

## Winter 2009/2010

Welcome to the third edition of this newsletter, helping you to keep track of skills policy, research and partnership developments in the North East.

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Your feedback on the newsletter or suggestions for content in future issues is always welcome. Just send your ideas to [skillsnortheast@onenortheast.co.uk](mailto:skillsnortheast@onenortheast.co.uk)

*Secretariat Team, Skills North East*

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### **A new learning and skills landscape begins to take shape**

An important milestone has been reached in the reform of the institutional structures of learning and skills. Parliament has passed the Apprenticeships, Skills, Children and Learning Bill. It has now received Royal Assent and the Bill has become an Act of Parliament. This paves the way for the dissolution of the Learning and Skills Council and the creation of the Young People's Learning Agency and the Skills Funding Agency. Both agencies will become fully operational in April 2010.

The **Young People's Learning Agency (YPLA)** will be created as a non-departmental public body, with a non-executive Board, sponsored by the Department for Children, Schools and Families. The **Skills Funding Agency** will be an agency of the Department for Business, Innovation and Skills. The two new agencies have different remits and separate reporting arrangements, but have an important shared mission to support learners and employers and build the skills of the nation.

The Skills Funding Agency will be responsible for all publicly funded adult skills training in England outside of higher education. Its main role will be to direct public funding quickly and efficiently to further education colleges and other providers, and to facilitate flexible, dynamic and innovative responses to individual and employer demand. The Agency will also house the National Apprenticeship Service.

The Young People's Learning Agency will be an enabling body, designed to support local authorities in fulfilling their new 16-19 learner duties. It will also fund and performance manage Academies and provide support for learners, in particular the Education Maintenance Allowance for 16-19 year olds.

For further information about the roles of the [YPLA](#) and the [SFA](#), summaries are available to view on the LSC website.

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## Higher Education and Skills Strategies Launched



Two major strategies were launched in November 2009 covering both higher education and adult education. These strategies introduce a new overarching ambition for the higher education and skills systems – 75% of young people (up to the age of 30) to participate in higher education or complete an advanced apprenticeship or equivalent technician level course. Both strategies see a continued commitment to demand led provision and there is more emphasis on individual demand and

access to HE and FE. The Skills Strategy, 'Skills for Growth', is complemented by the national Skills Investment Strategy.

### Key points of the HE Framework – [Higher Ambitions](#)

- The framework introduces a new priority for the programmes that meet higher level skills needs. The Government will ask HEFCE to devise new funding incentives to encourage universities to run programmes that deliver the specific skills required – such as STEM subjects. This will open up an element of competition between universities for this funding. UKCES, SSCs and RDAs are identified as the organisations that will articulate business/industry's skills and graduate requirements.
- Universities will be required to publish a statement on how they promote student employability.
- The framework focuses on strengthening the research capacity in universities and its translation into economic impact. The government is already working on ways to establish incentives to increase the economic and social impact of research - the new Research Excellence Framework will drive HEFCE's allocation of the research block grant and will, for the first time, explicitly assess the impact of past research on the economy and society. Investment will also be prioritised on the further development of multidisciplinary centres bringing together many areas of expertise, and building relationships between teams in universities and industry.
- There is continued support for long-term relationships between business and universities through Research Councils, the Technology Strategy Board and the HEFCE HE Innovation Fund. Also, the Government believes that the RDAs have a key role to play in working with business at local and regional level to support knowledge transfer activities and deepen university links with local and regional businesses.

See: [One North East Summary of Higher Ambitions](#) and [Briefing on the Regional Implications of Higher Ambitions](#)

### Key points of the National Skills Strategy – [Skills for Growth](#)

- A central plank of this strategy is a significantly expanded advanced apprenticeship system with a clear vocational route from apprenticeships to foundation degrees and beyond.

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**Policy and Research Newsletter**

- There is a focus on strategic skills and a continued commitment to literacy and numeracy, first full level 2, first full level 3 for 19-25 year olds, training support for the unemployed and informal adult learning for vulnerable and low skilled learners.
- Continued commitment to demand-led provision – with a stronger role for Sector Skills Councils (SSCs), UKCES and RDAs in developing the intelligence on skills priorities. In aligning these with economic development, engaging business and employers will be critical with greater emphasis being placed on employer/business co-funding.
- Introducing new methods of measuring success and progress.
- Greater focus on the individual with the introduction of Skills Accounts and a public rating system of colleges and courses so that students can make more informed choices.
- Simplification of skills system through a reduction in the number of skills bodies, with simpler funding and monitoring arrangements for colleges.

