

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP – WRITTEN EVIDENCE (YUN0017)

Youth Unemployment Committee inquiry

Introduction

The North East Local Enterprise Partnership (North East LEP) is pleased to provide evidence to the House of Lords Youth Unemployment Committee Select Committee which has been prepared with the input from a range of partners across education, training providers, voluntary sector and union representative organisations. Supporting evidence from other documents and publications have been included to support the work of the committee.

The North East LEP is a public, private, and education sector partnership working across County Durham, Gateshead, Newcastle, Northumberland, North Tyneside, South Tyneside and Sunderland local authority areas. The [North East Strategic Economic Plan](#) (SEP) is our plan to grow and develop the region's economy. It is an evidence-based response to our long-term economic challenges and opportunities that were identified by the [North East Independent Economic Review in 2013](#).

Summary of Response

The key points are as follows:

1. There are a number of challenges in the North East giving rise to higher unemployment and lower qualification attainment of young people.
2. There a number of barriers to employers' engagement with apprenticeships and traineeships.
 - Availability of appropriate apprenticeship standards – particularly for SMEs
 - Capacity and time –to set up an apprenticeship scheme
 - Cost – wage costs for apprentices and time out of the business during training
 - Recruiting young workers with the right skills
 - Geography/place - particularly if poorly served by public transport
 - Covid-19 –not been able to use the traditional routes for recruitment
 - Exposure to job roles and workplace expectations
 - Recruitment – reduced or postponed due to uncertainty of future trading
3. No response

4. The current FE funding only allows for core aspects of curriculum delivery rather than investment in the additional and essential skills required to succeed in the labour market.
5. The kinds of skills that should be encouraged and practised are those that employers will find helpful in the future, e.g., analysis, open-mindedness, problem-solving, organisation, and communication. These are skills that can be taught in many subjects of the curriculum but require a courageous approach by any school who values these alongside the traditional subjects of the national curriculum.
6. Recent changes to careers education in England have been positive but more needs to be done to ensure that all young people are better prepared with the knowledge to explore the range of opportunities available to them.
7. No response
8. Greater efforts need to be made to ensure that there is parity of esteem between vocational and academic study and that young people understand the full range of options available and are supported to make informed decisions.
9. No response
10. The apprenticeship levy has predominantly impacted business through driving organisational change rather than supporting its original ambitions.
11. Opportunities to maximise and repurpose the apprenticeship levy and an introduction/extension of flexibilities and incentives
12. The main economic sectors providing quality employment in the future for young people are around offshore energy and subsea technology, digital and tech, health and life sciences and construction.
13. Targeted localised interventions composed of generic and tailored training and support are required.

Questions

1. What are the main challenges facing young people seeking employment today? How do structural factors impact youth unemployment, and how might these be addressed?

1.1 Between January-December 2020 there were 24,200 unemployed 16- to 24-year-olds in the North East LEP region. This was an unemployment rate of 17.3% (of the economically active population), which is higher than England's rate (13.7%). Whilst the unemployment rate of females is in line with that across England, unemployed males are significantly higher than the national average in this age group in the North East (22.1%, compared to 15.1% for England).

1.2 Young people with SEND are significantly disadvantaged in a challenging labour market as there is increased competition for employment opportunities.

1.3 In the North East, 5.1% of adults with a learning disability are in paid employment compared to 5.4% nationally. 16.2% of school children have a statutory plan or are receiving SEN support compared to 15.4% nationally and 13.1% of children in need have a disability compared to 12.6%. (Local area SEND report England).

1.4. Young people with SEND are less likely to achieve a level two and level three qualification by the age of 19 (14.9% / 12.5% compared to 75.3% / 62.2% for young people without any SEND). This is further reduced for the North East with only 10.7% / 8.2% of young people achieving a level two / level three qualification.

1.5 The main challenge which faces individuals with disabilities, especially young people, is the lack of work experience and effective routes into appropriate employment. For example, the number of individuals progressing into apprenticeships has fallen from 56,025 in 2016/17 to 51,266 in 2018/19. [CSJJ8819-Disability-Report-190408.pdf](#) (centreforsocialjustice.org.uk). This has been further exaggerated by covid-19 as virtual opportunities are not as accessible for young people with SEND.

