

**Report to:** Employment & Skills Committee

**Date:** 23 January 2023

**Subject:** **Adult Skills and Approval of Bootcamp Funding**

**Director:** Philip Witcherley, Interim Director of Inclusive Economy, Skills and Culture

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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## 1. Purpose of this Report

- 1.1 To update the Committee on:
- the latest data on the challenges West Yorkshire faces in Adult Skills,
  - provide an overview of Combined Authority led provision which tackles these issues,
  - and outline future activity on adult skills in the region.
- 1.2 To provide the Committee with the AEB End of Year report, outlining the progress made in year 1 of devolution.
- 1.3 To seek approval to extend the delivery period for the Department for Education funded Skills Bootcamps from September 2023 to September 2024 and to accept and spend an additional £3,649,369 for the next wave of delivery (see Appendix 3).

## 2. Information

### Adult Skills context

- 2.1 West Yorkshire faces a range of adult skills challenges that require substantial investment to address. These skills deficits impact on business performance, individual career prospects and hold back overall productivity growth in West Yorkshire.

## Basic Skills and Employability

- 2.2 The main focus of the Adult Education Budget (AEB) programme is on enabling individuals to develop skills up to and including GCSE level qualifications (or Level 2). This is often equated with the basic level of attainment required for employability.
- 2.3 In West Yorkshire, 14% of the working age population hold their highest qualification at below Level 2, whilst 8% hold no formal qualifications at all. This is above the national average figures of 13% and 6% respectively. In total, 320,000 people in West Yorkshire hold no qualifications or are qualified below Level 2 but this figure would be 43,000 fewer if West Yorkshire could match national average performance (source: Annual Population Survey, January to December 2021, Office for National Statistics).
- 2.4 In addition, the proportion of young people reaching the age of 19 having achieved qualifications equivalent to Level 2 is also below the national average. This perpetuates West Yorkshire's attainment deficit. In 2021 (the latest figures available), 78% of 19-year olds in West Yorkshire had achieved Level 2 compared with the national average of 82%. Calderdale and Kirklees match the national average on this measure, but the remaining local authorities are well below, with figures of 74% for Bradford and 77% for both Leeds and Wakefield (source: Department for Education).
- 2.5 AEB also supports the legal entitlement for 19-23 year olds to study towards a first full Level 3 qualification (A-Level equivalent) and Free Courses for Jobs provides a similar entitlement to Level 3 study that includes people aged 24 and above. Again, this is particularly relevant to West Yorkshire because a relatively high proportion of young people reach the age of 19 without reaching this level. In 2021, 54% of 19-year olds in West Yorkshire had achieved a Level 3, six percentage points below the national average of 60%. In the case of both Bradford and Wakefield the proportion was only 51% (source: Department for Education).
- 2.6 West Yorkshire faces a basic skills challenge on a significant scale. According to small area estimates based on the Skills for Life Survey:
- 237,000 adults (aged 16-64) in West Yorkshire (16% of all adults) have Entry Level and below skills in literacy
  - 746,000 (52%) are at Entry Level and below in respect of numeracy
  - 78,000 (5%) have requirements around ESOL.
- 2.7 English language proficiency is a significant issue in West Yorkshire. Around 54,000 people, 2.4% of the population, cannot speak English or cannot speak English well, according to the 2021 Census. This rises to 4.2% in Bradford, more than double the national average of 1.9%.
- 2.8 The adult skills deficit is concentrated in West Yorkshire's deprived neighbourhoods. Around 30% of people qualified below Level 2 are residents of neighbourhoods which fall within the 10% most deprived nationally based

on the Index of Multiple Deprivation. Nearly one third (31%) of adults living within these deprived communities hold no formal qualifications with a further 14% qualified below Level 2 (source: Census 2021).

