

Report to: Employment and Skills Committee

Date: 20 October 2022

Subject: **Employment and Skills Future Investment and Delivery**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. Over the course of the last twelve months, we have been working with members of the Employment and Skills Committee, Local Authorities, and wider partners to develop the future programme of delivery on skills.
- 1.2. The purpose of this paper is to update the Committee on the development work for future employment and skills interventions in West Yorkshire and the progress on the Mayoral pledges.
- 1.3. To seek input from the Committee on the green jobs and skills interventions being developed through the Climate and Environment action plan.
- 1.4. To seek endorsement to develop business cases for the interventions prioritised in the digital skills plan.
- 1.5. To seek endorsement to work up the business case for the Mayoral SME Graduate scheme.

2. Information

Investment Pipeline Overview

- 2.1. The Committee endorsed the overall plan for the development of the investment pipeline as updated below to take into account starting the development work earlier. The updated overview is summarised in the table below:

Short Term Wave 1 & 2 Q2-Q4 Immediate business case development and commissioning of interventions	Medium Term Wave 3 2023/2024	Long Term Wave 4 2024/2025
Employment West Yorkshire Employment Support for service individuals regionally coordinated locally delivered developed from Employment Hub.	Skills Support for Employers following existing programmes and based on engagement at the local and regional level. (Mayoral SME Graduate Pilot Attracting and retaining talent in the region element to be accelerated).	Work and Health; programme and interventions to support people and households towards remove health barriers to work.
Digital and creative Skills To improve the levels of skills as part of the Digital Skills Plan and a refreshed Creative Catalyst.	Careers support for people of all ages including support to improve young people's destinations.	Skills support for individuals specialist targeted programmes of support for those furthest from the labour market
Green skills interventions (Funded through Investment Priority 4 of Climate and Environment Plan).	Support to improve young people's destinations Careers enterprise support for schools	

- 2.2. An update on the status of each of the headline interventions is provided in this report which will be accompanied by a presentation at the meeting to guide a discussion at the meeting.

- 2.3. Since the last meeting, a series of workshops have been held with Committee members, local authorities, college principals, employers and key stakeholders. Ongoing engagement and consultation during the development of the interventions is integral to the design process and will continue as programmes are developed.
- 2.4. At the last meeting, the Committee requested that consideration for transformational interventions around Skills Support for Business and Young People was brought forward and early development work on these will begin in Autumn, with discussion papers to be brought to the next Committee meeting.
- 2.5. The **Employment West Yorkshire** £12m business case has been passed assurance checks and will be taken to the October Combined Authority meeting. If approved, the new service will build upon existing Employment Hub activity with innovative pilots to support digital and green skills as part of the delivery.
- 2.6. Continuous evaluation and improvement are central to the design of the programme which will need to be as flexible as possible to pivot to the current fast paced changes in the labour market. The programme will be delivered by Local Authorities working with local organisations to coordinate the employment and skills offer to support 7,700 individuals across West Yorkshire towards and into work. As part of this programme, there will have a focus on continuous improvement and sharing learning across each of the Local Authorities.
- 2.7. In response to the Committee's request for support for prison leavers to be explored, the Employment and Skills team are developing networks and completing a mapping exercise of existing provision. To date, stakeholders engaged include the Policing and Crime team, HM Prisons and Probation Service (HMPPS), New Futures Network, DWP, Local Authorities, and community organisations working in the criminal justice sector.
- 2.8. The Deputy Mayor for Policing and Crime, Alison Lowe, has joined the newly formed Employment Advisory Board for HMP Leeds and Wealstun. The Combined Authority is now represented on the Yorkshire and the Humber (YatH) Reducing Reoffending Partnerships Board and its employability working group and will continue to ensure representation at regional forums. Colleagues have fed in to inform HMP Wealstun's in-prison curriculum.
- 2.9. A number of proposed interventions have been identified that the CA can action:
 - Continue with mapping exercise to build further relationships and explore how existing activity can be modified in response;
 - Deliver labour market insights to key forums, including further work to ensure prison curriculum is mapped to provision in the community;
 - Commission bespoke training programmes through AEB or Skills Connect;

- Upskill Employment Hub staff to best support prison leavers as a client group.
- 2.10. Longer term, there is more intelligence gathering that needs to take place to inform future interventions. Currently the gap appears to be around employer engagement, which could include a programme of support aimed at employers to recruit prison leavers. This will be explored further and an update brought to the next committee meeting.

