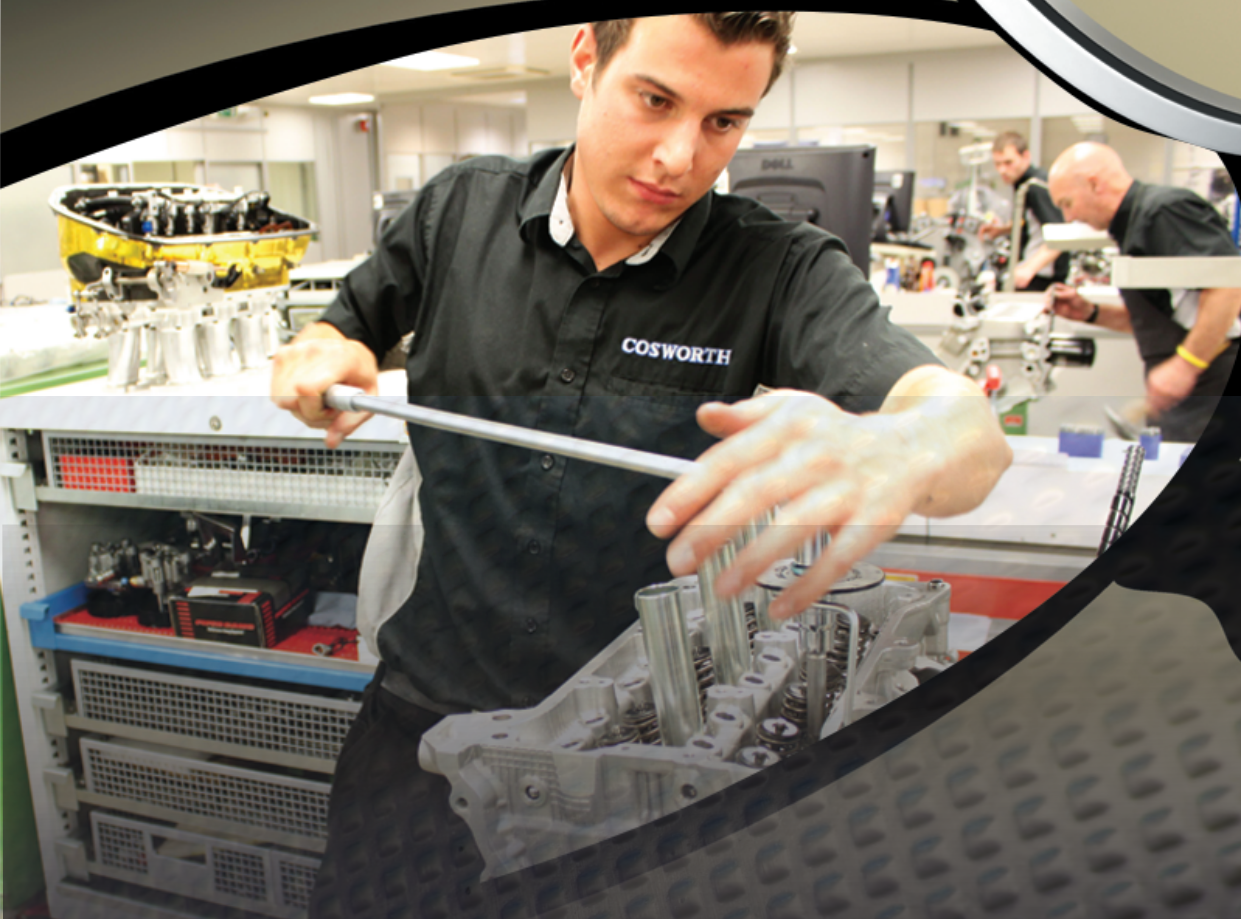


# Overview & Scrutiny Committee



## SCRUTINY PANEL Health Check of the Local Economy

March 2016



**NORTHAMPTON**  
BOROUGH COUNCIL

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## Foreword

The objective of this Scrutiny Panel was to look at how partners locally, including the private sector, can work together to influence the local economy.

### Key lines of Inquiry:

- How can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for both local employees, employers and local residents?
- What is the vision for skills and learning issues, particularly low skills?
- What support is there for those that are in long term unemployment?
- What are the areas for potential growth in jobs?
- What can other organisations/groups/individuals do to help?
- Whether a mapping skills gap exercise has been undertaken to identify the type of skills that are in short supply; and what the findings of this exercise are
- How specific services can be used to generate business investment
- How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?
- What could feasibly be done to improve the physical infrastructure in and around the town?
- How it can be ensured that those who are seldom heard or isolated are engaged with?

The required outcomes being:

To make informed recommendations to all relevant parties on the most appropriate approaches in influencing the local economy

The Scrutiny Panel was made up of Members from the Overview and Scrutiny Committee: myself (Chair); Councillor Samuel Shaw (Vice Chair); Councillor Terrie Eales; together with other non-Executives Councillors Janice Duffy, Elizabeth Gowen and Cathrine Russell.

A comprehensive review took place between July 2014 and March 2016. A wealth of background data and information was received by the Scrutiny Panel. A series of interviews with a number of key expert advisors were held. A number of organisations and groups

provided written information. Desktop research was undertaken by the Scrutiny Officer, the findings of which informed the review.

I highlight that information gathering was very important to this review so that the Scrutiny Panel could inform its health check of the local economy. This enabled the Scrutiny Panel to devise its key findings, conclusions and recommendations that will be considered by Cabinet later this year.

As part of the monitoring regime, Overview and Scrutiny will review this report six months after Cabinet has received it.

I would like to thank everyone who took part in this in-depth piece of work.



**Councillor Rufia Ashraf**  
Chair, Scrutiny Panel 1

**Acknowledgements to all those who took part in the review:**

- Councillors Samuel Shaw (Vice Chair); Terrie Eales, Janice Duffy, Elizabeth Gowen and Cathrine Russell who sat with me on this review
- Councillors Mary Markham, Leader of the Council, Councillor Mike Hallam, Cabinet Member for Finance and Councillor Tim Hadland, Cabinet Member for Regeneration, Enterprise and Planning, Northampton Borough Council (NBC); Christine Reed, Director of People, Transformation and Transactions, Local Government Shared Service (LGSS), Alison Lyon Service Manager, Adult Learning, Northamptonshire County Council (NCC), Jo Lappin, Chief Executive Officer, Northampton Enterprise Partnership, Hilary Chipping, Acting Chief Executive, South East Midlands Local Enterprise Partnership (SEMLEP), Janette Pallas, Manager, Northamptonshire Growth HUB, Adele Foster, Project Manager, Talent Match Northants, Steven Heaton, Communications Manager, Skills Funding Agency (SFA), Roy Boulton, Assistant Director – Environment, Development and Transport, Northamptonshire County Council (NCC). Stephen Davies, Principal, Moulton College. James Whybrow, Assistant Principal, Northampton College, Matt Croxon, Connexions Targeted Support Manager, Northamptonshire Connexions, Sara Homer and Chris Barker, Brackmills Bid, Jessica D'Aulerio and Ian Ferguson, Northampton Town Centre BID and the Markets Action Group for providing a response to the core questions
- Richard Lawrence, Head of Economic Regeneration for his support to this Scrutiny review

## **EXECUTIVE SUMMARY**

The purpose of the Scrutiny Panel was to look at how partners locally, including the private sector, can work together to influence the local economy.

### **Key lines of Inquiry:**

- How can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for both local employees, employers and local residents?
- What is the vision for skills and learning issues, particularly low skills?
- What support is there for those that are in long term unemployment?
- What are the areas for potential growth in jobs?
- What can other organisations/groups/individuals do to help?
- Whether a mapping skills gap exercise has been undertaken to identify the type of skills that are in short supply; and what the findings of this exercise are
- How specific services can be used to generate business investment
- How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?
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- How it can be ensured that those who are seldom heard or isolated are engaged with?

The required outcomes being to make informed recommendations to all relevant parties on the most appropriate approaches in influencing the local economy

The Overview and Scrutiny Committee, at its work programming event in June 2015, agreed to include a review of the health check of the local economy. The Overview and Scrutiny Committee commissioned Scrutiny Panel 1 to undertake the review. An in-depth review commenced in July 2015 and concluded in March 2016.

The Scrutiny Panel was made up of Members from the Overview and Scrutiny Committee: Councillor Rufia Ashraf (Chair); Councillor Samuel Shaw (Vice Chair); Councillor Terrie Eales; together with other non-Executives Councillors Janice Duffy, Elizabeth Gowen and Cathrine Russell.

## **CONCLUSIONS AND KEY FINDINGS**

A significant amount of evidence was heard, details of which are contained in the report. After gathering evidence the Scrutiny Panel established that: -

6.1 From the evidence received, the Scrutiny Panel highlighted that, in accordance with its key lines of enquiry, there were three key themes of information that came from the evidence gathered:

Physical environment

Economic environment

Social aspect of the economy – Workforce, the support of the workforce and how it comes together

The Scrutiny Panel was pleased to note that from the evidence received from the expert advisors, there was very little, if any duplication of services provided.

### **Social aspect of the Economy**

#### **Apprenticeship Programmes**

6.1.1 The Scrutiny Panel acknowledges that apprenticeships contributed to £34 billion to the UK economy in 2014.

6.1.2 There is a variety of information available for both prospective apprentices and employers looking to offer apprenticeships. This information is contained in various locations. There is not however one central location where information can be obtained.

6.1.3 Evidence received details that it is envisaged by Government that there will be 3 million apprenticeships by 2020. There are 150 apprenticeships in

Northamptonshire at any one time, delivered by both public and private training providers. The split of the funding is approximately, 60% for apprentices aged 16-18 and 40% for those aged 19 plus. Nationally, the retention rate of apprentices on programme aged 19 plus is generally higher than those aged 16-18 years. The Scrutiny Panel felt that small businesses perceive it is difficult to take on an apprentice. It is estimated that 90% of SMEs within Northamptonshire do not participate in the employment of an apprentice.

6.1.4 The Scrutiny Panel is pleased that Northampton Borough Council, Local Government Shared Services and Northampton Partnership Homes all employ apprentices.

6.1.5 The sectors that create a lot of interest from potential apprentices are hairdressing, ICT and the motor vehicle trade.

6.1.6 The Scrutiny Panel realises that the level of demand for apprenticeships cannot be met solely by young people; there is a need to investigate how adults can be supported to train or re-train.

6.1.7 There is a need to raise the profile of vocational education and apprenticeships so that it is held in the same esteem as further education courses and qualifications. The Scrutiny Panel acknowledges the need for further work with employers to encourage the take up of apprenticeships especially in SMEs.

6.1.8 Evidence received alludes to a lack of consistent high quality careers advice in schools.

## **Economic environment**

### **Areas for potential growth in jobs**

6.1.9 The Scrutiny Panel acknowledges and commends the success of the Enterprise Zone, and work undertaken by larger employers in the town such as Cosworth and Churches; recognising the need to publicise their importance to both the local and national economy.

6.1.10 The Scrutiny Panel acknowledges that Northampton has a very competitive labour market with a jobs density of 0.99.

6.1.11 The Scrutiny Panel is pleased to note that NEP is actively involved in the skills agenda and “serious about skills” as NEP recognises that the availability of skilled labour is a serious challenge for most Northamptonshire businesses.

6.1.12 The Scrutiny Panel highlights that it is essential that Northamptonshire has sufficient skills and talent to meet current and future workforce demand, particularly given our productivity “under-performance”.

### **What other organisations/groups/individuals can do to help**

6.1.13 NBC works with companies to help them secure growth and ultimately increasing the employment base of the Borough. The Scrutiny Panel acknowledges that NBC can support these sectors and individual businesses within it.

6.1.14 The Scrutiny Panel welcomes the frameworks of both SEMLEP and NEP; recognising it could have greater influence over skills policy in the future. It further welcomes the work that the Council does with these organisations.

6.1.15 Evidence received highlights the important roles of the two Colleges and the University in the town in the future of the local economy. The Scrutiny Panel felt that schools and employers could work closely to provide work place experiences for young people that are still in education.



6.1.16 The Scrutiny Panel welcomes the links that SEMLEP has with the colleges in the county and that from 2016 SEMLEP will employ two Enterprise Co-Ordinators that will work with schools and businesses.

6.1.17 The Scrutiny Panel acknowledges the amount of funding available but suggests there was a need for this to be publicised. It realises that there is a limited fund for marketing purposes.

6.1.18 Evidence highlights the success of the programmes led by Northamptonshire County Council (NCC), for example, INV-ENT delivered 105 local projects that have the potential to create 489 new jobs, 137 new apprenticeships and support over 1,000 people with their skills development through an initial investment of £1.4 million.

**Mapping skills gap exercises to identify the type of skills that are in short supply; and what the findings of this exercise are**

6.1.19 The Scrutiny Panel highlights that the skills agenda is very important for Northampton. It notes that the manufacturing sector in Northampton has difficulties in recruiting individuals with the relevant skills to what they require. There is also a lack of available and qualified drivers for HGV's and also the lack of qualified fork lift drivers.

6.1.20 The evidence received further highlights that it is difficult to recruit people to certain sectors such as ICT and engineering. There are a lot of warehouses and distribution centres in Northampton, employing large numbers of low skilled workers.

**How specific servicers can be used to generate business investment**

6.1.21 The Scrutiny Panel welcomes that SEMLEP encourages Universities and Colleges to work with businesses such as South Bedfordshire College working and linking to Vinci.

6.1.22 The Scrutiny Panel acknowledges the Business Incentive Scheme (BIS) can be utilised to address funding issues within specific investments. The funding can make the difference between a business choosing Northampton over another close-by district.

6.1.23 The Scrutiny Panel welcomes the work undertaken by Northamptonshire Growth Hub and Northamptonshire University to enable employers to access funding for skills from universities worldwide.

6.1.24 Evidence received highlights that Northamptonshire County Council has been proactive in developing a flexible approach to the delivery of economic development activities across the county, this includes areas of skills, business support and infrastructure provision.

6.1.25 The Scrutiny Panel acknowledges that the £330 million relocation and expansion of the University into the Enterprise Zone, as part of the Northampton Alive programme will be a big step to increasing the volume of highly qualified individuals within the local labour market.

**How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?**

6.1.26 Evidence received details that the availability of commercial land is paramount to the delivery of inward investment and ensuring organic growth of the existing business base. Northampton has a relatively constrained geography, with few available large sites for development such as FOUR Waterside in the Enterprise Zone.

**How it can be ensured that those who are seldom heard or isolated are engaged with**

6.1.27. The Scrutiny Panel welcomes the Big Lottery opt-in of the European Structural and Investment Fund (ESIF) that specifically targets groups that are furthest from the labour market.

6.1.28 The Scrutiny Panel further welcomes that some voluntary and community organisations help support people into employment. A number of courses have been run for a long period of time.

### **Vision for skills and learning issues, particularly low skills**

6.1.29. The Scrutiny Panel supports the rollout of the Enterprise Advisors Pilot and that the Northampton model has been adopted for the national roll out.

6.1.30. The Scrutiny Panel recognises that, in accordance with the European Social Fund, people of all ages can be re-skilled and trained.

6.1.31 Evidence received shows that Northampton is low skilled area. Aylesbury Vale is high skilled. Northampton is similar to Corby and Luton. Northampton does however have huge opportunities that need to be realised.