- 2.9 People who are jobless – a priority focus for adult skills provision - are much more likely to either hold no qualifications or to be qualified below Level 2. Around a third (34%) of unemployed and economically inactive people fall into this category in West Yorkshire, compared with 22% of the adult population as a whole.
- 2.10 Although the number of unemployed claimants in West Yorkshire and nationally started to fall in early 2021, following a huge increase associated with the pandemic, the downward trend flattened out in mid-2022 and there have been small increases in the count in recent months. West Yorkshire's claimant unemployment rate of 4.6% is well above the national average (3.7%) and Bradford has one of the highest rates in the country at 6.5%.
- 2.11 There are currently 68,200 claimants in West Yorkshire, still 21% higher than before the pandemic in February 2020 (source: NOMIS, Office for National Statistics). If unemployment increases significantly in the coming months, as forecast by the OBR and others, then supporting unemployed people into jobs will become an even bigger priority for AEB than currently, although it alignment will be needed around the range of skills and employment support programmes directly commissioned through the Department of Work and Pensions.
- 2.12 At the same time the labour market remains tight with high vacancy levels relative to the number of jobless people, reflected in ongoing labour shortages. This shows the importance of maintaining a balance between basic skills and vocational provision.
- 2.13 The number of vacancies for occupational areas that are served by AEB provision has grown significantly compared with pre-pandemic. There were around 70,000 vacancies in West Yorkshire in 2022 that were potentially accessible with Level 2 qualifications, an increase of 113% on the figure for 2019 (source: Lightcast). For example:
- Vacancies for Administrative roles in West Yorkshire were 15,200 or 102% higher in 2022 than in 2019 (pre-pandemic).
  - Vacancies for Caring personal service roles in West Yorkshire were 14,800 or 157% higher in 2022 than in 2019.
  - Vacancies for retail occupations (retail assistants etc) grew by 9,700 or 99% between 2019 and 2022.

### **Technical and sector specific skills**

- 2.14 Occupations that require skills equivalent to Level 3 (A Level) and above are the main focus for skill shortage vacancies, where employers experience difficulty in filling vacancies due to a lack of candidates with the required skills. At Level 3 equivalent, there is a high prevalence of skill shortages for skilled

trades occupations, including electrical trades, vehicle trades and metal machining / fitting trades. There are also acute shortages at professional level, most notably for nurses, health professionals, engineering professionals and digital professionals.

- 2.15 Technical and higher skilled roles are also in strong demand. The occupational category of Science, Research, Engineering and Technology Professionals has seen the biggest growth in online job postings in absolute terms, not only since pre-pandemic but also year-on-year. The net volume of postings in West Yorkshire saw a net increase of 28,000 between 2019 and 2022 and of 16,000 between 2021 and 2022.
- 2.16 This growth has been driven primarily by demand for digital professionals (which includes programmers / software developers, IT business analysts and IT project managers) but also for engineering professionals, most notably civil engineers and mechanical engineers.
- 2.17 But strong growth in vacancies at higher level has not been confined to these STEM occupations; there has been substantial growth in vacancies for business-related roles at professional and associate professional levels, most notably:
- Business, Media and Public Service Professionals – with particularly strong demand for business analysts, accountants, business project managers, quantity surveyors
  - Business and Public Service Associate Professionals – particularly, human resources officers, marketing officers, finance analysts and advisers, sales managers and procurement officers
- 2.18 Many of the occupations that show strong employer demand and are most susceptible to skill shortages are those that are pivotal to the emerging green economy and to tackling the challenge of net zero. It is projected that employment in West Yorkshire's green economy will need to double by 2030 in order to meet the requirements of net zero. Much of the growth will be driven by policy areas like Power, Homes and Buildings and Industrial Decarbonisation, which rely on employment in engineering professional roles and a wide range of skilled trades including electricians, heating engineers etc. This presents a major potential skills bottle-neck.

