

EMPLOYMENT AND SKILLS PANEL

MEETING TO BE HELD AT 3.00 PM ON MONDAY

14 SEPTEMBER 2020

TO BE LIVESTREAMED HERE:

[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER)

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE EMPLOYMENT AND SKILLS PANEL HELD ON 19 JUNE 2020**
(Pages 1 - 6)
- 5. CHAIR'S UPDATE**
- 6. EMPLOYMENT AND SKILLS PROGRAMMES**
(Pages 7 - 12)
- 7. LABOUR MARKET ANALYSIS**
(Pages 13 - 14)
- 8. ECONOMIC RECOVERY AND FUTURE EMPLOYMENT AND SKILLS POLICY**
(Pages 15 - 20)
- 9. AEB**
(Pages 21 - 62)
- 10. CLIMATE**
(Pages 63 - 80)

Signed:

A handwritten signature in black ink, consisting of the letters 'BSM' in a stylized, cursive font, with a long horizontal line extending from the bottom of the 'M'.

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
EMPLOYMENT AND SKILLS PANEL
HELD ON FRIDAY, 19 JUNE 2020 AT TO BE LIVESTREAMED HERE:
[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN2
ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER)**

Present:

Rashik Parmar MBE (Chair)

Simon Barratt

Martin Booth

Mark Cowgill

Orlagh Hunt

Richard Mason

Liz Needleman

Claire Paxman

Glynn Robinson

Amanda Stainton

Councillor Darren Byford

Councillor Ian Cuthbertson

Councillor Susan Hinchcliffe

Councillor Imran Khan

Councillor Peter McBride

Councillor Patrick Mulligan

Councillor Jonathan Pryor

Councillor Adam Wilkinson

Sam Alexander (Advisory
Representative)

Nav Chohan (Advisory Representative)

Mike Curtis (Advisory Representative)

Alex Miles (Advisory Representative)

Dr Peter O'Brien (Advisory
Representative)

Colin Booth (Advisory Representative)

IBM

Barog Games Lab

Witt UK Gp

Exa Networks

Yorkshire Building Society

Burberry

BT

Paxman Coolers

BJSS

Portakabin

Wakefield Council

City of York Council

Bradford Council

Bradford Council

Kirklees Council

North Yorkshire County Council

Leeds City Council

Calderdale Council

Your Consortium Ltd

Leeds City Region Skills Network

NHS Yorkshire & Humber

West Yorkshire Learning Providers

Yorkshire Universities

Leeds City College

In attendance:

Diana Towler

Michelle Burton

Lindsey Daniels

Peter Glover

Sonya Midgley

Department of Work and Pensions

West Yorkshire Combined Authority

West Yorkshire Combined Authority

West Yorkshire Combined Authority

West Yorkshire Combined Authority

28. Apologies for absence

Apologies for absence received from Professor Margaret House.

29. Declarations of disclosable pecuniary interests

There were no items of disclosable pecuniary interests.

30. Exempt Information - Exclusion of the press and public

There were no items on the agenda requiring the exclusion of the press and public.

31. Minutes of the meeting of the Employment and Skills Panel held on 4 March 2020

Cllr Adam Wilkinson attended the meeting on 4 March and subject to his attendance at the meeting being noted in the minutes

Resolved: That the minutes of the meeting held on 4 March 2020 be agreed and signed by the Chair.

32. Chair's update

The Chair welcomed new members to the Panel

Mark Cowgill, Exa Networks
Orlagh Hunt, Yorkshire Building Society
Richard Mason, Burberry,
Liz Needham, BT
Clare Paxman, Paxman Coolers.

Mark, Orlagh, Richard, Liz and Claire introduced themselves and said they were pleased to be joining the Panel.

The Chair invited Ian Smyth to give a brief update on Devolution and the Economic Recovery Board (ERB).

33. Covid 19 - Immediate Response

The Panel considered a report and verbal update on activity underway to support businesses and individuals in the short term and to seek approval from the Panel for the continued delivery and development of products and services in response to the COVID-19 crisis and for input to wider recovery work.

The full implications of COVID-19 on the region and its economy are still to be understood. However, it is already clear that it will have a significant long-term impact, At a city region level, work is taking place both to support the

immediate response and to begin to develop what might be required in recovery.

Resolved:

- (i) That the contents of the report and verbal update be noted.
- (ii) That the comments of the Panel on the approach and long term planning for recovery be noted.

34. Economic Reporting

The Panel considered a report to provide an update on the latest business intelligence and on the latest activity and intelligence around understanding the impact of Covid-19 and an overview of the most recent performance of the economy and was asked note the latest intelligence around the economic impacts of Covid-19 and consider how this relates to their work and future work plans.

Since the outbreak of Covid-19 and the resulting lockdown, measures have been put in place to monitor the impact of the virus on the local economy, This has included the production of a weekly monitoring report, drawing together intelligence from the Growth Services, interactions with businesses along with intelligence from other data tools available to the LEP / Combined Authority and published data. This report presents the latest assessment of that intelligence.

The Panel discussed the report and provided their feedback highlighting concerns for the Further Education sector and the potential scale of future unemployment.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the discussion and feedback from the Panel on how this relates to work and future work plans be noted.

35. Employment and Skills Programmes

The Panel considered a report to update on activity underway to support businesses and individuals in the short term and a verbal overview
The full implications of COVID-19 on the region and its economy are still to be understood. However, it is already clear that it will have a significant long-term

impact. At a city region level, work is taking place both to support the immediate response and to begin to develop what might be required in recovery.

The Panel was asked to note and comment on the approach and discussed the following key points.

- key priorities for employment and skills in the next 1,3 and 5 years.
- Appraisal of priorities
- Any priorities / key messages missing

The Panel discussed at length the approach being taken and was thanked for the input and feedback provided which was appreciated and welcomed.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the comments of the Panel on the approach, particularly on longer-term planning for recovery be noted.

36. Devolution of the Adult Education Budget

The Panel considered a report to provide an update of the plans for the Combined Authority to receive devolved powers and manage the devolved Adult Education Budget (AEB) from 2021 and a verbal update on AEB and the draft strategy which is currently in consultation and was asked to note the contents of the report.

At the last meeting of the Panel on 4 March 2020, members received a paper setting out the proposal and function of AEB. The Department of Education (DfE) funds AEB and it is currently administered by the Education and Skills Funding Agency (ESFA) in non-devolved areas.

The Panel discussed the contents of the report and said that the verbal update was an excellent summary of progress to date and that it was handled with professionalism and dedication.

Resolved: That the contents of the report be noted.

37. Employment and Skills Plan

The Panel considered a report on the workplan to refresh the Employment and Skills Plan and a presentation was given on the key elements of the refreshed plan. The Panel was asked to comment in order to inform the development of the plan.

Resolved:

- (i) That the content of the report be noted.

- (ii) That following discussion the feedback and comments from the Panel to inform the development of the plan be noted.

38. Any Other Business

Michelle Burton informed the Panel that Professor Margaret House was retiring and would be standing down.

Diana Towler, Department of Work and Pensions was also retiring.

The Panel thanked Margaret and Diana for their commitment to the Employment and Skills Panel and gave best wishes for the future.

Diana who was present at the meeting said she had enjoyed working with the Panel members and officers.

39. Date of Next Meeting

The date of the next Employment and Skills Panel Meeting is 14 September 2020.

This page is intentionally left blank

Report to: Employment and Skills Panel

Date: 14 September 2020

Subject: **Employment and Skills Programmes**

Director: Brian Archer, Director of Economic Services

Author: Catherine Lunn, Interim Head of Employment and Skills

1. Purpose of this report

- 1.1 The purpose of this report is to update the Panel on the progress of delivery of LEP-led employment and skills programmes in the Leeds City Region and how they have been adapted to support COVID-19.

2 Information

Apprenticeships and Employment

Leeds City Region Employment Hub

- 2.1 COVID-19 has had a major impact on delivery and performance of the **Employment Hub** programme in the last quarter. Despite an increase in enquiries from people anticipating redundancy or leaving education, the main target group for programme, those furthest from the labour market pre COVID-19, are requiring a lot of hand holding and support and are not ready to move onto their next steps of further learning or employment. Engagement with businesses on recruitment has also been impacted. A reconciliation of achievements has been undertaken which reflects that achievements at the end of quarter two (June 2020) in year two of delivery include:
- Engaged 2820 15-24-year-old participants against a profile of 3054 (92%). Of these:
 - 850 participants, against a profile of 367 (232%), were recorded as being from ethnic minorities
 - 627 participants declared they had disabilities against a target of 281 (223%)
 - 887 participants are recorded as having no basic skills qualifications against a target of 654 (136%)

- Of the participants starting the programme 433 have been supported with finding education/ training, employment or self-employment against a target of 1085 (40%)
- 1807 businesses engaged against a target of 2450 (74%).

As part of the Combined Authority response to COVID-19 we repurposed the Employment Hub to provide a 'one stop shop' for job seekers of any age and employers recruiting or making redundancies. At the time of writing we had supported 331 individuals and 33 businesses. We expect these figures to increase in the next two quarters as we anticipate the easing of furlough and projected increase in redundancies, the summer school/college leavers and the introduction of various programmes, schemes and incentives announced by the Chancellor in July. We are not yet able to assess the impact these will have on the workload and achievements of the Employment Hub programme.

Apprenticeship Levy Transfer Service

- 2.2 During the last quarter we have seen an increase in interest in the **Apprenticeship Levy Transfer Service** from both pledging organisations and training providers/businesses seeking transfers. We are currently in negotiations with ten organisations seeking to pledge funds, which if agreed will move us towards our £3m target. Once we have pledges we will launch a marketing campaign to showcase those pledging companies supporting apprenticeships, and in the current climate the impact the levy transfer can have on economic recovery, and a second strand to encourage receiving organisations to apply for the transfers. This will mean that apprenticeship training fees will be covered 100% by the transferring company.

The Levy Transfer Services webpages provide access to the registration form for training providers to request support on behalf of businesses.
www.the-lep.com/business-support/skills-and-training/apprenticeship-levy-support/

School Partnerships

- 2.3 The **Enterprise Adviser Network** has become a virtual network during this period. Due to school and college closures, employer encounter activity has not been possible, with no change to previously reported figures.
- 2.4 Similarly, planned targeted activity with employers in the **Bradford Opportunity Area** has not been possible. However progress against target remains strong with 93% achieved (134,789 employer engagements). A focus for next academic year will be to co-develop virtual encounters and work experience with the support of strategic employer partners ("Cornerstones").
- 2.5 An extension has been agreed with recipients of **Raising Aspirations** (BRP-funded) grants for schools, due to the recent disruption to schools, with project outcomes due to be achieved by March 2021. Interim feedback from external evaluators shows that the projects are having a positive impact on pupils.

- 2.6 The **Kirklees Careers Hub** has delivered a number of events via virtual platforms including:
- Preparing for Ofsted - CPD. Delivered to 29 Careers Leaders and SLT from schools and colleges. The event was delivered in collaboration Calderdale and Kirklees Careers (C&K).
 - A Virtual Kirklees Careers Hub CEIAG Network Meeting.
 - Teacher CPD delivered to Careers Leaders and SLT supported by a Cornerstone employer and the Advanced Mathematics Support Programme.

Due to closures not all schools were able to submit a final Compass return. A drop in results is anticipated next academic year as schools' ability to complete work experience and work encounters with businesses will remain extremely limited.

- 2.7 Compass¹ submissions were low for the final term results submitted for Special Educational Needs and Disability (SEND). Through the SEND Hub, a Lead School (The Lighthouse) will support others to help with overall progress towards targets and share good practise on a theme of *Increasing Employer Engagement and Improving Destinations*.

Careers

FutureGoals

- 2.8 A targeted marketing campaign has been promoting the campaign and by the end of the financial year the [FutureGoals](#) website reached over 2 million adults, young people and educators. The website has evolved and now has specific resources based on the different audiences, meaning a more targeted and structured approach can be taken.
- 2.9 Improvements have been made to the [FutureGoals education and training](#) page to support young people predominantly aged 16-19 in our region who may be at risk/already are NEET (not in education, employment or training). This includes links to local support including the Employment Hubs, National Careers Service exam helpline and The Prince's Trust as well as information about colleges, sixth forms, FE, universities and apprenticeships in our region and information if the young person wishes to get a job or start their own business. We are launching a targeted marketing campaign to promote this to young people, parents and stakeholders throughout August and September.
- 2.10 In response to COVID-19 the FutureGoals website has added a function which allows individuals to register their interest for additional careers support via the Employment Hubs. A targeted marketing campaign has led to 325 individual enquiries and referrals to the Employment Hubs. The campaign has also reached 106,104 individuals through social media.

¹ A self-assessment tool for schools to track progress towards the Gatsby benchmarks of good careers guidance

- 2.11 [FutureGoals Remote](#) launched between May and July in response to COVID-19. The resources are a series of brand new free interactive activities to help young people develop employability skills from home during the lockdown. The activities feature in-demand skills identified by employers in the latest Leeds City Region [Labour Market Information Report](#), including digital, communication, problem solving and creative skills, and are designed to help young people to develop their employability and careers awareness. The FutureGoals Remote webpage has had 2,115 visits since launch and 584 downloads of the resources.

[\[re\]boot](#) (www.futuregoals.co.uk/reboot)

- 2.12 The Combined Authority's adult re-training programme, **[re]boot**, is part-funded through European Social Fund (ESF) and gives adults the chance to upskill, gain new skills/qualifications and improve their employment options particularly within key regional sectors, focused on construction, digital, manufacturing & engineering and the fast growing creative sector. Since its launch in November, the programme has supported over 200 individuals.

Following a re-profile of outputs, procurement is underway to appoint an additional provider/s with delivery intended to start in October.

As a response to COVID-19 we have been granted an easement allowing small numbers of unemployed individuals onto [re]boot courses who have become unemployed. Interest will be monitored over the next quarter.

During the restrictions we have undertaken targeted marketing to promote [re]boot to graduates, furloughed staff, and more recently those unemployed through COVID-19. The [re]boot web page has had 6,707 unique views and the social media campaigns have reached 142,556 people since May.

Delivery Agreements

- 2.13 A full programme of review meetings with Colleges based on 2018/19 performance had just begun when lockdown began and so reviews have not taken place. It has been agreed that a report highlighting assessment and analysis of available data will be produced later in the year. The Delivery Agreements will then be reviewed and rewritten to reflect the wider role they will play in shaping future provision including Adult Education Budget priorities.

Skills for Business

- 2.14 The **Skills for Growth** programme, supporting businesses to engage with the full breadth of the education system from primary schools to universities, will start in September. A team of ten have been recruited, who will work closely with the local authorities' business facing teams to engage a wide range of businesses to connect with our education offer.
- 2.15 The business engagement teams are working closely with the West Yorkshire Consortium of Colleges (WYCC) to engage businesses in the **Higher Performing Workplaces Programme** which they have been able convert to

an online offer. The programme aims to support business resilience and is well placed to support EU transition; providing training for staff in international trade and management practices.

3. Clean Growth Implications

3.1 There are no financial implications directly arising from this report.

4. Financial Implications

4.1 There are no financial implications directly arising from this report.

5. Legal Implications

5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

6.1 There are no staffing implications directly arising from this report.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 The Panel is asked to note and comment on the progress of delivery of employment and skills programmes in the Leeds City Region.

9. Background Documents

None.

10. Appendices

None.

This page is intentionally left blank



Report to: Employment and Skills Panel

Date: 14 September 2020

Subject: **Annual Labour Market Report**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: Peter Glover

1. Purpose of this report

- 1.1 To update the Panel on the LEP's labour market intelligence programme for 2020/21. A presentation of interim key messages from the analysis will be given at the meeting to inform discussion.

2. Information

- 2.1 The purpose of the labour market intelligence work is to provide robust analysis of the City Region's labour market and skills needs to influence planning and action. As well as being used to support strategy and policy development by the LEP and Combined Authority, the analysis is used to shape the focus of local learning delivery with reference to evidence of labour market demand and to inform careers choice by individuals by providing clear and robust information on labour market opportunities.
- 2.2 The work is produced to an established annual cycle which centres on the publication of a labour market report in the autumn, usually in October, accompanied by a series of workshops to communicate key messages.
- 2.3 The main geographic focus of the report will be West Yorkshire, to reflect the coverage of the new Mayoral Combined Authority area, but key messages will continue to be set in the context of the functional economic area of Leeds City Region. The Research and Intelligence Team of the Combined Authority will also be supporting York and North Yorkshire LEP in the production of their labour market analysis.
- 2.4 A key focus of the report will be the impact of COVID-19 on the local labour market and the employment and skills challenges and opportunities presented by the economic recovery. Consequently, it is recommended that the annual labour market report be published at the end of November 2020, as:
- The prospects for the labour market are currently highly uncertain with the economy in a state of flux. In particular, the unwinding of the furlough

scheme (ending in October) will have important implications for labour demand and skills needs, which need to be reflected in the report.

- There is a time lag in the publication of official and other statistics and earlier publication would mean to report is more reliant on data relating to the pre-crisis period, limiting the value in assessing employment and skills needs in the context of recovery from the crisis.