1.6 Some young people have barriers to digital inclusion, which can cause significant challenges to gaining employment. The reasons for this digital exclusion can include a lack of access to equipment, lack of access to broadband, the necessary digital skills and/or the confidence and motivation (on the eve of the pandemic, nearly one in ten (9%) young people had no access to a laptop, desktop or tablet at home). All of these present challenges and these can be amplified in specific groups of young people including those; from lower income families, with disabilities, from rural areas, lower qualifications or who have left or been excluded from

school (where one in five (21%) households with children have no access to an appropriate device, and over one in twenty (6%) have no access to the internet).

1.7 The diverse geography of the region presents challenges for young people and transport infrastructure can limit the accessibility to work experiences, placements and employment opportunities, again this can be magnified for young people with SEND.

1.8 There are comparatively few corporate Head Offices including FTSE 100 HQs in the area and so there are less opportunities for those individuals seeking corporate professions. The North East has a larger SME employer base compared to other regions, meaning that its employees are likely to need a broader skillset. In addition, the North East economy is largely made up of public and third sector employment with healthcare, education, public administration, and defence making up 30% of all employed in the area (BRES, 2019).

How might the challenges be addressed

- Programmes to develop understanding and knowledge of sectors that will provide job opportunities
- Ensuring transport barriers are minimised for young people through improved infrastructure and travel subsidies
- All young people need access and opportunities to engage with work experience, supported internships, traineeships and apprenticeships and this should be a priority for young people with SEND
- Individual placement support often more successful outcomes than larger scale programmes placing a person with SEND in employment with wrap around support available including clinical support.
- Researching the nature and extent of digital inclusion across the region; the impact it has on people's engagement, learning, job seeking and accessing services and how the global pandemic has exacerbated digital exclusion challenges to inform interventions to address the problem.
- In response to feedback from careers leaders and employers a [Work Experience Framework](#) has been developed and tested to support schools, colleges and employers to deliver meaningful encounters both virtually and in a blended approach once COVID-19 related restrictions allow. The framework includes employability skill activity as well as 360°workplace tours and employer talking head videos.
- Ensuring ESIF replacement funds are focused on activities to support youth employment and reduce NEET figures.

2. What are the main challenges facing employers in the labour market today? What barriers do they face in recruiting young workers and setting up apprenticeships and traineeships?

2.1 Where employers require specific qualification thresholds and higher qualifications the proportion of young people in the region meeting those criteria may be lower than in other areas. The North East LEP area has a lower qualifications profile than England with:

- A larger proportion of individuals with no or low (Level 1 and 2) qualifications (North East:20% Eng:17%)
- A smaller proportion of individuals with high (Level 4 and above) qualifications (North East:33% Eng:40%)
- In terms of graduate retention, the North East (including Tees Valley) retains 46.3% 1 year after graduation from the LEP area's universities. This decreases to 43.8% after 3 years (graduates of 2017/18, HESA)

2.2 **Complexity of the skills system** – choosing the right provider and course or initiative. Lack of knowledge about the apprenticeship/traineeship system and more recently detail relating to the Kickstart Scheme. Kickstart is becoming part of the offer and could be a great progressive opportunity for the region to continue to develop a pipeline into apprenticeships. However, this is currently a finite project so employers can't build it in to their longer term strategy with any degree of certainty. There is still no certain mechanism in place for sole traders and single company directors to access Kickstart. Within our region we know these have always been high quality apprenticeship providers.

2.3 **Availability of appropriate apprenticeship standards** – particularly for smaller companies and those in "niche" sectors. Smaller companies who may only take on one or two apprentices per year have less ability to negotiate with providers and tailor courses to their needs.