### **Upskilling the existing workforce**

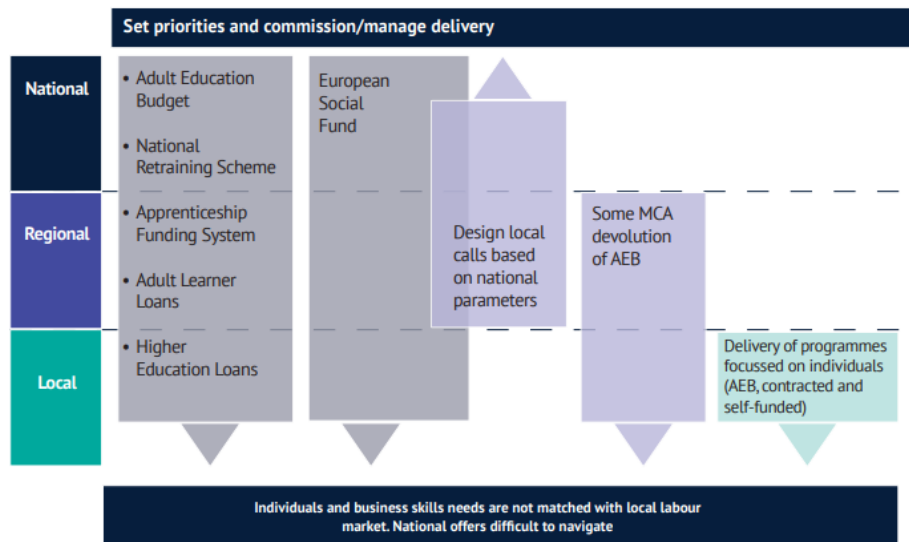
- 2.19 There is also a requirement to develop the skills of people already in employment. Based on the Employer Skills Survey, almost two-thirds (64%) of employers in West Yorkshire expect that at least some of their staff will need to acquire new skills or knowledge in the coming 12 months. The main drivers of this need are the introduction of new working practices, the development of new products and services, the introduction of new technologies or equipment and new legislative or regulatory requirements.

- 2.20 The development of the green economy will also present a need for the development of supplementary skills. For example, plumbers / heating engineers will need additional training and certification in order to fit heat pumps.
- 2.21 Relatedly, 15% of workers in West Yorkshire lack full proficiency in their role (skills gaps). Key areas in which skills need to be improved include basic literacy and numeracy, basic computing skills and problem solving as well as core technical skills (source: Employer Skills Survey).
- 2.22 Under-utilisation of skills is a significant challenge in West Yorkshire and arises in situations where individuals' skills and qualifications are not aligned with the requirements of the labour market. This creates a need for re-skilling or the development of supplementary skills. According to data from the Employer Skills Survey, close to a third (30%) of employers in West Yorkshire say that they have workers whose skills / qualifications are in advance of those needed for the job. Labour Force Survey data for West Yorkshire indicate that 128,000 people working in non-graduate roles (as their main job) hold qualifications at Level 4 and above. This is equivalent to 22% of all people working in non-graduate roles. Only 16,000 (12%) of these potentially underutilised workers are aged under 25. Workers with under-utilised skills are most likely to be employed in administrative, caring, retail and elementary roles (including storage and hospitality occupations).

### **Addressing the Challenges:**

#### The adult skills system

- 2.23 The skills and training system is made up of many sources of funding, with responsibility led by different government departments and shared between various bodies. For West Yorkshire, the Combined Authority's role in the adult skills landscape has significantly increased with devolution, however considerable direction and fund management remains at a national level, and outside the scope of the CA's influence.
- 2.24 The diagram below featured in the 'Future Ready Skills Commission' published by the West Yorkshire Combined Authority in September 2020, and is still broadly representative of the range of funds and the levels of control which exist within the skills system nationally.



- 2.25 The Combined Authority has varying roles from strategically supporting to directly managing delegated funds that are centrally directed by DfE, but has much more flexibility through devolved funds, where it seeks to ‘fill the gaps’ in nationally planned provision, and focus investment on the local challenges outlined in 2.1-2.11.

### Increasing basic skills and employability

- 2.26 The devolved **Adult Education Budget (AEB)** is targeted towards individuals who have low level skills and/or are unemployed or on a low wage. The fund is £66.4 million for academic year 2022/23. It supports learners through a range of programmes and access points, supporting them to increase their skills, and connecting them to further learning and employment opportunities.
- 2.27 Through the devolution of funds, the Combined Authority aims to continuously improve the impact of the investment of funding. This includes focussing the funds on disadvantaged areas and individuals most in need of support, i.e., with low or no qualifications, unemployed, on low wages. The aim is to make incremental improvements to the impact that the fund has on West Yorkshire residents and the economy.
- 2.28 The AEB End of Year Report (provided as **Appendix 1**) reviews the performance of the fund in the first year of devolution. In the main the report shows an overwhelming positive picture in the support that AEB delivers for West Yorkshires residents, and a similarly encouraging depiction of the changes and prioritisation of the funding in year 1, such as the increasing the proportion of learners from the most acutely deprived neighbourhoods from 37% to 41%, increasing the amount of enrolments on basic skills courses by 33%, and supporting 2,000 more people on low wages to upskill.
- 2.29 The paper also discusses how findings will be used to make systematic changes for year 2, for example focussing on ‘cold spots’ in disadvantaged areas where participation is low.