See: [One North East Summary of Skills for Growth](#) and the [Briefing on the regional implications of Skills for Growth](#)

### **Skills Investment Strategy**

The Department for Business, Innovation and Skills has published its [Skills Investment Strategy 2010-11](#). It sets out the overall investment for adult skills through the Skills Funding Agency for 2010-11, and sets out the Government's funding priorities in line with the recently published Skills White Paper *Skills for Growth* (see above). Some of the main points are set out below, and information is available on the [BIS website](#).

- investment of £4.4billion in further education and skills provision over 2010-11
- investment of over £1.7bn in renewing the FE estate
- £340m of efficiency savings will be made across FE and skills for the financial year 2010-11
- the Government will set out how it will continue to support individuals out of work in the Employment White Paper.

### **Funding priorities for 2010/11:**

- **Funding adults to achieve the skills they need to get on:** in the 2010-11 financial year, £4.4bn will be invested in FE skills for post-19 learners.
  - **Apprenticeships:** a total of £400m will be invested in Apprenticeships for those aged 19 or over in the 2010-11 financial year; from 2010/11 funding rates will be reduced by 3%; a further 10% reduction to the funding rates for 25+ Apprenticeships
  - **Train to Gain:** the Government plans to invest £983m in 2010/11 through the Train to Gain programme.
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## **The Employment White Paper – Building Britain’s Recovery: Achieving Full Employment**

In December 2009 the Department of Work and Pensions published ‘Building Britain’s Recovery: Achieving Full Employment’. This White Paper focuses on measures to counteract unemployment caused by the recession. It synthesises and restates some existing policies (such as the Future Jobs Fund, Flexible New Deal and Young Person’s Guarantee), and presents some key new initiatives.

Some key points:

- Three quarters of the £400m programme over the next 18 months to be invested in tackling youth unemployment
- A January Guarantee for 16-17 year olds, with the offer of an Entry to Employment place for every 16 and 17 year old not in education, employment or training (NEET), along with the Education Maintenance Allowance
- The Young Person’s Guarantee to give 16-24 year olds claiming Jobseeker’s Allowance after 6 months access to a job, training or work experience
- Graduate guarantee that graduates unemployed after 6 months will be offered a graduate internship or other support
- Subsidies for employers to take on young apprentices
- Greater support for people who experience repeated spells of unemployment
- Greater support for those aged 50+ whose skills require updating
- Support for professional occupations where mainstream support services do not meet their needs
- Proposals for greater partnership working between Jobcentre Plus, the Homes and Communities Agency, the RDAs, local authorities and local partners
- Changes to the way skills training is provided to those out of work – forthcoming Skills Accounts to be important in the delivery of these proposals
- £40 a week Better Off in Work Credit to ensure that everyone who moves into work after receiving benefit for 6+ months will be at least £40 per week better off



See: [One North East Summary of Building Britain’s Recovery](#)

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## **Review of Higher Education Funding and Student Finance**

The Independent Review of Higher Education Funding and Student Finance is tasked with making recommendations to Government on the future of fees policy and financial support for full and part-time undergraduate and postgraduate students.



In assessing options the review will be expected to take into account the goal of widening participation, affordability and the desirability of a simplification of the student support system.

The first call for evidence was launched on 7<sup>th</sup> December 2009.

For further information on calls for evidence, submitted evidence and for email updates, please see the dedicated website:  
<http://hereview.independent.gov.uk/hereview/>

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## **Surviving the Recession – Help for People and Businesses**

### **Economic Challenge Investment Fund (ECIF)**

The Higher Education Funding Council (HEFCE) last year made £25m funding available to Universities and FE Colleges to provide additional HE sector support to help individuals and businesses survive the recession.

The 6 successful proposals from the region's universities and Newcastle College, supported by match funding from One North East, are providing a range of targeted support including:-

- Graduate internships
- SME placements
- Fellowships
- Bursaries
- Enterprise support
- Enhanced career guidance



Universities have, in addition, developed their own response plans. Because the response has been so successful, with demand for support from businesses and individuals higher than anticipated, One North East has invested an additional £5.8m in continuing support for these programmes.

### **Progression Challenge Fund**

Over the next 2 years, One North East is investing £1.4m to support the progression of young people who have achieved a level 3 qualification but, as a result of the current economic situation, are unable to progress in learning, training or employment.

Young people in the region, qualified to level 3, face an unprecedented challenge this year – with a high level of demand for HE places, increased levels of unemployment in the under 25 age group, and limited employment opportunities for young people.

