

LEP - Lancashire Skills and Employment Board

**Monday, 17th October, 2016 in Blackpool and The Fylde College,
Fleetwood Nautical Campus, Broadwater, Fleetwood, FY7 8JZ, at
8.30 am**

Please note the venue and time

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes of the meeting held on 7th September 2016 (Pages 1 - 6)**
- 4. Matters Arising**
- 5. Lancashire Skills and Employment Hub - Update (Pages 7 - 12)**
- 6. Science and Innovation Audit. (Pages 13 - 24)**
- 7. Area Based Review - Update (Pages 25 - 62)**
- 8. European Structural and Investment Fund (ESIF) - Update (Pages 63 - 80)**
- 9. An Introduction to Skills Funding Agency, European Social Funded Programme entitled: Employees Support in Skills (Pages 81 - 96)**
- 10. Combined Authority/Devolution Deal - Update
(Oral report)**
- 11. Reporting to Lancashire Enterprise Partnership Board**
 - Identification and agreement of any recommendations for consideration/approval by the LEP Board.
 - Identification and agreement of issues for inclusion in the feedback report for the LEP Board

12. Any Other Business

13. Date of Next Meeting

The next scheduled meeting will be held at 8.30am on the 30th November 2016 in the Crompton and Duerr Room at the Rural Business Centre, Myerscough College, St Michaels Road, Bilsborrow, Preston, PR3 0RY.

Key Contact: Lisa Moizer, Lancashire Skills Hub, 07825 996 447
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LEP - Lancashire Skills and Employment Board

Minutes of the Meeting held on Wednesday, 7th September, 2016 at 8.00am in Cabinet Room D - The Henry Bolingbroke Room, County Hall, Preston.

Present:

Amanda Melton (Chair)

Mark Allanson
Lindsay Campbell
Steve Gray
Lynne Livesey

Joanne Pickering
Bev Robinson
Andy Wood

Observers

Sharon Riding - District External Relationship Manager, Cumbria and Lancashire District.
Dean Langton - Strategic Director and Head of Paid Service, Pendle Borough Council.

Also in Attendance

Dr Michele Lawty-Jones - Skills Hub Director.
Lisa Moizer - Coordinator, Lancashire Skills Hub.
Mike Neville, Democratic Services, Lancashire County Council.
Andy Walker, Head of Business Growth & Innovation, Lancashire County Council.

1. Welcome and Apologies for Absence.

The Chair welcomed everyone to the meeting. It was noted that apologies had been received from P Holme and G Haworth.

2. Declarations of Interest.

No declarations of interest were made in respect of items on the agenda.

3. Minutes of the meeting held on 27th July 2016.

It was noted that the Enterprise Adviser Network celebration event would be held on the 30th September 2016 and not the 13th as specified in the draft Minutes.

Resolved:

1. That the draft Minutes of the meeting held on the 27th July 2016 are

amended to show that the Enterprise Adviser Network celebration event will be held on the 30th September, 2016.

2. That, subject to the above amendment, the Minutes of the meeting held on the 27th July 2016 are confirmed as an accurate record and signed by the Chair.

4. Matters Arising

Michele Lawty-Jones reported that two Enterprise Coordinators would shortly be appointed and further information regarding governance associated with the Lancashire Moving on Project would be presented to the next meeting.

5. Area Based Review - Progress Update and Skills Conclusion.

Michele Lawty-Jones presented a report on the development of the 'skills conclusion' which would be presented to the Area Based Review (ABR) Steering Group on the 4th October 2016.

In considering the report the Committee made the following comments.

- Subject to some minor amendments regarding the future/inclusive workforce, relationship with Universities, the visitor economy and advanced manufacturing the draft LEP 'skills conclusion' slide pack as presented was welcomed.
- It was acknowledged that the timescale would mean that there was limited time to share the draft skills conclusion with the Shadow Combined Authority. However, it was acknowledged that the Working Group brought together colleagues from the LEP, Combined Authority and Local Authorities and it was suggested that Officers continue to liaise in order to ensure that the LEP and Local Authority submissions complemented each other.
- The need to develop partnerships and build a joint capability with educational institutions and employers should be reflected in the conclusion.
- Consideration should be given to learning from the experience of areas such as Birmingham and Manchester which had already been subject to an ABR.
- It was suggested that membership of the Steering Group for the Lancashire ABR should be kept relatively small in order to ensure that it remains effective.
- Members welcomed the suggestion from the Working Group of individual meetings with institutions in between Steering Groups 1 & 2, as had happened in other areas such as Liverpool.

Resolved:

1. That the comments of the Committee, as set out above, are taken into account in finalising the draft 'skills conclusion' for the Lancashire Area

Based Review.

2. That the revised draft 'skills conclusion' is presented to the LEP Board on the 13th September 2016 for approval.
3. That officers liaise with colleagues preparing the submission from Local Authorities to ensure that the LEP and Local Authority submissions complement each other.
4. That the final LEP 'skills conclusion' together with the Local Authority submission is presented to the Lancashire Area Based Review Steering Group on the 4th October 2016, subject to comments from the LEP Board, and the Committee are kept informed of further developments.
5. That the Working Group continue to meet throughout the review process to enable continued dialogue and provide a forum to take forward actions. The Working Group to also consult with JARDU in relation to individual meetings with institutions during the review process.

6. Apprenticeship Growth Plan

Lisa Moizer referred to the draft Apprenticeship Growth Plan which had been presented to the last meeting and thanked members of the Committee for their subsequent feedback. Having considered all the comments received the initial draft had been revised and an updated copy was presented for consideration.

In considering the report members of the Committee made the following comments

- a) It was noted that the Plan referred to the County Council and two unity Authorities but did not make reference to the developing Lancashire Combined Authority which it was felt should have an input in relation to the development of future economic growth.
- b) The Plan should reflect the need to incentivise growth in areas of demand and encourage schools, providers and industry to work together to promote those areas, especially in relation to Apprentices from outside the workforce. It was noted that Boost and ESIF programmes would help to attract people in their early 20s towards Apprenticeships.
- c) The Government target to achieve 3 million apprenticeship starts by 2020 was considered to be challenging and members of the Committee felt that the Plan should focus on the socio economic benefits for Lancashire and aim to encourage young people towards existing gaps in the workforce.
- d) It was suggested that clarity should be sought regarding Government thinking on apprenticeships in the light of changes to the Leadership and Cabinet following the result of the EU Referendum.
- e) With regard to the contribution which Lancashire could make to the Government target on apprenticeships Members of the Committee agreed

that the Plan should be based on incremental growth up to 2020.

- f) It was suggested that more work was needed to raise the awareness of both young people and employers in relation to the availability of apprenticeships and that the Enterprise Adviser Network would be a useful means of achieving that.

Resolved:

1. That the comments of the Committee as set out above are noted and are taken into account when finalising the Apprenticeship Growth Plan.
2. That partner organisations be consulted on the final version of the Apprenticeship Growth Plan.

7. Communications Plan.

Lisa Moizer gave a presentation on the current version of the Skills and Employment Hub website which was being developed to signpost employers towards useful information.

When considering the website members of the Committee made the following comments.

- Images on the website should reflect a broader range of opportunities across all sectors as many of the images currently used appeared to be related solely to engineering. Members of the Committee were encouraged to provide images and content for use on the website.
- The number of webpages on the Lancashire Enterprise Partnership website regarding the Skills and Employment Hub should be reviewed and maintained with each website linking to the other.
- It was suggested that QR Codes be embedded to enhance engagement.
- The future content of the website would need careful handling in order to ensure that it was accurate and did not confuse employers.
- In the future the website could be used to promote success stories and highlight areas where skills capital funding had provided new facilities, with links to the websites of the organisations concerned. The website could also include stories from Apprenticeship Ambassadors to illustrate the quality of training available and the impact which apprenticeships could have in areas such as improved productivity.

Resolved:

1. That the progress to date, as set out in the report, and the current version of the Communications Plan are noted.
2. That a link to the Skills and Employment |Hub website be circulated to all

members of the Committee so that they can feedback on existing content, usability and suggest any additions/amendments.

8. European Structural and Investment Fund (ESIF).

Michele Lawty-Jones informed the meeting that a letter had been received from the department for Communities and Local Government confirming that any European Structural and Investment Fund projects which had been signed off before the Autumn Statement would be fully funded.

It was noted that the situation regarding longer term funding was less clear following the EU Referendum though it was expected that the Autumn Statement may well clarify the Government position with the possibility of some funding being available, though potentially for shorter term contracts.

The Committee was updated on the latest position regarding existing procurement processes and projects in the pipeline. It was reported that a decision was required on the funding currently aligned with the SFA opt in due to the two thirds allocation to existing projects resulting from the restricted delivery period. The Committee noted that a number of potential future projects could be procured once the availability of funding had been clarified.

Resolved: That the update is noted.

9. Combined Authority/Devolution Deal

Dean Langton updated the Committee on the latest developments regarding the Lancashire Combined Authority and reported that the Government had confirmed receipt of the Lancashire submission.

With regard to the Shadow Combined Authority it was reported that consideration was being given to the allocation of specific work areas to individual members and Mr Langton would report further at the next meeting.

Resolved: That the report is noted.

10. Annual Review of the Lancashire Skills and Employment Hub.

The Committee considered a report on the first year of operation of the Lancashire Skills and Employment Hub and made the following comments.

- The Hub had been involved in a variety of activities and had made good progress in relation to the agreed success criteria.
- It was suggested that consideration should be given to the future role of the Hub in relation to supporting the Lancashire Enterprise Partnership and the Combined Authority.
- Any success criteria for 2016/17 should include reference to the Hub website

with metrics relating to involvement and visits to the website. Consideration should also be given to providing evidence of the impact of the work of the Hub using case studies and feedback.

Resolved:

1. That the report is noted.
2. That arrangements be made for an informal meeting to be held after the next scheduled meeting of the Committee on the 11th January 2017 at Runshaw College - Euxton Campus, to enable further consideration to be given to the recommendations for the Skills Hub 2016/17 success criteria and future work areas/direction for the Committee.

11. Items to be reported to the Lancashire Enterprise Partnership Board.

It was noted that the revised draft 'skills conclusion' in relation to the Lancashire Area Based Review would be presented to the LEP Board on the 13th September, 2016 for consideration and approval.

12. Any Other Business

Andy Walker reported that the Secretary of State for Work and Pensions was due to meet with representatives from five Lancashire businesses who actively recruited through Job Centre Plus and five which did not. It was noted that Joanne Pickering had volunteered to Chair the session.

It was also noted that a report on the Science and Innovation Audit was due to be completed and would be presented to the next meeting of the Committee.

The Committee briefly discussed the Apprenticeships Awards and it was agreed that work be undertaken to promote the 2017 awards in order to encourage an increase in the number of submissions from Lancashire businesses.

13. Date of Next Meeting

It was noted that the next meeting would be held at 8.30am on the 17th October 2016 at Blackpool and The Fylde College, Fleetwood Nautical Campus, Broadwater, Fleetwood, FY7 8JZ.

The Chair informed the meeting that as she would be unable to attend the meeting due to another commitment Joanne Pickering would take the Chair.



Lancashire Skills and Employment Board

Private and Confidential: No

Monday 17th October 2016

Up-date from the Lancashire Skills Hub

Report Authors: Dr Michele Lawty-Jones, Director of the Lancashire Skills & Employment Hub, michele.lawty-jones@lancashire.gov.uk & Lisa Moizer, Co-ordinator of the Lancashire Skills & Employment Hub lisa.moizer@lancashire.gov.uk

Executive Summary

This paper provides an overview of the Lancashire Skills Hub activity since the last Committee.

Recommendation

The Committee is asked to note the up-date

1. Careers Education, Information, Advice and Guidance (CEIAG)

- 1.1 The expansion of the Lancashire Enterprise Adviser Network is underway. Two Enterprise Coordinators have been appointed by Inspira, to work alongside Kay Vaughan; Kay will continue to continue to work with the schools and businesses in Blackburn with Darwen and Burnley, and Andrew Heydeman, who joins us from the National Careers Service, will initiate activity in Blackpool, Morecambe and Preston, with Penny Heys expanding coverage across East Lancashire to Pendle, Hyndburn and Rossendale.
- 1.2 A Celebration Event was held on Friday 30th September at the Dunkenhall Hotel. The event attracted 84 attendees, including schools and businesses in the pilot area and the roll-out areas, as well as key stakeholders and partners. The event was introduced by Edwin Booth, Chair of the LEP, and included a range of inspirational inputs, including 2 Head Teachers, a business (Herbert Parkinson) and a student, as well as an input from Claudia Harris, Chief

Executive of the Careers and Enterprise Company. Edwin and Claudia also presented Certificates of Recognition to the Enterprise Advisers from the businesses – recognising their voluntary contribution to the network. Feedback from the event was extremely positive.

- 1.3 The Careers and Enterprise Company have launched a procurement exercise to contract mentoring providers across the Country to help establish a network of business mentors who will mentor young people in Years 8 and 9 who are at risk of disengaging. This is complementary to the ESF activity recently tendered, and is welcomed as an earlier intervention to support young people to reengage pre-GCSE. Lisa has been involved in the evaluation process.
- 1.4 A range of infographic labour market information (LMI) resources are being produced in partnership with the National Careers Service - to bring the sector studies alive. The resources will be shared with teachers, tutors, careers professionals, parents and young people, to help young people make informed choices about their future. The resources will complement the LMI workshops being delivered with the NCS.

2. European Structural Investment Funds (ESIF)

- 2.1 The Skills Funding Agency (SFA) opt-in project for 'Employee Skills Support' has been awarded to Learndirect. Learndirect will provide an input at the committee meeting.
- 2.2 The tenders for the remaining SFA co-financed project has now closed – 'Access to Employment' and an evaluation panel date has been set by the SFA. It is hoped that activity will be contracted by the end of October.
- 2.3 The Strategic Partnerships Manager (NEET), Janet Jackson, took up post on 22 August 2016. Following meetings with strategic partners, sharing the purpose of the role and researching the expectations of the role from partners, a number of themes are emerging: facilitating referrals and progressions, data sharing, targeting wards and vulnerable groups (e.g. Looked After Children and Care Leavers), and maximising impact of capacity building money. In relation to the latter, a CPD conference targeting delivery staff from both the SFA and Big Lottery Building Better Opportunities (BBO) projects is being planned for the early 2017. The BBO project is due to commence mid to late October.
- 2.4 The SFA NEET project has commenced, as reported at the last meeting and a full update on performance and progress will be provided at the next meeting. In terms of quarter one (June to August 2016), performance against profile is at 65%. The lead accountable body, Preston's College indicated that performance has not commenced as quickly as anticipated across the full network of delivery partners due to the first quarter falling in the summer period (although a number of the non-traditional providers have performed

well, as has Blackpool and the Fylde College). It is anticipated that the performance tolerance threshold (85%) will be reached and exceeded by the end of the next quarter (September to November 2016). Training is being provided to ensure that paperwork and evidence is accurate and compliant, and to ensure that activity is compliant with ESF regulations; the training will help to ensure that paperwork, data and evidence is accurate and submitted in a timely manner to meet SFA deadlines. District level forums are being established to support collaboration and local targeting, working with the Strategic Partnerships Manager.

- 2.5 The outcome of the invitation to tender (ITT) for the project co-financed by the Department for Work and Pensions (DWP) has now been formally confirmed and G4S have been awarded the contract; a meeting with the successful organisation and DWP will be organised in November.
- 2.6 The call for stage 1 tenders relating to Active Inclusion and Widening Participation/Outreach closed on the 19th July. These projects require match locally. 7 applications were received for the former; 6 are advancing to stage 2. In relation to the latter, 1 application was received, but was rejected by DWP as it did not meet the Gateway criteria. It is hoped that the call can be re-issued following further clarity in relation to future project calls.
- 2.7 As per previous recommendations to the ESIF Committee we were also progressing the development of specifications under 2.1 and 2.2, focusing on leadership and management and accelerating apprenticeships at higher level and degree. Whilst the draft specifications were submitted to DWP within the agreed timescales, the calls were not issued by DWP – it has been indicated that these will not be released in the short-term pending clarity in regard to Brexit.
- 2.8 Sean McGrath will be attending the meeting to provide an update in relation to Brexit, implications and risks for Lancashire activity, and will reference 2.6 and 2.7.