6.1.32 The Scrutiny Panel notes the reported conclusion from the Chamber of Commerce quarterly survey:

“The results from the Q2 2015 QES signals continued growth by firms in the county – but with noticeable differences between manufacturing and services.

“The service sector appears to be making good progress but there has been a slowdown in the pace of growth experienced by manufacturers in Northamptonshire however this is consistent with the national trend indicated by our national partners at The British Chambers of Commerce.

“We still need to secure long-term sustainable growth which will help drive the economy. The Government must support firms across the board by reducing the cost of doing business and tackling issues such as high business rates and energy costs as well as provide support for investments which can increase productivity and exports.”

## **Support for those that are in long term unemployment**

- 6.1.33 The Scrutiny Panel emphasises that developing skills and employability is not just about apprentices and young people, it is also about helping adults who are not employed and those who need to re-skill. The *European Social Fund apprenticeship* grant will enable a lot of work to be done with those furthest away from the job market; targeting the hardest to reach groups. The Scrutiny Panel acknowledges that support of those that are in long term unemployment is important as on the latest statistics long term unemployment is marginally higher in Northampton at 0.5% than at GB level (0.4%).
- 6.1.34 The Scrutiny Panel acknowledges the importance of the partnerships with local organisations, who exist to meet the needs of the seldom heard or isolated. It realises that they are vital to engage with this target group and enter into a dialogue in which people can voice their aspirations, needs and issues and a bespoke programme of learning can be arranged. Evidence provided highlights that key partners include: Kettering centre for the Unemployed (KCU), Wellingborough Homes, Bridge project, Papworth Trust and Ground Work.

## **Physical infrastructure in and around the town**

- 6.1.35 Funding was received by SEMLEP for infrastructure, £46.7 million for 2017/18.
- 6.1.36 Analyse indicates that development is taking place, but it is primarily focused upon the large logistics sites at M1 J15 and J15a; Grange Park and Swan Valley. Further, the type of premises being constructed are large distribution warehouses designed to cater for the regional and national market, rather than for those companies who are - necessarily – already based in Northampton. Existing businesses in Northampton might take a small amount of the space either recently/currently built, but the target audience for the developers is not the local market.

6.1.37 Evidence received highlights that any economic market is not perfect and will have inherent failings. The origin of any forthcoming programme must be an in-depth understanding of the local economic geography. The Scrutiny Panel realises that such an understanding is apparent within the Northampton Alive programme; a diverse range of projects aimed at intervening and catalysing the Northampton economic market and skills agenda.

6.1.38 The University, together with all further education colleges, is carrying out a research based project regarding an integrated transport system for the county. The Scrutiny Panel felt that it would be useful to obtain the results of this research when it is finalised.

6.1.39 The evidence highlights that NBC continues to invest in the physical infrastructure of the town. The opening of the bus and train stations were the core initial assets to improve the towns infrastructure. The future opening of St James Mill Rd will continue to improve the road infrastructure serving both the residents and the businesses.

6.1.40 From the evidence received the Scrutiny Panel acknowledges that the location and subsequent investment of a business rest on three motivators:

- Location: proximity to competition and customers.
- Operating costs: costs of land/property and employees.
- Labour: the availability of labour at the correct skill levels.

## RECOMMENDATIONS

The above overall findings have formed the basis for the following recommendations: -

The purpose of this Scrutiny Panel was to look at how partners locally, including the private sector, can work together to influence the local economy.

Scrutiny Panel 1 recommends to Cabinet :

- 7.1.1 The Council, together with its partners, develops a Skills Strategy for Northampton. This should include mechanisms for colleges and employers, especially Small and Medium-Sized Enterprises (SME's) to signpost vacant apprenticeships across the town; whilst raising the profile of apprenticeships and vocational training in Northampton.
- 7.1.2 Cabinet investigates ways that the Council, and its partners, can continue to raise the profile of the economic growth and investment in Northampton through the Northampton Alive Programme, in particular the success of the Enterprise Zone, and work undertaken by larger employers and investors in the town.
- 7.1.3 It is recommended to Northamptonshire County Council and partners that schools and employers work closely to provide work place experiences for young people that are still in education.

### **Overview and Scrutiny Committee**

- 7.1.4 The Overview and Scrutiny Committee, as part of its monitoring regime, reviews the impact of this report in six months' time.

# NORTHAMPTON BOROUGH COUNCIL

## Overview and Scrutiny

### Report of Scrutiny Panel 1 – Health Check of the Local Economy

#### 1 Purpose

- 1.1 The purpose of the Scrutiny Panel was to look at how partners locally, including the private sector, can work together to influence the local economy.

#### Key lines of Inquiry:

- How can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for both local employees, employers and local residents?
- What is the vision for skills and learning issues, particularly low skills?
- What support is there for those that are in long term unemployment?
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- Whether a mapping skills gap exercise has been undertaken to identify the type of skills that are in short supply; and what the findings of this exercise are
- How specific services can be used to generate business investment
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- What could feasibly be done to improve the physical infrastructure in and around the town?
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- 1.2 A copy of the scope of the review is attached at Appendix A.

## 2 Context and Background

2.1 The Overview and Scrutiny Committee, at its work programming event in June 2015, agreed to include a review of the health check of the local economy. The Overview and Scrutiny Committee commissioned Scrutiny Panel 1 to undertake the review. An in-depth review commenced in July 2015 and concluded in March 2016.

2.3 This review links to the Council's corporate priorities, particularly corporate priority 1 – Northampton Alive - A vibrant town.

2.4 The Scrutiny Panel established that the following needed to be investigated and linked to the realisation of the Council's corporate priorities:

Background data, including:

- Presentation to set the scene: "To identify the issues locally – The Northampton Picture"
- Relevant national and other background research papers, such as:
  - Mitigation Advisory Committee: [Skilled Shortage Sensible](#) (2013)
  - UK Commission's Employer Skills Survey 2013: [UK Results](#) (2014)
  - [Future of Apprenticeships in England: Implementation Plan](#) (2013)
  - [Winning the Global Race: Jobs, Skills and the importance of vocational education](#) (2014)
  - Department for Business, [Innovation and Skills – Evaluation of Apprenticeships: Employers](#) (2012)
  - Warwick Institute for Employment Research: [Review of Apprenticeships Research](#) (2013)
  - [SEMLEP – Strategic Economic Plan 2014](#)
  - [NEP – Northamptonshire Strategic Economic Plan 2014](#)
- Survey data in relation to skills and skill shortages, including equality data within the wards



- Relevant data, such as ONSA and other statistical data, including Government statistics on apprenticeships
- Best practice and successful initiatives in both Northampton and elsewhere
- Witness evidence:

#### **Internal**

- Leader of the Council, Northampton Borough Council (NBC)
- Cabinet Member for Finance, NBC
- Cabinet Member for Regeneration, Enterprise and Planning, NBC
- Director of Regeneration, Enterprise and Planning, NBC
- Director of Workforce and Development, LGSS

#### **External**

- Academic, University of Northampton, Northampton College and Moulton College
- Director, Northamptonshire Enterprise Partnership
- Director, Adult Learning, Northamptonshire County Council
- Chair, Northampton Town Centre BID
- Chair, Markets Action Group
- Chair, Brackmills BID
- Director, Northamptonshire Connexions
- Director, Talent Match, Northamptonshire
- Director, Northamptonshire Growth Hub
- Director, SEMLEP
- Director, Northamptonshire Chamber of Commerce
- Assistant Director, Transport Highways & Infrastructure, Northamptonshire County Council
- Key employers in the town
- Skills Funding Agency (SFA)
- Apprentice Training Agency
- Local employers

### 3 Evidence Collection and Desktop Research

3.1 Evidence was collected from a variety of sources:

#### 3.2 Background reports

- [Presentation to set the scene: “To identify the issues locally – The Northampton Picture”](#)
- **Mitigation Advisory Committee (MAC): Skills Shortage Sensible (2013)**  
A copy of the report can be located [here](#).
- **Inspiring grown – CBI/Pearson Education and Skills Survey 2015**  
A copy of the full report can be located [here](#).
- **UK Commissioner’s Employer Skills Survey 2013: UK Results (2014)**  
A copy of the full report can be located [here](#).
- **Future of Apprenticeships in England: Implementation Plan (2013)**  
A copy of the full report can be located [here](#)
- **Winning the Global Race: Jobs, Skills and the importance of vocational education (2014)**  
A copy of the full report can be located [here](#).
- **Department for Business: Innovation and Skills – Evaluation of Apprenticeships: Employers (2012)**  
A copy of the full report can be located [here](#).
- **Warwick Institute for Employment Research: Review of Apprenticeships Research (2013)**  
A copy of the full report can be located [here](#).

- **SEMLEP – Strategic Economic Plan**

A copy of the full report can be located [here](#).

- **NEP – Northamptonshire Strategic Economic Plan 2014**

A copy of the full document can be located [here](#).

### **National Careers Services (NCS)**

Northampton Careers Services (NCS) reports that Northamptonshire Enterprise Partnership (NEP) follows the Northamptonshire county boundaries and has one of the fastest growing populations of all LEP areas. Its key economic sectors which provide high numbers of jobs are:

- high performance technologies
- logistics
- food and drink

### **Northamptonshire's Labour Market**

NCS goes on to report that the Northamptonshire labour market is relatively buoyant, with above average employment rates (75% of working age population employed compared to 70% nationally) and below average levels of economic inactivity (19% of working age population compared to 23% nationally). This data was reported in the Annual Population Survey 2012.

### **Skills Shortages**

Northamptonshire has been rated in the top three LEPs nationally for a tight labour market. NCS highlights that this means that recruiters find it difficult to get staff and there is competition for labour due to a low number of unfilled vacancies per claimant. NCS goes on to state that this indicates that the labour market is working well to match people to jobs and that the local economy is creating a significant number of jobs.

NCS reports that skills shortages in hard to fill vacancies are particularly high in associate professional occupations, elementary staff and skilled trades. Continued employment growth is forecasted in higher skilled, white collar occupations, including managers, professionals and associate professional roles. An estimated two million additional jobs in these occupations are expected to be created by 2020 nationally.

## **Skills and Sectors in Northamptonshire**

### **Food and Drink Sector**

NCS advises that the food and drink sector in Northamptonshire is a significant employer with around 46,000 jobs supported by prospering businesses. In this sector the challenge is to attract skilled and semi-skilled labour.

### **High performance technologies**

NCS reports that there are 21,000 people currently employed within high performance technology in the county. However, there are key concerns around maths' abilities at all levels. Manufacturing provides employment for 12.3% of the working population in Northamptonshire. This data was published in the Northampton Waterside Enterprise Zone Skills Strategy and Plan, March 2013. Statistics for people starting Apprenticeships within the science, engineering and manufacturing sector for 2012/13 are relatively high (proportionally) with 139 starts within the sector and 172 science, engineering and manufacturing frameworks being undertaken. This indicates that this area of expertise is being sought from businesses who consider themselves outside of the sector.

### **Logistics**

NCS reports that considerable demand is predicted for managers, customer service positions and transport and machine operatives. It advises that there are a large number of near-to-retirement drivers (16% of LGV drivers are 60 or over) and there has also been a decline in the number of people taking and passing their Large Goods Vehicle test, which is a decline of 31% from 2006/07 to 2010/11).

NCS highlights that as a sector which provides a high percentage of employment in Northamptonshire these national issues also affect the local area and need to be addressed to maximise job creation and employment locally. Human resources departments have tried to train staff and reduce the amount of agency staff used, preferring instead to use temporary staff. Apprenticeships can provide trained staff and generally raise awareness of career opportunities in the sector.

### **Health & Social Care**

NCS advises that there is a strong supply of jobs in the sector in the county, though not with matching interest from jobseekers. The increase in jobs is due to the growth in population over the last decade and future planned growth within the county. The majority of jobs in this sector are at entry level and providers and employers struggle to attract suitable young people into the Apprenticeship opportunities.

### **Main areas of growth in Northamptonshire**

NCS reports that there is significant employment growth potential in the high performance technology and logistics sector. However, more needs to be done to address the skills gap highlighted above – both in terms of working with employers to develop career pathways to address skills gaps and to encourage more young people into these sectors.

The Northampton Enterprise Zone is one of the largest enterprise zones in the country. It aims to become a centre of excellence for high performance technologies, construction and financial services.

The further development of industry in the county depends on a skilled workforce. Science, technology, engineering and maths (STEM subjects) are essential. These subjects are the foundation which will help our local economy to grow. Low carbon technologies fall within these growth sectors in the county. We need to ensure that young people are getting the right types of skills and knowledge associated with these new and emerging technologies.

Construction skills are also likely to be in demand due to significant development plans within the county. Significant housing growth within the county is likely to generate a demand for these types of skills. In logistics around 8,250 jobs between 2010 -2021 are expected to be created (an increase of approximately 20%).

### **Northampton Waterside Enterprise Zone – Research into collaboration opportunities to make a difference May 2013**

The findings and conclusions from this report can be located at Appendix C to the report.

### **National Apprenticeship Service**

The National Apprenticeship Service (NAS) website is the official website for general information about apprenticeships in England. NAS supports, funds and co-ordinates the delivery of Apprenticeships throughout England. The website is a source of information on apprenticeships. All vacancies are advertised. The website contains information including training opportunities and information for organisations providing apprenticeships.

### **Apprenticeships - GET IN. GO FAR**

This website provides details of providers of apprenticeships, such as:

- PWC
- Sandander
- Specsaver
- Sky
- Royal Air force

Prospective apprentices can view vacancies, which includes higher apprenticeships; apply and speak to an advisor if they have a query. It

also provides information for employers on how they can engage an apprentice. Apprentices and organisations that offer apprenticeships provide information on the website.

## **GOV.UK**

[Gov.Uk](http://Gov.Uk) contains a webpage where prospective apprentices can search for apprenticeship vacancies and learning providers.

### **3.2.1 Background statistics**

The economic context:

- Northampton accounts for 18.1% of the total East Midlands GVA (gross value added) - £149,979 billion
- 63.32% of Northamptonshire is of working age, aged 16-64; of which 77% is in employment. There are 117,500 economically active people in Northampton of which 112,600 are currently employed (96,000 are considered employees whilst the remaining 15,500 are self-employed).
- Employment by occupation change from 2011-2014 – The largest increase was within the professional field at plus 3.7%; followed by caring, leisure and other occupations at .9%. The largest decrease was within the process plant and machine operatives sector with a decrease of 2.2%; followed by the skilled trade at a decrease of 1.8%
- 80.4% of Northampton's working age population are economic active; leaving 27,800 inactive
- As of February 2015, there were 16,700 working age benefit claimants in Northampton
- Northampton's location offers networks for various universities with a commute of one hour
- There are lower levels of skills achievement at every level in Northampton compared within the East Midlands and Great

Britain statistics. The population of Northampton that have no qualifications has reduced from 15.1% in 2004 to 11.6%

- Skills capital projects in the surrounding areas include:
  - Northampton College
  - Engineering Futures
  - Advanced Integrated-Engineering Centre for Transport
  - Engineering and Construction Skills Centre
  - Smart City Thinking
  - Banbury and Bicester College
  
- Apprenticeships and traineeships in Northamptonshire have increased from 2,790 in 2005/6 to 7,690 in 2013
- Northampton delivered 2,020 apprenticeships starts in 2013-14
- 6.1% of Northamptonshire population are NEETs (16-18)
- Long term unemployment is marginally higher in Northampton at 0.5% than at GB level (0.4%)

### **Graduates in Northampton**

Of the 2,200 leavers who responded to the 2013/14 DLHE survey and were in work:

500 (23%) work in Northampton and a further 265 (12%) work in Northamptonshire.