2.4 **Capacity and time** – constraints on capacity due to Covid-19 affects the ability of companies to set up an apprenticeship scheme or get involved in developing new apprenticeship standards

2.5 **Cost** – wage costs for apprentices and time out of the business during training

Recruiting young workers with the right skills – there can be a lot of competition for apprentices in some sectors. Geography/place can be a barrier for rural employers, particularly if poorly served by public transport

2.6 **Covid-19** – companies have not been able to use the traditional routes for recruitment e.g. attending school/college careers fairs. May be a problem for smaller/less well-known companies to attract applicants

2.7 Exposure to job roles and workplace expectations – low understanding of young people in regard to the variety of job roles particularly hidden jobs within sectors or organisations. Young people have low understanding of workplace expectations and codes of conduct which can lead to unsuccessful transition into work.

2.8 Recruitment - reduced or postponed due to uncertainty of future trading and implications of Brexit

3. No response

4. Is funding for education, training and skills enough to meet the needs of young people and of the labour market? How can we ensure it continues to reach those who need it most?

4.1 Further Education funding in general has been in decline since 2010 and is not currently sufficient to deliver much needed quality and additionality required to meet the needs of young people. The current funding envelope only allows for core aspects of curriculum delivery rather than investment in the additional and essential skills required to succeed in the labour market. For example, across some of the standard funding bands there is a short fall once you remove costs for end point assessments, for example Business Fire Safety costs range from £2,500 - £5000 but funding is capped at £2,000 for a minimum 12 months. Such funding constraints and shortages were prevalent pre pandemic but with the next generation of school leavers having experienced 1-2 years disruption in their academic education this will demand greater support to ensure positive transitions and progression.

4.2 In addition, the funding challenges are further exacerbated through the introduction of new programmes and initiatives which fail to align with existing training and skills offers and instead further dilute the funding envelope and/or confuse both young people and employers resulting in those who need it most not always benefiting. Furthermore, this dilution of funding impacts upon the more familiar and highly valued training routes, Apprenticeships. For example, the funding required to deliver the two most popular apprenticeships (health and social care, business administration) is so low that Providers struggle to deliver these qualifications. Similarly, access to technology for all apprentices would be beneficial to ensure continued, remote learning is possible to overcome issues of disadvantage. In addition, the apprentice national minimum wage is viewed by some as having negative associations which detracts from the high value these learners bring to the labour market. One recommendation would be to set a higher wage tariff which is offset through providing retention payments to employers at specific points in the programme. In addition, wage subsidies to support struggling

businesses to recruit young people entering an apprenticeship would also go some way to ensure that support landed with those who need it most.

4.3 Policy decisions to remove the tutorial funding element of those students over 18 in them potentially having reduced access to careers, advice and guidance. College Hub members in the Northeast are committed to ensuring high quality careers and are recognised nationally as an exemplar in the adoption of a whole college approach to careers, however this is as a result of providers refusing to turn 19-year-old students away, despite not receiving the same levels of funding means they are potentially deprived of the opportunity to access careers, advice and guidance as that for 16–18-year-olds. Given NEET evidence demonstrates a 50% increase between 16-17 transition points, and then double again between 18-19 years it would be of value to fund this crucial element of Study Programme funding in the current climate.

5. Does the national curriculum equip young people with the right knowledge and skills to find secure jobs and careers? What changes may be needed to ensure this is the case in future?

5.1 The National Curriculum reform came into force in 2014. Sustained destinations of students post KS4 have improved since 2010 increasing from 89 to 94% for the 2018/2019 school leavers with an increase of 82 – 87% for those remaining in education. During this period Progress 8 school performance measure for key Stage 4 was implemented with all schools reporting against Progress 8 in 2016. The suite of “approved qualifications” that qualify for points in different elements of the Progress 8 scores was revised leading to several applied and vocational qualifications, designed with employer input, being squeezed from delivery. In addition, a suite of GCSE and A level qualifications were reformed. The North East destination statistics remain lower than the national average currently Key stage 4 destinations 92% compared to 94% nationally and 78% 16-18yrs destinations compared to 81% nationally. However, the proportion of young people progressing to apprenticeships is consistently higher than national average raising a viewpoint that the reforms and changes outlined do not promote an accessible and appropriate curriculum offer for each and every young person and favour those following an academic pathway.