3. Growth Deal Skills Capital

- 3.1 Further to the up-date at the last meeting on the projects that were successful under round 2, the Growth Deal Programme Team have been working closely with applicants to progress the Grant Funding Agreements (GFAs). All 9 projects now have completed GFAs and are RAG rated green in relation to progress.
- 3.2 Three facilities have been launched since the last meeting. On Thursday 8th September 2016 the Digital Academy at Accrington and Rossendale launched, in partnership with Risual Education and Microsoft. On Friday 9th September the Advanced Manufacturing and Automation Centre (AMAC) was

launched at Training 2000. The facility was opened by Edwin Booth, Chair of the LEP and David Bailey, CEO of Northwest Aerospace Alliance. On Friday 23rd September, Edwin Booth also opened the new build Engineering and Innovation Centre at Runshaw College (Euxton Campus).

All events were well attended by businesses and local stakeholders and partners. A significant amount of PR was generated as a result of the events, for example:

http://www.lancashiretelegraph.co.uk/news/14105860.Blackburn_youngsters_to_be_trained_in_new_apprenticeships/

<https://www.lancashirebusinessview.co.uk/edwin-booth-visits-new-world-class-science-engineering-facility-76281/>

<http://www.lancashireskillshub.co.uk/news/digital-academy-launches-accrington-rossendale-college/>

4. City Deal

- 4.1 Lisa Moizer and Dr Lis Smith, Chair of the City Deal Skills and Employment Steering Group and Principal of Preston's College, presented a paper to the City Deal Executive and Stewardship Board on Friday 30th September 2016. The paper summarised the work of the City Deal Skills and Employment Steering Group and the set of metrics that has been developed (previously approved by the Skills and Employment Board) and asked the Board to endorse the proposed employment and skills metrics.
- 4.2 Lisa and Lis received positive feedback from the Board regarding the work of the steering group in particular the Lancashire Science Festival and the Construction Hub partnership. The Board endorsed the employment and skills metrics.

5. Digital Advantage

- 5.1 The White Room are delivering a pilot called Digital Advantage, across schools and colleges in Lancashire which aims to enhance the digital skills of young people and enable them to successfully progress into digital apprenticeships.
- 5.2 The White Room have successfully signed up ten schools and colleges across Lancashire to work with at least 100 young people who will graduate from Digital Advantage in the 2017 summer term.
- 5.3 They are working closely with Digital Lancashire to engage Lancashire businesses in the pilot, for example Fat Media and i2i and Big Knows who will

deliver masterclasses to the students as well as offer them an interview for a digital apprenticeships when they graduate.

6. Lancashire Skills and Employment Website

- 6.1 The website is now live <http://www.lancashireskillshub.co.uk/>. There are some further additions, such as the complete suite of commissioned reports, which will be added shortly.
- 6.2 Thank you to all the members of the Board who contributed to the development of the website.

7. Apprenticeships

- 7.1 Michele was a judge for the Lancashire Business View (LBV) Young 'Uns Award – for both the Apprenticeship of the Year category and Construction and Property. Four shortlisted applicants made a pitch to the panel under each category; the calibre was extremely high. The awards will be presented at the Young 'Uns Awards dinner on Thursday 20th October 2016.
- 7.2 The hub is sponsoring the Northwest Regional Apprenticeship Awards, which takes place at St Helen's Rugby Club on Wednesday 12th October 2016.
- 7.3 A joint approach has been taken to raise awareness of apprenticeships and the apprenticeship levy with the Lancashire Work Based Learning Executive Forum and LBV. Three events, targeting employers, are taking place during October across Lancashire, one in East Lancashire, one in Central and one in the West of the County. At each event there will be an expert input on the levy followed by a panel debate – the panel will include Michele in the East and West, and Paul Holme at the Central event, alongside a provider representative and two businesses. The East Lancashire event took place on Wednesday 5th October and attracted 61 delegates; the panel discussion was lively, with good engagement from the employers who attended. An overview will be published in the LBV magazine, further publicising the levy and the support available.
- 7.4 Forbes Solicitors kindly provided free spaces on a networking training course to members of the Lancashire Young Apprenticeship Ambassador Network on Monday 10th October 2016, this builds on the presentation skills training that was provided by Nelson and Colne College in the summer. This is the start of what we hope will be a series of free CPD offers to the Ambassadors from training providers and employers. Further offers are welcomed!



LEP – Sub Committee

Skills and Employment Board

Monday 17th October

Private and Confidential: No

Science and Innovation Audit – Progress Report. (Appendix 'A' refers)

Report Author: Andy Walker (01772 535629) andy.walker@lancashire.gov.uk

Executive Summary

In May 2016, a joint bid from the LEP and Sheffield City Region to investigate potential impact of science resources on a Northern Powerhouse Advanced Manufacturing Corridor, was accepted as one of five national wave one Science and Innovation Audits.

Over the summer, a team led by Sheffield and Lancaster universities and supported by their respective LEP's have worked to develop an evidence base and to examine the hypothesis that all the major AEM sectors will face a similar challenge – characterised as *Industry 4.0* and to assess how well equipped local science and innovation assets are to support this change.

The report is of specific relevance to the Skills and Employment Board given the level of investment in science and innovation assets which has taken place using Growth Deal Skills Capital resource and because skills levels are repeatedly reported as a key factor underpinning the regional productivity gap.

Recommendation

That the report is noted.

Supporting Documents

1. Introduction

Science and Innovation Audits were announced by Jo Johnson, Minister of State for Universities and Science as part of the 2015 Autumn Statement. Whilst seen as a pilot, the motivation for SIA's was unambiguously to identify areas of world class science and innovation across both education and industry and harness these to drive productivity.



A Lancashire / Sheffield City Region (SCR) proposal to investigate the Advanced Manufacturing corridor which is anchored around these two LEP areas was accepted alongside four other submissions from Edinburgh and the Scottish Borders, Manchester and Cheshire, South Wales and South West England and the Midlands Engine.

2. Process

Despite the differing geographies and sectoral focus of the five SIA's, each was asked to produce a final report to the same prescribed format. Each consortium was provided with an initial sweep of nationally published data, including headline economic indicators, innovation measures and skills attainment levels.

Technopolis, a specialist innovation consultancy were appointed by BIS to set the template for the SIA, to support consortia in sourcing an evidence base and as a critical friend in the development of the document. In addition to this the Lancs/SCR consortium commissioned SQW to augment the desk research with a range of high level industry and partner interviews and to firmly link the analysis to the emerging recommendations of the North Powerhouse Independent Economic Review.

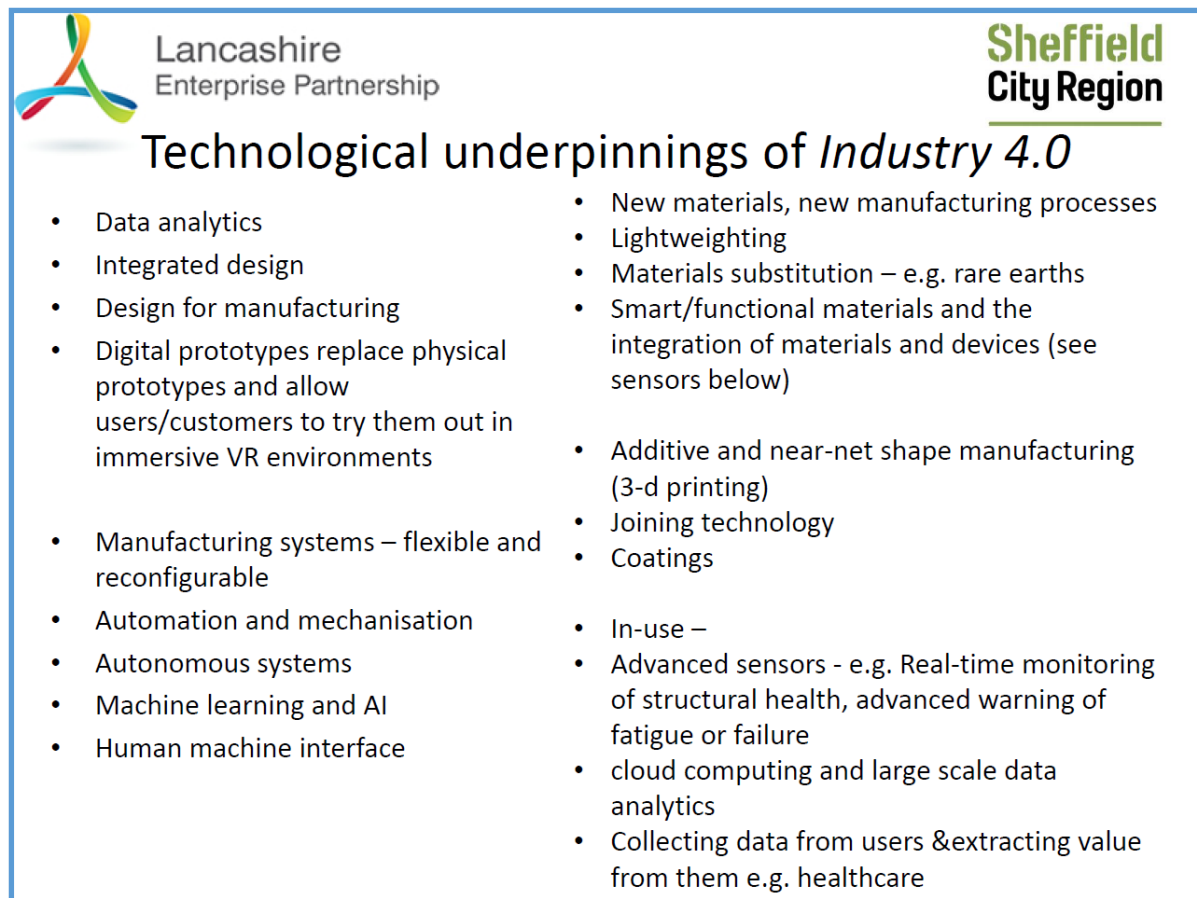
3. Headline Analysis

The final document combines data analysis and qualitative 'deep dive' research to provide 'showcase examples' of business activity. This analysis suggests that the area has a range of distinctive strengths and capabilities as follows:-

- An ability to exploit new materials, processes & technologies across a broad range of niche sub-sectors
- Strengths in digital design, testing & specialised manufacturing techniques
- The ability to leverage links to other parts of the UK e.g. The Hartree Centre (augmented reality capabilities) – LCR, National Composites Centre – Bristol, Manufacturing Technology Centre – Coventry

The SIA analysis for the area was explicitly focused on the aerospace, nuclear, rail and med-tech sectors. The hypothesis that to remain competitive, all of these sectors would need to adopt the technologies described within the Industry 4.0 typology was used as the basis for examination, with future manufacturing being focused on making value, not just making things.

Figure 1 – Key Technologies – In use and emerging

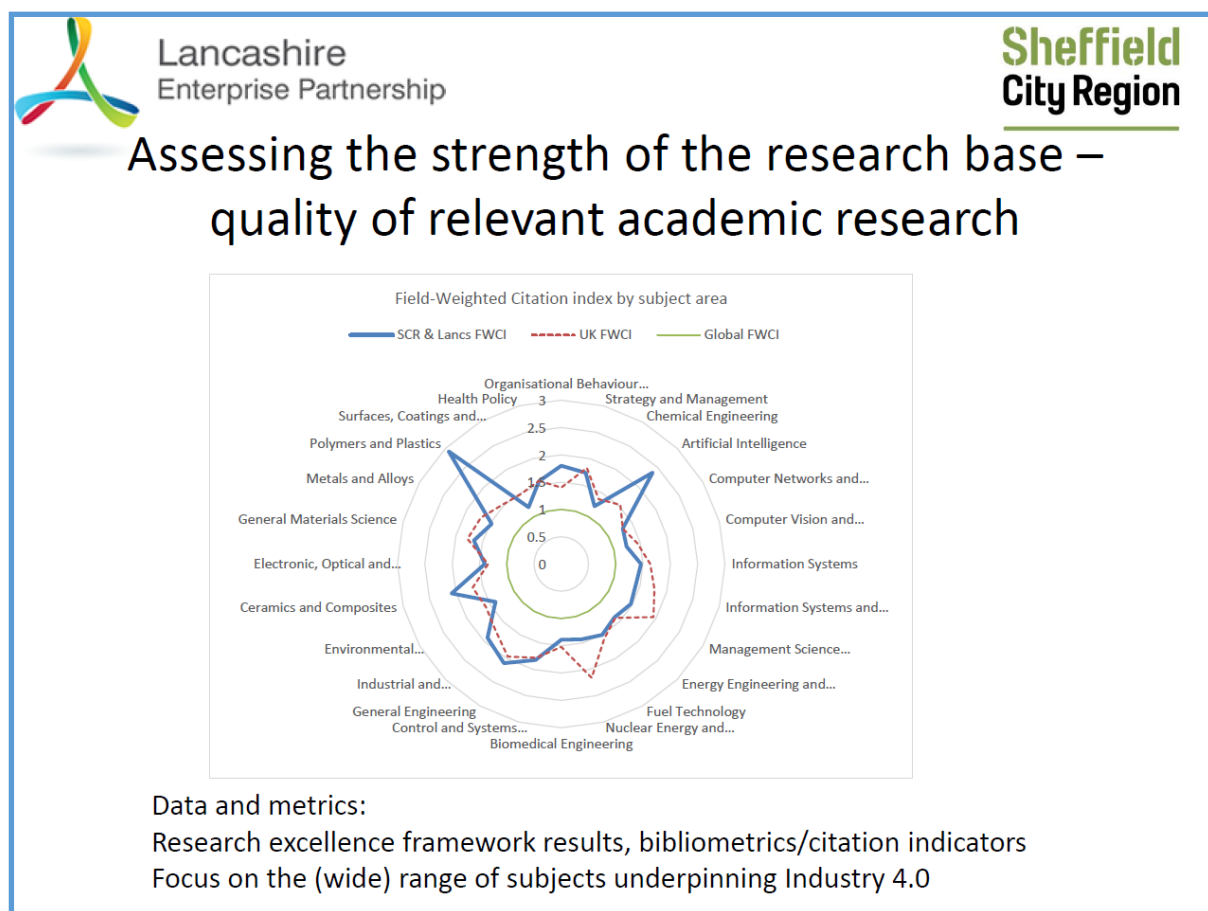


The analysis summarised in figure 1 sets out the key technological capabilities that are emerging as priorities to drive continued productivity in these key manufacturing sectors. The main themes are around increased digitisation of production, an increased ability to customise products within a mass production environment.

There is a strong match here between some of the capabilities which the LEP and the Skills Board have supported through their skills capital programme e.g. the investment in virtual reality environments and additive manufacturing. Alongside this analysis of future technological need, the SIA also looked at the ability of local innovation assets and centres of excellence to respond and equip business with the expertise required.

The web diagram in Figure 2 compares each of the areas of technology development, with the areas of expertise within local universities. Whilst REF results and citations are a limited proxy for the ability of technology providers to actually disseminate their knowledge, it does give some approximation of strengths and weaknesses.

Figure 2.



4. Conclusions and Recommendations

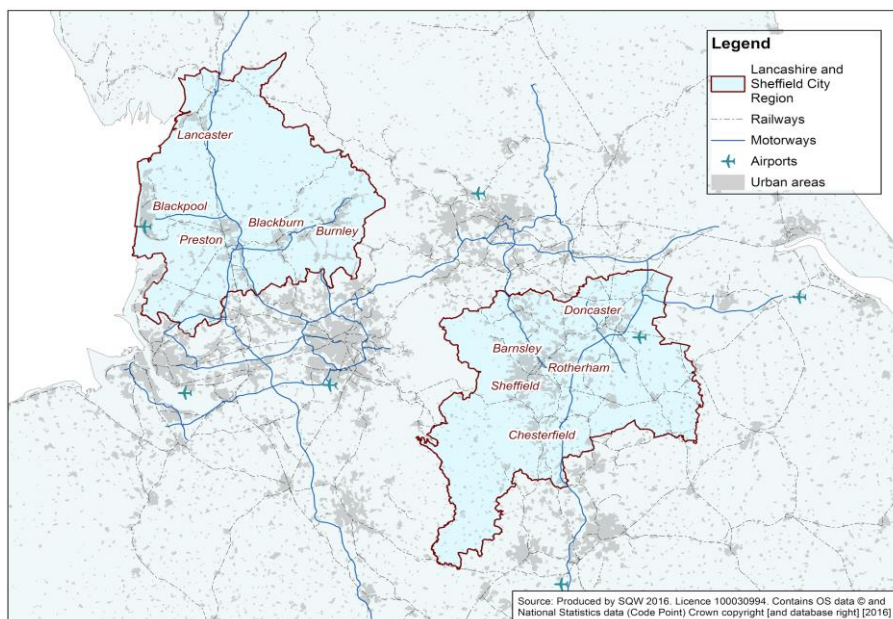
The SIA was submitted to BEIS in mid-September in draft form and we are awaiting further feedback.