- 2.30 The report will be published online, embedded within an interactive web landing page with shorthand animations of key messages and headline progress. The report provides a range of case studies and examples of how the funds have supported West Yorkshire residents.
- 2.31 The review of Community Learning funded through AEB is now complete. The review has found considerable good practice amongst West Yorkshire providers, supported by skilled practitioners with expertise in learner support and empowerment. There is a strong foundation of quality to delivery upon which to build. A key ambition for WYCA should be to support the partnership to understand its strengths and achieve a consistency of provision across West Yorkshire.
- 2.32 While there is clear evidence of good practice, there is inconsistency of application of the funding guidance, in part, due to its lack of clarity and the ability to interpret against organisational priorities. More clarity on how Community Learning funds should be spent in West Yorkshire would improve the impact of investment, with Local Authority voices forming a key strategic role in this. Data collection should also be strengthened to provide a greater understanding of the focus and impact of funds.
- 2.33 The report will be published in March, with recommendations for action brought to the next committee – following consultation with Stakeholders.
- 2.34 The gainshare funded **Employment hubs** are led by Local Authorities, individually branded and aligning to each area's need. The hubs provide wrap around support to help individuals progress into work, and in many cases signpost and refer directly to the skills programmes referenced in this paper.
- 2.35 **Multiply** is an adult numeracy programme, led by the Department for Education (DfE) as part of the £2.6bn UK Shared Prosperity Fund (UKSPF). West Yorkshire Combined Authority has been given an allocation of £12.4m for Multiply across 3 financial years. The funding is to engage more adults with numeracy levels below level 2 (GCSE C/4 pass) in informal learning to boost their maths skills for life and work.
- 2.36 Following consultation, the West Yorkshire Investment Plan was approved in June 2022 and accepted by the Department for Education in August. The Investment Plan outlines 3 key streams of activity:
- Strand 1 - Individual engagement - £4.7 million
  - Strand 2 - Business focussed activity - £3 million
  - Strand 3 - Capacity building for the sector - £3.6 million
- 2.37 Strand 1 is now fully commissioned with much of strand 3 also in delivery. Strand 2 was open for tender in December-January without a successful outcome, and has therefore been revised and re-published, with much more engagement from the market.

- 2.38 The timescales for implementation and spend of the year 1 funds for this programme have presented significant challenges nationally. West Yorkshire is no exception, with an underspend of iro £816,000 identified. To help address this, the Combined Authority has encouraged existing commissioned providers to bring forward delivery and overperformance in year 1 where possible, committing to pay for overperformance.
- 2.39 West Yorkshire providers are confident that programmes will meet need and engage residents in years 2 and 3 now the programmes are established. The Combined Authority has formally requested for DfE to rollover unspent funds from year 1 to year 2, committing to deliver carried funds within the 2022/23 academic year.
- 2.40 A data report on year 1's activity, including participation and financial utilisation will be available at the next Committee meeting.

### **Addressing technical and sector specific skills gaps**

- 2.41 The delegated **Free Courses for Jobs funding** (£5.5 million in academic year 2022/23) is managed alongside AEB, given the significant alignment. This funding supports level 3 (A level equivalent) courses that lead to specific vocations only, with courses approved centrally by the Department for Education. Uptake was low in the first year of the fund's implementation in West Yorkshire. Following a range of actions taken, including widening the provider base through procurement and relaxation of subcontracting, the introduction of bridging programmes and supportive provider roundtables, usage in 2022/23 to date has already surpassed the number of residents supported in 2021/22 with over 800 enrolments to date.
- 2.42 The Gainshare-funded **Skills Connect** programme focuses on sector specific skills deficits which are affecting the West Yorkshire economy. The programme supports individuals to upskill and change career by accessing fully funded unaccredited, employer endorsed, technical training, with content aimed at Level 3 equivalent and above. The funding is £6million with the programme due to be delivered by March 2025. Current provision spans a number of areas including Technical, Digital, Health and Care and support for graduates.
- 2.43 All Skills Connect training is endorsed by employers with the ambition to reduce skills needs across the region across the key sectors detailed. Training is developed with a clear line of sight to new employment opportunities or to better work as a result of training. The programme has a target to upskill 4,500 individuals, with clear milestones and impact measurements built in, e.g course completions and progression within a 6 month period.
- 2.44 To date, over 500 participants have enrolled on various Skills Connect courses, including Requirements for Electrical Installations, Hybrid Electric Vehicle Repair and Organisational Sustainability Champion, courses which have been developed to support our ambitious net zero ambitions..