2.5 The dates of the dissemination workshops (likely to be delivered as webinars) will be confirmed in due course but are expected to be in early December.

2.6 Prior to the publication of the annual labour market report, timely intelligence on the labour market is being shared via the LEP's weekly economic dashboard and fortnightly economic monitoring report. Headline messages from this intelligence will be presented at the meeting.

3. Clean Growth Implications

3.1 There are no clean growth implications directly arising from this report.

4. Financial Implications

4.1 There are no financial implications directly arising from this report.

5. Legal Implications

5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

6.1 There are no staffing implications directly arising from this report.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 To note the arrangements for the annual labour market analysis and support the recommendation for publication to be at the end of November 2020.

8.2 To consider and discuss the key messages from the presentation of interim findings to be given at the meeting.

9. Background Documents

None.

10. Appendices

None.

Report to: Employment and Skills Panel

Date: 14 September 2020

Subject: **Economic Recovery and Future Employment and Skills Policy Update**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

Author(s): Sonya Midgley, Policy Manager (Skills)

1 Purpose of this report

- 1.1 The purpose of this report is to update the Panel on policy items relating to employment and skills in Leeds City Region
- 1.2 The Panel is asked to note the MoU and arrangements of the SAP function of the Panel

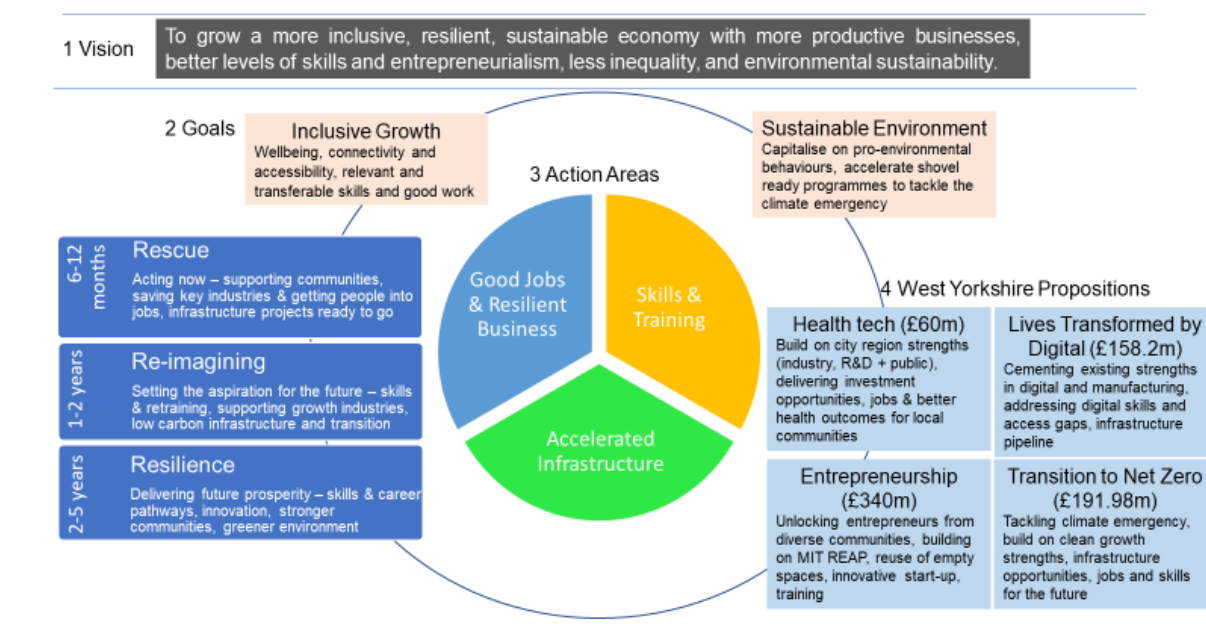
2 Information

Economic Recovery Plan

- 2.1 The longer-term planning for economic recovery for West Yorkshire is being overseen by a West Yorkshire Economic Recovery Board¹, which is a working group of the West Yorkshire Combined Authority and brings together the five West Yorkshire Leaders and LEP Chair with partners from the private sector, trade unions, public bodies and the third sector, to develop robust plans for the region's economic recovery and to help build an inclusive and sustainable economy for the future.
- 2.2 Following input to the draft economic recovery plan from a wide range of stakeholders, including the Employment and Skills Panel, a draft plan was endorsed by the Combined Authority on 27 July 2020, and a further version will be discussed at meetings of the LEP Board and Combined Authority on 3 and 4 September. A plan on a page is below and links to the draft plan and other supporting documents can be found at Section 9 (Appendices).

¹ Further details on the full membership and terms of reference of the recovery board can be found at: <https://www.westyorks-ca.gov.uk/erb>

West Yorkshire Economic Recovery Plan – Plan on a Page



- 2.3 The plan focusses on three action areas of **good jobs and resilient businesses, skills and training** and **accelerated infrastructure**, and two overarching goals of **inclusive growth** and **sustainable environment**. The plan sets out what steps are required by national government and at a regional level across three stages of rescue, re-imagining and resilience. Across the plan there are **initial funding asks in the order of £1.4bn**, which will need to be further refined and developed subject to future announcements and further understanding of the impact.
- 2.4 The skills and training action area covers many issues considered frequently by the Employment and Skills Panel prior to COVID-19. These are now critical to recovery and the plan identifies five Must Win Battles:
- Prevention of NEETs and youth unemployment
 - Address inequality of access to learning
 - Building a strong skills offer for the West Yorkshire labour market
 - Delivering relevant and transferable skills
 - Improved skills utilisation in the workplace
- 2.5 In discussing the subsequent agenda items, the panel is asked to consider how the activity of the LEP can contribute to these Must Win Battles.
- 2.6 Within this outline funding ask, the plan also identifies four distinctive West Yorkshire propositions that can deliver not just for the region's recovery, but also make a significant contribution to the UK economy as a whole. Each proposition (and further ones may be added), includes both an offer and ask to Government. The propositions are included at Appendix 4:

1. **Health innovation** (£60m) – building on the region’s strengths in devices, data and diagnostics, unlocking industry collaboration, skills and a globally positioned Act Early institution on disease prevention.
 2. **Lives transformed by digital tech** (£159m) - ensure no one is left behind in a digital-enabled future, by driving infrastructure, digital skills and Made Smarter investment to support digital adoption in manufacturing.
 3. **Transition to Net Zero Carbon Resilient Economy** (£192m) – supporting our net zero 2038 target, with unique industry strengths in low carbon transport, clean agri-tech, construction and circular economy, delivering critical green and blue infrastructure, up to 71,300 jobs and skills and training to help people into low carbon opportunities.
 4. **Entrepreneurship** (£340m) – focussed on our diverse communities, existing scale-up performance and our MIT REAP programme for high growth pre-starts, unleash an entrepreneurial revolution, transforming empty properties and supporting high-growth potential start-ups.
- 2.7 As the implications of COVID-19 continue to develop, it is expected that the plan will be further updated, which will be tested with the Employment and Skills Panel to make sure priorities remain relevant and are amended as required to meet the recovery needs of the region.

Employment and Skills Plan

- 2.8 A refreshed Employment and Skills Plan (2021-2025) will be a key strategy within the Strategic Economic Framework (SEF).
- 2.9 As part of the Employment and Skills Plan refresh, a programme of consultation and engagement with key stakeholders and partners has taken place, including twelve focus groups involving nearly 200 stakeholders. The main areas of feedback have been to include an emphasis on the following:
- Focus on young people and Early Years
 - The value and importance of technical education
 - Priorities that focus on employment
 - Connections with other policies areas
 - Meaningful engagement between employers/employees and young people
 - Innovation and productivity as drivers for high level skills
 - Encouraging employer to invest in skills and develop a diverse workforce.
 - Alignment of actions for economic recovery and the refreshed plan
- 2.10 In addition, an online survey (www.yourvoice.westyorks-ca.gov.uk/esp) was launched in August and closed on 6 September. The survey has received over 100 responses and has enabled us to hear from a greater range of stakeholders including individuals, businesses, education and training providers, and third sector organisations with an interest in the landscape.

- 2.11 The feedback is encompassed in the proposed revised priorities for the plan:
- Driving innovation and productivity through high level skills
 - High quality technical education for West Yorkshire
 - Great education connected to business
 - Adaptability, progression and resilience in good work
 - Creating a culture of investment in workforce skills
- 2.12 Consultation on the revised priorities with key stakeholders and partners, including a workshop with the Panel, will take place during Autumn.
- 2.13 The revised Plan will be available at the next Panel meeting, and will then be taken to the Combined Authority and LEP Board for approval.

Digital Skills Partnership

- 2.14 As part of the devolution deal, a Local Digital Skills Partnership (LDSP) funding was awarded for 12 months. An LDSP manager has been appointed, with a launch being planned for October in partnership with DCMS.
- 2.15 The LDSP will develop an action plan that identifies the needs of local economies, communities, and facilitate the delivery of targeted digital skills training. The work will be overseen by a Board encompassing a range of stakeholders, which will report to the Employment and Skills Panel and have close links with the Digital Board.

Skills Commission

- 2.16 Following the success of the Commission's interim report and postponement of the original launch date, the Commission will launch its final report online on 24 September. Details via www.eventbrite.co.uk/e/future-ready-skills-commission-final-report-launch-tickets-117505400817
- 2.17 The final report presents a blueprint for a future-ready post-16 skills system and recommendations to government on implementation. The report argues for greater local leadership of skills policy development and delivery and will be presented to government following its publication.
- 2.18 The recommendations and blueprint from the Commission's investigation into the skills system will inform the revised Employment and Skills Plan.

Skills Advisory Panels

- 2.19 Skills Advisory Panels (SAPs) have been initiated by Government to bring together local employers and skills providers to develop a shared understanding of local skills needs and to define clear skills priorities. These deliberations are under-pinned by an evidence-based approach grounded in high quality labour market analysis. SAPs are facilitated at local level by LEPs and Mayoral Combined Authorities.

- 2.20 The Employment and Skills Panel serves as the Skills Advisory Panel for the Leeds City Region area and is compliant with the Department for Education's analytical and governance standards for SAPs.
- 2.21 Earlier this year the Department for Education announced that a second year of grant funding would be made available to LEPs in 2020/21 to support the core functions of SAPs. The first round of funding for 2019/20 was provided to support the development of sustainable analytical capability within LEPs. This second round of funding is intended to enable SAPs to go further in building analytical capability while increasing their local influence and their ability to address local skills challenges and grasp local skills opportunities. The funding agreement and planned activities are set out in a Memorandum of Understanding (MoU) between the Department for Education and the LEP.
- 2.22 In line with the SAP analytical priorities agreed by the Panel in February 2019, we propose undertaking the following activities as part of the MoU, largely building on and embedding existing work.
- Refresh of annual labour market report with focus on economic recovery challenges
 - Development of Employment and Skills Plan
 - Mapping of digital skills needs and provision to support implementation of Local Digital Skills Partnership
 - Assessment of skills implications of pathways to zero emissions commitment.
 - Primary research with employers to assess local skills needs and how they have been impacted by Covid-19
 - Activities to build influence of SAP analysis, including user workshops and a further round of delivery agreements
 - Development of labour market information resources for careers practitioners and stakeholders (providers, careers companies, headteachers, NCS, local primes) and rollout via virtual events.
- 2.23 There is a mandatory requirement for each SAP to produce a Local Skills Report by March 2021, highlighting progress made to date with the SAP agenda and future challenges and opportunities. An advance draft of this report will be shared with the Panel for review.

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6 External Consultees

6.1 To date 104 survey responses have been received on the Employment and Skills Plan refresh. In addition, consultation has been undertaken with:

- Local Authority officers
- Skills Network
- Business Communications Group (BCG)
- Enterprise Advisers
- Cornerstone Employers
- Yorkshire and Humber Apprenticeship Ambassador Network
- ESF Providers

7 Recommendations

None.

8 Background Documents

None.

9 Appendices

Appendix 1: West Yorkshire Economic Recovery Plan (first version)

<https://www.westyorks-ca.gov.uk/media/4413/draft-west-yorkshire-economic-recovery-plan-v8-to-sept-ca.pdf>

Appendix 2: Letter to the Chancellor of the Exchequer

www.westyorks-ca.gov.uk/media/4381/letter-to-the-chancellor-190820.pdf

Appendix 3: West Yorkshire Economic Recovery Plan - Summary

www.westyorks-ca.gov.uk/media/4380/west-yorkshire-combined-authority-economic-recovery-plan-summary.pdf

Appendix 4: West Yorkshire Economic Recovery Propositions

- i. Health Innovation
www.westyorks-ca.gov.uk/media/4420/recovery-proposition-health-innovation-20200826.pdf
- ii. High Growth Driven Entrepreneurship
www.westyorks-ca.gov.uk/media/4419/recovery-proposition-innovation-driven-entrepreneurship-20200826.pdf
- iii. Lives Transformed by Digital Technology
www.westyorks-ca.gov.uk/media/4418/recovery-proposition-lives-transformed-by-digital-tech-20200826.pdf
- iv. Transition to Net Zero Carbon Resilient Economy
www.westyorks-ca.gov.uk/media/4417/recovery-proposition-towards-net-zero-20200826.pdf

Report to: Employment and Skills Panel

Date: 14 September 2020

Subject: **Adult Education Budget**

Director: Brian Archer, Director of Economic Services

Author: Lindsey Daniels, AEB Manager

1. Purpose of this report

To update the Panel on plans for the Combined Authority to receive devolved powers and manage the devolved Adult Education Budget (AEB) from 2021.

2 Information

- 2.1 At previous Panel meetings, members received a paper setting out the purpose and function of AEB, and the 'Readiness Conditions' that the Department for Education (DfE) require the Combined Authority to meet in order for the funds to be devolved.
- 2.2 The Combined Authority applied for Implementation Funding to support its preparation for AEB devolution and this has now been approved in full. The DfE has issued a Memorandum of Understanding for the £464,000 funding the DfE will provide, which is to be matched by the Combined Authority.
- 2.3 The Combined Authority has conducted a 'Readiness Assessment', which was submitted to the DfE in May 2020. The DfE agreed with the assessment and forward plans and is proceeding with devolution of funds and powers. The next formal stage is the laying of orders as part of the wider devolution deal. Following this, a Memorandum of Understanding will be put in place between the Combined Authority, the DfE and the Education and Skills Funding Agency. This will set out terms for collaboration and information sharing.
- 2.4 Workstreams in Legal and Governance, ICT and Data, Finance, Procurement and Policy are now well established and delivering the implementation project plan, including: drafting funding rules, contracts and agreements; developing a procurement strategy and specification; exploring other MCA ICT data and payment systems; consulting on the AEB Strategy and ensuring alignment with local and national strategies.

- 2.5 A draft AEB Strategy (formally the 'AEB Strategic Skills Plan') was developed following engagement with this panel as part of our preparation to deliver the fund from 1 August 2021 onwards. The AEB Strategy builds on existing Combined Authority strategies and the needs of the area, providing a clear foundation upon which we can build the skills of people and businesses within West Yorkshire. This strategy sets out the proposed priorities for, and approach to commissioning and managing the AEB. Once approved the strategy will form part of the Strategic Economic Framework, which will be taken for approval to the [Combined Authority meeting](#) on 4 September.
- 2.6 A period of public consultation on the draft AEB Strategy was conducted from 25 May – 12 July, during which an online survey was carried out, supported by webinars, virtual focus groups and interviews with learners and training providers. An independent consultant was engaged to facilitate focus groups and to prepare an analysis of all consultation returns.
- 2.7 Due to the Covid-19 crisis, consultation was carried out remotely using the following mechanisms:
- A survey – available online and in other formats where requested.
 - Targeted conversations with learners and employers - those with knowledge or experience of AEB were invited to online focus groups.
 - Consultative meetings with key stakeholders - including colleges, Local Authorities, training providers and Jobcentre Plus representatives
 - Other response channels including via e-mail, by phone; by Freepost; and through the YourVoice online Q&A tool.
- 2.8 The focus on the AEB meant there were significantly fewer responses than to the devolution consultation, although most were thorough and detailed:
- 75 responses to the survey (55% of which were from training providers)
 - 23 conversations with learners
 - 8 conversations with employers
 - 8 consultative meetings with stakeholders (33 participants)
- 2.9 The AEB Consultation response was broadly positive with all suggested priorities receiving agreement by more than 90% of respondents. Each of the 'Principals for commissioning' received 83%+ approval ratings, and 82% of respondents agreed with the outlined approach to commissioning.
- 2.10 The full Consultation analysis report, a marked up revised strategy and a paper outlining the key changes was shared with the Panel on 25 August.
- 2.11 'Skills and Employment' was also included in the wider Devolution Consultation, with 72% of respondents supporting the conferring of skills and employment to the West Yorkshire Mayoral Combined Authority. Responses considered the wider skills system, much wider than the devolution of AEB, with reflections on higher level skills, improving employer engagement and better meeting local needs.