The funding will help develop a rapid response to the problem, supporting the delivery of additional training, development and placement opportunities for this particular client group.

Applications to the Progression Challenge fund were invited from FE colleges to work collaboratively with the region's work based learning (WBL) and Higher Education (HE) sectors and employers to provide innovative and high quality opportunities for these young people. Contracts for the delivery of this investment are now in place across the region and will support work experience placements and internships, enhanced IAG and further study.

### **Talent Challenge**

One North East is working closely with partners to respond to the current recession and to retain and further develop the region's talent pool. The Agency



has approved Single Programme investment to develop 'Talent Challenge'. This is an initiative which will provide support to:

- **Individuals at risk** - Talent Challenge will provide direct support to key individuals within the region who have leadership, managerial and professional experience and expertise. There will also be help for those who are highly skilled technical staff (at level 4 and above) within RES priority or growth sectors.
- The priority target group for the project is **key individuals who are newly redundant or notified as at risk of redundancy**. The project will seek to enable them to move to a new job, into self employment, placement or a range of other targeted opportunities to ensure that they stay within the region and maintain and further develop their skills and experience. The project will also support individuals who are employed but may be at risk of unemployment or short-time working.
- **Businesses at risk** - Talent Challenge will help businesses support their key individuals during the current economic climate and also help them to access talented individuals who can help them better manage in the current climate. This will be by means of secondments or placements and this project will work closely with another of the Agency's projects, 'Developing SME Expertise', which is currently in development.

Talent Challenge funds both a front-facing service to support the target group and puts in place the Talent Solutions Fund (TSF) which helps individuals to access a range of interventions to enable them to find employment or stay employed within the North East.

Working alongside Job Centre Plus and Next Steps, Talent Challenge forms part of the Rapid Response Service and is an integral part of the 'Real Help for Businesses and Individuals' campaign.

**\*\*Stop Press: UK economy officially emerges from the recession – implications for the North East\*\***

The UK economy has officially emerged from the recession with 0.1% growth recorded in the last 3 months of 2009.

With the diversity of the region's economic base, signs of growing optimism from regional businesses and the underlying strength of sectors such as new and renewable energy, this means the North East can look ahead with confidence after a very challenging past 18 months. One North East has worked with partners to support businesses through the recession and to prepare for the upturn. The focus will now be on supporting the recovery and making the most of the region's opportunities and developments, including:-

- Launch of the £125m Finance for Business North East fund - creating up to 5,000 new jobs in hundreds of regional businesses over the next five years through loans and equity investments
- Leading the development of the £60m Tees Valley Investment Programme to underpin the transformation of the process industries sector into low carbon and advanced manufacturing
- Working with Nissan and regional partners to develop the North East Low Carbon Economic Area - positioning the North East as the place in which to develop low carbon vehicles.

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**Young People Not in Education, Employment or Training (NEET)**

The North East continues to be the worst performing region in England with 9.8% of young people classed as Not in Education Employment or Training (NEET). Young people categorised as NEET at 18 is a priority at a national and regional level as, despite reductions in NEET pre 18, the NEET at 18 figure is rising. The regional figure stands at 11.8% compared to a national average of 7.6%.

The issue of NEET at 18 has been identified as a priority by the 14-19 Commission and Regional Employability Framework (REF) Strategy Group, as well as the region's local authorities. Together, they are supporting work to strengthen partnership working between pre and post 18 employability services through the Regional Improvement and Efficiency Partnership (RIEP).

A joint programme of work is being developed which will:

- utilise existing 14-19 partnerships and structures to inform the development of the REF to better support 18 year olds;
- enhance the REF to better reflect 14-19 priorities and align activities more closely to support 18 year olds;
- enhance partnership working between pre and post 18 services; and
- explore how lessons from the development and implementation of the REF can assist in addressing NEET at 18.

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### Policy and Research Newsletter



The Real Help for Business and People Campaign and Connexions ran roadshows in Tees Valley during November and December 2009, aimed at young people who are 'NEET'. The aim of the roadshows was to reach out to young people, assisting them with advice about their options and who can help them.

Further activity targeting the NEET cohort across the region is currently in the planning stages. When confirmed, it is anticipated that this activity will roll out in February and March 2010.