35% work in Northamptonshire.

During 2014/15, 625 (graduates from 2013/14) went into full-time employment in the county and a further 140 had part-time employment in the county as their main activity.



## **Northamptonshire's Service Sector Outperforms Manufacturing**

Service sector firms in the county outperformed manufacturers during the second quarter of 2015, according to a report by Northamptonshire Chamber of Commerce.

The Quarterly Economic Survey (QES) revealed that Northamptonshire manufacturers faced a slowdown in growth; however confidence remains high in both sectors.

According to the latest QES published on 8 July, 96% (up 2% on Quarter 1) of service businesses said UK sales had increased or stayed the same. Compared to manufacturing, 63% (down 11% on Quarter 1) of businesses in this sector reported static levels or increases during Quarter 2.

For exports, 82% of firms in both service and manufacturing sectors reported level or increased export sales over the last three months.

Firms are still facing difficulties recruiting staff - 73% of manufacturing businesses and 78% of service sector firms' stated that they'd experienced challenges hiring suitable employees. Manufacturers reported a shortage of skilled manual/technical staff whilst service sector respondents indicated challenges in recruiting skilled professional/managerial employees.

Firms in both sectors showed investment activity which was consistent with Quarter 1 with 22% of manufacturers stating they had an increased investment in plant and machinery whilst a third of service sector firms' reported they had increased investment in training. Other overhead, for example energy costs, was the main pressure on prices for businesses in both sectors.

A copy of the full report can be located [here](#).

## Northampton Demography

A copy of the briefing note can be located [here](#)

### 3.3 Core questions

3.3.1 The Scrutiny Panel devised a series of core questions that it put to key witnesses over a cycle of meetings (Copy at Appendix B).

3.3.2 Key witnesses provided a response to these core questions at the meetings of the Scrutiny Panel held on 15 October 2015, 30 November 2015 and 14 January 2016.

3.3.3 Salient points of evidence:

#### **Director of People, Transformation and Transactions, Local Government Shared Service (LGSS)**

- Northampton Borough Council (NBC) is currently reviewing and developing its Business Strategy for 2015-2018 to include its vision for their Workforce Strategy moving forward. It is anticipated that apprenticeships will be a part of this strategy moving forward. NBC promotes and supports apprentices locally in service areas, in both their customer service and facilities team.
- Partners can, through their own workforce strategies, take a lead in growing their own, via apprenticeships and engaging a lower skill in the employment market.
- NBC has experienced changes in national policy and legislation, unprecedented funding reductions and cuts in public spending and technological innovation impacting on customer's expectations for service delivery; this has all intrinsically changed how services can be delivered now and in the future. The authority has changed fundamentally how it operates and is becoming more creative and innovative, engaging with

customers, communities, private, public and voluntary sector partners to find solutions to ensure delivery of its vision: 'Northampton alive with innovation, enterprise and opportunity'. The Council is currently working to re-published its Corporate Plan for 2015-2018 to clearly articulate its priorities and set out what NBC wants to achieve.

- Workforce changes have included in 2013 the transfer of 222 NBC staff into LGSS, to deliver a variety of professional services within a shared service offering and also the recent transfer in Jan 2015 of 260+ staff in the formation of Northamptonshire Partnership Homes (NPH), an Arm's Length Management Organisation that is wholly owned by the Council but which has its own board of Directors.
- More changes for the workforce have included changes to employee terms and conditions, including pay and working hours and developments with technology including EDRMS and Agresso. LGSS OWD was commissioned to deliver a 'Workforce Training and Development Plan' to develop the skills and learning required within the workforce, to continue to deliver services in this changing environment.
- An agreed approach to first phase (to meet immediate skills gap – May 2015-March 2016) is in place.
- Each partner could start their own skills mapping as part of a longer term workforce development strategy, a second phase for NBC from May 2015 and ongoing has been agreed.

**Service Manager, Adult Learning, Northamptonshire County Council (NCC)**

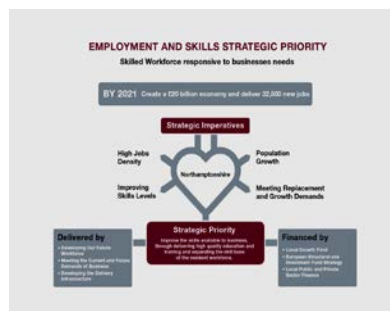
- The Government wants to achieve 3 million apprenticeship starts by 2020. Government money for apprenticeships will be released and re-directed as part of the Government's plans for the Skills Funding Agency (SFA) to support Local Enterprise

Partnerships (LEPs) to review local provision and merge colleges, where appropriate, creating Technical Institutes.

- NEP is doing a lot of work with schools to engage schools in promoting apprenticeships at levels 3, 4 to ensure that young people who don't want to proceed to A levels, will progress to higher level skills.
- NCC's Adult Learning Service (NCCALS) has a role through a number of its programmes to engage with this group.
- Creative industries are a potential growth sector. The self-employment rate is also relatively high in Northamptonshire compared to neighbouring counties
- Learners have a range of options to use the skills they have gained to progress to further training and qualifications in a further or higher education provider, get a job, become self-employed, or use the skills for the benefit of their community by volunteering
- Approximately 7,000 learners are engaged each year. All courses are delivered in local communities. A number of targeted learning programmes are entirely delivered in the most disadvantaged wards where these groups are more likely to be accessed. Approximately 3,500 (of the 7,000) learners are in the targeted programme. NCCALS also has a significant role to play in engaging older NEETs (19 years plus).
- Partnerships with local organisations, who exist to meet the needs of the seldom heard or isolated, are vital to engage with this target group and enter into a dialogue in which people can voice their aspirations, needs and issues and a bespoke programme of learning can be arranged. Key partners include: Kettering centre for the Unemployed (KCU), Wellingborough Homes, Bridge, Papworth Trust, Good Will Solutions and Ground Work.

## Director, Northampton Enterprise Partnership (NEP)

- Northamptonshire Enterprise Partnership (NEP) has involved in brokering apprenticeships for some considerable time, initially to address the significant number of young people Not in Education, Employment or Training (NEETs), and more recently to respond to the address the significant and growing demand from employers for apprentices. The major Bright Futures campaign has promoted apprentices by showing real young people in real companies in priority sectors. NEP has recruited a team of apprentice ambassadors to promote apprenticeships on a peer to peer basis.
- NEP recognises that in order to meet the needs of employees, employers and local residents it is important to ensure that there are much stronger links between the world of education and the world of work. NEP applied for national pilot status for Enterprise Advisers together with a contract for Careers Inspiration, which sitting alongside Bright Futures promotes careers in Northamptonshire's key sectors.
- NEP's vision for skills and learning is outlined within the Strategic Economic Plan (SEP), and is summarised below:



- The SEP can be stripped back to 'serious about skills' as it is recognised that the availability of skilled labour is a serious challenge for most Northamptonshire businesses. Skills alongside, investment, innovation, enterprise and competition, is one of the five drivers of productivity and as such it is essential that Northamptonshire has sufficient skills and talent to meet current and future workforce demand, given our productivity 'under-performance'.
- Serious about skills translates into the following ambitions:

- *Best in class –*
- *Matching supply and demand*
- *Apprenticeships*
- *'Full' employment*
- *21st Century learning -*
- *Better Co-ordinated system*
- Northamptonshire's Gross Value Added (GVA) is lower than the national average and as such there is a desire to upskill the workforce to ensure higher value added jobs and increased earnings. This is being delivered by addressing the future pipeline through strategic iag; and the current workforce by supporting employers and key sectors to develop the skills of their workforce through the Sector Strategy Boards and NEP's Productivity Plan; and by encouraging new inward investment in higher value added employment sectors.
- NEP is also looking to administer grants for the Sir Thomas White Northampton Charity to specifically support younger workers improve their skills and secure work in high demand sectors such as logistics.
- Support of those that are in long term unemployment is important as on the latest statistics long term unemployment is marginally higher in Northampton at 0.5% than at GB level (0.4%).
- DWP operates national programmes to support the long term unemployment back into work. However, alongside these the European Structural and Investment Fund (ESIF) Strategy will provide further support for the long term unemployed to re-enter the labour market, which is really important given Northamptonshire's high job density, which is higher than national average. This is particularly relevant for Northampton, which has a jobs density of 0.99, in comparison with 0.80 nationally, meaning that not using all of available work force may result in serious labour shortages
- NEP is looking at how grant support, such as that available from the Sir Thomas White Northampton Charity can help support the long term unemployed back into employment.

- NEP has formed an Employment and Skills Strategy Board to bring together all key partners to drive forward the work of the employment and skills element of the Strategic Economic Plan.
- NEP is aware of the skills that are in short supply, which given the very tight labour market are pretty much across the board and cover the breadth of occupational types. All sectors are currently facing both growth and replacement demand.
- In terms of immediate demand this appears particularly acute in engineering, HGV driving, construction trades and professions, ICT and food and drink technician and processing.
- Northampton Borough can use the retained business rates from the Enterprise Zone (EZ) and all business rates when these become available for the speculative development of new premises.
- There is an opportunity for preferential borrowings from Public Works Loans Board (PWLB) to be used to provide long term loans to developers to undertake speculative development, as the speculative market still needs to be 'de-risked'.
- The next round of Local Growth Fund monies could be used to provide enabling funds to open up sites to encourage subsequent investment by developers.
- There is opportunity to develop joint ventures with commercial developers to bring forward sites
- Applications can be made to the next round of Local Growth Fund to support investment in the physical infrastructure, where this has proven economic benefits in terms of jobs and homes.
- Preferential borrowings from Public Works Loans Board (PWLB) could be used to develop the physical infrastructure in the town. Funding is available in the current financial year to facilitate this.
- Key investment decisions are made for a number of reasons including location, access to markets, supply chain considerations, access to R&D, innovation, skills, labour availability, consistent and can do public leadership, enabling investment, education and training offer, surety of planning, and cultural and quality of lifestyle.

- International investors will also be interested in taxation, security and stability and consistency of political processes.
- NEP is working with VCSE partners to ensure that those that are harder to reach are engaged in economic growth activity
- The Big Lottery opt-in of the European Structural and Investment Fund (ESIF) also specifically targets groups that are furthest from the labour market.
- NEP has been involved in Northampton Alive, which brings together the public and the private sector to move forward Northampton's growth. Mechanisms such as the Enterprise Zone Board also bring together both sectors to address economic growth issues.

### **Acting Chief Executive, South East Midlands Local Enterprise Partnership (SEMLEP)**

- One of the key challenges is to encourage more SMEs to take on an apprentice. Businesses are often disappointed by the lack of suitable candidates. If they are unable to fill a vacancy then they form a negative experience of apprenticeships.
- There is a need to do more to try and close the gap between recruitment expectations from businesses and young people's awareness of job opportunities.
- The many changes to the system, including the introduction of an apprenticeship levy on employers, are not helping the situation.
- There is a need to support intermediary organisations to feel confident about advising their clients with regard to apprenticeships and ensure that support/brokerage roles are clear about signposting quickly and accurately.
- Enhancing the role and function of the South East Midlands Apprenticeship Ambassador Network to engage with more business leaders would influence 'decision makers'. SEMLEP would need to ensure that the support is then in place to support businesses through to introducing an apprenticeship programme.
- SEMLEP is planning an 'SME Apprenticeship Brokerage' service which will be aligned with the Velocity Growth Hub and funded by the European Social Fund and Skills Funding Agency.



- SEMLEP has two skills related strategic objectives in their Business Plan. Objective 5: To develop a skilled and adaptable workforce and Objective 6: To address barriers to the labour market for disadvantaged groups.
- SEMLEP's Business Plan outlines a series of targets to contribute towards these strategic objectives, including to work with a diverse range of partners to increase the number of SEMLEP residents with at least a Level 1 qualification by 2% per annum, increase the number of apprenticeship starts by 150 per annum and reduce the number of reported skills gaps by employers by 5% per annum.
- SEMLEP has a significant allocation of European Social Funding for the period 2015-2020, which is has begun to be rolled out after a national delay. SEMLEP's vision is that this fund will enable a certain amount of targeting of niche provision in hard to reach areas and will support low-skilled workers to develop their English and Maths skills in a vocational context.
- SEMLEP is currently working closely with NEP and with DWP to develop a Support Into Employment programme using SEMLEP's allocation of European Social Funding.
- The Government's Work Programme for long term unemployed and Ingeus in Northampton
- SEMLEP's Strategic Economic Plan and evidence base highlights four particular showcase sectors that have the capability, the major assets and the greatest potential to rapidly grow across the SEMLEP area. These are:
  - High Performance Technology
  - Logistics
  - Advanced Manufacturing (including Food and Drink) and
  - Cultural and Creative Sectors (including the visitor economy and sport)
- SEMLEP is very keen to work in partnership with other organisations/groups to support its ambitious growth plans, particularly those who have local knowledge and understanding of the needs of employers and individuals. SEMLEP's quarterly Skills Forum meetings provide a very good platform to become involved.
- Skills challenges facing showcase sectors are:
  - High Performance Engineering – an ageing workforce and shortage of young people with technical engineering skills
  - Logistics – 18 vacancies for every individual seeking an HGV role,

- attracting young people a problem
  - Manufacturing & Advanced Technology, including Food and Drink – 137,000 new recruits needed by 2020 to replace those retiring or leaving the sector, specific skill requirements around food technology (courses unviable without collaboration?)
  - Arts, Heritage, Sports, Visitor Economy Cultural and Creative Sectors - 2 in 5 employers unable to fill vacancies
- SEMLEP's 2015 Business Survey has reported:
  - 33% of employers experiencing a gap between the skills available in the local workforce and the skills that they need (compared to 38% in 2014)
  - Job specific (29%) and technical or practical skills (25%) are the two most frequently mentioned skills that have been difficult to obtain when recruiting from outside the organisation
  - Advanced IT skills (11%), sales and marketing skills (11%), technical or practical (10%) and/or job specific skills (10%) were the most commonly cited skills lacking within the existing workforce.
- The Velocity Growth Hub helps existing businesses to grow. The SEMLEP Inward Investment Group focuses on encouraging businesses to locate in this area.
- There is already some supply of land suitable for new commercial development; in some cases there is new speculative development being undertaken.
- The type of premises being constructed are large distribution warehouses designed to cater for the regional and national market, rather than for those companies who are - necessarily – already based in Northampton.
- Existing businesses in Northampton might take a small amount of the space either recently/currently built, but the target audience for the developers is not the local market.
- In order to provide suitable facilities for businesses who require manufacturing, R&D facilities - and even offices - there needs to be both land allocated for this through the planning system, and the development community needs to be enabled and encouraged to build the properties required. The climate for development funding has rapidly improved in the last two years.
- Funding for small scale speculative development is still limited, but there is a significant 'weight of money' in the market for the right schemes

- The challenges are many and varied, but broadly the limiting factors to prevent development (without a pre-sale or pre-let) include; construction costs, availability of skilled staff and materials, business rates burden on vacant premises and in many cases the headline rental levels are still not yet robust enough to make appraisals profitable.
- There may be little the local authority can do to unlock these issues, but the feedback SEMLEP receives regularly from the commercial agents operating in this market is that the initial hurdle most face is insufficient land being allocated for employment uses – notwithstanding the offer at J15/J15a.
- Walking routes around the town, particularly from the station to the town centre could be improved. The new location of the University Campus within the Waterside Enterprise Zone will provide an impetus to improve and upgrade the pedestrian areas in the town centre. Strategic road links across Northamptonshire from the M1 to A14 would benefit from upgrading in some parts. Improved public transport links between Northampton, Wellingborough and Kettering would help young people and apprentices access jobs and training opportunities.
- Primary drivers for investment in Northampton are location and accessibility, including access to the M1 and rail, availability of suitable commercial development and employment land space, proximity to Silverstone and being situated within one of the largest Enterprise Zones in England.
- SEMLEP makes a considerable effort to engage with a diverse range of partners across the Voluntary, Community and Social Enterprise Sectors (VCSE). SEMLEP coordinate VCS, Social Enterprise and Rural LEP Board Sub-Groups that meet at least quarterly.
- SEMLEP's allocation of European Social Funding for the period 2015-2020, includes a £5m 'Opt-In' with the Big Lottery, focusing on Support Into Employment, Financial Inclusion and Community Investment (enterprise). In addition, SEMLEP supports the Northamptonshire LEADER Local Action Group to help stimulate enterprise and employment in rural areas.
- SEMLEP is very keen to meet with any employer, organisation or individual who would like to work together to support our challenging and ambitious growth plans.

