
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 16 January 2020

Subject: **Employment and Skills Panel update**

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1. Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Employment and Skills Panel.
- 1.2 Board members are asked for their help in raising awareness of the Apprenticeship Levy transfer service among their networks.

2. Information

Chair's Update

- 2.1 The interim report for the **Future-Ready Skills Commission** was published in November 2019 and sets out 10 things that need to change with the current skills system <http://futurereadyskillscommission.com/>. In its next phase, the Commission will design a blueprint for how the skills system needs to work to deliver local outcomes.

School Partnerships

- 2.2 The **Enterprise Adviser Network** and the Combined Authority's Enterprise Coordinators are currently engaged with 183 (92%) of secondary schools and colleges. From April 2019 to November 2019 the network has delivered over 164,670 employer encounters and 18,566 employer encounters for pupil premium learners, 11,973 of whom have had at least two employer encounters as part of the network.
- 2.3 As reported at the last meeting, 16 projects have been awarded through the **Raising Aspirations pilot** to give schools and colleges the opportunity to trial innovative approaches to supporting their most disadvantaged young people. These projects will support 6500 disadvantaged pupils to have multiple encounters with local employers with a focus on employers in skills shortage sectors.

- 2.4 The Kirklees **Careers Hub** is making good progress in supporting hub schools and colleges to achieve the Gatsby benchmarks of good careers guidance. The average number of benchmarks achieved by the 33 secondary schools and two colleges in the Hub is 4.27, against a national average of 3.9.
- 2.5 The **Special Educational Needs and Disability (SEND)** Hub officially launched in September 2019. The Hub will support schools to share best practice with each other and will prepare students for work by providing meaningful encounters with employers. The aim is for students with special educational need and disabilities – who are currently significantly disadvantaged in the labour market – to make a successful transition into the world of work.

Careers

- 2.6 The **FutureGoals** careers campaign has re-launched as an all-age inspiration platform enabling individuals of all ages to access high quality Labour Market Information. The website <https://futuregoals.co.uk> now features a sector based presentation pack including inspirational videos from regional business role models, employer profiles and regional facts to inspire and support individuals to make better, more informed careers decisions.
- 2.7 The FutureGoals campaign re-launched at Skills Yorkshire along with the rollout of the **Creative Industries Toolkit** sponsored by Burberry Foundation. The LEP sponsored a 'Creative Zone' which convened businesses from across the region into an interactive zone to inspire young people, teachers, parents and carers to consider careers in the creative sector, businesses from textile manufacturing, digital, gaming and screen were represented. This is the region's largest skills show aimed and young people, educators and parents and carers. The event was attended by 62 educational institutions and had over 5500 visitors over two days.
- 2.8 The Combined Authority's adult re-training programme, **[re]boot**, part-funded through European Social Funds (ESF), has commenced with delivery through West Yorkshire Consortium of Colleges and Leeds Trinity University. The programme is targeting career changers, under- employed and inactive graduates. It offers individuals over the age of 18 the opportunity to upskill, gain new qualifications and employment within shortage sectors, particularly Digital and Creative, Construction and Engineering.
- 2.9 Despite a delayed start, delivery throughout the final quarter of 2019/20 has seen significant growth. The first courses have commenced through Bradford College and Leeds Trinity University where 87 individuals have benefitted from learning through [re]boot courses. Courses have been co-designed and delivered by employers and have included digital skills courses and courses in hybrid vehicles. A course in production skills was oversubscribed and 35 individuals benefitted a course that was entirely taught by industry professionals, individuals also gained exposure to industry experts through a professional networking session. The next quarter will see a repeat of the

production skills course as well as courses in construction, engineering and digital skills.

Apprenticeships and Employment

- 2.10 The **Apprenticeship Grant for Employers (AGE)** programme closed to new applications in November 2019. As previously reported, applications for the grant have been lower than anticipated with only 26 applications being received in the final phase of which only 10 have been eligible for the grant so far. Final grants will be processed by the end of March 2020.
- 2.11 As previously reported, during summer of 2019 the LEP/Combined Authority was contacted by a number of training providers who have reported that they are turning away non-levy paying businesses and potential learners (up to 300 in autumn 2019) because of a shortage of core apprenticeship funding. The Combined Authority surveyed providers and found that the vast majority had run out of funding for SME apprenticeships, or were soon to do so. This issue was raised at the LEP Board July meeting and officers were charged with finding solutions for this issue in the immediate and longer term.
- 2.12 A pilot phase over the summer demonstrated levy-payers' willingness to engage in apprenticeship levy transfer and their need to be hand-held through the process. The vast majority of levy-payers weren't aware that they could transfer up to 25% of their levy to SMEs. Although the biggest challenge has been identifying levy-payers with unspent funds, where these can be identified, the response has been very positive, with a key message about keeping money in the region really resonating.
- 2.13 An impartial **Apprenticeship Levy Transfer Service** has now been launched. The service is reaching out to a larger number of levy-paying companies to utilise up to 25% levy transfer opportunities to support SMEs and their apprentices. <https://www.the-lep.com/for-businesses/skills-and-training/apprenticeship-levy-support/>
- 2.14 Portakabin has finalised levy transfer of £60k per annum for three years to support 12 engineering apprentices. Officers are working with a group of levy-payers to support 32 apprenticeships in a priority sector, with a value of £1.2m.
- 2.15 The **LCR Employment Hub** programme, launched in January 2019, is being delivered in partnership with Local Authorities and will support over 6,000 young people aged 15-24 to access apprenticeships and employment. So far, the programme has:
- Engaged 892 15-24-year-old participants against a profile of 1,125 (79%). Of these 262, against a profile of 119 (220%), were recorded as being from ethnic minorities and 193 declared they had disabilities against a target of 92 (210%)
 - Engaged with 622 businesses against a target of 1029 (60%).