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## Child Poverty

The Child Poverty Bill is currently progressing through Parliament. Some key points are:

- When the Bill is passed, eradicating child poverty by 2020 will be a legal requirement. There are four targets that will determine whether child poverty has been eradicated
  - The relative low income target
  - The combined low income and material deprivation target
  - The absolute low income target
  - The persistent poverty target
- Within 12 months of the Bill passing into law, the Secretary of State must publish a strategy setting out how the targets will be met
- The local authority will be the organisation responsible for delivering this agenda. Each LA will be required to produce a local child poverty needs assessment.

Child Poverty is linked to the priorities outlined in the 'People' element of the RES. Children themselves are not in poverty, rather, it is the families/households in which they live which are in poverty and this is a product of worklessness and low pay. One North East has made £10,000 available to support the activities of the North East Child Poverty Coalition to draw together the social and economic elements of this agenda.

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### **'Industrial' and 'Skills' Activism**

In 2009 the Government published its '[New Industry, New Jobs](#)' (NINJ) policy which set out the 'industrial activism' agenda - the Government's central policy for sustainable economic growth. This is aimed at removing barriers to success, providing targeted support to industry and above all creating the conditions in which businesses can thrive.

Key areas of growth identified in the policy statement and in which the North East region has set as priorities are:

- Ultra low carbon vehicles and low carbon economic area
- Plastic electronics
- Industrial biotechnology
- Low carbon industries, including offshore wind

Click [here](#) for more information on NINJ.

'Skills activism' is a clear priority in this work as it relates to developing the skills that will underwrite the jobs of the future and drive the sustainable economy. This is articulated through the Higher Education Framework - 'Higher Ambitions: the future of universities in a knowledge economy' - and the National Skills Strategy - 'Skills for Growth' - highlighted earlier in this newsletter.

Building on New Industry, New Jobs, in January 2010 the Government launched [Going for Growth: Our Future Prosperity](#), which sets out a cross-Government approach for supporting sustainable economic growth.

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### **The NE Sector Skills & LMI Project**

The NE Sector Skills & LMI project has one simple aim – to improve access to labour market information in the region. Partners have co-operated and worked together to collect and share good quality information. The target audience for the project includes policy makers, researchers and those who have an employment and skills remit.

As part of the consultation phase of the project partners identified the Sector Skills Councils (SSCs) as the lead organisations for the provision of demand led LMI. The SSCs have committed time to providing regional information which is now on the Skills North East website. From January partners will have access on the Skills North East website to a one stop LMI information shop which provides or directs visitors to the best source of information.

Based on the work of existing organisations, most notably the SSCs, the LSC and One North East, the project promotes a commitment to referencing, sourcing, dating and sharing data. The project also aligns closely with the work and remit of NERIP

(the North East Observatory), Skills North East and the Sub Regional Observatories.

The project comes to an end in early 2010 when the Skills North East website takes over as a shared resource for the region.

For further information about the project, please contact Liz Robson ([liz.robson@onenortheast.co.uk](mailto:liz.robson@onenortheast.co.uk))

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### **The North East Alliance of Sector Skills Councils**

The NE Alliance of Sector Skills Councils is a group of representatives from the 25 Sector Skills Councils (SSCs) who meet quarterly. The NE Alliance is chaired by Andrea Rowe, CEO of Skills for Care, and the Vice-Chair is David Hickman, Operational Manager for Improve Ltd.

Nationally the SSCs cover 90% of British industry, from florists to pharmaceutical companies, representing the views of employers on skills.

Within this NE network are three SSC clusters:

- Manufacturing - Improve Ltd, Skillfast-UK, Cogent, Semta, Proskills and Skills for Logistics
- Built Environment - Asset Skills, Construction Skills, Energy & Utility Skills, and Summitskills
- Health and Well-being - Lifelong Learning, SkillsActive - Sport and SkillsActive - Playwork, Skills for Care and the Children's Workforce Development Council, both part of Skills for Care and Development, and Skills for Health

The clusters engage with regional partners on priority cross-sector areas.

The NE Alliance delivers the collective voice of employers to regional strategic partnerships through representation by the Chair, the Vice-Chair, and individual leads on thematic strands of work such as Higher Level Skills, Science Technology Engineering and Maths (STEM), the 14-19 Agenda, and Employability.

For further information about the NE Alliance please contact Sophie Abbott, Co-ordinator, at [sophie.abbott@skillsforcare.org.uk](mailto:sophie.abbott@skillsforcare.org.uk) or visit the Labour Market Information portal on [www.skillsnortheast.co.uk](http://www.skillsnortheast.co.uk) for a full list of SSC representatives in the region.