## **Manager, Northamptonshire Growth HUB**

- Apprenticeships are now offered to a higher level, up to degree level and are offered by Northampton College. There are limited higher level apprenticeships but the number is grow
- Northampton University had 96% employability (those available for work and undertaking work or further study) 6 months after graduating. One of the technology courses (computing/engineering) achieved 100% employment last year.
- Enterprise in Northampton University is very well established.
- There is an established programme with Northampton Library for start-up business support with some ICT support available in the library
- Santander Bank offers an internship scheme which is part funded. The internship can be for a period of 3 months full time or six months part time.
- A high percentage of interns are taken on, on a permanent basis.
- The majority of under-graduates have some work experience
- Northampton University offers strategic support for the wider community regarding health and wellbeing, business and education. The University works with students on volunteering projects too.
- Inspire to Enterprise is a national programme that is run from the University.
- Goodwill solutions (of which the University is a partner) train disadvantaged people, including ex-offenders. These obtain work experience and employment.
- Hope Enterprise offers practical support and work experience for individuals to acquire the Food Hygiene Certificate.
- The University is working with all further education colleges regarding funding for an integrated transport system for the county - a research based project by co-ordinating all public and voluntary sector transport.
- There are a lot of large warehouses and distribution centres in Northampton employing large numbers of low skilled workers.

- To raise the skills level, businesses are encouraged to look at all products and services delivered. They are also encouraged to apply for funding to take high level skills forward.
- Northampton University and Northamptonshire Growth Hub are working together to enable employers to access funding for skills from universities worldwide.
- The Knowledge Transfer Partnership for businesses is looking to employ graduates to work on a programme. The business is funded with £20,000 for the graduate. The business also has access to University skills.
- A high percentage of under graduates are mature and a lot of training courses are open to all ages.
- The Inspire to Enterprise programme has been in existence since 2011.
- There is a limited fund for marketing purposes. Growth Hub publishes funding information on its website and circulates a newsletter.
- Higher apprenticeships are currently in limited subjects, such as engineering and technology. The Higher level apprenticeships must be developed and led by employers.
- Northamptonshire Growth Hub receives around 120 enquires each month. It is expected that this will increase during the winter months.

### **Project Manager, Talent Match Northants**

- More information about apprenticeships should be given to employers and the different frameworks available in order to give more incentive. More access to funding in order to deliver them and a scheme to fast track applications or help with filling them out is needed.
- Talent Match Northants offers an in house life skills programme and we feel more accessibility to English and maths should be available for all age ranges and not delivered by colleges, the environment and location needed careful consideration for different people

- Talent Match Northants' project helps long term unemployed young people find employment with local employers. Focusing on 18 to 24 year olds who have been out of paid employment for one year.
- Talent Match Northants is funded by the Big Lottery and it tackles youth unemployment in Kettering and Wellingborough
- Other organisations could help by supporting and promoting Talent Match in the local areas, for those with an invested interest, attend our partnership board.
- The physical infrastructure in and around the town should be made more appealing, more attractive, lower rents, more funding to encourage business start-ups, offer free business start-up advice, invest in the town, make the residents feel special, more housing.
- Businesses invest in Northampton as it is the biggest town in the county and has more opportunity for business
- There is a need to educate the community, priority group work, more access, more funding, create more jobs and more acceptability
- There is a need to educate the people of Great Britain, make sure they know EU migrants can boost the economy. Create more help for EU entrepreneurs and easier access to funding to start businesses. Employers and partners working together for the benefit of the community. Ensure people are at the heart of changes that affect them.

### **Executive Director, Skills Funding Agency (SFA)**

- In the 2015/16 financial year to date, there have been 524 new apprenticeship starts across Northampton.
- Just over 200 of these were Higher Apprenticeships (Level 3 and above) and just over 300 were Intermediate Apprenticeships (Level 2).
- The Government's ambition is for three million apprenticeship starts in the lifetime of this Parliament.
- In the five years of the last Parliament, a total of 2.3 million apprenticeship starts were achieved.

- However, to reach 3 million new apprenticeship starts by 2020, this is the equivalent to more than one apprentice – starting every minute – of every day – over the next five years.
- The Government has been very clear that apprenticeships will continue to be at the heart of the drive to equip people of all ages with the skills that employers need to compete and prosper in a challenging global marketplace.
- Apprenticeships contributed £34 billion to the UK economy in 2014.
- Nine out of every ten apprenticeship employers hoping to achieve business benefits tell the National Apprenticeship Service that apprenticeships make good commercial sense – helping to drive productivity and growth.
- Equally, public sector bodies – such as councils – need to embrace apprenticeships.
- Apprenticeships provide access to a wide pool of talented individuals with the skills to improve the services offered by local councils across a huge variety of roles.
- Apprenticeships across Northampton are being delivered by both public and private training providers including:
  - Northampton College
  - Learndirect
  - Babcock Training
  - Starting Off (Northampton)
  - Lifetime Training
  - HIT Training
  - Telford College
  - Elmfield Training
  - First4skills Ltd
  - JHP Group
  - ESG (Skills) Ltd
- Employers are now in the driving seat for apprenticeships. Over 1,300 employers nationally are developing and designing new apprenticeship standards to ensure they meet the needs of business.
- Apprenticeships are available in more than 750 sectors.

- Local councils can work with their Local Enterprise Partnerships to ensure that local skills needs can be met through apprenticeships.
- Local Enterprise Partnerships are responsible for identifying and prioritising local business skills needs.

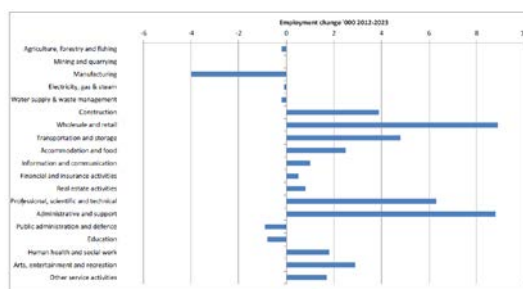
**Assistant Director – Environment, Development and Transport,  
Northamptonshire County Council (NCC)**

- Work is being undertaken within the county to promote apprenticeships including work undertaken by NEP on the Bright Futures campaign, Connexions information evenings, the Skills Show and the Information and Advice Conference for IAG Teachers. Other promotion through providers and the provider network already occurs.
- Apprenticeships are delivered by a mix of private and publicly funded organisations. It is anticipated that 90% of SMEs within Northamptonshire do not participate in the employment of an apprentice.
- In a piece of work undertaken in 2014 the following issues were highlighted by stakeholders:
  - Employability skills
  - Promoting the vocational route
  - Basic skills
  - Intermediate and technical skills
  - Information, advice and guidance
- Residents, young people, workers, business owners, entrepreneurs and visitors will benefit. Northamptonshire will have cemented its reputation as the 'location of choice' for ambitious firms, both in the UK and globally. A comprehensive programme of new infrastructure will be put in place including the introduction of countywide Superfast Broadband
- There has been for a long time the Government funded Work programme run by Ingeus and A4E.
- Long term unemployment within the county has become less of a concern. The greatest concern is in helping those furthest away from the labour market



and who may be on Employment Support Allowance. Welfare reforms are expected to hit these groups hardest.

- Some of the European Social Fund programmes (ESF) will look at providing support for these client groups through DWP and Big Lottery matched provision.
- A number of Voluntary and Community organisations help support people into employment. Organisations such as ENABLE have run these courses and support for a long period of time
- The colleges are currently pulling together Labour Market information as part of the area based review.
- The LEPs have been looking at different forecast models and undertook broad analysis as part of the SEP development:



- Replacement demand for skills and employment must be borne in mind in terms of existing key sectors such as manufacturing.
- The County Council has been proactive in developing a flexible approach to the delivery of economic development activities across the county, encompassing areas of skills, business support and infrastructure provision. Such activities are underpinned by an evidence base, which highlight areas of need, barriers and opportunities for future growth.
- The Strategic Economic Plan and the Local Economic Assessment for Northamptonshire are more wide-ranging documents, ensuring these are kept refreshed and up to date will be invaluable in helping to shape future activities as well as evaluate the impact of past programmes.
- A partnership approach has been key to achieving a more holistic, strategic programme of intervention, working closely with the University of Northampton, LEPs and others to identify appropriate mechanisms to help deliver the right outcomes for the county. Some of these activities include:

- The development of the Northamptonshire Growth Hub (NGH) is an integral part of Northamptonshire's Strategic Economic Plan (SEP) and is identified for support from 2015 onwards in the SEP and in the county's European Structural Investment Fund (ESIF) and Local Growth strategies.  
In 2015/16, NGH secured new funding of £250,000 from Government to continue to develop the service; a Growth Hub Manager has been recruited.
- NGH operates a brokerage model based on the proposition that the county's businesses could use one telephone or e-mail to access support to meet their needs.
- A review of the Growth Hub and wider business support provision across Northamptonshire was undertaken during 2015. It mapped provision, identified gaps and duplications, highlighted examples of best practice and put forward a number of proposals to enhance and improve the service provided, with the specific strategic target of increasing the county's GVA and productivity levels. The Growth Hub has supported over 1,600 unique callers with Business Advice.
- The Council has played a crucial role in supporting ambitious businesses in Northamptonshire with the potential to grow
- The high levels of competitiveness and successes achieved through these programmes is clear, with INV-ENT alone delivering 105 local projects, which together have the potential to create 489 new jobs, 137 new apprenticeships and support over 1,000 people with their skills development through an initial £1.4m investment.
- Building on the success of these programmes, the Council is working with partners to continue to support innovative and ambitious Northamptonshire businesses –with a strong focus on smart targeting of resources to produce high impact with minimal financial impact, recognising that the availability of public sector funding is increasingly limited.
- The Business & IP Centre Northamptonshire supports entrepreneurs, inventors and small businesses from that first spark of inspiration to successfully launching and developing a business.

- Since its inception, the Enterprise Hub has supported over 1,000 people and supported over 120 new businesses to start trading.
- The Council is working with partners to identify opportunities to work collaboratively on new and emerging funding programmes.
- European funding has an important role to play in supporting growth and creating prosperous communities. The new ESIF programme will see €55m directly allocated to the county for 2014/20 to support priority growth areas, including innovation, research and development, support for small and medium sized enterprises, low carbon, skills, employment and social inclusion.
- A further £79m has been allocated to the South East Midlands Local Economic Partnership (SEMLEP) which also covers parts of Northamptonshire. None of this funding is ring-fenced for the county.
- ESIF funding provides an opportunity to bid for additional funding to support new, or the enhancement of existing, activities; but it cannot be used to replace existing funding for current activities. ESIF provides the potential to explore and deliver proposals associated with the move to a new way of delivering economic development.
- Through the prioritisation process, a number of projects put forward by the Council have been identified for commencement in the 2015/16 period, including: A43 Northampton-Kettering Improvements; A45 Daventry-Development Link; Stanton Cross Access works. A number of provisional schemes have been approved for contracting and delivery during 2016/17.
- The development of a range and choice of suitable office accommodation for businesses at all stages of growth is a strategic imperative.
- Opportunities exist for the reuse and regeneration of current vacant spaces (including empty, redundant or derelict units and open spaces) across the borough – whether in public or private ownership. Working with local communities, charities, residents and businesses as well other partners in the public and private sector to identify these spaces and appropriate uses, as well as creating a simple mechanism for doing so, will be critical in enabling others to bring forward improvement initiatives without relying on investment from the public purse.

- The Council is responsible for delivering a number of key infrastructure projects in and around the town centre. A number of mechanisms exist that are currently delivering infrastructure projects of scale; these include:
  - The Superfast Northamptonshire
  - A complementary programme of digital related activities
  - The county was successful in securing funding through the Northamptonshire Growing Places programme to support delivery of several schemes across the county. In Northampton.
  - Project Angel is the new public sector headquarters situated in the middle of Northampton town centre.

**Leader of the Council, Cabinet Member for Finance and Cabinet Member for Regeneration, Enterprise and Planning Northampton Borough Council (NBC)**

- The development of a fully skilled workforce is fundamental to the future economic vitality of Northampton.
- Apprentices are employed at NBC, LGSS and NPH.
- A mapping exercise is being undertaken, matching skills required for Northampton. The three colleges in Northampton are also ensuring there are the right skills for the area. A lot of work is being undertaken.
- Students at St John's have helped the economy.
- Any economic market is not perfect and will have inherent failings. The origin of any forthcoming programme must be an in-depth understanding of the local economic geography. Such a comprehensive view highlights the intrinsic market failures at play and can therefore guide policy towards specific interventions. Such an understanding is apparent within the Northampton Alive programme; a diverse range of projects aimed at intervening and catalysing the Northampton economic market and skills agenda. Individually, each project will enhance a specific (and ultimately restricted) position; a programme of many individual projects will identify and addresses market failures across the town as a whole.
- Northampton Borough Council (NBC) is working with South East Midlands Local Enterprise Partnership (SEMLEP) and Northamptonshire Enterprise

Partnership (NEP) to ensure that skills are improved through schemes such as apprenticeship programmes that can be successfully developed and delivered across Northampton.