- 2.12 The revised AEB Strategy has been submitted for approval to the Combined Authority on 4 September, taking into account the findings of the consultation. This allows for commissioning to begin on 1 October 2020, essential for meeting delivery deadlines ahead of August 2021. A provider information event has been planned for 17 September to engage with the training provider market and outline procurement opportunities.
- 2.13 Combined Authority officers have consulted with and will continue to work closely with the other Mayoral Combined Authorities, the Department for Education and the Educational and Skills Funding Agency, to ensure there is a consistency with core national strategies while we develop our approach to meet local needs and ambitions.

3. Clean Growth Implications

- 3.1 There are no financial implications directly arising from this report.

4. Financial Implications

- 4.1 Additional funding of £63 million is to be provided to the Combined Authority on 1 August 2021, assuming readiness conditions are met.

5. Legal Implications

- 5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

- 6.1 An Interim AEB Manager has been appointed to continue preparation during a planned leave of absence. Wider resourcing requirements have been identified and are being recruited in line with implementation stages and needs.

7. External Consultees

- 7.1 External consultation on the AEB Strategy has now concluded, the results of which were shared with the Panel ahead of seeking approval from the Combined Authority.

8. Recommendations

- 8.1 The Panel is asked to note the contents of this report

9. Background Documents

None.

10. Appendices

Appendix 1 – AEB Strategy

This page is intentionally left blank



Adult Education Budget Strategy

August 2020

Adult Education Budget

Contents

Background and Context	2
West Yorkshire Combined Authority	2
Our Area	3
The West Yorkshire economy	3
The Adult Education Budget	5
The Devolution of Adult Education Budget	5
Our Strategic Vision	6
Priorities for Adult Education Budget	7
West Yorkshire: Needs and Opportunities	8
Our Challenges	8
Key facts	10
Current AEB performance	14
Key facts	16
Our Strategic Approach to AEB	20
Skills System: Local and National alignment	20
Local Knowledge and impact	21
Stability in the System	22
Principles for commissioning	23
Expectation of provider values and behaviour	23
Funding arrangements	24
Cross border learners	26
Proposed approach	27
Delivery Agreements	27
Subcontracting arrangements	27
New providers	28
Community Learning	28
Career Pathways	28
Qualification Eligibility	29
Test Pilots	29
Responsiveness Pot	29
Level 2 entitlement for all	29
Distance Learning	30
AEB Priorities and Outcomes	31
Review and Evaluation	Error! Bookmark not defined.
Stakeholder engagement and consultation	33
Key Stakeholders	34
Consultation	35

Background and Context

This document sets out the Adult Education Budget (AEB) Strategy for the West Yorkshire Combined Authority. It highlights strengths, opportunities and challenges across the region and sets out key priorities for the devolved AEB to ensure it supports the West Yorkshire Combined Authority’s Strategic Vision.

West Yorkshire Combined Authority

We want our region to be recognised globally as a place with a strong, successful economy where everyone can build great businesses, careers and lives supported by world-class transport, housing and digital connectivity.

We will achieve this by planning and delivering economic and transport schemes and programmes across the region in partnership with the public and private sectors – focusing on the areas of work which will make the biggest difference. Partnership is fundamental to everything we do.

The Combined Authority and LEP work closely with one another and with councils across the region to ensure our policies, services and capital infrastructure projects meet the needs of communities and help us to deliver local priorities. We also work closely with the private sector through the LEP to develop, shape and deliver policies that meet the needs of employers in the region.

Our Priorities



Supporting clean growth



Enabling inclusive growth



Delivering 21st century transport

The Covid-19 Pandemic

This strategy has been written and consulted upon during the first impacts of the Covid-19 Pandemic. As such, we present data and outline our priorities and approach based on the most recent thinking and known impacts, fully in the knowledge that the extent of the impact of the pandemic cannot be fully predicted at this point.

This strategy aligns to the developing West Yorkshire Economic Recovery Plan, as we recognise that the Adult Education Budget has a key supporting role to play in the three key stages of recovery: rescue, re-imagining and resilience.

Our Area

West Yorkshire is the economic, cultural and geographic heart of Yorkshire and an essential component of the Northern Powerhouse. Lying at the centre of the UK, within one hour's drive of 7 million people, it comprises 1.6% of the land area of England.

West Yorkshire is an internationally significant economy with pre-pandemic output of £55.4 billion – bigger than 9 EU countries - 2.3 million people, 90,000 businesses and a workforce of 1.1 million, alongside 7 universities, 91,000 students and 30,000 graduates. But West Yorkshire has been underinvested in as a region, meaning recovery begins from a more challenging position than other parts of the UK.

West Yorkshire has a highly diverse population, with 18% of people coming from BAME backgrounds (14.5% nationally).



The West Yorkshire economy

The following points provide a brief overview of the key features of the West Yorkshire economy, as set out in more detail in our Local Industrial Strategy evidence base.

Although one of the most diverse economies in the UK, making it more resilient to sector-specific shocks, West Yorkshire also incorporates some key national economic strengths:

- UK's largest regional finance centre, with strengths in professional and digital services
- More manufacturing jobs than anywhere in the north (with specialisms in textiles, furniture, chemicals, machinery)
- The fastest growing digital sector in the country (e.g. computer programming), with areas of professional services (e.g. legal and management consultancy) seeing strong growth along with retail, hospitality and transport.

In addition to the current economic challenges due to the Covid-19 pandemic, there are longstanding challenges around productivity and low wages linked to a range of factors including a deficit of high level skills and innovation.

Productivity – increasing, but at a level lower than the national average and with growth trajectories below national levels since the crash of 2008.

Labour market – strong improvements in recent years but employment rates remained below the UK average immediately prior to the Covid-19 crisis, with disadvantaged groups continuing to face the greatest risk of exclusion from employment.

Jobs and wages - Higher level occupations have been the main source of job growth in recent years, but 21% of jobs pay less than the Living Wage Foundation's Living Wage rate and 29% of employees are not in good quality work.

Deprivation - More than 1 in 5 people (517,000 people) live in areas defined as being amongst the most deprived 10% in England. Relative levels of deprivation in West Yorkshire have got worse between 2015 & 2019.

The Adult Education Budget

The principal purpose of the AEB is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship/traineeship, or other further learning. The funding pays specifically for learning programmes (predominantly qualifications) and provides an element of learner support funding for those with learning difficulties and disabilities. It is currently administered and governed through Education and Skills Funding Agency (ESFA) regulations.

It provides funding for programmes of learning up to Level 2 (GCSE level equivalent) and some Level 3 qualifications (A level equivalent), dependent on eligibility. It does not fund all Level 3 learning, or programmes at Level 4 and above as these are funded through Advanced Learner Loans or Higher Education (HE) funding.

AEB also encompasses a range of statutory entitlements for learners, including the right to fully funded provision for basic English and maths qualifications and, depending on the resident's age and employment status, an entitlement to a first Level 2 and/or Level 3 qualification. From August 2020, this will also include an entitlement to basic Digital skills.

The Devolution of Adult Education Budget

In England, devolution is the transfer of accountability, power and funding from national to local government.

Since 2014, through a number of devolution deals (an agreement between government and local areas in England), powers, budgets and responsibilities have been passed down from central government to new directly-elected mayors in eight regions across England: Tees Valley, Greater Manchester, Liverpool City Region, Sheffield City Region, Cambridgeshire and Peterborough, West Midlands Combined Authority, North of Tyne and Greater London Authority

In March 2020, West Yorkshire agreed an ambitious devolution deal with Government. The agreement, which is the biggest ever of its kind, unlocks more than £1.8 billion in investment to drive up living standards through better transport, improved skills and stronger businesses, while tackling the climate emergency. This includes control of the £63m annual Adult Education Budget for West Yorkshire to closer align spending on skills to the opportunities and needs in the local economy.

In addition to significant funding, the deal gives West Yorkshire far greater decision-making powers allowing the region to set its own priorities including ensuring a vibrant future for its towns and rural areas while securing the economic success of its cities.

Becoming a devolved mayoral area will be critical in ensuring West Yorkshire is in the best place to access to future funding and powers. The Government is increasing focus on mayoral combined authorities as its primary route for supporting regional economic development.

West Yorkshire will adopt the model of a directly elected Mayor over the Combined Authority's area, with the first Mayoral election in May 2021. The Mayor will have an initial three-year term. From 2024, Mayoral terms will last four years.

We have consulted with and will continue to work closely with the other Mayoral Combined Authorities, the Department for Education and the Educational and Skills Funding Agency, to ensure there is a consistency with core national strategies while we develop our approach to meet local needs and ambitions.

This AEB Strategy has been developed in order to ensure we are ready to deliver the Adult Education Budget on the 1 August 2021, and timescales have necessitated its development prior to the election of the West Yorkshire Mayor. It builds on our existing strategies and the needs of our area, providing a clear foundation upon which we can build the skills of people and businesses within West Yorkshire.

Our Strategic Vision

The Adult Education Budget (AEB) Strategy forms a key part of the Combined Authority's Strategic Economic Framework. The Strategic Economic Framework (SEF) brings together the full range of policies and strategies that have been developed in collaboration with communities and decision makers across West Yorkshire, and together will help the region unlock and achieve its full potential.

The SEF also contains our Leeds City Region Employment and Skills Plan which focuses on Skilled People, Better Jobs, spanning 2016-2020. Much has changed in the timespan of this plan: the Covid-19 pandemic has caused economic and social disruption; Brexit has been proposed and agreed; a Climate Emergency has been declared, with West Yorkshire aiming for net zero emissions by 2038; digital technology and AI continue to revolutionise the world of work; a devolution deal has been agreed for West Yorkshire, which affords us more control and accountability for adult skills delivery.

This AEB Strategy also aligns to the developing West Yorkshire Economic Recovery Plan. The Economic Recovery Plan sets out the actions and funds needed to support West Yorkshire's recovery from the economic downturn induced by the Covid-19 pandemic, outlining three keys stages of rescue, re-imagining and resilience. The long term social and economic impact of Covid-19 is currently unknown, but looks likely to impact most severely on those already facing the challenges posed by precarious employment.

All of these factors impact on workforce skills needs in helping our economy recover from the recent shock and prepare for future opportunities.

Our current Employment and Skills Plan is outlined in figure 1. The plan is due to be refreshed this year alongside the publication of the Leeds City Region Local Industrial Strategy.

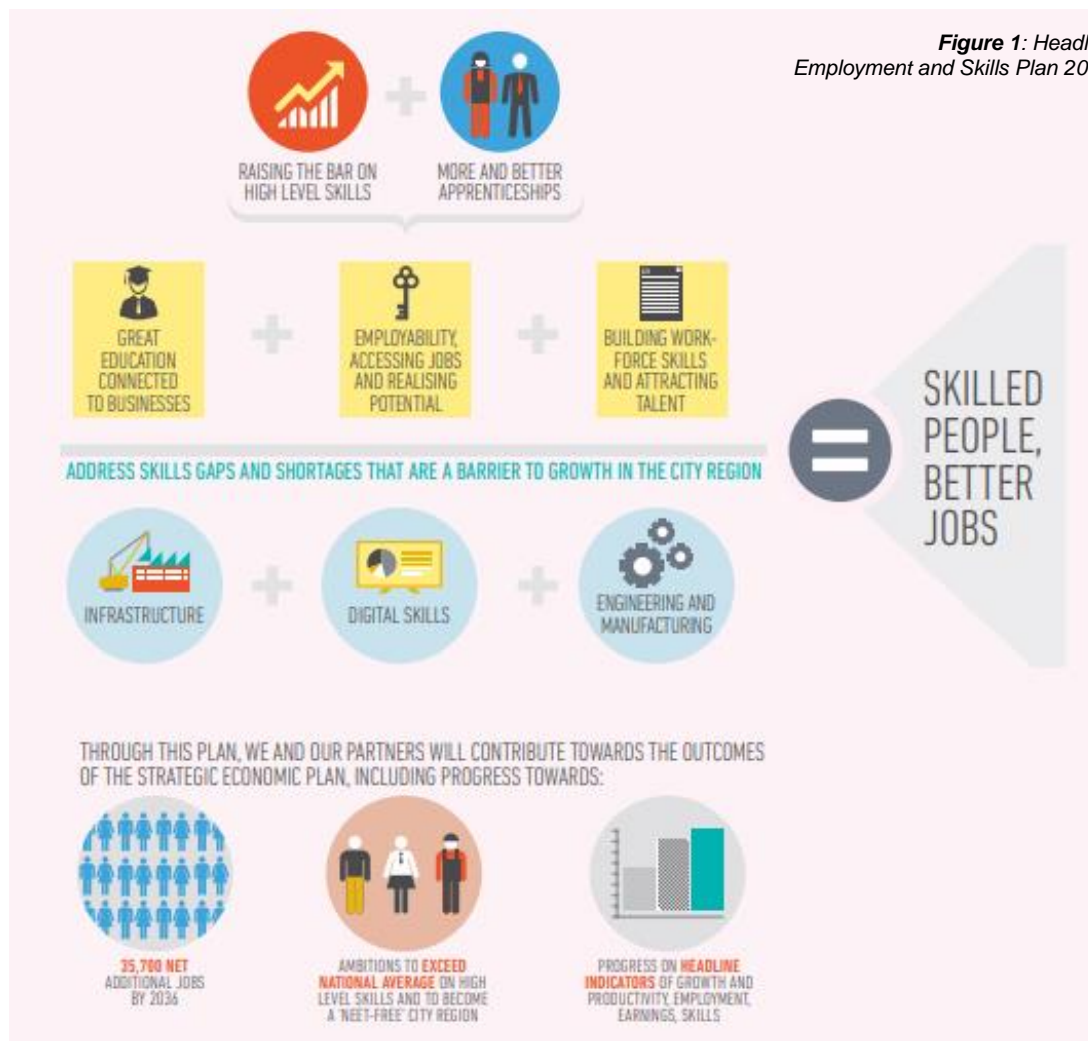
Future Ready Skills Commission

The Leeds City Region is currently leading national thinking with its own ambitious Future Ready Skills Commission. The Commission is an independent body made up of experts and leading thinkers from business, education, local government and think tanks.

The Commission calls for a simplified skills system across the UK, unfettered by national silos and responsive to local economic needs and demands, exploring how greater devolution can deliver this, ensuring that local people are properly equipped for the jobs of the 21st century.

The Commission will publish recommendations in Autumn 2020, with a view to piloting the system changes needed in Leeds City Region to benefit our people and businesses.

The Combined Authority is already embedding the learning and emerging recommendations into its thinking on Adult Education Budget usage, and how we can make positive changes to improve the impact on our local communities.



Priorities for Adult Education Budget

The Adult Education Budget is one of many ways in which adult training is funded and skills are developed: its principal purpose is to engage adults and provide them with skills and learning needed for work, an apprenticeship and/or further learning.

The refreshed Employment and Skills Plan will outline the activities and funds that will address wider skills priorities such as higher levels skills and inclusive growth.

Within the context of the above strategies, we have defined the following priorities for the Adult Education budget in West Yorkshire:

- Support the unemployed to gain and sustain employment
- Unlock progression opportunities and career adaptability through skills, particularly for those on low wages and with insecure work
- Making learning more inclusive to support disadvantaged residents
- Increase the supply of skills to support key sectors in West Yorkshire
- Improve West Yorkshire's resilience by identifying and delivering the skills needed for the future

West Yorkshire: Needs and Opportunities

Our Challenges

West Yorkshire has a large and diverse economy. However, it faces challenges of low productivity and pay, linked to a range of issues, including a deficit of skills and innovation. This means that recovery from the current crisis begins from a more challenging position than many other parts of the UK. The Covid-19 crisis has already caused major disruption to the local labour market and the effects could prove to be long lasting, with implications for the role of AEB.

- The medium-term impact of Covid-19 on the local economy and labour market is uncertain. A set of three alternative economic scenarios have been developed as part of recovery planning to quantify the impact of different assumptions about how the crisis will progress. In all cases, a lasting impact on livelihoods across the region is expected. Even under the most optimistic scenario unemployment remains high until the second half of 2021. Under the most pessimistic scenario, characterised by a double dip recession resulting from the introduction of a second period of lockdown, employment levels do not fully recover until 2025 and unemployment does not return to its pre-crisis position until 2027.
- Detailed prospects for labour and skills demand in the medium and longer-term are highly uncertain at the present time. We have already seen severe impact on sectors most exposed to the Covid-19 restrictions and changes in consumer behaviour, including hospitality, retail, arts and entertainment. This is reflected in high rates of furloughing and marked reductions in job vacancies in these sectors. In addition, manufacturing and other sectors are being affected by changes in the pattern of global trade and consumer demand as well as a continued shift to automated processes. AEB will need to support reskilling and serve to mitigate the threat of growth in long-term, structural unemployment.
- West Yorkshire has already seen a large increase in claimant unemployment and in the number of people on Universal Credit. Claimant unemployment increased by 49,500 or 87% in the short period between March and June 2020 and in Bradford, for example, the claimant unemployment rate is now close to 10%. The number of people on Universal Credit increased by 88,000 or 71%, reflecting the increase in jobless people but also the large number of people and households whose income has been affected by the crisis. This has major implications for the focus of AEB provision. Many of the people who have become jobless as a result of the Covid-19 crisis will require support with reskilling in order to get them back into a job.
- In addition, large number of workers are currently furloughed, with the potential for a wave of further redundancies when the Job Retention Scheme is wound up. As of June 2020, 304,000 employments were furloughed in the local area, 30% of all eligible employments and a similar proportion to the England average.
- There has been a steep decline in the number of local vacancies, resulting in an increase in the number of jobless people competing for each vacancy as unemployment also increases. Between week ending March 15 2020 (pre-crisis) and week ending 5 July 2020 the number of live online job postings in the local area fell by 62% and has shown little sign of sustained recovery since. As a result of this decline in vacancies and concurrent increase in claimants the ratio of claimant unemployed people to vacancies increased from 2 in March to 9 in June 2020.
- However, longer-term, underlying issues will remain important in spite of the current crisis and AEB has a key role to play, for example, in meeting demand for care workers, supporting progression to the growing number of higher skilled jobs, tackling persistent skill shortages and ensuring that everyone has basic digital skills.
- There are a range of supply side issues that are particularly pertinent to AEB. Firstly, there is a significant over-representation of people with low / no qualifications in West Yorkshire who are disadvantaged in the labour market. Almost 400,000 people, 26% of the working age population, fall into this category. However, among the unemployed and inactive this proportion rises to 40%.

