

**Report to:** Employment and Skills Committee

**Date:** 23 March 2023

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

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Is this a key decision?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input 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 type="checkbox"/> No

## 1. Purpose of this report

- 1.1 To seek endorsement to proceed with the development of employment and skills packages for future funding.
- 1.2 To provide an update on UKSPF Pillar 3 – People and Skills

## 2. Information

### Background

- 2.1 In January the Combined Authority endorsed proposals for the next phase of the development of programmes to support the West Yorkshire Investment Priorities, building on the initial development of gainshare and other funds.
- 2.2 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.
- 2.3 Data from January 2023 shows the unemployment rate is close to record lows, yet the number of vacancies in West Yorkshire remains high in historic terms,

signalling a tight labour market. The number of NEETs (those not in employment, education, training) in West Yorkshire is above the national average. The percentage of jobs paying below Real Living Wage fell in most parts of West Yorkshire in 2022, indicating a potential backslide for 'Good Jobs'. More than one-in-five (22%) people in West Yorkshire have a maximum qualification level of Level 2 and 24% of working age adults in the region are economically inactive, again indicating a further barrier for 'good' employment for many.

- 2.4 The Information Technology occupational sector has the highest number of unique online job postings in West Yorkshire, evidencing a demand for digital talent in the region. 99% of private sector businesses in WY are SMEs, and so access to talent must be focussed on this community to drive economic growth, productivity, and economic resilience.
- 2.5 Recommendations from the Green Jobs Taskforce (Appendix 1) explain the need to inspire and attract people to green jobs, working in tandem with a range of educators to weave green skills throughout their curriculum, bridging the gap between education and employment. Meeting the UK's net-zero target by 2050 could result in over 71,000 jobs in the low carbon and renewable energy economy in West Yorkshire; however, this is dependent on having a workforce (and business base) that is prepared for change.
- 2.6 To build a talent pipeline of skilled labour, based on the needs of key sectors and addressing skill shortages is crucial; Career Information activities are essential across all age groups. Digital Skills, Green Skills, and Career Inspiration activities all help remove barriers that stop people from accessing well-paid, skilled, stable employment. Careers activities – based on local labour market information - are key in 'moving people into longer-term career progression pathways, offering support to access growing employment opportunities in digital and net zero roles' (WYIS).
- 2.7 Ensuring a skilled workforce and clarity around the existing skills landscape also helps to attract and retain investment from employers that can strengthen our regional economy. Employers must be supported to retrain, retain, and attract talent for in-demand skills, ensuring businesses can implement digital and green solutions and transition to net zero. As such, a robust skills support package is an essential intervention aligned to our investment strategy.

### **3. Skills Packages**

- 3.1 The intention is to develop two strands of complementary skills packages, within which a number of interventions will respond to and meet the needs of individuals and businesses in West Yorkshire.
- 3.2 Across all interventions, there will be a focus on providing and enhancing support for underrepresented groups, and a strong alignment to tenets of Equality, Diversity, and Inclusion.

- 3.3 The interventions will align to - and work collaboratively across a number of other programmes being developed and delivered by the Combined Authority, as well as other regionally and locally funded programmes.
- 3.4 Skills packages must be flexible, and responsive to the skills needs of businesses and individuals within the region, to support the creation and acquisition of 'good jobs' within key sectors. As such, support must consider and respond to employer demand for skills, with built-in flexibility to respond to changes in the labour market. Flexibility must also consider changes to funding sources where appropriate.
- 3.5 Skills packages will be developed under 2 key themes:
- **Workforce development and growth**
  - **Workforce for the future**

This 'dual approach' allows the CA to thematically identify interventions aimed at the current labour market as it stands and interventions aimed at the future labour supply, thus allowing for a more directed targeted approach.