- The skills agenda is hugely important for Northampton. The Borough Council understands the current skills issues and is working with partners and stakeholders to ensure that the resident population has the necessary access to skills to meet the demand of current and investing companies. With 1.9% claiming unemployment related benefits within the town, Northampton is above the level of the rest of the East Midlands (1.6%) and Great Britain as a whole (1.7%). The amount of people with qualifications below NVQ 4 (NVQ 1-3) is at a lower level to both the rest of the East Midlands and Great Britain. This could point towards a low skilled base equating to a higher level of unemployment.
- Unemployment does not necessarily directly equate to a low skills base and with Northampton's average weekly wage lower than the other two benchmarks make an assumption can be made that the volume of jobs in Northampton are at a lower skilled level; therefore opportunities for this skill level do exist.
- In order to raise the average Northampton wage there is a need to diversify the business base and attract companies with a high employment percentage of higher skilled jobs. Arguably, a higher skills base is required to attract the companies to the town.
- The Enterprise Zone is the most successful in the country.
- Two key benefits of the Enterprise Zone:
  - Simplified Planning process
  - Business rate "holiday" for five years up to 355,000 a year
- £330m relocation and expansion of the University into the Enterprise Zone, as part of the Northampton Alive programme, will be a huge step to increasing the volume of highly qualified individuals within the local labour market. Such an increase will attract businesses, increasing the demand and so follows an upwardly spiralling economic skills base.
- Business rate relief will enable the Council to develop Four Waterside. Expressions of interest have been received for this space and a large company is looking for office space.

- By 2020 the Council will be able to keep 100% of its business rates.
- It is necessary to continue to upskill those with the lowest level of qualifications; the disenfranchised and those with little or no experience. DWP work programme is in place to intervene at a generic level, introducing core employability skills to all those that claim out of work benefits. NBC adds value to this service by connecting companies to the Job centre and promoting the use of the Job Centre as a free recruitment agency for businesses.
- The Council goes out four times a year to speak with businesses.
- NBC works with companies to help them secure growth and ultimately increasing the employment base of the Borough.
- Business support has many facets within NBC, supporting businesses both individually and as a collectively. The Business Incentive Scheme (BIS) is a grant based support mechanism aimed at aiding businesses to physically grow their operation or improve the look of their premises. Grants of up to £10,000 are available, with the level of grant achieved depending on the amount of investment going in alongside the grant and the amount of jobs created within each project.
- To date, the BIS has committed just over £600,000 to over 60 businesses. This funding will create over 250 jobs and leverage in over £3,000,000 of additional private sector finance.
- Inward Investment is another core delivery priority for the Council.
- As identified in the NEP and SEMLEP Local Economic Plan's, Northampton and the surrounding areas have a strong skills base in the High Performance Technology, Logistics and Food and Drink sectors. The sustained growth of these sectors will continue to support the bulk of jobs within the town and continue to attract either competing businesses, or businesses within the supply chain.
- An example of how NBC can support these sectors and individual businesses within it is the work undertaken with Cosworth. Located within the Enterprise Zone, Cosworth is one of Northampton's most prestigious brands, having previously been at the epitome of engine design and build in motor racing and performance road vehicle's. In 2012 NBC worked with Cosworth to secure

funding land and a building to ensure they were able to gain an engine build contract and secure a further 75 jobs in the town.

- NBC works closely with NEP and SEMLEP to unlock investment in the town. A combination of NBC's in-depth knowledge of the local economy and the LEP's expertise regarding securing national and European funding is a successful approach to channelling additional finance into individual projects within the town.
- Other key players within the local economy include the Colleges and the University.
- NBC regularly meet with businesses to gauge how the Borough Council can assist with their future ambitions and also any barriers/difficulties they are currently facing.
- The manufacturing sector, in particular, regularly talks about the difficulties they have in recruiting individuals with the relevant skills to what they require. This issue tends to be exasperated the more niche the business, or the more specific the skills requirement; particularly highly skilled individuals.
- NBC sits on the Brackmills BID Board. The main concern regularly raised is the lack of available and qualified drivers for HGV's and the lack of qualified fork lift drivers. NBC continues to support the BID in addressing this skills gap.
- A business' decision to invest in an area will be driven by market forces and based upon three broad areas: the location in relation to competition and customers, the availability and cost of land and property, and the availability of labour at the correct skill levels. For NBC services to enable business investment, the services need to be positively affecting one of these areas.
- Regeneration investment service allows for businesses to obtain information on all of these areas and therefore inform an investment decision. The majority of this is produced through the account management service and is assisted by NBC's CRM; the property and enquiry database.
- The BIS can be utilised to address funding issues within specific investments. The funding can make the difference between a business choosing Northampton over another close-by district.

- When making decisions regarding investment, a business needs as much certainty as possible about the outcome of such an investment, including certainty regarding several service areas of NBC; including regeneration, planning, environmental health and parking. A business will not necessarily seek a change in policy to fit with their requirements; however assistance to help alleviate specific issues will be reflected in their investment decision.
- The availability of commercial land is paramount to the delivery of inward investment and ensuring organic growth of the existing business base. Northampton has a relatively constrained geography, with few available large sites for development.
- NBC continues to invest in the physical infrastructure of the town. The opening of the bus and train stations were the core initial assets to improve the towns infrastructure, the opening of Abington Street. The future opening of St James Mill Rd will continue to improve the road infrastructure serving both the residents and the businesses.
- The location and subsequent investment of a business rests on three motivators - Location: proximity to competition and customers.
- Depending on the business, they will want to be located within a certain proximity to either their customers or their competition. The logistics sector is strong in Northampton, arguably because of the town's central location within the country. HPT is strong in the area arguably because the skills for that sector are within the area - operating costs: costs of land/property and employees.
- A business will only invest if it makes financial sense to do so. The wages a company has to pay its workforce will depend on the wage paid by other similar businesses within the geography - Labour: the availability of labour at the correct skill levels.
- A business will not invest or locate in an area if it will not be able to recruit the right people. Depending on the skill levels required, businesses will usually look at other local businesses first to gauge skill levels. If recruiting at a lower skill level, they will also look at the local unemployment levels.
- NBC regularly consults with both the business community and residents. For the Greyfriars development an early consultation took place to get an



understanding of the visions of the public for the site. The findings will be put to developers during the procurement process. A further consultation will take place later in the procurement stage to keep the public informed of progress and to reevaluate their expectations.

- The Greyfriars development will be an opportunity to immeasurably enhance the town centre through a mixed use development aimed at bringing more people and spend into Northampton town centre as a whole.
- It is important for NBC to be able to regularly consult with the private sector so as to help form strategies and policy to continue to positively intervene in the local economy. The availability and willingness of the private sector to meet with us is paramount to our ability to have a positive impact.

### **Principal, Moulton College**

- Young people face too many barriers to becoming apprentices. Apprenticeship programmes are not given the same priority as other educational choices for young people.
- Moulton College and Northampton College - their curriculum offer is complementary to each another. There is no duplication and referrals are made in respect of apprenticeships.
- Schools careers advice and guidance is not comprehensive nor does it provide the right information and support for young people to understand the choices and routes they have to employment. Too many careers advisors and staff in schools have limited knowledge of apprenticeships and the benefits they can bring to developing the right skills needed to add value to any business.
- There needs to be better promotion of apprenticeships, and traineeships as a direct progression route coupled with impartial careers guidance at secondary school level, and more employer involvement, particularly from SMEs will lead to high quality apprenticeship training opportunities.
- Too many young people in Northamptonshire are leaving school without 5 GCSE's A\* - C including English and Maths and finding it difficult to meet the demands of apprenticeships. Apprenticeship schemes are demanding and

provide high quality opportunities that help to develop apprentices' careers, while simultaneously improving their skills and knowledge.

- Employers and training providers need to collaborate more effectively as this is a key factor in producing high-quality provision.
- Apprenticeship schemes must add long-term value to the individual companies and help tackle skills shortages effectively. They should be developed in tandem with industry needs and designed to meet local needs of both young people and employers.
- Employers need to make sufficient contributions to the costs of delivering these and supporting apprentices in the workplace.
- Training providers need to link more effectively with industry to ensure that the training they receive off the job is linked closely with on-the-job experience that naturally occurs in the workplace. Colleges and Training Providers need sufficient funding to be able to deliver high quality apprenticeships and vocational training.
- Apprenticeship training needs to focus more effectively on the sectors with skills shortages and this can be provided by training providers better understanding the needs of the sector through effective working with the Local Enterprise Partnership, Local Authorities and other agencies.
- Moulton College has 95% positive progression into employment, further or higher education of all its students.
- 98% of the businesses that Moulton College deals with employ less than 5 people; some of the businesses are in remote locations. The challenge is how to get young people to these work places.
- There is an inconsistency of information about skills requirements and labour market intelligence being distilled across training providers.
- SMEs are not sufficiently involved in apprenticeships and often find it difficult to employ an apprentice.
- Information about any such training scheme (apprenticeships, full-time vocational education and training) needs to be clear, transparent and make employers, employees, local community and other interested parties fully aware of all opportunities available route into employment.

- It is difficult to see how the new funding model will be able to support micro-businesses.
- Moulton College's vision for skills and learning is to provide "outstanding teaching and learning opportunities for all who will benefit from them and break down any barriers to young people being given the opportunity to excel and progress".
- Moulton College provides apprenticeship training and a comprehensive study programme which includes young people and adults following a substantial Vocational Award, Certificate or Diploma at levels 1-3, developing skills in English and maths to a minimum standard of grade C or above at GCSE level; employability skills developed through work experience undertaken on colleges commercial enterprises and with local employers.
- Moulton college also offers university degrees at undergraduate and post graduate level in Agriculture, Animal Management, Equestrian, Countryside Management, Construction Management, Sports Therapy and Sports Performance and Coaching.
- Moulton College works with other partners to offer short courses that develop employability skills. Offering a taster of the industries it serves
- Moulton College has developed short courses with other partners that focus on those not in education employment or training (NEET). It offers a wide range of short courses that provide industry specific qualifications which are for individuals working in the industry
- Potential areas for growth at Moulton College - Maths and English teachers, Vocational specialists e.g. in the Construction Industry, Food and Drink specialist including technologists, teachers, technicians and product developers, Welding specialists, General administration and support staff
- Other organisations can help by offering better impartial information, careers advice and guidance and work experience opportunities.
- More employers should offer opportunities for apprentices at Intermediate, Advanced and higher level apprenticeships.
- Focussing on the specialisms that Moulton College offers, there is a shortage of construction workers food technologists, agricultural workers (at all levels).

- The College has worked very closely with Northamptonshire Enterprise Partnership (NEP) and has been instrumental in the Construction Skills Task and Finish group which is identified a strategy for growth and to meet the needs of this industry. Working with the Northamptonshire NEP; and the Food and Drink Strategy Board and the Northamptonshire Food & Drink Forum has identified that this Food and Drink industry has a low skills and workforce and specific development is required to meet the needs of this growing and buoyant industry. Moulton College will be developing a Food and Drink Innovation Academy which will focus on food manufacturing to me this key strategic skills area in Northamptonshire and the wider region.
- There needs to be more engagement with rural communities in and around Northampton from the county-wide agencies.
- The Food and Drink Forum and work undertaken by NEP has established task and finish groups such as the Construction Skills Task and Finish group.
- There needs to be a countywide Education Strategy to ensure there is not an uncontrolled proliferation of education providers; therefore, reducing the likelihood of duplication and to ensure that public investment provides best value for money and high quality training and education.
- There is a need to ensure that all partners locally promote the benefits of living and working in this beautiful part of the country.

### **Assistant Principal, Northampton College**

- There are 1,100 apprentices in learning in a range of sectors
- 90% of learners who completed apprenticeships stayed with the employer and were promoted
- The apprenticeship framework is different for each employer.
- Apprenticeships range from level 2 to level 7 and each are tailored
- 70% of the College's work is repeat business
- The College's range of services along with its flexibility ideally places the College to support the skills development needs identified, but to further complement this the College offers via additional programmes of training.

- There are challenges as the education sector is judged by subject sector areas, of which there are 15, whilst there are many more categories of industries that employers represent which causes a mismatch when trying to compare provision to that with industries and priorities, and could therefore mis-represent how responsive the provision is to the priorities.
- All of the College employer based work is in response to the employer needs identified and therefore could suggest is 100% responsive to meeting the needs of those we engage within the area, and great focus should be provided to engaging those who have not considered training or apprenticeships.
- Short courses and pre-apprenticeship programmes are offered. The College works closely with Horizons regarding tailored need, the requirement of shorter courses etc. All courses are available for over 50s
- Northamptonshire businesses approach to skills and training identifies the skills that are found difficult to obtain from applicants, such as 8% written communications skills, 8% oral communications skills, 10% customer handling skills and 3% basic computer literacy, ICT using skills
- Employers sign up to the College's values in respect of apprenticeships

### **Connexions Targeted Support Manager, Northamptonshire Connexions**

- Government target for 3 million Apprenticeships by 2020. There is a need to make sure Northamptonshire has its fair share of this growth.
- From April 2017 - 0.5% Levy on employers with salary bill over £3 million per annum. A small number of employers fall into this group. All employers can access financial support for employing/training an apprentice
- Funding will be directly accessible by employer rather than by training provider. Need to make sure employers are aware of this, particularly small employers.
- Need to raise awareness of Apprenticeships with young people, parents as well as employer. Often seen as "third choice" after school or college. It needs to be targeted to all abilities, not just those who are not expected to progress to University etc.

- Some young people are not ready/suitable to progress to Apprenticeships. Provision for this group (other than school or college) has reduced but is needed to help bridge the gap and meet employers' needs for Apprenticeships. Currently, Apprenticeship vacancies can remain unfilled)
- Connexions' vision is to help people "succeed, achieve and grow " Skills are a key part of this giving people better employment prospects, leading to financial independence, security and greater resilience in difficult times. Better and higher skills give more protection in the labour market and make Northamptonshire a more attractive destination for employers, driving prosperity for the area
- Support to 16-19 year old NEET (particularly those in vulnerable groups) : - provide job clubs, vacancy services and key worker support to remove barriers to employment and learning.
- Connexions works closely with other partners, including training providers, colleges, Job centre and other support agencies e.g. accommodation, social care/looked after team
- Like many public sector organisations Connexions has reduced in size/employment. It has however recently recruited 2 new Apprentices
- Schools/Colleges provide effective careers education programmes to support young people to make well informed decisions about their career ideas and the routes needed to achieve. This should include opportunities to meet employers/experience the work place and discuss their ideas with an impartial adviser. Schools/Colleges have a statutory duty to provide access to IAG but are not provided with any funding to do this, as a consequence the access varies from place to place. There is a need to help schools/colleges understand that a good careers programme supports achievement agenda by giving young people a goal and motivation.
- Employers provide employment opportunities for young people but also help young people learn about their industry and what employers want by offering work experience, visits, talks in schools etc. This can be difficult for small businesses but these make up the majority of local employers.

- Funding bodies/education providers/Third sector develop the range of pre-employment opportunities to help engage young people into learning and prepare them for employment.
- Young People take up the opportunities available to them, develop resilience to cope in the work place
- Industry sectors that report difficulties in filling Apprenticeship vacancies – construction, engineering and care
- Employers highlight concerns with generic skills such as problem solving, initiative, dealing with customers, telephone skills and work place behaviour e.g. attitude, motivation and team working
- Those who are seldom heard or isolated could be engaged with via outreach activities and community groups.