Green Jobs and Skills

- 2.11. The Mayor has pledged to create 1,000 well paid, skilled green jobs for young people. To support the creation of these jobs and to consider the wider skills needs and areas of focus for green jobs in West Yorkshire, a Green Jobs Taskforce was created and includes a diverse representation of business, skills providers and the third sector.
- 2.12. Over the summer, young people and business have been part of research and evaluation of the landscape to support the Taskforce in forming its recommendations. The Taskforce has met on 4 October to hear the findings from this research and start to build its recommendations which it will publish early in 2023.
- 2.13. An independent piece of research has been commissioned to understand the business and education landscape. Emerging recommendations include:
- Strengthening current and potential West Yorkshire specialisms – particularly around low carbon manufacturing, retrofit/construction and green finance.
 - Delivering a just transition – supporting those currently in high carbon industries to prosper through the transition.
 - Supporting skills development and career awareness.
- 2.14. The research has identified four key areas of focus for taskforce recommendations. An event to disseminate the full findings will take place in November, Committee members will receive an invite to join and circulate.
- 2.15. Also commissioned was a West Yorkshire Green Skills Youth Programme over summer which has engaged over 170 young people aged 4-17 years old from across West Yorkshire. Young people engaged with employers to understand the career opportunities into sustainable roles and considered how they could improve this information. An interim evaluation is available at appendix A.
- 2.16. Innovative green skills and jobs interventions proposed in wave one of the Climate and Environment Plan and the Employment and Skills pipeline are progressing at pace through the Combined Authority's assurance framework.
- 2.17. Proposed employment and skills interventions will support the Region to ensure it has a workforce and jobs that it needs to enable a transition to a

sustainable net-zero carbon economy, at the same time interventions will need to be developed with the current economic circumstances.

2.18. The interventions currently being developed are:

- **An online Green Jobs Gateway and service** for employers looking to offer greener roles, and individuals looking to access these roles and/or develop green skills. The platform will highlight and celebrate green jobs in the region. The platform will allow businesses to make a green jobs pledge – bringing these elements together at a central point for business and individuals and will align to new services such as Employment West Yorkshire and enable individuals to access support to gain employment in the green sector.
- **Careers inspiration and information** for all ages to inspire and inform individuals from primary age to adulthood about green jobs and careers and changes behaviours and perceptions towards green jobs. This will build on the work of the Green Jobs Summer School that took place this summer in West Yorkshire.
- **A development plan and fund to support FE colleges** to build capacity within the FE sector and train staff to develop the curriculum aligned to the needs of the green sector.
- **An enhancement of the Business Sustainability West Yorkshire Programme** that will support employers to identify, access and implement green employment and skills opportunities, transforming their business to support efficiency savings, safeguard jobs and support innovation and productivity.

2.19. The interventions are evidence-led and based on research and feedback from the Green Jobs Taskforce and are based around the themes outlined in the diagram below:



- 2.20. Options for green skills interventions are being developed in collaboration with key stakeholders from across the region including Further Education Colleges, Independent Training Providers, businesses, and the Mayor's Green Jobs Taskforce and will consider the changing economic climate in order to be as transformative and responsive as possible for individuals and employers. This includes a round table discussion with multi-disciplinary Local Authorities on 10 October.

Digital Skills Interventions

- 2.21. There is ongoing work to evolve the delivery of three digitally focused Mayoral pledges.

- Digital Skills Plan. To be launched at the end of 2022.
- West Yorkshire Innovation Festival (took place early October 2022).
- Digital Academy. Options being considered.

- 2.22. The Digital Skills Plan has gone through wide consultation and engagement with stakeholders - LDSP Board; Go Higher West Yorkshire Board, Yorkshire Learning Providers, workstream members from community, private and public sector organisations; senior Local Authority officers; Employment and Skills managers in WYCA - to develop the plan.

- 2.23. The plan has been endorsed by the Employment and Skills Committee at its last meeting. Alongside this, it has also been presented to the Business, Economy and Innovation Committee and endorsed by the LEP Board. The Combined Authority Board will consider its approval at its meeting in October. Feedback has been overwhelmingly positive.

