
Report to: Employment and Skills Panel

Date: 25 November 2020

Subject: **Employment and Skills Policy Updates**

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1. Purpose of this report

- 1.1 To update the Panel on national policy changes in relation to Combined Authority and LEP policy and strategy.
- 1.2 The Panel is asked to comment on the implications for a local approach of the national policy changes and Wave 2 Institutes of Technology (IoT).
- 1.3 The Panel is asked to agree the forward workplan for the Employment and Skills Plan and note the next steps for the local skills plan.

2 Information

- 2.1 On 29 September, the Prime Minister's Exeter College speech made a number of announcements about national skills policy that follow from the 2019 Conservative election manifesto. This was followed by a statement from the Secretary of State for Education on 1 October that headlined further national policy reforms, with a focus on technical skills and the creation of £2.5bn National Skills Fund. The key areas are detailed below.

National Skills Fund

- 2.2 The £2.5bn **National Skills Fund** will remain a national programme and will replace the National Retraining Fund. The funding will be used for:
 - Bootcamps – Leeds City Region were asked to submit a bid through a competitive process
 - Fully funded level 3 qualifications

FE Reform White Paper

- 2.3 A white paper is expected this year and is expected to set out the Government's direction for a stronger role for colleges at the heart of their local communities, supporting economic development with a focus on technical education at levels 4 and 5.
- 2.4 There is currently no further detail on how this will operate with a joined up local employment and skills system, and levels of investment.

Institutes of Technology (IoT)

- 2.5 In September 2019 up to £120m additional funding was announced for a second wave of IoTs in areas currently without one.
- 2.6 An IoT is a new type of employer-led institution that brings together further education provision with university partners and employers. IoTs specialise in delivering higher technical education in STEM subjects that will drive growth in key sectors such as advanced manufacturing, construction and digital.
- 2.7 IoTs are a key part of the government's technical education reform to provide a high-quality technical education pathway for young people, and people of all ages looking to upskill or retrain. They have been created to meet the following objectives:
- Significantly increase the number of learners with higher technical skills which are crucial to national, regional and local productivity growth;
 - Attract a wide range of learners to maximise the social as well as the economic impact of this new type of institution; and
 - Improve the occupational competency of learners to meet the needs of employers now and in the future.
- 2.8 Applications for an IoT should cover a LEP area and must include:
- 2 named FE core partners, with
 - 1 named HE core partner
 - 3 name employers core partners relevant to the IoT's specialism
- 2.9 The initial deadline for submission of Wave 2 applications is 14 December 2020, with successful applicants announced in Summer 2021. Delivery will commence in the academic year 2021/22.
- 2.10 The panel will be given a verbal update on whether bids from City Region partners are likely to proceed, and asked to consider how IoTs could support the employment and skills priorities of the Region both now and in the future.

Further national skills policy announcements

- 2.11 Several further skills and employment policy announcements have been made in recent months, particularly in response to COVID-19, including:

- **FE Transformation Fund:** £1.5bn capital funding to support the conditions, improvement and upgrading of FE estate
 - **National review of Levy Transfer approach/rulings** to include increased funding for SMEs and removal of funding for new Level 8 Apprenticeships
 - £111m for expansion of **traineeships**
 - £32m for **recruiting extra career advisers**
 - £17m for **Sector Based Work Academies** in England
 - £101m for **school and college leavers** to take high value level 2 and 3 courses
 - **Youth Hubs:** 33 hubs have been announced nationally. While West Yorkshire didn't get a formal Hub, our Local Authorities are working closely with DWP to replicate the offer based around the LEP Employment Hub programme
 - **Kickstart:** £2bn to support employers to offer 5-6 month work placement to unemployed young people (aged 16-24) on Universal Credit
- 2.12 A Government consultation on the review of post-16 qualifications at level 3 and below in England has been launched. This is a large, complex review seeking to identify which qualifications should sit alongside T Levels and A levels¹. The consultation will close on 15 January 2021². Alongside this, there is a call for evidence on the level 2 qualifications to identify what works well and needs to be improved for post-16 learners. The call for evidence is open until 31 January 2021.³
- 2.13 The details and implications for regional delivery of these national policies are still emerging, with the role of Combined Authorities and SAPs remaining unclear. The SAP role is to identify local challenges and opportunities and help local areas plan for what is needed for skills, and the lack of devolution in the current proposals presents significant challenges in planning and delivering for local need, including alignment with the planning for devolved Adult Education Budget (AEB) in West Yorkshire from next year.

Green Skills Partnership

- 2.14 On 9 November, a 'Green Skills Partnership' roundtable meeting was held with members of this Panel, employers and training provider representatives.
- 2.15 The purpose of the roundtable was to progress discussions at the last Panel meeting on the actions that are required to identify the skills needs and gaps in provision to address our climate change priorities in relation to skills.
- 2.16 A verbal update can be provided at the meeting.

¹ <https://consult.education.gov.uk/post-16-qualifications-review-team/review-of-post-16-qualifications-at-level-3/>

² Responses are encouraged and should be directed to post16.level3andbelowreview@education.gov.uk.

³ <https://consult.education.gov.uk/post-16-qualifications-review-team/level-2-and-below-call-for-evidence/>

Employment and Skills Plan

- 2.17 At its March meeting, the Panel agreed to refresh the Employment and Skills Plan, which is due to expire at the end of this year. It was agreed that the priorities for the Employment and Skills Plan will be developed with key partners and stakeholders through a programme of consultation and engagement and would be informed by key strategies and policies such as the LEP's annual labour market report.
- 2.18 At its meeting in September, the Panel considered emerging priorities from the consultation and based on the available evidence and performance of the local labour market.
- 2.19 With the ongoing economic crisis due to COVID-19 and the anticipated national policy reforms outlined above, the refreshed employment and skills plan priorities will also take into account these national changes and implications for the local labour market of the current economic upheaval.
- 2.20 The next steps to develop the emerging priorities, prior to the plan being published in 2021, are:
- Continued engagement with partners and stakeholders on the emerging priorities, particularly where gaps were identified through consultation, for example 'older workers'.
 - A joint workshop with the Business, Innovation and Growth Panel will be arranged for members to explore priorities. This will follow publication of FE reform white paper and therefore date to be advised.

Local Skills Plan

- 2.21 Under their Memorandum of Understanding with the Department for Education, all Skills Advisory Panels are required to produce a Local Skills Report before the end of March 2021. Reports are to be updated on an annual basis with a fuller version refresh every two years.
- 2.22 Local Skills Reports set out each area's unique skills landscape, their progress on skills-related activities, any successes or challenges they have faced, as well as future local skills plans. They will serve as a single consistent report across all SAPs that helps to grow their influence, engage local partners and feed intelligence into central government and the national Skills and Productivity Board (SPB).
- 2.23 The Employment and Skills Panel serves as the Skills Advisory Panel for Leeds City Region and will be asked to sign-off the draft Local Skills Report for the area at its meeting on 23 February 2021.

3. Clean Growth Implications

- 3.1 There are no financial 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 staffing implications directly arising from this report.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 The Panel is asked to comment on the implications for Leeds City Region of the national policy changes, including IoTs.

8.2 The Panel is asked to note the progress and next steps of the Employment and Skills Plan and the local skills plan.

9. Background Documents

None.

10. Appendices

None.