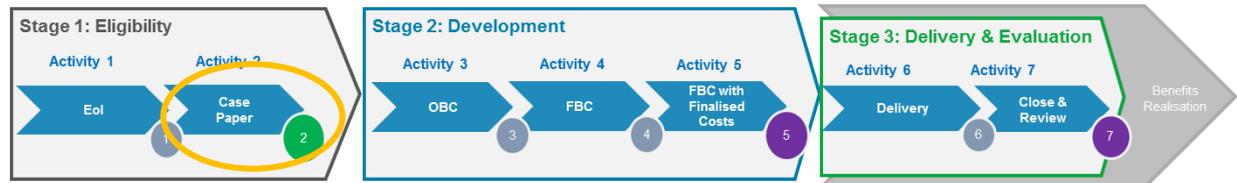


## Section A: Business Case Summary – Skills [re]boot project

<b>Name of Scheme:</b>	<b>[re]boot project</b>
<b>PMO Scheme Code:</b>	WYCA-E&S-001
<b>Lead Organisation:</b>	West Yorkshire Combined Authority
<b>Senior Responsible Officer:</b>	Emma Longbottom
<b>Lead Promoter Contact:</b>	Head of Employment and Skills
<b>Case Officer:</b>	Paul Coy
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	ESIF Funding
<b>Growth Fund Priority Area (if applicable):</b>	Priority Area 2 - skilled people, better jobs and better connected
<b>Approvals to Date:</b>	
<b>Forecasted Full Approval Date (Decision Point 5):</b>	August 2018 – Managing Director approval via the Leadership team
<b>Forecasted Completion Date (Decision Point 6):</b>	March 2021 – Financial Completion
<b>Total Scheme Cost (£):</b>	£3.145 million
<b>Combined Authority Funding (£):</b>	£2.870 million
<b>Total other public sector investment (£):</b>	£0
<b>Total other private sector investment (£):</b>	£275,000
<b>Is this a standalone Project?</b>	Yes
<b>Is this a Programme?</b>	Yes
<b>Is this Project part of an agreed Programme?</b>	Yes/No – if 'Yes', what is name of programme?

## Current Assurance Process Activity:



## Scheme Description:

### Specific activities to be undertaken

[re]boot will offer individuals the chance to upskill, gain new skills/qualifications and enter employment within key regional sectors. In order to do this the programme will follow the following model:



**Access** - The programme will be actively marketed and promoted using the Combined Authority's highly-effective communications team. Using social media, a careers campaign and partners/stakeholders, we will actively target: individuals in work; graduates who are disadvantaged in the labour market; individuals who are returning to the labour market after a period of absence; people considering a career change.

Individuals will access the programme through an online/telephone booking process and will be assessed against their eligibility of the programme. During this stage individuals' needs will be assessed.

**Advance** – Individuals will advance their skills, gaining employability and specific skills relating to key sectors. This will include qualifications, peer mentoring, confidence building and sector-focused information regarding the workplace. Each individual's journey will be unique and will be developed according to their needs and ambitions.

A tailored employability support programme (accredited at level 2, where required) will be available for individuals who require it. This support could include: CV development; interview experience; life skills; problem solving; confidence building; work place etiquette sessions; and 'meet an employer' sessions.

Sector-specific training will be available relating to the Leeds City Region key skills shortage sectors – digital, engineering and manufacturing, construction and infrastructure. Training will be at level 4 and tailored to employer and individual need with delivery options such as: a full-time programme that will be delivered Monday – Friday over six weeks; or a weekend programme running over 12 weeks.

These two options will have the same content but will be delivered differently, to maximise opportunities for all. The six-week programme will appeal to a range of individuals including recent graduates (who have studied different disciplines) and

those currently outside the labour market (carers, parents looking to return to work). The weekend programme will appeal to individuals already in employment, looking to change career direction.

The programme content will reflect the needs of employers in the Leeds City Region (LCR), building on data collected and feedback from employer networks.