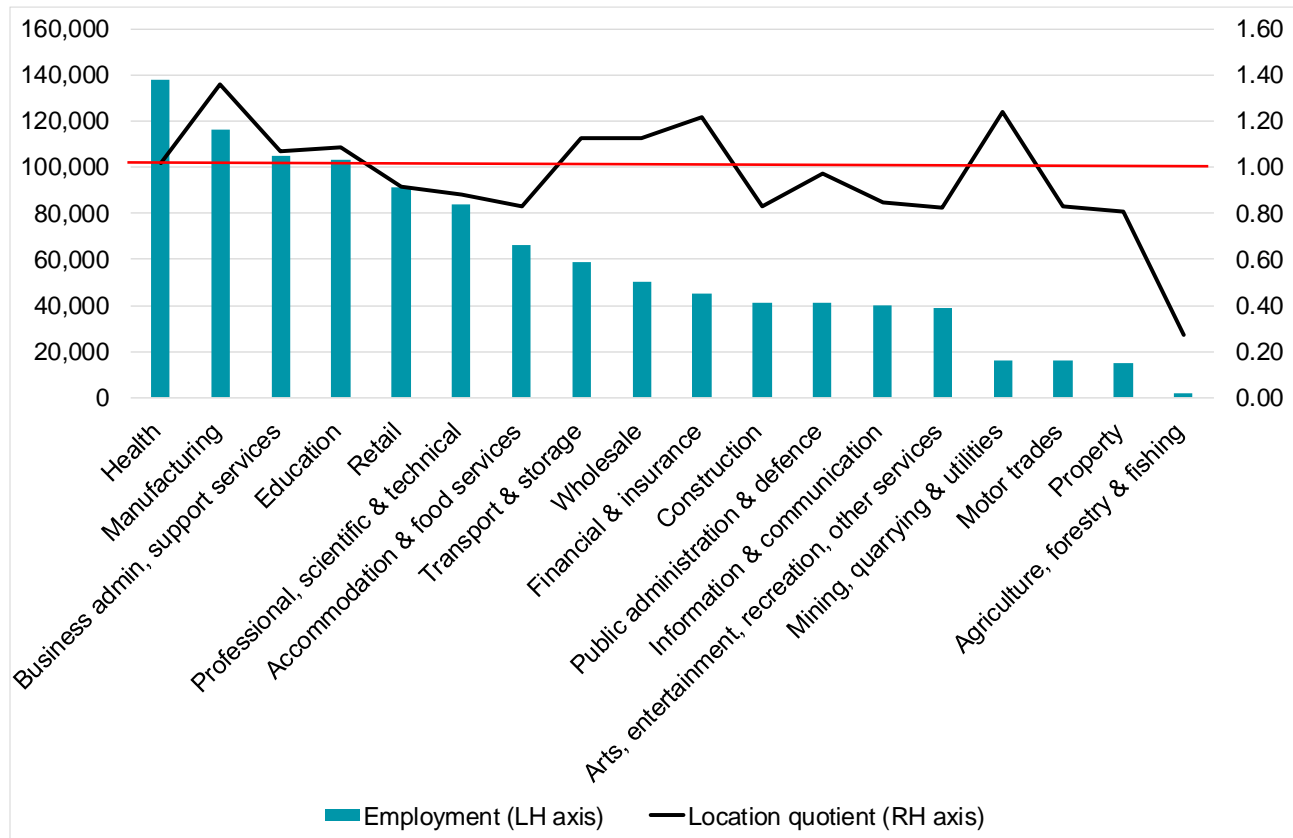
- Alongside this West Yorkshire has large numbers of people who lack basic literacy and numeracy.
- Pockets of acute deprivation are also linked to a lack of skills. West Yorkshire has more than twice its “fair share” of neighbourhoods that are among the most acutely deprived in terms of adult skills. Bradford and Wakefield are particularly badly affected. This highlights the importance of targeted outreach through AEB.
- The proportion of adults who lack full English language proficiency is above the national average in England and is particularly high in Bradford.

Based on this, and wider analysis, a range of support needs have been identified within the [West Yorkshire Economic Recovery Plan](#), some of which will be delivered through AEB funded activity.

Key facts

Employment base

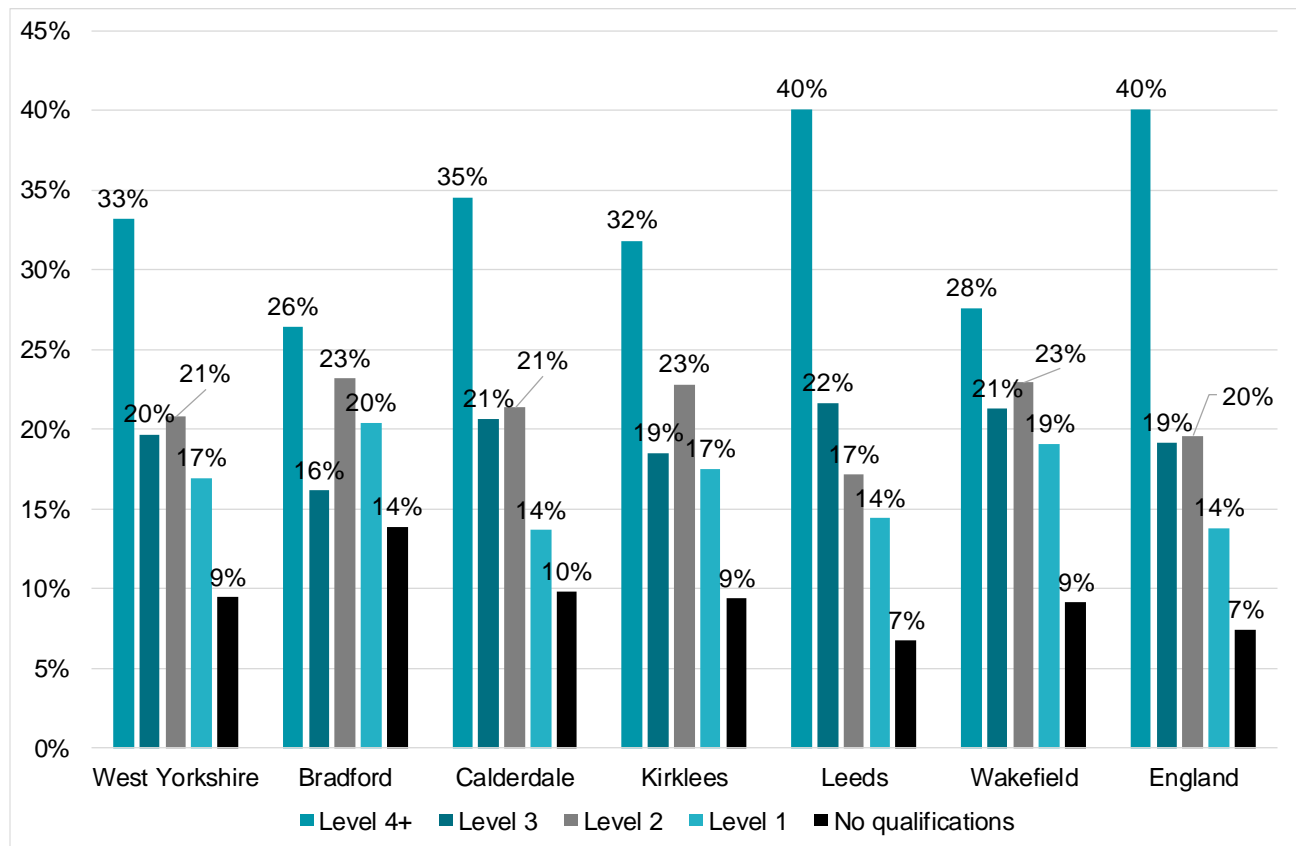
Employment by sector in West Yorkshire



Based on pre-pandemic data, health is the largest employer in absolute terms (140,000) followed by business administration / support, manufacturing, retail and professional services. Manufacturing and finance are key strengths of the local economy (as reflected in their location quotients which compare each sector's share of employment at a local level with the respective national average share). The fastest growing is the digital sector (including activities such as computer programming) and areas of professional services (such as legal and management consultancy) but also retail, hospitality and transport.

West Yorkshire skills profile

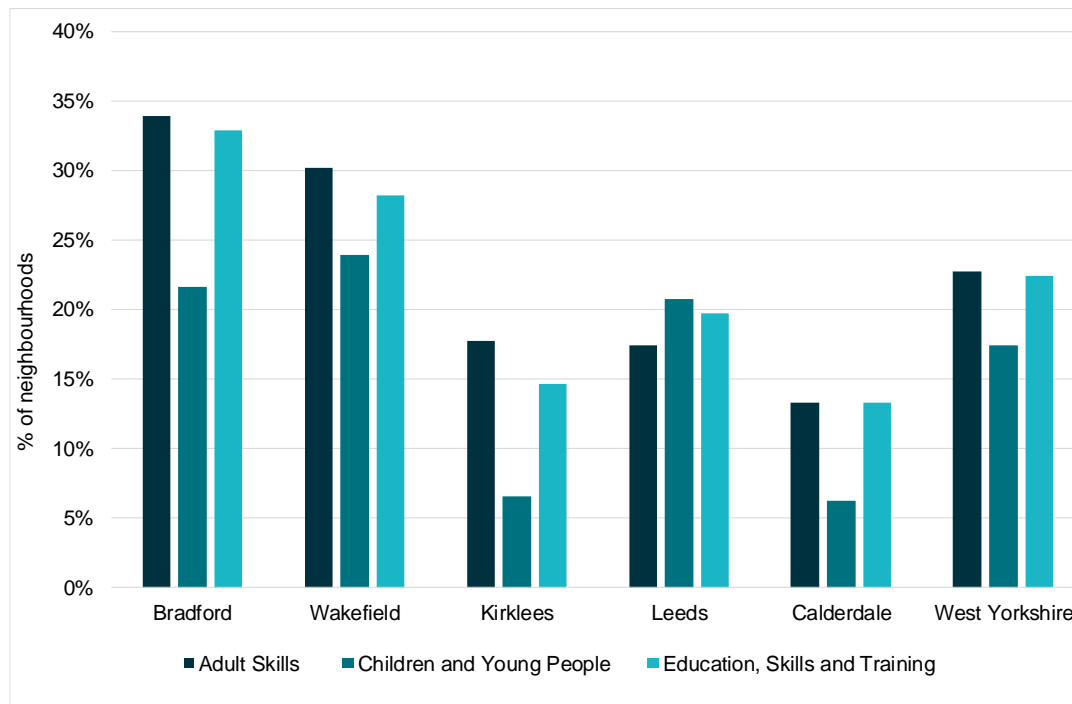
Profile of working age population by level of highest qualification held



Almost one-in-10 of the West Yorkshire working age population (9%) lack any formal qualifications (137,000 people in absolute terms). When people holding a qualification at below level 2 are included, the proportion increases to 26% (or 382,000 people).

West Yorkshire deprivation

Proportion of neighbourhoods in 10% most deprived nationally by domain



23% of West Yorkshire neighbourhoods fall into the most deprived decile nationally in terms of adult skills deprivation – more than twice the fair share. However, this proportion rises to around a third for Bradford and around 30% for Wakefield.

Potential impact of Covid-19 on the local economy and labour market

West Yorkshire economic forecast by Experian, developed as part of recovery planning: comparison of scenarios

	GDP growth	Unemployment rate	Real disposable household incomes	Employment growth
1 V-Shape	2020: -9.9% 2021: +14.1%	2020: 7.3% 2021: 6.1%	2020: -4.9% 2021: +4.8%	2020: -2.6% 2021: +1.4%
2 Delayed V-Shape	2020: -15.4% 2021: +14.9%	2020: 8.3% 2021: 8.3%	2020: -5.8% 2021: +3.9%	2020: -3.7% 2021: +0.2%
3 W-Shape	2020: -22.5% 2021: -8.9%	2020: 9.5% 2021: 14.7%	2020: -7.7% 2021: -6.9%	2020: -5.0% 2021: -6.0%

In the event of a double-dip recession (W-shape) unemployment could rise to a rate of 14.7% in 2021 based on Experian forecasts.

Current AEB performance

This section provides supporting evidence around the level and profile of current AEB-funded provision.

Education and training context

- The proportions of adults in West Yorkshire studying for a qualification (9%) or enrolled on an education course (7%) are both small - but similar to the national average in both cases. However, the prevalence of job-related training has been consistently below the national average in West Yorkshire in recent years.
- West Yorkshire adults with low prior attainment (no qualifications or qualified below level 2) are much less likely to be studying for a qualification, enrolled on a course or receiving job-related training than higher skilled adults.
- Workers in lower-paid / lower-skilled occupations in West Yorkshire are less likely to receive job-related training. For example, people employed in professional occupations are more than 3 times as likely as process, plant and machines operatives to receive training.

Funding overview

- ESFA estimates that West Yorkshire's baseline figure for AEB funding for 2017/18 academic year was £63m
- The latest data available, for 2018/19 academic year, shows that usage in West Yorkshire rose to £65.7, of which £51m was drawn down for Skills formula funding, with a further £9m for Community Learning and £4m for Learner Support.
- Based on data for 2018/19 academic year, 85% of AEB funding was allocated to grant-funded providers with the remainder allocated through contracts for services.
- It is estimated that approximately 38% of Skills funding was used to meet statutory learner entitlements in 2018/19 (excluding entitlements for the unemployed).

The provider base

- The provider base catering for AEB-funded learners in West Yorkshire is large, with 268 organisations involved as prime contractors in 2018/19. The funding value for most providers was small, however, with a median value of £15,000.
- Around £9m (18%) of total Adult Skills funding was used for subcontracting in 2018/19, a reduction on the figure for 2017/18. However, there is apparent scope for further rationalisation of sub-contracted provision.
- £9m of grant funding (17% of the total) was routed through providers outside of the Leeds City Region, with the majority of this ultimately being subcontracted.
- In addition to this £2.8m (5%) of grant funding was received by providers based in the wider Leeds City Region, of which around £0.5m was subcontracted.
- £4.1m of Adult Skills provision was delivered via distance learning, primarily to employed learners and with a strong focus on health and social care aims.

Profile of provision

- Basic skills provision accounted for £18.3m of Education and Training funding and 36% of all learners participating via this strand. Maths was the largest element by volume of learners but ESOL was the largest area by value.
- The vast majority of AEB-funded learners pursued lower level learning in 2018/19; either below level 2 or at level 2 via the Education and Training strand; or at an unassigned level via Community Learning.

- AEB-funded provision is narrowly concentrated in subject terms, with the major focus being on Preparation for Life and Work, Health and Social Care, Administration and, in the case of Community Learning, Arts, Media and Publishing. Around 30% of participants on Community Learning were pursuing an aim linked specifically to Preparing for Work.
- Participation on digital courses has fallen by a quarter since 2016/17, which is significant in view of the forthcoming introduction of the digital entitlement.

Profile of learners

- Approximately 65,000 West Yorkshire learners were supported by AEB funding in 2018/19 – 44,000 through the Education and Training strand and 21,000 through Community Learning.
- Around 40% of AEB-funded learners were unemployed and actively seeking and available for work in 2018/19.
- AEB-funded provision appears to be effective in engaging with groups that are disadvantaged in the labour market, with strong representation of women, disabled people, people from ethnic minority groups and people with low prior attainment.

