
Report to: Employment and Skills Committee

Date: 29 October 2021

Subject: **Data Monitoring and Evidence Base for the Committee**

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1. Purpose of this report

- 1.1 To provide an overview of the latest evidence and intelligence for the Committee, including performance against the Combined Authority's headline Strategic Economic Framework indicators and a summary of more timely intelligence showing current trends in the labour market.
- 1.2 To propose a standard approach to intelligence reporting for future Committee meetings.
- 1.3 To set out plans for intelligence work covered by the Memorandum of Understanding with the Department for Education in respect of the region's Skills Advisory Panel.
- 1.4 To outline the forward plan for conducting the Combined Authority's annual labour market analysis.

2. Information

Employment and Skills Evidence

- 2.1 A presentation of key messages from employment and skills evidence and analysis will be given at the meeting to inform discussion. The following items are appended to this paper:
 - Summary of the latest position against the Combined Authority's Strategic Economic Framework headline indicators, focusing on those that are directly relevant to the employment and skills agenda.
 - Overview of current trends in the labour market based on the most timely data available for West Yorkshire.

Future reporting arrangements

- 2.2 In addition to annual reporting against the SEF indicators and more in-depth review of the findings of the annual labour market analysis we propose to

provide timely, regular reporting to each Committee meeting based around a standard set of indicators. The analysis of current trends appended to this paper focuses on the following elements / indicators:

- Key developments in the national labour market
- Employment trends in West Yorkshire (based on HMRC real-time information for payrolled employees)
- Vacancy trends (based on online job postings)
- Claimant count (count of people on out of work benefits)
- In-year provisional figures for take-up of further education and skills programmes in West Yorkshire (including apprenticeships).

- 2.3 We propose to report against these elements as a standard item for future Employment and Skills Committee meetings. The Committee are invited to review this proposal and provide suggestions for any additional coverage or indicators.

Skills Advisory Panel

- 2.4 Earlier in 2021 the Department for Education announced a third annual round of funding to the value of £75,000 for all local areas to enable them to deliver the key objectives of the Skills Advisory Panel (SAP) programme. The key purpose of the programme is to ensure that local skills provision better meets labour market needs, now and in the future.
- 2.5 Panels bring together local employers and skills providers to develop a shared understanding of local skills needs and to define clear skills priorities grounded in high quality labour market analysis. The Employment and Skills Panel of the LEP and Combined Authority originally acted as the SAP for our region and successfully met DfE's governance and analytical standards for SAPs. This remit has now been transferred to the Employment and Skills Committee.
- 2.6 The Skills for Jobs White Paper published by the DfE in January 2021 committed to build on SAPs and go further in putting employers at the heart of local skills systems through new Local Skills Improvement Plans (LSIPs) developed by employer representative bodies (ERBs).
- 2.7 The stated aim of this year's funding is for SAPs to continue to produce high quality, local-level skills analysis, maintain their local relationships and to refresh their Local Skills Report.
- 2.8 The Combined Authority has provided details of its planned activities via a Memorandum of Understanding with the Department. The proposed approach, focuses on supporting the Mayor's pledges and addressing identified information gaps, with costed activities proposed in the following areas:
- Assessment of digital skills needs, including primary research to examine existing digital capability of local residents (this also links to a headline indicator in the Strategic Economic Framework)

- Deep dive into skills needs of West Yorkshire's creative industries with a view to supporting expansion of this sector of the region's economy and meeting the needs of local business and prospective inward investors
 - Develop pack of careers resources that will build understanding of West Yorkshire's labour market and its opportunities across a range of user groups, including young people and adults considering career changes
 - Deep dive assessment of NEETs (not in education, employment or training) situation in West Yorkshire, exploring dynamics of this issue using longitudinal data. Results will inform action to ensure that young people can participate fully in the economic recovery.
- 2.9 These activities are intended to provide added value to our existing analytical and policy programme of work, which includes the annual labour market report, Employment and Skills Framework and assessment of skills implications of net zero.
- 2.10 In addition, there is a mandatory requirement within the MoU for LEPs and MCAs to refresh their Local Skills Report. 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. The Local Skills Report for West Yorkshire was published at the end of March 2021. The refreshed version will be published by January 28th 2022.
- 2.11 There was no opportunity to submit the proposals to the Employment and Skills Committee for review prior to the Department's deadline for MoUs of 31 July. However, there is scope to modify the activities set out in the MoU should it be deemed necessary, although any expenditure would need to be completed by the end of March 2022.