For example, training aimed at the digital sector will focus on programming and software development (covering industry skills that will build upon the employability module, followed by Agile software development, and at least one language such as Python). Each programme will have a significant live project element, which will provide all learners with experience of leading a real-world development. Depending on individual and employer need, additional content covering different themes such as data analytics and security, will be explored.

Ongoing dialogue with employers, colleges and universities will ensure that the skills gained are transferable as far as possible, allowing career progression through employment and further / higher education. As such, delivery content will be flexible so that it can meet the changing needs of the LCR labour market throughout the period of delivery.

**Accelerate** – During the accelerate phase of the programme individuals will be supported to apply for employment in key sectors, to progress within their employment and to sustain their career.

Employment brokerage services will form an integral part of the project, connecting individuals with real job opportunities, within key sectors, and putting employers at the heart of the project. Existing partnerships with local businesses, established by Combined Authority through the LEP brand and including Headstart, City Deal Apprenticeship Hubs Programmes, Apprenticeship Grant for Employers, LEP Skills Service, LEP Growth Service, and Enterprise in Education work, as well as a range of employer panels and advisory groups, will be exploited to increase the volume and range of job opportunities on offer.

### **Where [re]boot will be delivered**

Activities will be delivered on delivery partner and sub-contractors' premises. Predominantly, these will be learning environments such as colleges and universities, but employers' premises may also be used as appropriate. Delivery will take place across the Leeds City Region and will be accessible to all eligible individuals.

### **Timescale for delivery of [re]boot**

Delivery will commence in June 2018 and will run for three years until May 2021.

### **Who will deliver [re]boot?**

West Yorkshire Combined Authority is the lead applicant and has overall responsibility for ensuring the project achieves its targets and outputs. Named Delivery Partners are accountable to the Combined Authority and will have a service level agreement (SLA) in place outlining their specific roles and responsibilities.

Leeds Trinity University and West Yorkshire Consortium of Colleges are the Combined Authority's delivery partners; both these organisations will deliver part of the project alongside the Combined Authority. In addition, sub-contractors will be identified through

a procurement exercise. The Combined Authority will undertake this procurement and will be responsible for overall contract management of sub-contractors.

### **Who will [re]boot benefit?**

[re]boot will benefit individuals aged 18 and over, enabling them to meet their full potential and enter roles in key growth sectors across the Leeds City Region. The programme will specifically target: individuals in work who would like to develop new skills to change; graduates who are disadvantaged in the labour market; individuals who are returning to the labour market after a period of absence; and people considering a career change.

The activities will benefit individuals who require additional skills development to reach their potential and enter employment in key Leeds City Region sectors, namely digital, engineering and manufacturing and construction/infrastructure.

Employers from key sectors, many of whom have identified skills shortages, will also benefit from being able to employ highly skilled individuals who have completed the available training.

### **What are the benefits of [re]boot?**

The benefits of [re]boot are developing sector-focused skills at level 4, enabling individuals to change and reshape their career, reach their potential and to progress. Employers will benefit from new staff, who are skilled and ready to enter employment, particularly within skills shortage areas.

## **Business Case Summary:**

### **Strategic Case**

The outputs and outcomes that will be generated by the project align with a range of objectives and priorities set out in the Leeds City Region Strategic Economic Plan and Employment and Skills Plan (ESP).

With regard to the ESP objective of Raising the bar on high-level skills, the project will contribute to the following priorities:

- Develop provision that addresses current and future labour market requirements
- Develop high-level skills and capabilities to drive productivity and innovation within the region
- Raise aspiration to progress into higher level learning.

With regard to employability, accessing jobs and realising potential, the project will:

- Equip people with the skills needed to progress in work including low paid workers and those in receipt of in-work benefits
- Shape support enabling people to access a pipeline of new job opportunities, particularly in growth sectors.

With regard to Building workforce skills and attracting talent the project will:

- Reduce skills shortages faced by businesses in growth sectors, by growing talent.

