

**Report to:** Employment and Skills Committee

**Date:** 13 July 2023

**Subject:** **Skills Support for Employment**

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

**Author:** Michelle Hunter, Development Lead

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 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

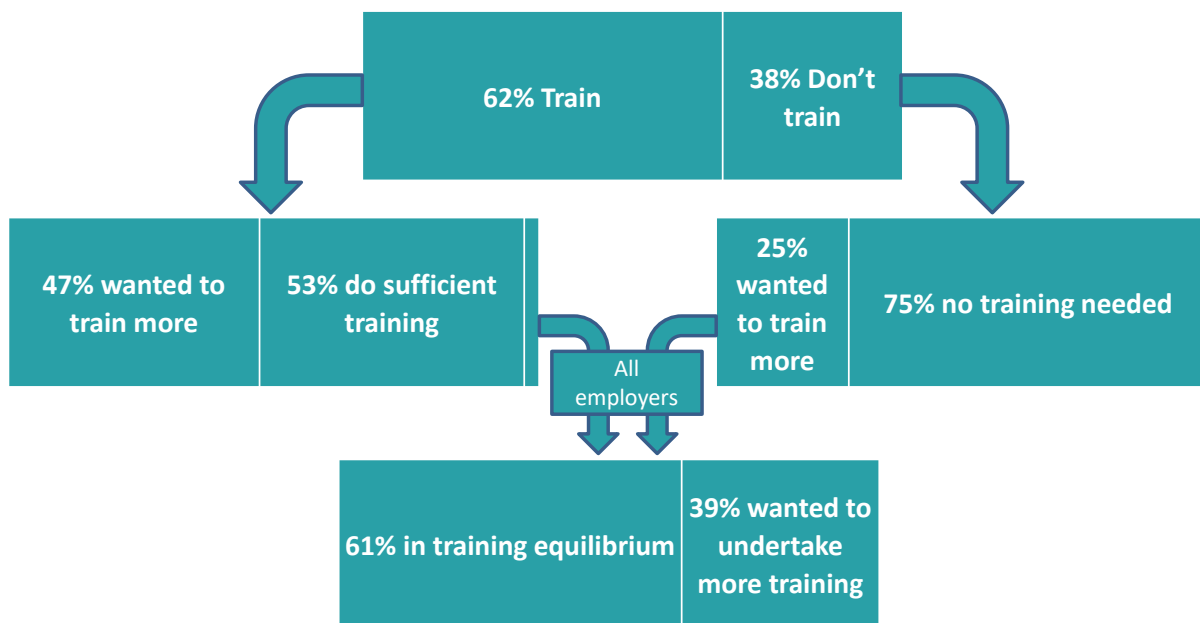
- 1.1 To update the committee on the relevant economic context for West Yorkshire.
- 1.2 To provide committee members with an update on the delivery of programmes to support employers to upskill and create a talent pipeline.
- 1.3 To update the committee on the new Workforce Development and Growth programme including Skills for Business interventions.

## 2. Economic Context

- 2.1 Employer investment in workforce development is crucial to developing the skills that the West Yorkshire economy needs. It is estimated that employers in the region invest £1.6bn per annum in training their staff when wage costs are included.
- 2.2 The Employer Skills Survey 2019 shows that less than two-thirds (62%) of employers in West Yorkshire provide any kind of training to their staff, similar

to the England average of 61%. At the same time 61% of staff receive training, the same proportion as the national average. In assessing whether enough training is being undertaken by local employers it is important to view training behaviour in the context of business need for training. Among the 38% of local establishments who do not train, a majority (75%) say that no training is needed but a significant minority (the remaining 25%) say that they would have liked to have done some training. Among those employers who would like to more training the chief barriers are an inability to spare staff time for training (55% of employers in this category) and a lack of funds for training (51%), followed by a lack of time to organise training (18%).