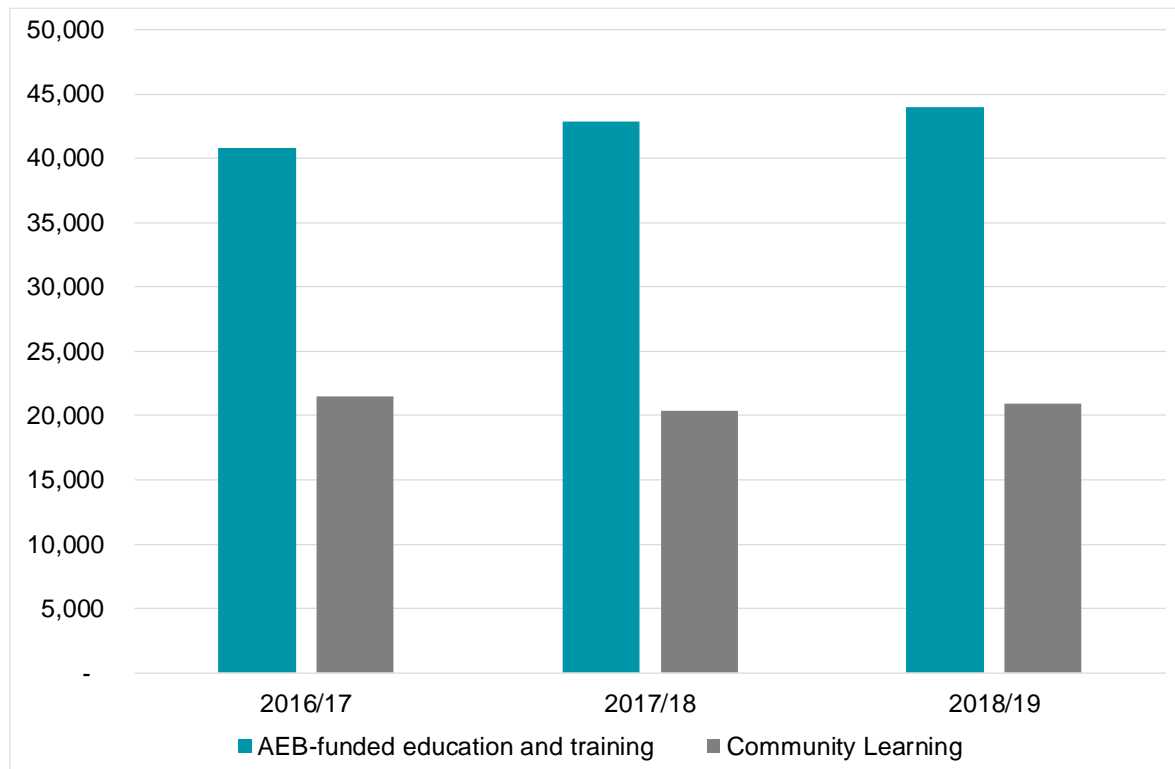
Outcomes

- 19+ Education and Training overall achievement rates for all five West Yorkshire districts are similar to the national average. Among the West Yorkshire-based grant-funded institutions 19+ overall achievement rates range from 78% to 93% (relative to the national average of 89%)
- Figures from the Outcome-based Success Measures dataset for West Yorkshire show that the majority of districts fall slightly below the national average in terms of sustained positive destination rates, whilst pay outcomes are variable, with two districts above the national average but others well below.

Key facts

Learner volumes

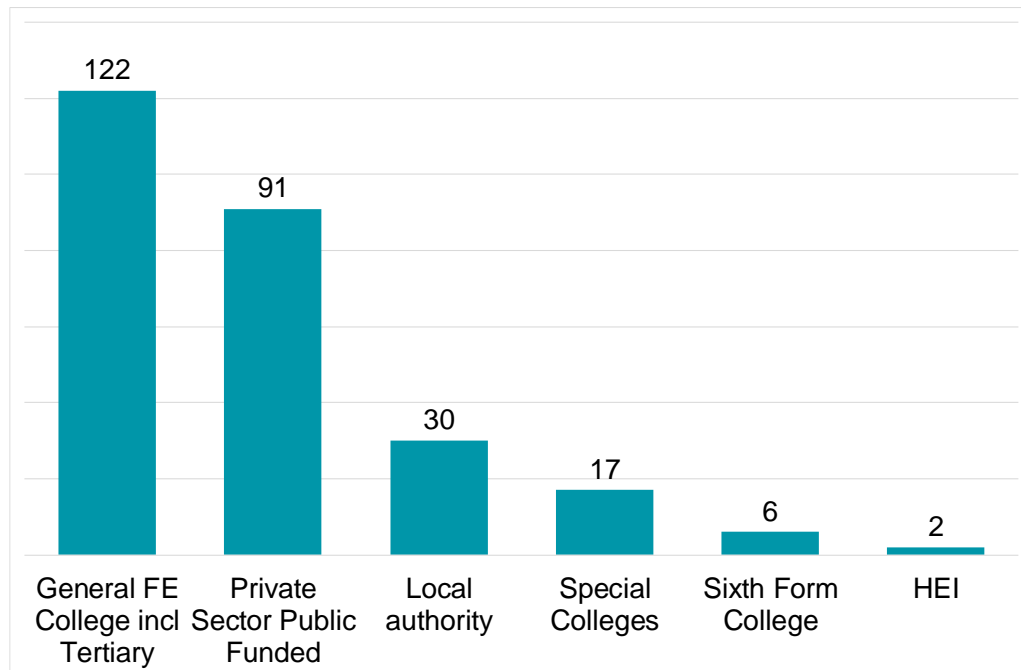
Trend in participation in AEB-funded provision in West Yorkshire



In 2018/19 academic year 43,970 individual learners participated in AEB-funded Education and Training provision, with a further 20,930 learners participating in Community Learning. This gives a total participation figure of 64,900 learners. The level of participation in West Yorkshire has remained fairly stable over the last three years.

Provider base

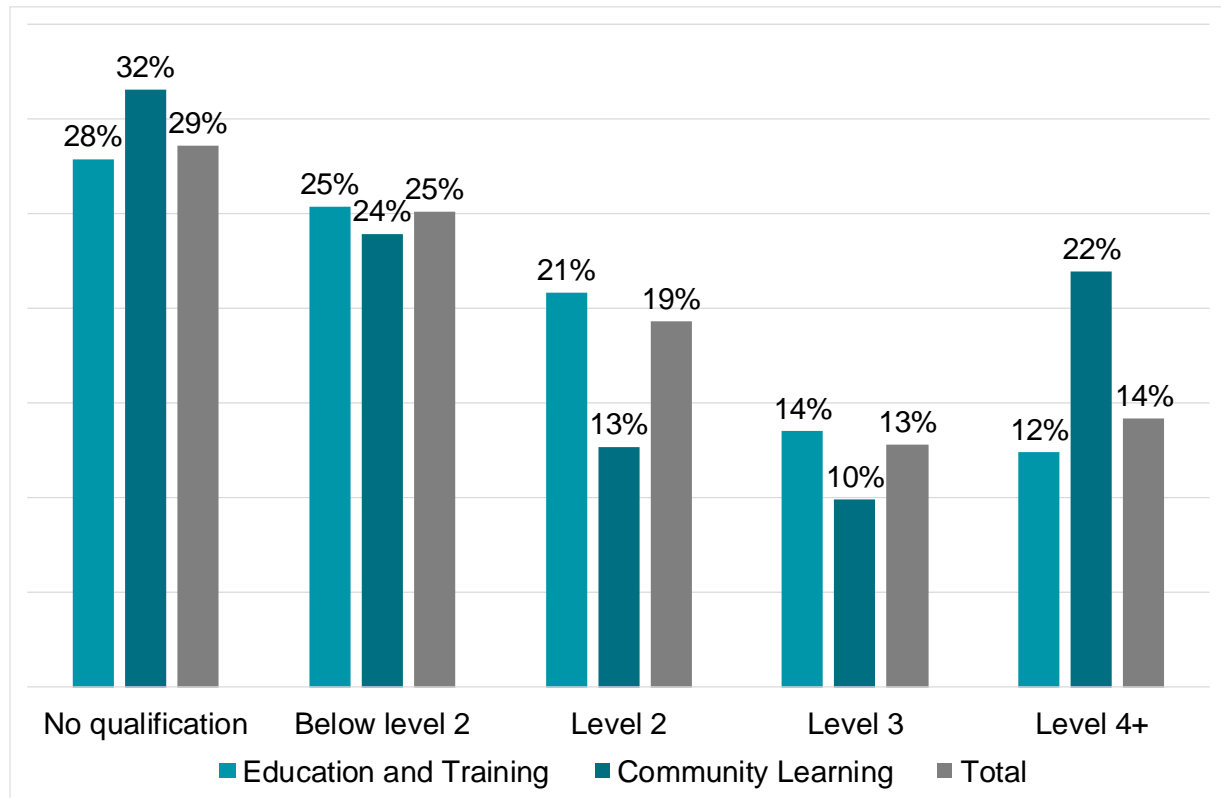
Number of providers delivering to AEB-funded learners in West Yorkshire by provider type, 2018/19 academic year



268 providers were involved in AEB delivery in West Yorkshire in 2018/19 - 248 in the delivery of Education and Training provision and 50 in the delivery of Community Learning, with 30 delivering both types of provision. The vast majority of providers (93%) were based outside West Yorkshire.

Learner profile

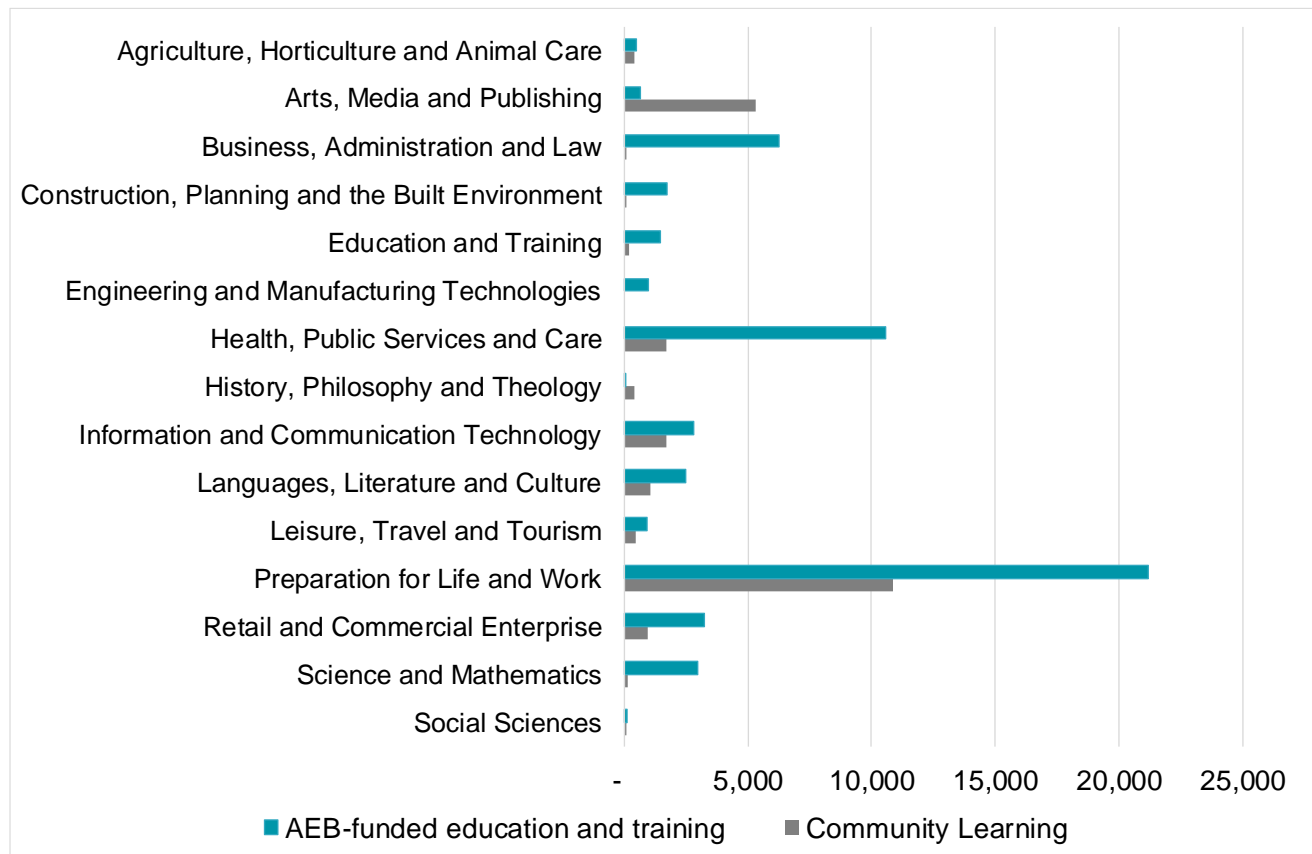
Profile of learners by level of prior attainment, 2018/19 academic year



A majority of learners (54%) held no qualifications or were qualified below level 2 in 2018/19. 14% had prior attainment at level 4, rising to 22% for Community Learning participants.

Profile of provision

Participation by Sector Subject Area and strand, 2018/19 academic year



Source: ESFA Localities Cube

Preparation for Life and Work is the largest subject area for both Community Learning and Education and Training, accounting for more than half (52%) of Community Learning participation and 48% of Education and Training learners. Other key subjects included Health and Social Care, Administration and Arts, Media and Publishing (Community Learning).

Our Strategic Approach to AEB

The Combined Authority has built extensive collaborative partnerships with colleges, Universities, training providers, employers, community organisations and Local Authorities in developing partnership programmes that tackle skills gaps and address disadvantage across and within the districts. The devolution of AEB allows us to build on these relationships and improve the impact of the funding spent in West Yorkshire.

Our approach is informed by extensive analysis of the full academic year data for 17/18 and 18/19, stakeholder and provider engagement, learning from other Mayoral Combined Authorities on their own implementation experience, and our broader knowledge and activity within the wider skills landscape. As we take on the responsibility for and management of the Adult Education Budget delivery, our performance management strategy and access to delivery data will deepen our understanding of the impact, and further inform our approach.

The devolved Adult Education Budget will enable us to:

- Make the skills system more responsive and accessible through stronger local influence with all training providers
- Focus on our 'place', and ensure the right training and support offers are made to fill the skills gaps which are most prevalent locally
- Deliver a more efficient system by focussing on quality of provision and the impact it has on learners
- Make sure learning opportunities are joined up to local progression opportunities in life and work
- Work closely in partnership with providers to bring together planning of the wider skills and post-16 education system

Skills System: Local and National alignment

We are clear that the Adult Education Budget is a cornerstone of investment in the adult skills system. We must be cautious to avoid overstretching an already oversubscribed budget, but our commissioning must be underpinned by the ability to flexibly respond to constantly changing economic needs and challenges.

In commissioning the Adult Education Budget, we will consider its delivery alongside the wider investment in skills which continues to be managed by the Department for Education and Education and Skills Funding Agency: Careers services, Apprenticeships, Higher Education, Adult Learner Loans, Traineeships, Offender learning.

We welcome the Government's commitment in the devolution agreement to seek our views on the forthcoming National Skills Fund, to engage with us on the Future Ready Skills Commission priorities and to explore opportunities for the alignment of local and national programmes in the post-16 skills agenda. All of these funds play a role in Employer and Individual investment in skills.

We look forward to engaging with national and regional colleagues to ensure these funds, along with the planned UK Shared Prosperity Fund, align to create a comprehensive skills offer truly focussed on local needs and challenges: tackling inequality and disadvantage while driving prosperity and opportunity. We see Adult Education Budget as investment in skills foundations: providing outreach in communities, first step and progressive learning to build careers.

Local Knowledge and impact

Outside of their delivery function for Adult Education Budget, our Local Authorities are key strategic partners in increasing the impact of this Funding through devolution. They have a key leadership role in place-shaping and the investment of public funds, alongside specific responsibilities in Education and Training. Local Authorities have a unique insight into local need, funding usage and the impact of Adult Education Budget within their area. The Combined Authority will work closely with Local Authorities: their expertise and experience will help to ensure delivery meets local needs, and proposes the following:

- We will work closely with our Local Authority colleagues in developing the Commissioning plan. The Evidence base will be produced at a Local Authority level, to consider current usage against area priorities: alongside the West Yorkshire Strategic Priorities, Adult Education Budget has a clear role in supporting the aims of Local Authority Employment and Skills Plans.
- Experienced Local Authority colleagues with a strategic or policy role will be involved in the procurement process to help assess provider offers against local need.
- Once commissioned, Local Authorities will also be invited to relevant Performance Management meetings, developing the strategic partnership approach across the region, upon which we can build a better network for learner support and progression.
- We will develop AEB Partnership Boards in each district to ensure that provision is delivering the AEB Strategy and contributing to wider West Yorkshire and Local Authority strategies. These partnership boards will be open to all AEB deliverers, allowing stakeholders and providers to meet regularly to discuss new provision, emerging needs, ensure that delivery is evolving and routed towards community requirements and identified gaps, and avoiding duplication.
- The AEB Partnership Boards will link effectively into the existing Local Authority Employment and Skills Boards to ensure local stakeholders have oversight and input into AEB performance.

We are keenly aware that allocations to areas are based on historical use, and therefore provider behaviour, as opposed to being defined by area needs. We will seek to address this over time, while remaining cautious not to disrupt provider stability or learner choice. This will need constant monitoring as the economic circumstances, and therefore needs, change within areas.

Throughout the implementation years we will monitor the effectiveness of all providers against their delivery plans and the alignment to area needs and Employment and Skills Plans. As outlined below, we will retain in-year responsiveness funds to allow us to respond flexibly to address emerging needs and changes to the labour market. We will utilise data analysis, performance management, growth requests and future procurement rounds to continually evaluate and align the total funding allocation against strategic priorities and the balance of district needs.