The LEP will now build on this work to refresh the smart specialisation analysis of the Lancashire economy, to build a broader local innovation plan taking in other key sectors and innovation providers and to act on the recommendations of the SIA for new facilities, new services and to maximise the effectiveness of those that already exist.

The Skills Board is asked to note this report.

Driving productivity growth through innovation in high value manufacturing

Executive Summary



The Lancashire/Sheffield City Region Science and Innovation Audit covers two Local Enterprise Partnership areas, Sheffield City Region and Lancashire. The SIA has been carried out by a consortium representing those LEPs, and including industry and academic leaders

FOREWORD



"The Science and Innovation Audit is a vital mechanism to ensure that much needed investment is targeted at the priority projects and programmes that will stimulate productivity and economic growth in Lancashire, Sheffield and across the Northern Powerhouse region."

"There is a critical need to build on the productivity performance of the advanced engineering & manufacturing sector, particularly within SMEs, to ensure we remain globally competitive. Key to delivering this will be maximising existing and developing new collaborations between industry and our science and innovation assets. This successful formula can be seen in practice with the emerging Northern Advanced Manufacturing Innovation Corridor and how this SIA drives new and better partnerships to deliver what's required."

"The pace of change within advanced manufacturing technologies is constantly accelerating and the UK's global competitors are well placed to take advantage of the potential benefits that step changes such as Industry 4.0 present. The SIA priority focus areas are essential to enable UK industry to keep pace with its competition and position the north of England as a continued global sector leader in advanced engineering and manufacturing."

David Holmes, MAI Manufacturing Operations Director, Military Air & Information, BAE Systems plc



"Between the geographies of the Sheffield City Region and Lancashire lies a unique opportunity, one which the UK economy desperately needs. Here lie the components required to equip the UK to deliver the vision of the 4th industrial revolution, Industry 4.0. Within our existing Northern Advanced Manufacturing Innovation Corridor, we have strong high value manufacturing industrial bases, innovative excellence, world-class science and multi-level skills training; ensuring that the region is ready to bring the right skills, people and technology to close the productivity gap not just for the North but for the UK as a whole".

"Both our individual regions are also ambitious about building on existing assets through the development of their own Innovation Districts coupled with a drive and willingness to collaborate; as demonstrated by the joint commitment to develop a NW AMRC (Advanced Manufacturing Research Centre) with private sector partners in the aerospace, automotive and energy supply chain sectors".

"The SIA also talks about productivity, competitiveness and winning work. To achieve this we need not only industrial investment and participation in skills, innovation assets and SME supply chains but we also need strategic ownership, vision and funding from Government to lead the charge".

"This SIA provides a robust picture of innovation, industrial excellence and world-class research and I am confident that the other SIAs conducted across the UK will also show the same. What we need now is a cutting-edge national strategy to help regions like ours to deliver real change which will create economic growth and with it the jobs and opportunities which are so crucial for all in our communities".

Professor Sir Keith Burnett, CBE, FRS, FRSW Vice-Chancellor of the University of Sheffield

1. Introduction and Context

The context for this audit is set by a UK-wide economic problem; stagnation of productivity growth since 2008. The audit region contributes to this; regional productivity is well below the average for England.

This regional productivity gap has been attributed to three factors¹: structural change in the economy through a shift away from manufacturing to lower productivity activities, a skills problem, and not enough innovation and entrepreneurship. This Audit proposes concrete and substantive measures in response to each of these issues.

The two LEP areas comprising the Audit region share a specialism in high value manufacturing, in key sectors of *aerospace*, *energy* (particularly *nuclear*), *transport* (particularly *rail*), and *health technology*. Manufacturing capability in these sectors makes a key contribution to the economy of the wider North. The Audit finds that there is a highly complementary range of globally significant research excellence between the two regions, as well as highly successful and established innovation assets that underpin this industrial capability.

But manufacturing is changing. The full integration of digital capabilities in manufacturing – often referred to as ‘*Industry 4.0*’ – and adoption of new materials and manufacturing processes, will drive high productivity growth in businesses able to adopt them.

The hypothesis tested by this Audit is that the region has the necessary underpinning research and innovation assets in relevant areas of engineering, digital and data science to underpin a transformation in the performance of the region’s manufacturing base.

Translational research facilities are crucially important for the spread of new technologies, especially to the SMEs that are such an important part of the regional economy. The capacity for excellent management and leadership will be no less important, together with a system for developing the technical skills at all levels, especially those digital skills that will drive Industry 4.0.

There is a growing consensus on the need to work collaboratively across the Audit region, as a partnership between private and public sectors, to capitalise on the assets already in place within and between the two LEP areas by realising the potential of the region’s high value manufacturing to drive economic growth and to close the productivity gap with the most prosperous parts of the UK. Significant initiatives have already begun with this goal in mind.

The vision presented here is of a “*Northern Advanced Manufacturing Innovation Corridor*”, bringing existing, emerging and new science and innovation assets and programmes into collaboration with industry to drive productivity growth in advanced manufacturing and key linked sectors across the region to world-class levels. There is an opportunity is to invest in key schemes which will allow the region to deliver innovation to allow the UK to maximise the benefits of Industry 4.0.

¹ Transport for the North, Independent Economic Review of the Northern Powerhouse, 2016. The five work-stream reports are available from the SQW website here: <http://www.sqw.co.uk/insights-and-publications/northern-powerhouse-independent-economic-review/>

2. The Vision

The region has the elements required to be a globally significant centre for innovation and translational research, ensuring the rapid take-up in manufacturing industry of new materials and processes, new business models and the ubiquitous digital technologies of *Industry 4.0*. The resulting resurgence in high value manufacturing will drive productivity growth and strengthen the economy of the region, the wider North, and the UK more generally.

The suggested investments will build on an already strong base of existing and emergent science and innovation infrastructure and programmes, as follows:

- build on the existing outstanding translational research assets (£207m Research Grant income per year)
- join up the skills landscape across the region from apprenticeships to HE (Sector leading schemes already in place, in partnership with the key industrial sectors).
- develop excellent leadership and management and support new enterprise and entrepreneurship (The HE sector leader in business and management is within the audit region, and has particular strengths in advanced manufacturing and SME engagement)
- support the internationalisation of the business base (innovation assets in the region have strong global links and are already being replicated already in Korea, the US and China)
- expand the research base in areas that will be important for Industry 4.0 and the future of manufacturing, e.g. robotics, data analytics, new materials and processes for lightweighting, resource efficiency and leadership and management.

Strategic delivery of the vision will build on initiatives already taking place within and between the two LEP areas, and based on the ***Advanced Manufacturing Innovation District (AMID) concept***, which recognises the need for a whole place based approach to the development of innovation ecosystems. Successful delivery of an Innovation District requires a high level of interconnected physical, economic and networking assets. The Audit has considered the existence of these and has concluded that there is significant strength in each of the three areas, but a need to further develop and raise the performance networking assets within and between the two regions. Advanced Manufacturing Innovation Districts are being developed at each end of the proposed corridor (Sheffield/Rotherham boundary, and Salmesbury, near Preston), and there is a need to connect the two. The North West AMRC at Salmesbury, which links to UCLAN's Engineering Innovation Centre, is the first substantial project which will begin to achieve this and which will formalise the link between the two Innovation Districts as it represents a formal partnership between Lancaster and Sheffield Universities.

Success in implementing this vision will be demonstrated by:

- more rapid adoption of new technology by the existing industry base, particularly SMEs,
- greater proportion of businesses led and managed at the highest level,
- increased rate of formation of innovative new companies, and enhanced growth of existing businesses
- inward investment by multinational manufacturing companies at the technological frontier
- broad skills base, talented people attracted and retained to the region
- growing high value services sector in support of manufacturing
- enhanced regional export performance and international collaborations

- significant and measurable improvement in productivity outcomes across our advanced manufacturing sectors and throughout the regional economy

3. Key strengths

HE Research base	Public sector R&D facilities
<ul style="list-style-type: none"> • 6 Universities, £207m of grant research income (2014), 90% of research internationally recognised or better. • Tripling of Engineering research income in the decade to 2014-15. • Research impact outperforming national averages in key underpinning areas for <i>Industry 4.0</i>, including <i>Human-Computer Interaction, Computer Graphics/Computer-Aided Design, Artificial Intelligence, Ceramics and Composites, Transportation, Business and International Management</i>. 	<ul style="list-style-type: none"> • The National Nuclear Laboratory (based at Sellafield) has a laboratory in leased facilities at Westinghouse's Springfield plant, near Preston • Large teaching hospitals, with many leading clinicians and academics active in collaborative research with nearby universities and the private sector • Both Lancashire and the SCR are running NHS Test Bed programmes.
Translational research centres	Private sector & collaborative R&D
<ul style="list-style-type: none"> • Translational research centres bring together academia with global and regional businesses, to accelerate the adoption of new technology. Examples in the region include: • The University of Sheffield's Advanced Manufacturing Research Centre Group. £280m capex, £38m pa turnover. Includes: Factory 2050, research/demonstration factory for Industry 4.0, AMRC with Boeing (part of the HVM Catapult), Nuclear AMRC (part of the HVM Catapult) • ESPRC National Centre for III-V Technologies at The University of Sheffield • UCLan Engineering Innovation Centre (EIC), £40m capex 7000 sq m • Sheffield Hallam University National High Power Impulse Magnetron Sputtering Technology Centre (HIPIMS) • Lancaster Uni Health Innovation Campus (£167m capex, planned) 	<ul style="list-style-type: none"> • Research intensive companies already interacting with HE sector with a combined turnover of circa £1bn and 6,000 employees. • In 2014, BAE Systems managed overall R&D investment of £902 million, including £63 million of its own funds • Siemens has invested £3.2m in funding research at TUOS since 2009, with a further £3.6m of in kind contributions and a further £8.3m in funding for collaborative research. • Rolls-Royce is a lead partner in the University of Sheffield's AMRC with Boeing. • Significant and growing cluster of innovative design and manufacturing companies co-located with innovation assets within the Advanced Manufacturing Innovation Districts

4. Growth opportunities

The complete integration of digital technologies into manufacturing – *Industry 4.0* – will increase productivity and added value for those firms able and willing to change. Future high value manufacturing will be digital, reconfigurable, customisable and will capture more of the value chain, further blurring the line between manufacturing and services.

Sensors and networks will gather and integrate information from products in use (*“internet of things”*). Data analytics, machine learning and AI, machine/human interfaces, automation and robotics will underpin these trends, and issues of cyber-security will be more pressing. Innovation in materials and processes will be driven by the need to reduce weight, substitute scarce materials, and design for recycling (the *“circular economy”*). Customisation will be enabled by additive manufacturing (e.g. 3d printing), and these new technologies will demand new optimised materials.

These technologies will transform the high value manufacturing sectors that the Audit region specialises in. These sectors also offer great potential for market growth.

- In *aerospace* demand for air travel will grow, and new aircraft will need to be greener, quieter and more economical. The development of increasingly autonomous unmanned aerial vehicles (UAVs) presents a growing niche opportunity.
- In *nuclear energy*, the challenge is in ensuring that a supply chain with high value UK content delivers the UK’s new nuclear build programme. The development of a UK driven *small modular reactor* programme is a particularly important prospect that would create substantial value for manufacturers in the region.
- In *rail*, the global market is projected to grown at 2.7% pa worldwide, with an expansion of high speed rail in the UK and elsewhere driving the adoption of new technologies, such as the need for lightweighting and advanced control systems.
- In *healthcare technology*, there is intense pressure to develop technological solutions to the problems of supplying healthcare affordably to an ageing population.

5. Gap Analysis

The Audit has revealed gaps and shortcomings in the region’s skills and innovation landscape. Some of these have emerged from data analysis, while others have recurred in industry consultations.

- Although there are some highly innovative companies, the overall level of private sector R&D is too low. This needs to be recognised and addressed.
- The excellence of the region’s translational research institutions is acknowledged, but they should operate at a larger scale across the whole audit region to meet fully the demands and needs of the regional industrial base.
- There is a recognition of the excellence of the region’s academic research base, but yet more could be done to connect this to regional industry. Areas in which the research base should be further strengthened include data analytics and cybersecurity as applied to manufacturing problems.
- There is a widespread consensus that skills remain a problem. This includes intermediate technical skills and graduate attraction and retention.

6. Ambition, investment and growth opportunities

The Audit's conclusions on the region's strengths, the relevant technological and market opportunities, and remaining gaps indicate the steps that need to be taken to realise the vision of a high value manufacturing sector revitalised through innovation and skills. The overall goal is an Advanced Manufacturing Innovation Corridor in which the widespread adoption of *Industry 4.0* and the embrace of innovative materials and processes creates value and drives productivity growth.

Table 1 sets out investment which is now required to achieve phase one of this change.

Capital science and innovation infrastructure	Talent attraction, development and retention
<p>Establish the Northern Advanced Manufacturing Innovation Corridor from Sheffield's Advanced Manufacturing Innovation District to the Lancashire Advanced Manufacturing Innovation District at Salmesbury, anchored by the Northwest AMRC.</p> <p>Further capital science and innovation infrastructure opportunities include:</p> <ul style="list-style-type: none"> • Light-Weighting Centre, • Robotics and Autonomous Systems translational research centre • Data analytics for manufacturing, through strengthened links to the national Alan Turing Institute 	<p>A pan-Northern skills programme to support the requirements of advanced manufacturing businesses and complementary aligned sectors for the emergent new skills needs of <i>Industry 4.0</i>. This will enthuse the younger generation and create a talent pipeline, tackle challenges around replacement demand for highly technical skills, mitigate risks around an ageing workforce and help to retain talent in the North. New enterprise support will be provided for advanced manufacturing and linked industries will create the ambitious entrepreneurs and high growth businesses of the future.</p>
Northern innovation support	Northern productivity academy
<p>Collective innovation programmes (in advanced manufacturing, with digital, data science, cyber-security, robotics, eco-innovation, health/care, management innovation) to link SME and corporate agendas to build resilient supply and value chains.</p> <p>Develop a Northern Powerhouse nuclear supply chain productivity/innovation support programme for the Small Modular Reactor (nuclear) growth opportunity.</p>	<p>Establish a Northern Powerhouse Productivity Academy to drive the transformational leadership and management change required to make a significant impact on the region's productivity and innovation behaviours. This builds on Lancaster's involvement through our partnership with BAE Systems on the Government's Productivity Leadership Group and a pilot leadership for productivity programme under development.</p>
Support for internationalisation	
<p>Deliver support for internationalisation exploiting regional Higher Education and industrial networks and partnerships, working with the LEPs and UKTI etc.</p> <p>Explore the potential for a Northern International Catalyst Programme building on Lancaster China Catalyst Programme, SCR internationalisation programmes.</p>	

Table 1: Investment required to deliver growth opportunities

It will be important to develop the next phase of development in a way that stresses its pan-northern and national significance, and reinforces the Government's innovation and productivity agendas. The Advanced Manufacturing Innovation Corridor will need to be linked to wider *Industry 4.0* agendas across the Midlands Engine, North East Wales (Deeside), South Wales and the Bristol City Region – helping to reposition the UK as a global leader in advanced manufacturing. This should be a key part of the development of a National Industrial Strategy.

7. Networking, collaboration, and the added value of the Science and Innovation Audit process

In addition to the bottom-up data analyses and desk-based review work that has informed the region's science and innovation thinking, the open and inclusive process used to shape the SCR and Lancashire SIA Framework has itself delivered significant added value. Existing linkages have been enhanced, new relationships developed, and 'hidden' synergies and complementarities brought to the fore. Whilst we must recognise that the collaborative working and common approaches evident across the two sub-regions are still very much in their infancy, the level of trust, shared commitment and ambition that now exists augurs well for both the two sub regions SCR and Lancashire, as well as the wider Northern Powerhouse. Indeed, it has become clear across the region's different partnership structures through recent discussions, which the SIA process has already started to deliver beneficial impacts on the localised innovation systems and we are confident that it will leave a lasting legacy of a more outward-facing growth agenda. Notable aspects of our SIA process include:

- The first Northern Advanced Manufacturing Innovation Corridor collaboration - a new partnership formed between the universities of Lancaster and Sheffield to establish a Northwest AMRC on the Salmesbury EZ in Lancashire, focused on supporting advanced manufacturing supply chains and driving productivity improvements in regional SMEs.
- Agreement by BAE Systems, Rolls Royce, Siemens and the Lancashire LEP to fund a pilot Leadership & Management Programme under the Productivity Academy for mid-small supply chain businesses to be delivered by Lancaster University in early 2017
- SIA consultation workshops were held in Lancashire in January and August 2016, with a mix of university, industry and RTO representatives in attendance. The events provided excellent networking opportunities and there was strong support for the emerging SIA framework.
- A programme of primary research through in-depth consultations with 24 major advanced manufacturing firms and representative bodies active within the two sub-regional geographies. This work has helped to promote and champion existing growth plans, identify cross-sectoral synergies, common challenges and opportunities.
- A meeting with the Greater Manchester and East Cheshire SIA leadership team held on the 21st July in Manchester, to share lessons and good practice, as well as exploring opportunities for increased joint-working in relation to high value manufacturing and Industry 4.0 thinking.