**Figure: Training equilibrium summary, West Yorkshire**



Source: Employer Skills Survey

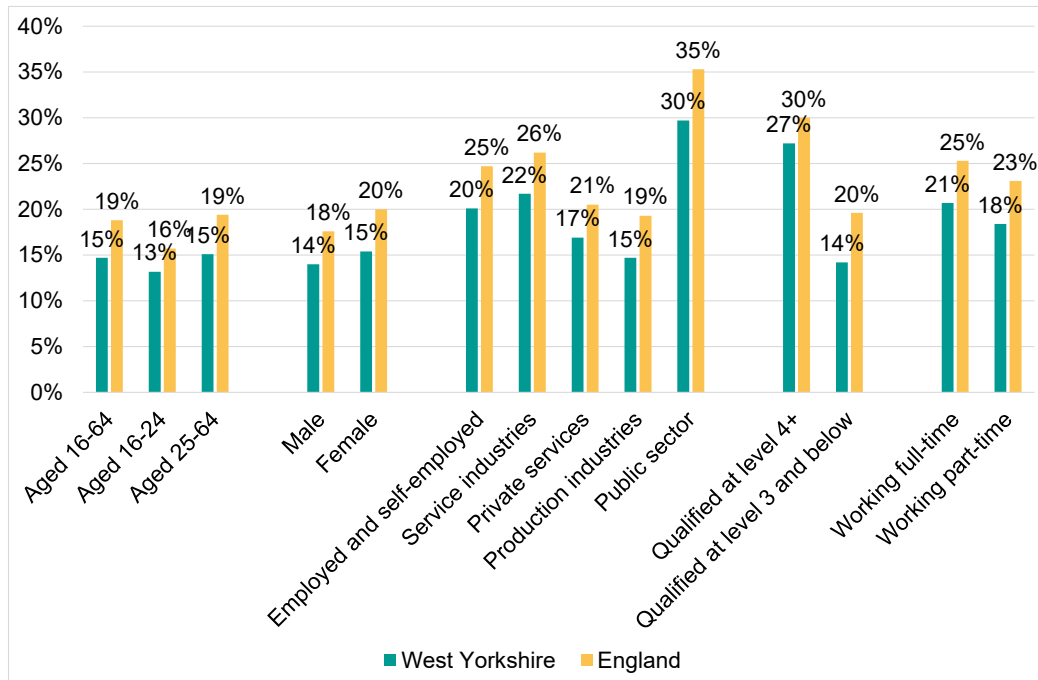
- 2.3 Employers face continued labour shortages, which means that development of existing staff is all the more important in meeting skill requirements. Around a quarter of all vacancies in West Yorkshire are estimated to be skill shortage vacancies, meaning that employers face a lack of candidates with the required skills to do the job. This proportion is much higher for some technical roles.
- 2.4 According to the Employer Skills Survey around two-thirds of employers in West Yorkshire expect that at least some of their staff will need to acquire new skills or knowledge in the year ahead. 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.
- 2.5 Moreover, 15% of employers in West Yorkshire report that they have one or more skills gaps - instances of existing staff lacking full proficiency to do their jobs. There are approximately 51,000 gaps, equivalent to 5% of total

employment in the region. Many skills gaps are due to a deficit of practical skills among workers, including job-specific skills and operational skills, such as knowledge of the organisation's products and services. Complex analytical skills, such as problem solving, plus digital skills at a variety of levels, as well as basic skills (functional literacy and numeracy) are also in deficit for many staff. A lack of the required "soft" skills is common across the workforce, including "self-management" skills such as time management and managing own feelings, plus team working and persuading / influencing others. Skills gaps affecting managers are widespread and have important implications for business performance. The skills that typically need improving include core management skills, complex problem-solving skills, as well as operational skills.

2.6 Looking at individual access to training, data from the Annual Population Survey for 2022 shows that local workers are less likely to undertake job-related training than nationally, with 20% of people of working age receiving training in the previous 13-week period compared with the national average of 25%. Some workforce groups are significantly less likely to undertake job-related training than others, with a potential impact on prospects for pay and progression. Arguably, people who could most benefit from skills development are least likely to be provided with access to it, which has key implications for equality, diversity and inclusion.

- Workers in the production industries are less likely to participate than their counterparts in the service industries; in particular, people employed in the public sector are the group most likely by far to receive job-related training.
- Young people (aged 16-24), both nationally and locally, are somewhat less likely to participate in job-related training than people aged 25 and over.
- Workers who are already qualified to a high level (level 4+) are considerably more likely to receive training than their less qualified colleagues (those qualified at level 3 and below).
- Part-time workers are less likely than full-time workers to receive job-related training.
- Finally, females are slightly more likely than males to receive training, but to a large extent this reflects their strong representation in public sector employment.

