

TITLE OF REPORT:	Review to Address Skills Shortages & Increase Employment Opportunities – Fifth Evidence Gathering Session
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SUMMARY

This report gives detail of the fifth evidence gathering session that will take place on the 11th March 2019. The views of the Committee are being sought on the evidence presented.

Background

1. Communities and Place Overview and Scrutiny Committee agreed that the focus of its review in 2018/19 will be working to address skills shortages and increase employment opportunities.
2. The review will help the Committee to have a truly holistic view of the current skills and employment position and the challenges we face both now and in the future, as well as looking at best practice in other areas which could be developed in Gateshead.
3. The Committee will also consider how we or our partners currently work; highlight gaps in provision and identify more effective partnership working opportunities for the benefit of our residents and their ability to access employment opportunities, with a view to agreeing a set of recommendations.

Purpose of this session

4. The scoping report, agreed by OSC on the 18th June 2018, laid out the position in Gateshead in terms of skills and employment. Broadly, these are:
 - Whilst skills levels are improving, Gateshead continues to have a higher than average number of residents with no/low-level skills and a lower than average number with high-level skills.
 - Levels of benefit dependency and health-related issues remain significantly higher than national comparisons.
 - A mismatch of skills, both nationally and locally exists, with research¹ showing large mismatches between skills young people are developing and the jobs available.

¹ Research by the Centre for Economic and Social Inclusion on the behalf the LGA

- Challenges exist between learner supply and employer demand when trying to address the wider skills needs of the economy.
 - National research shows 1 in 5 workers in elementary type roles are classed as underemployed and 13% of part-time workers are people who could not find a full-time job. This is particularly concerning given the nature of Gateshead's employment base, with just under 40% of employees in entry level jobs² and just over 25% of the working age population working part-time.
5. This is the fifth and final evidence gathering session being undertaken for this review. The previous four sessions have looked at early years and preparedness for school, careers and work inspiration, extra-curricular activity at school, post-16 learning, post-18 learning, career progression and the challenges faced by those who are at risk of becoming unemployed or are unemployed and the potential barriers they face as a result.
 6. This session will look at the support provided to residents to access employment opportunities and the potential opportunities arising in Gateshead from current and future developments. Supporting significant numbers of unemployed or underemployed residents to take up the jobs created by council investment is an explicit demonstration of the Thrive agenda, in addition to the financial benefits arising from reduced demand and increased local spending as people move into employment.
 7. This session will hear an introduction from Sarah Douglas, Workforce Development Lead, Economic Development followed by two speakers presenting their views on support into work:
 - Michaela Wiseman, local resident and Neil Pilkington, Employment Adviser, Economic Development
 - Claire Cook, Recruitment Adviser, Economic Development
 8. Michaela was referred to Economic Development by her JCP Work Coach in February 2018 and presented with the following barriers to employment – a lone parent, with health problems and she was also a care leaver. Michaela was in receipt of Job Seekers Allowance at the time of her referral and was searching for part time employment and had to work around her childcare commitments.

Michaela completed the Council's 6-week Skills Support for the Unemployed training programme, and then began receiving employment support from the Links to Work contract from April 2018. Michaela was given support by her adviser to update her CV, develop her job searching skills and to successfully source and apply for suitable vacancies.

Michaela applied for and was successful in gaining part time employment, as a Team Member, with Burger King in Trinity Square, Gateshead in July 2018. Michaela was initially given support with her travel costs and with setting up a Universal Credit account, so that she would receive support with her housing costs. Additional financial support was also provided to Michaela, to help her with childcare costs, through the school summer holidays to allow her to sustain her employment.

² SOC 2010 Major Group 6-9, Nomis 2018

Michaela has now been in employment with Burger King for over 6 months, she really enjoys the role and she has received recognition by her manager for continually exceeding the individual sales targets she is given.

9. Claire works closely with local businesses sourcing and generating vacancies to maximise opportunities for Gateshead residents. Claire works with the companies to create a bespoke/tailored recruitment package and in turn supports the company with candidates from Economic Development's employment programmes. Claire currently works closely with employment advisors to understand candidates' skills and desired sectors so that she can suitably match to opportunities. Building trust and relationships is key to ensure that both the company and the client are benefitting from a match in skills, personality, company ethos and future progression.

Issues to Consider

10. When considering the evidence outlined above, the Committee may wish to consider the following:
 - Gateshead Council is in a strong position to influence local economic development through our knowledge of local business and community needs, our statutory planning function and our strategic relationships with partners.
 - While there is no statutory duty to reduce unemployment or support employment growth, Gateshead Council is a key enabler and facilitator of partnerships that can make this happen and drive improvements in the local area.
 - Gateshead Council has a strong track record of using its influence and powers to generate community benefits from development activity in the borough. Examples include the 'Quays to Employment' project, Trinity Square and the more recent major supermarket developments across the borough.
 - Between January and December 2018, Economic Development, through job brokerage, worked with businesses to support them to recruit to 100 employment opportunities and successfully filled 79 of those.
 - Development in Gateshead is expected to support up to 10,000 jobs by 2030.
 - This creates a significant opportunity to help large numbers of our residents into work, including c1,000 jobs at Gateshead Quays, up to 3,000 jobs at Follingsby Max, 500 jobs at Riga, alongside those to be delivered through the wider development of Baltic Quarter and schemes at Team Valley.
 - Gateshead (June 2018) has 101,000 economically active residents or 77.8% of its population aged 16-64.
 - Unemployment stands at 5,300 or 4.2% (December 2018) and is slowly climbing

Recommendation

11. It is recommended that the Committee:
 - Gives its views on the evidence presented

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