
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

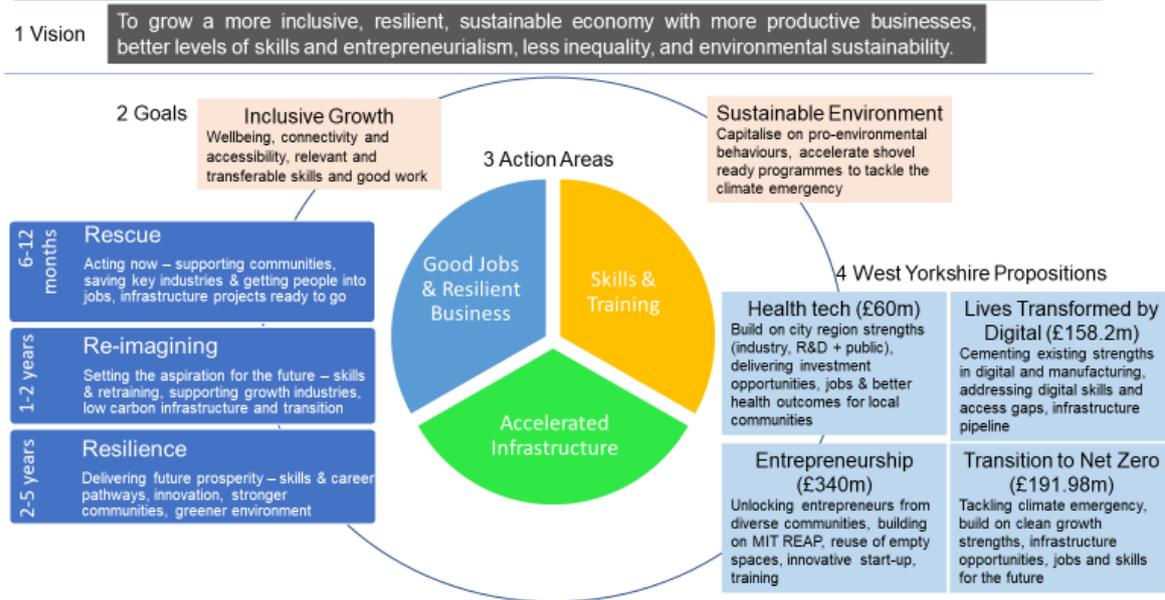
2 Information

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 to 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