Stability in the System

While we have ambition to improve the impact Adult Education Budget has in our area, we are mindful of need to first fully understand the current impact, and moreover to maintain a level of stability within the provider base, ensuring that commissioning decisions do not inadvertently close off skills opportunities for learners. This is particularly pertinent given the shocks being felt within the skills and training sector during the Covid-19 pandemic, and still evolving impact on West Yorkshire businesses and communities.

We will maintain stability in the system in the following ways:

- Continuing to fund the statutory requirements which provide adults with skills that are core to their employability and personal development:
- First full qualification at level 2 for individuals aged 19 to 23
- First full qualification at level 3 for individuals aged 19 to 23
- English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* - C or grade 4, or higher
- The new digital skills entitlement up to and including level 2, for individuals aged 19 and over (from August 2020). Furthermore, we will work with providers as this digital entitlement embeds to analyse uptake and ensure it impacts on local skills levels

Around a third of AEB formula Funding is currently used to support statutory entitlements in West Yorkshire, this is likely to increase as the digital entitlement comes online

Continue to prioritise funding for:

- Unemployed eligibility: prioritising funding to unemployed individuals to undertake learning programmes up to Level 2 which support them to move into work
- Low wage eligibility: similarly, prioritising funding for those earning less than £16,009.50 to develop new skills up to Level 2, helping them to sustain work and progress
- We will work with our provider base to understand the barriers to accessing work which these people face and help to develop programmes which meet individual and employer needs across West Yorkshire.
- Establish grant agreements and commission contracts for a year, with the option to extend for further years subject to funding and performance.
- Maintain consistent rules and funding availabilities for Learners with Special Education Needs and / or Disabilities (SEND), expecting providers to make appropriate assessments and ensure provision is accessible to all West Yorkshire residents.

Currently, just over 65% of AEB formula funding is used to support learners in West Yorkshire who are not in work. We anticipate this to rise following the impact of Covid-19

Over time the Combined Authority, under direction of the Mayor, will develop further freedoms and flexibilities afforded by devolution and respond to the ever-changing circumstances within our local economy. Throughout the first few years of implementation, we will work strategically with key partners to build a robust evidence base to improve the targeting of funds.

Annual reviews will be undertaken of our funding rules, rates and eligibilities, with due consideration of evolving ESFA and MCA policy. We will consult with the provider base on suggested changes to the rules, to understand any unforeseen impacts prior to implementation.

Principles for commissioning

Our core set of commissioning principles will:

- Seek to align Adult Education Budget expenditure with the residents and places that are most in need, and/or that will see the greatest impact from investment in skills
- Focus on learner outcomes and their opportunities for progression as the key 'intent' for all delivery
- Balance the need for the funds to unlock inclusive growth while improving productivity across West Yorkshire
- Throughout the initial years of implementation, support the core readiness conditions of the AEB devolution deal and provide stability within the system
- Increase the effectiveness of fund management, by developing a localised strategic partnership approach across the delivery network and wider skills system
- Engage with training providers to understand their offer, and their potential to improve skills delivery across West Yorkshire
- Ensure contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including subcontracting and consortia building, where appropriate
- Minimise levels of bureaucracy that would impact on learner choice and provider delivery by considering efficiency and practical approaches to commissioning, partnership management and cross-border agreements
- Incorporate learning from the existing evidence base, alongside consultation with stakeholders, employers, providers and learners to highlight areas where funds could be better invested to benefit all

Expectation of provider values and behaviour

The Combined Authority has a clear strategic leadership role with regard to the local skills system, in ensuring that skills investment is driven by employer needs and the current and future profile of labour market opportunities.

Through localised contract management and by building on West Yorkshire's existing partnership and networks, we aim to develop effective, high trust relationships with providers, delivering positive long-term impact for West Yorkshire learners.

Key values and behaviours that should underpin the delivery network:



Place-based

Develop a place-based curriculum offer and wrap-around support with a clear focus on learner progression.



Outstanding

Strive to deliver Outstanding provision that puts the needs of learners and employers at the centre of delivery



Partnership

Work with partners and stakeholders in a positive and effective way, sharing best practice and improving the impact of skills system across West Yorkshire



Openness

Communicate openly and transparently with stakeholders, learners and partners



Progression

Develop approaches and partnerships which support adults to progress and prosper within their communities and employment



Subcontracting

Subcontract with integrity and ensuring that positive outcomes for learners and employers is at the heart of all arrangements

Funding arrangements

Route 1 - Grant Allocations – West Yorkshire	Route 2 - Grant Allocations - Leeds City Region	Route 3 - Contract for Services
<p>We will 'roll-over' Grant Agreements with providers who hold an existing Grant agreement with ESFA and meet the following criteria:</p> <ul style="list-style-type: none"> • Are wholly or mainly funded by the public purse • Have an established place-based approach that supports West Yorkshire's strategic ambitions • Have a head office in West Yorkshire <p>To recognise the change in allocation values and provider behaviour over time, and support stability within the system we will grant fund these providers by applying the proportion of their 2018/19 allocation that was spent on West Yorkshire learners to the 2020/21 allocation. This approach uses the most up to date evidence base for funding usage in West Yorkshire that is available.</p>	<p>In the initial years of implementation, the Combined Authority will continue to support Grant providers from the wider Leeds City Region that:</p> <ul style="list-style-type: none"> • Are wholly or mainly funded by the public purse • Have an established place-based approach that supports West Yorkshire's strategic ambitions • Deliver significant volumes of activity within West Yorkshire and support existing travel to learn patterns • Have a head office in Leeds City Region¹ <p>This reduces the need for cross-border agreements and supports learner choice.</p> <p>Grant providers from the wider Leeds City Region will not receive continued funding for their subcontracted provision to West Yorkshire residents.</p>	<p>The remaining AEB funds will be procured through competitive tendering processes.</p> <p>The majority will be procured through a commissioning round commencing in Autumn 2020, focusing on:</p> <ul style="list-style-type: none"> • Delivering legal entitlements • Supporting the unemployed to progress into 'good' jobs • Supporting in-work progression of those on low wages • Upskilling employed adults to progress in the workplace • Test pilots to address skill gaps and/or trial new learning methods <p>A Responsiveness Pot will be retained for commissioning specific initiatives from August 2021, ensuring that West Yorkshire's skills delivery remains flexible and can respond to economic shocks and opportunities as they arise</p> <p>Contracts for Services will be issued for one year (AY 2021/22), with the option to extend for further years. The extension will be subject to provider performance, skills policy and funding availability.</p>

¹ An exception will be made for Specialist Designated Institutions which deliver Community Learning and have administrative offices in the West Yorkshire area, whereby their Grant Agreement will be extended for two years, pending the review of Community Learning.

Irrespective of route:

- Providers will develop an Annual Delivery Plan for year 1, including expected volumes of learners by sector and district, profile of delivery across the year and all planned subcontracting arrangements.
- Providers with a significant contract value will be expected to co-develop a Delivery Agreement with the Combined Authority that demonstrates their commitment to West Yorkshire's Strategic Aims.
- Growth requests will be available for Year 2, subject to funding availability and provider performance.
- A 3% tolerance² will not be available on allocations however, we will look to support growth requests in year where possible.

Cross border learners

Maintaining learner choice and the access to appropriate provision is paramount in the successful devolution of Adult Education Budget.

Out of Area Grant providers

In the initial years of implementation, the Combined Authority will continue to support Grant providers from the wider Leeds City Region that support travel-to-learn patterns and/or deliver directly into West Yorkshire Communities. Through partner and learner consultation we will seek to further understand travel-to-learn patterns and consider whether transport services or place-based solutions could provide a more appropriate solution. The continuation of these agreements seeks to minimise the need to establish new bureaucratic processes and supports learner choice to travel outside of West Yorkshire for their education and training.

Grant providers from the wider Leeds City Region (and the rest of England) will not receive continued funding for their subcontracted provision to West Yorkshire residents. This funding will be reallocated into the procurement allocation, recognising that the funding is ultimately delivered by independent training providers.

Grant providers outside the Leeds City Region will not have their agreement automatically renewed, but will have the opportunity to secure a contract for services through the competitive procurement process. Data would indicate that this approach would have minimal impact on the provider base, given the relative proportion to their overall grant and there has been no opposition to this approach voiced through consultation.

In 18/19 Grant Agreements accounted for 85% of Adult Education Budget Expenditure in West Yorkshire (including providers outside the Leeds City Region).

By rationalising the number of Grant providers funded by West Yorkshire we aim to retarget 17% of this (approximately £9.2 million based on 18/19 data).

² ESFA's national policy currently allows a 3% tolerance on underperformance and payment up to 3% for over-performance. Given the desire to maximise value for money and impact, alongside the limitations of the scale of the budget for West Yorkshire, we cannot guarantee over payments or commit to paying for under delivery.

Out of Area Learners

The Combined Authority will only have responsibility and funding to support West Yorkshire learners. Learners travelling into West Yorkshire from other regions will require the provider to have a national contract or grant agreement with ESFA, or the MCA in which the learner is a resident. We are in discussions with Sheffield City Region to explore possibilities for cross-border agreements as they implement their own devolved budgets.

Proposed approach

Delivery Agreements

We are committed to joining up education and skills delivery across West Yorkshire. In addition to their AEB contract, we will co-develop Delivery Agreements with Grant holders and key contractors.

Delivery agreements are a two-way accord between the Combined Authority and Training Providers with aims and targets that align the wider skills provision in the area to our strategic aims, employer and community needs. We established Delivery Agreements with FE Colleges in 2016, considering them an important step in strengthening relationships with providers and influencing the curriculum offer to meet the needs of businesses and individuals.

Progress towards Delivery Agreements will be factored into performance management and future commissioning rounds. We will also conduct annual reviews of Delivery Agreements, whereby providers can highlight barriers to progress, actions they will take to respond and help inform the Combined Authority's future actions.

Subcontracting arrangements

The Combined Authority understands that subcontracting can play a critical role in providing outreach to communities, supporting non-traditional routes to learning, supporting the delivery of specialist and niche provision, and creating partnerships which benefit learner progression. Where approached strategically and with integrity, subcontracting can build capacity and support flexibilities across the sector.

- The value of sub-contracted funding in 2018/19 was £9.0m, 18% of total formula funding.
- 144 provider organisations were active as subcontractors in West Yorkshire, of which only 24 were based in West Yorkshire.
- 45% of subcontracted funding was allocated to providers who were also working as prime contractors within West Yorkshire.

However, analysis of subcontracted provision in 17/18 and 18/19 has highlighted some inefficient contracting practices that increase the value of management fees taken out of the learner focussed funding, duplication across providers, and that a minimal percentage of subcontracted delivery in West Yorkshire is considered specialist.

Acknowledging the benefits that subcontracting can provide, the Combined Authority wants to drive forward best practice in terms of the management of subcontracted provision and will include the following terms within all Grant Agreements and contracts:

- All subcontracted provision must be declared up front in Annual Delivery Plans, with a clear strategic rationale
- No additional subcontractors can be brought on board during the Academic year without prior approval from the Combined Authority

We seek to minimise management fees and focus funding towards the learners: no fees should exceed 20%.

The Combined Authority will closely monitor subcontracting activity throughout 2021/22 and 2022/23 to identify any subcontracted activity that would be more appropriate to be directly delivered by main providers.

New providers

While we welcome new approaches and may seek to widen the pool of specialist provision, it will be critical for all providers to demonstrate through the procurement process their approach to quality, any judgements made against their provision, their understanding of our Funding Rules and Formula and their capacity to engage with data submissions.

It is pivotal that the whole West Yorkshire delivery network has the capacity and capability to deliver from 01 August 2021. It may be that an arrangement with a Prime provider could support the capacity building and entry into the delivery market in the first instance.

Community Learning

The purpose of Community Learning is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:

- progress towards formal learning or employment
- improve their health and well-being, including mental health
- develop stronger communities

We are committed to outreach into disadvantaged communities and breaking down the barriers adults can face in accessing 'traditional' modes of provision. We will continue to invest in Community Learning through our Grant Providers, protecting the funding proportion allocated to Community Learning in West Yorkshire. In the first few years of delivery we will work with providers to better understand, measure and therefore champion this function within the Adult Education Budget.

DfE's national analysis identifies that a significant proportion of learners cycle around Community Learning programmes without progressing. This is not necessarily a bad thing providing that provision is focused on maximising the potential of the individual, but we need to work closely with providers to understand the intent and impact of their provision, focussing on progression.

We will work with Local Authorities to encourage local collaboration on a district level, where providers and community organisations work together to reduce duplication, cultivate multi-agency approaches based on provider strengths and develop pathways for learner progression.

Career Pathways

For the Adult Education Budget to impact on those furthest from the labour market, we must develop better linkages and pathways of provision for the benefit of learners.

We must increase the focus on learner destination and progression, and ensure all provision is underpinned by strong Information, Advice and Guidance with clear local relevance and live opportunities that have clear line of sight to a job.

Sustained positive destination rates are below the national average in Bradford, Calderdale, Kirklees and Wakefield

Qualification Eligibility

The ESFA's Hub contains details of eligible regulated qualifications, qualification components and non-regulated learning aims.

During 2021/22 and 2022/23, the Combined Authority will closely monitor the appropriateness and relevance of the eligible regulated qualifications, qualification components and non-regulated learning aims, with a view to the possibility of being able to fund provision not currently funded but which would have a strategic and economic benefit to West Yorkshire.

Test Pilots

The recent economic shock is likely to increase the call from our communities on the core functions of AEB, and we therefore anticipate that the majority of funding will be directed towards existing AEB functions: delivering legal entitlements; supporting the unemployed and those within the low wage pilot; and upskilling under-employed and low skilled adults to progress in the workplace.

That said, we are keen to explore flexibilities and new ways of working that could be expanded in future years. We will therefore include an opportunity to test and pilot initially small-scale new methods of delivery. For example, (but not limited to):

- Addressing access issues and increasing inclusivity for socially disadvantaged groups
- Units and modules of Level 3 or 4, which support progression to higher levels skills in areas with gaps
- Qualifications desired by local employers which are not approved on the Hub
- Flexible delivery models which reflect changing attitudes and modes of learning

Test pilots will need to adapt to changing skills needs. We will not be prescriptive. We are looking to the sector for their expertise, ideas and potential solutions to skills gaps and challenge.

Responsiveness Pot

We need to ensure West Yorkshire's Adult Education Budget provision remains agile in the ever changing economic picture and is in a position to quickly respond to shocks and new opportunities that arise. As such, a proportion of funding will be retained for responsive commissioning throughout 2021/22, as determined by the CA/LEPs Employment and Skills Panel. This pot would also have the potential to be used as match funding towards forthcoming government funds and/or utilised as growth funding for successful providers.

Level 2 entitlement for all

More than a quarter of the adult population is qualified below level 2 in West Yorkshire, almost 400,000 people

Level 2 qualifications provide a core basis for employability. To increase productivity in West Yorkshire we need to address the high number of adults who do not hold a level 2 qualification, in order to support them to progress further in the workplace.

The Combined Authority is minded to extend the entitlement for a Level 2 qualification to all ages, however we are conscious that this ambition must be balanced against the wider budget demands. The AEB Strategy Consultation outlined concern regarding the impact of the Covid-19 pandemic on unemployment levels and the need to reskill residents to find work in different sectors. Given the demands on the AEB budget anticipated in 2021/22 we will not extend the entitlement in year 1, but will review this position annually.

Distance Learning

The Combined Authority recognises the value of distance learning for some learners, in that it offers flexibility and accessibility to learning around work and home life. Flexibilities are also important in terms of the pace of study and as such, distance learning has a key role to play in the delivery of adult skills and training that can lead to career advancements, development and attainment. The advantages of this method must be balanced alongside learner needs in terms of support and access to equipment - i.e. digital capabilities and resources.

The Combined Authority will work with providers to understand distance learning implementation in Delivery Plans and their intent, closely monitoring distance learning activity in order to evaluate how it is meeting the strategic and economic needs of West Yorkshire learners and employers.