### 3.6 **Workforce Development and Growth**

Workforce development and growth Package includes:

- **Digital and green skills offers for businesses** - including support for job creation, aligned to the mayoral pledge to create 1,000 green jobs for young people.
  - **Mayor's SME graduate pilot programme** – a programme designed to increase the uptake of employment within SME employers by graduates in West Yorkshire.
  - **Regional skills support for employers** – including a funding offer.
- 3.7 This proposed package would build on the success of previous programmes in supporting employers to create meaningful talent pipelines and workforce skills plans. The programme would seek to continue to facilitate relationships across the skills landscape within West Yorkshire (LA-delivered Employment Hubs, HE, FE, Schools and others), brokering opportunities to upskill, reskill and retrain existing employees, alongside methods for developing and acquiring future talent.
- 3.8 The package will focus on specialisms around key priority skills areas, such as Graduate employment, Digital skills and skills for Net Zero, as well as funding to support employers to address their current and future skills needs.
- 3.9 Proposed outcomes for the Workforce Development and Growth Package:
- Better access to local talent pipelines for SME employers, particularly in areas of future economic need (digital, green skills), allowing for the creation of well-paid, skilled employment opportunities.

- Lower incidences of skills gaps/skills related vacancies, particularly with regards to higher level skills and Digital capability within Leadership and Management.
- Supporting SMEs at increasing diverse talent pipelines and addressing gaps in sectors where there is a need to attract talent.
- A resilient local workforce, with transferable skills, strengthening businesses productivity and the labour market.
- Alignment to the skills needs outlined in the Climate and Environment Plan with a focus on supporting the region to respond to the objectives of the Better Homes Hub and skills required for retrofitting homes.
- Alignment with the Green Jobs Taskforces recommendations in supporting, enabling, inspiring and embedding change to support the region's goal of become a net-zero carbon economy by 2038.
- Alignment with the West Yorkshire Business Sustainability programme to undertake skills plans and address skills needs with businesses signposting to existing or new training, supporting employers to create well-paid jobs.

### 3.10 Workforce for the Future

Workforce for the future Package includes:

- **Digital inclusion** – ensuring all those across the region are supported in the acquisition of digital skills.
- **Regional careers campaigns** – aimed at key areas like Digital & Green
- **Green skills engagement with young people from primary age** – in order to encourage the development of understanding and aspirations around green careers.
- **A further education development fund** - including test and learn pilots for green skills.
- **Digital Workforce for the Future** - employer led inspiration activity aimed at young people to promote the take up of digital skills with a focus on engaging underrepresented groups.

3.11 The proposed Workforce for the Future package creates opportunities to develop inclusive and inspirational programmes, inspiring learners of all ages to acquire digital skills, whilst promoting a good understanding of the local labour market and careers opportunities within the region.

3.12 Digital Inclusion initiatives will build upon the capacity of community organisations to deliver digital skills interventions to those who are digitally excluded, in local settings, across the region.

3.13 This will involve facilitation of digital inclusion signposting for community organisations; networks for peer support for VCSE sectors; coordination of regional digital inclusion funding bids; evaluation and data sourcing activity. The Department for Work and Pension endorses this approach as complimentary to its own and is exploring financial support for this initiative.

### 3.14 **Proposed outcomes for the Workforce for the Future Package:**

- Digital and green employers engaged with education to develop young people and their influencers (teachers, parents/carers) an understanding of career opportunities within digital and green sectors.
- Alignment with and enhancement of existing skills provision across the region in Local Authority areas, schools, colleges, universities, independent training providers, and Skills Connect and Adult Education Budget provision.
- An engagement programme for primary aged children to develop aspirations around the green sector.
- A Further Education development fund including test and learn pilots aligning to employers' needs in the current and future green sector.
- Digital employers engaged in curriculum development supporting young people to feel inspired and engaged in digital learning.

