

## Heart of the South West Joint Committee Skills Update

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### 1. Summary

- 1.1. This paper provides an update on the current skills environment across Plymouth, Devon, Torbay and Somerset. It sets out a short overview of skills and employment challenges and opportunities within the HotSW; a sample of the various projects and programmes currently ongoing across the area; details the recent development of the Heart of the South West Skills Advisory Panel, and associated Local Skills Report / Skills Strategy; and highlights recent proposals for further development of the skills landscape through the Government's Skills White Paper.
- 1.2. In providing an update, this paper seeks agreement from the Committee on three skills related matters; Joint Committee's endorsement of the draft Local Skills Report; agreement in principle to seek 'Local Skills Improvement Plan Trailblazer' status across the area/s, working closely with associated Chambers of Commerce; and agreement to seek future support for the HotSW's Careers Hub programme, from either provision of additional Government support or pursuing local funding.

### 2. Recommendations

- 2.1. It is recommended that members:
  - (a) Note the portrait of the skills environment outlined, both recent and ongoing challenges, but also the significant progress being made by local partners to address these.
  - (b) Agree to endorse the draft Local Skills Report, attached as an annex of this report;
  - (c) Agree to endorse the pursuit of Trailblazer status for local areas, working closely with Chambers, FE and Training / Education providers and wider stakeholder partners to secure additional recognition of the strength of the area's skills partnership approach; and
  - (d) Agree to support the case for future funding of the HotSW Careers Hub, ideally through securing additional funding from Government, or through agreement of a sustained local approach.

### **3. Background / Context**

- 3.1. The Heart of the South West is an area of significant disparity with regards skills and employment. With its broad-based economy, and notable specialisms in engineering and manufacturing, the area overall tends towards the national average in most key skills and employment indicators, ranking 23rd-24th out of 37 on performance at GCSE level and A level equivalency, and benefits from some of the highest level of unemployment activity in the Country (before the recent pandemic). Whilst wages trail the national average overall by around 15%, hotspots such as Exeter push local averages upwards, with growth areas such as digital industries, marine technologies, nuclear and aerospace development, higher value tourism, logistics, health, agritech / food manufacturing and construction also contributing to local growth.
- 3.2. However, the Heart of the South West is also an area of extreme differences between its communities and constituent areas in terms of both employment and skills performance. In 2018, weekly wage levels differed 55% between the area's best and worst performing district, with over twice the number of residents having a degree when similarly compared. These differences further widen within district areas, with one district within the Heart of the South West having one of the greatest differentials in England in 2019 between its top performing and bottom performing wards in terms of employment and skills performance.
- 3.3. The causal factors for these differentials are numerous and complex, ranging from issues around connectivity and access; rurality and peripherality of our coastal and deep rural communities; ongoing issues around urban deprivation and relative prosperity; challenges around aspiration and ambition across families and communities; issues around a culture of progression in education and work; and structural issues including the area's sectoral mix, small business focus and higher propensity towards life style and similar self-employment choices. Collectively, these factors see the Heart of the South West trails the UK around its higher-level skills performance, the progression rates of its young people and the achievement of those facing a disadvantage or barrier to work or learning.
- 3.4. Over the past five years however, significant progress had been made around elements of the skills and employment challenge. Whilst wage levels remained low, the gap between area had reduced in some cases (notably between rural and urban neighbours), and overall skill performance had rapidly improved, with a 7% increase in individuals holding Level 3 and degree level qualifications respectively. In 2019, the area also had one of the country's highest level of apprenticeship uptake and had seen unemployment and inactivity rates fall to their lowest levels in over 35 years.
- 3.5. In this context, the recent impact of Covid 19 has been extremely difficult. Whilst the situation remains fluid, unemployment levels in 2021/22 are likely to be their highest since records began in parts of the HotSW. Early indications suggest that this could see a particularly disproportionate impact on the life chances of disadvantaged pupils, young people's progression into work and learning, particularly those from a disadvantaged background or with another barrier; communities which have traditionally trailed the average, and or those with a focus on more exposed sectors such as hospitality or tourism; and for adults who may

have lower levels of training or skills but have never faced unemployment before. Some evidence also suggests the impact on part time workers and women has been more severe.