In short, the SIA process has been a highly positive and successful one, with momentum and enthusiasm building over time as stakeholders have become more engaged and enthused. Partner representatives from across our universities, RTOs, science parks, incubators, the NHS and industry have provided constructive 'check and challenge' throughout, whilst the assembled qualitative and quantitative data have ensured that the resulting SIA Framework is grounded in robust evidence.



Lancashire Skills and Employment Board

Private and Confidential: No

Monday 17th October, 2016

Area Based Review – Progress Update

(Appendices 'A' and 'B' refer)

Report Author: Dr Michele Lawty-Jones, Director of the Lancashire Skills and Employment Hub, michele.lawty-jones@lancashirelep.co.uk

Executive Summary

The paper provides an update in relation to the development and approval of the LEP and Local Authority 'skills conclusion' which was presented to the first steering group of the Lancashire ABR on Tuesday 4th October.

The Colleges will respond to the skills conclusion and the information provided at the first steering group, at the second steering group on Tuesday 1st November. The conclusion will be used as a checklist to appraise options throughout the process.

It was agreed at the last committee meeting that the ABR Working Group would continue to meet throughout the review. The notes from the meeting held on the 6th September are provided for information in Appendix B.

Recommendation

That the report is noted.

Area Based Review – Progress Update

1. Skills Conclusion

At the last meeting a draft version of the LEP 'skills conclusion' was presented for endorsement; the conclusion was then presented to the LEP Board on Tuesday 13th September 2016 for approval. The pack was approved with a few minor

amendments. It was agreed that the pack would be merged with the Local Authority perspective for presentation at the first ABR steering group. Mike Damms was nominated to attend the steering group on behalf of the LEP Board (and to represent SMEs).

The draft combined skills conclusion was also presented to the Shadow Combined Authority Leader's meeting on Thursday 15th September. Support was given to the draft, and Mark Townsend was nominated to attend the steering group to represent the Shadow Combined Authority. Mark is Leader of Burnley Council and is the nominated lead for skills and employment.

The combined slide pack was 118 slides in total – it was thus agreed to send the full pack to steering group members, but to provide a summary overview at the meeting itself. A copy of the summary is attached as Appendix A for information.

2. First Steering Group

The first steering group of the Area Based Review (ABR) met on the 4th October; Michele Lawty-Jones and Bob Stott presented the combined skills conclusion at the meeting. The Colleges will respond to the information presented at the first meeting at the second steering group on Tuesday 1st November, and the conclusion will be used as a checklist to appraise options throughout the process.

3. ABR Working Group

It was agreed at the last meeting that the ABR Working Group would continue to meet throughout the review. The notes from the meeting held on the 6th September are provided for information at Appendix B.

4. Recommendation

The committee is asked to note the update set out in the report.

Lancashire Area Based Review

Economic and Educational Context Summary Slide Pack

Lancashire Approach

- A working group was established in April 2016 to progress the development of the LEP and Local Authority inputs to the Lancashire ABR.
- A joined up perspective aligned to the Lancashire Skills and Employment Strategic Framework.
- Recognised that structural change is important to ensure the future viability and sustainability of the FE sector.
- The structure must, however, deliver the right offer for Lancashire learners and employers.
- The slide pack provides a detailed overview, which will be summarised in a presentation at the first steering group.

Skills and Employment Strategic Framework

FUTURE WORKFORCE

- Inspiring young people.
- Improving employability skills and aligning curriculum.
- Investing in our learning infrastructure.

SKILLED & PRODUCTIVE WORKFORCE

- Apprenticeship growth – routes to higher levels of professional and technical skills.
- Professional / Graduate attraction & retention.
- Workforce planning.
- Leadership and Management / Innovation capacity in SMEs.

INCLUSIVE WORKFORCE

- Enabling an inclusive workforce; supporting unemployed & inactive into work.
- Digital inclusion.
- Incorporating social value into public procurement processes.

INFORMED APPROACH

- Employer engagement to inform our approach.
- Maintain our evidence base and insight.
- Influence, prioritise and direct the use of funding – maximise impact.
- Connect with other LEPs.

Economic Context

Lancashire Enterprise Partnership

The LEP is a private-public sector partnership driving **economic growth and ambition** in the Lancashire area.

- Creating local conditions for business growth.
- Raising the profile and visibility of Lancashire.
- Enabling strategic infrastructure development and inward investment.
- Driving business support and innovation.
- Leading supply chain and sector development.
- **Skills for growth.**

40,000 new
homes

50,000 new
jobs

£3bn additional
economic
activity

Lancashire LEP Overview

- 1.46m residents (21% in NW).
- £24.7bn GVA per annum.
- Over 40,000 businesses – predominantly SMEs.
- 68% employment rate (69% in NW, 73% in England minus London).
- Unemployment rate 7.5% (7.5% in NW, 6.6% England minus London).

(Skills and Employment Evidence Base, 2015)

City Deal

- Investment of £434 million.
- Delivering new transport infrastructure across Preston and South Ribble to unlock growth potential of national significance.
- 17,000 new houses.
- Expected to create 20,000 new jobs; including a dynamic city centre and high value jobs at Warton and Samlesbury Enterprise Zone.
- Key part of the LEP's £1bn growth strategy for the County.

Enterprise Zones

- 150 acres delivered over a 25 year timeframe.
- Overarching framework focused on advanced manufacturing and energy sector with an investor offer of Northern Powerhouse significance.

Samlesbury and Warton EZ - Centre of excellence for high technology manufacturing with aerospace focus. Up to 6,000 jobs.

- **Blackpool Airport EZ** – Key focus on aero-park related activities and energy sector. Up to 3,000 new jobs.
- **Hillhouse EZ** – Technology focus with major strengths in polymers, high value materials and energy. Up to 1,750 new jobs.

Qualifications and Occupations

Qualifications and Occupations

- Starting out with a 'deficit' in areas of Lancashire with poor GSCE achievement rates (Blackpool, Burnley, Pendle and Hyndburn).
- A workforce that is less well qualified than the England minus London average – lagging by 3% at L4+ (32,100 residents)...cold spots in Blackpool, Preston and Pendle.
- Anticipated growth at L4+ and L1 – 'hour glass' with L3 and L2 declining...but at present less highly skilled occupations compared to the NW (-2%) and England minus London (-4%).
- Employers with vacancies reported that 25% were skills shortage vacancies (2% less than England average) – main reasons: lack of applicants with required skills; lack of work experience; motivation & attitude.
- Replacement demand significant compared to net growth...professional occupations highest, but demand across a range of roles at a range of levels.

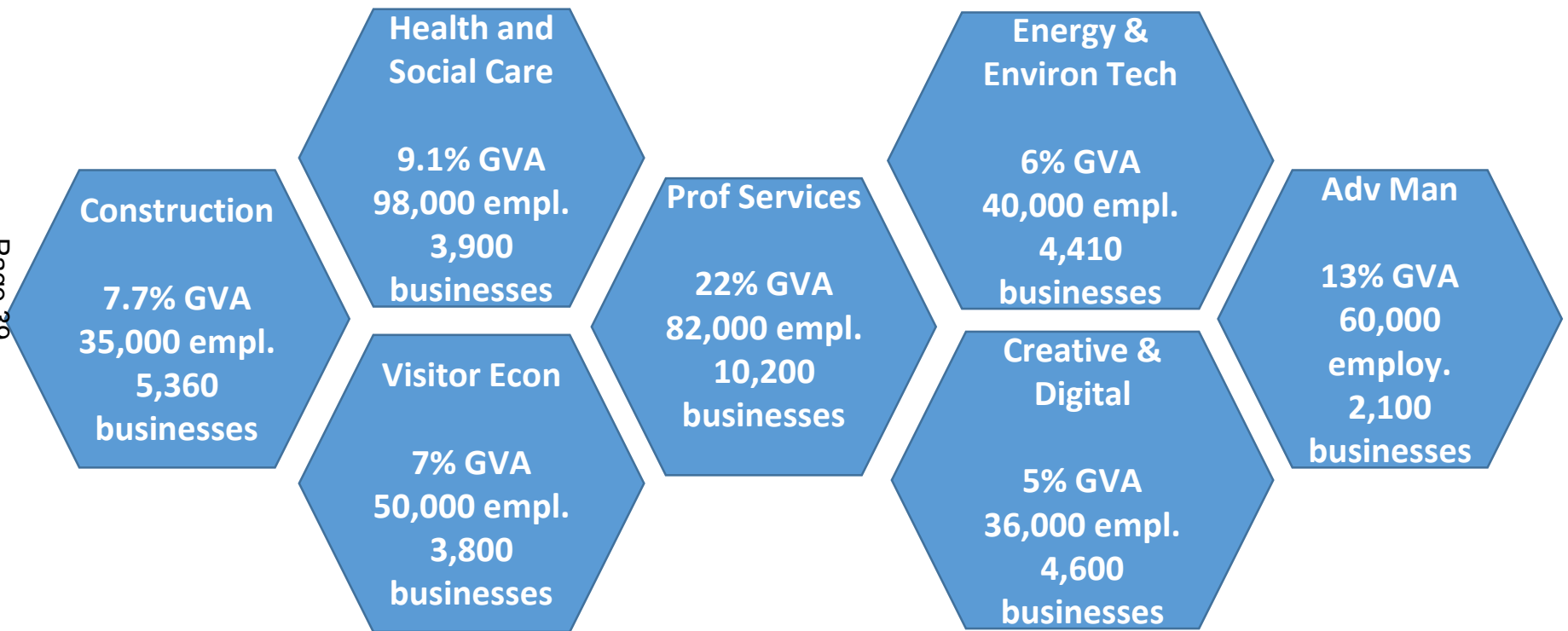
Qualifications and Occupations - Conclusions

- Collectively the FE sector should offer breadth and depth in curriculum to raise the bar at every level, from people gaining their first qualification to people progressing to level 4 and above.
- Robust relationships with the HE sector should be in place to aid progression / create innovative ways to deliver higher level skills demands (validation or routes to higher level qualifications).
- Curriculum should embed work readiness, softer skills and enterprising skills.
- Shortages and demand forecasts need to demonstrably inform the curriculum offer and the work related learning offer of each provider – individually and collaboratively.
- Employers qualification and skills requirements need to be met now and for the future to enable economic ambitions.

Sectors

Lancashire's Priority Sectors

Page 39



Sectors

- Significant issues re: ageing workforce and replacement demand in traditional sectors and health and social care.
- Engaging SMEs in workforce planning and developing employees.
- Diversity in STEM related industries.
- Balancing traditional skills with future skills needs (and aligning equipment and technology).
- Understanding of LMI and how this influences young people's and adult's career decisions.
- Employability skills.
- Emerging pathways and innovative approaches to filling skills gaps e.g. advanced practitioner models.

Sectors – Conclusions

- The FE Sector should promote industries with high replacement and growth demands to young people and promote vocational and academic routes.
- Providers should align programmes aimed at unemployed adults with sectors with high replacement demand.
- Collectively the FE Sector should provide sufficient provision to support the growth sectors and high employment sectors in Lancashire, to enable the supply of skilled labour.
- Current employment and forecast demand in these key sectors should be taken into account when developing the curriculum offer.
- Innovation in the curriculum offer – e.g. use of the apprenticeship levy.
- CEIAG should be grounded in local labour market intelligence.

Cross-Functional Learning – Creating a World Class Workforce

- Need for greater cross-sector collaboration to create the world class workforce needed to deliver Lancashire's economic ambition.
- Create the skills-base for the future to ensure residents and businesses can compete for new jobs and markets with greater focus on:
 - Industry 4.0 & disruptive technology
 - High Performance Computing
 - Cyber-physical systems
 - The internet of things
 - Big data.

Educational Context

Lancashire Area Based Review

October 2016

Local Authority Educational Context

Lancashire Common Principles

- As a result of the Area Based Review, the expectation from the local authorities is that:
 - The institutions in our areas, serving our residents and local communities, are sustainable, financially strong and resilient and make efficient and effective use of their resources
 - Institutions are responsive to future demands, policy developments and funding changes
 - Current and future educational needs across the Lancashire area are met, taking account of employer requirements, GCSE attainment, progression pathways and positive destinations
 - Our residents are able to access high quality provision at all levels, with appropriate support mechanisms in place to encourage retention, achievement and progression

Lancashire Key Questions

- Do colleges have plans in place to address future developments, such as regional prosperity and an increase in the 16-18 year old cohort, ensuring there are progression pathways at all levels for all learners, including those at sub-level 2?
- An appropriate and accessible provision offer needs to be in place for residents with no qualifications, as well as those wishing to access provision at higher levels
- How will colleges work with employers to increase the number of Apprenticeships being delivered to 16-18 year olds, to meet future growth aspirations?

Local Context

- 12 Colleges in the Pan-Lancashire area
- Two Foundation Learning providers
- 15 School Sixth Forms (SSF)
- 14 Academies
- EFA 2015/16 allocations:
 - Colleges: 26,792 learners, £131,828,105
 - SSF & Academies: 6,508 learners, £29,554,130
- SFA 2015/16 allocations:
 - Colleges: £59,741,773

Demographics and Deprivation

- Significant issue in parts of the county
 - 7 areas across Pan-Lancashire in top 100 most deprived areas
- From 2016-2025, overall 16-18yr old population projected to increase by 6.56%, which equates to 3,440 young people
- Need for appropriate learning provision at all levels and progression pathways to meet needs of increasing number of residents
- Specific learning provision and support mechanisms for residents in the most disadvantaged and deprived areas

Participation

- Overall, Pan-Lancashire is a net exporter of learners
- Draft DfE 16 and 17 year olds participation figures (March 2016) for the three local authority areas: 90.3% Lancashire, 87.9% Blackpool and 88.6% Blackburn with Darwen, compared to 91.5% nationally
- November 2015 to January 2016 NEET figure for the Pan-Lancashire area is 2,430
- From 2013/14 to 2014/15, Pan-Lancashire resident participation has changed as follows:
 - FE: -878 young people, -3.0%
 - SSF and Academies: -247 young people, -3.8%
 - 19-24 High Needs Learners: +48 learners, +19.4%
 - 16-18 Apprenticeships: +58 learners, +1.4%

Local Learner Outcomes

- Across Pan-Lancashire, outcomes for young people overall are positive although there are areas where improvements need to be made
- 5 A*-C GCSE attainment, with and without English and maths, are variable across the Pan-Lancashire area compared to the national average
- Level 2 and level 3 attainment at 19 is generally above averages but notable gaps exist for those eligible for FSM and those with SEN
- A level and level 3 outcomes are variable when compared to the national average
- 2014/15 achievement rates are generally above national average but improvements required by specific colleges at certain provision levels

High Needs Post 16 Provision

- Improved working relationships with Pan-Lancashire colleges through the FE High Needs Group
- Requirement for more Supported Internships and Supported Apprenticeships
- Specialist local provision will help to enable young people to remain in their local communities

Skills

- Key issue is availability of provision which enables progression into sustainable employment and/or further learning
- Providers to be aware of the LEP growth sectors and how these may inform provision offer
- Need to work with schools to improve LMI and young peoples understanding of the labour market and employability skills

Lancashire Skills Conclusion

**The expectation and vision for
education and skills within Lancashire**

How can the FE sector better contribute?

Future Workforce

How can the FE sector better:

- Offer a breadth and depth of high quality provision, with greater collaboration, at all levels which meets local learner and employer needs, increasing participation?
- Offer clear routes and progression pathways from classroom and vocational provision to higher level professional and technical qualifications?
- Provide sufficient provision at lower levels, including supported apprenticeships and appropriate provision for SEND students, that results in sustained progression?
- Embed employability and enterprising skills, attitudes and behaviours throughout the students educational journey?
- Offer enrichment which contributes to developing a broader skills set?
- Involve employers consistently in curriculum development?
- Ensure provision is sufficient to meet demographic projections?
- Provide good quality CEIAG and work related learning, increasing participation and positive destinations?