School responses included:

Primary

- The National Curriculum is very prescriptive in some areas but quite flexible in others. The maths and English curricula provide a grounding in basic skills that all children will need before they can build on the higher order skills required in ‘real life’. Many of the foundation subjects have limited prescriptive content, allowing

forward-thinking school to be more creative and imaginative when planning a curriculum that equips children for their future careers.

- There is no mention at all in the National Curriculum of careers, with no specific links to available careers and jobs. Subject skills are not linked to available professions. It is in early years that most schools will make links to careers with studies of people who help us e.g., police, fire, dentist etc.

Secondary

- Individual school offer is taught in some schools can be dependent on the recruitment of subject specific teachers. e.g., engineering
- School performance measures have 'squeezed' time for vocational subjects and this is detrimental to employability for some students.
- Inability to match up what employers from specific sectors want against what the school has capacity, or is able, to offer
- Skill development can be ad hoc and an add on
- SEND settings do not have to deliver the National Curriculum and tend to focus more on 'preparing for adulthood' – which could be viewed as a positive approach
- Often a lag exists between industry advances (in areas such as tech) and what is taught in the national curriculum (Example – Computers at Schools references to ICT curriculum in comparison to Computing.)

School responses when asked about what changes may be needed included:

Primary

- The kinds of skills that should be encouraged and practised are those that employers will find helpful in the future, e.g., analysis, open-mindedness, problem-solving, organisation, and communication. These are skills that can be taught in many subjects of the curriculum but require a courageous approach by any school who values these alongside the traditional subjects of the national curriculum.
- To ensure this is the case in the future, the Career Benchmarks needs to be introduced at Primary level, with the appropriate training and easily accessible resources funded and made available for all staff to be able to implement successfully, possibly as part of the overall PSHCE curriculum.
- We need to look at the curriculum overall to fit this into employer needs...so many things keep getting added in or are bolt on to existing curriculums such as PHSE. (Examples would include mental health, black lives matter).

- The most important change that is needed is funding and resources to become available for all schools to utilise as they fulfil a statutory duty on appropriate career knowledge / skills/ understanding to acquire a secure job/career.

Secondary

- Specific sections of specifications in which employability skills can be developed without it being a curriculum add on.
- More support for engaging with businesses when designing specifications and schemes of learning.
- A need for a focus CPD for practicing teachers and on ITT to ensure that all teachers in the future are confident and well equipped to link careers to curriculum learning.
- Funding to allow more teacher internships and release into industry would also support this and allow staff to deliver in house training to all staff and equip everyone with the ability to deliver careers in their own curriculum.
- The new [CDI framework](#) of Looking at the Big Picture has changed to address this.

The 2021 UCAS – Where Next? [report](#) highlights several recommendations including;

To deliver the ambition set out by UK governments in their careers strategies and support the wider levelling-up agenda, **Career information advice and guidance (CIAG) should be embedded within the curriculum in primary schools and early secondary years.** To include:

- statutory requirements for CIAG within primary education to include the full range of pathways and careers
- age-appropriate Gatsby Benchmarks to raise aspirations from an early age

6. Is careers education preparing young people with the knowledge to explore the range of opportunities available? What role does work experience play in this regard?

6.1 Recent changes to careers education in England especially the introduction of the Good Career Guidance Benchmarks have been positive in beginning to establish a system to help prepare young people with the knowledge they need to explore the range of opportunities available. Through these, young people should learn about labour market information; have important and meaningful encounters with a range of different employers including through work experience and understand the full range of education, employment, or training opportunities available to them and where they lead to.

6.2 It is also positive that Destination Measures act as an accountability measure for schools and colleges; that there is now a defined Careers Leader role (with training) within each school and college and how the recent Skills for Jobs White Paper aims to reduce the statutory duties for schools to Year 7.

6.3 There is, however, no doubt that this work is more important than ever because of changes happening within the labour market as well as the changing nature of 'career', meaning that young people need to develop the career management skills that can support them throughout their lives and not just to ensure they move onto a positive destination at the end of year 11.