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## **Review of the North East European Social Fund (ESF) Framework**

The regional ESF Framework sets out the direction for the use of European Social Fund in the North East from 2007 to 2013, focusing ESF investment of over £160m in support of:

- Improving employability skills of the unemployed / economically inactive
- Working with young people not in education, employment or training (NEET)
- Community Grants
- Building a skilled and adaptable workforce.



Regional ESF Frameworks are subject to an annual review. Between September and December 2009, the European Social Fund (ESF) Regional Committee supported by the Regional Employment and Skills Partnership undertook this review which was needed to ensure that the Framework remains fit for purpose in the context of:

- The impact of the economic downturn;
- A changing regional labour market and economy;
- New national and regional policy context as set out in 'New Industry, New Jobs'
- The growth of key new growth and employment sectors, for example 'green' jobs in a new low carbon economy.

Some of the key changes and shifts in emphasis resulting from the review include:

- Increased significance of the Regional Employability Framework as the mechanism for ensuring alignment of regional resources against strategic and operational priorities
- Greater emphasis on tackling increasing youth unemployment and NEETS at 18
- Supporting the transition between 14-19 services and those aimed at adults, to address youth unemployment
- Continued focus on those most disadvantaged in the labour market
- Increase in investment at Level 3 and above, reflecting the need for the region to support skills development and progression at intermediate and higher level skills particularly in current and future growth sectors
- Strengthened emphasis on high level skills as the gap between demand for and availability of high level skills widens, particularly in key growth sectors
- Supporting the development of enterprising behaviours as an underpinning principle of the ESF programme
- Learning the lessons of the ESF Framework Evaluation published in 2009.

The review involved extensive consultation including the ESF Regional Committee, RESP Board and Executive, Higher Level Skills Board, 14-19 Commission, REF Strategy Group, REF Chairs Group, SERG and the Regional Adult Learning Forum. The final updated version of the Framework will be available early in 2010 on the Skills North East website following final endorsement by the ESF Regional Committee.

## nev North East Volunteers

Developed by One North East in collaboration with regional partners, North East Volunteers (NEV) engages unemployed and economically inactive people in cultural volunteering activities and offers a progression pathway into employment or further training, in line with the Regional Employability Framework.



To engage hard-to-reach individuals and communities, NEV builds on the ability of cultural activities to generate enthusiasm and inspire participation. The project has 9 pilots running, each delivered by a consortium of local partners, with each pilot testing different ways to up-skill and secure employment through cultural volunteering.

The pilots include:-

- Engaging in the planning and running of music and arts events such as the Stockton Riverside Festival as well as training and work experience opportunities **“Culture Retreat” Tees Music Alliance**
- Opportunities for hard-to-reach young people to be involved with national and world class sport and cultural events in the Tyne and Wear region leading to the UK School Games in 2010 in Gateshead and surrounding areas **“Get with It Sports Volunteering” Gateshead Council**
- Innovative opportunities to learn, discover and be trained in heritage and cultural placements at museums and local landmarks across South Tyneside. **“Culture Works” Age Concern, South Tyneside**
- Wide ranging creative placements at museums across Tyne and Wear with expansion of volunteering programmes to other NE Regional Museums **“Culture Track” Tyne and Wear Archives and Museums**
- Young people engaging in a range of creative industries within Northumberland communities from rural theatre to festivals and film making activities, leadership development to outdoors skills **“Northumberland Cultural Volunteers” Northumberland County Council**
- A chance for local residents to engage in heritage and cultural activities as well as community businesses and work placements in Ouseburn’s cultural cluster **“Ouseburn Valley Volunteers” Ouseburn Trust**
- Volunteering across North Tyneside in theatre, creative arts and story-telling as well as media projects alongside events and heritage placements **“Go in for Culture” VODA**
- The chance for rurally based young people in West Durham to get involved with a variety of arts, theatre and music and local heritage and conservation projects **“Museums Live!” Killhope Mining Museum**

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- Becoming part of an event volunteer network which can be called upon by event organisers in the Tess Valley to support a range of cultural and music festivals “**volunTeesvalley**” **visitTeesvalley**

The pilots are supported and managed by the programme’s co-ordination unit, operated by Novas Scarman Group NE. This is a national charity working at a local level with people and communities to create opportunities for positive change, providing personalised support and development, pathways into work and learning, and releasing enterprise and cultural expression.

For further information about North East Volunteers, please contact Carol Reid, Programme Manager, on 0191 5146156 or [carol.reid@novasscarman.org](mailto:carol.reid@novasscarman.org)

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