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

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Subject: **Future-Ready Skills Commission**

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1. Purpose of this report

- 1.1 To update the LEP Board on the final report of the Skills Commission and the proposed next steps for action of its recommendations.
- 1.2 The Board is asked to consider and provide advice on the next steps for implementation of the Skills Commission's work

2. Information

Background

- 2.1 The Skills Commission is made up of leading thinkers from business, education, trade unions and think tanks, and is Chaired by Councillor Hinchcliffe.
- 2.2 The Skills Commission has been undertaking a review of the post-16 skills landscape with a particular focus on technical education, workforce skills and careers information. The focus on devolution has distinguished this Commission's work from the other national skills commissions and reviews.
- 2.3 Following a deep analysis of its key areas of focus the Commission produced an interim report in November 2019 and shared in findings and set out the 10 things that need to change in the skills system.
- 2.4 The interim report was well received, and government committed to considering the findings of the Commission's final report as part of the Combined Authority's ambitious devolution deal.

Final report and blueprint

- 2.5 The Commission published its final report 25 September and held a virtual launch that included attendance from over 100 delegates including senior government officials.
- 2.6 The virtual report launch included speakers representing TUC, CBI, Produmax (locally based SME), AoC and JRF and was chaired by Councillor Hinchcliffe.
- 2.7 The Commission's final report sets out a blueprint for a post-16 skills system that better meets the needs of local economies and is able to respond to future challenges and opportunities in the workplace. The report argues the case for a **radical shift required in funding and local leadership** and makes nine recommendations to government, they are:
- **Ensure the funding system offers fair access** regardless of age, level of attainment, background and learning route alongside reversing the long-term decline in adult training
 - Empower areas to design services around the individual to **address complex and interrelated health, employment and skills** issues
 - Everyone should have right to **quality information about jobs and careers**, no matter what their stage in life.
 - **Employers should take greater ownership of their talent management and skills development**, aided by a joined-up approach to business support that means they can find the help they need, regardless of the route they take to find it
 - In order that people can gain the right skills needed for good quality work in their area, **all adult skills and careers funding needs to be devolved**
 - Recognise that areas are best placed to understand their own skills requirements and **implement statutory five-year strategic skills plans** to make it happen
 - To ensure that training meets the current and future skills needs of regional labour markets, **delivery agreements with skills providers** should be put in place, supported by investment funding
 - Large-scale **public infrastructure** projects designed to level up areas should include an additional skills premium of up to 5% of the total budget to maximise
 - **The Apprenticeship system needs national review** to make it work more effectively, and this should include recognising and resourcing areas as the key route to employers and individuals
- 2.8 The report is published alongside a series of technical papers that detail the rationale and proposals for each of the nine recommendations above and are available via <https://bit.ly/35Y4Asg>

National Policy Context

- 2.9 A number of policy announcements in relation to skills and employment have been made as part of Budget announcements and in response to COVID-19 over the last six months.

- 2.10 On 29 September the Prime Minister announced the 'Lifetime Skills Guarantee'. This was followed by a statement from the Secretary of State for Education on 1 October that headlined further national policy reforms from the Conservative election manifesto. Some of the announcements, including funding adults to achieve a Level 3 qualification, start to pick up the recommendations from the Skills Commission. However, they stop short of detailing the role of Combined Authorities despite the fact that implementation of the announcements may affect and duplicate provision in devolved budgets, namely AEB which funds unemployed adults aged 18-24 to achieve their first L3 qualification.
- 2.11 Further announcements are expected before the end of the year, including a white paper on FE Reform, and which is expected to resonate with some of the findings of the Commission.

Implementation of the recommendations

- 2.12 A number of actions and further engagements are proposed to deepen the impact of the work of the Commission, including further discussions with government departments and a mayoral roundtable.
- 2.13 Officers and senior officials from Department for Education have met to discuss how the findings of the Skills Commission can inform the departments ongoing work to reform technical qualifications, level 3 entitlement and development of the new National Skills Fund which will support adult retraining from April 2021. These conversations are ongoing.
- 2.14 A communications plan will continue to engage Commissioners and seek to place op-eds within trade press.
- 2.15 A full analysis of the national policy changes to date and proposed action points for implementation of the recommendations for the Combined Authority has been undertaken, and the main actions for immediate implementation are listed below:
- Use the findings of the Commission to inform the new **Employment and Skills Plan** (2021-2025) as a key document of the Strategic Economic Framework (SEF)
 - **Adult Education Budget (AEB) strategy** implementation will allow greater place-based and innovative skills solutions, as well as extending the use of delivery agreements with commissioned training providers as recommended by the Commission.
 - **Economic Recovery Plan** uses the learning from the Commission to identify the key priorities for employment and skills in the short, medium and long term. This includes creating skills and training opportunities for future jobs in the green economy and supporting SMEs to make the best use of the skills available in the workforce to support productivity.

- Implementation of the **local digital skills partnership** secured through the devolution deal to address digital skills shortages and key issues around digital inclusion will address future-skills needs.

2.16 In addition, consideration should also be given to the following:

- Ensuring that the Combined Authority's investment strategy is aligned with the Commission's recommendation of creating skills funding for every public infrastructure project in line with the Commission's national policy recommendation that 'Large-scale **public infrastructure** projects designed to level up areas should include an additional skills premium of up to 5% of the total budget to maximise' might be made a condition of the West Yorkshire Investment Strategy or made a condition of commissioning/contracting.
- Further actions to support the findings of the Commission to secure engagement with government departments and progress the devolution agenda.
- Any further detailed and costed proposals should be developed following the further anticipated national policy announcements. An update paper can be provided following the announcements.

3. Clean Growth Implications

3.1 The report findings will be used to determine skills priorities in the revised Employment and Skills plan as a key document of the Strategic Economic Framework

4. Financial Implications

4.1 None

5. Legal Implications

5.1 None

6. Staffing Implications

6.1 None

7. External Consultees

7.1 None

8. Recommendations

8.1 The LEP Board is asked to consider the next steps following publication of the final report of the Skills Commission

9. Background Documents

9.1 None

10. Appendices

10.1 Appendix 1 – Executive Summary Future-Ready Skills Commission final report