and what your GCSE, A-level and other level 3 results are—albeit they are massively important—it is about, "What is your contribution?", with that broader pastoral responsibility around where that young person goes after they have walked through your door.

We have some brilliant work going on in Kingston and Richmond where that strategic conversation has happened with all education providers and they are working with the boroughs through their Achieving for Children service to say, "We refuse to allow a single child to slip through the net. We want to make sure every young person has the best opportunity to achieve level 2 or level 3 at 19, if that is appropriate; for young people with special educational needs getting the right skills to enjoy a good adult life." That has happened simply because the nature of the conversation changed. It was not about trying to find the leverage; it was recognising that when you talk to education providers they are doing it for a reason.

Baroness Morris of Yardley: Are your data good? We heard in the previous session that although local authorities have the responsibility to collect the data, it is very varied in the quality of job they do. Are you able to do that? I do not know the answer to the question. London has a particularly good record in collecting data.

Yolande Burgess: We do. Do not forget we are a sum of 33 parts, so I would have to acknowledge that.

Baroness Morris of Yardley: So they collect data at borough level and feed them through.

Yolande Burgess: One aspect of my job is to collate some of that data at regional level, where we can. London is getting better at acknowledging that regionally we can look very good on things like NEET statistics, but we know that some of our boroughs will automatically say, "We're not very good. We need to do something about it". They are also good at picking up the phone and ringing Harrow or Barnet and saying, "Yours are really good. What did you do? Can we come and learn?"

Andrew Hodgson: I want to go back to the educational piece and how we approach that in the north-east and get it down to a very practical level. I sat in at the end of Sir Michael's comments and I wanted to echo that that is exactly our belief. First, we think the key driver

of any pathway through education is through excellent school leadership. Everything has to be school leader-centric. Particularly in a very diverse region like ours, the school leaders are the people best positioned to be able to do that.

Secondly, we need excellent school governors, and that is where the business community can take a lead. Again, it should be no surprise that our best performing schools are in the more affluent areas and the worst performing schools in the least affluent. Those are the areas where there are not businesses and, therefore, good business governors do not necessarily turn up. We have to equip those business governors with a skill set. For example, in the north-east we have a digital partnership of businesses which was prepared to put a coding club into any school from one phone call, but how many school leaders and school governors understand that? I think the business governors can play a part there.

Having aspirational young people is clearly a big thing, but we cannot forget the community. Where you have multigenerational unemployment in a particular community, all of the things I have said before do not work. We have to get aspiration into young people. We are working on some simple things with the Northern Rock Foundation and the Education Endowment Foundation to get some adult literacy skills in particular areas. If young people go home with a book, if the adult literacy is not there, they cannot be read to. Sometimes we can get very strategic about this, but if you hone down to the school level, get excellent school leaders and equip them with the things they need, which is good governorship and an aspirational community, our experience is things happen.

We are trying to collect a lot of data. A lot of data exists, but there are significant gaps. We are working with the Gatsby Charitable Foundation to try and identify outcomes from some of these interventions. It is going to take time to understand what that really means. At the moment, we have selected 18 schools to run through a pilot.

Theresa Grant: Picking up the earlier points around NEETs, across the 10 authorities in Greater Manchester we have signed up to a participation strategy, so all 10 local authorities are tracking our NEET population, which we need to do under raising the participation age legislation. We are able to track NEETs cross-boundary, which we did not do previously. When young people fall out of the system, or become NEET, and leave the borough they are in, we can track their movement across the 10 in order that we can try to capture their needs and make sure they receive provision. That has been really successful and we are able to monitor and measure that through that process.

We are working with DBIS at the moment on the new local outcome framework. We hope that will make a difference and Greater Manchester has volunteered to pilot the framework from next year. I feel everybody should have a responsibility for young people, especially challenged young people who have fallen out, or are at risk of falling out, of the system. Through the outcomes framework we can make local authorities, schools, FE, higher education, everybody responsible through that process for those young people. We will not get social mobility unless we get young people skilled and into employment—not only into employment, but into better employment.

