
Report to: Employment and Skills Panel

Date: 4 March 2020

Subject: **Policy Update**

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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, clarifying the structure and hierarchy of the planned policy work.
- 1.2 The Panel is asked to consider the proposal for an updated Employment and Skills Plan.

2 Information

Strategic Economic Framework

- 2.1 This panel has informed a number of policy statements as part of the strategic economic framework (SEF), which builds on and replaces the Strategic Economic Plan (SEP). The SEF provides a new, agile, long-term strategic framework, incorporating both the Local Industrial Strategy (LIS) and a full range of policies and strategies, reflecting the scale of our vision and priorities for the City Region.
- 2.2 The SEF sets our vision for the City Region and the four key priorities for realising this are:
- Boosting productivity
 - Enabling inclusive growth
 - Delivering 21st century transport
 - Tackling the climate emergency
- 2.3 All strategies produced by the Combined Authority and Local Enterprise Partnership are aligned with the SEF, with a clear focus on meeting our priorities. The diagram below outlines the revised Framework structure.

LEEDS CITY REGION STRATEGIC ECONOMIC FRAMEWORK

OUR VISION

To be a globally recognised, thriving and happy region with talented people, superb environment and clean, integrated transport.

OUR PRIORITIES

BOOSTING PRODUCTIVITY

Helping businesses to grow and bringing new investment into the region to drive economic growth and create good jobs.

ENABLING INCLUSIVE GROWTH

Enabling as many people as possible to contribute to - and benefit from - economic growth.

DELIVERING 21ST CENTURY TRANSPORT

Creating efficient transport infrastructure that makes it easier to get to work, do business and connect with each other.

TACKLING THE CLIMATE EMERGENCY

Ensuring that the City Region is net carbon zero by 2038.

OUR POLICIES AND STRATEGIES

Education and Skills		Clean Growth	
Digital		Energy	
Inclusive Economy			
Innovation	Connectivity		Green and Blue Infrastructure
Housing and Regeneration		Transport	
Healthy Lives			
Place Narratives			
Bus			
Business Growth and Good Work		Future Mobility	Flooding
Culture		Rail	
Local Industrial Strategy			

PARTNERSHIP PLANS AND STRATEGIES

MONITORING AND IMPACT

Local Industrial Strategy

- 2.4 The new Government have not yet made clear their intentions with regard to Local Industrial Strategies and the planned co-writing process. We are continuing our development work on the Local Industrial Strategy (LIS), which is in the final stages following extensive consultation with panels and partner organisations, and the LEP Board on 25 February received an update on progress.
- 2.5 The LIS foundations with the most implications for the Employment and Skills Panel sit within Business Environment, People and Ideas. The strategic priorities for each of these foundations have been shared with this panel previously, and are outlined below.
- 2.6 *Business Environment:*
- Inspiring a 'No Wrong Door' ethos to simplify and refocus the business support ecosystem.
 - Increasing the supply of relevant finance products that will better equip businesses, supporting start-ups and scale-up businesses
 - Improving the supply, viability and availability of quality business premises.
 - Collaborating with the private sector to exploit new market opportunities

2.7 *People:*

- *Skills: increase supply and demand*
 - Develop a fully integrated business and skills system that is more responsive to changing employer demand and economic needs
 - Align the supply of skills needed for the City' Region's future economy with sectoral demand and strategic opportunities
 - Widen and retain the pool of talent through integrated planning
- *Boost earning power*
 - Universal access to all ages to high quality careers and retraining services
 - Leadership development that supports innovation and good growth
 - Embed resilience and creativity within pre-16 education to improve attainment, social mobility and health outcomes
- *Inclusive growth*
 - Make learning and labour markets more inclusive
 - Act to boost basic, intermediate and advanced digital skills to support progression
 - Boost wellbeing by bringing together health and employment support, helping people to access and sustain work and improving business productivity

2.8 *Ideas:*

- *Frontier and Cautious Innovators*

We will focus our efforts on supporting our brightest innovators to do more, working in partnership with key agencies to incentivise business R&D investment, whilst ensuring that the new ideas, practices and technologies reach all our businesses.
- *Innovation diffusion*

We will support all businesses to benefit from the diffusion of innovation by encouraging the adoption of new technologies and leadership and management practices.

2.9 Some priorities have clear implementation plans, whereas others will require more collaboration to develop a Leeds City Region solution. Following the decision made at ESP and at the Business Innovation and Growth Panel, 'Strategy to Action' squads are being assembled to focus on different ways to implement a range of the priorities. These squads will focus on 'Business Leadership' and 'Inclusive and agile workforces'. Existing working groups and structures are being utilised to further other implementation discussions: e.g. the Digital Board, the Skills Commission.