- 3.6. Despite the seriousness of the situation, and need for ongoing intervention and joint working, the medium-term picture remains positive. Training capacity and apprenticeship numbers, despite delivery challenges and business closures, have been sustained at high levels across HotSW, several high growth sectors (notably digital and health) have actually grown over the past twelve months, and the need for replacement staff across our business community (in part due to our aging workforce) mean significant new opportunities for skilled work are due to be generated over the 3-5 years regardless of the impact of recent months. Early signs from the first lockdown also suggest that recovery in the HotSW was rapid over the summer in many sectors, with new opportunities opening up across multiple sectors as the economy unlocked.
- 3.7. The balance of this paper seeks to now move forward this recovery activity, outlining activity already underway and collective areas of achievement for member information; detailing and seeking endorsement for the area's shared skills plan / strategy to frame shared activity; and highlighting additional issues of focus that we would welcome member support on.

#### **4 Current Activity**

- 4.1. Despite the recent challenges posed by COVID, partners across the Heart of the South West have come together over the past few years to deliver an unprecedented level of direct delivery, joint investment and partnership working around skills and employment. Through both the work of the LEP, and bilateral / multilateral programmes between Councils, Colleges and business, the area has seen a rapid acceleration in both training and employment creation. This in turn offer genuinely opportunities to both sustain the progress made before March 2020 and reinforce our collective approach to building back better over the next period.
- 4.2. Between 2015 and 2020, partners within the Heart of the South West have collectively secured in the region of £350m of additional FE and HE educational capacity, and around £50-70m of additional skills and employment direct delivery. Core programmes / initiatives include:
- **Heart of the South Growth Deals (~£200m)** – Support for 18 skills and innovation projects spread across the area, facilitating 22,000 learning places to date, and due to support a further 34,000 learners by 2025. Outcomes include over 3,000 engineers, 4,000 data analysts and programmers, and 5,000 wider apprenticeships.
  - **European Social Fund (£45m)** – 10-12 spending programmes taken forward over the past five years, working with our most disadvantaged and those outside of work and learning; NEETs and those young people at risk of being outside of employment and training; upskilling staff within our small business community and across core sectors and employers; supporting apprenticeships for young people and adults; and supporting

community development and other local service. As of January 2021, the programme had supported over 30,000 learning places in the HotSW, and was due to provide support to a further 10,000 individuals through to 2024 (including new programmes led by Plymouth City Council, Devon County Council and Somerset County Council for the first time)

- **South West Institute of Technology (£35m)** – Bringing together 4 of our colleges, 2 universities and 6 of our largest / most influential employers, the SWIoT was formal opened in September 2019, offering higher level technical education in digital and engineering disciplines across the area. Working with 1,500 young people and adults per year by 2024, the IoT (and its sister West of England IoT) offer the area significant additional capacity to drive our core sectors and key businesses.
- **Departmental Skills Pilots (£4.5m)** – Five pilot programmes working with the Department for Education and Culture, Media and Sport to support over 2,500 individuals to rapidly upskill across the area. Provision has included fast track programmes into health care and nursing, into finance and engineering. The current 'Bootcamp' programme, worth £1.5m, has delivered 750 places in digital and engineering roles, with a guaranteed interview between 1 January and the end of March.
- **Heart of the South West Careers Hub (£1.5m)** – England's single largest Careers Hub, providing a single careers and advice service to all 160 mainstream secondary school and special schools in the Heart of the South West. In 2019/20, the provision worked with over 50,000 young people through partnerships with our schools, linking business and education providers together to support progression and advice.
- **Digital Skills Partnership (£2m)** – One of England's 6 pilot Digital Skills partnerships sponsored by DCMS, the DSP has delivered over 3,000 digital training places in the past 4 years, working with blue-chip partners including Google, Microsoft, Facebook and IBM. This has included delivery in schools, provision of equipment, support for older people around digital, funding for higher level digital qualifications and direct job creation and business support.
- **HotSW Skills Launchpad / Plymouth Launchpad** – Bringing together local skills advice, service and the provision under single brand and gateway, the launchpad brand has grown exponentially over the past year to provide a growing menu of support and signposting to people across the area. Visited by over 10,000 individuals last month, the web presence is a growing destination for advice, support, information and guidance.
- **Building Plymouth / Building Greater Exeter** – Focused on supporting the development and recruitment within the construction sector, the area's two 'Building' partnerships led by their respective Councils bring together young people, employers, colleges and training providers and wider stakeholders to deliver opportunities across our fifth largest sector. With over 20,000 new roles on offer by 2031, the partnership is uniquely placed to deliver traineeships, apprenticeships, new jobs and leverage new

investments over the next decade.