- 2.24. As a result, the following priority interventions are proposed:

- Build the capacity of community organisations to deliver digital skills and access to those who are digitally excluded.
- Develop programmes for those who cannot access support elsewhere.
- Roll out a programme to help raise school-aged children's digital literacy.
- Attract/scale up specialist educational digital provision.
- Offer digital support through Business Growth Service and its successor programme, the evolved Business West Yorkshire (name to be confirmed) and Digital Enterprise programmes for businesses.
- Ensure leadership and management training, including digital skills for businesses.
- Launch a region-wide Digital Skills Campaign to inspire excitement in digital careers and increase uptake of digital skills provision.

- Seek further devolution of digital skills provision.
- 2.25. A presentation to prioritise these interventions for development will be given at the meeting discussing the interventions that can have the most impact on residents and businesses affected by the rising cost-of-living crisis and energy crisis. The Committee may wish to consider prioritisation in the context of the current economic situation.
- 2.26. The Committee is asked to prioritise the digital skills interventions to be worked up into a costed business case.
- 2.27. If agreed, the next steps are to engage further with stakeholders to define the scope and develop the business case for those interventions that the Committee has agreed to prioritise in the short term. In the longer term, a wider comprehensive pipeline of digital skills projects, including other actions included in the Digital Skills Plan.

Mayoral SME Graduate Scheme

- 2.28. As part of developing offers to provide skills support for employers there is an opportunity to pilot activity to support productivity in SMEs that typically do not recruit graduates.
- 2.29. There was strong support from employers for a programme in this space in engagement workshops, and Yorkshire Universities have been supporting the development of a scheme. SMEs, universities and graduates need support with onboarding and training that would address challenges around skills gaps, recruitment, and retention
- 2.30. Overall productivity performance is £8.5bn below the UK average. A strong supply of high-level skills supports the effective use of technology within firms and an increased focus on innovation.
- 2.31. Spend in R&D is lower than any other English region and there are relatively lower levels of higher skilled individuals compared to other areas. Currently around 33% of labour force of West Yorkshire are qualified to level 4+ compared with national average of 40% -this equates to 100,000 people in real terms.
- 2.32. SMEs, universities and graduates need support with onboarding and training that would address challenges around skills gaps, recruitment, and retention.
- 2.33. The key aim is to support SMEs to recruit and retain graduates in a one priority sector. The sectors being explored as an opportunity are Advanced Manufacturing and Creative and Digital.
- 2.34. There are likely to be many additional outcomes to a pilot that will be identified as the scope and logic model are developed. A workshop to determine the

scope and outline business case is being held in mid-October, and a verbal update will be provided at the meeting.

- 2.35. It is proposed that this activity is taken forward as a distinct offer by developing a costed business case in Autumn to seek assurance and Combined Authority approvals in time to a launch the programme in Summer 2023 and attract graduates to the scheme.
- 2.36. The final value of the scheme will reflect the number of SMEs that can be supported and how e.g. wage subsidies, and is expected to be scalable, with a minimum number for viability proposed as being around 40 graduates supported.

FE Skills

- 2.37. FE colleges are a key part of the skills landscape and support adults to gain the skills to succeed in work. Based at the centre of their communities, the fulfil an important community and social mobility agenda.
- 2.38. Adults skills funding has been in decline for over the last decade, this will be further compounded by the current economic situation with the rising cost of living and energy crisis which will impact the vast majority of business, organisations and individuals.
- 2.39. West Yorkshire Combined Authority were able to make significant investment in the college estate through the £1bn growth deal, with £86m allocated to support FE providers to rationalise their estate and to deliver against skills shortages against sharp cuts to skills funding. Match funding was a requirement.
- 2.40. A number of new buildings and improved facilities enabling the delivery of skills needed for the labour market. The funding was used across Leeds City Region geography and funded the following projects:
 - Bradford College
 - Calderdale College
 - Kirklees College, Dewsbury Learning Quarter
 - Kirklees College, Process Manufacturing Centre
 - Leeds City College, Printworks
 - Leeds City College, Quarry Hill
 - Leeds College of Building
 - Selby College
 - Shipley College, Mill
 - Shipley College, Salt Building
 - Wakefield College
- 2.41. Devolved funding for Skills Capital was replaced with a national programme £1.5bn 'FE Capital Transformation Fund' (FECTF).
- 2.42. The main aims of the fund are to upgrade the FE college estate so that

FE colleges have the buildings and facilities they need to support the skills needs of their local labour market, and to support targets around environmental sustainability.