**Figure: Proportion of people receiving job-related training in previous 13 weeks by labour market group**



Source: Annual Population Survey, October 2020 to September 2021

### 3. Current delivery

#### Skills for Growth programme

- 3.1 The Skills for Growth programme is a part-ESF funded business facing service that aims to connect small and medium-sized businesses to training opportunities and skilled employees. Activity on the programme commenced in September 2020 and will end in August 2023, with financial completion by December 2023.
- 3.2 The programme has exceeded targets for business engagement and number of participants engaged. To date, it has supported 661 businesses to connect with education and training providers, access talent from across the region and upskill/reskill staff.
- 3.3 Performance up to the end of Q4 (March 2023), as reported to DWP as part of the funding requirements:
  - Number of supported micro, small and medium sized enterprises: 360 (against a target of 344) 105%. Broken down by Local Authority areas as follows, Bradford 37, Calderdale 39, Kirklees 76, Leeds 81, Wakefield 33, North Yorkshire 94.

- Number of small and medium sized enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision): 243 (against a target of 247) 98%. Broken down by Local Authority areas as follows, Bradford 16, Calderdale 24, Kirklees 51, Leeds 71, Wakefield 29 and North Yorkshire 51.
- Total number of participants: 2840 (against a target of 1509) 188%.

3.4 Businesses across all sectors have identified recruitment, including graduate recruitment, as a challenge. Engagement with Yorkshire Universities and careers leaders in the universities have enabled the team to put together a package of support for the summer term including a Big Futures in Small Business event for careers leaders, internship opportunities and Leeds Manufacturing Festival webinars.

3.5 Businesses supported through the scheme include manufacturing employer, [Parker Howley & Co.](#), located in Mirfield, Kirklees. The company was referred to the programme by the Growth Manager at Kirklees Council as it was looking to develop in-house digital marketing capacity in order to grow the business. The business was supported by the programme to recruit a Social Media and Marketing Executive via the graduate internship programme at Leeds Beckett University.

### **Levy Transfer service**

3.6 The West Yorkshire Levy Transfer Service is a free transfer service to support businesses to transfer up to 25% of their unspent apprenticeship levy to smaller businesses taking on apprentices. A transfer covers 100% of the training costs of the apprenticeship standard and avoids smaller businesses paying the 5% contribution towards the training.

Since its launch in 2019, the Levy Transfer Service has achieved the following:

- Received £4.7m of pledges from 18 different levy-paying businesses who weren't fully utilising their levy funds.
- Funded 505 apprenticeships (£2.9m) across West Yorkshire and York
- Supported 132 businesses across West Yorkshire and York, of which 41% are located within the bottom 20% most deprived areas.

### **Enterprise West Yorkshire**

- 3.7 The £6m Enterprise WY programme has been in delivery since late 2021 and provides a package of enterprise support.
- 3.8 The new 'Be the Boss' campaign launched in April 2023. The campaign raises awareness of setting up your own business as a career choice (as part of the workstream one **Exploring Enterprise** activity). A key focus of the activity was to realign the customer journey to ensure that the programme is accessible to underrepresented groups (such as women, ethnic minorities and people who identify as having a disability).
- 3.9 To date, the campaign has been successfully delivered across ad vans, bus stations and digitally (including Instagram, twitter and TikTok). The overall campaign has a target of reaching 100,000 individuals. The interim results of the paid social media results between 24 April – 21 May 2023 are as follows:
- Total reach: 186,258
  - Total clicks: 6,182
- 3.10 This has resulted in 184 new sign ups to the Exploring Enterprise course between the months of April – March 2023. Learners are being supported from underrepresented groups and the project is exceeding its EDI targets:
- Females: 70% (against a target of 50%)
  - Individuals from an ethnic minority: 33% (against a target of 30%)
  - Those who self-identify as having a disability: 11% (against a target of 10%)

## Future delivery

### 3.11 Workforce Development and Growth

Following the last Employment and Skills Committee in March, approval was given by Combined Authority on 22<sup>nd</sup> June for a Workforce Development and Growth skills package that will enhance and build on a wide range of activity including a programme of skills support for employers - this 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 employers by graduates in West Yorkshire.