Skills for Businesses

- 2.16 As previously reported, the Combined Authority has submitted a bid for funding through a recent ESF **Skills for Growth** call. A decision is expected soon. The proposed programme will support businesses to engage with the full breadth of the education landscape and is currently progressing through the Combined Authority's internal approval process.
- 2.17 Officers of the Combined Authority are working closely with the West Yorkshire Consortium of Colleges to ensure that its ESF funded skills programmes respond to current economic challenges and opportunities, in particular:
- Supporting businesses to prepare for Brexit through export training and cross-referrals to the broader business support offer;
 - Developing an editor training offer, to support local companies to take advantage of the opportunities associated with the relocation of Channel 4's national headquarters to Leeds City Region

Work Wellness

- 2.18 Work wellness pilots are being carried out in York and Calderdale to support individuals aged 50+ or individuals of any age who are currently in work and experiencing mental ill health, by working with GPs, individuals and businesses to find the best way to remain in work, using both clinical and non-clinical intervention. The aim of the pilot is to test whether non-clinical interventions with this cohort can support sustained employment.
- 2.19 The Calderdale pilot continues to be an extremely popular and valued addition to the Medical Centre Team and their patients. This quarter has seen an increase of clients successfully moving on into employment, education and training. 344 Clients have been supported since the start of the project of whom only 40 of these actually required a GP/Medical appointment.
- 2.20 As indicated at the last meeting, the evaluation of the Work Wellness social prescribing model in York will be considered by the next meeting of the Inclusive Growth and Public Policy Panel.

Skills Advisory Panel

- 2.21 The Panel approved proposed changes to the governance arrangements of the Employment and Skills Panel to reflect the requirements of its Skills Advisory Panel remit.
- 2.22 Skills Advisory Panels (SAPs) have been initiated by government and their purpose is to bring together local employers and skills providers in order 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.

Policy development

- 2.23 An overview of the developing “people” strand of the Local Industrial Strategy was given and the Panel’s views were sought.
- 2.24 The Panel was given a presentation on workforce skills and members were asked to consider:
1. What should the LEP’s overarching objective be in this area?
 2. What should be the key messages to Government on national policy development?
 3. How can the LEP engage with employers on this agenda?

Preparing for Brexit

- 2.25 The LEP’s latest labour market report shows that across Leeds City Region there are just under 80,000 EU migrant workers, which is equivalent to 5% of total employment. There were 10,100 applications for national insurance numbers in the LEP area in 2018/19, a decline of 23% between 2017/18 and 2018/19, following a decline of 18% in the previous year. This means that registrations are 42% lower than at their peak in 2014/15.
- 2.26 EU migrant employment in LCR is concentrated in particular sectors, most notably wholesale and retail (22 per cent of the total), manufacturing (21 per cent), accommodation and food services (11 per cent) and health and social work (9 per cent).
- 2.27 The occupational groups with the highest level of employment among EU migrants are classified as lower-skilled elementary occupations, service roles (such as kitchen assistants and bar staff), elementary trades including storage workers – more than 1/3rd EU migrants. Semi-skilled operative occupations also have a significant level of EU migrant employment. Only around a quarter of EU migrant workers in Yorkshire and the Humber are employed in higher skilled management, professional and associate professional occupations, much lower than the UK average of 35%.
- 2.28 Although lower-skilled occupations are where the direct impact of Brexit could be greatest in the form of disruption to labour supply, there could still be significant implications for skills. For example, some employers may decide to move to a more skills-intensive business model founded on capital investment in labour-saving equipment.
- 2.29 All employment and skills services, including all the activity summarised in this paper, is externally funded, time limited and constrained by the requirements of the funder/s. Within these constraints, skills products and services provided to businesses have been developed to help strengthen the support offer so that it remains relevant to the needs of businesses in the current climate. It remains important to work closely with firms in key sectors heavily reliant on European Economic Area (EEA) migrant workers to support their skills needs

and to make sure they have access to a local workforce that meets their labour needs.

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 implications associated with this paper.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 That the report of the work of the Employment and Skills Panel be noted.

8.2 Board members are asked for their help in raising awareness of the Apprenticeship Levy transfer service among their networks.

9. Background Documents

9.1 None.

10. Appendices

10.1 None.