Skilled and Productive Workforce

How can the FE sector better:

- Collectively increase fit-for-purpose apprenticeship provision at L2/3 and increase availability at higher level and degree?
- Make the FE offer less difficult for employers to navigate and easier to broker the skills solutions they need – particularly SMEs?
- Provide adequate access to specialist provision at L3 and higher levels which is relevant to our sector priorities, taking into consideration access and transport links?
- Contribute to the development of L4+ skills with stronger focus on integrated higher skill programmes with local HE partners to help attract and retain high value workers?
- Ensure specialist provision complements areas of focus for economic growth (including the Enterprise Zones)?
- Take cross sector approaches to embed digital technology and creativity?
- Ensure learning facilities and technology are up-to-date?

Inclusive Workforce

How can the FE sector better:

- Apply the concept of a 'skills escalator' so that provision is outcome focused; raising employability, skills levels and aspirations of unemployed adults, vulnerable young people and adults, and NEET?
- Offer programmes targeted at adults which correlate with needs in the local labour market; with an integrated approach to skills and employment?
- Embed digital skills in foundation level, level 1 and level 2 programmes?
- Ensure adequate access and engagement in local areas of Lancashire, particularly those that are disadvantaged?
- Provide community learning at accessible venues to enable residents to develop basic and life skills and step onto the 'skills escalator'?
- Provide adequate provision to young people with complex needs, particularly in areas of higher deprivation, to prepare them for sustained employment or supported internships/apprenticeships?

Informed approach

How can the FE sector better:

- Use Labour Market Information to shape curriculum offer and align it to the Lancashire's economic priorities and labour market demands?
- Engage with employers to design their curriculum, enhance the student experience and utilise their industry expertise in teaching and co-delivery?
- Ensure that their provision reflects the broader North West economy?
- Engage with schools to ensure the right provision is available to meet learner needs, to maximise sustained participation and progression?
- Maintain their engagement and progress beyond the Area Based Review?

AREA BASED REVIEW – WORKING GROUP

TUESDAY, 6th SEPTEMBER 10:00 AM – 12 NOON

Present:

Julia Coleman
Rosie Fearn
Paul Holme
Michele Lawty-Jones (chair)
Lisa Moizer
Robin Newton-Syms
Ajay Sethi
Mike Taplin
Andy Walker

Guest:

John Barber (Joint Area Review Development Unit – JARDU)
Jennifer Winkley (JARDU)

Apologies:

Dean Langton

Key Points:

Matters Arising

It was confirmed by John that the JARDU data packs will include a fuller sectoral analysis than the RCU data packs commissioned by The Lancashire Colleges. The data packs will be shared prior to the first steering group, once the data sharing agreements have been signed by respective parties. It was confirmed that the JARDU data packs will provide data relating to Colleges only. Reference was made by Robin to the economic impact study of skills providers in Lancashire, and how this could be also be useful.

Action: LM to circulate the study and check that it has been uploaded onto the LEP website.

JARDU: Steering Group membership

John confirmed that David Collins will be retiring in November. The new commissioner, once appointed and diary permitting, may come with David to the first steering group.

It was confirmed that Paul will represent the Lancashire Skills and Employment Board, and that Michele will attend as senior officer (as approved at the last Skills and Employment Board meeting).

It was confirmed that Bob Stott will represent Lancashire County Council. Mike and Julia indicated that they were in conversation with their respective CEOs in relation to representation and that it was likely that Bob would represent the 3 top-tier authorities.

Michele to contact Dean to confirm membership from the Shadow Combined Authority.

John and Jennie also shared the 'standard' agenda for the first meeting.

Action: MT and JC to confirm Steering Group representation. MLJ to clarify with DL and to ensure that JB has all the relevant contact details.

Up-date from The Lancashire Colleges (TLC)

Robin confirmed that Governors meetings had took place in July and that Colleges are currently reviewing data, reviewing potential options and considering the impact of potential options. A meeting of the Lancashire Principals is scheduled for the 14th September to discuss progress. Two informal consultation notices have been issued to-date.

Paul noted good practice in other Area Reviews, and outlined the benefits of individual meetings with Colleges between the first and second steering groups with JARDU and the CA. The individual meetings were useful in considering emerging proposals around structural change, curriculum offer and the future direction of the College. In Lancashire's case it would be beneficial for meetings with JARDU, the Skills & Employment Board and Local Authority representatives.

John confirmed that this was possible and could be requested.

Action: MLJ to propose individual meetings at the Skills and Employment Board, and RNS to suggest the same at the Principals Group. MLJ and RNS to feedback to JB.

Feedback from the Skills and Employment Board and Hub

Lisa had circulated the *draft* LEP slide pack prior to the meeting. Michele confirmed that the slide pack would be going to the Skills and Employment Board on the 7th September for comment and endorsement, and then to the LEP Board on the 13th September for approval.

A number of comments were provided, including referencing SMEs and local variations within the sub-region e.g. Fylde Coast. It was noted by Andy that the LEP takes a Lancashire-wide perspective as sectors are spread, albeit there are some areas of focus, for example via the Enterprise Zones. A sub-regional perspective will come through the Local Authority analysis, particularly in relation to lower level provision and participation.

It was agreed that the slide packs from the LEP and Local Authorities needed to be brought together into a joint presentation with one overarching skills conclusion, set out against the Skills and Employment Strategic Framework priority themes (quadrants). Further work will be required to achieve this once the Local Authority slides are available.

Feedback from the Local Authorities

Ajay confirmed that analysis had been complete by LCC, BwD and Blackpool and that the three elements now needed to be brought together.

ACTION: AS to share the draft combined slide pack once brought together – later today.

John asked whether the slide pack could be shared with steering group members a week before the first steering group. It was agreed that this would be preferable so that steering group members would have time to read the full pack and consider the contents prior to the meeting.

The nature of the room for the first meeting was also discussed, as the presentations could be fairly lengthy (a commitment was made to summarise, with the full pack being circulated prior!). John agreed to liaise with Preston's College, who are hosting the first meeting, to check the room is conducive.

ACTION: JB to check facilities and the room layout at Preston's College.

ACTION: MLJ and AS to meet with MT and JC, to take forward combining LEP and LA slide packs and a summary presentation for the meeting. The slide pack will be sent to JB a week before the first steering group.

Combined Authority up-date

Michele indicated, on Dean's behalf, that the Chief Executives and Shadow Combined Authority meeting was on the same day (15th September), after the LEP Board, and that Dean was considering engagement, governance processes and the involvement of the CA in the steering group.

Action: Dean to confirm steering group membership.

AOB

It was agreed that it would be beneficial for the working group to continue, and to meet after each steering group to review key points and actions and to ensure that activity happens in between steering groups to the benefit of the review and the Colleges affected. This might include, for example, creating sub-groups to focus on specific topic areas, as has been the case in other reviews.

Action: PH and MLJ to recommend to the Skills and Employment Board that the working group continue to meet throughout the lifetime of the review. LM to take forward arranging working groups in between steering group meetings, once approved.



Lancashire Skills and Employment Board

Private and Confidential: No

Monday 17th October 2016

European Structural and Investment Fund (ESIF) Update (Appendix 'A' refers)

Report Author: Mike Neville, Democratic services, Lancashire County Council
01772 533431

Executive Summary

This report presents a copy of a report which was considered by the Lancashire Enterprise Board on the 13th September 2016.

Recommendation

The Committee is asked to note the report.

Background and Information

Attached at Appendix 'A' is a copy of a report which was presented to the Lancashire Enterprise Partnership Board on the 13th September 2016.

Sean McGrath, Development and Corporate Resources, from Lancashire County Council will attend the meeting to discuss the report and seek the views of the Committee on the contents.



Private and Confidential: NO

Date: 13th September 2016

European Structural and Investment Funds (ESIF) – Post EU Referendum Update

(Annexes 'A', 'B' and 'C' refer)

Report Author: Sean McGrath, Development and Corporate Resources, Lancashire County Council.

Executive Summary

The report sets out the latest position on the implementation of Lancashire's European Structural and Investment Funds (ESIF) Strategy and indicative funding allocation; including the emerging implications of 'Brexit' and specifically the impact of the Treasury's recent announcement regarding funding guarantees in support of the ESIF programme.

The report highlights the success of the ESIF programme in supporting priority activity and the need to ensure that any changes to the ESIF programme, and/or creation of a successor programme, continue to support existing activity and allow for support for priority activity not yet contracted. It is currently estimated that up to £112.5m of ESIF financial support for priority activity is at risk if no further projects are approved after the Autumn Statement. A number of key projects are due to continue/come forward later in the programme which are integral to Growth Deal and Lancashire's Skills and Employment Strategy. Without these projects there will be a short fall in (amongst others);

Enterprises receiving support	58%
Enterprises cooperating with research institutions	88%
Business and Properties with reduced from Food Risk	100%
Participants in Skills and Employment programmes	48%

A significant reduction in funding will jeopardise key activities supporting business growth and have a detrimental impact on plans to enhance skills levels and increase technological development and innovation in Lancashire.

Recommendations

- (i) Agree that a joint letter from the Chair of the LEP Board, Chair of the shadow Lancashire Combined Authority and Chair of the Lancashire ESIF Committee is sent to the Chancellor stressing the importance of continued support for Lancashire's priorities, whether through ESIF funding or a successor funding



stream, highlighting local strategic objectives and key pre-planned activities, as well as cross-funding dependencies to other major funding streams such as Growth Deal;

- (ii) Request additional clarity on the Chancellor's recent funding guarantee on the status of projects/activity already within the ESIF programme that might not be contracted by the Autumn Statement;
- (iii) Work with the shadow Combined Authority to brief Lancashire MPs and secure their support for Lancashire's case-making with Government;
- (iv) Request a more detailed discussion with senior Government officials regarding the nature of Lancashire's current allocation and the importance of local flexibility in meeting specific needs related to Research and Innovation and Flood Mitigation activity; and
- (v) Request Lancashire's ESIF lead officers urgently review the current pipeline of ESIF activity and undertake a rapid consultation exercise in order to identify key objectives, projects and outputs that are still to be supported by the current ESIF programme.

Background and Advice

1. European Structural and Investment Funds 2014-20 Implementation

- 1.1 As reported at previous meetings the Government established a National (England) Growth Programme for EU funding over the period 2014-20, overseen by a National Growth Board. The Growth Programme is based upon an UK wide agreement with the European Commission (EC) until 2020.
- 1.2 The Growth Programme includes the European Regional Development Fund (ERDF), European Social Fund (ESF) and a proportion of European Agricultural, Farming and Rural Development Fund (EAFRD). The EU Growth Plan is worth approximately £5bn in England, with Lancashire having an original indicative allocation of £231m (6th largest allocation in England). Allocations are made in Euros from the EC and therefore the sterling value is subject to Exchange rate fluctuations.
- 1.3 In order to access this funding all LEPs submitted a European Structural and Investment Funds (ESIFs) Strategy, in advance of the 3 Operational Programmes for the funds that make up the ESIF programme being agreed. The national ESIF programme was finally launched in 2015, over a year after the original start date.
- 1.4 The Lancashire ESIF programme was designed to support key local priorities and operation in conjunction with/complement other funding streams and investments. Any changes/withdrawal will have an impact on the ability of Lancashire to achieve its strategic objectives and deliver key outputs. The



delivery of the ESIF programme remains in the control of three Government Departments managing the key Operational Programmes, namely:

- ERDF – Department for Local Communities
- ESF – Department for Work and Pensions
- EAFRD – Department for the Environment, Farming and Rural Affairs

1.5 As previously referenced, LEP area sub-committees of the National Growth Board provide advice on calls, project assessments (local strategic fit) and performance management as well as overseeing project pipeline development. In Lancashire this work is undertaken by the Lancashire ESIF Committee, whose membership was nominated by the LEP Board, with the Committee reporting to the National Growth Board.

1.6 Lancashire's original £231m allocation was split; £137m ERDF, £90m ESF and £4.6m EAFRD based upon a Euro Exchange Rate of £0.8562. It was agreed by Government that the Exchange Rate would be reviewed on a six monthly basis. As a result of the last Exchange Rate review the indicative allocation to Lancashire reduced to £211m; ERDF £124m, ESF £82m, EAFRD £4.2m, of which only £198m (94%) can be committed (the remaining funds can only be accessed when certain targets are met).

1.7 In order to draw down the ESIF allocation project providers need to provide a minimum of 40% of match funding which, at the current exchange rate, makes the programme worth at least £351m.

1.8 There is no information as to when, or if, the next Exchange Rate review will take place but, based upon the current relative strengths of Sterling and Euro, any review could result in an increase in the sterling value of the ESIF programme without an increase in targets.

1.9 The national ESIF programme contains 25+ main outputs, with the key Lancashire ones set out in the table below.

Output	Target	Outputs Contracted/ Contracting	%	Outputs To be achieved	%
Productive investment: Number of enterprises receiving support	9,800	4,118	42%	5,682	58%
Productive investment: Number of new enterprises supported	2,859	699	24%	2,160	76%
Research, Innovation: Number of	160	26	16%	134	84%



enterprises supported to introduce new to the market products					
Research, Innovation: Number of enterprises supported to introduce new to the firm products	974	400	41%	574	59%
GHG reduction: Estimated annual decrease of GHG	33,166	1,328	4%	31,838	96%
Number of researchers working in improved research or innovation facilities	44	-	0%	44	100%
Research, Innovation: Number of enterprises cooperating with research institutions	403	48	12%	355	88%
Businesses and properties with reduced flood risk	1,365	-	0%	1,365	100%
Total Training and Employment Participants	69,350	36,189	52%	33,161	48%

1.10 In response to the allocation of targets to Lancashire ESIF programme, the ESIF Committee felt that some did not meet Lancashire's economic needs and/or were not achievable. In particular, it was felt that

- the allocation to the Research and Innovation priority was too small given Lancashire's aspirations in this area and priorities set out in the ESIF Strategy (the Lancashire allocation was below the national average)
- the targets for the ICT priority did not take into account Lancashire's progress on the delivery of Superfast Broadband Infrastructure
- The allocation to the Low Carbon priority was too high (above the national average) and should be swapped to the Research and Innovation and Climate Change (Flood Mitigation) priorities to support other projects of greater local significance. The latest National Growth Board papers

indicate that the performance of the Low Carbon priority is a concern across a number of LEPs in the North of England.

- 1.11 However, there was no significant movement in the Lancashire allocation or targets as a result of the submission although it was indicated that some changes would be considered at the mid programme review in 2018 (it is not clear if this will now take place).

2 Current position of the ESIF programme

- 2.1 The Lancashire ESIF Committee has overseen a number of calls since the ESIF programme was launched and has recommended for approval approximately £100m of activity. Where Government has issued contracts it has been for up to 3 years, not the full length of the programme to 2020.
- 2.2. Given the late start of the national ESIF programme, over a year later than planned, the Lancashire programme has been successful in issuing calls and progressing projects to approval; all based on local priorities and within the context of national programmes, e.g. the BOOST business support programme and associated activity.
- 2.3 The Lancashire programme is operating in line with national expectations and it is envisaged that this performance will be maintained/improve further as more project approvals take place. A summary of the financial position of the programme is attached as Annex A and the detail of programme activity is attached as Annex B.

3. ESIF Programme Risk/Forward Planning Issues

- 3.1 There has been limited formal guidance from Government on the impact of the EU Referendum other than suggestions to carry on with 'business as usual'. The Treasury's recent statement regarding the future of ESIF funds (see attached at Annex C) has provided some clarity on projects that have been/are to be contracted. To summarise, projects that have been contracted, in the normal course of business, by the Autumn Statement 2016 will have their funding guaranteed even after the UK leaves the EU. It is assumed that being 'contracted' refers to a project having returned a signed Grant Funding Agreement.
- 3.2 The ESIF Committee had scheduled a number of further calls, up to Spring 2017, in order to allocate all Lancashire's resources as effectively as possible. The calls are based upon the project pipeline development work that has been undertaken over the past two years. The calls have been brought forward and are currently with Government departments for consideration. At the time of writing the position of calls prior to/after the Autumn Statement is unclear.
- 3.3 The latest information from Government would suggest, though does not confirm, that projects currently in the process of being contracted/appraised are not at risk (see Annex B). However, given national uncertainty, the potential



scale of funding at risk to Lancashire is currently estimated at £112.5M, if not covered by the Treasury's currently time limited guarantee. This figure is broken down as follows:

• ERDF	£78.48m
• ESF	£30.62m
• EAFRD	£3.4m
Total	£112.5m

- 3.4 As indicated in Annex B, there are plans for most of the resource highlighted above including £36m of proposed calls currently being considered by Government. However, these calls might need to be curtailed/amended dependent upon the length of the ESIF programme (which is still to be decided). Calls that are currently awaiting a Government response include

• Research and Innovation	£12.29m
• Apprenticeships	£4.59m
• Flood Risk Mitigation	£2.82

In addition delays in the contracting process could be problematic especially if delays are caused as a result of a lack of Government capacity.