6.4 Whilst it is generally considered positive that the benchmarks are not prescriptive and allow each individual school or college the freedom to develop their Careers education, information, advice and guidance (CEIAG) programmes, based on their own context, location and student needs, the fact that very little CEIAG is a statutory requirement means that many schools and colleges still do not see it as a key priority.

6.5 In addition, from feedback we receive from schools and colleges, many still lack time and resources to provide all of the experiences that young people would benefit from; there is often not a focus on helping young people to develop the key skills they will need for the future; careers is often not embedded throughout the curriculum and too few young people receive personal guidance from qualified careers advisers to support them in their decision making, including at key transition points. In addition, it starts too late in a child's education. This is why, as a North East LEP, we are currently testing a set of adapted benchmarks in a range of primary settings.

6.6 Some of the challenges highlighted are more challenging for SEND schools, or young people with SEND.

6.7 Finally, more needs to be done to ensure that schools and colleges, in addition to adopting, implementing and achieving the Good Career Guidance Benchmarks also use the CDI's career development framework to consider the learner outcomes that CEIAG programmes and interventions should be aiming to bring about and to enable more schools and colleges to work towards achieving a Qualification in Careers Standard, which externally validates the school or colleges' CEIAG programme.

7. No response

8. What more needs to be done to ensure parity of esteem between vocational and academic study in the jobs market and society? How can funding play a role in this?

8.1 This is a very complex societal issue. However, the following response is collated from feedback from a number of North East LEP schools and colleges:

- There is a need to develop practice/resources to support teachers and career practitioners in schools and colleges to embed technical education into their practice, thus reducing common myths associated with technical and vocational education pathways amongst young people and parents/carers.
- There is an opportunity to establish a task and finish focus group for young people to consult on their understanding of technical education, dispel myths and champion the benefits as well as seek advice on how to change the national narrative for technical education.
- There is an opportunity to create a joined up national marketing and communications campaign to promote the broader technical education pathways including T-levels, Higher Technical qualifications and Apprenticeships.
- There is a need to maximise employer engagement to showcase case studies of employers with a previous or current track record of working with providers who offer technical education and can promote its benefits to both employee and business.
- There is a need to ensure a more wide-ranging approach to learner choices to support the achievement of Good Career Guidance Benchmark 7 so that all learners understand the full range of education, employment and training opportunities that are available to them.

8.2 Funding has a significant role to play in this work. For example, it could be used to ensure that there is parity with remuneration across the school and vocational education teaching workforce to ensure highly experienced and skilled teachers are retained in vocational education settings. In addition, an appreciation of the costs associated with vocational and technical education curriculum delivery is paramount to ensure that provision meets industry standards.

9. No response

10. What can be done to ensure that enough apprenticeship and traineeship placements are available for young people? Is the apprenticeship levy the right way to achieve a continuing supply of opportunities?

10.1 The apprenticeship levy has predominantly impacted business through driving organisational change rather than supporting its original ambitions. Provider feedback across the North East has highlighted that the levy has encouraged employers to upskill their existing workforce through, for example, converting existing leadership and management training into apprenticeship training at the expense of creating opportunities to support entry level recruitment opportunities and attract new, young talent to the business. This has been exacerbated during the pandemic. With only 49% of Level 2 Apprenticeships funded via the levy compared to 80% of degree level apprenticeships, which also does not favour apprentices with SEND who would typically enter apprenticeship training on a Level 2 qualification.

10.2 Consequently, feedback from providers is to maximise the Apprenticeship Levy to meet skills needs. For example, where additional training requirements are needed over and above those included in the Apprenticeship Standards is there an option to use the Levy to cover such costs?

10.3 Feedback from employers is that if they could use their Levy for apprenticeship salaries that would encourage them to recruit and invest more in apprentices. In addition, one suggestion is to explore re-purposing the unspent apprenticeship levy to cover the cost of those employers who are required to pay a 5% contribution as this can be a barrier, particularly in sector areas like Health & Social Care.