- **Skill Up Somerset** – Supporting young people across Somerset with advice and guidance around apprenticeship and wider training opportunities, the Skill Up Somerset project has worked with over 2,000 young people through schools and direct contact over the past 18 months. Hosted by the Dorset and Somerset Training Provider Network, the project has set a template for independent advice of vocational and other pathways for young people across the County.
- **Youth Hubs (£600,000)** – Currently in the process of being mobilised across Plymouth, Torbay, Exeter, North Devon and Somerset, the area's fleet of locally led Youth Hubs are due to provide support to over 1,000 of the area's hardest to reach young people by March 2022. Supported those most impacted by the recent pandemic, the Youth Hubs (and the Adult Hub in Plymouth) bring together core services, partners such as JCP, Councils and Training provider and wider support into a single place.
- **Kickstart (Ongoing)** – Since inception, local Gateway organisations across the Heart of the South West have been working closely with both businesses and wider partners to secure and roll out Kickstart provision. Whilst progress has been difficult at times, the areas had secured in the region of 1,000 placements in total by the end of January, with new groups now being submitted daily.

## 5. Skills Advisory Panel / Local Skills Report / Skills White Paper

### a) Background

- 5.1. Skills Advisory Panels ('SAPs') were originally proposed by Government in 2018 to better bring together local employers and skills providers to pool labour market intelligence and provide reinforced leadership around skills and learning priorities. The Government was keen to establish a lead strategic partnership within each LEP area focused on skills, working closely with its LEP, but providing additional expert capacity to inform DfE thinking and prioritisation.
- 5.2. Within the Heart of the South West, the decision was taken to evolve the LEP's existing People Leadership Group into the HotSW Skills Advisory Panel. This required a modification of the Leadership Groups' existing membership to fulfil DfE's structural requirements for the board, incorporating local Employment and Skills Board leads from the area's five partnership into the new structure, and reducing membership overall to 20 members, better balancing public, private and provider representation around the group. The process was completed in late 2019.
- 5.3. The HotSW SAP has now been operating for ~18 months, primarily focused on development of the area's evidence base. This has included the development of a long-term research and evidence partnership with the University of Exeter, and publication of the area's first Skills Intelligence Report, a comprehensive document setting out the current skills and employment position across the HotSW.

- 5.4. With the establishment of SAPs complete by early 2020 however, Government indicated it was keen to further develop its approach to national skills prioritisation and management, and the role of the SAPs within it. In March 2020 therefore, DfE placed a formal requirement on each of England's 37 Skills Advisory Panel to produce a Local Skills Report ('LSR') on behalf of its area.
- 5.5. A medium blueprint of shared priorities across the skills landscape, the LSR is envisaged by DfE to play 5 key roles:
- Clearly set out key skills needs within a LEP area – ensuring local skills needs are visible to local partners who can then engage with them.
  - Feed intelligence to the national Shared Prosperity Board ('SPB') and central government – providing a consistent output common to all SAPs that the SPB can use to understand the needs and priorities of local areas and build into a national picture of the supply and demand for skills
  - Be a 'go-to' document for everything local-skills related – bringing together existing and new skills information into a consistent format common to all SAPs.
  - Offer a valuable insight and evaluation into local work and conditions – detailing the progress made on current local skills initiatives and outlining future skills plans to plug key skills gaps.
  - Act as an engagement tool – providing a vehicle through which SAPs can directly engage, influence and rally employers and providers in their areas to support the local skills agenda.
- 5.6. To assist local SAPs to produce their LSR, DfE published formal guidance for the documents in August 2020 (updated in November) setting out the core content being sought. This included chapter by chapter descriptions of content, page limits for each chapter, section headings to be included within chapters and limits on the data types to be used in evidence. Crucially, the guidance also set out a deadline of the 31 March 2021 to produce the document.

**b) Current Status**

- 5.7. The HotSW SAP has been focused upon the development of the area's Local Skills Report since last autumn, taking forward the document's development through three successive waves of consultation:
- **Initial consultation and scoping (July to October)** – Seeking feedback from SAP and wider provider /business partners (including the five local Employment and Skills Boards) on common skill priorities and issues arising. Responses were then collated to capture shared themes and objectives.
  - **First Draft Consultation** – An initial consultation draft provided to partners and SAP members in mid-November as part of a 6-week consultation phase. Responses captured over the period then collated and used to iterate on the document.

- **Second Draft Consultation** – A second, near final draft was produced and shared with SAP and LEP Board members on the 14 January. SAP Board and LEP Board agreed to the currently draft in late January / Early February, with DfE agreeing the document in principle for publication over the past two weeks.

5.8. The draft LSR attached to this paper therefore, has been developed following a substantive level of consultation and iteration between partners. It seeks to capture the feed in and core priorities raised by skills and business partners, as well as position the various needs and opportunities around skills within the HotSW within a wider national priorities and programmes. This includes seeking to position the area in advance of the Skills White Paper, roll out of the Lifetime Guarantee and Government’s strengthen approach to adults’ skills and training more generally.

