

Panel Chair: Rashik Parmar
Author: Emma Longbottom &
Christian Denison

Report to: LEP Board

Date: 16 January 2018

Subject: Employment and Skills Panel

1 Purpose

- 1.1 To provide the LEP Board with an update on the work of the Employment and Skills Panel (ESP).

2 Re-Shaping the Skills System

- 2.1 Government has made manifesto commitments to develop a National Retraining Scheme and to establish Skills Advisory Panels to advise it on local employer intelligence relating to Brexit and vocational education implications. DfE have invited Leeds City Region to be a pilot area for both of these initiatives.
- 2.2 Career Learning Pilots will play a crucial role in informing the development of the National Retraining Scheme. They will help to realise the Government's ambitions for an adult education system that helps people upskill and reskill throughout their working lives. These pilots will test the best ways to reach out to lower skilled working adults and the impact of different levels of fee subsidy to boost demand for courses which are of particular economic importance in our area. The pilot will begin in March 2018 and will run for 18 months. Staff from WYCA are working with DfE and the Learning and Work Institute alongside partners and providers to facilitate submissions to the fund and develop the pilot model.
- 2.3 Skills Advisory Panels are part of the Government's ambition to work closely with local areas on meeting existing and emerging national and local skills needs. DfE want to look at what provision there is in terms of advisory panels/boards across different areas, looking at what works and the information that is used. There may be a small amount of additional funding available and there will also be the opportunity to use DfE resources, we are currently waiting for further details from DfE regarding the level of resource that will be available and how this can be used. Being involved at this early stage will allow the region to influence the design of Skills Advisory Panels. DfE have given reassurance that this is not about imposing new structures and added layers of bureaucracy, but building on the work of the Employment and Skills Panel and on our capabilities regarding labour market intelligence. At this time we do not therefore envisage that this will fundamentally alter the current Employment and Skills Panel, but rather enhance its ability to influence national developments.

2.4 At the Employment and Skills Panel held in December 2017 Panel members were provided with overviews of the potential impact of Brexit and automation on the Leeds City Region on the local labour market.

Key points from the discussion were:

- Agricultural and manufacturing businesses were most likely to say they would be affected if access to EU migrant workers was reduced;
- Due to the relative uncertainty around the outcome of Brexit negotiations, most businesses were adopting an iterative “wait and see” approach with very few having taken steps so far;
- 35% of current jobs in the LCR are at high risk of automation over the next 20 years;
- With some exceptions higher skilled jobs are expected to be the most resistant to automation, along with caring occupations. Routine clerical and manual roles will continue to be the most susceptible to automation, together with sales roles (such as checkout operators);
- Forecast pattern of automation has implications for inclusive growth and the opportunities available for the low skilled. Automation is likely to lead to a further decline of middle skilled clerical and manual roles therefore narrowing progression routes for those without a degree, and have a negative impact on some service intensive roles, which have higher levels of employment;
- This intelligence is being considered through ongoing dialogue with training providers and the Skills Network to ensure that the required skills support will be available to businesses and individuals.

2.5 Dialogue is underway with the two West Yorkshire Further Education Colleges who were issued with Notices to Improve in November 2017.

3 More and Better Apprenticeships

3.1 The Apprenticeship Grant for Employers (AGE) programme was devolved to WYCA in summer 2015 with the aim of encouraging more businesses to offer apprenticeships. The devolution of the grant allowed us to set criteria that responded to our local priorities. Registration for the grant is now closed but processing of final claims will be ongoing until March 2018. An evaluation of the AGE programme is currently being undertaken, findings will be reported in March 2018. To date the grant has supported:

- 3,120 SMEs to offer apprenticeships
- Provided 3,581 grants with a value of £6,114,000

- 3.2 The devolved Apprenticeship Grant for Employers (AGE) has now come to an end. The West Yorkshire Combined Authority is seeking funding for a new localised grant programme which would support businesses not previously offering apprenticeships.
- 3.3 National reports and local feedback suggest that Levy companies across LCR are either not planning to utilise their contributions or are deferring any plans/decision at this time. To support local companies a telemarketing campaign has been undertaken to engage and support Levy companies. The campaign is being supported by colleagues from the LEP Skills Service. The offer will begin with an initial skills audit, development of a skills/training plan and matching of needs against apprenticeship frameworks/standards, if appropriate. Where required, links will be made to providers offering the identified apprenticeship programmes.
- 3.4 The Education & Skills Funding Agency (ESFA) European Social Fund contract for an Apprenticeship Hub programme is being delivered by Interserve through their Absolute Apprenticeships programme. The current contract runs until July 2018. It is anticipated that a further contract will be let for the Apprenticeship Hub, using European Social Fund. WYCA has submitted an Expression of Interest to the Business Rates Pool in order to secure match funding so that we can respond to this call and bid to deliver an apprenticeship hub in partnership with Local Authorities.

4 Raising the Bar on High Level Skills

- 4.1 The LEP has provided support to colleagues within the HE and FE sector to enable them to offer a wide range of higher and degree apprenticeships. A recent bid for development funding will see the introduction of a range of degree apprenticeships in a wide range of occupational areas from September 2018, offering 340 apprenticeship opportunities.
- 4.2 The West Yorkshire Consortium of Colleges has developed a partnership and submitted an Expression of Interest to develop an Institute for Technology (IoT) aimed at developing digital skills provision, which is a key LCR skills shortage area, as identified in the LEP Employment and Skills Plan. IoTs will have employers at the heart of their leadership and governance, and in the design and delivery of curriculum. IoTs will strengthen and grow provision to fill gaps in the market; they will focus particularly on technical skills at levels 4 and 5 but will extend to degree level and above (level 6+) to strengthen routes into higher levels of technical education, as well as directly into employment.
- 4.3 Government expects bidders to demonstrate in their bids that they have discussed with local LEPs or Combined Authorities their interest in the IoT competition. This is because of the important role LEPs and Combined Authorities can play in facilitating and brokering collaboration between potential bidders in an area to deliver at greater scale and impact in support of regional and national priorities for economic growth in the area. The Employment and Skills Panel endorsed this Expression of Interest at the meeting in December 2017. See the welcomed, provisional outline proposal at **Appendix 1**.