AEB Priorities and Outcomes

Priority	Objectives	AEB Specific Action	Outcome / Impact	Measures
Increase the supply of skills to support key sectors in West Yorkshire	<ul style="list-style-type: none"> • Increase number of people with basic employability skills (L2 & 3) • Increase number of people with higher level skills • Provide skills for key sector – decrease skills shortages 	<ul style="list-style-type: none"> • Provide people with L2 & L3 qualification relevant to employment market • Encourage progression to higher levels skills through good IAG and careers support (progression planning) 	Businesses in WY can access people with the right skills to help their business flourish	<ul style="list-style-type: none"> • Prevalence of skills gaps and shortages • Number of qualifiers by level and subject • Achievement rates by level and subject • Sustained positive destination rates • Pay outcomes • Progression to apprenticeships
Improve West Yorkshire's resilience by developing skills for the future	<ul style="list-style-type: none"> • Skills for climate emergency and changing economy • Boost basic and intermediate Digital Skills to support inclusion and workplace progression • Increase flexible methods of delivery 	<ul style="list-style-type: none"> • Support and widely promote the digital entitlement • Progression routes for digital career pathways • STEM and reskilling to support climate change agenda • Commission pilots with flexible modes • Resilience and career scoping underpins all delivery 	People have the skills needed to adapt to changing economy and business needs	<ul style="list-style-type: none"> • Take-up of digital entitlement • Take-up of skills for green economy and climate emergency • Impact of flexibilities on take-up of provision
Make learning more inclusive to support disadvantaged residents	<ul style="list-style-type: none"> • Increase participation and skills levels from disadvantaged communities and groups • Extend the reach of learning opportunities to a broader range of underrepresented groups • Build confidence of lower skilled learners to engage and progress in learning 	<ul style="list-style-type: none"> • Continue to support Community Learning, developing the Community Learning Trust model within Local Authorities • Provide foundation skills (employability, resilience, confidence) that support people to thrive and progress in society • Encourage the use of the innovation code to develop fit for purpose programmes 	<p>People can access learning which opens up new opportunities to participate within the economy</p> <p>Skills development and enhanced life opportunities for the economically inactive</p>	<ul style="list-style-type: none"> • Participation in learning by disadvantaged groups • Participation in Community Learning • Learner perceptions of impact of learning on their confidence, capability • Work with providers to develop progression measures for people remaining in learning

<p>Support the unemployed to gain and sustain employment</p>	<ul style="list-style-type: none"> • Increase participation of people in 'good work' • Connect unemployment support with skills development, working with Jobcentres 	<ul style="list-style-type: none"> • Provide people with English, Maths, and digital skills needed for employment • Commissioning Sector Based Work Academies with clear line of sight to a job • Commission progression focussed employability skills programmes with flexible delivery (locations) to build confidence of participants 	<p>Reduced unemployment and Universal Credit Claimants</p>	<ul style="list-style-type: none"> • Participation of unemployed in AEB-funded provision • Progression from learning into employment • Sustained positive outcome rates for benefit learners
<p>Unlock progression opportunities and career adaptability through skills, particularly for those on low wages and with insecure work</p>	<ul style="list-style-type: none"> • Improve career prospects of residents • Connect people to new job opportunities through increased skills 	<ul style="list-style-type: none"> • Commission in-work training programmes to support progression • Ensure quality IAG • Commission re-training for people in sectors undergoing structural change • Commission programmes which address skills gaps and link to sectors of opportunity within the City Region 	<p>Reduced number of people in insecure and low-paid work</p>	<ul style="list-style-type: none"> • Participation of low-wage pilot learners in AEB-funded provision • Take-up of provision linked to key sectors • Evidence of career progression among people in low-paid employment • Sustained positive outcome rates for low-wage and wider employed learners • Pay outcomes

Review and Evaluation

The AEB Strategy is a component part of West Yorkshire's Strategic Economic Framework and the Employment and Skills Plan. It will be reviewed after 3 years of delivery, allowing time for impact to be measured.

In advance of this, the AEB Strategy will have an interim review in Summer 2021 to ensure its priorities and ambitions support the newly elected Mayor's objectives.

The Employment and Skills Panel (which acts as West Yorkshire's Skills Advisory Panel) will review progress towards delivering the objectives annually, collecting evidence from:

- Data impact measures (these will be baselined from the 19/20 data)
- Analysis of labour market information
- Changes in provider behaviour, including wider skills system delivery
- Case studies of learner and provider success

We will look to undertake independent evaluation of key values and impacts. The annual evaluation process will align with our publication of Labour Market Information data and will feed into Delivery Agreement reviews, ensuring that strategic oversight feeds into those practical performance reviews. Progress reports submitted to the Employment and Skills Panel will be publicly available.

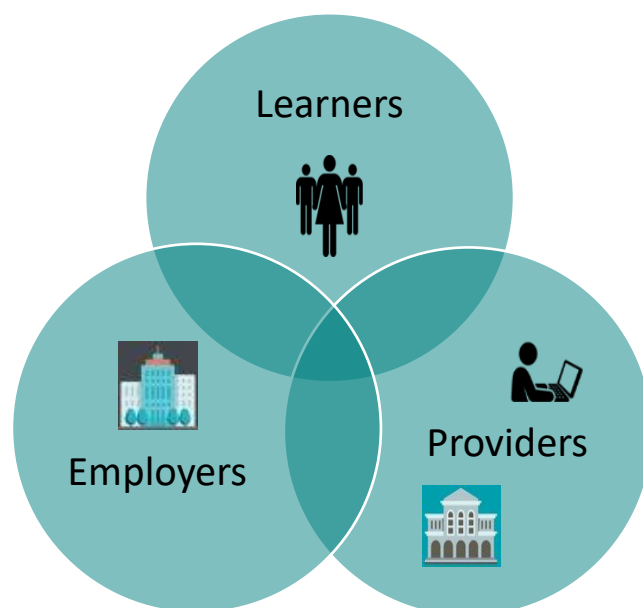
A formal refresh of the AEB Strategy will be undertaken in 2024. This will draw on the progress measures available from three years of delivery. The review will be led by the Employment and Skills Panel and supported by stakeholder and public consultation.



Stakeholder engagement and consultation

Key Stakeholders

The Adult Education Budget and the wider skills system are made up of three key groups of stakeholders:



- **Learners** are the primary beneficiaries of the Adult Education Budget, which exists to develop individual skills and prospects. They need to be able to access training that meets their immediate skills needs and encourages further learning to increase their skills. Training should be underpinned by strong Information, Advice and Guidance which equips adults with the information they need about the local labour market so that they can develop secure, well paid and rewarding careers, choosing the right training programmes for their future.
- **Employers** need access to appropriately skilled people who will drive forward their business. They are the key voice in charting the skills needs within West Yorkshire. Employers have a role in supporting learning within their organisation and in working with training providers to demand and shape their right training programmes. Not only do they need access to people with the right skills at the right time, they need to be able to provide in-work development opportunities to help staff advance to more responsible and better paid roles.
- **Providers** - training providers deliver skills to young people and adults through a range of programmes and funding schemes. We need to ensure that the systems we develop in West Yorkshire reduce bureaucracy and increase their access to local decision making, so that together we can improve the Skills System for the two key customer bases. Providers must be responsive to learner and employer needs in developing and evolving their training programmes, ensuring that the skills provided meet needs now and into the future.

Consultation

This AEB Strategy has been developed with strategic input from the Leeds City Region Enterprise Partnership's Employment and Skills Panel, which includes representatives from Employers, Training Providers and Local Authorities. We would like to thank the MCAs who have shared their learning, experience and good practice with us, which has helped to shape our approach.

A public consultation was held on the draft AEB Strategy throughout May - July 2021, which involved an online survey, supported by webinars, virtual focus groups and 1:1 interviews with learners and employers. Focus group discussions were held with strategic stakeholders and training providers.

An independent consultant was engaged to carry out some of this engagement, and to prepare an analysis of all consultation returns.

The findings of the consultation informed the review and amendments of this AEB Strategy.



Find out more

westyorks-ca.gov.uk

West Yorkshire Combined Authority

40-50 Wellington House,
Wellington Street,
Leeds,
LS1 2DE

All information correct at time of writing (August 20)

This page is intentionally left blank



Report to: Employment and Skills Panel

Date: 14 September 2020

Subject: **Emission Reduction Pathways**

Director: Alan Reiss, Director Policy, Strategy and Communications

Author(s): Jacqui Warren

1. Purpose of this report

- 1.1. To start a conversation with the Panel on its roles in tackling the Climate Emergency.
- 1.2. The panel is asked to consider the actions in the refreshed Employment and Skills plan that can address the Climate Emergency.

2. Background

Man-made climate change

- 2.1 There is scientific consensus that currently observed global warming is overwhelmingly a result of human influence, being significantly over and above the warming caused by natural factors alone¹.
- 2.3 Human and natural systems are already being impacted by climate change with flooding, droughts, heatwaves and crop yield reductions all being experienced more frequently. West Yorkshire has suffered the impacts of climate change having experienced catastrophic flood events over the last 10 years, causing damage to residents, communities and businesses. Further warming will make these types of event even more common.
- 2.4 There is a clear and compelling rationale to mitigate and adapt to a changing climate, which is why addressing the climate emergency is one of the Combined Authority's and West Yorkshire councils' key priorities.

¹ IPCC (2014) Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

- 2.5 The Combined Authority started to tackle climate change in 2016 through the Strategic Economic Plan's ambition to be a carbon zero economy. A regional energy strategy and delivery plan was developed in 2018 to accelerate action. However, the Combined Authority and LEP declared a climate emergency and strengthened the West Yorkshire emission reduction target in July 2019. The strengthened target commits the region to be net-zero carbon by 2038, with significant progress by 2030. The task is challenging and will require significant and swift action to decarbonise all sectors, but it is possible. The City Region's climate related work is outlined [here](#) in detail and includes:
- Energy Strategy and Delivery Plan (2018)
 - Resource Efficiency Fund and new Re-Biz - business energy efficiency support programme
 - The Energy Accelerator – low carbon project development support service
 - Travel Plan Network – business support programme
 - New Transforming Cities Fund – wide range of new transport schemes
 - Up to 5000 homes installed with energy efficient measures through Better Homes Yorkshire
 - 88 ultra-low emission vehicle charging points being installed.
 - £1.7m of funding spent on natural flood management schemes

Leeds City Region Local Enterprise Partnership's Role(s)

- 2.6 As tackling the Climate Emergency is everyone's responsibility it cannot only fall on the Leeds City Region's Green Economy Panel to address it. In June 2020, a [report](#) was endorsed by the LEP Board recommending that all Panels develop actions to play their part in tackling the Climate Emergency. It also endorsed the recommendations for all panels to:
- receive the findings of a carbon reduction pathways study to help them determine the key actions to explore; and
 - nominate a Champion to support this work.

This report also identified a range of potential areas that this panel could consider. This paper builds on this commitment and aims to start a conversation with the Panel on the roles they may wish to play.

Carbon Emission Reduction Pathways (CERP)

- 2.7 A West Yorkshire CERP study was commissioned to demonstrate the different ways in which the climate emergency could be addressed, and the strengthened target of 2038 met. It was also commissioned to provide guidance to West Yorkshire councils and businesses on the ways they could address their own climate emergency declarations and targets.
- 2.8 The findings outlined below are the outcomes of the first part of the study and will be built on in the subsequent tasks of the study.

Key findings

- 2.9 The key findings are informed by a comprehensive and detailed technical report, these have been distilled into a number of key messages:
- West Yorkshire could meet its net zero carbon target by:
 - Achieving emissions savings of between 73 and 82 percent by 2038 through the measures that have been modelled across the three future emissions reduction pathways.
 - Reducing remaining emissions through a combination of increased ambition in the deployment of certain measures (e.g. tree planting, renewable electricity generation, maintaining COVID-19 levels of remote working) and/or applying innovative emission reduction technologies (e.g. capturing carbon dioxide directly from the air and either using it for a specific purpose or storing it underground).
 - Businesses, the public sector, and communities will need to work together to deliver the measures outlined in the study.
- 2.10 The key findings of the study allow us to start on a pathway towards net-zero carbon by 2038 and to focus, in the short-term, on those common actions which are identified in all the pathways. These include:
- Reducing the demand for travel by private car and increasing the levels of walking, cycling, bus and train travel, and remote working.
 - Retrofitting energy efficiency measures to nearly 700,000 homes and installing heat pumps in over 300,000 dwellings.
 - Generating enough electricity from onshore wind and solar PV to cover the electricity demand of over 162,000 homes.
 - Investigating how carbon capture and storage technology can be applied to energy from waste, glass and chemicals facilities.
 - Increasing the area of woodland / forest coverage by 170 hectares.
- 2.11 The full results can be viewed [here](#). A new Tackling the Climate Emergency Action Plan will be consulted on later this year, ready for adoption by the LEP and Combined Authority in Spring 2021.
- 2.12 Delivering these actions above will have the potential to create employment and skills opportunities in areas such as retrofitting energy efficiency measures in homes and buildings, onshore wind and largescale solar, innovative technologies, and in flooding and nature recovery – i.e. tree planting. **Appendix 1** provides an overview of some actions and what they could mean for residents, communities, and businesses in the region. It also begins to suggest areas of potential for future employment and skills opportunities, including building the supply chains, with a skilled workforce, to deliver energy efficiency measures to nearly 700,000 homes and install heat pumps in over 300,000 dwellings by 2038.

Economic Recovery

- 2.13 On 27 July 2020 the Combined Authority approved the West Yorkshire Economic Recovery Plan, including a net-zero carbon transition proposition. This aims to accelerate and unlock significant economic benefits such as jobs, skills and business opportunities through transitioning our economy to net zero carbon. The LGA² have estimated that 42,000 jobs (over 70,000 by 2050) could be delivered in low carbon sectors in West Yorkshire by 2030, representing a major opportunity as we recover from the COVID-19 crisis.

The proposition asks government for support of just under £200m, including:

- Capital funding for a range of low/zero carbon projects
- The development of a longer-term low carbon investment pipeline
- £10m for the development of a net zero carbon skills (STEM) partnership and workforce fund (based on the activity within the developed pipeline). See below and attached in **Appendix 2**.

Towards Net Zero Carbon Skills (STEM) Partnership

Coordination post to bring together partners from education, skills and employers to assess the needs to support the development of future skills and jobs requirements needed for a net zero carbon economy and to ensure a just transition for jobs at risk from decarbonisation.

This includes:

- Coordinating a programmes of careers and inspiration activities with employers to raise awareness of the importance of STEM skills and to address the future demand for green jobs. To offset the gender stereotypes embedded by the age of 7 this activity would be for Early Years, primary and secondary aged students and their parents, carers and teachers.
- working with SMEs to identify skills requirements and opportunities to retrain / upskill the existing workforce.

Local Towards Net Zero Carbon Skills (STEM) - Pilot a 'Workforce Fund' - 2022 (£10m) to:

- Address locally identified skills gaps; supporting employers to recruit to hard to fill vacancies requiring specialist STEM skills
- Improve engagement between employers and training providers; building capacity to co-design & co-deliver training which can be sustainable
- Support West Yorkshire residents to enter/retrain into skilled digital jobs and progress their careers through gaining good quality work
- Diversify the net zero carbon jobs talent pipeline by embracing new methods of recruitment and flexible ways of delivering training

² Ecuity Consulting (2020) Local green jobs – accelerating a sustainable economic recovery. A report for the Local Government Association (LGA)

Potential roles for the Employment and Skills Panel to play

- 2.14 Decarbonising our economy will result in a range of employment and skills opportunities as new industries and roles emerge. Work around the City Region's Energy Strategy and Delivery Plan and the Clean Growth Audit have identified a growing clean growth sector in the City Region, and the Combined Authority has begun to understand the current and future employment and skills opportunities. **Appendix 1** summarises some potential areas but there is a clear need for a Net Zero Carbon Skills Partnership (see para 2.13) to fully understand the opportunities and current skills gaps. The Energy Strategy estimated that over 100,000 jobs could be created through taking early action to decarbonise the City Region. However, more work is needed to understand the potential. The LGA also estimated that 42,000 jobs (over 70,000 by 2050) could be delivered in low carbon sectors in West Yorkshire by 2030. The report also highlights gaps in skills in areas such as solar and a range of technician roles. Most recently two billion pounds has been announced to support energy efficiency improvements in homes over the next two year, however, the supply chains and skills needed to deliver this funding are not in place. Therefore, decarbonising our economy present a huge opportunity for this Panel to consider exploring in detail, especially in its current and future Employment and Skills Plan and other planned work.
- 2.15 The panel is specifically asked to consider the actions that need to be undertaken in the refresh Employment and Skills plan so it can support the LEPs plans to tackle the Climate Emergency. The Panel are also asked to identify any net zero carbon skills related opportunities (see Appendix 1) that are important to them and to identify any known current gaps, especially in training provisions.
- 2.16 The Future-Ready Skills Commission has highlighted the importance of retraining and maintaining a blend of transferable skills that will be needed in the future, including as we move towards a net-zero economy. It has also highlighted concerns around individual and employer investment and confidence in retraining where line of sight to a job is not obvious.
- 2.17 The LEP's commitment to inclusive growth is particularly important as the economy recovers from COVID-19 and transitions to net-zero carbon, as changes in demand for skills, new opportunities and availability of jobs can impact both individuals and communities. Research by the London School of Economics demonstrates the need for this to be an inclusive process, delivering social justice for workers, communities and consumers: this is the agenda of the just transition.
- 2.18 According to IPPR, decarbonisation holds huge opportunities for the north of England. The North has a leading low-carbon goods and services sector - accounting for around a third of all jobs in the sector in England. It has world-renowned universities and leading expertise in technologies such as nuclear power, hydrogen and offshore wind. This is matched by the many historic, geographic and geological advantages that exist in the region. In short, there

is substantial potential for the north of England to become the new heartland for a low-carbon energy economy.

