

North East Combined Authority, Overview and Scrutiny Committee

8 September 2015

(2.00 - 4.00pm)

Meeting held Gateshead Civic Centre, Regent Street, Gateshead, NE8 1JN

Present:

Councillor: Wright (Chair)

Councillors: Armstrong, Dillon, Eagle, Graham, A Lower, Maxwell, Meling, Pidcock, Snowdon and Wright

10 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Crute, Flux, Glindon and Pearson.

11 DECLARATIONS OF INTEREST

Councillor Eagle declared an interest as an employee of Nexus and advised that dispensation had been granted for him to take part in the discussion at Item 4.

12 MINUTES OF PREVIOUS MEETING HELD ON 21 JULY 2015

The minutes of the previous meeting held on 21 July 2015 were agreed as a true record and signed by the Chair.

Matters arising

Minute number 3.1

The Scrutiny Officer confirmed that the response from the NELEP, regarding four points raised at the 22 June meeting (see minute number 53), was emailed to members of the Committee on 31 July 2015.

13 POLICY REVIEW: TRANSPORT RELATED BARRIERS TO EMPLOYMENT - EVIDENCE FROM NEXUS

Submitted: Report of the Nexus Corporate Manager for Customer Services and Communications (previously circulated copy attached to official minutes) to provide evidence for the policy review of transport related barriers to education, employment and training.

Huw Lewis (Nexus Corporate Manager for Customer Services and Communications) introduced the report which provided background and funding information, and detailed the current Nexus activities to overcome barriers to employment education and training.

Members' questions and comments

- A Member asked where the counties of Northumberland and Durham fit in with the work of Nexus.

Huw Lewis advised that Nexus did not provide any services on the ground in Northumberland. It was involved at a strategic level across all of the seven member authorities of the North East Combined Authority (NECA), for example, national rail and the shape of new franchises; in this way Nexus was contributing to planning for the future. Nexus was also involved in planning for Smart ticketing across the NECA area. Over time Nexus may look at working across the seven local authority areas but not at this stage.

- Members stressed that as far as the policy review was concerned it was important that the two counties were included. It was proposed that the NECA Regional Transport Team be asked to consider a joined up approach through Overview and Scrutiny.
- Different ticketing arrangements and services were considered a major barrier to employment. This raised the question of when Smart would be taken up by all the bus companies in the area.

Huw Lewis informed the meeting that Nexus was close to delivering the technical aspects of Smart and that it had now been tested on 30 services. The aim was to reach 200-300 in the next few months. Although it would be widely available, unfortunately, the price barrier would continue to exist. It was anticipated that the proposals of the Quality Contracts Scheme (QCS) would address this problem.

Smart ticketing would have a daily price cap on the Metro but this would not apply to buses.

- Boundaries – the crossing of local authority boundaries was a serious issue. The day-to-day practicalities for the travelling public had to be considered. Public transport had to serve all councils residents and work should be done to look at getting 'one service for all'.
- The Chair took the opportunity to remind members that the focus of the discussion should not just be on Tyne and Wear and Nexus. As the Overview and Scrutiny Committee of the NECA all issues raised would be brought together in the final recommendations of the policy review.

Nexus was funded by the Tyne and Wear authorities and therefore limited to what it could do; this was a legacy of the governance arrangements that preceded the establishment of NECA. Committee members considered that NECA should aim to broaden the strategic direction going forward.

- Shift patterns – huge problems existed for shift workers reliant on public transport in a diverse range of sectors. Other issues also included low car ownership in this region as well as sustainability and green issues – the North East had to get people to work, and back, on public transport.

Nexus was aware of the problems of shift patterns and used some funds to provide work services specifically for transport to work and to support people in employment. There was a limit to the funding and Tyne and Wear had been extraordinarily lucky to be able to protect the current services; unfortunately, the organisation was not in a position to be able to expand this service.

Also, many existing services operated in a traditional way ie. going into ‘cities’ first, before coming back out to other areas and this did not fit with current patterns of employment.

The Chair said that it was important to reiterate that the Committee was carrying out the review to try to bring about change and to support the North East Leadership Board (NELB).

- Members considered that the Metro was a fantastic facility for those people who lived near it. However, it failed to provide a ‘wide’ service within local authority areas as well as across boundaries.
- QCS – following the oral evidence sessions, the QCS Board expected written closing submissions by 11 September and intended to publish its final report by 31 October 2015.

Huw Lewis advised the QCS proposals included:-

- all buses in Tyne and Wear
- some services in Northumberland and Durham to a certain extent; a lot of buses that come into Tyne and Wear were in the scheme and would be part of the universal fare structure.