5 Great Education Connected to Businesses

- 5.1 WYCA's team of 7 Enterprise coordinators has so far recruited 129 business volunteers to work with 139 schools at a strategic level. The current target is to engage 160 secondary schools within the region by the end of the academic year. Project performance indicates 11,535 new employer encounters have been created directly through the network between April and November 2017, including 4,178 to disadvantaged learners. Disadvantaged learners, receive an enhanced offer of enterprise activity linked to the inclusive growth agenda.
- 5.2 A careers campaign is being developed in line with the Employment and Skills Plan priority 'to ensure that careers information, advice and guidance is impartial, and based in robust LMI and targets at parents and teacher as well as pupils with the aims of:
- Simplifying and enriching messages about careers choices;
 - Raising awareness and influencing opinions of key influencers about City Region's key sectors and its career opportunities;
 - Addressing misconceptions about the North and instilling a sense of pride amongst young people that they are from and part of Leeds City Region.
- 5.3 A creative brief is being designed to meet the aims above and principles established through the focus groups. A high-profile campaign is expected to go live during National Careers Week / National Apprenticeship Week, w/c 5 March 2018.
- 5.4 A series of materials and tools for parents, young people, practitioners and Enterprise Advisers will be created and based on the Leeds City Region Labour Market Analysis so that a suite of materials is available to use by delivery organisations, following feedback from a number of key stakeholders to address the need for readily available information about LCR labour market. The materials will complement and build upon the 'Shape Your Future' series that is already well-received by schools and educators. A series of workshops will be delivered to key stakeholders including, employers and careers and enterprise organisations early next year in preparation for the campaign in early March.

6 Building Workforce Skills and Attracting Talent

- 6.1 An outline application was submitted for the ESIF Career Development Fund to develop "[re]boot", a scheme to support individuals to retrain and move into digital and engineering careers. Following an assessment by the Managing Authority the application has been accepted at outline stage and may progress to the submission of a Full Application. Delivery is expected to begin in April 2018.
- 6.2 To support the promotion of digital careers in the region a Business Development and Marketing Officer (Digital Skills) has been recruited. This role will launch a

campaign aimed at promoting the opportunities in the digital sector within LCR and will secure employer sponsorship to continue and further develop the campaign.

6.3 The Skills Service closed for new grant applications in March 2017 and final payments to business were paid in September 2017. The total final achievements figures regarding this contract are:

- 3702 enquiries received
- 3238 businesses engaged
- 2096 skills assessments have been completed
- 1521 grant applications awarded
- 10449 people have been upskilled
- £3.13m grants have been approved

6.4 An evaluation of the Skills Service has been undertaken, focusing on the impact of the support provided on businesses' behaviour, productivity and growth as well as the economic impact. The final report will include a range of case studies which will detail how the training support provided has influenced business and individuals' practice and development. Initial findings from the report show that for every £1 invested in the project some £8.20 is expected to be generated.

6.5 The key recommendations from the report are:

- Strong case for continuing to invest in Skills Service in view of cost effectiveness and likely scale of economic impact;
- Administrative burden is main concern of employers with regard to service delivery – this issue needs to be closely monitored in context of ESIF funded programme;
- Consider mechanisms for promoting technical training within mix – perhaps through higher funding rate;
- Consider links to productivity impacts in appraisal of applications as well direct links to business growth;
- In due course examine implications of emerging LCR industrial strategy for design and delivery of Skills Service;
- Examine scope for further cross-selling of other LEP skills and business support services to Skills Service clients.

6.6 The West Yorkshire Consortium of Colleges has submitted a Full Application to deliver the continuation of the Skills Service, which will be funded through European Social Fund until 2020. It is envisaged that this contract will commence in January 2018. In the interim, the Skills Service Advisors have been maintaining the Skills Service offer and providing a comprehensive training and skills planning service to support

businesses to identify skills gaps and skills development needs linked to business growth objectives, including apprenticeship support, particularly targeting levy paying companies.

7 Employability, Accessing Jobs and Realising Potential

- 7.1 The final phase of the Headstart project is currently in development and will focus on piloting a social prescribing model in partnership with York City Council and York based GP surgeries. The pilot will work to encourage clinical staff to prescribe non-clinical services (for example employment support) and will be working in a very targeted way to develop research data. This pilot will link closely to the inclusive growth work of the Combined Authority.
- 7.2 The Work and Health Programme is a national welfare-to-work programme, funded through DWP, which will provide specialised support for those unemployed for over two years and, on a voluntary basis, to those with health conditions or disabilities. The Programme will target people who with specialist support are likely to be able to find work within 12 months. It takes the place of two existing welfare-to-work schemes, the Work Programme and Work Choice, although many jobseekers who would previously have been supported by the Work Programme will now receive support directly through Jobcentre Plus rather than the Work and Health Programme
- 7.3 Following a comprehensive commissioning process undertaken by Department of Work and Pensions, contracts have now been awarded. Support for individuals within Leeds City Region will be provided by Reed in Partnership. The contract will commence in January 2018 and the LEP skills team is meeting with the provider to ensure their work complements other activity across the region.

8 Recommendations

- 8.1 That the LEP Board:
- a) notes the work of the Employment and Skills Panel;
 - b) comments on and endorses the proposal for a West Yorkshire based Institute of Technology on digital skills.