



Report to:	Employment and Skills Committee
Date:	15 February 2024
Subject:	Skills Support for Businesses
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To update the Committee on the development and delivery of activity to support employers to create a pipeline of talent and to encourage employer investment in skills.
- 1.2 To seek the Committee's views regarding the development of support for emerging skills (particularly digital and green) through co-investment with employers.

2. Information

Context

Key points regarding economic and labour market context for this paper are summarised below (and set out in more detail in the appendix):

- 2.1 Although there are now signs of cooling, the West Yorkshire labour market remains relatively tight, with high levels of vacancies (job postings) in historic terms and a low ratio of unemployed claimants to vacancies. Employers also continue to report recruitment difficulties.

- 2.2 The strongest demand in the labour market is currently for higher skilled technical roles, including Information Technology professionals and Engineering professionals, as well as business roles, including sales and marketing and finance professional occupations. There are also large numbers of vacancies for teaching roles. Lower down the occupational spectrum, there is strong demand in respect of retail, administrative and caring personal service occupations.
- 2.3 Skills mismatches are at an all-time high, with more than a third of vacancies in West Yorkshire difficult to fill due to a lack of candidates with the required skills. The situation is even more acute in sectors like Construction. Employers also face skills deficiencies among their existing staff – skills gaps – and these are also at historically high levels.
- 2.4 The evidence shows that a small proportion of employers use further and higher education institutions as a source of support to address their skills needs, with most employers using private providers for external training. The key barrier to engaging with both further and higher education is a perceived lack of relevance of the curriculum offer and of the subject matter of specific courses.
- 2.5 Higher skilled workers in digital, engineering and health disciplines are in strong demand in the local labour market and are susceptible to acute skill shortages. Higher skilled STEM workers in disciplines like engineering, together with skilled tradespeople in construction, electrical trades etc are also required to support the development of the green economy but are already in short supply. In addition, many workers lack the digital skills that are increasingly important to proficiency across a wide range of roles. These issues are examined in further detail in Appendix 1.

Emerging skills

- 2.6 Funding of £1.5m has been secured to support emerging skills (particularly digital and green) through co-investment with businesses to March 2026 and options for the implementation of this funding will be brought to this Committee at a future date. In order to shape this thinking, Committee members are asked to provide a steer on how best this funding can be targeted to address high demand from employers for highly skilled technical roles, skills mismatches and projected growth in emerging skill areas.

Fair Work Charter

- 2.7 The Mayor of West Yorkshire pledged to introduce a Charter to recognise the many employers in the region that are committed to Fair Work, and to encourage others to follow suit. The Charter was formally launched on 24th November 2023 in Bradford with a number of early adopters and Leaders sharing the stage to promote the benefits of Fair Work to employers and employees.
- 2.8 Over 40 businesses have signed up as early adopters across West Yorkshire so far. They are across sectors including manufacturing and food; creative and digital industries; health and medical; education; voluntary, community, social enterprise; Public Sector;

Police; Public Transport and wholesale food warehouse and distribution. The delivery partner to support business adoption is now on board and progress in rolling this out across the region will begin.

Strategic business/education engagement

- 2.9 The regional CBI has offered to co-host with the Combined Authority an event in Feb/March to convene a group of employers to articulate current and future skills needs. The agenda will include regional labour market, a think-piece on future of work the scoping of co-investment models for emerging skills, and an overview of the current regional offer to businesses.

Skills advisory support

- 2.10 The part ESF-funded Skills for Growth programme has now completed and is being closed down. The programme supported 544 employers over 3 years to engage with the full breadth of the education and training landscape via an impartial diagnostic approach. An evaluation is underway and early findings are that businesses supported through the programme generated an average of 5.7 jobs each, of which 41% (or 2.3 jobs per business) could be attributed to the programme. This results in £18.3 million of GVA and represents £10.18 of benefits for every pound spent delivering the programme, representing very high value for money.
- 2.11 Following the success of the Skills for Growth programme, eight Business Skills Advisers have been retained by the Combined Authority to provide impartial advice and support to employers to engage with education skills and training in order to create a pipeline of talent and address recruitment challenges. The advisers are full embedded in the wider business support landscape and will work closely with business-facing staff in Local Authorities as well as the LSIP team currently being recruited by the Chambers of Commerce.
- 2.12 The Mayor's Graduate Pilot will soon be commissioned to support SMEs to recruit graduates, addressing the lack of understanding among residents of the career opportunities in SMEs and improving local businesses' ability to attract graduate talent.

3. Tackling the Climate Emergency Implications

- 3.1 While there are no climate emergency implications directly arising from this report, support for emerging skills – particularly green – is a key focus of business engagement. This includes the implementation of the Mayor's Green Jobs Taskforce.

4. Inclusive Growth Implications

- 4.1 While there are no inclusive growth implications directly arising from this report, targets are being developed to ensure effective reach of businesses located in the most deprived

neighbourhoods in West Yorkshire. The Fair Work Charter in particular aims to encourage employers to adopt more inclusive employment practices.

5. Equality and Diversity Implications

- 5.1 While there are no equality and diversity implications directly arising from this report, programmes aim to encourage employers to adopt more inclusive recruitment practices and to recruit a more diverse pool of talent.

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 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Employment and Skills Committee notes the update on the development and delivery of activity to support employers to recruit a pipeline of talent and to encourage employer investment in skills.
- 10.2 That the Committee discusses the potential scope of funding to support co-investment by employers in emerging skills.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

- 12.1. West Yorkshire Business Board and the Mayor's Business Advisor

Appendix 1 - West Yorkshire Business Board and the Mayor's Business Advisor

The outcome of the LEP review and the changes to statutory requirements have provided an opportunity to review how the Mayor and the Combined Authority engage with the private sector. The LEP Board has provided a key convening role over the years to ensure the voice of the private sector is heard, particularly around business issues. The thematic committees, including the Employment and Skills Committee, also provide this strong connection with the private sector, ensuring the private sector voice is heard across a range of agendas and within the decision-making process.

Extensive engagement has taken place with new and existing 'LEP Board' members and business representative groups to inform and shape a new public private partnership.

- The LEP Board is now known as the West Yorkshire Business Board (WYBB).
- Some meetings of the Board are to be held in private to allow for more informal discussions and debates. Supporting notes will be prepared to support these meetings. Reports will be taken to committees and the Combined Authority on the outcome of these discussions. In line with the current requirements of Article 10 of the Constitution, the Board will hold a minimum of one meeting each year in public.
- The WYBB will provide thought leadership on a range of regional issues, focusing on business and the economy.

To ensure the Mayor and the Combined Authority are maximising engagement channels with a range of larger business and thought leaders, it is planned to establish a Mayor's Council. Chaired by the Mayor, it is proposed that this will convene some of the largest and most influential businesses and stakeholders in the region to provide the voice of large business in the region.

To support the above, a new Mayoral Business Advisor (MBA) has been appointed to provide leadership and advice on a range of business issues. Mandy Ridyard, as new MBA will also chair the West Yorkshire Business Board meetings.

In addition to this new public private partnership to replace the LEP Board, and the new Mayoral Council, a Business Engagement Framework is being developed to further strengthen all engagement with the private sector.

At the last meeting of the LEP Board and first meeting of the new business board, members particularly highlighted recruitment in a tight labour market as a key issue facing employers of all kinds. They were keen to work with the Employment and Skills Panel to explore how business-education collaboration could help facilitate the development of the next generation of talent.