We have a really big challenge in Greater Manchester around low pay and getting people employed does not always help the economic system. We have the same cost for our in-work low-paid as we have for our unemployed in Greater Manchester. We are focusing on skilling young people in jobs to improve their ability to move up the pay scales and improve the productivity of Greater Manchester as a whole. We see that as one of our key challenges for the next five to 10 years.

Dawn Baxendale: There are two points I would like to raise. The first is about early intervention and prevention. We talk about NEETs as our young people come out of school and they become NEET. In Southampton we have said, “That’s not acceptable and it’s not right”. We have said we are going to look at every single pupil in year 11 and we will have a risk of NEET indicator assessment. Everybody will be assessed. For those who are in the highest risk categories we will put a wraparound to ensure that we can divert before we get to the critical areas. That bit about partnerships has been critical for us to be able to make that work efficiently, effectively, and inspire our young people to take different options.

The other part of the equation is we talk about schools as an entity, and, although teachers and heads work very hard, they are in an enclosed environment. We need to inspire our educationalists to understand the relationship with a place and their link back into their school. It might sound a little bit ridiculous, but what an eye-opener. We took our heads on a tour of the city and went round all the development sites and described to them what was happening, what the job opportunities were, and where the transitions and escalators of employment will be in the future. We linked that with our universities. We partnered with Red Funnel and we took 500 young people and their teachers on to a ferry, sat them in the middle of the Solent and said, “Look back at your city”. At that time we had 19 cranes spread across the sky. When you are on the water looking out, what an impact that has about your

future potential in the place that you were born or living in. You do not necessarily have to go to London to get a good career; there are options for you in the place that you live. Inspiring in different ways have been some of the tools we have tried to use. We have found that very, very enlightening, both for teachers and for pupils.

Q123 Baroness Blood: We have heard about some good practice this morning. Is that passed on or used only in your own area? Do you work together?

Theresa Grant: I am already speaking to colleagues in London, certainly around the Work Programme agenda and skills agenda, and how we join those up in the future. It is important from 2017, with the new Work Programme, that our aspiration and desire is to deliver an ecosystem of work and skills, so we can focus our efforts and energy on those furthest from the workforce and less likely to get into work. Again, a key focus is early intervention, so we get to those people before they start to go into the system and deal with some of the barriers that they have to employment, such as mental health. Currently, we are running a pilot—we have recently gone out to tender—called mental health to work. That is to pick up people at the beginning of the system before they go into unemployment. They may be depressed going in but they are definitely very depressed coming out of that system, because they do not get the help at an early stage to get them back into work, which in itself is a determinant of good health. We are commencing this pilot at the moment which came out of our Working Well pilot, which has been running for almost 18 months. We see a lot of young people on the Working Well programme which is dealing with people who have been more than six years unemployed and coming off the Work Programme. We have put a wraparound service in place around those individuals and dealt with the barriers they have. One of those major barriers is skills. We have had to make sure that we integrate a skills model into the Programme—it is not only about mental health, disability or a housing issue; there are a huge skills challenges. That is across all age groups, not just young people. The Programme has been really successful with a success rate of sustained employment of around 22%, compared to the Work Programme, which is dealing with the easiest to place, of about 9%.

Dawn Baxendale: We have very similar experiences. We have shared our planning around all our partners within our sub-region. We are also members of Key Cities and we lead the skills agenda nationally as part of Key Cities. We share that across the 25 partners there. We also work very closely with people like the construction skills academies and share a lot of

our practice through those routes, so that can be disseminated out into the private sector as well as the local government world. It is important that those links are made and we get things back. Local government is very good at sharing. We are always talking to each other. It is how we share with other sectors and gain information and benefit from that to help our people.

Andrew Hodgson: From the local enterprise partnership, there is a national local enterprise network. Local enterprise partnerships are business-led and we are all very busy businesspeople, so stealing other people's ideas is very much at the top of our priorities. We unashamedly do that. We talk a lot about pilots. I was talking about the skills funding pilot. There were three different local enterprise partnerships, all with different types of pilot to ensure we had something to compare and contrast. We work at a national level and sometimes at the city region level. We work with our partners within the local authorities, who have a really good network to share. There is a lot of sharing, but you have also identified that there are a lot of things going on. Like my fellow panellist said, at the end of this there will be a lot of phone calls made. For example, we are doing a mental health trailblazer in the north-east. We are copying a lot of the previous work that was done in Manchester. I am conscious I have not had the conversation to say exactly, "What did you learn? What did you not learn?" Within the skills area, London has a very famous skills challenge. It is not appropriate for the north-east of England, but there is a lot we can learn from those experiences. We work with partners wherever we can find them. Everybody is really open. The one thing I would say about skills is everybody is passionate and trying to do the right things. I have not heard anybody say, "Let's not do something to help people" on the skills and inclusion side.