- 3.5 Regarding projects still to be considered and proposed new calls, any decisions appear to be predicated on agreement from the Treasury on the value of the remaining ESIF programme from now until formal 'Brexit'. The papers for the National Growth Board on 15th September indicate that all the relevant Government departments are currently discussing calls, and the values of, with the Treasury but no date has been given for any agreement. It is likely that any such agreement will be linked to the content of the Autumn Statement.
- 3.6 The operational view taken by Government departments is that new calls are likely to take place, and therefore new projects agreed, but with no certainty when the calls will be launched, if there will be a financial limit (below that of current allocations) on calls and the length of any contracts.
- 3.7 If Article 50 is enacted in January 2017, and the negotiation process takes two years as currently planned, the ESIF programme will finish at the end of December 2018 (with project and programme financial completion taking place some 6 to 12 months later). For projects currently contracted the Government has said it will honour spending commitments beyond December 2018. This will not necessarily be the case for any projects currently contracting or still to be approved. This will have a significant impact upon project delivery as effectively it would give them two years, or less, to deliver their outputs. It also means that any successor domestic funding regime, if there is one, will need to be in place by mid-2018 in order to prevent any funding gaps for priority activity.
- 3.8 It should be noted that the ESIF element of the Northern Powerhouse Investment (loan) Fund is currently going through the approval process and



could be contracted before the Autumn Statement. This project is likely to be contracted until at least 2020, due to the nature of the investments/outputs it will deliver and this should allow the fund to begin offering investments within the next three months. In addition the Government has confirmed that the EC funded Horizon 2020 HE Research and Innovation programme will run for its full length. This approach may have implications for other priority projects in terms of length of contracts. It should also be borne in mind that Article 50 may not be enacted in January 2017 and the associated negotiations may take longer than two years.

3.9 From a Lancashire perspective, key issues include:

- The ability to support priority activity through new calls, already lodged with Government, as identified through our extensive pipeline development activity;
- Any future calls to be able to allocate the full ESIF allocation in order to maximise support for priority activity and deliver key outputs;
- The length of contracts for any activity to ensure projects have adequate time to deliver meaningful outputs and outcomes rather than a 'rush to spend';
- Continued support for approved projects where they meet local priorities and are delivering to target in order to overcome any funding gaps; and
- The need to establish a new national investment programme, of at least similar scale, to replace EU funding that supported the delivery of locally determined economic growth and regeneration priorities.

3.10 Crucially, those resources not yet contracted, but either committed or ring-fenced for future priority activity by the Lancashire ESIF Committee, need to be retained for Lancashire. There are a number of LEP priority activities that have been identified through the pipeline development process that are still to come forward and/or whose position is unclear.

3.11 In addition, the Autumn Statement 2016, as well as affecting decisions related to ESIF funding, is also likely to have an impact upon match funding for ESIF projects, e.g. Environment Agency Flood Mitigation activity, Skills Funding Agency etc. As a result decisions on ESIF resources need to take into account wider impacts, both locally and nationally. In addition, reductions/removal of ESIF funding, without a viable successor funding stream(s), will place additional pressure on existing domestic funds.

3.12 For example £41.1m was allocated to the Skills Funding Agency to deliver skills and employment activity in Lancashire, matched with the SFA's own resources. However, the SFA has always indicated that it could not guarantee match funding to deliver ESF past March 2018, due to the impact of devolved funding elsewhere, and therefore has only contracted £27.5m of activity. As a result the uncertainties over future SFA and ESIF funding means that £13.7m (plus match funding) of Skills and Employment activity will be at risk by the time of the Autumn Statement.



- 3.13 All of the activity funded under Priority 3 SME competitiveness supports and/or works under the umbrella of the BOOST Business Growth Hub with £27m of activity either contracted or contracting. Any changes to funding in this area will have a significant impact upon the ability of Lancashire to continue to support growth and increased productivity within our local business base.

ESIF Programme – Post EU Referendum Update

ERDF Allocation (Feb 16)	£124m
<ul style="list-style-type: none"> • <i>Contracted</i> • <i>Contracting</i> • <i>Awaiting consideration by ESIF Committee</i> (Either by written procedure/Oct 16 Meeting) 	£5.65m £38.37m £1.50m
<u>Total</u>	£45.52m
<ul style="list-style-type: none"> • At Risk 	£78.48m
Scheduled Calls (with Government)	£22.75m
Low Carbon (requested that most of this allocation be moved to the Research&Innovation /Climate Change priorities to support other project activity)	£15.44m
Evergreen Development & Local Impact Social Enterprise Loan Funds	£15m
Project extensions/additional activity	£17.85m
Performance Reserve (6% of total allocation)	£7.44m
ESF Allocation (Feb 16)	£82.77m
<ul style="list-style-type: none"> • <i>Contracted (includes Opt In organisations)</i> • <i>Awaiting consideration by ESIF Committee</i> 	£38.95m £13.2m
Total	£52.15
<ul style="list-style-type: none"> • At Risk 	£30.62m
Scheduled Calls (with Government)	£9.54m
Committed to SFA Opt In but not Contracted	£13.66m
Extensions/additional activity	£2.46m
Performance Reserve (6% of total allocation)	£4.96m
EAFRD Allocation (Feb 16)	£4.2m
<ul style="list-style-type: none"> • <i>Contracted</i> • <i>Contracting</i> • At Risk 	£0m £800,000
Scheduled calls	£3.4m

List of ESIF Programme Activity and Status

				ERDF						ESF					EAFRD
				1	2	3	4	5	6	1		2			
				TO1	TO2	TO3	TO4	TO5	TO6	TO8		TO9	TO10		
				Innov	ICT	SME Comp	Low Carbon	Climate Change	Enviro	Employment		Social Inclusion	Skills		
				Fund	ERDF	ERDF	ERDF	ERDF	ERDF	ESF		ESF	ESF	EAFRD	
Activity	Organisation	Designation	Status							1.1	1.2	1.4	2.1	2.2	
SFA Skills Support for the Unemployed (1.1)	SFA	Opt-In	Contracted							7.44					
SFA Support for Young People (NEET) (1.2)	SFA	Opt-In	Contracted								4.45				
SFA Skills Support for the Workforce (2.1)	SFA	Opt-In	Contracted										15.56		
SFA Skills Support for the Unemployed (1.1)	SFA	Opt-In	To be allocated							3.67					
SFA Support for Young People (NEET) (1.2)	SFA	Opt-In	To be allocated								2.22				
SFA Skills Support for the Workforce (2.1)	SFA	Opt-In	To be allocated										7.78		
Big Lottery (1.4)	Big Lottery	Opt-In	Contracted									7.50			
DWP Reducing Worklessness (1.1)	DWP	Opt-In	Contracted							3.00					
Employment & Mental Health Integration	Blackpool Council	Approved Project	Contracted							1.00					
UCLan Innovation Clinic	UCLan	Approved Project	Contracted	1.43											
BOOST	LCC	Approved Project	Contracted			3.71									
Access 2 Finance	GMBS	Approved Project	Contracted			0.51									
Better Off in Business	Princes Trust	Full Application	Recommended to progress			0.18									
Propel to Grow	Vedas	Full Application	Recommended to progress			1.00									
Enhancing SMEs International Trade Performance	Chamberlink	Full Application	Recommended to progress			0.90									
Engineering Innovation Centre (EIC)	UCLan	Full Application	Recommended to progress	5.80											
DigitME2	UCLan	Full Application	Recommended to progress	1.13											
Digital First	UCLan	Full Application	Recommended to progress			1.16									
Investment Readiness	UCLan	Full Application	Recommended to progress			0.71									
UNITE+	UCLan	Full Application	Recommended to progress			1.46									
U Start	Lancaster University	Full Application	Recommended to progress			1.65									
Lancashire Forum	Lancaster University	Full Application	Recommended to progress			1.91									
Low Carbon Lancashire Innovation Hub	Lancaster University	Full Application	Recommended to progress				4.46								
Digital Office Park, Euxton Lane Chorley	Chorley BC	Full Application	Recommended to progress			4.17									
Building Capacity & Capability in Health & Life Businesses	Innovation Agency	Full Application	Recommended to progress			0.92									
Pan-LEP Specialist Manufacturing Service	GMBS	Full Application	Recommended to progress			0.45									
Northern Powerhouse Investment Fund	NPIL	Full Application	Stage 2 Appraisal			8.50	4.00								
Transmission	UCLan	Outline Application	Progress to Stage 2			0.95									
Brilliance (Blackburn Rivers)	The Rivers Trust	Outline Application	Progress to Stage 2						0.56						
Evergreen (JESSICA)		Indicative allocation				10.00									
Local Impact Fund		Indicative allocation				5.00									
TOTAL EARMARKED FUNDING (£million)				8.36	0.00	43.16	8.46	0.00	0.56	15.11	6.67	7.50	23.33	0.00	0.00
Outline Applications															
EAFRD Business Development	Various	Outline Application	8 applications recommended to proceed to full application												0.868
Call for Proposals															
ESF 1.4 Active Inclusion		Call for Proposals	Closed									8.25			
ESF 2.1 Widening Participation		Call for Proposals	Closed										4.95		
ESF 2.1 Leadership & Management		Call for Proposals	Planned										4.95		
ESF 2.2 Apprenticeship Capacity Building		Call for Proposals	Planned											4.59	
ERDF PA1 Innovation		Call for Proposals	Planned	12.29											
ERDF PA2 ICT		Call for Proposals	Planned		5.94										
ERDF PA4 Low Carbon	No set budget for call	Call for Proposals	Planned												
ERDF PA5 Flood Mitigation		Call for Proposals	Planned					2.82							
ERDF PA6 Environment		Call for Proposals	Planned						1.71						
EAFRD Business Development		Call for Proposals	Planned												
EAFRD Tourism		Call for Proposals	Planned												
EAFRD Food Processing		Call for Proposals	Planned												



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Rt Hon David Davis MP
Secretary of State for Exiting the European Union
Department for Exiting the European Union
London
SW1A 2AG

12 August 2016

Dear David

EU FUNDING

1. The result of the referendum has caused uncertainty for a number of sectors and organisations which currently receive a range of different EU funding streams. I want to update you on the steps Treasury will be taking now to address this uncertainty for recipients of all these funding streams.

2. First, many individuals and organisations bid for and carry out multi-year projects funded by European Structural and Investment Funds (ESIFs) and administered by government. ESIFs include agri-environment, employment, and regional development schemes. These individuals and organisations face immediate decisions about starting, or progressing, such multi-year projects, and some are nervous about proceeding given concerns about what will happen when we leave the EU.

3. In the short term, I can confirm that the Treasury will give an assurance that all multi-year projects administered by government with signed contracts or funding agreements in place, and projects to be signed in the ordinary course of business before the Autumn Statement, will be fully funded, even when these projects continue beyond the UK's departure from the EU. In the medium term, the Treasury will work with departments, Local Enterprise Partnerships and other



relevant stakeholders to put in place arrangements for considering those ESIF projects that might be signed after the Autumn Statement but while we still remain a member of the EU. Further detail will be set out ahead of the Autumn Statement and we will ensure these spending commitments remain consistent with value for money and our own domestic priorities.

4. Second, a number of UK organisations bid directly to the European Commission on a competitive basis for EU funded multi-year projects. Partner institutions in other EU countries have raised concerns about whether to collaborate with UK institutions on EU funding projects, such as universities and businesses participating in Horizon 2020, and some UK participants are concerned about longer-term participation.

5. The Commission have made it clear that the referendum result changes nothing about eligibility for these funds. UK businesses and universities should continue to bid for competitive EU funds while we remain a member of the EU and we will work with the Commission to ensure payment when funds are awarded. The Treasury will underwrite the payment of such awards, even when specific projects continue beyond the UK's departure from the EU. The UK will continue to be a world leader in international research and innovation collaboration, and we expect to ensure that close collaboration between the UK and the EU in science continues.

6. Third, the UK agricultural sector receives annual direct payments through Pillar 1 of the Common Agricultural Policy (CAP). The Treasury will therefore reassure the agricultural sector that it will receive the same level of funding that it would have received under Pillar 1 of CAP until end of the Multiannual Financial Framework in 2020, alongside considering the options for long-term reform beyond that point. The government will work closely with stakeholders to ensure that funding in the period immediately after exit is used to help the agricultural



sector transition effectively to a new domestic policy framework. These funds will be allocated using the principles of CAP Pillar 1, and we will of course consider the opportunities post exit for making any short-term improvements to the way the system operates once we cease to be bound by EU rules.

7. Naturally, we will need to address the future of all programmes that are currently EU-funded, once we have left the EU. Leaving the EU means we will want to take our own decisions about how to deliver the policy objectives previously targeted by EU funding. Over the coming months, we will consult closely with stakeholders to review all EU funding schemes in the round, to ensure that any ongoing funding commitments best serve the UK's national interest, while ensuring appropriate investor certainty.

8. The administration of EU funding is largely devolved. We are offering the devolved administrations the same level of reassurance as we are offering to UK government departments in relation to programmes they administer but for which they expected to rely on EU funding. We will also work with the devolved administrations on subsequent funding arrangements to allow them to prioritise projects within their devolved responsibilities.

9. I am copying this letter to Cabinet colleagues.

A handwritten signature in black ink, reading 'David Gauke'.

DAVID GAUKE



Lancashire Skills and Employment Board

Private and Confidential: No

Date: 10th October 2016

Title: An Introduction to Skills Funding Agency, European Social Funded Programme entitled: Employees Support in Skills

Report Author: Mark Rowlands, learndirect Business Development Manager
mark.rowlands@learndirect.com

Executive Summary

In the capacity of Prime Contractor to the Skills Funding Agency, learndirect, acting as a skills delivery provider and a managing agent to an extensive supply chain of skills providers, will deliver a European Social Fund Programme engaging employers and employees, to up-skill employees, and support a skilled and inclusive labour market which contributes to economic wellbeing and growth across the Lancashire LEP area.

Recommendations

The Committee is asked to:

1. Accept this report as the first stage of the reporting procedures outlined in the SFA ESF Specification
2. Accept this report as contribution to the Engagement Activity Plan due at month 3 of the contract

1.0 WHY IS THE PROGRAMME REQUIRED?

1.1. Challenge

As identified through the Skills in Lancashire – A comprehensive evidence base of skills and employment (2015), and underpinned by the Lancashire Skills and Employment Framework (2016-2021), priority sectors are already demanding that replacement and growth needs require immediate action. They face an aging

workforce, and recruitment affected by a declining working age population, alongside a lower than average population with Level 4+ skills.

These priority sectors, in order to fulfil their potential and contribute to economic growth and wellbeing, must see an increase in the number of people being economically active, and have employees encouraged to progress to higher levels of qualification through the education systems or by up-skilling whilst in employment.

1.2. Evidence

Occupational Profile

Lancashire has a lower level of residents employed in highly skilled occupations (39%) compared to the North West (41%) and England (43%). Residents employed in skilled trades are over represented compared to the North West and England (+1% point each respectively).

Skills Profile

The working age population in Lancashire is less well-qualified than the national average, with the percentage holding qualifications at Level 4 and above 3% lower than the England average (29% to 32%). The 11% percentage of working age population with no qualifications is 2% higher than in England as a whole.

In order to meet the England minus London average, an additional 22,700 working age Lancashire residents would need to be qualified to Level 2+, 26,400 qualified to Level 3+ and 32,100 qualified to Level 4+.

Hard to Fill (HTF) and Skills Shortage Vacancies

The 2013 Employer Skills Survey showed that 31% of business establishments said the vacancy was hard to fill. These vacancies were predominantly in highly skilled occupations, with 66% of HTF vacancies in associate professional, skilled trade and professional occupations, compared to 52% nationally.

The main cause of HTF vacancies reported by employers was a low number of applicants with the required skills and 45% with a HTF vacancy cited this as a cause.

1.3. Remedial Identification

Recognising the role it can play in enabling and achieving a better balanced skilled and inclusive labour market, Lancashire LEP has identified a range of key growth priorities. To underpin and contribute to economic well-being and growth, and support employer and employee need, the key skills and employment priority is based on a robust evidence base, developed by identifying issues across Lancashire. This includes examining relevant data and statistics, six sector skills studies, and an analysis of the skills and employment issues related to the City Deal.

The evidence base has been used to develop a Lancashire Skills and Employment Strategic Framework, of which a key theme is 'Skilled and Productive Workforce'.

Priorities within this Theme include: increasing the number of apprenticeships (including higher level and degree) across priority sectors; increasing the number of

employers undertaking workforce/succession planning, and engaging with skills provision; and increasing leadership and management capacity and innovation/creativity in small to medium enterprises.

