

# Policy Update – Employment and Skills

## 1 September 2017

# STRUCTURE

- Context: Skills and employment in the region
  - Ministers and political landscape
  - Skills & Education Landscape
- Current consultations – what we are doing
- What next

# CONTEXT: HEADLINE STRENGTHS & CHALLENGES

## STRENGTHS:

- **£62.5bn economy**, bigger than 10 EU nations and representing 5% of England's output
- There are **more people employed in the LCR than ever before**.
- **Economy (private sector in particular) very effective at creating new jobs** – Leeds saw the strongest private sector growth of all cities in 2014-15.
- Structure of the LCR economy means the economy **should be more resilient to a downturn** in any single industry – because of the broad business base and relatively large proportion of SMEs - in contrast to, for example, the automotive sector in the West Midlands / Tees Valley).
- **Yorkshire & Humber has grown Foreign Direct Investment market share strongly** in 2015 and 2016. The 64 FDI projects in Leeds City Region in 2016 created 2,028 jobs, with the US our largest single market.
- **Strong sectors & one of largest concentrations of HEIs in Europe**
  - Largest manufacturing workforce of any LEP; largest centre of financial and professional services outside London; digital sector growth (incl. “combinatorial” med-tech/fin-tech).

## CHALLENGES:

- **An economic growth rate consistently below that of England.**
- **The gap to the national average on GVA per person has widened.** If our GVA per person matched the English average, our economy would be c. £10 billion larger
- **There are 215,000 jobs in West Yorkshire that pay below the living wage** – so while work remains someone's best chance of escaping poverty, it no longer guarantees an escape route
- **Wages in WY continue to lag behind national average (7.3% lower).**
- While unemployment has halved since 2011 (to 73,000), **the number of people unable to work because of ill-health has remained at ~100k**
- **Poor skills profile is proving stubborn** – over the last 4yrs, the proportion of the population with high skills (31%) and basic qualifications (27%) haven't moved as we would like
- **Legacy of under-investment in the transport network and stalled investment in key regeneration sites** – could hamper future economic growth
- **Not enough exporting, innovation & inward investment.** LCR has an estimated external trade deficit of £5 billion

# CONTEXT: MINISTERS & POLITICAL LANDSCAPE

- Rob Halfon  Chair of Ed Select Committee
- Anne Milton  Minister for Apprenticeships & Skills
- Recent communications
- Devolution
- Inclusive Growth
- Industrial Strategy
- Brexit

# CONTEXT: SKILLS SYSTEM

- Adult Education Budget
- Area Reviews
- Delivery Agreements
- Implementation of Post 16 Skills Plan