Yolande Burgess: Absolutely. But we need to bear in mind that education providers are now in competition with each other. Sir Michael mentioned that when he was talking about schools with sixth forms. They can often be driven by other factors which can cause them not necessarily to deliver good advice and guidance. It is our job to facilitate some of that sharing across educational institutions. Theresa has already mentioned the amazing opportunity that will be coming up through area reviews. I think we have an opportunity to navigate some of that difficult, competitive territory for education providers and get some genuine sharing going on so that we have a very different skill system in the next five to 10 years.

Baroness Morris of Yardley: That is exceptionally hard to do.

Yolande Burgess: There are ways that we can include them.

Theresa Grant: We are already on our way with the area-based review. There is great consternation among the FE and sixth form sectors that the school sixth forms are excluded from the process. Whilst we have included their data for evaluation purposes, they are excluded from the process itself. I think that may produce a perverse outcome in some ways and allow a bubble effect to happen around skills, which would be a real shame because it is such a fantastic opportunity to get something right for once. I try to raise that at every opportunity.

Andrew Hodgson: Perhaps I can build on the comment that there are things you can do. I have talked about the skills pilot within FE. We have seven large FE colleges in the north-east of England—obviously multiple private providers—and it enabled us to have a conversation to get them to specialise in the sectors where they could. We did not have seven competing; we had seven relatively complementary. There are overlaps. What they are competing against is a funding mechanism. They do not have to compete against themselves. They should create a niche. Getting control of the funding enabled us to encourage them down that path. There are mechanisms that you can use.

Q124 Baroness Sharp of Guildford: It seems to me in your four areas you have a focus because you are strategic areas and you are looking at that. I worry a little about the broader areas that are rural and have no such focus. Are you sharing your very inspirational ideas with these people as well?

Andrew Hodgson: The north-east of England has a large rural population. Northumberland is about the largest rural population you could find. We have to find a strategy that deals with both city regions, of which we have multiple, and rural communities. You have probably not picked up on the accent. I am not from the north-east; I do not even live in the north-east. I am from Cumbria. On Friday, I will be spending time with the Cumbria LEP, because that is my home territory. Rural areas like Cumbria do not have the economic scale to do some of these things and be able to input them. We want to encourage them to collaborate, particularly around some of the border areas. We have borders with Scotland, Cumbria, Tees Valley and North Yorkshire. Those are the rural areas where maybe little hubs of skills can work together. Despite the fact we have a strategic area of responsibility, we also have a

moral responsibility to do the best thing for everybody, and that means in those border areas you have to decide between yourselves what the right local solution is.

I can give one example of that. When we were putting a UTC in to support the Hitachi rail plant, I had a very open conversation. I did not care whether it was in the North East LEP area, despite it being in our strategic plan, or the Tees Valley, because Darlington might have had the best supply of young people. We had a very open conversation. Ultimately it was decided that Newton Aycliffe was the right place to put that. We had a clear conversation involving all of the colleges, schools and local authorities in that area, and the two LEPs, to come up with the right solution. We do try our best.

Dawn Baxendale: Southampton abuts Hampshire, a very rural area. Our devolution deal is Hampshire and the Isle of Wight, so it is three unitary authorities, the county council, 10 districts and two LEPs. That whole bit about collaboration is key because there are different requirements for different localities. The importance is sharing your experience to get the right solution for the local area: local can be down to the street, the neighbourhood, the city, the rural village. It is sharing that and making sure you are maximising it. We are talking with the LGA about the nature of those types of communities in that collective geography.

Baroness Sharp of Guildford: Good. Thank you.