[re]boot will focus on the needs of the Leeds City Region, addressing two

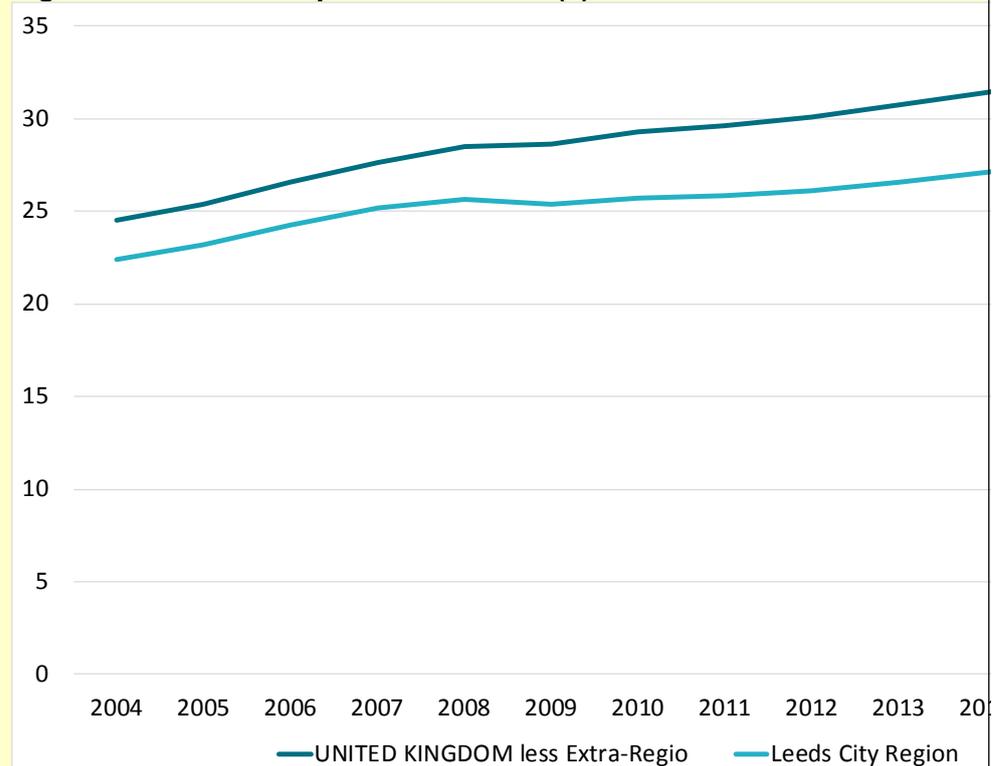
	<p>key skills gaps areas that both the LEP and employers have identified. The LEP's Employment and Skills Plan identified significant skills shortages in preparing to deliver major capital/infrastructure schemes and digital schemes. This will help deliver against national policy priorities such as delivering the skills needed to make a success of HS2.</p> <p>It will address these skills gaps, responding to employer needs, national policy demands, and local economic demand, by targeting employed people and graduates seeking work (aligning with Investment priority 2.1), enhancing skills to allow career change and progression into identified priority areas of growth and demand. Knowledge and skills will be upgraded, and career guidance and jobs matching will be provided – delivering against Investment Priority 2.1. Businesses and the region will therefore have access to an increased size of qualified and available individuals in the labour market and the skills needed to continue to grow. The skills of individuals will be improved to meet their individual needs, the needs of the local economy, and the needs of national priorities.</p> <p>Many national and local programmes, such as the Department for Work and Pensions Work and Health Programme, ESIF Back to Work, ESIF Local Flexibilities for the Unemployed and Adult Education Budget-funded skills provision, focus on those who are out of work. By targeting those in work and graduates close to the labour market, this project will complement but not duplicate initiatives such as, the Flexible Learning Fund, Career Learning Pilots and ESIF Skills Service and will provide part of a comprehensive offer to business and individuals who wish to develop their career.</p> <p>The region is gearing up to deliver major schemes such as High Speed 2, the West Yorkshire-plus Transport Fund programme and a number of low-carbon energy generation projects. [re]boot will help to ensure that the skills to deliver these projects, which are important for both the region and nationally, are there.</p> <p>In addition, the project will contribute to addressing the gender imbalance in the construction/engineering sector by targeting women in work and focusing on improving project management skills, enabling career changes into a sector in which they are under-represented.</p> <p>[re]boot will also include options for part-time and evening participation, to allow those in work and with other responsibilities the opportunity to complete the course. Targeted advice will be provided to women, to help them make positive career choices about areas they may not have considered previously.</p>
<p><b>Commercial Case</b></p>	<p>[re]boot is aimed at those already in work or recent graduates, who are likely to already have basic skills. 1,600 participants will gain a level 2 qualification with the majority progressing to a level 3 qualification. 1,550 participants will gain a qualification at level 3 or above. 675 female participants will gain improved labour market status. There are no output indicators for employed females so we are not in a position to estimate the percentage.</p>