2.0 PROGRAMME DETAILS

2.1. Stakeholder Management

The contracting authority for this contract is the Secretary of State for Business Innovation and Skills acting through the Skills Funding Agency (SFA), an executive agency of the department for Business Innovation and Skills exercising functions to fund adult education and skills.

2.2. Contract – High Level Overview

This contract – Employees Support in Skills – is for Priority Axis 2 and for Investment Priority (IP) 2.1, enhancing equal access to lifelong learning, where the need has been identified both in the LEP area and European Structural and Investment Fund Strategies.

The Strands in 2.1 are:

- Skills Support for Redundancy
- Skills Support for the Workforce, Intermediate/Higher Skills provision
- Skills Support for the Workforce, Basic Skills Provision

2.3. Strand Objectives

- Strand 1: Skills Support for Redundancy Provision:
 - Support businesses undergoing restructuring by providing skills and employability skills for their employees at risk of redundancy;
 - Also eligible - those made redundant within 3 months.
- Strand 2: Skills Support for the Workforce – Intermediate and Higher Skills Provision:
 - Provide employees with the opportunities to develop the skills to progress in employment;
 - Support employers to take on and develop individuals to fill intermediate, technical and higher level skills gaps and shortages.
- Strand 3: Skills Support for the Workforce – Basic Skills Provision:
 - Support sustainable employment and in work progression of employees with low skills;
 - Raise the level of attainment enabling them to improve their employment status and move onto higher levels of training, acquiring vocationally specific work experience and qualifications, and core qualifications including basic skills, English, Maths or ESOL at entry level, level 1/2

2.4. Strand Outputs

- Strand 1: Skills Support for Redundancy Provision:
 - Learner Assessment and Plan – 1350 participants
 - Regulated and non-regulated learning

- Progressions – Starts and sustainment's in: paid employment; education; apprenticeship; and traineeship
- Strand 2: Skills Support for the Workforce – Intermediate and Higher Skills Provision:
 - Learner assessment and plan – 4536 participants
 - Regulated and non-regulated learning
 - SME Engagement and Training Needs Analysis - 1134
 - Large Employer (200+) Training Needs Analysis - 15
 - Learners employed in a priority sector - 3175
 - Progressions – within work; apprenticeships; and education
- Strand 3: Skills Support for the Workforce – Basic Skills Provision:
 - Learner assessment and plan – 2928 participants
 - Regulated and non-regulated learning
 - SME Engagement and Training Needs Analysis – 765
 - Large Employer (200+) Training Needs Analysis - 15
 - Learners employed in a priority sector - 2051
 - Progressions – within work; apprenticeships; and education

2.5. Contract – Operational Detail

- Geographical coverage – Lancashire LEP
- Duration – August 2016 to March 2018
- Delivery locations – training centres, employer premises, community venues
- Prime Contractor – learndirect acting as delivery lead and managing supply chain:
 - learndirect has managed contracts/supply chains for 30+ years, supporting 80,000+ individuals each year to develop their employability skills/vocational qualifications to progress in work/education. Annually, learndirect deliver 20,000+ Traineeships/Apprenticeships
- Supply Chain –
 - Selected through MERLIN accredited procedures to ensure fair and equitable process
 - Each is established with proven track record
 - Offers specialisms to ensure priority sectors are served and supported
 - Will be refreshed as and when need is identified

SUPPLY CHAIN	% of delivery	Strand / Specialities
Alliance Learning	8.6	1,2,3
PHX Training	9.8	1,2,3
Solvo Vir	3.7	1,2,3 Low Carbon/energy
Slic Training	5	2,3 Land engineering
Care Assessment Training Services	6.4	1,2,3 Health and Social Care
Vedas Recruitment and Training	3.3	1,2,3
Inspire 2 Independence	7	1,3
Transport Training Academy	2.4	1,2 Logistics
Cogent SSC	2.3	2 STEM
Pathway First	3.7	1,2,3

The supply chain has been selected to ensure that the geography receives equitable delivery. A further mapping exercise was carried out on Wednesday 5th October with all supply chain partners present to establish direct referral, cross referral and joint working protocols.

Supply Chain – Building Capacity

To ensure that delivery serves all business requests (within contractual parameters), there have already been a number of meetings taken to understand the additional provision available to underpin the initial supply chain. These include:

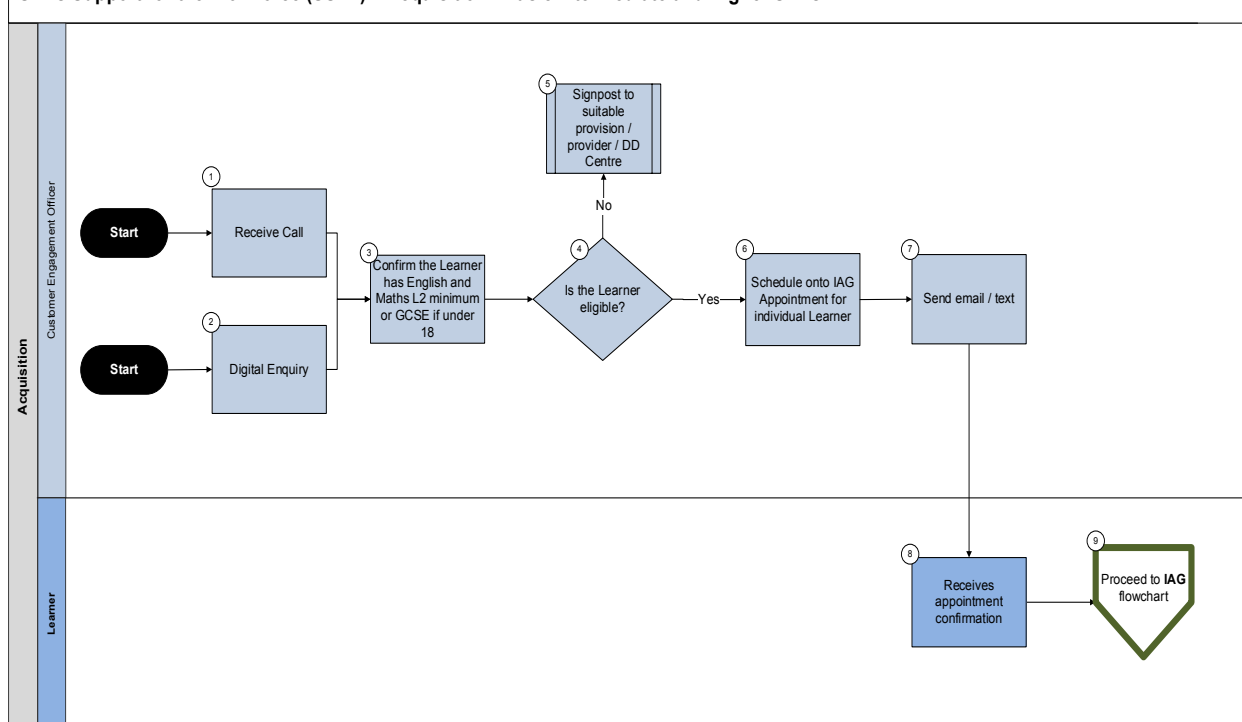
- Robin Newton-Syms - The Executive Director representing the Lancashire Colleges
- Raeleen Duthoit – Lancashire WBL Executive Forum and representing Lancashire Employment and Skills Executive Partnership (LESEP)
- Karl Shaw – Portland Training representing Dutton Recruitment Limited who specialise in the supply of labour to the Construction, Engineering and Health & Social Care sectors
- Current supplier Solvo Vir – to discuss their progress towards securing Apprenticeship status for delivery of smart meter installation engineers

2.6. Delivery model

With award of contract delayed, modelling at this date is in the initial stages, with all supply chain partners engaged and fully involved in the development of the model.

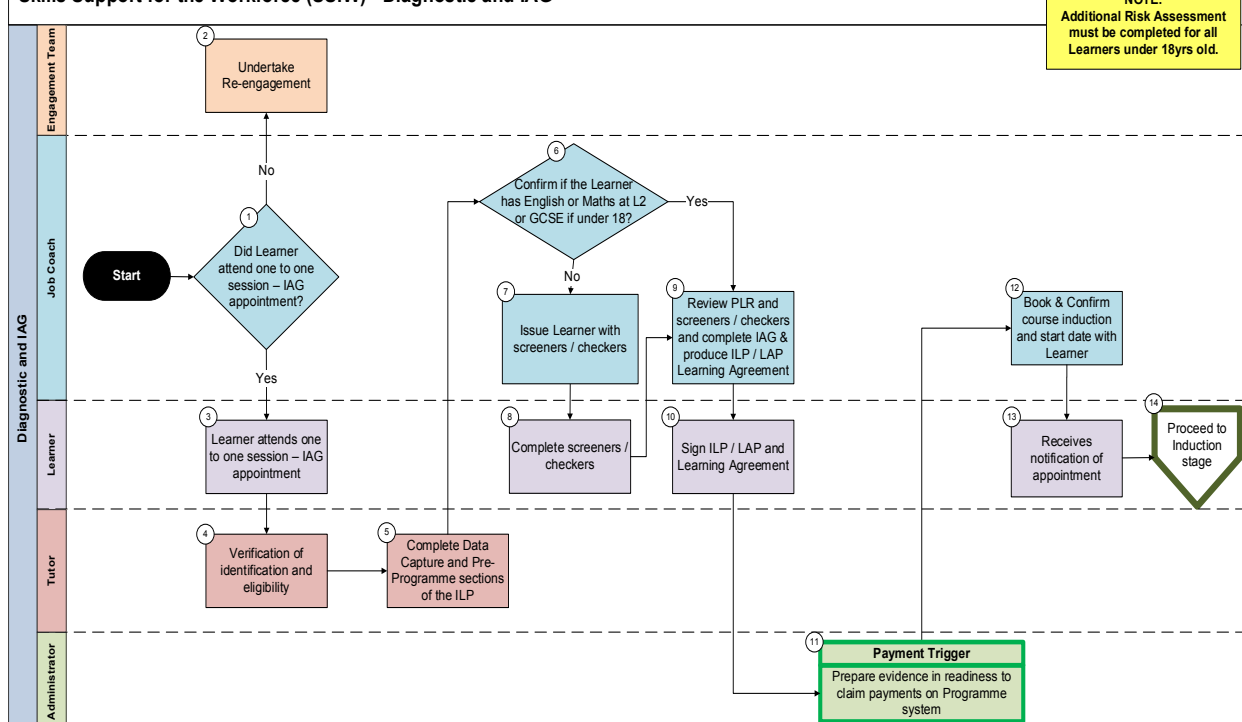
The following are revised drafts of process flow diagrams for the new contract, designated Q148 SSfW by the learndirect Quality Function. There are still aspects requiring further clarity, but at this stage it is flow diagram stage only with narrative following, the details of which will inform the final flow completion. learndirect will undertake a wider team review of the Visio flows via Webex, scheduled for the 14th of October.

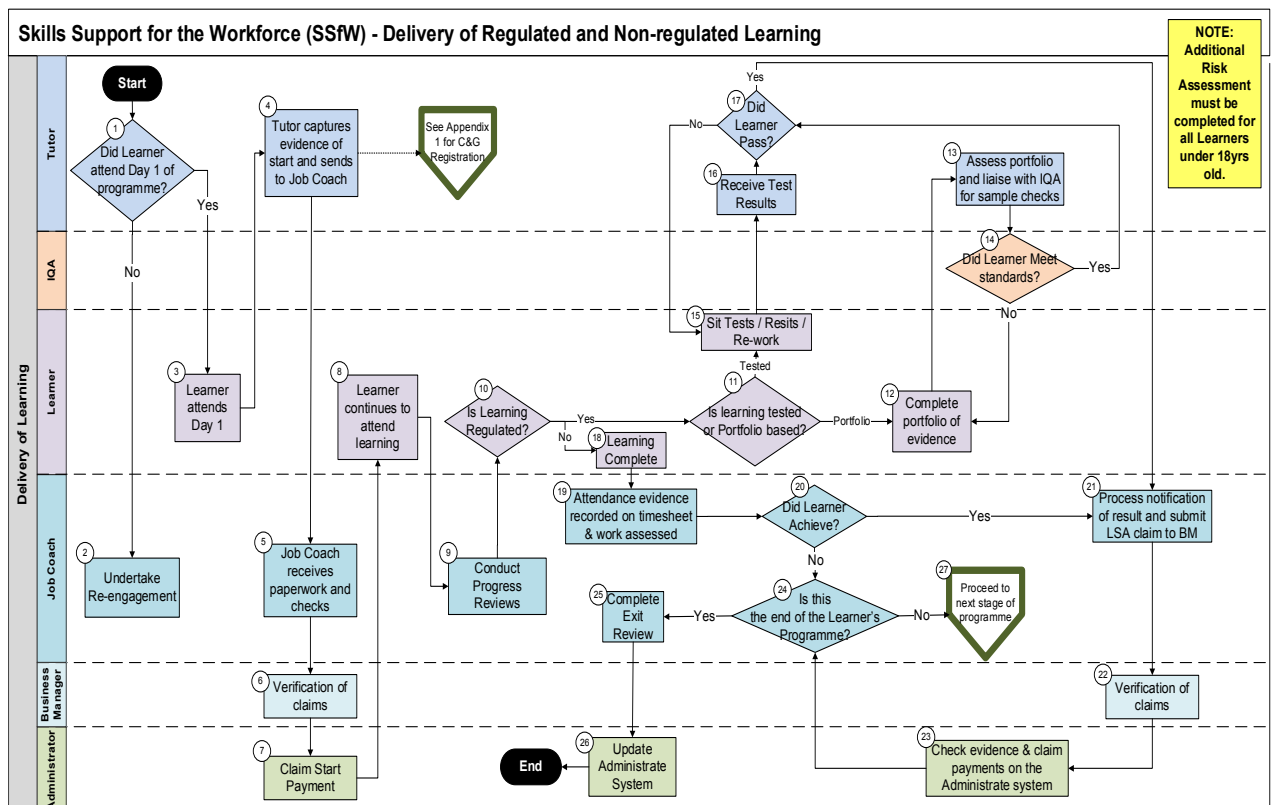
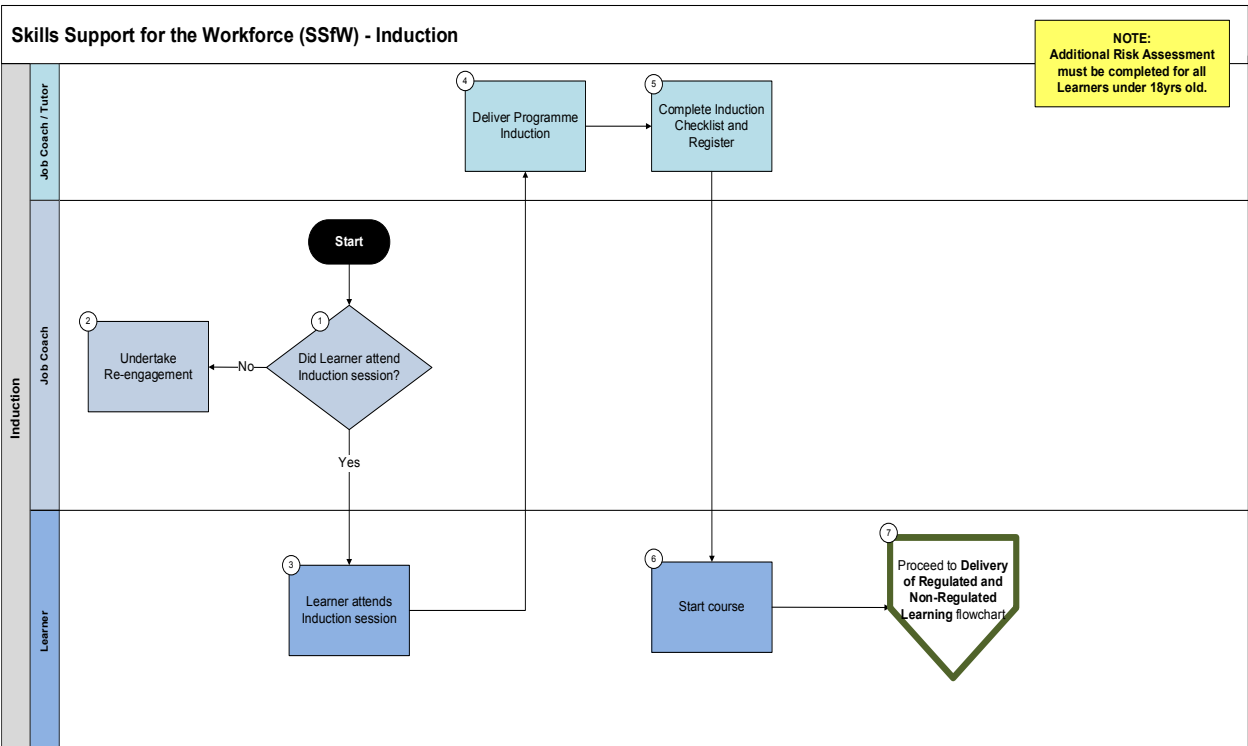
Skills Support for the Workforce (SSfW) – Acquisition - Basic Intermediate and Higher Skills