Q125 Lord Farmer: Mr Hodgson mentioned earlier SMEs saying what is in it for them. I want to touch on employers, and particularly the SMEs. It seems to me that, if you are an SME, you are working hard to make a success of yourself, and you do not necessarily have a social altruistic philosophy. Having heard about this rather inspirational ferry in the middle of the Solent looking back on Southampton, what is there to inspire and incentivise the SMEs to take on disadvantaged NEETs people, et cetera?

Theresa Grant: I can speak about Trafford and a model that we have developed that we are looking at rolling across Greater Manchester that has been very, very successful. It is called a Trafford pledge. All the other programmes we have in place are through our various ESF funding, et cetera, but this is about engaging local employers. We have a lot of employers in Trafford. We import a lot of people to work in businesses based in Trafford from Greater Manchester. There is a huge employment base in Trafford Park, the largest industrial park in Europe. We thought this was a fantastic opportunity to sign businesses up to help disadvantaged young people and people who are finding it difficult to be placed into jobs because of the barriers that they have. We started with a couple of big names to try and get

people engaged—not SMEs, but the Manchester Uniteds of this world, which readily signed up.. Since then, we have signed up so many SMEs and large industries that we have supported all of our young people in Trafford and we now also support young people from Salford. It has been such a success. It is about engagement, honesty with employers, and helping employers. It is difficult for SMEs. You are absolutely right, they are very busy trying to make their businesses work, and so you have to help them with that. You have to make the placements easy. You have to support that placement while it is with them. That person will need more skills training or a lot of support and help if they have particular barriers. You cannot expect an SME to provide all of that support, so you have to be there to support them. We are doing that through our local authority. It has been a huge success, so much so that we are rolling it out across Greater Manchester as a pledge. There was nothing in it for the employers except some publicity, and they seemed to like it and support it.

Baroness Berridge: Is the placement an apprenticeship?

Theresa Grant: No, it is separate from our apprenticeship programme. Many of those employers already have apprenticeship programmes. Manchester United has a big apprenticeship programme; this was in addition. One of the other things we have been doing recently, which has been successful, is when we get planning applications for developments—we have a construction apprenticeship scheme which is very, very successful across Greater Manchester—adding to that we directly meet with some of the bigger developers asking, “We need you to help some of our challenged young people and I have an expectation that you will employ some of these young people”. A very good example is Hotel Football, which Gary Neville recently built in our borough. Through that process, he agreed to sign the Trafford pledge to take on disadvantaged, challenged young people from within the specific area, which happens to be a very deprived ward, possibly in the top 5% in the country. He has taken on those apprentices and, in addition, some of those challenged young people under the pledge. You can do that. We make sure we do that with every big planning application that comes through, and I am sure my colleagues must be doing the same. It is not an official process, but it is a way of encouraging employers when you know there is an opportunity coming down the pipeline to get those young people into employment.

Dawn Baxendale: As Theresa said, we made it an official process as part of planning, which I described earlier. Most of our places are full of SMEs. In the city 99.4% are SMEs. Often we

think of that as one, two or three employees, but they go up to 250 employees. Being upfront, with one firm taking one person, we would wipe out the unemployment rate overnight. There is something about a very simple story that links your ability to do your business to the people that we have in our city. We have built our apprenticeships, but also said we will do funded traineeships before full apprenticeships and we will support businesses in that and finance that. We do grants for employers for specific targeted young people. We make it very real and easy, and that is part of the key—upfront, clear, “This is an opportunity that you can win as well”.

Andrew Hodgson: The way we approach that is slightly different, which is at the sector level. It is about education of and communication with the employment sectors. We are talking about people who need to be brought into a skills base. If sectors do not do that, they are only stealing from each other. We were seeing that. We have a rapidly growing automotive sector, a rapidly growing offshore sector, a rapidly growing digital sector, so we have to engage at the sectoral level to get the broad spread of employers. Each of those sectors in our region has their own skills groups with its own skills initiatives. If I take my own sector, the subsea sector, we used to point at each other and say, “Well, I’ve lost 10 people to you”, and we would go round the room and realise we had not created one new job; we had just moved everybody around. We had to get proactive. Whilst I think there is a lot we can do about financial incentivisation and making things easy, communicating is important. Every businessperson talks about a skills gap and skills need, so morally you have to tell them to get on with it, resolve it and sort it, but you have to give them the data to understand what they need to do.