The QCS proposals were developed over a lengthy process before the formation of the NECA governance arrangements. However, since the start of the process in 2011 the agenda had completely changed and recently the Chancellor had been talking about bus franchises and local control delivering economic growth. Through the devolution agenda it was possible the scheme could be extended to the counties.

This region did not have a network of buses and this would provide an opportunity to look at a strategic network and to create workforce flexibility. The local authorities and the public would have a greater influence on how services were delivered.

- Job Seekers’ Travel Voucher Scheme - this scheme was funded from the levies and partly from a government grant and administered by Job Centres. In replying to a question about the sustainability of the scheme, Huw Lewis

advised that Nexus provided this voluntarily, and as such, it was dependent on the levy funding. A breakdown of the usage figures would be provided.

- Social need - a Member stressed that operators should not only look at getting people to work but also at social needs of local populations.
- Fares – the free market legally prevented bus operators from colluding on fares. The North East would need to have the same powers as London if it was to have a universal system QCS would give the Combined Authority the ability to set fares.
- Bus patronage growth – the QCS proposals built on modelling over the next ten years. Nexus was also challenged to increase patronage as a policy objective.
- Cashless services – this type of service could cause difficulties for some passengers eg. some people do not have access to a bank account; care had to be exercised that services provided were fully inclusive.
- Bus committee – a member suggested that the Overview and Scrutiny Committee recommend that a ‘Bus Committee’ be established to monitor delivery.

Karen Brown (Scrutiny Officer) advised members that the NECA already had in place a governance structure which included Transport North East and the Transport North East (Tyne and Wear) Sub-Committee. The order passed by Parliament which established NECA also dissolved the Tyne and Wear Integrated Transport Authority (ITA). As a result, the role of the ITA transferred to the NECA, a single body with responsibility for strategic transport across all seven local authority areas.

- The evidence related to projects funded through the Local Sustainable Transport Fund and covered the whole of the North East Combined Authority (NECA) area.
- Boundaries – the crux of the problem around barriers was public transport across boundaries. A member proposed that a representative from the three main bus operators be invited to attend a future meeting and asked why they cannot make it easier for people to travel.
- Under 16s – Nexus provided a very good price for the under 16s in Tyne and Wear which could save a family of four £300 a year. It was frustrating for Nexus not to be able to extend the scheme to 18, the education leaving age, and this highlighted that the organisation could not achieve everything it wanted.

Nexus were also aware that a flexible daily ticket was an important issue for 16-18s.

- Employment sites – Nexus currently ran 15 works services which tended to run in the very early morning, for the early shifts, around the circumference of the urban area. Further details could be provided on request.

There were some good examples of developers (as opposed to employers) supporting services to sites. Funding had been made available to divert buses onto major employment sites or putting on more buses (eg. Cobalt, Quorum). Nexus would like to go further and expand these types of initiative.

The Chair concluded by thanking all members for their contributions to the discussions which had highlighted many of the concerns and complexities of the issues. The recommendations of the review would contribute to the North East Transport Plan which would be completed in 2016.

Other evidence would be considered going forward and the two main actions arising from this meeting were:-

- a) That Overview and Scrutiny Committee meet with the NECA Transport team to ensure a coordinated approach was taken at every step of the review
and
- b) Invite the three bus companies to provide evidence to contribute to the policy review.

14

EMPLOYABILITY UPDATE - FOCUS ON APPRENTICESHIPS

Submitted: Report of the NECA Employability, Inclusion and Skills Steering Group (previously circulated copy attached to official minutes) to provide a brief summary of the regional response to increasing the number of apprenticeships in the region.

Shona Duncan (Principal Manager for Employment and Skills at North Tyneside Council) presented the report which included an update on the recent formal review of Apprenticeships in the Combined Authority geography. This was an independent piece of work commissioned to specifically consider what the regional approach should be to increasing the creation and take up of Apprenticeships.

Shona Duncan informed committee that she was the chair of the NECA Young Persons Skills Group which fed into the NECA Employability, Inclusion and Skills Steering Group.

The report gave a summary of partnership work to date which included information on the Apprenticeship Hub, the Regional Review and recommendations, a summary of apprenticeships in the NECA, mismatches between demand and supply, barriers to increasing take-up, the realism of current targets, the Apprenticeship Growth Partnership (AGP), future support from NECA and next steps.

Shona Duncan said that there was much good operational work going on and that all the local authorities were taking a pro-active approach; however, it was different

across the CA area which suggested that something needed to be done about the role of NECA, around promotion and in terms of perception.