*Delays and what to expect*

- T Levels

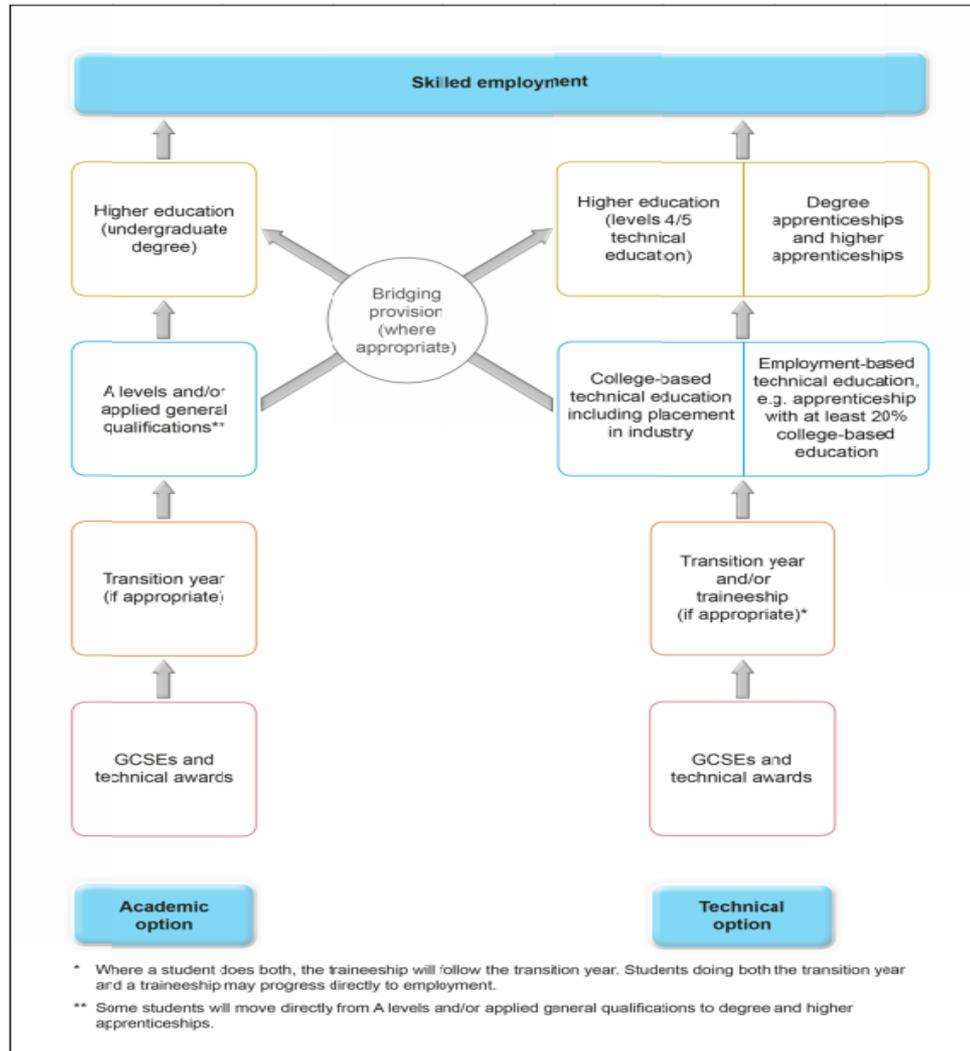
*Autumn consultation*

*Pathfinder qualifications*

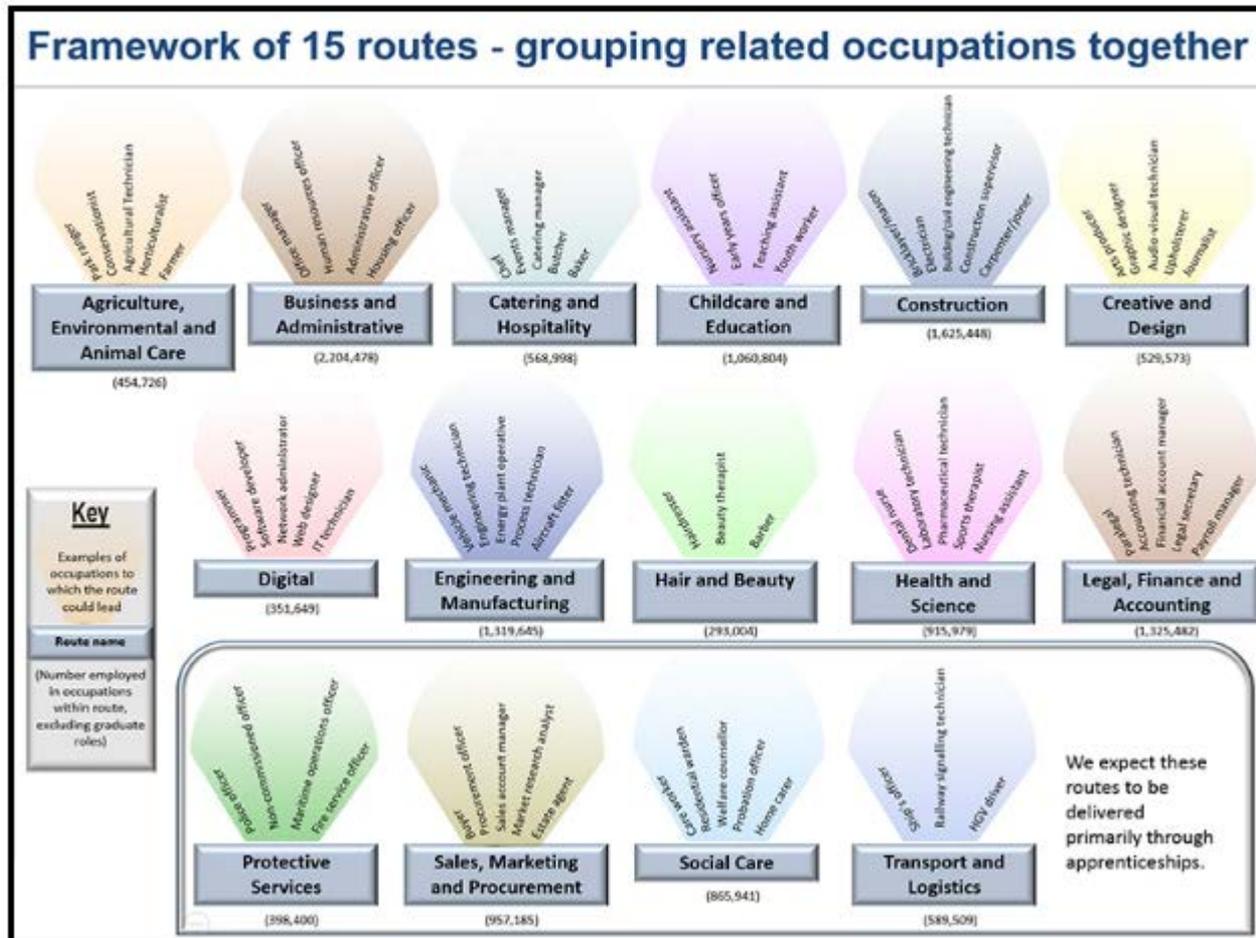
- Skills Advisory Panels

*Opportunity to play-in regional insight into labour markets to influence policy.*

# POST 16 SYSTEM / T LEVELS: RECAP



# POST 16 SYSTEM / T LEVELS: RECAP



# CURRENT CONSULTATIONS

- Local Government Association – Work Local  
LGA Proposals on a devolved skills and employment system
- Northern Powerhouse Partnership – Education and Skills Review  
Broad consultative exercise across the North

# WHAT NEXT: PRIORITIES

- Embedding Inclusive Growth
  - Making sure we have a skills system that works for all
- Industrial Strategy - White Paper from Government in the Autumn
  - Ensuring that the region's employment and skills needs are reflected and a part of any response or proposal
- Post 16 Skills System - Lots of Government work/announcements expected in the Autumn
  - Ensuring that the post 16 skills system works for the region and delivers the skills the region needs to continue to grow
- Devolution