The Chairman: Thank you. We are racing against the clock now. Baroness Berridge.

Q126 Baroness Berridge: I want to pick up a point made by Dawn from Southampton. You talked about targeting particular groups of people. We had a story told to us of a young person who has now left education and who is a carer. There seemed to be a difficulty in the system for her that when you are in receipt of carer’s allowance, if you are no longer the carer, you lose that allowance if you want to do a full-time course, so that is a clear objective but you are not able to get over those barriers. We hear a lot about care leavers, children in care, as well as the young people who have done caring for long periods of time. Have you had to focus on that particular group in Southampton?

Dawn Baxendale: It is fair to say we have a set of young people who are absolutely as you described, who are doing an amazing job under very difficult circumstances. It is an area that we have started to move into. Although you are right, everybody concentrates on care leavers, there is a set of our young people who are doing a fantastic job while trying to do their education. We have not cracked that yet. We have recognised it. We are trying to link that back to our youth council and understand that relationship to say what is going to work best for them rather than us trying to decide it. It is building that dialogue in the first place and we are only at the beginning of that.

Yolande Burgess: There is some interesting policy dynamic on this, particularly thinking about the middle attaining group, but also we are talking about young people here who, by dint of circumstance, are going to take a little bit longer to achieve their level 2 or level 3. A piece of work that we did with Professors Hodgson and Spours at the Institute of Education showed there is a significant minority of young people who truly benefit from a three-year programme of study at that sixth form period. We have to acknowledge that if you are 18 and you go to college or school, your institution gets paid 17.5% less for you. We are not talking about young people who are simply doing resits. This whole issue of “age and not stage” particularly affects young people, such as young people who have been giving care, potentially care leavers, et cetera. That is where we need to be looking at the national policy drivers that are hindering us at a local level to put in place really good strategic responses.

Q127 Baroness Howells of St Davids: I am particularly interested in young black men and women. I have had employers say to me that they are never offered anybody who is black and asked whether I know anyone I can recommend. We also get young people who say that when they go to these employers, they are definitely rejected because of the colour of their skin. I thought we had finished with that a long time ago, but it is re-emerging because of fewer skills. Do you do anything on race at all, and how do you manage, especially in London?

Yolande Burgess: The best thing I can cite is a fantastic programme of activity that goes on in Hackney. It is specifically to help young boys to improve their outcomes. One aspect of the programme is bringing peer mentors in, so young black men, to work with young boys while they are in school to help them gain their attainment. Through that programme they have been growing their own mentors coming up through those systems. Young boys become young men, they become the mentors. That is a tiny part of the programme. They call this

Team Hackney. This is where it can only be done at a local level. You literally harness the entire community. It is the entire community, so employers are represented, asking how SMEs in Hackney support this initiative, what are we doing to ensure that young people in school are acknowledging and recognising what those opportunities look like, looking at all of the services that young black men might engage with and making sure they are all talking to each other. It was not a single local authority approach. It was an every service approach, local authority approach, complete community approach looking at how we bring families and parents in to advocate for us and act as champions. That is a really good example of how you can make something work, but at a local level it involves significant numbers of partners.

Andrew Hodgson: In the north-east, our demographic is different. We do not see that challenge with young black people, but we do have a large Asian business community. They are doing a lot of interesting things utilising effectively corner shops and tying those to schools to give enterprise experience for primary school children through Asian shopkeepers to break down the barriers between the Asian community and the white community. A lot of our deprivation is among young white males, but one of the things that should be said is our biggest—if I am allowed to use the word—disadvantaged community is actually the female community in the north-east. We have very traditional family structures and very traditional communities. That is the biggest blocker that we have. We do have interventions there, but the message is you have to look at each of the communities and where the challenges are. That is where we recognise our biggest challenge is.

Theresa Grant: In Greater Manchester, we have a youth contract initiative which focuses on BAME as the main focus of the programme. Our providers are rewarded for the improved results they get around our BAME communities in terms of training and placement into sustained employment, and it has been very successful.