- 2.43. Applicants were expected to be able to provide match funding towards the costs. Otherwise, they would be required to follow a financial viability assurance process.
- 2.44. The following West Yorkshire colleges have been successful in securing funding to date:

College	Region
Bradford College	Yorkshire and the Humber
Calderdale College	Yorkshire and the Humber
Leeds City College	Yorkshire and the Humber
ShIPLEY College	Yorkshire and the Humber

- 2.45. The Committee has oversight of the £21m notional allocation from gainshare for employment and skills programmes to 2025 although some allocations have already been made leaving a smaller pot of funding available to meet the priorities in the Region.
- 2.46. In the design of future interventions, skills capital funding might be included in future interventions for example to support the sector build expertise and capabilities to support a green skills pipeline.
- 2.47. It is proposed that where the Combined Authority considers capital funding for skills, the following policy principles could be applied alongside a set of commercial options to ensure a rate of return to the CA.
- Any investment made by the Combined Authority is subject to the decision-making structure and approaches outlined in the Investment Strategy, including on the need for approvals through assurance and public accountability to the Combined Authority.
 - The Combined Authority will not be a core funder of skills capital programmes as this would duplicate other sources of funding available.
 - The Combined Authority might consider skills capital funding where:
 - The provider has demonstrated that it has exhausted all other routes of funding available to it, including commercial borrowing asset sales including identifying and disposing of surplus assets.
 - The provider has considered a range of options to reduce the amount of funding required

- There is a significant need to improve the facilities in line with strategic priorities and the wider West Yorkshire FE estate as identified in WY Partnership Agreements.
- To ensure a West Yorkshire strategic approach to investment, CA officers will work with WY FE colleges to renew the Partnership Agreement with the Combined Authority and commit to an annual light touch review, and deeper review in line with Mayoral terms.
- FE colleges are asked to engage with the Combined Authority early and at each development stage and prior to submission to meet assurance and public accountability standards.
- FE colleges will grant access to wider business case information where it can support the CA's strategic assessment and business case development assurance processes, including carbon assessments and EDI action plans.
- Scheme promoters are asked to ensure that Fair Work principals in the Mayor's Fair Work Charter are met for all individuals employed in its delivery.

3. Tackling the Climate Emergency Implications

- 3.1. The report outlines proposed interventions that will develop the skills and employment needs of individuals and businesses in West Yorkshire tackle the climate emergency.

4. Inclusive Growth Implications

- 4.1. Skills programmes outlined in this report will work directly with those disproportionately affected in the labour market.

5. Equality and Diversity Implications

- 5.1. Our skills and workforce pipeline work will consider the impacts of people in everything it does. By its nature, we are seeking to ensure that the skills offer the region has will enable everyone in the region, regardless of their background to have a thriving future. As we develop programmes for delivery, we will work to be explicit in targeting equality and diversity.
- 5.2. The Mayor's SME Graduate Programme will seek to target a range of graduates to increase diversity with SMEs in West Yorkshire. The programme will work with universities that attract individuals who are first in family to gaining a university education as well as underrepresented groups.
- 5.3. The West Yorkshire Green Skills Youth Programme has engaged with young people from across West Yorkshire to consult with diverse groups. The Summer school has worked with young people from each local authority area and with schools that have a high number of students who receive free school

meals. It has also engaged with community organisations who have supported the programme to seek the views of young people within community settings that represent the diverse population of the region.

- 5.4. Employment West Yorkshire has targets that include increasing engagement with individuals from underrepresented groups, supporting individuals who lack basic and essential skills and over 50's.
- 5.5. The Digital Skills Plan seeks to directly address socio-economic inequalities facing our population. Digital Inclusion is a central tenet of the plan, to be achieved through the growth of provision of digital skills, supporting the resolution of data poverty and the ongoing challenge of accessibility and connectivity. In line with the Equality Act (2010), diversity will be embedded throughout the Plan's targets.

6. Financial Implications

- 6.1. This paper considers c. £5.1m allocation of gainshare funding for Climate and Environment skills interventions
- 6.2. This paper considers prioritisation of Digital Skill Interventions to be costed at the business case development stage.
- 6.3. This paper considers an allocation of gainshare funding for SME Graduate programme to be costed at the business case development stage.

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. That the Committee notes the engagement of Local Authorities and wider engagement on the development of the future programme of delivery on skills, and notes the progress of the development of programmes
- 10.2. That the Committee provides comments on the green jobs and skills interventions.
- 10.3. That the Committee prioritises and endorses the development of digital skills business cases.

10.4. That the Committee endorses the development of the SME Graduate business case.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Green Summer School Interim Evaluation