



<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	9 November 2023
<b>Subject:</b>	<b>Employment and Skills Update</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & 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 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## 1. Purpose of this Report

- 1.1 To update the committee on the development of two pieces of policy and strategy to develop and deepen thinking to the overarching Employment and Skills Framework.
- 1.2 To agree opportunities for engagement for committee members to develop the Blueprints further.

## 2. Information

### Evidence Base (see appendix 1 for full detail)

- 2.1 West Yorkshire faces a skills shortage in key areas, which in turn contributes to the productivity gap experienced by the region. Low attainment levels are a key contributor to skills shortages, especially amongst young people in West Yorkshire. Employers in West Yorkshire indicate that they find it difficult to fill more than a third of their total vacancies due to a shortage of people with the required skills.
- 2.2 Under-utilisation of skills is a significant challenge in West Yorkshire. Relatedly, there are marked differences between the occupational profile of people in work and the occupational backgrounds of unemployed and inactive people who would like a job, which

suggests a potential misalignment between the skills held by individuals and those needed in the current labour market.

- 2.3. The latest available data from Employer Skills Survey 2022 shows that although the value of employer investment in training is substantial, the incidence of training among West Yorkshire employers has fallen since 2019 and is below the national average. At the same time employers face an increased prevalence of skill shortage vacancies (characterised by a lack of job applicants with the required skills).
- 2.4. Labour market conditions in West Yorkshire are showing signs of softening, reflecting the national position and the impact of interest rate rises and slow growth in the economy. There are some distinct patterns in local authority areas.
- Employment growth has levelled-off in recent months, whilst the average level of pay is starting to decline.
  - The claimant count has been growing since late 2022, albeit at a modest rate, with young people worst-affected.
  - The employment rate for young people is currently falling and inactivity is rising for the group, partly due to ill-health.
  - However, recruitment demand reflected in online job postings currently remains robust.

The region also faces structural challenges arising out of high levels of economic inactivity, particularly for groups who are disadvantaged in the labour market.

- 2.5. Matching the skills required by employers with the capabilities of current and potential employees is key to the efficient and productive functioning of the labour market. Careers support can contribute to more effective matching by ensuring that individuals have access to rich, meaningful and relevant information about available career opportunities and the skills and learning pathways that provide access to them. Similarly, employment support is vital in supporting individuals to engage with the local labour market, and fill vacancies being experienced by employers.

#### Current Activity (see Appendix 2 for a visual overview)

- 2.6 There is a number of current activity being delivered by the CA and partners on careers support, employment support, and skills support for employers:
- 2.7 Careers Support activity includes:
- The West Yorkshire Careers Hub supports 185 schools and colleges across the region to make progress towards the Gatsby Benchmarks of good careers guidance, working closely with local employers, including through the Enterprise Advisor Network.

- The [FutureGoals](#) all-age careers platform, which has reached over 2.5m people, supporting people from all backgrounds to understand career opportunities across West Yorkshire, and how to access them.

#### 2.8 Employment Support activity includes:

- Supporting residents through the locally delivered, regionally coordinated Employment West Yorkshire programme, which provides support, advice and guidance to move customers closer the labour market/into new employment. Employment West Yorkshire will support 7,700 people of all ages between April 2023 and March 2025.
- Co-development of a set of Youth Hub design principles with Local Authority and DWP colleagues, in order to utilise existing good practice from within the region and further afield to improve outcomes for young people with regards to the labour market.
- Convening a Work & Health partnership to maximise future opportunities for residents through national funding rounds and pilots, for activity focussed on removing health-related barriers to employment. The partnership will bring together Local Authority public health leads, Local Authority skills officers, and Combined Authority officers across employment, skills and health.

#### 2.9 Support for employers includes:

- Supporting employers to invest in their workforce and build diverse talent pipelines, through creating relationships between employers and education partners within the region.
- Through the Apprenticeship Levy Transfer programme, supporting employers to access over £5m of unspent apprenticeship levy, signalling significant investment in current and future workforce.
- Developing a set of ambitious recommendations through the Green Jobs Taskforce, to support businesses, individuals, educators and to maximise opportunities and minimise identified challenges of our future green economy.
- With partners, co-developing and co-designing a series of Skills Support for Business interventions, to be delivered between September 2023 and March 2026. This programme enhances core activity where funding was due to come to an end and allows the Combined Authority to commence delivery of new outcomes and pilot new approaches in line with its strategic priorities. Activity will include an advisory service, employer skills co-investment (to be developed with key partners) and a Mayoral graduate pilot.

#### Blueprints

- #### 2.10
- Driven by the shared ambitions of the Combined Authority's (CA) Employment and Skills Framework, the Combined Authority is co-developing two blueprints; an All-Age Career and an Employment Support Blueprint. The policies seek to address some of our key

labour market challenges, and improve outcomes for our residents, around: Access to quality career provision, employment readiness, employment support and pathways to further skills, training and good employment.