### **Brackmills Industrial Estate BID**

- Brackmills Industrial Estate BID vision for skills and learning issues is to support businesses and staff who work on Brackmills through the provision of facilities, services and benefits which attract skilled people and which promote a positive and productive working environment and encourage and support relationships and schemes between businesses and organisations which seek to develop skills.
- Brackmills Industrial Estate BID's vision is "to create a highly effective and functional operating environment for businesses on the estate which supports and attracts businesses and inward investment" through four key objectives.
- Its fourth objective is to support businesses and staff who work on Brackmills through the provision of facilities, services and benefits which attract skilled people and which promote a positive and productive working environment. Encourage and support relationships and schemes between businesses and organisations which seek to develop skills.
- Brackmills Industrial Estate consists of 150 businesses and 11,000 people.
- The road network in and out of the estate experiences congestion at peak due insufficient road network capacity. This could be intensified if applications are

approved for housing developments in Hardingstone and Collingtree which will impact on the A45 between J15, Brackmills Gateway Roundabout and Barnes Meadow Roundabout, which already reach heavily congested levels at peak times as a result of traffic movements in and out of Brackmills. As a result, some modifications have been planned for roads and junctions surrounding the estate. It is essential that these go ahead and are completed before the additional housing is built.

- The surface of carriageways throughout the estate are rutted and present a hazard to HGV's and Cyclists. Current Highway Inspection Standards do not include a consideration for cyclists and although some defects are less of a hazard to HGVs and cars, they can force a cyclist to be dismounted and have an accident. Investment is required in the infrastructure of the current road network for safety and to support the retention of businesses in the location.
- The reasons that business invest in Northampton include geographical location, ease of access to key road infra-structure and relatively cheaper property and business rates than further south.

### **Northampton Town Centre BID**

- The Northampton Alive brand needs to be used more to act as a marketing vehicle for inward investment supported by the BID which has within its new Business Plan the activity of '*Working with partners, landlords and property agents to market the town centre to potential new retailers and investors in line with recommendations from an updated retail strategy for the town centre*'.
- The BID can provide support by meeting with the Council lead and the investor/business interested in locating in the town centre to provide a business perspective on the current situation in the town centre.
- There needs to be a co-ordinated approach to any enquiry being made by businesses who are seeking to locate in Northampton through the Economic Regeneration team, NBC.
- The largest site in the town centre, which is the area of concern for the BID, is the old Bus Station site. The Grosvenor Shopping Centre has had a limited



make-over and there are a number of properties around the town centre which offer potential development opportunities.

- The key to ensuring that there is a steady stream of quality premises in the town centre is for there to be a clear vision and plan for the town centre and evidence to support the fact that the plan is being implemented. This will provide confidence to potential investors and businesses who are considering investment and growth in Northampton.
- The BID has a key role to play in working with the Council in providing a business input into the development of the town centre and providing the confidence for businesses to invest in refurbishment and development of properties and sites.
- The key elements of the town centre's infra-structure which need to be improved are the standards of the street surfaces, notably in Abington Street, and the Market Square.
- Businesses invest in Northampton due to geographical location, ease of access to key road infra-structure and relatively cheaper property and business rates than further south

### **Market Action Group (MAG)**

- The National Market Traders Federation operates various start up schemes as well as working with an Academy to enable market traders to recruit apprentices throughout the United Kingdom. Schemes such as this need to be actively promoted by the local employment centres to encourage people into this sector therefore ensuring its sustainability.
- Market traders should complete regular skills audits to identify areas they need to be developed in order to sustain and grow their business. Specifically, traders need to embrace technology in order to capitalise on new and existing customers such as social media.
- Within the market sector there is always scope for new stalls with commodities not already represented meaning there is a wealth of untapped potential.

- Learning establishments and Local Enterprise Partnerships need to embrace the local market as the perfect place for start-up businesses. Job Centres could then refer individuals to these organisations to provide skills and knowledge in conjunction with the Market Officers.
- Businesses invest in Northampton because of its position within the country and its transport links. The reason retail businesses may not invest is because there are not enough big name retailers within the town and poor access to the centre.
- To engage with those seldom heard or isolated, regular Town Centre forums with all businesses invited, Newsletters to businesses from NBC, NCC and the BID
- There is a need for Town team meetings to include all public bodies, services and businesses

## **5 Community Impact Assessment**

- 5.1 This Scrutiny Review investigated how partners locally, including the private sector, can work together to influence the local economy. It sought to put forward informed recommendations to all relevant parties on the most appropriate approaches in influencing the local economy
- 5.2 The Scrutiny Panel, in having regard to the general equality duty, was mindful of the protected characteristics when undertaking this scrutiny activity; so that any recommendations that it made could identify disproportionate and unintended potential positive and negative impacts on any particular sector of the community, including any potential mitigation required. This was borne in mind as the Scrutiny Panel progressed with the review and evidence is gathered.
- 5.3 In order that the Scrutiny Panel obtained a wide range of views, a number of key witnesses provided evidence as detailed in section 3 of this report.

- 5.4 Any recommendations regarding the health check of the local economy would consider impact and potential mitigation as appropriate and relevant across all protected characteristics. Impact assessments are integral to any reports including actions plans.
- 5.5 Details of the Community Impact Assessment undertaken can be located on the Overview and Scrutiny [webpage](#).

## 6 **Conclusions and Key Findings**

- 6 After all of the evidence was collated the following conclusions were drawn:
- 6.1 From the evidence received, the Scrutiny Panel highlighted that, in accordance with its key lines of enquiry, there were three key themes of information that came from the evidence gathered:

Physical environment

Economic environment

Social aspect of the economy – Workforce, the support of the workforce and how it comes together

The Scrutiny Panel was pleased to note that from the evidence received from the expert advisors, there was very little, if any duplication of services provided.

### **Social aspect of the Economy**

#### **Apprenticeship Programmes**

- 6.1.1 The Scrutiny Panel acknowledges that apprenticeships contributed to £34 billion to the UK economy in 2014.
- 6.1.2 There is a variety of information available for both prospective apprentices and employers looking to offer apprenticeships. This information is contained

in various locations. There is not however one central location where information can be obtained.

- 6.1.3 Evidence received details that it is envisaged by Government that there will be 3 million apprenticeships by 2020. There are 150 apprenticeships in Northamptonshire at any one time, delivered by both public and private training providers. The split of the funding is approximately, 60% for apprentices aged 16-18 and 40% for those aged 19 plus. Nationally, the retention rate of apprentices on programme aged 19 plus is generally higher than those aged 16-18 years. The Scrutiny Panel felt that small businesses perceive it is difficult to take on an apprentice. It is estimated that 90% of SMEs within Northamptonshire do not participate in the employment of an apprentice.
- 6.1.4 The Scrutiny Panel is pleased that Northampton Borough Council, Local Government Shared Services and Northampton Partnership Homes all employ apprentices.
- 6.1.5 The sectors that create a lot of interest from potential apprentices are hairdressing, ICT and the motor vehicle trade.
- 6.1.6 The Scrutiny Panel realises that the level of demand for apprenticeships cannot be met solely by young people; there is a need to investigate how adults can be supported to train or re-train.
- 6.1.7 There is a need to raise the profile of vocational education and apprenticeships so that it is held in the same esteem as further education courses and qualifications. The Scrutiny Panel acknowledges the need for further work with employers to encourage the take up of apprenticeships especially in SMEs.

6.1.8 Evidence received alludes to a lack of consistent high quality careers advice in schools.

## **Economic environment**

### **Areas for potential growth in jobs**

6.1.9 The Scrutiny Panel acknowledges and commends the success of the Enterprise Zone, and work undertaken by larger employers in the town such as Cosworth and Churches; recognising the need to publicise their importance to both the local and national economy.

6.1.10 The Scrutiny Panel acknowledges that Northampton has a very competitive labour market with a jobs density of 0.99.

6.1.11 The Scrutiny Panel is pleased to note that NEP is actively involved in the skills agenda and “serious about skills” as NEP recognises that the availability of skilled labour is a serious challenge for most Northamptonshire businesses.

6.1.12 The Scrutiny Panel highlights that it is essential that Northamptonshire has sufficient skills and talent to meet current and future workforce demand, particularly given our productivity “under-performance”.

### **What other organisations/groups/individuals can do to help**

6.1.13 NBC works with companies to help them secure growth and ultimately increasing the employment base of the Borough. The Scrutiny Panel acknowledges that NBC can support these sectors and individual businesses within it.

6.1.14 The Scrutiny Panel welcomes the frameworks of both SEMLEP and NEP; recognising it could have greater influence over skills policy in the future. It further welcomes the work that the Council does with these organisations.

6.1.15 Evidence received highlights the important roles of the two Colleges and the University in the town in the future of the local economy. The Scrutiny Panel felt that schools and employers could work closely to provide work place experiences for young people that are still in education.

6.1.16 The Scrutiny Panel welcomes the links that SEMLEP has with the colleges in the county and that from 2016 SEMLEP will employ two Enterprise Co-Ordinators that will work with schools and businesses.

6.1.17 The Scrutiny Panel acknowledges the amount of funding available but suggests there was a need for this to be publicised. It realises that there is a limited fund for marketing purposes.

6.1.18 Evidence highlights the success of the programmes led by Northamptonshire County Council (NCC), for example, INV-ENT delivered 105 local projects that have the potential to create 489 new jobs, 137 new apprenticeships and support over 1,000 people with their skills development through an initial investment of £1.4 million.

**Mapping skills gap exercises to identify the type of skills that are in short supply; and what the findings of this exercise are**

6.1.19 The Scrutiny Panel highlights that the skills agenda is very important for Northampton. It notes that the manufacturing sector in Northampton has difficulties in recruiting individuals with the relevant skills to what they require. There is also a lack of available and qualified drivers for HGV's and also the lack of qualified fork lift drivers.

6.1.20 The evidence received further highlights that it is difficult to recruit people to certain sectors such as ICT and engineering. There are a lot of warehouses

and distribution centres in Northampton, employing large numbers of low skilled workers.

### **How specific servicers can be used to generate business investment**

6.1.21 The Scrutiny Panel welcomes that SEMLEP encourages Universities and Colleges to work with businesses such as South Bedfordshire College working and linking to Vinci.

6.1.22 The Scrutiny Panel acknowledges the Business Incentive Scheme (BIS) can be utilised to address funding issues within specific investments. The funding can make the difference between a business choosing Northampton over another close-by district.

6.1.23 The Scrutiny Panel welcomes the work undertaken by Northamptonshire Growth Hub and Northamptonshire University to enable employers to access funding for skills from universities worldwide.

6.1.24 Evidence received highlights that Northamptonshire County Council has been proactive in developing a flexible approach to the delivery of economic development activities across the county, this includes areas of skills, business support and infrastructure provision.

6.1.25 The Scrutiny Panel acknowledges that the £330 million relocation and expansion of the University into the Enterprise Zone, as part of the Northampton Alive programme will be a big step to increasing the volume of highly qualified individuals within the local labour market.

**How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?**

6.1.26 Evidence received details that the availability of commercial land is paramount to the delivery of inward investment and ensuring organic growth of the existing business base. Northampton has a relatively constrained geography, with few available large sites for development such as FOUR Waterside in the Enterprise Zone.

**How it can be ensured that those who are seldom heard or isolated are engaged with**

6.1.27. The Scrutiny Panel welcomes the Big Lottery opt-in of the European Structural and Investment Fund (ESIF) that specifically targets groups that are furthest from the labour market.

6.1.28 The Scrutiny Panel further welcomes that some voluntary and community organisations help support people into employment. A number of courses have been run for a long period of time.

**Vision for skills and learning issues, particularly low skills**

6.1.29. The Scrutiny Panel supports the rollout of the Enterprise Advisors Pilot and that the Northampton model has been adopted for the national roll out.

6.1.30. The Scrutiny Panel recognises that, in accordance with the European Social Fund, people of all ages can be re-skilled and trained.

6.1.31 Evidence received shows that Northampton is low skilled area. Aylesbury Vale is high skilled. Northampton is similar to Corby and Luton. Northampton does however have huge opportunities that need to be realised.



6.1.32 The Scrutiny Panel notes the reported conclusion from the Chamber of Commerce quarterly survey:

“The results from the Q2 2015 QES signals continued growth by firms in the county – but with noticeable differences between manufacturing and services.

“The service sector appears to be making good progress but there has been a slowdown in the pace of growth experienced by manufacturers in Northamptonshire however this is consistent with the national trend indicated by our national partners at The British Chambers of Commerce.

“We still need to secure long-term sustainable growth which will help drive the economy. The Government must support firms across the board by reducing the cost of doing business and tackling issues such as high business rates and energy costs as well as provide support for investments which can increase productivity and exports.”

### **Support for those that are in long term unemployment**

6.1.33 The Scrutiny Panel emphasises that developing skills and employability is not just about apprentices and young people, it is also about helping adults who are not employed and those who need to re-skill. The *European Social Fund apprenticeship* grant will enable a lot of work to be done with those furthest away from the job market; targeting the hardest to reach groups. The Scrutiny Panel acknowledges that support of those that are in long term unemployment is important as on the latest statistics long term unemployment is marginally higher in Northampton at 0.5% than at GB level (0.4%).

6.1.34 The Scrutiny Panel acknowledges the importance of the partnerships with local organisations, who exist to meet the needs of the seldom heard or

isolated. It realises that they are vital to engage with this target group and enter into a dialogue in which people can voice their aspirations, needs and issues and a bespoke programme of learning can be arranged. Evidence provided highlights that key partners include: Kettering centre for the Unemployed (KCU), Wellingborough Homes, Bridge project, Papworth Trust and Ground Work.

### **Physical infrastructure in and around the town**

6.1.35 Funding was received by SEMLEP for infrastructure, £46.7 million for 2017/18.

6.1.36 Analyse indicates that development is taking place, but it is primarily focused upon the large logistics sites at M1 J15 and J15a; Grange Park and Swan Valley. Further, the type of premises being constructed are large distribution warehouses designed to cater for the regional and national market, rather than for those companies who are - necessarily – already based in Northampton. Existing businesses in Northampton might take a small amount of the space either recently/currently built, but the target audience for the developers is not the local market.

6.1.37 Evidence received highlights that any economic market is not perfect and will have inherent failings. The origin of any forthcoming programme must be an in-depth understanding of the local economic geography. The Scrutiny Panel realises that such an understanding is apparent within the Northampton Alive programme; a diverse range of projects aimed at intervening and catalysing the Northampton economic market and skills agenda.

6.1.38 The University, together with all further education colleges, is carrying out a research based project regarding an integrated transport system for the county. The Scrutiny Panel felt that it would be useful to obtain the results of this research when it is finalised.

6.1.39 The evidence highlights that NBC continues to invest in the physical infrastructure of the town. The opening of the bus and train stations were the core initial assets to improve the towns infrastructure. The future opening of St James Mill Rd will continue to improve the road infrastructure serving both the residents and the businesses.

6.1.40 From the evidence received the Scrutiny Panel acknowledges that the location and subsequent investment of a business rest on three motivators:

- Location: proximity to competition and customers.
- Operating costs: costs of land/property and employees.
- Labour: the availability of labour at the correct skill levels.

## **7 Recommendations**

7.1 The purpose of the Scrutiny Panel was to look at how partners locally, including the private sector, can work together to influence the local economy. Scrutiny Panel 1 therefore recommends to Cabinet that:

7.1.1 The Council, together with its partners, develops a Skills Strategy for Northampton. This should include mechanisms for colleges and employers, especially Small and Medium-Sized Enterprises (SME's) to signpost vacant apprenticeships across the town; whilst raising the profile of apprenticeships and vocational training in Northampton.

7.1.2 Cabinet investigates ways that the Council, and its partners, can continue to raise the profile of the economic growth and investment in Northampton through the Northampton Alive Programme, in particular the success of the Enterprise Zone, and work undertaken by larger employers and investors in the town.