5.9. At its core, the document seeks to focus our approach to skills delivery within the Heart of the South West around a single vision, **that every individual in the Heart of the South West should be able to access the training or learning they need to thrive in a productive job they value, supporting wider economic growth and prosperity.**

5.10. To achieve this vision, the LSR focuses on three core objectives for the area which will drive forward skills performance and individual and business success. These are:

- **Ensuring that our skills and training environment is responsive and forward facing, meeting both individual and business needs;**
- **Ensuring that every individual can access the skills and training they need to achieve their own potential; and**
- **Ensuring that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity**

5.11. In support of these actions, the LSR also sets out clear priorities around sector skills (drawing upon the content of our local industrial strategy and wider recovery and skills plans across the HotSW) and the varied labour markets / travel to work areas that the area encompasses. In addition, the Strategy also highlights a range of specific skills and employment priorities emerging from COVID 19 for more urgent action.

5.12. The balance of the document is made up of a brief progress update around our position on delivery and partnership working; a summary of our shared evidence base, and perhaps most critically, a short action plan focused on those headline priorities we wish to pursue over the next 3-5 years. This latter plan however, developed from extensive feedback from core partners and stakeholders, only provides a summary of planned activity given page limitations.

### **Next Steps on Local Skills Report**

c)

As set out, the draft Local Skills Report has now been through extensive

5.13. consultation and is now nearing completion, with the Chair of the SAP due to sign off the final document for publication at the end of March (aligning with DfE's formal guidance.

5.14. Given the importance of the document however in bringing together partners, and setting the shared agenda highlighted through this report to date, we would welcome the endorsement and any feedback from Joint Committee.

### **Skills White Paper**

d)

5.15. Building upon DfE's recent strengthening of skills governance through Skills Advisory Panels, and requiring each area to have a shared Local Skills Report / Skills Strategy, the Department published its long-awaited Skills White Paper on the 21 January.

5.16. Setting out a strengthened focus on business led provision and accountability, the White Paper focused on five core areas:

- **Giving employers a greater say in the development of skills** – Giving businesses a formal role in the design of all qualifications by the end of 2030, and placing employer led demand / prioritisation at the heart of the curriculum and funding.

This includes proposals to introduce Local Skills Improvement Plans to be led by Chambers / Business Organisations to provide a business led shared blueprint for skills funding and college and other investment (building upon the approach set out through the Local Skills Report).

- **Providing additional higher level technical skills** – Reinforcing apprenticeship and wider skills provision across the country, with a focus on increasing the number of students taking a technical qualification or equivalent provision.
- **Providing a flexible, lifetime skills guarantee** – A commitment from Government to support every adult to undertake at least four years of post-18 education over their lifetime, with a focus on upskilling. This includes providing up to £95m of additional funding from April 2021 to allow every adult without an existing Level 3 qualification to undertake one in a high demand skill area fully funded.
- **Simplifying funding and accountability arrangement** – Simplification of funding regimes across the skill landscape to provide multi year settlements, but with improved accountability to the Department over expenditure and over delivering business / employer led priorities.
- **Supporting outstanding teaching** – Providing additional support for more high-quality teacher training and provision, with ringfenced funding to be released over the next three years.

Within the Heart of the South West, partners have broadly welcomed the content and basic principles of the Skills White Paper, many of which reflect existing



- 5.17. strengths of the partnership model and joint approach we have taken with employers.

- In particular, partners across the area have been keen to support the Government's reinforced approach to local skills planning, and providing additional funding and flexibility to a small number of early 'trailblazer' areas that come together to develop and agree a shared funded skills strategy. Following initial discussion between Local Authority, Chamber, College and wider partners, local partners across the Heart of the South West believe that they should be well positioned to compete for this status, and could provide significant additional investment and opportunity for joint working over the next few years, accelerating existing prioritisation and tailoring around employer led opportunities.
- 5.18.

- We would therefore welcome Joint Committee's support in this ambition, working closely with partners over the next few months to make the case for trailblazer status for local areas working with accredited Chambers. There may be a case for one Trailblazer across the whole of the Heart of the South West, or several proposals across the area, possibly at a county level to reflect the accredited Chamber geography. Local has not been more defined by DFE in its guidance.
- 5.19.

### **Budget 2021**

- e) Building on the Skills White Paper, Budget 2021 set out a range of additional support and opportunities around skills and employment last week. This included additional support for apprenticeship take up (with an improved employer grant); introduction of a new flexible apprenticeship post / scheme; £170m additional funding for additional traineeships nationally; and extra support for digital skills provision.
- 5.20.