## Economic Case

We have a productivity deficit in the City Region, which is associated with a skills deficit, particularly with regard to the supply of higher level skills and qualifications.

In-work productivity factors play the main role in the City Region's prosperity deficit. Its relative position on productivity has not improved in recent years: output per hour worked fell from 91 per cent of the UK average in 2006 to 86 per cent in 2016. If this deficit could be addressed, the size of the local economy would increase by more than £11 billion per annum.

**Figure: Nominal GVA per hour worked (£)**



*Source: Office for National Statistics*

34 per cent of the population of working age in the City Region are qualified at tertiary level (level 4 and above) compared with a national average of 38 per cent. Correspondingly, 25 per cent of the population are qualified below level 2, the level typically associated with basic employability, which is higher than the national average of 22 per cent. Analysis shows that performance at LEP level around skills and qualifications is closely correlated with local productivity performance.

The City Region has a high prevalence of skill shortages with acute concentrations in our priority skill areas. This has negative implications for business growth prospects and productivity. For example, it is estimated that there were up to 14,000 skill shortage vacancies in the City Region for digital professional roles in the last year, with up to 5,000 shortages for engineering professionals (including civil engineers) and 2,000 for professional roles relating to construction (including architects, town planners and surveyors). From a business perspective, shortages have significant business implications in terms of meeting customer service

objectives, losing business to competitors, experiencing increased operating costs and encountering delays in developing new products and services.

The City Region has a large number of people employed in low-skilled and low paid employment, who currently have limited prospects for career progression. 300,000 jobs (23 per cent of the total) in the City Region pay less than the Living Wage Foundation's Living Wage Level which reflects the real cost of living. The proportion is much higher for some districts in the City Region, at 31 per cent in Kirklees, for example. Low paid work is also reflected in the 165,000 households in the City Region (20 per cent of all households) that rely on in-work benefits to top up their income from employment.

At the current time, low-skilled workers are less likely to have access to training opportunities than their higher skilled counterparts, limiting their ability to develop the skills that are needed for career progression. Annual Population Survey data for the City Region in 2017 shows that only nine per cent of workers qualified at level 3 and below received job-related training in the prior four weeks, compared with 18 per cent of workers qualified at level 4 and above.

Many highly qualified people in the City Region work in occupations that are classified as middle and lower-skilled. Based on Labour Force Survey data for Yorkshire and the Humber, it is estimated that 11 per cent of all people in employment are in this situation, equivalent to 135,000 people whose skills and qualifications are under-utilised in the City Region. The project offers these individuals with an opportunity to develop additional skills as a basis for entering occupations that will offer them greater scope to fulfil their career potential.

Current arrangements to promote lifelong learning are not sufficient to address the significant need for career development, with the main focus of public funding for adult education being qualifications at level 2 and below. There were only 4,500 starts on Advanced Learner Loan-funded courses in the City Region in the 2015/16 academic year and barely one in 20 of these starts were for courses at level 4 and above.