10.4 Continuing financial incentives made available to employers who create opportunities and recruit new apprentices into their business are welcomed. The current employer incentive grant is making it possible for SMEs to continue to recruit during a time of uncertainty. Extending the incentive grant would encourage employers to continue creating opportunities for young people.

10.5 Incentives for employers to offer traineeship placement with a commitment of an apprenticeship guarantee into an apprenticeship would also be of value in promoting apprenticeships as a high value rather than one of 'cheap labour', and thus make it more attractive to young people.

10.6 Feedback from providers highlights there is conflict between the asks of work-based learning opportunities from apprenticeships, traineeship placements and requirement for the growing T level placements. Employers have expressed confusion in navigating the skills and employment eco system so with different requirements and processes placed upon them there is great value in promoting these offers clearly to business to ensure opportunities are made available to young people, and

importantly the right cohort of young people. Providers have shared challenges in recruiting for traineeships and requested investment in a national campaign aimed at employers, but which also demonstrates the fit alongside those other Plan for Jobs offers. Increased employer marketing and publicity promoting the benefits of recruiting apprentices and how pathway fits with others available to both business and young person.

10.7 Providers also highlighted the potential devastating impact e.g., closure or non-compliance, of the current consultation on allocating funding bands to apprenticeship standards. In some cases, it will see the funding for apprenticeship standards reduced by up to 50%. Any proposed reduction in funding will provide a larger Levy underspend in an already underused environment.

10.8 Re-instatement of the functional skills flexibilities is another area which could impact upon more placements. For example, the removal of the need to sit a level 2 would be welcomed and a reconsideration of functional skills being included within the 20% off the job training remit. These were implemented for Providers during lockdown but ended on 31.7.20, but the ongoing need, to continue with flexibilities during 2020/21 has been highlighted to support completions.

10.9 A revision of the maths and English requirements for some apprenticeships, would be particularly appealing to those sectors most affected by Covid, such as Health & Social Care.

10.10 Feedback from both Providers and employers regarding the requirements to register on the Digital Account Service is also a key factor in offering apprenticeships. The digital account is incredibly time consuming for employers in registering PAYE and for DAS and can delay and in growing instances, deter employers from engaging in the process as they want to start the Apprenticeship but have not been made aware of the pre-requisite requirements. Can this be simplified or the additional administrative support provided by providers compensated? Given the system is deterring employers the group were keen to offer opportunities for those leading on the DAS to consult directly with employer stakeholders.

10.11 End Point Assessments flexibilities should be considered. Such flexibilities should be based on each standard in proportion to each industry's experiences during the pandemic. We recommend ensuring a sensible balance between the danger of certificating someone who does not have all the skills against disadvantaging someone for choosing an apprenticeship in the wrong sector during the pandemic which often results in job loss or needing to remain on programme significantly longer than they and their employer intended. This impacts on salary and the nature of work that the employer can take on with a skilled trades person rather than an unqualified apprentice. We propose that under guidance with IfATE, the Provider and employer are given the opportunity to enable

these apprentices to qualify and progress in a reasonable time period; in the same way as their academic counterparts did in the Summer.

11. What lessons can be learned by current and previous youth labour market policy interventions and educational approaches, both in the UK and in other countries?

Feedback from regional groups involving business, education, and training provider stakeholders:

- Apprenticeships:
 - Focus new apprenticeships on unemployed young people (U25) and leading by example with the public sector apprenticeship target to be focussed on young and disadvantaged.
 - Offering an increased incentive for those with an Educational Health Care plan/in care/with caring responsibilities
 - Direct unutilised apprenticeship levy towards pre-apprenticeships
- Waiver NI contributions for U25s, potentially with a wage subsidy
- Support employers to provide a 'job guarantee' for YP facing long term unemployed potentially an incentive for keeping YP on post placement.
- Monitor youth 'inactivity' – i.e. young people who are not claiming benefits/who fall through the gaps of support. This could potentially be extending kickstart beyond those claiming Universal Credit, increasing economic activity generally
- Durham had a pilot programme called 'Tri-Work' which was a 3 way partnership model of YP, job coach and host employer who supported YP in Y10/11 with an EHCP or SEN support and it was hugely successful at reducing the number of SEND YP who became NEET. (DWP full evaluation available)
- Outplacement services/task forces can increase the earnings of workers made redundant over the long term, particularly younger workers (*positive effect on younger workers (under 35) with a 17% higher average wage in the new job.*) and men (who you have already pointed out we in the north east have higher levels of men who are unemployed) ([L&W institute, responding to economic shocks July 2019 research paper](#)).