- The announcement also included details of the first tranche of support to replace European Structural Funding through the new Community Renewal Fund, a £220m pilot fund to be used in 2021/22 to support 100 vulnerable areas across the country. The funding has been made available to upper tier local authorities on a competitive basis to focus on four core priorities; investment in skills; investment for local business; investment in communities and place; and supporting people into employment. Within the HotSW, 4 district areas within Somerset and Devon have been selected for prioritisation as part of this first wave.
- 5.21

### **HotSW Careers Hub**

6. The HotSW Careers Hub is one of the area's core tools for engaging with young people around careers and progression, providing a team of dedicated advisors who work with schools and their careers leader around development of their career programme. This includes working with local business and employer representatives as Enterprise Advisors to each school, supporting careers activity and the school's wider capacity.
- 6.1.

6.2 As of 2020, the Careers Hub has been embedded within every mainstream and special school in the HotSW, with its network having grown to cover all 160 HotSW institutions over the past four years. This reflects a wider move by DfE / Government to formalise the role of the Careers Hubs and the Career Enterprise Company as an integrated part of the curriculum nationally, beginning to reintroduce elements of a formal careers service.

6.3 However, the Government only currently provides 65% of the total cost year for the Careers Hub programme through the Careers Enterprise Company, with an expectation that local partners will fulfil the balance. Since its inception, the LEP working with local authority partners has fulfilled this requirement, successively increased our collective contribution each year to meet the programme needs. As of 2020, partners were required to provide £290,000 of match, of which the LPE provided over 80%.

6.4 Looking ahead to 2021/22, DfE / CEC has indicated again that there will be a requirement for a further £290,000 of match to continue to run the programme as required. Whilst the LEP is able to provide £170,000 of this funding, recent funding decisions by Central Government mean further support is likely to be difficult. Looking beyond 2022 as well, no surety at present can be provided for any element of the funding, with the potential for the entire programme to revert back to and beyond. For local authority partners, this requirement to find significant match resource on an ongoing basis may pose a longer-term challenge in a period of relative constraint. Government has no plans at present to either reduce the emphasis on careers advice and guidance, or provide wider funding, with an expectation of future match being found.

6.5 The current choice open to LEP and local authority partners are therefore difficult. The Careers Hub is a crucial element of the area's wider ability to work with the area's most vulnerable young people, as well as being subject to broad support from wider partners. In 2020, the Hub was amongst England's most successful, with over 70% of its school cohort having achieved relevant Gatsby Benchmarks (Government's preferred measure of careers advice and guidance), and strong levels of employer and College / University buy in. Downsizing and or reduction of the programme is therefore likely to have difficult consequences both in terms of delivery to young people, but also reputation consequences if other LEP / MCA / Combined Authority areas do not likewise cut their core service. To add to the complexity, this process is also time critical, in that DfE require partner sign off in advance of the summer break.

6.6 We would therefore seek Joint Committee support around this issue, ideally either seeking to encourage Government to provide the required funding for the programme if it is their intention to maintain and sustain the approach over the long term (in effect making it a new burden on local areas), and/ or to agree that the programme should be prioritised locally. This latter option would require relevant officers to return to Joint Committee before June 2021 with an appropriate budget proposal, or simply agree a multilateral approach outside of Committee.

We would however welcome Joint Committees views on this issue if an alternative

approach is preferred.

6.7

## **7. Equalities Implications**

7.1. There are no specific equalities implications associated with the recommendations of this paper, though the skills programme and strategy approach outlined clearly have significant positive impacts for both individuals and constituent authorities' communities. This includes specific support for addressing inequality and deprivation, reduce disparities and extending opportunities between vulnerable and harder to reach cohorts, and targeting interventions to those with the most acute needs and / or most at risk of exclusion. Recent government announcements around living wage increases and targeted support for deprived communities will also support improved equity in parts of the area.

7.2. With regards the funding and operation of the Careers Hub, any future decision to reduce or curtail activity would however need additional consideration. This will need to be considered in the round of any future decision making by constituent authorities.

## **8. Other Implications**

8.1 Legal:

There are no formal legal implications from this paper

8.2 Financial:

As stated in the report.

8.3 HR

There are no formal legal implications from this paper

8.4 Risk

The key risk to the Constituent Authorities is potentially

8.5 Other Implications: Health and Well-being; Health and Safety; Sustainability; Community Safety; Privacy

No negative implications, though significant benefits associated with core programmes and projects outlined.

## **9. Background papers**

9.1. The Draft **Heart of the South West Local Skills Report** can be found attached to this paper.

9.2. A copy of the HotSW Employment and Skills Review for Feb 2021 is also included for information.