2.45 Examples of developed programmes include:

- An innovative pilot to support individuals currently volunteering in care settings, or with lived experience, to develop their valuable skills and move into paid employment. Participants on the pilot cohort all reported increased confidence, with one participant who is over 50 re-entering the workforce as a direct result.
- Addressing a need identified within the construction sector to support individuals to upskill and ensure competence and compliance within Health and Safety and Site Management Safety training. The scheme has supported individuals to step into management roles and to gain increased responsibilities within their existing employment. 114 individuals have completed the training, supporting their individual progression opportunities within the sector whilst improving the safety standards across the industry as a whole.
- Supplementing other construction related training, a holistic programme supported by local employers offering real site skills and a range of qualifications to improve employability prospects. The first cohort has already resulted in two new job outcomes with a number still to be reported.

2.46 **Skills Bootcamps** are funded by the Department for Education (DfE) to support adults to fulfil their potential by accessing high quality, unaccredited training at Level 3 equivalent and above. Skills Bootcamps are developed in partnership with local employers, training providers and Local Authorities to help fill local skills gaps and vacancies. Training received through the bootcamps, equips adults with technical skills that enable them to access in-demand jobs, apprenticeships, and new opportunities (including for the self-employed) leading to increased income and productivity. The Combined Authority has been delivering the Skills Bootcamps programme since January 2021 and to date has successfully enrolled 1,056 participants in the programme, with 751 successful completions. Of those that have completed the Skills Bootcamps, 56.3% have confirmed career progressions as a result.

2.47 A significant amount of employer engagement and employer endorsement has been prevalent in the delivery of Skills Bootcamps. We have worked with businesses across West Yorkshire in the co-design and co-delivery of Skills Bootcamps including Dedalus, The Food Portal, YB Communications and Studio 116. Employers have supported by delivering sessions, including Cyber Skills and Cyber Security Skills Bootcamps.

2.48 A number of high profile business have recruited graduates of previous Skills Bootcamps courses including SkyBet, Accenture and Pragmatic Digital. Courses delivered have included Digital Marketing, Software Testing and Software Development.

2.49 Previous waves of Skills Bootcamps have been predominantly in the Digital and Technical sector due to funding stipulations, however flexibilities permitted

with the next wave of funding will allow for 30% of the funding to be spent outside of these areas and in key priority skills needs for West Yorkshire.