12. What economic sectors present opportunities for sustainable, quality jobs for young people? How can we ensure these opportunities are capitalised on and that skills meet demand, particularly for green jobs?

12.1 Moving past the pandemic the region has a variety of opportunities for sustainable, quality jobs in a variety of sectors that the North East Local Enterprise Partnership is working with and supporting. These sectors were already identified as part of the area's Strategic Economic Plan that was set out in 2014 and has been the key document around setting the course of the North East's economic future.

12.2 The North East LEP area has significant capabilities in offshore energy and subsea technologies, with these having the potential to contribute to delivering clean growth. With various employers working in this space in the area it is seen as one of the area's opportunity sectors for sustainable jobs for young people. Whether that be through apprenticeships or through graduates from the 4 universities that are also working on green energy projects. Linked to green energy is the area's advanced manufacturing base which surrounds pharmaceuticals but also automobile assembly and technologies. The region will be one of the first places to have an EV battery plant opening, British Volt in Blyth, it is anticipated jobs for young people will become alongside this inward investment.

12.3 As mentioned, pharmaceuticals and the wider healthcare sector is a key area of economic importance in the North East LEP area. With the North East playing host to various large pharmaceutical manufacturers sites along with R&D from both the universities and the private sector. This again provides opportunities for quality employment in this sector of pharmaceutical research and manufacture.

12.4 The sector of construction is already a top employer of young people with 10% of all apprenticeship achievements being in construction related courses (2019/20). As of 2018 6,500 enterprises employ 51,000 people in a construction related industry and industry research suggests that by 2022 the sector could create a further 4,200 jobs. To continue the focus on skills including working with education partners and considering the potential for a dedicated sector skills hub.

12.5 Finally, the digital sector in the North East is growing with 2,200 digital businesses being located in the North East LEP area this represents an 18% increase since 2015's figures. With support of regional institutions such as the North East Institute of Technology and Software City in Sunderland, the tech and digital sector in the North East is going to be a key employer for young people moving forward.

12.6 The North East Skills Advisory Panel has conducted a series of research projects into the skills demands and needs in the region. One of the research projects that's ongoing is looking into the future skills needs in the area in particular, the green economy sector and health and social care. This will inform the LEP and the area's learning and skills partners around where provision and assets that may be needed in the future.

13. How might future youth labour market interventions best be targeted towards particular groups, sectors or regions? Which ones should be targeted?

13.1 Overall in the North East, interventions for young people are best targeted at a local level to local young people with control of funding and strategic oversight at a regional level through Strategic Advisory Panels or MCAs. Evidence review: Responding to local economic shocks July 2019, Learning and Work Institute indicates that effective targeting 'is a function of wider socioeconomic and cultural conditions which are time and location-specific'. Therefore localised support at the right level for the young people who have initial barriers around accessing transportation, confidence and self believe and at the same time delivery can key in regional skill demands from employers and sectors.

13.2 Evidence demonstrates that both generic and tailored training are effective at increasing employment and/or earnings over the long term so training offering both of these should be considered as relevant interventions, more so due to the increased investment and focus on technical education nationally. With this sort of intervention, targeting young people with L2/L3 qualifications with longer term (1 year+) training programmes combining vocational and general education to upskill and direct towards key sectors in the north east would be particularly effective. Evidence on intervention like this are proven to be effective for those with shorter working histories. (Evidence review: Responding to local economic shocks July 2019, Learning and Work Institute) and making these programmes responsive to employer needs is evidenced that it creates greater relevance and speed. (What Works 2016; Davies et al. 2017).

10th May 2021