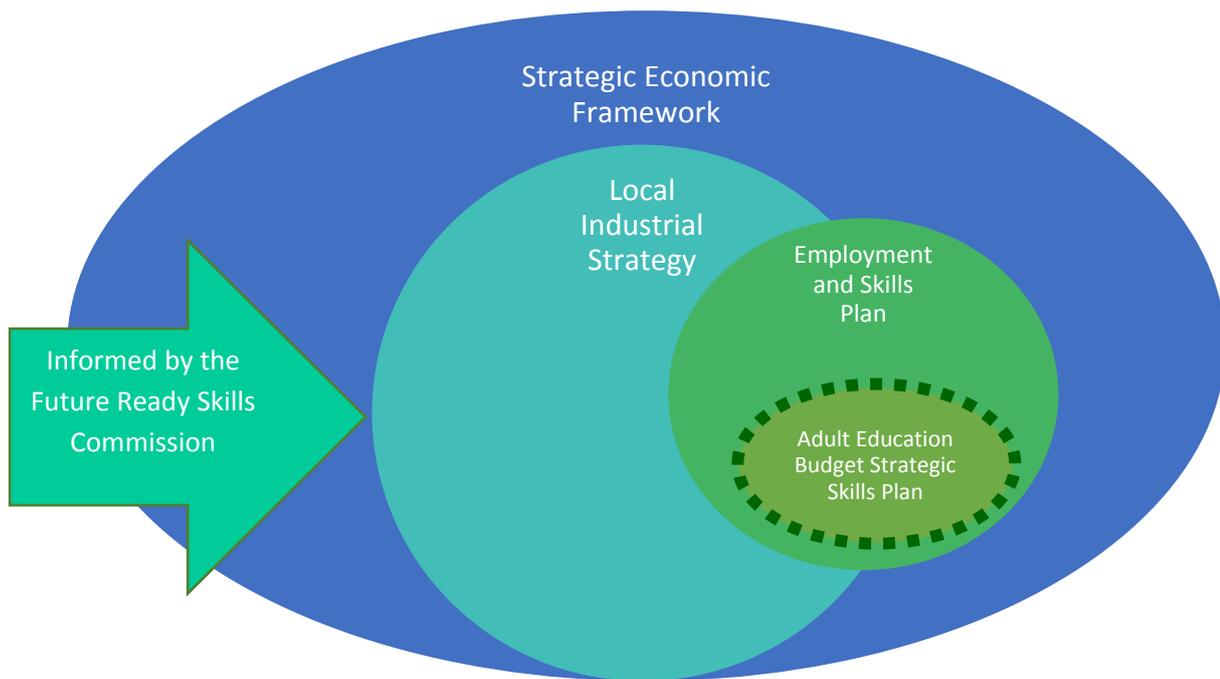
Employment and Skills Plan

2.10 The lifespan of the current Employment and Skills Plan ends during this year, 2020. The panel has received regular updates on the progress and performance of this work through the employment and skills update papers.

- 2.11 The Employment and Skills Plan (2016-2020) was well received and set out the actions of the Combined Authority in response to the skills and employment needs of the local labour market.
- 2.12 It is proposed that the Employment and Skills Plan is updated and republished in the Autumn. The Employment and Skills Plan will sit within the SEF and encompass the policy statements approved by the Employment and Skills Panel, the LIS priorities and the Skills Commission recommendations.
- 2.13 The updated Employment and Skills Plan will collect the relevant priorities and strands from the above strategies together into one clear plan, that is accessible to the wider sector (e.g. training providers, schools, college, universities, careers providers, employers), clearly stating our ambitions around Employment and Skills within the Leeds City Region, and actions that will be undertaken to address skills and employment needs.
- 2.14 It is proposed that the following is included on the agenda at the next Employment and Skills Panel meeting:
- Proposals from Skills Commission
 - Business Plan priorities from employment and skills programmes
 - Framework for proposed Employment and Skills Plan
 - Forward workplan for consultation on Employment and Skills Plan

Possible Devolution

- 2.15 Devolution discussions between Leaders and Ministers were revived in January 2020. As with other areas that have devolution deals, the Adult Education Budget (AEB) is a possible element of a future deal. Even if a devolution deal is agreed, there are still a range of requirements that must be met in order to secure the funding for AEB: demonstrating our readiness to plan, manage, administer and assure this funding stream.
- 2.16 One of the requirements would be to submit a Strategic Skills Plan specific to the Adult Education Budget (AEB) to the Department for Education (DfE). This would be separately consulted on to the Employment and Skills Plan, given the implications of the changes to funding and the timescales set by DfE. The AEB Strategic Skills Plan would feed into the wider Employment and Skills Plan, with its activity contributing to our strategic objectives.
- 2.17 The Skills Commission has identified a number of areas of change in relation to the national skills system and is developing strategic recommendations for Combined Authorities and regional partnerships to consider. A further step in this work is to consider how the Leeds City Region can incorporate the recommendations into AEB planning, if required.
- 2.18 The diagram below outlines the relationship between elements of the current policy work.