Members' questions and comments

- A Member said that the report was very good but a lot of the data would have been useful in chart form.
- Higher level apprenticeships – that fact that higher level apprenticeships were not being taken up was a cause for concern. Thought needed to be given about getting high end apprentices to go into schools as role models.

Shona Duncan advised that this was not because of one single reason; there had been low numbers of applicants in the first instance, it was not perceived as the same quality route way as university or college and employers did not get to see these people.

The Member said that something had to be done about how the region 'sold the value' of this type of apprenticeship; schools and colleges currently considered apprenticeships as second rate. This issue was about awareness and NECA members had to change the perceptions.

- Apprenticeship Growth Partnership (APG) – concerns were also expressed that there was no political input into the APG. The group needed to be joined up with NECA. It was considered that the NECA lead member for Employability and Inclusion, Councillor Grant Davey, should be involved as a political lead.

In response to a question from the Chair, Janice Rose (Economic and Inclusion Policy Manager, Northumberland County Council) advised that this was possibly because the group was largely officer based. However, as the subject matter was very important to Councillor Davey this would be taken back to him.

- Careers advice - there was some discussion about the careers advice provision in schools:-
 - There was not a good understanding of other route ways due to advisors own personal experiences.
 - Young people needed proper advice – not just directions to the websites of training agencies.
 - The educators were not interested in apprenticeship opportunities.
 - The funding focus of schools was based on exam results.
 - The ethos of schools needed to be changed and a cultural shift away from the emphasis on the degree path way was needed.
 - Schools had to admit that some young people would greatly benefit from vocational training.
- Benefits - The income of young people not living at home was also raised as a barrier linked to the benefits system.

- Personal development was crucial for young people and apprenticeship schemes should deliver these skills. Some sort of pre-apprenticeship could also be useful.
- Role models – some young people were doing exceptionally well and the value of apprenticeships, including the skills and training but also the confidence, pride, voluntary work etc. needed to be highlighted. The NE had a real good story to tell and this was evidenced by the data in the report.
- Young women – the issue of women taking up ‘non-traditional’ apprentice opportunities and the fact that more needed to be done on this was raised. A further issue was that of equal pay - it had been reported that young women earned only 70% of the male apprenticeship pay. The Committee would need to monitor both of these issues going forward.
- Apprenticeship definition – Committee discussed what a genuine apprenticeship was and the basic principles underpinning the role.
 - An apprenticeship contract could not guarantee a job at the end of it.
 - During training a wealth of transferable skills would be developed which could open a range of opportunities.
 - An apprenticeship was certainly not cheap labour.
 - There was a significant difference in the quality of apprenticeships on offer.

Shona Duncan advised that in terms of funding an apprentice was basically employed for 30 hours per week for a minimum of 12 months with some type of formal training from a prescribed list of qualifications (usually via day release with a training provider). The minimum wage for a 16-18 year old was £100 per week. The formal definition would be provided in writing.

- Targets - the Regional Review concluded that the targets in the Strategic Economic Plan to double the number of youth Apprenticeships over the next four years from 6,500 to 13,000 appeared very ambitious, and was unlikely to be achieved.
- Schools – a Member commented that there was a limit to what offer schools could provide until the current target driven regime was relaxed. She went on to say that the dichotomy of degree versus vocational qualification was false. It was not an either or situation – the two should work together.
- Members agreed that NECA should have careers officers going into schools and that the NELB should be asked about this. Further work was also required on the best practice of colleagues in the CA area.

The main actions arising from the discussion on this item were:-

- a) That the thematic lead, Councillor Grant Davey, be invited to become a member of the Apprenticeship Growth Partnership (APG)
- b) Personal development options and support for young women be added as additional criteria to the barriers to employment and

- c) Work be undertaken across the seven constituent member authorities to build a portfolio of best practice with regard to careers advice.

15 **FORWARD PLAN AND WORK PROGRAMME**

Submitted: Report of the Monitoring Officer (previously circulated copy attached to official minutes) which incorporated a copy of the NECA Forward Plan and the updated Scrutiny Annual Work Programme for 2015/16.

The Scrutiny Officer advised that the report provided Members with an opportunity to consider the items for the current 28 day period and to review the work programme.

It was confirmed that an additional meeting had been added to the work programme to consider the draft NECA budget 2016/2017. The meeting would be held at:

3:00pm on Tuesday 1 December 2015 at North Tyneside. Councillor Armstrong submitted his apologies for the meeting.

RESOLVED – That the work programme and the NECA Forward Plan in relation to the development of the Committee's work programme be received.

16 **DATE AND TIME OF NEXT MEETING**

2:00pm Tuesday 20 October 2015, Newcastle City Centre