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**Report to:** Employment and Skills Panel

**Date:** 28 February 2019

**Subject:** **Skills Advisory Panels**

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## **1. Purpose of this report**

- 1.1 To update the Panel on the implementation of Skills Advisory Panels (SAPs). Skills Advisory Panels are a government initiative to strengthen the capability of LEPs with regard to understanding and addressing local skills challenges.
- 1.2 To seek approval for a proposed approach and timetable for an initial programme of work in the City Region to take forward the SAP agenda.
- 1.3 To seek advice from the Panel on the most effective way of managing the processes linked to the SAP remit.

## **2. Information**

### Policy background

- 2.1 The role of Skills Advisory Panels (SAPs) is to help local enterprise partnerships and combined authorities to fulfil their local leadership role in the skills system by developing a better understanding of local skills needs, as a basis for setting out skills priorities and working with skills providers to address these priorities.
- 2.2 SAPs will bring together local employers and skills providers so that they can develop a shared understanding of local skills needs and the actions required to address them, by marrying supply with demand. This will be under-pinned by an evidence-based approach grounded in high quality labour market analysis. SAPs will consider current skills needs and skills challenges that are likely to emerge in future.

- 2.3 As part of their wider remit to ensure that the profile of skills provision takes account of local needs, SAPs have been charged with several specific objectives:
- To ensure that the range of T-Levels available in each local area reflects local labour market needs. Providers will start to deliver the first tranche of T-Levels in autumn 2020.
  - To inform the content of Local Industrial Strategies, by providing an assessment of local skills priorities to sit within the “People” pillar of the Industrial Strategy framework.
  - To ensure that high quality intelligence is available to inform careers choice, drawing on the local labour market analysis evidence base overseen by SAPs.
- 2.4 Support is being made available on a one-off basis by DfE to ensure that all SAPs have strong governance arrangements and have the capability to produce high quality analysis. This will be formalised through a Memorandum of Understanding between the department and each LEP / combined authority.
- 2.5 All areas are expected to have SAP arrangements in place by autumn 2019. DfE plans to undertake a review of local implementation of SAPs commencing summer 2019.

#### Proposals for a Leeds City Region Skills Advisory Panel

- 2.6 The SAP concept is broadly in line with the LEP’s existing policy around providing leadership to the local skills system in order to ensure that skills provision addresses economic needs and fosters individual career progression.
- 2.7 DfE acknowledges that in those areas where LEP employment and skills sub-boards and panels are working well, that it makes sense to build on existing arrangements and allow them to take on the additional functions of Skills Advisory Panels. The LEP believes that Leeds City Region falls into this category in view of our established analytical capability and long-standing and robust governance arrangements embodied through our Employment and Skills Panel (ESP). This is the position that the LEP has adopted with DfE.
- 2.8 We already have an established annual cycle for producing our labour market analysis, sharing it with the ESP and disseminating it more widely. The LEP has practical arrangements in place to influence provision (through Delivery Agreements) and to translate labour market intelligence into engaging careers materials (e.g. Futuregoals). With regard to governance, the existing terms of reference of the ESP and the composition of the Panel are broadly in line with the requirements of SAPs, as set out in the published guidance.
- 2.9 Therefore, we have proposed to DfE that the ESP should take on the Skills Advisory Panel functions as part of its existing remit. The existing terms of reference of the ESP would be retained and there would be one change to the

composition / membership of the panel, as detailed below. In addition, we do not propose to change the name of the Employment and Skills Panel.

#### Additional activities

- 2.10 Although the LEP has proposed to DfE that the ESP should adopt the SAP functions for the Leeds City Region, there are a number of proposed areas where our approach should be enhanced in order to fulfil the additional requirements of the SAP remit. The cost of undertaking these activities will be met through the seed funding provided by DfE.
- 2.11 We propose to meet the additional **analytical** requirements of the SAP in the following ways:
- Dedicating increased staff time (within existing headcount) to relevant analytical work, including assessment of T-Level requirements, integration of SAP analysis within the local industrial strategy evidence base and development of engaging intelligence products for careers applications.
  - Investing in targeted primary research (e.g. around T-Levels)
  - Widening the reach of our dissemination activity, particularly with providers
  - Exchange of best practice with other LEPs and combined authorities.
- 2.12 With regard to the **governance** arrangements of the Employment and Skills Panel it is proposed that a representative of the voluntary sector should be added to the existing Panel.
- 2.13 To fully address SAP functions, it is proposed that dedicated task and finish groups should be created under the ESP, comprising sub-groups of Panel members, in order to facilitate detailed deliberations relating to specific issues within the SAP remit; such as determining investment priorities in respect of T-levels. This would build on the existing “agile squad” approach and would be supported through additional officer time. This approach also presents the opportunity to widen education and training provider representation with regard to specific issues, in line with the additional role of co-ordinating local provision that is envisaged for SAPs.
- 2.14 Joint working arrangements are being put in place with York and North Yorkshire LEP in order to develop an evidence base that will reflect the footprint of the proposed merged LEP area and which will address the needs of a Local Industrial Strategy for the new area.
- 2.15 **Appendix 1** contains a high level schedule of activity for Skills Advisory Panel work. A key proposed milestone is the use of the September 2019 meeting of the Employment and Skills Panel to review the labour market analysis and set out key recommendations around skills investment. A report setting out the analysis and recommendations would then be published in October 2019.
- 2.16 In late-2019 it is proposed that a review of the impact of our Skills Advisory Panel work is undertaken, in order to assess the Panel’s influence on decision-making, actions and outcomes in respect of skills investment. This

will be presented in the form of a short written report to be shared with DfE and other stakeholders.

#### Securing influence over local provision

- 2.17 A key concern that has been raised with DfE by the Combined Authority and others is the lack of genuine powers / incentives to back up the recommendations that SAPs will make around skills investment, at least for areas which currently lack devolved powers. Although their funding agreements with government require providers to give due account to the recommendations made by SAPs, the approach is voluntary. The only recourse for SAPs, in exceptional circumstances, is to make a case to government for additional resources to address needs that local providers are unable or unwilling to meet. Since education and training providers face a range of drivers in addition to labour market need when determining their curriculum strategy, including commercial imperatives, it may prove difficult to “co-ordinate” provision in the way that DfE envisages. The LEP will continue to raise this issue with DfE and make the case for discretionary funding assigned to SAPs to incentivise providers to address specific needs.

#### Link to Skills Commission

- 2.18 The LEP will seek to maximise the potential links between the SAP agenda and the work of the Commission for a Future-Ready Skills System. The Commission has a remit to shape the future of the skills system, with a particular focus on how the system can better serve the ambitions of local areas. The work of the SAP will provide a direct insight into the question of how local partners can most effectively influence the operation of the skills system to meet local economic needs. A number of ESP members are represented on the Commission and can serve as a direct transmission mechanism for the learning generated through the SAP process. Conversely, the work of the Commission is expected to identify lessons and best practice that are likely to be of value to the ESP in meeting its SAP remit.

### **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 No external consultations have been undertaken.

## **7. Recommendations**

- 7.1 Panel to note developments around implementation of Skills Advisory Panels (SAPs).
- 7.2 Panel to consider and adopt the proposed approach and timetable for taking forward the Skills Advisory Panel remit through the Employment and Skills Panel.

## **8. Background Documents**

None.

## **9. Appendices**

**Appendix 1** – High level schedule of activity for Skills Advisory Panel work