Q128 Baroness Tyler of Enfield: Can I declare an interest as co-chair of the All-Party Group on Social Mobility. Very much following on from the quite extensive discussion we have had about collaborative working, one of the key themes in our evidence has been who is in charge overall for this group of people. We have heard that there is no one in the system who is ultimately responsible for ensuring that young people, particularly the disadvantaged groups, make a successful transition from school into employment or further study. Could you say who you think should be responsible, and how that might work?

Theresa Grant: It would be very easy to say the schools should be responsible because that is where they are coming through the system, but I do not think that is the answer. It has to be collective responsibility. I think I mentioned it earlier. The schools, local authorities, FE provision, all the institutions that are going to be involved in the journey and transition for that young person need to take responsibility for their journey and destination. The outcome framework that is going to come next year through DBIS, and the work we are doing with DBIS, will provide us with an umbrella and a hook, if you like, to make all of those different institutions responsible, but with some clarity and a clear framework around that, so they cannot dodge that responsibility. The young people who are falling out of the system at the moment, those who are most disadvantaged, will have a path and somebody who will take that responsibility through each step of the journey.

Dawn Baxendale: I completely agree with Theresa on this. It is a single vision. That is not only about the locality; it needs to be the same for national government as well. There is something here about how we maximise UK plc in a global environment. As a nation, we are not achieving that. That impacts right the way down to the individual living in their community, that family and that child. That single vision, both at a national level and whatever your locality, is critical. That centres around what the clear objectives are, maximising the relationships and thinking about that from an individual institutional perspective and what your responsibility is in that chain, and you are held accountable for that part of the chain and feed that back in. Finally, you celebrate your success, because we are pretty rubbish at that. We are all working hard and when we are getting those successes we should be shouting about them, because that will breed confidence in the system rather than always talking about the negatives.

Yolande Burgess: I agree with Dawn. For some of the issues we have nationally we have the Department for Education with the Education Funding Agency, the Department for Business, Innovation and Skills with the Skills Funding Agency, the Department for Work and Pensions with Jobcentre Plus, the Cabinet Office with the National Citizen Service Trust, the Ministry of Justice, and they are all coming at it from their own angle. I could not agree with Dawn more, we have to look at this from a UK plc perspective. We can do really good vision on the ground, but it needs to be supported by that same vision nationally as well.

Q129 Earl of Kinnoull: Moving back to data, we have taken a lot of evidence on data from other people and have heard from you today how you are using the data. What thoughts do

you have about how the availability of data could be improved? That is really a question about quantity and quality. You might want to stray into difficulties that local authorities have in performing their data collecting duties.

Yolande Burgess: Interesting question.

Andrew Hodgson: I will go first. So much data are required. You have supply side and demand side data, but how do you collect all of that together? We were fortunate enough to do an independent economic review to get a baseline for that. We have access to the Skills Funding Agency Data Cube, but it is like trying to get into Fort Knox. We have to contract in specialist help to be able to access what should be a basic access database. However it is being collected and constructed, it is really difficult to get to the level of information. There is a lot of data, but to turn that into information that you can use properly in this environment is really difficult. There is so much data there: some of it is right, some of it is wrong. Getting it turned into something that is useful is the difficult part because of the way it is constructed. I am outside the public sector, so I do not know the complexities about public sector activities.

Baroness Morris of Yardley: What specific data are the difficulty—personal level data, destinations data, or something different?

Andrew Hodgson: All of the above. All of that is within the SFA cube.

Baroness Morris of Yardley: Every bit of data is difficult to access.

Andrew Hodgson: It is all there, it is how you access it. It is not an easy to use system.

Baroness Morris of Yardley: Is it is a system thing?

Andrew Hodgson: Yes, it is a system thing.

Theresa Grant: I can sympathise, and I am in the public sector. Very recently, we gained access to some of the SFA data, that we would have liked to have previously, because of the area-based review. We are downloading that and working with SFA on the data. For us, it is heaven because we now access information that we would have always liked to get. Data sharing is a huge issue for us in the public sector. The most difficult area to access data from is DWP by some measure. It is pretty impossible to get any data-sharing agreement. We did manage to get one on the Working Well pilot, which in our view was a huge success, and that is working and nobody is in jail because we have shared data.

