

Minutes

Date 15 June 2011
Subject Skills Funding Agency Advisory Board
Attendees As per Annex

1. Welcome and Introductions

1.1 Geoff Russell welcomed everyone to the fifth meeting of the Advisory Board and gave a particular welcome to Ian Forward who had recently become a member following Peter Davies's retirement. He also commented that this was Shane Chowen's last meeting and he thanked both Shane and Peter for their valuable contributions to the Board's discussions. The Chair also congratulated Ian Pryce on his recent award in the Queen's Birthday Honours.

2. Minutes and matters arising

2.1 The minutes of the last meeting held on 12 April 2011 were agreed and these would now be published on the Agency's website. The discussion item at the last meeting had been Outcome Incentive Payments and Geoff Russell commented that further information on the job pilot in 11/12 would be sent out to colleges and providers shortly in the form of a guidance note.

3. Discussion item: 'NEETs'

3.1 The meeting theme had been suggested by Mark Farrar who had asked for a discussion on getting young people back into work. This had been narrowed to focus on 'NEETs' i.e. those who are aged 16 to 24 who are Not in Employment, Education or Training, as this was a Government priority. In the last Budget the Government had also announced an ambition of 40,000 additional Apprenticeships for NEETs. A context paper had been circulated which set out the Agency could best support the Government's objectives and the Chair wanted to gather members' views on barriers and what the Agency could do better.

3.2 In discussion the following points were made:

- The raising of the participation age is positive and will help in this challenge.
- Colleges could help young people if they could have access to them when aged 14, so this aspect of the Wolf Review is important.
- Some employers have a moral dimension to the way they operate and we need to do more to support them in this.
- We first need to consider definitions and be clear on who this group are and then Ministers need this to understand this and the scope of the challenge.
- There are a significant number of unemployed young people but there is a 'hard core' of young people that are not in work and that hasn't changed over time, and this is not due to the unavailability of jobs.

- Within this group there are a high number of carers, pregnant women, homeless, people with drug and alcohol addiction
- There is a need to understand this situation to address it and be honest about the extent and cost of the challenge.
- Wider support needs to be provided for learners as there are other contributory reasons for their situation. It can be complex so a wide range of expertise needs to be mobilised.
- Solutions need to be driven by need and therefore individualised and local.
- This is not a homogeneous group and changes every year.
- The systems in place can create complexities and don't always support access to learning.
- Young people have multiple disadvantages and individualised interventions are necessary.
- There are positive experiences and successes from the Future Jobs Fund where lessons can be learnt e.g. ongoing intervention
- Only 6% of employers employ school leavers so there are narrow employment opportunities for them.
- There is a worry about 'brand stretch' for Apprenticeships and a risk to the image through the extension of the brand.
- The Future Jobs Fund had a whole system approach with involvement from all agencies and through this strategic partnership there was a commitment throughout. There is a need to capture this learning and build a model.
- There are varying experiences of Apprenticeships by Apprentices as well as differences in quality.
- To meet the 40,000 target, A-level students will be encouraged to take up Apprenticeships and create displacement rather than these places attracting the 'hard core'.
- The experience of Apprenticeships in the last decade has shown that these have been mainly people already in work.
- The Agency needs to plan for meeting the needs of particular target groups and engage them in the debate.
- There are projects that work but cannot be scaled up due to cost.
- There is a national minimum wage for Apprenticeships but can young people afford to do an Apprenticeship?
- This work is resource intensive but what is the cost of failure? There is a social and economic imperative to tackle this.
- Segmentation and targeting is necessary as one-size does not fit all.
- Access to young people is needed early on when they are 14 and so the role of schools is critical and the need to build relationships.
- Can work with employers to develop local bespoke schemes in sectors.
- Recognition and support for employers is more important than the payment.
- There is a need to segment employers and provide incentives.
- Research is needed on the characteristics of different groups and this is not just about age but experiences also.
- Colleges as employers can also assist and employ young people.

- The decline in the employment of young people is not just about the recessions but also the nature of the employment market.
- There is an issue of place and people are looking to invest in something.
- Local authorities need to be encouraged to hold the ring on this and to work with stakeholders.
- Potential champion employers could be identified based on their success and be used in a mentoring role.
- SMEs can be targeted as they tend to be co-located in small business centres.
- One approach is a wage subsidy scheme for employers.
- There are a range of possible solutions and this should be up to a local area to decide as different incentives may apply.
- Should the challenge be given to employer representative groups to address?
- Other partners need to be involved so a 'whole system' approach can be taken.
- There are other networks focusing on this issue so they can be used to target the same people.
- Local authorities can encourage conversations locally and take them to the next level.
- If the group of partners are right then the sector can work collaboratively so colleges and providers can take a consortia approach.
- There is an incentive for FE and independent providers as they need to demonstrate local engagement for the outcome incentive payments

3.3 Geoff Russell ended the item by stating that this was a challenging task and employers are sympathetic so we need to support them. There is a group of 'hard to reach' and there is a need to understand this group and consider whether Apprenticeships are the right solution for them.

3.4 Kim Thorneywork summed up the discussion and how she would take this forward through the procurement of the 18-24 Apprenticeship places later this year:

- Consider the features of the Future Jobs Fund that made it a success.
- Localness of approach and partnership is essential.
- Employer groups need to be incentivised.
- The group is not homogeneous.
- Following a scoping exercise, the provision will be procured transparently, efficiently and fairly.

3.5 The Chair thanked the Board for the helpful and practical discussion and an update on this would be provided at the next meeting. He added that if members had any suggestions for future discussion items to let him know.

4. Any Other Business

4.1 There was no other business and the meeting drew to a close.

ANNEX

List of attendees on 15 June 2011

Members:

Geoff Russell (CHAIR)	Skills Funding Agency
Ian Pryce	Bedford College/ 157 Group
Graham Hoyle	ALP
Prof Ruth Farwell	Bucks New University
Derrick Anderson	Lambeth Borough Council
Ian Forward	Kent County Council/ LEA FEA
Tim Ward	Learning Curve/ TSNLA
Michael Davies	UKCES
Philip Rutnam	BIS
Mark Farrar	Construction Skills
Jon Graham	CIPFA
Shane Chowen	NUS
Frances O'Grady	TUC
Les Walton	YPLA

In Attendance:

Priya Gossain	Skills Funding Agency
Kim Thorneywork	Skills Funding Agency

Apologies:

Martin Doel	AOC
David Frost	BCC
James Fothergill	CBI
Scott Johnson	CBI SME Council
Isobel Stephens/ Jacinda Humphrey	Jobcentre Plus