7.1.3 It is recommended to Northamptonshire County Council and partners that schools and employers work closely to provide work place experiences for young people that are still in education.

## **Overview and Scrutiny Committee**

- 7.1.4 The Overview and Scrutiny Committee, as part of its monitoring regime, reviews the impact of this report in six months' time.

## **Appendices**



## Appendix A

### OVERVIEW AND SCRUTINY

#### SCRUTINY PANEL 1 - HEALTH CHECK OF THE LOCAL ECONOMY

##### 1. Purpose/Objectives of the Review

- To look at how partners locally, including the private sector, can work together to influence the local economy

##### **Key lines of Inquiry:**

- How can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for both local employees, employers and local residents?
- What is the vision for skills and learning issues, particularly low skills?
- What support is there for those that are in long term unemployment?
- What are the areas for potential growth in jobs?
- What can other organisations/groups/individuals do to help?
- Whether a mapping skills gap exercise has been undertaken to identify the type of skills that are in short supply; and what the findings of this exercise are
- How specific services can be used to generate business investment
- How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?
- What could feasibly be done to improve the physical infrastructure in and around the town?
- How it can be ensured that those who are seldom heard or isolated are engaged with?

##### 2. Outcomes Required

- To make informed recommendations to all relevant parties on the most appropriate approaches in influencing the local economy

### 3. Information Required

Background data, including:

- Presentation to set the scene: “To identify the issues locally – The Northampton Picture”
- Relevant national and other background research papers, such as:
  - Mitigation Advisory Committee: [Skilled Shortage Sensible](#) (2013)
  - UK Commission’s Employer Skills Survey 2013: [UK Results](#) (2014)
  - [Future of Apprenticeships in England: Implementation Plan](#) (2013)
  - [Winning the Global Race: Jobs, Skills and the importance of vocational education](#) (2014)
  - Department for Business, [Innovation and Skills – Evaluation of Apprenticeships: Employers](#) (2012)
  - Warwick Institute for Employment Research: [Review of Apprenticeships Research](#) (2013)
  - SEMLEP – Strategic Economic Plan 2014
  - NEP – Northamptonshire Strategic Economic Plan 2014
- Survey data in relation to skills and skill shortages, including equality data within the wards
- Relevant Legislation
- Relevant data, such as ONSA and other statistical data, including Government statistics on apprenticeships
- Best practice and successful initiatives in both Northampton and elsewhere
- Witness evidence:

#### **Internal**

- Leader of the Council, Northampton Borough Council (NBC)
- Cabinet Member for Finance, NBC
- Cabinet Member for Regeneration, Enterprise and Planning, NBC
- Director of Regeneration, Enterprise and Planning, NBC
- Director of Workforce and Development, LGSS

#### **External**

- Academic, Enterprise, Industry and Innovation, University of Northampton, Northampton College and Moulton College
- Director, Northamptonshire Enterprise Partnership
- Director, Adult Learning, Northamptonshire County Council

- Chair, Northampton Town Centre BID
- Chair, Markets Action Group
- Chair, Brackmills BID
- Director, Northamptonshire Connexions
- Director, Job Centre Plus, Northampton
- Director, Talent Match, Northamptonshire
- Director, Northamptonshire Growth Hub
- Director, Aim Higher Northamptonshire
- Director, SEMLEP
- Director, Northamptonshire Chamber of Commerce
- Assistant Director, Transport Highways & Infrastructure, Northamptonshire County Council
- Key employers in the town
- Skills Funding Agency (SFA)
- Apprentice Training Agency
- Local employers
  - ETM Engineering
  - Carlsberg

#### **4. Format of Information**

- Background data
- Background reports and presentation
- Best practice data
- Desktop research
- Evidence from expert external witnesses
- Evidence from expert internal witnesses
- Site visits

#### **5. Methods Used to Gather Information**

- Minutes of meetings
- Desktop research
- Site visits
- Officer reports
- Statistical data
- Presentations
- Examples of best practice
- Witness Evidence:-
  - Key witnesses as detailed in section 3 of this scope



## **6. Co-Options to the Review**

None suggested for this Review.

## **7 Considerations for Community Impact, such as health, equalities and human rights**

This Scrutiny Review will look at issues such as employment skills, training and skills shortages. It will seek to address how Northampton Borough Council can influence the local economy.

The Scrutiny Panel, in having regard to the general equality duty, will be mindful of the protected characteristics when undertaking this scrutiny activity; so that any recommendations that it made could identify disproportionate and unintended potential positive and negative impacts on any particular sector of the community, including any potential mitigation required. This will be borne in mind as the Scrutiny Panel progresses with the review and evidence is gathered.

In order that the Scrutiny Panel obtains a wide range of views, a number of key witnesses will provide evidence as detailed in section 3 of this report.

Any recommendations that explore ways of working, training and employment opportunities enabling income inequality to be addressed will consider impact and potential mitigation as appropriate and relevant across all protected characteristics. Impact assessments will be integral to any reports including actions plans.

## **8 Evidence gathering Timetable**

Various site visits will be programmed during this period, if required.

Meetings to commence at 6.00 pm

16 July 2015  
17 September  
15 October  
3 December  
21 January 2016  
10 March

Various site visits will be programmed during this period, if required.

## **9. Responsible Officers**

Lead Officer            Richard Lawrence, Head of Economic Development and Regeneration

Co-ordinator           Tracy Tiff, Scrutiny Officer

## **10. Resources and Budgets**

Richard Lawrence, Head of Economic Development and Regeneration, to provide internal advice.

## **11. Final report presented by:**

Completed by March 2016. Presented by the Chair of the Panel to the Overview and Scrutiny Committee and then to Cabinet.

## **12. Monitoring procedure:**

Review the impact of the report after six months (December 2016)

# NORTHAMPTON BOROUGH COUNCIL

## OVERVIEW AND SCRUTINY



### Appendix B

## SCRUTINY PANEL 1 – HEALTH CHECK OF THE LOCAL ECONOMY

### CORE QUESTIONS – EXPERT ADVISORS

The Scrutiny Panel is currently undertaking a review looking at how partners, including the private sector, can work together to influence the local economy

#### Key lines of Inquiry:

- How can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for both local employees, employers and local residents?
- What is the vision for skills and learning issues, particularly low skills?
- What support is there for those that are in long term unemployment?
- What are the areas for potential growth in jobs?
- What can other organisations/groups/individuals do to help?
- Whether a mapping skills gap exercise has been undertaken to identify the type of skills that are in short supply; and what the findings of this exercise are
- How specific servicers can be used to generate business investment
- How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?
- What could feasibly be done to improve the physical infrastructure in and around the town?
- How it can be ensured that those who are seldom heard or isolated are engaged with?

The expected outcomes of this Scrutiny Review are:

- To make informed recommendations to all relevant parties on the most appropriate approaches in influencing the local economy

## **CORE QUESTIONS:**

A series of key questions have been put together to inform the evidence base of the Scrutiny Panel:

1. In your opinion how can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for both local employees, employers and local residents?
2. What is your organisation's vision for skills and learning issues, particularly low skills?
3. What support does your organisation offer for those that are in long term unemployment? Or are you aware of the support available for those in long term unemployment, please provide details
4. Within your organisation, what are the areas for potential growth in jobs?
5. In your opinion, what can other organisations/groups/individuals do to help?
6. Are you aware of the types of skills that are in short supply? Please can you provide details
7. How do you feel specific services can be used to generate business investment
8. In your opinion, how can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?
9. What could feasibly be done to improve the physical infrastructure in and around the town?
10. In your opinion what are the reasons why businesses invest in Northampton and elsewhere?
11. How it can be ensured that those who are seldom heard or isolated are engaged with?
12. Do you have further information regarding how partners locally, including the private sector, can work together to influence the economy, which you would like to inform the Scrutiny Panel?



## Appendix C

### NORTHAMPTON BOROUGH COUNCIL

#### SCRUTINY PANEL 1 – HEALTH CHECK OF THE LOCAL ECONOMY

#### **BRIEFING NOTE: NORTHAMPTON WATERSIDE ENTERPRISE ZONE – RESEARCH INTO COLLABORATION OPPORTUNITIES TO MAKE A DIFFERENCE, MAY 2013**

Finding and conclusions from the above report are detailed below:

#### **Success Criteria**

##### **Business readiness to take on apprentices**

From the research into ATAs one of the hardest parts is the readiness of a business to take on an apprentice. It seems the majority of businesses lack an understanding of what apprenticeships can offer and the value they provide as a way of bringing young and new talent into their business. It was expressed that one of the benefits to having an apprentice is the company can mould the learner into the way of their business. Unfortunately in the eyes of some businesses it still seems that apprentices are seen as cheap labour or have the stigma attached of lower levels of intelligence. The strength of an ATA is being able to support and guide the business and provide the knowledge and understanding around apprenticeships, the value they can provide with the risk taken out.

##### **Promotion and marketing of Apprenticeship Training Agencies (ATA)**

Part of the role of an Apprenticeship Training Agency (ATA) is to work with businesses and apprentices to support and guide them in securing the right company with the right role with the right candidate. However, to succeed the promotion and marketing of ATAs and apprenticeship is pivotal to successfully working with businesses. However, this does not seem to be supported efficiently or proactively by the government agency NAS (National Apprenticeship Agency). It seems to fall foul of consistency of message, approach and support in some areas of the country.

##### **Training providers**

Without training providers apprenticeships would not be able to be delivered meaning selecting, working with and building relationships with training providers is fundamental to successfully driving an ATA.

## **Achieving business needs (not being specific but servicing all industries and areas)**

ATA's can be set up to service specific apprenticeship types i.e. construction or to cover a broad range of apprenticeships, this can be dependent on the background and relationship of the ATA and the need at the time. If there is a desire to develop an ATA for Northamptonshire then the broad range of businesses and industries in and around the area could benefit from having access to the support, guidance and services an ATA has to offer. This could enable industry led relationships to develop the right programme, enhancing the offering and career potential for the learner, by working with a range of local and national training providers, local businesses and with the possibility of partnering with an existing ATA.

## **Providing full continued support through whole life cycle and beyond (relationship management)**

It is evident from the research that a pivotal role of an ATA is not only to build and develop relationships with businesses and training providers but to provide a full cradle to grave service and beyond if needed for the business or apprentice. The people that work within the ATA are not seen as just an employer to the apprentice or a service to the business but also a friend, colleague, support, guidance and pastoral service to help both business and apprentice through the term of the apprenticeship. The key goal is to enable the business to be able to make an easy decision on offering a full time employment at the end of the apprenticeship.

## **Performance appreciation and pay**

Apprenticeships are not seen as cheap labour through an ATA, rather the premise is about getting the right candidate for the role and the host company. Part of this is working with the business to ensure the value of an apprenticeship is understood and quantifiable. The ATAs interviewed stated that apprentices on their programmes tended to have a higher starting salary and remuneration attached to levels of achievement throughout their apprenticeship. This demonstrates that businesses using ATAs see the value and long term picture of using apprentices and ATA's as a way to increase their talent pool.

Northamptonshire could benefit from an ATA whether in setting one up or partnering with an existing one. If the promotion and marketing is done right it could provide the kudos apprenticeships need to gain support from businesses and interest people into taking on an apprenticeship to develop and strengthen skills. Working with industry to help shape the right programmes would also go some way to managing the skill gaps and succession planning for an ageing workforce in all sectors.

The action plan being developed from the NWEZ research highlighted other sectors of influence of which one was Logistics. On this basis further research was conducted with a small sample of logistic companies in Northampton to gain their view of the challenges and barriers to recruiting talent within their industry

sector. Part of this research was also to test whether they saw a Centre of Excellence as being able to support their industry and business.

### **Skills for Logistics**

Skills for Logistics are the Sector Skills Council for Logistics. They have five strategic goals:

**Goal 1:** We will increase sector and public investment in training

**Goal 2:** We will produce relevant and fit for purpose skills development solutions

**Goal 3:** We will be a credible and respected voice in the sector on skills development and related policy issues

**Goal 4:** We will ensure that employers can benefit from the workforce skills that will increase business efficiency and contribute to meeting UK carbon reduction targets

**Goal 5:** We will strive to be regarded by employers and stakeholders as a high performing Sector Skills Council.

Their mission is to "Enable employers in the logistics sector to gain competitive advantage by developing workforce skills" which they are doing by working closely with the organisations within logistics to support and guide them where possible on developing an industry led programme around business need. Currently there is no specific provision for the logistics sector under the NAS (National Apprenticeship Service) framework. There is a Chartered body for Logistics CILT UK (Chartered Institute for Logistics and Transport) which is part of a larger body CILT International and has presence in more than 30 countries worldwide.

One of the biggest challenges Skills for Logistics has is raising the awareness of logistics as a viable career route. The general feeling, as with engineering, is that the industry is not seen as sexy and people seeing it as haulage and driving trucks or forklifts in warehouses.

As in most industries Skills for Logistics see a big area of concern around the SME businesses who suffer from not getting good talent and the right skill sets, and then being able to continue to develop the talent on tight budgets. The larger organisations are able to run in house development programmes to provide further training and up skilling but also suffer from getting good quality management and leaders into the business. One of the largest skill shortages are HGV drivers which will only get more difficult due to the new Drivers CPC requirement which comes into law in September 2014. All drivers need to have passed this to be able to carry on doing their job. Whether it is a large or small company this has a big cost impact to the business and the general consensus is that many of the aging workforce has decided not to take the test and retire in September 2014 when it comes into force.

Skills for Logistics see a great opportunity for driving SME collaboration around doing things differently with the promotion and marketing of logistics and also by providing multi organisation drivers. They see a huge benefit of being a Centre of Excellence (COE) which supports inspiring the next generation and training and development of new and existing staff across the industry. There is also a

level of engineering support needed for logistics with maintenance staff for warehousing and machinery such as fork lift trucks. They are already initiating the possibility of a COE for logistics but have been having issues with location and space.

Skills for Logistics are constantly looking at ways to engage with the industry, schools and work ready people in order to promote logistics as a viable career option. To support this, Skills for Logistics have recently developed a career framework called "The Professional Development Stairway" providing people with a route map on how to plan their career in logistics. They are also working hard to set up a framework which supports ex-armed forces personnel into a career in logistics.

### **Brown Bros**

Brown Brothers Distribution is the leading national distributor to the UK crash repair industry and has been going since 1889. They have had a centre in Northampton for over 45 years. Over the last 18 months they have been through a re-organisation and closed down a few of their centres, however Northampton has been retained due to its network links and prime location. They have 10 employees at Northampton and over 160 across the UK. Brown Bros are owned by PPG industries an international business that employs over 3000 people across the UK.

Their biggest issue is finding the right person with the right attitude to work at their Northampton branch. As a bigger organisation there are career opportunities across the UK and worldwide with diverse opportunities in Brown Bros and PPG Industries. They had an apprentice working for them around a year ago who left to work on the tools as a labourer due to better financial reward at the time. They currently use JHP for training across the UK but feel this has limitations as they do not get the right support locally or the right people for the job. They have current concerns over an ageing workforce and understand that they need to get people into the business to able to succession plan.

As part of the re-organisation the wider business has started to engage with their employees through culture surveys like Your Say, this is to try and understand what is driving the business from the employee's perspective. Part of the re-organisation is planned refurbishments or relocation of premises into new developments to assist in developing in house capability and creating training rooms across sites. This has all led to new development and excellence programmes internally to shift the thinking across the business and step up their game.