Andrew Hodgson: Yet.

Theresa Grant: It would be me if anyone is going to jail. It is a real challenge.

Earl of Kinnoull: Can I probe that a bit? What was the difficulty there? Was it people waving the Data Protection Act at you or people being stroppy and unhelpful?

Theresa Grant: I have to be a little diplomatic now, because our ongoing relationships are very important. I had an incident where there were at least three lawyers in a room from the same organisation disagreeing with each other over how they would share the data with us. It is a minefield. It is a very difficult area to overcome. People find barriers, and I do not know whether they intentionally find the barriers or the barriers exist in law, but sometimes there is no willingness to find a solution.

Andrew Hodgson: Our experience is they will fire the Data Protection Act at you as a coverall for everything on the basis, “They’ve probably never read it, they don’t understand what they’re talking about”. I think the obstructiveness is somewhere beneath that in truth. Clearly government departments are under pressure and people are trying to protect their roles and jobs. That is all understandable, but we have to find a way to get beyond that.

Theresa Grant: I mentioned a piece of work we had started to do to make that direct correlation between qualifications and jobs. There is a process in place to ask for schools data. It took nine months for the departments to get it to us, after question after question, even though we followed the process.

Dawn Baxendale: I would like to give three examples of why I think we need to change. This applies to the locality as well as national government. If I take a local situation, in my own local authority, everybody used to hold their own data in their departments, so the children’s data was the children’s director’s responsibility and nothing to do with the council, and you could say the same about adult data or schools data. I have said that this is the council’s data, there needs to be one version of the truth and it needs to be in one place and everybody can access that data in the right process. Business intelligence is critical for us to be able to make the right decisions. You mirror that within government. If we think about NEET data, NEET data for care leavers, NEET data for the youth offending service, all of this comes out of the Department for Education. Each of those three is collected differently and their data sets are different, so how on earth can we get common understanding of the tracking if they are collecting it differently? Sharing between apprenticeship data cubes was only available to LEAs. It has taken us absolutely ages to negotiate to get that data, yet we are part of a system that generates real opportunity to deliver apprenticeships into the

system. It is bonkers. It is institutionally driven rather than being, “What are we trying to achieve?” We have to turn this thing on its head.

Q130 Baroness Blood: Thank you for a very informative session. In a sense, you have answered this question. As a Committee, we will be putting forward our recommendations. What would it be if there was one key suggestion for change that we could put in?

Dawn Baxendale: For me, we have a series of funding streams and all of them are eventually trying to achieve the same thing, which is our education, skills and employment routes through all the different departments. They need to be aligned. For us, we want to see that devolved. That is aligned and devolved to meet local objectives and priorities, because we are driving to one outcome then.

Theresa Grant: I was going to say something similar to Dawn, so perhaps I can add a little bit to that and then take advantage of offering another improvement as well.

The Chairman: No, only one.

Theresa Grant: Dawn has mentioned the overlap of funding. For me, one of the biggest failures in the system is the fact that we have EFA funding and SFA funding dealing with practically the same cohort of people. To me, it is dealing with failure coming out of the school system so we should be spending it differently. It is separate and it is not devolved to us even under devolution. Where we have devolution of adult skills, we cannot get devolution of EFA funding. To me, there is a waste in the system that could be solved quite easily. It could make savings for government. It is about people giving up territory, which goes back to the point made about people working together for a single outcome rather than to protect an institution or particular department’s budget. It would be a very simple solution. There would be two huge benefits from that. One would be government funding and the second would be the people on the receiving end of those skills because they would have a joined-up system.

Yolande Burgess: It is fantastic that devolution has happened. I do not have to say anything about devolution, which is great. Particularly in educational terms, we have to get serious discussion going on about vocational and technical education; it is not all about A-levels.

Andrew Hodgson: I want to echo everything that has gone before. It has to be a single collaborative approach. There is no doubt that in this environment funding does drive behaviour and incentivisation. To get everything in one place, dealing with the local evidenced challenges is what it is about. If we could achieve that, that would be fantastic.

The Chairman: Thank you very much for giving your time and travelling to see us today. We appreciate it very much. Thank you.