Labour Market Analysis

- 2.12 The purpose of the labour market intelligence work is to provide robust analysis of the region's labour market and skills needs to influence planning and action. As well as being used to support strategy and policy development by the LEP and Combined Authority, the analysis is used to shape the focus of local learning delivery with reference to evidence of labour market demand and to inform careers choice by individuals by providing clear and robust information on labour market opportunities.
- 2.13 The work is produced to an established annual cycle which centres on the publication of a labour market report in the autumn, usually in October, accompanied by a series of workshops to communicate key messages. One of the key factors underlying the timing of the report is the need to align with the curriculum planning cycle of further education colleges.
- 2.14 The established schedule for the production of the analysis has been disrupted by the pandemic. The publication and dissemination of the most recent report took place in February 2021 rather than late 2020 due to extreme conditions faced by the local and national economies and a lack of timely data at local level. The labour market situation remains highly volatile at the present time as the economy adjusts to the lifting of Covid1-19 restrictions. This makes it difficult to provide an assessment of employment and skills needs in the medium to longer-term.

- 2.15 We therefore propose to publish the next labour market report in February 2022, before returning to the previous cycle, with the subsequent report being published in October 2022. We will supplement this with a webinar in late November 2022 (date TBC) to provide Committee members with an assessment of the employment and skills challenges and opportunities presented by the recovery.
- 2.16 The dates of the dissemination workshops (likely to be delivered as webinars) will be confirmed in due course but are expected to be in mid to late February.
- 2.17 Prior to the publication of the annual labour market report, timely intelligence on the labour market is being shared via the LEP's weekly economic dashboard and fortnightly economic monitoring report.

3. Tackling the Climate Emergency Implications

- 3.1 Proposed future analytical work will include a focus on employment and skills aspects of the climate emergency. For example, the forthcoming labour market report will incorporate an assessment of skills needs linked to achieving net zero.

4. Inclusive Growth Implications

- 4.1 Inclusive growth is a key cross-cutting theme for employment and skills. This is reflected in a number of the SEF indicators presented alongside this paper. These indicators reflect the extent to which the labour market is inclusive in terms of access to good quality employment and access to the skills needed for work and career progression. The indicators that are particularly central to inclusive growth are:
- Unemployment
 - Proportion of jobs that pay the Real Living Wage
 - proportion of people with no qualifications / qualified below Level 2
 - Attainment of digital skills
 - Differences in employment rates for disadvantaged groups
 - % of young people who are NEET
 - Proportion of people who are in quality employment.

5. Equality and Diversity Implications

- 5.1 Equality and diversity is also a key issue within the employment and skills agenda. Certain disadvantaged groups are much less likely to be in employment than average and there are also marked differences in educational attainment by gender, ethnicity and disadvantage status. The intersection of multiple characteristics can mean some groups face intense inequality. In future analytical work this will be considered from a range of perspectives including inequalities in access to skills for different groups as well as inequalities in terms of labour market outcomes.

6. Financial Implications

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

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 The Committee are asked to note the latest intelligence relating to employment and skills in West Yorkshire and the current performance of West Yorkshire against the Strategic Economic Framework indicators.

10.2 The Committee are asked to note the activities that are planned under the Memorandum of Understanding with the Department for Education.

10.3 The Committee are asked to note the proposed schedule for the production and publication of forthcoming labour market analysis reports.

11. Background Documents

None.

12. Appendices

Appendix 1 – Summary of performance against Strategic Economic Framework indicators: Employment and skills

Appendix 2 – Labour Market Reporting October 2021