- 2.50 The existing programme, Wave 3, is due to end in April 2023. A change request has been submitted seeking approval to accept and spend an additional £3,649,369 of funding under Wave 4, to deliver Skills Bootcamps for another year up to March 2024. The additional funding will enable training to be delivered to a further 950 participants.
- 2.51 The Combined Authority received the DfE grant offer letter for Wave 4 funding, on 1 March 2023, confirming the award of the full amount of £3,649,369. The change request has been considered, in line with the Combined Authority's assurance process and the approval requested from the Employment and Skills Committee is set out below. For more information, please refer to Appendix 2.
- 2.52 The Employment and Skills Committee is requested to approve:
- i. The change request to the Skills Bootcamps programme to accept and spend up to £3,649,369 from the Department for Education, increasing the total programme value to £7,338,369 and to extend the delivery timeframes from September 2023 to September 2024.
  - ii. Future approvals are made in accordance with the assurance pathway set out in Appendix 2 of this report. This will be subject to the scheme remaining within the tolerances outlined in this report.
- 2.53 The Department for Education has introduced a number of increased flexibilities under Wave 4 which will ensure that the training offer is relevant specifically to the skills needs of West Yorkshire residents and businesses.
- 2.54 The first flexibility introduced is the ability to deliver Skills Bootcamps outside of the Department for Education's key core areas, Digital and Technical. In previous waves, it was permissible to spend 10% of the funding outside of core areas. This has increased to 30% in Wave 4, providing a more flexible and responsive training programme to adults looking to upskill.
- 2.55 An additional flexibility introduced by the Department for Education includes the ability for businesses to upskill their existing staff using Skills Bootcamp funding. Businesses can access highly subsidised training by paying either 10% or 30% of the training costs, depending on the size of the business. This flexibility would allow Skills Bootcamps to be positioned as a subsidised training package for businesses, addressing an identified gap in support. Officers are exploring the ability to grant funding to Local Authorities to meet specific skills needs within their local areas.
- 2.56 **Skills for growth** is a fully funded service connecting small and medium-sized business owners to local schools, colleges and universities and skills training courses to upskill their staff. The programme works with businesses to build talent pipelines, increase productivity and close skills gaps by providing effective referrals to the range of skills and wider support programmes and

opportunities, helping businesses to navigate the national, regional and local funding landscape.

- 2.57 Over 60% of SMEs engaged with the programme are looking for training in the next 12 months, leading to referral to LA-delivered Employment Hubs, and other provision, e.g.: Calderdale and Huddersfield NHS Foundation Trust identified significant basic maths and English skills needs in their workforce. They have been linked to AEB providers who have to date supported 80 staff to upskill through functional skills courses.

#### Future Planned activity

- 2.58 Future activity and the next phase of support for Investment Priority 2: Skills and training for people will focus on digital and green skills and employer support. Key outcomes achieved will be: reducing levels of digital exclusion, supporting people with digital skills, supporting employers with talent acquisition, and supporting people of all ages with a greater understanding of employment opportunities. A paper providing a full update for Committee members is included under agenda item 8.

### **3. Tackling the Climate Emergency Implications**

- 3.1 Skills development is a critical component in tackling the climate emergency implications. Each adult skills programme provided by the Combined Authority, and the majority commissioned nationally provide a level of support in increasing green skills. Locally, the Green Jobs Taskforce will inform programme development.

### **4. Inclusive Growth Implications**

- 4.1 All adult skills programmes aim to support those residents who have a skills deficit and need to access learning opportunities to progress them towards further learning, employment or a better way of life. Through delegated and devolved funding, we specifically target investment of funds towards disadvantaged areas and underrepresented groups where the skills deficit is most pronounced.

### **5. Equality and Diversity Implications**

- 5.1 As per 4.1, all adult skills programmes aim to support those residents who have a skills deficit and/or tackle economic challenges. The range of programmes frequently support underrepresented groups through training provision.
- 5.2 All programmes have an Equality and Diversity Impact Assessment with relevant actions identified. Proportionate uptake amongst demographics is closely monitored, with targeted action taken to address any identified imbalance. The AEB End of Year report provides clear examples of the Combined Authority focussing fund investment to support underrepresented groups.

## **6. Financial Implications**

- 6.1 The proposal to accept and spend the 'Wave 4' funding for Skills Bootcamps will attract an additional £3,649,369 of funding to West Yorkshire, extending delivery up to March 2024. The additional funding will enable training to be delivered to a further 950 participants.

## **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 is asked to note and comment on the AEB End of Year report.
- 10.2 The Employment and Skills Committee is requested to approve:
- i. The change request to the Skills Bootcamps programme to accept and spend up to £3,649,369 from the Department for Education, increasing the total programme value to £7,338,369 and to extend the delivery timeframes from September 2023 to September 2024.
  - ii. Future approvals are made in accordance with the assurance pathway set out in Appendix 2 of this report. This will be subject to the scheme remaining within the tolerances outlined in this report.
- 10.3 The Committee is asked to approve the request to accept and spend 'Wave 4' funding for Skills Bootcamps and to extend the delivery timeframes from September 2023 to September 2024.

## **11. Background Documents**

None.

## **12. Appendices**

Appendix 1 – AEB End of Year Report  
Appendix 2 – Project approval – Skills bootcamps