As a local business they currently do not get involved in any sponsorship or projects. If there was a COE they would be interested in seeing how they could support projects with schools. In general see that a COE could also support local businesses in learning and development to overcome the skills gaps and shortages.



## **Bookers**

Bookers are a wholesale, distribution and logistics company with sites across the whole of the UK. At the Wellingborough depot they employ around 180 staff across warehousing, office and management. They use their internal training and external training resources to deliver development programmes. These programmes are ad-hoc and set up on an as needed basis which may be in collaboration with other depots to help reduce and manage budget requirements. Currently, they do not use apprentices; however this is being trialled at another depot and if successful will be rolled out across the rest of the UK. As a depot they have a strong workforce that is committed to achieving the highest standards possible. Within warehousing they have very little churn which could be due to the performance related bonus structure. However due to this being in place it has a knock on effect when new staff joins as the warehouse management and staff are focused on achieving their targets and not engaging or supporting new staff and personal development. An area they have found difficult to recruit for is more specialist areas with the office environment.

All staff has personal development plans based over the upcoming 12 month period with annual appraisals and with a new initiative for annualised working hours which provides flexible working around study. They regularly get involved in work experience but only through colleagues or friends children and only in the office environment as the warehouse has a strict 18+ age policy.

There is a genuine interest in supporting local initiatives around inspiring the next generation and they see working with schools around projects would be beneficial to get across how logistics really works and the career opportunities available. They see benefits to having a COE within Northampton either virtual or physical and see a link with logistics could support open learning across industry with shared learning and development of incoming and existing staff.

## **Action Express**

Action Express are an independent logistics company who are currently expanding, they have been established for over 30 years and are part of a bigger collaborative network through Pallettrack (65 other independents in network) and APC (118). They employ around 408 people and have a fleet of 40 vehicles to support the business.

They currently employ 2 apprentices in the office who they recruited through "Starting Off" who are a recruitment and training company, specialising in careers and apprenticeships in business related environments. They have recently promoted 2 people internally who are going on external development courses to support their new roles within the business.

A key challenge for Action Express is recruiting quality drivers who are looking for a permanent position rather than through agencies where due to demand they can earn a better rate. They are restricted through their insurance company and have to employ drivers who have more than 2 years HGV driving experience. This means that they are unable to promote quality and committed internal drivers who want to take the step up to HGV. With the CPC driver

compliance regulation coming into force Action Express are paying for all their drivers to complete the training.

Due to the size of the business they have a small budget for training and development but ensure where possible especially if there is a business need their people receive the development they need. Currently, the majority of the budget has been used to support the CPC Driver regulations.

They really see the benefit of employing apprentices and plan to continue this when needed. By working with the apprentices they can mould and shape them in the Action Express way. They pay above the apprenticeship rate and treat them as employees not as cheap labour. Apart from Starting Off they use the Chamber of Commerce for all other training requirements and feel this supports and provides all the provision they need. They have a close working relationship with the Chamber of Commerce, and have not thought about using local colleges to provide training. Action Express is very keen to be involved in the ex-armed forces recruitment and 6 months ago employed one as their Transport Operations Manager. This has already proved successful by supporting the business and bringing a more structured approach to how the business is run. Although they have been able to do this they feel that the initiative to set something up with Skills for Logistics has not progressed enough and are keen to continue to build momentum especially with their planned growth.

An area they feel they lack support from was Job Centre Plus who did not seem to understand the requirements needed to recruit someone into their business, e.g. age restraints and English as a first language. They were told this was discriminative, which led to having hundreds of applicants for roles which they were not able to do. This has meant that Action Express no longer have a working relationship with JCP and use either their own network or advertising.

Action Express would be happy to be involved in a COE as part of school projects and inspiring the next generation. They see there would be a benefit to the local education and training and development of people and see that logistics as an industry could play a big part in this.

### **Challenges and barriers**

- Logistics industry not seen as a career choice
- No formal apprenticeship specific for logistics sector
- Good drivers seeking higher pay through agency driving rather than benefits of working for a company
- The new CPC driver requirement, big cost on business or individual and high potential of losing an ageing workforce who would rather retire than taking test
- Restrictions on driver experience via insurance companies, this makes it hard for people who want to make a career change
- Relationship with Job Centre Plus is not strong, not providing quality applicants but flooding businesses with people who do not fit the requirements
- Finding young people with the right attitude to work and being work ready

## Opportunities

- Apprenticeships seen as a good choice to bring people into the industry
- Ex-Armed Forces initiative seen as a good step to recruiting quality people into industry who are committed and hardworking, they have a lot of experience and knowledge to bring
- Supporting an inspiring the next generation project to raise awareness levels of logistics and the career opportunities

A collaborative approach to sector training for logistics and closer working with larger and SME organisations to develop this, maybe along the lines of an Employer Ownership type programme

Cross industry projects for education and unemployed

Further research or engagement would be needed but there seems to be a need for better communication and collaboration across the different industries in Northampton to share, link and connect opportunities. This could be around working with education and other businesses to promote and market career opportunities providing a more in depth and company perspective of career choices. A COE and an ATA approach could go some way to supporting this within Northampton to inform and raise the awareness of learning and development through apprenticeships, linking different activities with education projects where business supports and sponsors. Or even provide a scheme where drivers are employed but work across different organisations.

The research findings provide strong evidence that businesses are hungry to know what is going on in Northamptonshire but don't know where to turn or where to offer support. This should be seen as a positive and something to act upon to build and drive momentum in engaging and informing proactively what is happening. A COE in any form could form the basis of knowledge share and transfer and be the driving force behind making a difference.

The report published a number of case studies, Centre for Excellence. The example below, as detailed in the report, is of an organisation based in Northampton:

### **Siemens and NSARE (National Skills Academy for Railway Engineering)**

#### **Introduction and background**

**Interview** conducted with Sue Gill from NSARE

**Project:** National Training Academy for Traction & Rolling Stock - Joint project with SIEMENS Rail Systems UK.

**Location:** Kingsheath Northampton

Siemens approached NSARE to support the development of the National Training Academy for Traction and Rolling Stock. The project cost was identified

at £7m. The facility will be Siemens owned and purpose built for their own training and provision. If Siemens and NSARE are able to secure rail sector use of the facility for industry and supply chain then the government will match fund 50% of the project, a provision of 50% capacity for industry use is required for this to come into force. The project is due for completion April 2014.

The initial intake of Siemens apprentices is targeted at 8 per year with an increase to 16/18 apprentices over time, it is expected that industry and supply chain will match these figures.

To support the provision of apprenticeships it is planned for Siemens to provide the technical requirement for industry and to work with local colleges in delivering the core requirements.

***There is a desire to work with other Academies, initiatives and the HPT industry in Northamptonshire to promote and inspire the next generation into engineering.*** The development of this facility is to inspire learners and they believe that this is not being offered elsewhere. The setup will enable learners to have access to the latest technology for classroom training and access to a 3D - visualisation suite (initially being developed as a sales aid). Within the academy there will be a training hall which will have an 80-100 metre powered line to enable trains and carriages to be brought in for the apprentices to work on real problem solving and maintenance. Once the train station has been redeveloped there will be access along a walkway direct to the academy.

There is also a desire for the academy to be used as part of developing the local community by hosting school visits, mentoring and continuing to grow the apprenticeship programme and by involving apprentices in local community projects and school projects. There is a need that the links and connections are developed and supported by administration to ensure this happens.

## **Commercial Drivers**

Siemens continued success in the UK & the recent awards of Eurostar and Thames link resulted in the need to:

- Increase the training requirement of 3000 man-days per annum to 4500 man-days per annum.
- Increase the Apprentice intake
- Further strengthen training and skills specific to new rolling stock with ever increasing levels of technical complexity e.g. Desiro City and Velaro E
- Position Siemens to respond from a skills perspective to further contract success
- Ensure cultural alignment of new and existing Siemens staff
- Play a leading role in the new Railway Skills development programmes being driven by NSARE
- Ensure the development of an adequate supply of skilled staff at a time when the railway industry is facing a critical shortage of qualified people.
- Provide world class training to the entire UK Railway Industry

The decision to make Northampton Kings Heath the preferred location for the Academy was made following a detailed analysis of all possible locations. The evaluation of the best site was based upon:

- Minimising staff travel requirements
- Effectiveness of the regional transport network
- Providing 'Hub' based training opportunities to the greatest number of Partnership possibilities with 'excellent' local colleges (particularly for Apprentices)
- Availability of a suitable land footprint
- Optimising location in respect of Customers and Suppliers
- Optimised 'dovetailing' with existing training programmes
- The level of support from Local Authorities

**Key Challenges in establishing the facility:**

- Process to secure government funding complicated and time consuming
- Government Personnel frequently changed
- Lack of cognisance of UK Industry drivers
- Varied approaches and not consistent
- Timeframes – still waiting on final outcome
- Selecting the right location
- Commercial approach to working partnerships with further education
- Keeping the interest and buy in of stakeholders

**Successes:**

- Working collaboratively with industry competitors to make it work
- Smooth transition through project
- Identification of the right training and developments needs for Siemens and industry

**Benefits:**

- Showcases Siemens commitment to developing talent
- Supports Siemens succession planning for an aging workforce and provision of skilled workers for securing current and future contracts
- Support for industry and supply chain to train and develop their people

**What does the future hold?**

A Centre of Excellence for Traction and Rolling Stock

- A facility to promote UK PLC capability
- Delivery of training and development in a state of the art facility
- To showcase Siemens capability
- Bringing people to Northampton
- Developing talent from Northampton

### **Advice for others:**

- Ensure true collaboration - willingness to collaborate with competitors
- NSARE were key due to providing independent consultation
- Clear understanding and total commitment
- Allocate sufficient resources – personnel not just financial
- To secure funding allow plenty of time if this is a prerequisite
- Need expertise in working with government

NSARE Ltd was established with wide railway industry support to help tackle current and future skills needs within the railway engineering industry. The industry's vision is that by 2015, its engineering workforce will have the necessary skills to support the maintenance, development and expansion of a first-class, cost effective 21st Century railway.

NSARE doesn't deliver training — it works with employers to understand their skills needs, with training providers to ensure they are delivering what the industry needs and with other stakeholders, such as sector skills bodies and Government, to make sure that the industry has the right qualifications to support its vision.

The Board is made up of a number of senior railway engineering employer and stakeholder representatives. Key activities include:

- Training provision accreditation. From January 2012 they are managing the Network Rail training and assessment scheme (known as the RTAS scheme). They plan to extend the opportunity for providers to become accredited to deliver other railway engineering training later in the year.
- Development of a national competence database (Skills ID). Work is underway to develop a national database that will be capable of holding records of training and competence for all workers in the railway engineering industry:
  - Working with employers. They provide advice and support as well as more complex consultancy.
  - Industry promotion. They believe the railway engineering industry offers some great career opportunities — but there is a need to get this message out to school leavers and graduates.

They are working closely with The Smallpiece Trust to deliver a number of activities aimed at different age groups, including the following courses:

- Railway Systems Engineering for 15 to 17 year-olds at Birmingham University
- Railway Engineering for 13 and 14 year-olds at Bath University

NSARE is part of a national network of National Skills Academies (NSAs). Funding to enable establishment of NSARE was confirmed as part of the

Government's new skills strategy in November, 2010, and the Academy was launched on 1 December 2010 at the House of Commons with more than 150 industry representatives present. In January 2011 NSARE was incorporated as a 'not for profit' Company Limited by Guarantee, wholly-owned by its Members.

An example of another organisation, elsewhere in the country as provided in the report, is detailed below. The organisation is based in Cambridge:

## **Cambridge Science Centre**

### **Introduction and background**

**Interview** conducted with Chris Lennard (CEO) and Katia Smith-Litieri 21st February 2013

**Location:** Jesus Lane, Cambridge

**Nature of facility:** walk in science centre to inspire children and adults about science

**Number of employees at this site:** 5-6 inclusive of full time and volunteers

### **Main objective of project:**

A registered educational charity guided by three main principles:

- To develop and host exhibitions, events and outreach programmes which advance education and inspire young people to engage with science and technology.
- To provide a physical and online hub for public engagement with scientific research. To enhance the public understanding and debate around public policy and ethics related to scientific progress.
- To deliver targeted outreach and travelling exhibitions that will improve access to science and technology for underserved communities around Cambridgeshire and East Anglia.

### **The role of a public science centre**

Science centres are institutes of informal science education which directly engage the public and help extend curriculum teaching. There is about one centre for every 1 million people in the UK. They are a place for families to play around with science and they help inspire individual self-guided learning. Science centres offer an environment which can showcase research and are a dynamic place for experience sharing. As part of the UK science centre network they aim to be:

- A place of engaging hands-on exhibits, projects and interactivity for families on a rainy day
- A place for curiosity-inspiring events for a wide range of audiences including school groups, youth and adults

- A window into world-famous Cambridge science and a place for public collaboration with researchers
- An online presence to enhance the visitors' experience and help them remain engaged after their visit
- A community space where town and gown celebrate the joy of scientific discovery
- A place for tourists to drop in and get a sense of the rich scientific culture of Cambridge

### **Inspiring teachers, pupils and the next generation**

As an educational charity, the Science Centre in Cambridge will help establish the value of science, technology, engineering and mathematics (STEM) as vital skills for day-to-day life and future careers. The centre also develops cross-disciplinary programmes, stocks teaching kit and hosts sophisticated scientific assets to supplement resources currently available to teachers. They aim to create high quality, curriculum-linked online content from multiple sources to enhance the in-class experience. School groups are able to interact both directly on-site and through online forums with staff who are experienced in enhancing curriculum learning.

To ensure that their impact reaches well beyond those able to visit central Cambridge, they have developed an extensive science outreach programme, delivered both directly and eventually through partners. All of the on-site exhibition space, mobile exhibits and school kits will be brought to life with lively chats, intriguing experiments and amazing demonstrations. The centre hosts regular events for teachers and educators to help share best practices and enhance the classroom experience by injecting informal learning techniques

### **Current set up and how it works:**

Funding is a combination of private investors and a government funded initiative.

It has a very strong link with education with the purpose of supporting and inspiring children and teachers with regard to STEM and plays a pivotal role in enabling access to this support.

The setup is seen as a being at the top of a funnel of activities which help inspire and generate learning around STEM, as the funnel gets closer to the bottom the more defined the activity or area being promoted or taught is. The plan is for it to be part of a community/network of other activities to support, inspire and promote STEM.

The centre's environment is very interactive and immersive. On our visit it was a hive of activity and energy and was clearly engaging visitors who included young children and parents. Every part of the centre is dedicated to providing an interactive activity to inspire or provide interest for the learner young or old. Staff are always walking around supporting or assisting their visitors with further understanding of how things work or what to do. Every hour one of the staff calls all the visitors to one corner of the centre where there is a workbench. The



member of staff will put on an interactive learning show demonstrating an experiment and explain what it is, how it works and what the outcome is.

The location is ideal with regard to access and is ideally located to generate footfall from passers-by. The setup has been developed and designed to be portable and is purposefully small to facilitate sustainability, growth and learning from the local environment and to be able to test what works and doesn't work.

A copy of the full report can be located [here](#).

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