- 2.11 The blueprints discussed in this paper both primarily support Mission 1 of the West Yorkshire Plan – **A prosperous West Yorkshire, enabled by an inclusive economy with well-paid jobs**. An effective employment support system ensures that individuals are supported to find, retain and progress within employment, whilst also supporting employers to create and fill vacancies that present clear progression routes. Similarly, high-quality careers provision allows employers to develop future talent in line with future skills needs, and provides the opportunity for individuals to find meaningful employment.
- 2.12 There is recognition that both blueprints must align to the emerging Economic Strategy, as this will be influential in providing a framework for future investment decisions.
- 2.13 The Blueprints will also ready West Yorkshire for further devolution of skills powers and funding, based on the precedents set by the Greater Manchester and West Midlands Trailblazer Deals.
- 2.14 Members of the Committee will be invited to indicate their preference for a date to join a private workshop to support the design and development of the Blueprints.

#### West Yorkshire Employment Support Blueprint

- 2.15 To support the policy development and position for employment support in West Yorkshire, early work has begun on an Employment Support Blueprint for the region, which will:
- Set out the current context and challenges related to Employment Support in West Yorkshire (as a devolved region).
  - Develop critical thinking about possible system improvements to Employment Support.
  - Determine clear roles and responsibilities for improvement and change, as part of any future devolution in this area, in order to be appropriately placed to meet future requests and opportunities through central government.
- 2.16 The Blueprint will support the CA and partners to establish key policy positions with regards to its role in the regional employment & skills landscape, as well as identify opportunities for partnership working with commissioning bodies through central government.

#### West Yorkshire All-Age Careers Blueprint

- 2.17 With West Yorkshire's Local Authority partners, the Combined Authority is currently in the process of co-producing an All-Age Careers Blueprint with partners and key stakeholders, building on and complementing the principles of the Work Local model developed by the Local Government Association [Work Local | Local Government Association](#).

- 2.18 The careers offer is envisaged to take a whole life approach, with a focus on transition points, such as leaving education/training or a need or wish to upskill or change careers, and residents that face disadvantage.
- 2.19 The Institute for Employment Studies (IES), working collaboratively with the International Centre for Guidance Studies (iCeGS), have been commissioned to lead the development of the West Yorkshire All Age Careers Blueprint.
- 2.20 IES and iCeGS have synthesised the available evidence on best practice, academic literature and the current policy landscape, and including analysis of regional labour market data. The Combined Authority and LA partners undertook a light-touch mapping exercise to get a better understanding of the current, regional career provider landscape. The first phase also included a Theory of Change workshop with lead skills officers from Local Authorities, business, education and career providers to develop an initial overview of the existing career landscape, articulate ambitions for future ambitions and think about possible mechanisms for change.
- 2.21 An interim report has been presented to the [Employment & Skills Committee](#) on 19 October and feedback is being considered for the second phase of the project. Wider consultation with key stakeholders, including businesses is expected to take place over autumn.

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

- 3.1 Future interventions address the climate emergency, inspiring individuals to consider green careers and supporting educators to deliver informed advice and guidance with the knowledge and confidence required to meet our net zero ambitions. Employers will also support both educators and individuals, providing steer on skills required to meet their current and future demand.
- 3.2 Similarly, an effective employment support system can effectively support individuals to develop skills and find employment in the net-zero economy.

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

- 4.1 Career inspiration, starting at primary school age, has been shown to impact social mobility and counteract the early formation of stereotypes about occupations. Children and young people from disadvantaged backgrounds benefit the most from support. [Starting Early]
- 4.2 Similarly, The West Yorkshire Employment Support Blueprint will also support inclusive economic growth by placing a particular focus on those groups that face disadvantage, and exploring how barriers to employment for these groups can be removed.

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

- 5.1 A priority for the West Yorkshire All Age Career Blueprint is to create a system that works for all ages, from primary school to retirement age, with a focus on transition points. The blueprint will also consider how CEIAG can help address longstanding skills and

employment gaps based on gender, ethnicity and ability as well as how to reach groups that face disadvantaged.

- 5.2 Similarly, The West Yorkshire Employment Support Blueprint will also support inclusive economic growth by placing a particular focus on those groups that face disadvantage, and exploring how barriers to employment for these groups can be removed.

## **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 Comprehensive and robust consultation with stakeholders is planned to support the development of the West Yorkshire all Age Careers and Employment Support Blueprints, including: Local and Combined Authority colleagues, education and training providers, careers and employment support providers, employers and members of the public.

## **10. Recommendations**

- 10.1 That members note the development of the All-Age Careers Blueprint & Employment Support Blueprint, as two pieces of strategy work intended to support the wider strategic aims of the region and the in-development Economic Strategy.
- 10.2 To agree opportunities for engagement for committee members to develop the Blueprints further.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 - [Evidence Deep Dive for WY All Age Careers & Employment Support Blueprints](#)

Appendix 2 – [Employment & Skills Overview June 2023](#)