- 2.19 Up to 46,000 jobs could be created by 2030 just in the power sector (IPPR). However, such an outcome is not guaranteed. Decarbonising the economy, if managed badly, carries significant risks. As home to the majority of coal and gas power stations in England, the North could suffer approximately 28,000 job losses in the coal, oil and gas industries by 2030. This is without considering the other potential job losses in high-carbon energy intensive industries and the wider economic and social implications that the loss of industry can bring about. In the past, industrial change has been poorly managed, including in the north of England, resulting in regional inequalities. But a well-managed 'just transition' could build on the economic strengths of the north of England and deliver a high-skill, high-wage, low-carbon economy of the future. Therefore, there is a range of opportunities for the Panel to consider exploring.
- 2.20 As seen above, there is now an emerging set of data from a number of studies that can help to establish the employment and skills opportunities that the zero carbon sector could offer our region. This work needs to be fully reviewed and should feed into the Net Zero Carbon Skills Partnership work above (subject to securing the funding).
- 2.21 Therefore, there is a range of opportunities for the Panel to consider exploring in conjunction with other LEP Panels. This is not an exhaustive list. The Panel is also asked to raise any other areas it is interested in exploring.

3. Clean Growth Implications

- 3.1. The work described in this report is central to ensuring that the City Region understands how it can decarbonise key sectors by 2038 and make significant progress by 2030. Results of the study will be fed into a refreshed Tackling the Climate Emergency Action Plan for the City Region, to the Combined Authority's connectivity strategy work to develop a pipeline of future transport interventions and the COVID-19 recovery plan.

4. Financial Implications

- 4.1. There are no financial implications directly arising from this report

5. Legal Implications

- 5.1. There are no legal implications directly arising from this report.

6. Staffing Implications

- 6.1. There are no staffing implications directly arising from this report.

7. External Consultees

- 7.1. The Leeds City Region LEP and Green Economy Panel.

8. Recommendations

- 8.1. That the Panel notes the importance of Emissions Pathways study in determining how the City Region can meet its net zero carbon ambitions.
- 8.2. That the Panel endorses playing a role in tackling the climate emergency.
- 8.3. The Panel identifies areas that it would like to explore in the next six months, including the refresh of the Employment and Skills plan.
- 8.4. The Panel are also asked to identify any net zero carbon skills related opportunities (see Appendix 1) that are important to them and to identify any known current gaps, especially in training provisions.
- 8.5. The Panel to nominate a Tackling the Climate Emergency Champion to support this work.

9. Background Documents

- 9.1. None

10. Appendices

Appendix 1. Common Actions and what the pathways mean in 2038 for communities, residents and businesses

Appendix 2. Net Zero Carbon Transition Proposition

This page is intentionally left blank

Appendix 1. What the pathways mean in 2038 for communities, residents, and businesses and the potential employment and skills opportunities.

In 2038, delivering the measures in the pathways will mean residents and communities...

- Live in energy efficient homes that cost less to run and are more comfortable to inhabit. 679,000 dwellings, over half the dwellings in West Yorkshire, will have had some form of energy efficiency measures installed.
- Homes are heated by low emission technologies replacing existing natural gas boilers. At least 874,000 homes in West Yorkshire will have a low emission technology delivering their heating needs.
- Produce some of the electricity they need in everyday life through solar panels installed on their roofs. At least 171,000 homes in West Yorkshire will have solar panels installed, up from 30,000 today.
- Commute to work less, working from home and using teleconferencing more extensively than today, and ultimately improving quality of life. A minimum of 12 percent of all trips taken today will not be needed in 2038 because of remote working¹.
- Walk more for trips of less than 2km, cycle more for trips less than 10km and use public transport (buses and trains) over the private car. In 2038 as a minimum 4 percent of all trips will be by walking, 12 percent by bicycle, 7 percent by bus and 15 percent by train.

In 2038 delivering the measures in the pathways will mean businesses...

- Use less energy and save money as a result of the installation of energy efficiency measures and low emission heating and electricity generating technologies, increasing the ability to invest in research, innovation and employees. In 2038, a minimum of 45 percent of the heating requirements of all offices, hospitals and other non-domestic buildings in West Yorkshire will be generated by low emission technologies.
- Make less trips for business purposes utilising digital infrastructure for meetings and remote working, reducing the need for large centralised offices. As above a minimum of 12 percent of all trips taken today will not be needed in 2038 because of remote working.
- Have significant employment, skills and training opportunities through the transition to net-zero carbon by 2038. Opportunities will occur across manufacturing, production, construction, installation, operation, and maintenance of the measures which are implemented.

¹ Demand reduction percentage cited also includes locating new homes closer to places of work and amenities to reduce journey distance.

Potential Employment and Skills Opportunities

Transport Sector

Skills / Job / Training Opportunities

1. Deployment of digital infrastructure e.g. broadband, to facilitate a greater number of employees to work remotely.
2. Construction and operation of freight consolidation centres e.g. first-and-last mile delivery operatives.
3. Operation of increased number of public transport vehicles.
4. Construction of infrastructure to facilitate the transition to zero emission fuels or increased public transport patronage e.g. rail electrification, charging points, hydrogen refuelling stations.
5. Manufacture of zero emission vehicles.

Building Sector

Skills / Job / Training Opportunities

1. Retraining to facilitate scale of retrofit and heating system change required.
2. Significant employment opportunities in retrofitting properties.
3. Training opportunities related to the specific skills necessary to install different low carbon heating systems
4. Employment in the installation of different low carbon heating systems.
5. Manufacture of different low carbon heating systems and measures that could be used in retrofit of dwellings.
6. Scale-up of the supply chain to deliver the scale and pace of change necessary in retrofit and heating systems.
7. Reinvigorate supply chains for rooftop solar PV.
8. Employment in the installation of rooftop solar PV.

Power, Industry and Land use & Agriculture

Skills / Job / Training Opportunities

1. Construction of onshore wind and large-scale solar PV.
2. Retraining in the skills needed for development and construction of onshore wind and large-scale solar PV.
3. RD&D in carbon capture and storage and industrial equipment to run on low carbon fuels.
4. Hydrogen – homes and transport
5. Planting of new woodland.
6. Peat restoration.
7. Land management skills and training.
8. Agricultural innovation to facilitate higher yields and lower emissions.
9. Development and operation of facilities to manage food waste.

This page is intentionally left blank

Transition to Net Zero Carbon Resilient Economy

West Yorkshire Economic Recovery Board

June 2020

Summary

This proposition aims to ensure the recovery maximises the economic, social and environmental benefits that our transition to a net zero carbon economy can offer. It asks for £193m to support spade-ready low carbon and flood alleviation schemes, the development of a pipeline of zero carbon and nature recovery schemes, a new net zero carbon skills partnership and pilot workforce fund and a range low carbon business support projects. All will help protect existing jobs, businesses and communities; create new jobs, skills / retraining opportunities and new businesses; and help us tackle the Climate Emergency.

Background and context

Net Zero Carbon by 2038, with significant progress by 2030

The Combined Authority and the LEP are working alongside a wide range of partners to ensure the Leeds City Region is a net zero carbon economy by 2038 at the latest, with significant progress by 2030. We are also committed to everybody in the City Region being within easy reach of an outstanding and well used network of green and blue infrastructure that helps reduce carbon emissions, reduces flood risks and prepare us for a changing climate and supports health, the economy, the environment and a superb quality of life (Leeds City Region Green and Blue Infrastructure (GBI) strategy and Delivery Plan 2018).

Energy and GBI Delivery plans are in place to help achieve these ambitions. Some great projects are already being delivered including the Resource Efficiency Programme, Energy Accelerator, Better Homes Yorkshire, Clean Bus Technology Fund, Stourton low energy park and ride, and the Ultra Low Emission Capital Grant Scheme. This work starts the transition to net zero carbon. However, to meet our target and to comply with the Paris Agreement, emissions must be reduced by 14.5% year-on-year and halved every five years, saving 11 million tonnes of carbon dioxide emissions by 2038. We also need to prepare and build resilient businesses and communities as our climate changes.

Meeting this challenge is massive and will require urgent and collaborative action across all sectors of our economy. However, it will also empower our region to build a modern, sustainable economy supported by an efficient zero emission transport network and world class infrastructure. It will allow us to embrace new technologies such as hydrogen power improve the energy efficiency of our homes and other buildings, and upskill our people so they can excel in the careers of the future and create a thriving low carbon business sector. We will also have resilient communities at less risk from a changing climate, cleaner air, great access to high quality green spaces and healthier communities.

The Benefits of Tackling the Climate Emergency

There are a wide range of economic benefits that can be achieved if we tackle the climate emergency, and we want to maximise these benefits for our economy and local communities. We know we can create new jobs, skills and retraining opportunities, new markets and business opportunities, and if we were to deliver all our actions in the current City Region Energy Delivery Plan we could create **up to 100,000 more jobs and £11 billion- plus increase in annual economic output** (Carbon Trust 2018).

The Covid-19 crisis has had a range of impacts, both positive and negative, on the environment and tackling the Climate Emergency. Air quality has improved due to the reduction in road transport, people are walking and cycling more, people are connecting with nature and using their green spaces more, nature is recovering, and our energy consumption has reduced. It is likely that there will have been some temporary reduction in carbon emissions associated to lockdown. However, there is no currently no live data available to confirm this. It is estimated that global carbon dioxide emissions fell by an average of about 17% in early April. As lockdowns are eased, the fall for the whole year is estimated to be between 4-7% compared to 2019. If emissions worldwide remain at this level until the end of the year, this annual drop would be comparable to amount of annual emission reductions needed year-on-year across decades to achieve the climate objectives of the UN Paris Agreement.

However, Covid-19 gives rise to new threats to delivering our zero-carbon goal. Measures to protect public health inevitably will affect the ability to deliver some climate measures (e.g. continued social distancing will hinder a movement towards public transport, and some low-carbon investments will be delayed). Short-term choices aimed at recovery, if poorly targeted, could also lock in higher emissions in the long-term.

This illustrates the huge challenge ahead of us in reaching the climate objectives internationally and locally in the City Region, whilst also recovering from the Covid-19 crisis. We have a long way to go, and it is a transition. This proposition is only part of the City Region's current and future plans to tackle the Climate Emergency. To fully achieve a net zero carbon economy by 2038 we will require system level changes and billions of pounds of investment.

The Offer in West Yorkshire

Accelerating the Zero-Carbon Transition to Support Economic Recovery

The steps that the region takes to rebuild from the Covid-19 pandemic and its economic damage can also accelerate the transition to low-carbon activities and improve our climate resilience. Climate investments can support the economic recovery and secure good jobs for the long term including **delivering 42,000 jobs in West Yorkshire rising to 71,291 by 2050** (LGA 2020). We can also develop opportunities from our emerging clean growth sectors such as clean low carbon transport, clean agri-tech, construction and circular economy. There is a unique opportunity to explore here in West Yorkshire.

There is strong evidence that many actions can be delivered quickly and have high economic multipliers (i.e. they in turn stimulate further boosts to economic activity), create high numbers of jobs (good and highly skilled), and boost spending in the UK. In the long term, a transition to a low-carbon, efficient and resilient economy will bring productivity benefits throughout the economy (Committee on Climate Change 2020).

Great collaborations

We also have a strong record of delivering integrated and aligned low carbon and flood resilience investment by working in partnership. This allows us to leverage our public and private local assets to deliver innovative schemes with strong value for money.

Unique Challenges and Opportunities

West Yorkshire also has some unique challenges and opportunities in tackling the climate emergency:

- Emissions are not falling at the rate we need them to. We can meet our target but we will have to be hugely ambitious in areas such as housing retrofit, the amount of land allocated to tree planting, generating a higher amount of electricity from large-scale solar farms, maintaining the levels of remote working seen throughout the Covid-19 pandemic, and providing funding / R&D support for innovative emission reduction technologies.
- c11m tonnes of carbon emitted annually, with 1m tonnes is produced by energy intensive industry in West Yorkshire. In North and West Yorkshire over 182,000 people are employed in this industry and its value is £9.2 billion in GVA. In addition, there is an emerging clean growth sector that could support over 40,000 jobs by 2036 (Clean Growth Audit 2019).
- A range of inefficient, hard to treat housing stock and high levels of fuel poverty
- Over 63,000 homes and more than 27,000 businesses at some degree of flood risk, of which 7,385 homes and 4,698 businesses have a high risk of flooding
- Less than 17 percent of City Region's blanket bog peatlands are in good condition
- Urban area with tree cover is lower than the national average of 10%
- Areas of deprivation with poor access to green and blue spaces
- City centres with a range of poor air quality and health related issues.

This offer focuses on addressing these unique challenges and proposes actions to start to address them and boost economic activity as part of our region's recovery. In some areas there is even the potential for the region to be leading the rest of UK. This is just the first initial ask as we will need much greater future levels of grant funding and finance to deliver our net zero carbon ambition by 2038, with significant progress by 2030.

Transition to Net Zero Carbon Resilient Economy Programme

In the Rescue stage, our programme will:

1. Capitalise on pro-environmental behaviours:

- Programmes that support walking and cycling initiatives – see Transport Plan
- Homeworking - See Digital proposition

2. Accelerate shovel ready tackling the climate emergency programmes:

- Deliver £50m of energy efficiency schemes improving 3500 homes and over 150 public buildings between 2020 - 2022.

3. Develop an initial pipeline of zero carbon and other nature recovery schemes

- £680,000 to develop a regional pipeline of climate / nature recovery investments and investment ready propositions by 2022 at the latest. Once complete this will result in investment ready propositions capable of attracting / applying for a range of funding sources to deliver the pipeline.
- The initial pipeline is likely to include to tackle: retrofit energy efficiency and zero-carbon homes and buildings, tree planting, peatland recovery, nature recovery,

flood alleviation (including Yorkshire Water projects), climate resilience, low carbon and energy generation (including opportunities to work with Northern Gas Networks and Northern Power Grid to develop Local Energy Action Plans and associated infrastructure) and zero emissions transport (see Transport plan).

- Whilst it is difficult to estimate the value of a new robust pipeline that can attract future investment, a similar pipeline that has been delivered through the region's Energy Accelerator resulted in the development of 15 projects worth over £100m.

4. Local Towards Net Zero Carbon Skills (STEM) Partnership (see below)

- Bringing together partners from education, skills and employers to assess needs to support the development of future skills and jobs required for a net zero carbon economy and to ensure a just transition for jobs at risk from decarbonisation.
- Coordinating a programmes of careers and inspiration activities with employers to raise awareness of the importance of STEM skills and to address the future demand for green jobs. To offset the gender stereotypes embedded by the age of 7 this activity would be for Early Years, primary and secondary aged students and their parents, carers and teachers.
- Working with SMEs to identify skills requirements and opportunities to retrain / upskill the existing workforce.

In Recovery / Re-imagining stage, our programme will:

1. Commence delivery of the pipeline and attract investment

2. Deliver £131.1m of flood alleviation schemes

3. Develop a Towards Net Zero Carbon Skills programme to support the pipeline (including Just Transition) and the wider plans to tackle the climate emergency, with a 'Workforce Fund' pilot in 2022 (£10m)

- Address locally identified skills gaps; supporting employers to recruit to hard to fill vacancies requiring specialist STEM skills
- Improve engagement between employers and training providers; building capacity to co-design & co-deliver training which can be sustainable
- Support West Yorkshire residents to enter/retrain into skilled digital jobs and progress their careers through gaining good quality work
- Diversify the net zero carbon jobs talent pipeline by embracing new methods of recruitment and flexible ways of delivering training
- This is similar to GMCA Digital Skills pilot and dependent on identifying the needs in year 1.

4. Develop a 3 year business opportunities and support programme to maximise the economic opportunities from tackling the Climate Emergency

- £750k top up funding to widen the support offered through Re-Biz to over 150 businesses
- £255k for resource to support carbon intensive businesses and supply chain development
- £300k Covid-19 gap funding support

Ask of Government

Activity	Ask
Stage 1 (Rescue) - 0-12 months	
Deliver over 25 Low Carbon Accelerated schemes between 2020 – 2022 <ul style="list-style-type: none"> 3500 domestic energy efficiency retrofit programmes 150+ public estate energy efficiency retrofit programme. 	£50m
Develop an initial pipeline of low carbon / climate investments and create an implementation plan (investment proposition within 2yrs); and including	£200k
Deliver the Great West Yorkshire Bog – Pre-feasibility support (Moors for the Future Partnership (MFFP))	£400k
Support the development of the White Rose Forest Delivery Pathway	£80k
Establish the Towards Net Zero Carbon Skills (STEM) Partnership	See below
Stage 2 (Recovery / Reimaging) – Year 2 onwards	
Deliver an initial pipeline of low carbon/ climate investments and create an implementation plan/ investment proposition (2yrs)	n/a
Fund 27 flood alleviation schemes and a NFM programme from 2021 (6years); and	£126.1m
6 Yorkshire Water Programmes	£5m
Develop a skills programme to support the initial pipeline and wider Tackling the Climate Emergency plan, including developing a Just Transition approach and to establish a partnership and pilot (2 yrs)	£10m
Deliver a green, net zero carbon business support package of measures (3 years) including: <ul style="list-style-type: none"> £750k Green business top up funding to widen the support offered through Re-Biz to over 150 businesses in 3 years £255k for 1 x ft officer for 3 years to support energy and carbon intensive businesses + supply chain development £300k Covid-19 gap funding support 	£1.3m
TOTAL (excluding flooding & energy efficiency capital schemes)	£193.1m