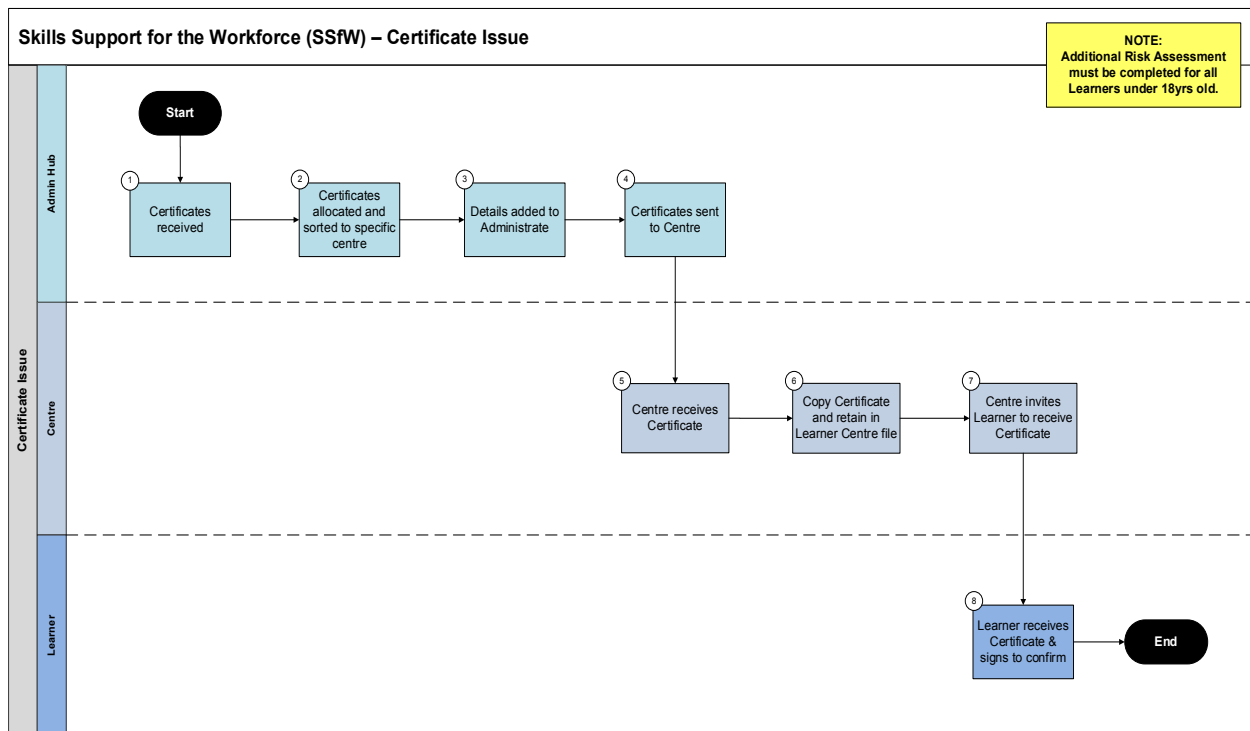


Skills Support for the Workforce (SSfW) - Diagnostic and IAG

NOTE:
Additional Risk Assessment must be completed for all Learners under 18yrs old.







2.7. Contract Profiles

Following delays to Award of Contract, learndirect is currently undertaking re-profiling to ensure that August and September profiles are subsumed into the truncated delivery period.

These are to be confirmed following Contract Performance meetings to be held with the Skills Funding Agency Contract Manager, which has yet to be confirmed.

3.0 OPERATIONAL PROGRESS

3.1. Implementation

A full implementation process was set in motion following award of contract. This has seen learndirect Senior Managers including Operational Directors manage a range of key work stream activities to include:

- Project Management - Lead appointed
- People; Property; learner/employer acquisition;
- Operational delivery; supply chain; technology alignment;
- Content; learner journey; orientation; MI; governance; finance; Risk

An example of the governance systems and procedures that overlay and manage each of the above is as follows:

Risk and Assurance Team

Reporting to the CFO and Audit Committee, the Risk & Assurance Team is an independent, objective, assurance and risk management function to improve as well as add value to learndirect. It ensures learndirect accomplish contractual objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes during all phases of contract implementation and delivery.

Scope of the Risk and Assurance Team

The scope of the Risk & Assurance Team covers all of learndirect's activities and operations, including for the Employees Support in Skills contract, outsourced areas, subsidiaries and business partnerships. Its objectives include, but will not be limited to:

- Designing and supporting the embedding of an effective risk management framework throughout the contract duration;
- Undertaking an independent programme of internal audit activity to assess the adequacy, effectiveness of governance and internal control activities including compliance with contractual, funding and regulatory requirements;
- Providing impartial, expert advice on risk management and internal control to support the review and design of business processes, systems and change initiatives,
- Supporting and coordinating external audits.

The Risk and Assurance Plan

The Risk and Assurance Plan will be prepared by the Risk and Assurance team. This plan will be subject to review quarterly and any changes approved by the executive and/or Audit Committee. In collating the plan, the Risk and Assurance team will consider environmental, legislative and regulatory factors, risk registers and previous audits to develop a risk based plan. It will include a mix of activity in the following categories:

- Operational Audits; Corporate Audits
- Fraud & Irregularities Investigations; Whistleblowing Policy
- Counter fraud; Risk and Control Advice Bid & Project work
- Tracking of all audit / investigation; Risk Management
- Group Risk Committee

The plan will include both announced and unannounced audits. The Risk and Assurance team reserve the right to undertake unannounced spot checks at any time.

3.2. Steering Group

A Steering Group, led by the Strategic Partnerships Manager (Employers) and consisting of relevant local stakeholders, will be created to sit across all three Strands of activity.

A copy of the draft Terms of reference for the Steering Group are attached as Appendix A

The primary responsibility of the Steering Group is to oversee performance and monitor programme impact, and ensure delivery affords:

- Equal access to learning for all age groups, upgrading knowledge, skills and competences of the workforce;
- Promotes flexible learning pathways including through careers guidance and validation of acquired competences;
- Focusses resources on people in the workforce who lack basic skills, or qualifications needed for their career progression, and for business growth and innovation in the knowledge economy

Steering Group Objectives

Delivering on a wide range of Key Performance Objectives will ensure that the impact of the Employees Support in Skills programme realises long term benefits for all Lancashire stakeholders. Amongst these are:

- Oversee the development and dissemination of research sector needs in Lancashire LEP priority sectors (building on the evidence base commissioned in 2015)
- Provide oversight during the development and operation of LMI protocols shared with BOOST (meeting arranged 18th October)
- Instigate actions in line with SFA specifications to ensure key deliverables are met, to include the formulation and presentation of Engagement and Activity Plans at 3 months, with updates at 9 and 15 months – to be completed by the Strategic Partnerships Manager;
- Investigate joint approaches with the Lancashire Skills Hub and the Lancashire WBL Forum to raise the profile of apprenticeships and engage employers
- Support the expansion/embedding of the Young Apprenticeship Ambassador Network in Lancashire
- Monitor performance and provide the Lancashire Skills and Employment Board with regular performance updates, including pipeline information

The following are offered for discussion as activities that may be undertaken as part of the capacity building intentions of the programme.

The Lancashire Skills Pledge

The Employees Support in Skills programme, is ideally placed to provide quantifiable evidence that investing in skills and training ensures that significant benefits are derived by all stakeholders including business and employees. Further, the wider benefits ensure that communities and local economies are underpinned, providing relief and capacity building of local neighborhoods.

The Lancashire Skills Pledge, targeted at employers and employer support stakeholders would enable a framework to be established, targeted to reduce

bureaucratic processes and increase easy access routes, to encourage and maintain business and individual participation in vocational and lifelong learning.

There are a range of Pledge models currently operated by LEPs across the country, and the Steering Group would encourage research and partnership building with these, in order to ensure best practice, learn what works/what doesn't work and establish quick wins with employers operating across multiple LEPs.

Streamlined Business Support Services

As a natural conduit to SMEs, the Employee Support in Skills programme will engage with employers that will request a broad theme of support services, including advice and guidance including Change Management, Product Innovation and Development and Business Planning.

The Strategic Partnerships Manager (Employers) is charged with ensuring that all key business support stakeholders are engaged, and service level agreements appropriated to reduce duplication, and maximise the impact of all ESIF services available locally.

To this end, a meeting has been arranged to meet with BOOST Business Lancashire, the ERDF backed Lancashire Business Growth Hub on 18th October.

Apprenticeship development and Levy implementation

Already a member of the Lancashire Work Based Learning Executive Forum, learndirect will encourage further development of services to support employers with the management and utilisation of Levy monies, aligning this with other initiatives available through Employees Support in Skills to ensure value for money and best practice. Themes could include:

- People – Career development and Succession planning;
- Mapping – of current vocational training delivery against apprenticeship standards and frameworks;
- Operational – logistics and infrastructure.

Linking into this will be study regarding supporting the further development of the Lancashire LEP **Enterprise Advisor Network**.

3.3. Strategic Partnerships Manager

The Steering Group will be led by the Strategic Partnerships Manager who will report into the LEP via the Skills and Employment Board. This position, appointed in partnership with the Employment and Skills Board, will support and coordinate delivery of the 3 Strands, and other opt-in activities and directly matched ESIF projects across Lancashire.

Specific responsibilities for this role include:

- Building effective strategic relationships across multiple partners and stakeholders;
- Monitoring and driving contractual performance through analysing performance and accurate, timely and robust data reporting;

- Lead and influence others to achieve positive outcomes – both in relation to the delivery and impact of the project, and in relation to the participant group;
- Granular level local stakeholder mapping, working both internally and externally to pull together and build on existing local knowledge already known within local delivery and sales operations teams to consolidate a complete local area partnership framework;
- Gathering local area requirements of what is really required to effectively support those local markets including social media, learning content and resources;
- Formulating and overseeing local solutions to bridge together appropriate partnerships, undertaking pilot activities or initiatives.

The position has been advertised through learndirect and Lancashire LEP with interviews on Friday 21st October.

4.0 Recommendation

Whilst the overarching recommendation must be to aim to meet each of the stakeholders contract Key Performance Indicators, operational delivery will be designed and delivered to ensure that the programme is a positive contributor to the outcomes and targets as defined by The Lancashire Enterprise Partnership – Lancashire Skills and Employment Strategic Framework 2016-2021.

The purpose of this Strategic Framework is to make the skills and employment system more responsive to the needs of Lancashire, and, in particular, provide the necessary foundations for achievement of the Lancashire Strategic Economic Plan. It provides a framework for public investment in skills and employment activities in the County, and outlines the direction skills and employment providers need to take to best address need.

The framework draws together the key priorities identified through the studies, bringing together common themes and issues. Structured into themes, the Employees Support in Skills Contract will specifically support: Future Workforce, Skilled & Productive Workforce, Inclusive Workforce and An Informed Approach. These themes are underpinned by a number of key objectives, plus a common set of outcomes for the framework as a whole.

Monitored by the Steering Group, these will include:

- **Future Workforce:**
 - **Action 2b:** Work with the Careers and Enterprise company, the National Careers Service and local CEIAG providers to increase interactions between employers, schools, and post 16 providers in sectors with high replacement demand and growth
- **Skilled and Productive Workforce**
 - **Action 1a.** Drive the engagement of employers in the development of apprenticeship standards to increase the number of relevant L3+apprenticeships on offer

- **Action 4a.** Integrate a workforce/succession planning service into the Lancashire Growth Hub, alongside a skills brokerage service to increase the number of (new) employers investing in skills.
- **Inclusive Workforce**
 - **Action 5a:** Incorporate digital skills into employability and skills programmes to improve social mobility, engagement with public service and ultimately employability.
- **An informed approach**
 - **Action 1a.** Development of the Lancashire Skills Hub as a hub of intelligence in regard to relevant policy and LMI for local stakeholders, and to influence and position Lancashire in the Local Enterprise Partnership (LEP) network and nationally.

Lancashire Employees Support in Skills Steering Group

Terms of Reference DRAFT

Aim

The primary responsibility of the Steering Group is to ensure that delivery of the Skills Funding Agency, European Social Funded Programme – Lancashire Employees Support in Skills – supports:

- Equal access to learning for all age groups, upgrading knowledge, skills and competences of the workforce;
- Promotes flexible learning pathways including through careers guidance and validation of acquired competences;
- Focusses resources on people in the workforce who lack basic skills, or qualifications needed for their career progression, and for business growth and innovation in the knowledge economy.

The Steering Group will oversee a comprehensive delivery of the programme is implemented and effectively managed, in order to meet the stakeholder performance aims and objectives across 3 delivery strands:

- Strand 1: Skills Support for Redundancy Provision;
- Strand 2: Skills Support for the Workforce – Intermediate and Higher Skills Provision;
- Strand 3: Skills Support for the Workforce – Basic Skills Provision.

Steering Group Objectives

1. Oversee the development and dissemination of research sector needs in Lancashire LEP priority sectors (building on the evidence base commissioned in 2015)
2. Provide oversight during the development and operation of LMI protocols shared with Lancashire Skills Hub
3. Instigate actions in line with SFA specifications to ensure key deliverables are met, to include:
 - a. the formulation and presentation of Engagement and Activity Plans at 3 months, with updates at 9 and 15 months – to be completed by the Strategic Partnerships Manager;
 - b. To be signed off by Lancashire Employment and Skills Board;
 - c. Reported on to the board on a quarterly basis.
4. Monitor key outcome measures to support the Lancashire Skills and Employment Strategic Framework key theme – ‘Skilled and Productive Workforce’, including:
 - a. Growth in numbers of people with Level 3+ attainment;
 - b. Growth in apprenticeship numbers;
 - c. Less reported skills shortages and hard to fill vacancies;
 - d. Increase in the number of employers investing in skills.
5. Oversee the support offered to employers affected by the apprenticeship levy
6. Maintain delivery focus on Lancashire LEP priority sectors
7. Ensure that stakeholder and strategic relationships are developed to maintain performance and contribute to increased economic wellbeing. These will include:
 - a. The Lancashire Skills Hub;
 - b. Lancashire Employment and Skills Board;
 - c. Sector Skills Development Partnerships;

- d. Lancashire WBL Forum.
8. Investigate joint approaches with the Lancashire Skills Hub and the Lancashire WBL Forum to raise the profile of apprenticeships and engage employers
 9. Support the expansion/embedding of the Young Apprenticeship Ambassador Network in Lancashire
 10. Investigate the feasibility of piloting a skills pledge model – aimed at engaging employers and underpinned by product development/innovation
 11. Monitor collaborative working practices with existing provision and impact delivery has on, including those through DWP, JCP, SFA, EFA, Big Lottery, Local Authorities, Careers Service, and the Careers Enterprise Company
 12. To support capacity building, offer expert advice and guidance to the delivery team regarding social and economic indicators including labour market intelligence, local skills shortages, emerging sectoral needs and local/regional regeneration initiatives
 13. Ensure processes are effective when reacting to notices of redundancy including supporting task force, trade unions, BIS Local and employers
 14. Monitor delivery to ensure emerging needs are being met and where necessary, new supply chain partners are being engaged to support delivery
 15. Monitor performance and provide the Lancashire Skills and Employment Board with regular performance updates, including pipeline information
 16. Oversee the development of an evaluation strategy which runs concurrently with the lifespan of the project and evaluates the impact on employees, employers and the wider economic landscape across Lancashire LEP

Chair

The Steering Group will be chaired by the Strategic Partnerships Manager (Employers)

Membership will be formed by representatives from the following organisations:

- Delivery organisations
- The Skills and Employment Hub
- Sector Skills Development Partnerships
- Skills Funding Agency and Jobcentre Plus
- Local Authorities
- Employers and Employees
- Employer representative groups inc Chambers of Commerce, Federation of Small Business
- Trade Unions
- National Careers Service
- Lancashire Work Based Learning Executive Forum
- Apprenticeship Ambassador Network

Meeting Frequency

Bi-monthly

Governance Relationship with the Lancashire Enterprise Partnership (LEP)

The Steering Group will report into the LEP via the Lancashire Skills and Employment Board