Skills Commission

2.19 The Skills Commission met in January to discuss the scope for a blueprint for a future-ready skills system. The Commission agreed that the blueprint would include:

- Roles and responsibilities of government, regions and local areas
- Data requirements to measure outcomes
- Funding
- Improved benefits for employer, individuals, training providers and the economy
- Recommendations to government and regions

2.20 The Commission is holding further workshops with experts from a range of disciplines on:

- apprenticeships; focusing on how regions can better support apprenticeship reform, and
- improved integration of health, employment and skills offer to individuals to supported sustained work.

2.21 The Commission has received a number of positive news stories following the publication of its interim report in November 2019

<https://www.fenews.co.uk/press-releases/41603-10-things-that-need-to-change-to-create-a-skills-and-training-system-that-works-for-all>

<https://feweek.co.uk/2019/11/17/only-localism-can-unlock-the-skills-sectors-true-potential/>

<https://www.fenews.co.uk/press-releases/37951-current-skills-and-training-system-failing-those-who-need-it-the-most-10-things-that-need-to-change>

- 2.22 The final report including the blueprint and recommendations will be launched in May in London.
- 2.23 An options appraisal and proposed forward workplan falling out of the final recommendations will be developed and shared with the Panel for projects and programmes that the Combined Authority could take forward as part of its employment and skills programmes and updated Employment and Skills Plan.

Skills Advisory Panels

- 2.24 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.
- 2.25 It has been agreed that the Employment and Skills Panel should serve as the Skills Advisory Panel for the Leeds City Region area.
- 2.26 The Department for Education has set out standards that local bodies need to meet if they are to be recognised as Skills Advisory Panels by government. These standards relate to local capability in terms of producing the required labour market analysis and to the nature of governance arrangements put in place to support SAP decision-making.
- 2.27 Following a review of the LEP's SAP arrangements by the Department, actions were taken by officers to ensure full compliance with the standards, based on the feedback received. The most notable changes were the addition of two education and training providers to the membership of the Employment and Skills Panel and the approval by the Panel of a protocol that sits alongside the existing terms of reference and further clarifies the ESP's role and responsibilities as a Skills Advisory Panel.
- 2.28 Department for Education have confirmed that Leeds City Region is now fully compliant with the SAP standards in respect of both the quality of our labour market analysis and of our governance arrangements.
- 2.29 With regard to its analytical remit, the LEP published its annual labour market analysis report in October 2019. This was followed up with a programme of dissemination activity, including two public stakeholder workshops on 31 October and 19 November.
- 2.30 The labour market evidence base will be used to inform the development of the priorities contained within the new Employment and Skills Plan (see above). It will also be taken into account when determining the content / indicators to be taken forward as part of a refreshed Delivery Agreement process with local education and training providers.

- 2.31 The Department for Education has announced that further grant funding will be made available to LEPs in 2020/21 to support the continued development of SAPs. There will be a requirement for each SAP to produce a local Skills Report by March 2021, highlighting progress made to date and future challenges and opportunities.

Place-based solutions

- 2.32 The Government released its Towns Fund Prospectus in November, writing to the lead Local Authorities of selected towns advising on the first steps in preparing a Town Deal. Across the Leeds City Region, 8 towns have been selected to develop Town Deal proposals: Keighley, Shipley, Todmorden, Brighouse, Dewsbury, Morley, Castleford, Wakefield.
- 2.33 Each Local Authority has been tasked with convening a Town Deal Board, which is charged with developing a Town Investment Plan which should outline context, vision for the town and a high level description of priority areas for investment demonstrating how they will boost productivity in the area.
- 2.34 One of the three overarching objectives of the Towns Fund is 'Skills and enterprise infrastructure: driving private sector investment and ensuring towns have the space to support skills and small business development'.
- 2.35 Town Deal Boards are advised to ensure their Town Investment Plans (as they develop) use evidence from LEP Skills Advisory Panels to identify challenges people face and coordinate strategies for how people can be supported locally to meet labour market needs in a way that complements existing skills initiatives and funding streams.
- 2.36 The Combined Authority will support Local Authorities in the development of Town Deal proposals providing a strategic overview across the region and have been invited to attend most Town Boards. Information regarding the Future Ready Skills Commission and the Digital Framework has already been shared.

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 The Panel is asked to note and comment on the ongoing overall approach to strategy and policy issues in relation to employment and skills in the Leeds City Region.
- 7.2 The Panel is asked to comment and agree the proposal for a revised Employment and Skills Plan.

8 Background Documents

None.

9 Appendices

None