## **4. Regional context**

4.1 The above-mentioned initiatives will also be coordinated alongside other initiatives to ensure thematic cohesion across key areas of the Combined Authority. These include:

- Interventions outlined in the Digital Skills Plan, including a Digital Skills marketing campaign; Digital Clusters research to identify key clusters of economic activity with regards to digital employers; the Digital Blueprint being developed by the Local Digital Partnership (Spring 2023).
- The recommendations put forward by the Green Jobs Taskforce.

4.2 These initiatives will also be coordinated alongside other initiatives from the Digital Skills Plan (Nov 2022) such as a Digital Skills campaign, Digital Clusters research, and they will be monitored by the Local Digital Partnership when creating the Digital Blueprint. The launch of the Green Jobs Taskforce report and recommendations will ultimately support and signpost to these interventions.

## **5. Timelines**

- Combined Authority assurance process, sign off from Combined Authority in June
- Consultation with Local Authorities, internal and external stakeholders on design throughout March and April
- Delivery in place September 2023

## **6. Next Steps**

- Committee members are invited to endorse the approach to develop skills packages and the proposed timelines.

## **7. UK Shared Prosperity Fund – Pillar 3 People and Skills**

- 7.1 Funding for Pillar 3, People and Skills is currently in place for the financial year 2024-2025 with a single year of £14m funding available for delivery of projects.
- 7.2 The role of the Employment and Skills Committee is to endorse the approach to UKSPF projects and programmes as part of the future pipeline of employment and skills programmes. The pipeline of programmes is aligned to investment and labour market priorities – utilising the appropriate funding stream.
- 7.3 A Local Partnership Group (LPG) has been established, made up of members from Mayoral committees and representatives of different stakeholders from across West Yorkshire. For West Yorkshire, the representatives from this Committee are Bill Adams, TUC, Colin Booth, Luminate Education Group, Alex Miles, West Yorkshire Learning Providers along with Shirley Congdon as a LEP Board representative. The group endorses the development of investment plans, recommends projects to the Combined Authority and Finance, Resources and Corporate Committee and reviews the use of the funding.
- 7.4 The main aims of the Fund for pillar 3 - People and Skills are:
- Boosting core skills and support adults to progress in work.
  - Supporting disadvantaged people to access the skills they need.
  - Funding local skills needs and supplementing local adult skills provision.
  - Reducing levels of economic inactivity and supporting those furthest from the labour market.
- 7.5 The key outcomes that have been agreed in the West Yorkshire Local Investment Plan for UKSPF include:
- Supporting economically inactive people to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills
  - Supporting people furthest from the labour market through access to basic skills
  - Skills to progress in work and to fund local skills needs
- 7.6 The approved Local Investment Plan for UKPSPF included the following areas for pipeline development:
- Employment West Yorkshire; funded through gainshare, with potential to use SPF where programme level outputs align with UKSPF.
  - Improve employment support for key groups
  - Skills for workforce
  - Community grants
- 7.7 In order to prepare for the delivery of funding from April 2024, consultation, engagement via sounding groups and with key stakeholders will start taking

place over summer and in order to make the best use of the short delivery time and public funding.

- 7.8 Detailed proposals will be brought to future meetings in line with the approvals for projects taken by LPG.

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

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

## **9. Inclusive Growth Implications**

- 9.1 Skills programmes outlined in this report will work directly with those disproportionately affected in the labour market.
- 8.2 Future skills programmes are aligned to the West Yorkshire Investment Strategy and Inclusive Growth implications and outcomes will be developed when programmes are designed.

## **10. Equality and Diversity Implications**

- 10.1 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 in the region 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.

## **11. Financial Implications**

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

## **12. Legal Implications**

- 12.1 There are no legal implications directly arising from this report.

## **13. Staffing Implications**

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

## **14. External Consultees**

- 14.1 No external consultations have been undertaken.

## **15. Recommendations**

- 15.1 That the Committee endorses the development of employment and skills packages for future funding.

15.2 That the Committee notes the update on UKSPF Pillar 3 – People and Skills

**16. Background Documents**

There are no background documents referenced in this report.

**17. Appendices**

None.