The need for expanded lifelong learning provision is likely to become more pressing in future as access to migrant workers becomes more constrained after Brexit, and the continuing impact of automation means that workers need to alter their career path to take account of changes in the pattern of labour demand. One in 20 workers in the City Region is an EU migrant. Brexit is likely to open up gaps in labour and skills supply that indigenous workers can fill if they are able to develop the required skills. Forecasts suggest that 34 per cent of jobs in the City Region are at high risk of automation in the medium to longer term, with lower skilled and routine occupations much more susceptible to this development. This means that it is imperative for workers in areas at greatest risk to improve their skills to support career adaptability.

The project will increase the skill levels of employed individuals and graduates. Ensuring career change and encouraging progressions in construction / engineering and the digital sector. It will do this by having a targeted recruitment campaign, followed by a programme which provides

	<p>a skills needs assessment in advance of the chosen qualification route. Individuals will also be provided with support in finding the right employment / opportunity to further their career.</p> <p>The project will ensure that participants gain a qualification, or a unit of a qualification, that will increase their existing skill level and enable them to further their career. The majority of participants will gain either a level 2 or level 3 qualification in project management or a digital qualification, enabling progression in either the construction / engineering or digital sectors. This will benefit the individual, the business, and the local and national economy by filling skill gaps, increasing wages, and delivering nationally infrastructure projects.</p> <p>The project will seek to address the current lack of representation of women in the construction / engineering workforce. It will do this by providing the opportunity for women to train as project managers, with a focus on engineering and construction, enabling career change into the sector or further opportunities for those already working in the sector, addressing the gender employment gap.</p>
<p><b>Financial Case</b></p>	<p>The scheme will be funded from ESIF £1.573 million and a public match from Leeds Trinity University £75,000 and the Combined Authority of £1.297 million with a further £200,000 private sector match. The 15% option for indirect costs has been applied for the scheme. The Combined Authority will be able to claim VAT incurred on payments for the scheme.</p>
<p><b>Management Case</b></p>	<p>The Employment and Skills Team will report on a daily basis to the Head of Employment and Skills, who is accountable to the Employment and Skills Panel. The programme will be overseen and governed by the Project Executive Group. The group will comprise of Head of Employment and Skills and Skills Policy Lead, the Contract Manager, a senior Local Authority representative and a private sector Employment and Skills Panel member. The group will be chaired by the Employment and Skills Panel member and the Department for Work and Pensions, as Managing Authority, will be invited to attend the meetings. The group is expected to meet quarterly to review delivery progress and oversee the programme from a financial perspective. Its primary concern will be to ensure that the programme as a whole is delivering against the funding contract and that action is taken as necessary to minimise risk.</p> <p>Prior to the project commencement, SLAs will be in place with Delivery Partners. SLAs will detail the requirements of ESIF and the expectations that the Combined Authority has of delivery partners.</p> <p>Sub-contractors will be procured and evaluated on the previous experience and capacity to deliver the project specification. Once contracts are in place, they will detail requirements and expectations of sub-contractors.</p> <p>The performance of both delivery partners and sub-contractors will be monitored on a monthly basis in line with the process detailed.</p> <p>At a strategic programme level, the Project Executive Group will oversee and monitor [re]boot as a whole and charge the Contract Manager with responsibility for ensuring the programme's continued adherence to all ESIF funding requirements.</p> <p>The programme will be overseen and governed by the Economic Services Performance Group. This group comprises of the Executive</p>

Head of Economic Services, our Head of Employment and Skills, Skills Funding Manager and the Contract Manager. The group is chaired by the Executive Head of Economic Services.

The group will meet quarterly to review delivery progress and oversee the programme from a financial and performance perspective. Its primary concern will be to ensure that the programme as a whole is delivering against the funding contract and that action is taken as necessary to minimise risk.

Periodically across the duration of the project, the Combined Authority will conduct informal internal audits of expenditure to ensure continued compliance with eligibility criteria and that supporting evidence is in place to substantiate claims.