- **Regional skills support for employers** – an impartial support service for businesses aligning to region wide business support and skills offers including a skills funding offer.

3.12 The Workforce Development and Growth is a £7.5m package, made up of £6m from gainshare funding and £1.5m local skills funding. Alternative funding sources will be considered where possible and suitable.

3.13 The main objective of the package is to create a flexible and responsive programme of offers that connect businesses to region-wide opportunities whilst maintaining both a local and regional access point to support.

High-level objectives include the following:

- Engage 10,000 businesses to interact with skills and training opportunities.
- Support a minimum of 150 and a maximum of 600 SMEs to access skills funding to develop skills and training for their workforce.

3.14 The programme will support businesses to develop skills to upskill, retain and attract talent as well as embed positive work cultures and increase diversity with a key focus on supporting businesses to develop the skills they need to 'become net-zero' and digitise.

3.15 The programme will provide impartial advice to businesses to connect them with skills programmes and align with region-wide business support offers.

3.16 Building on the success of the current Skills for Growth programme, the Mayor's SME Graduate Pilot Programme and Regional Skills Support for Employers will similarly utilise a team of advisors to support business to access the training and support required to fulfil skilled roles and upskill current staff in green and digital. Advisers will be locally based, complementing Local Authority offers and wider business support.

3.17 Upon delivery, access points and effective triaging will be considered against region wide programmes such as Employment West Yorkshire, Enterprise West Yorkshire, and wider businesses support and adult skills programmes.

3.18 Skills funding will be available through this offer, with a proposal that this is allocated for businesses whose primary barrier to accessing training is time and finances, especially in the cost of doing business crisis. In order to encourage West Yorkshire SMEs to upskill their staff, this funding aims to overcome these barriers, specifically supporting businesses to upskill to become more digitally capable and green. Additionally, in the medium to long-

term, businesses will adopt practices that increase resilience and encourage sustainable processes.

- 3.19 As a result of these interventions employers will benefit from a more productive and resilient workforce and in turn, individuals will gain transferable skills and experience.
- 3.20 The Workforce Development and Growth package will aim to encourage and influence those that are (statistically) less likely to enter digital and green employment. Those from non-white backgrounds, women and people with disabilities to consider digital and green skills employment\* (WPI Economics Research, 2022).

## **4. Next Steps**

4.1 Workforce Development and Growth package timeline:

- Approved by Combined Authority Board in June 2023
- Initiate implementation, starting in September 2023.
- Full implementation by January 2024.
- Fully funded programme until March 2026.

4.2 Committee Members will be invited to attend a workshop over summer to support the development of programmes.

4.3 On an ongoing basis, in tandem with the entire programme, this work package will undergo consultation and engagement with stakeholders, ensuring that it continues to be fit for purpose and can fully realise outcomes.

4.4 Evaluation will also be continuous, flexing delivery to suit a volatile employment and skills market is a crucial success indicator.

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

5.1. The interventions in this report are designed to address the employment and skills needs identified to address climate emergency implications.

## **6. Inclusive Growth Implications**

6.1. All delivery linked to programmes will be aligned to inclusive growth, procured suppliers commissioned to delivery activity through the programme will be



required to demonstrate a commitment to implementing social value objectives throughout the life of the programme and projects.

## **7. Equality and Diversity Implications**

7.1. The programmes will follow existing business support, enterprise and skills programmes and develop EDI targets based on benchmarks from predecessor schemes.

## **8. Financial Implications**

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

## **9. Legal Implications**

9.1. Ethical and legal considerations, rules and regulations, and timescales within which the project must be delivered have all been considered and deliberated upon.

## **10. Staffing Implications**

10.1. There are no staffing implications arising directly from this paper.

## **11. External Consultees**

11.1. Employment and Skills Committee, local authority and wider stakeholders have been consulted on the proposals in this paper

## **12. Recommendations**

12.1 This report seeks questions and feedback.

12.2 This report seeks committee endorsement of this approach.

## **13. Background Documents**

13.1 There are no background documents referenced in this report.

## **14. Appendices**

Appendix 1 – [Programme breakdown](#)

Appendix 2 – [Draft Green Jobs Taskforce Recommendations](#)

