



Report to:	Employment and Skills Committee
Date:	15 February 2024
Subject:	Skills System Review
Director:	Felix Kumi-Ampofo, 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 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 planned work in the context of potential deeper devolution on the Employment and Skills agenda.
- 1.2 To seek the Committee's views on whether a more consistent approach to how local Employment and Skills Boards are constituted is needed and how best to engage with these where they exist.

2. Information

Review of devolved employment and skills "operating model"

- 2.1 Since the publication of the Employment and Skills Framework, the Future-Ready Skills Commission and the AEB Strategy (see appendix), the context has changed considerably with the scale of regionally delivered Employment and Skills activity having grown rapidly. While some funding streams are devolved (AEB, Gainshare), others are delegated (Free Courses for Jobs, UKSPF) or contracted to the Combined Authority (Skills Bootcamps, Careers Hubs).

- 2.2 Operating models vary with some activity being delivered via Local Authorities including employment support and digital inclusion, some regionally commissioned including adult skills, and a small amount of activity being delivered at a regional level (Skills Advice for Business, Careers Hubs – albeit closer joint working with LAs is already being explored).
- 2.3 With deeper devolution potentially imminent, a review of the operating model for Employment and Skills in West Yorkshire is timely. Political leaders have committed to the principle of subsidiarity, meaning that activity should be carried out at the lowest appropriate level to deliver efficiency, reach and impact.
- 2.4 The five West Yorkshire local authorities and the Combined Authority agree that the opportunity is right for a review of officer-level governance and their respective roles with a view to maximizing the opportunities presented by devolution (current and future) for the benefit of the people, employers and communities of West Yorkshire. Specifically, the six authorities are seeking to develop an operating model for employment and skills that is more joined up and identifies what the most appropriate role is for each partner in regard to employment and skills. In addition, the six authorities are seeking to develop a model for interconnected governance of officer groupings, particularly in the context of potential level 4 devolution.

Local Employment and Skills Boards

- 2.5 Of the five LA areas, four have Employment and Skills Boards. They vary in their make-up, decision-making responsibilities and chairing arrangements. While one is private sector chaired, the others are chaired by education or careers providers or senior Council officers. Senior Combined Authority officers are represented on two of the Boards. There is currently no formal representation from these boards on the Employment and Skills Committee and members are asked to consider how best to engage with them and whether a more consistent approach to how they are constituted may be beneficial. Formal engagement options could include:
- Asking elected members on the Employment and Skills Committee to represent the views of the local partnerships
 - Asking one of the Chairs to represent the 4 Boards on the Committee, subject to the agreement of the Chair of the Employment and Skills Committee, the Mayor, and the Combined Authority Board.

Furthermore, the Committee may also want to consider if it may be beneficial to engage with local local areas to consider whether there ought to be greater consistency in the terms of reference, make-up and remit of the local boards.

3. Tackling the Climate Emergency Implications

- 3.1 While there are no climate emergency implications directly arising from this report, it is essential that the approach taken to devolved employment and skills prioritises the skills needed in order to achieve the region's climate aspirations.

4. Inclusive Growth Implications

- 4.1 A key consideration of the Skills System Review must be to ensure that the most disadvantaged individuals and communities can benefit from employment and skills support.

5. Equality and Diversity Implications

- 5.1 A key consideration of the Skills System Review must be to ensure that people from all backgrounds can benefit from employment and skills support, and that we particularly target those that are disadvantaged in the labour market due to protected characteristics.

6. Financial Implications

- 6.1 The cost of the externally commissioned report will be reported to the Committee.

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 endorses the proposed review of the skills system and indicates whether and/or how it would like to input.
- 10.2 That the Committee considers how best to engage with local Employment and Skills Boards where they exist and whether a more consistent approach to how they are constituted and governed may be beneficial.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

12.1 Regional Policy Context.

APPENDIX Regional policy context

In May 2023, the Combined Authority formally adopted the West Yorkshire Plan as the overarching strategic framework for the region. The West Yorkshire Plan sets out the vision of “A brighter West Yorkshire - a place that works for all. An engine room of ideas and creativity, where anyone can make a home.” The West Yorkshire Plan includes five missions which all require skills input particularly the first, “A prosperous West Yorkshire – an inclusive economy with well paid jobs”. Beneath the West Yorkshire Plan, the existing policy framework includes a suite of policies and strategies aligned to areas of delivery. The Combined Authority is currently consulting on the development of a new Economic Strategy.

The [Employment and Skills Framework](#) was published in June 2021 setting out the following priorities:

- Quality technical education
- Great education connected to business
- Accessing and progressing in good work
- Creating a culture of investment in workforce skills
- Driving innovation and productivity through high level skills

and cross-cutting themes:

- Inclusive growth
- Digital skills
- Net zero carbon

In September 2020, following the West Yorkshire Devolution Deal, the Combined Authority published its [Adult Education Budget Strategy](#).

Future-ready Skills Commission

The Future-Ready Skills Commission was an independent commission made up of experts and leading thinkers from business, education, local government and think tanks. Chaired by Cllr Susan Hinchcliffe, Leader of Bradford Council, and supported by the West Yorkshire Combined Authority, the Commission conducted an in-depth examination of the UK skills system, from post-16 education through to adult skills and career development and collated national and international examples of best practice over a two-year period.

In September 2020 the Commission issued its final report, [A Blueprint for a Future-Ready Skills System](#), which contained nine key recommendations to create a devolved skills system focused on people, businesses and local economies.

The report offers a vision of a skills system where employers are able to recruit the talent they need, and individuals can better access opportunities, leading to more resilient, flexible and dynamic local labour markets that work for all.

The recommendations were:

1. Ensure the funding system offers fair access regardless of age, level of attainment, background and learning route alongside reversing the long-term decline in adult training
2. Empower areas to design services around the individual to address complex and interrelated health, employment and skills issues
3. Everyone should have the right to quality information about jobs and careers, no matter what their stage in life
4. Employers should take greater ownership of their talent management and skills development, aided by a joined-up approach to business support that means they can find the help they need, regardless of the route they take to find it
5. In order that people can gain the right skills needed for good quality work in their area, all adult skills and careers funding needs to be devolved
6. Recognise that areas are best placed to understand their own skills requirements and implement statutory five-year strategic skills plans to make it happen
7. Ensure that training meets the current and future skills needs of regional labour markets, delivery agreements with skills providers should be put in place, supported by investment funding
8. Large-scale public infrastructure projects designed to level up areas should include an additional skills premium of up to 5% of the total budget to maximise their economic potential
9. The Apprenticeship system needs national review to make it work more effectively, and this should include recognising and resourcing areas as the key route to employers and individuals

Local Skills Improvement Plan (LSIP)

2.6 In West Yorkshire the LSIP process has been led by the Chambers of Commerce and the [final report and action plan](#) were published in May 2023. This was built on data and evidence from the Combined Authority, consultation with the sector, and extensive work with employers. The LSIP identified the following key sectors demanding technical skills input to support growth, transformation, and increased productivity in West Yorkshire:

- Health & Social Care
- Construction
- Low Carbon
- Financial and Professional Services
- Education
- Engineering and Advanced Manufacturing
- Creative Industries



- Transport and Logistics
- Digital & Technology

In addition, it also identified cross-cutting themes in respect of: Net zero/sustainability; transferable skills; equality, diversity and inclusion; leadership and management; and digitisation and automation. Through the research, many employers expressed a wish for more flexible delivery of training modules rather than a focus on full qualifications and stressed the importance of soft skills in addition to the above priorities.