

Lancashire Enterprise Partnership Limited

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Employment and Skills Strategy
(Annexes '1' and '2' refer)

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Executive Summary

Building on the LEP's Strategic Economic Plan, the Skills Board is now working to develop an Employment and Skills Framework for Lancashire. The development of this document is driven by the needs of a range of stakeholders and will offer a framework within which the LEP can:-

- a) give a clear view about the use of mainstream public resource;
- b) make commissioning decisions around the resource it directly controls; and
- c) provide clear guidance where its role is to influence future investment.

This report sets out some initial thinking around the key priorities which would be prominent within an Employment and Skills framework for Lancashire, the timetable by which the framework will be developed and the consultation process which run alongside the document development process.

Recommendations

The LEP Board are asked to:-

- a) Ratify the process for developing an Employment and Skills Framework, as set out within this report;
- b) Provide comment on the initial priorities and actions, as set out within the attached framework document; and
- c) Note that a draft final report will be presented to the LEP at its next Board meeting in October, prior to the finalisation of the document.

Background and Advice

1. The Lancashire Employment and Skills Strategic Framework

- 1.1 The Strategic Economic Plan (SEP) for Lancashire provides an overview of the priorities and programmes which are needed to deliver economic growth across Lancashire. Within that framework, the proposed Employment and Skills strategy aims to define the focus of work in relation to employability and skills development in more detail.
- 1.2 This strategy is being developed in a rapidly changing national context of increased devolution, which, in turn, is generating interest in the development of Combined Authority models in Lancashire, with a focus on skills issues as one of its thematic priorities. This report acknowledges this developing strategic context.
- 1.3 In addition to being responsible for directly investing skills capital and shaping the procurement priorities for ESIF, an Employment and Skills Framework for Lancashire will seek to influence the use of mainstream budgets that support employment, skills and post-16 education in the County. Building on the original priorities for action articulated by the Skills Board at its first away day, this document will refresh and refocus this work based on updated commissioned research and in light of the additional resource and influence which has been placed with the LEP. It is the Skills Board's intention to bring together agreed priorities and key actions in the first Lancashire Employment and Skills Strategic Framework. A *first draft* of this Framework can be found at Annex 1.
- 1.4 The following Strategic Priorities are set out in the first draft of the Strategic Framework:-
 - **Strategic Priority 1:** Continue to deliver increased levels of attainment by Young People at age 16 and age 19.
 - **Strategic Priority 2:** Deliver increased numbers of apprenticeships in the County by growing Level 3 and above apprenticeships for Young People (16-24).
 - **Strategic Priority 3:** Train and retrain adults to help them benefit from, and contribute to, economic growth.
 - **Strategic Priority 4:** Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.
 - **Strategic Priority 5:** Effectively link those who are NEET and/or out of work to employment opportunities in the local economy.
 - **Strategic Priority 6:** Increase levels of employer engagement with, and investment in, skills.



- **Strategic Priority 7:** Ensure access to high quality and impartial careers information advice and guidance for all young people and adults aged 14 and above.

1.5 In the Strategic Framework, each Strategic Priority is supported by a small number of Key Actions that will be undertaken by providers, other stakeholders or the emerging Skills Hub. This is intended to provide a clear steer from the Board on the type of action that is required to deliver the Strategic Priorities.

1.6 The Board are invited to comment on the draft Strategic Framework.

2. Initial Consultation and Further Development of the Strategic Framework

2.1 The Strategic Framework and Key Priorities will cover Lancashire as a whole, though a number of Key Actions may require a more place-specific delivery approach to secure the greatest impact. For example, there is a need to better link employment opportunities to the workless across the county, but the employment and skills system will likely need to deliver different interventions in different parts of the county to most effectively do this.

2.2 To better calibrate the Strategic Framework to place-specific issues, it is proposed that officers of the LEP, in conjunction with the interim Skills Hub Director, meet with relevant Local Authority officers to secure: a) comment on the scope and focus of the proposed Strategic Priorities; and, b) input on how their authority and local partners can contribute to the development and delivery of place-specific actions. Key Actions might best be expressed to secure the place-specific action that is required.

2.3 It is proposed to undertake the sessions with local authority colleagues prior to any wider publication of a consultation document. This will allow for the document that goes to wider consultation to reflect within it key local issues. It is proposed to complete the consultations with Local Authorities by early July.

2.4 The Board are requested to agree this proposed engagement approach with Local Authorities, which will be also shared with the Skills Board at its meeting on 11 June. A verbal update will be provided to the LEP Board regarding any material issues raised by the Skills Board.

2.5 The Strategic Framework will also need to reflect the actions required in support of the LEP's key sectors. Each of the LEP's key sectors are currently developing Sector Skills Action Plans under the direction of the Skills Board. It is expected that these will be finalised in week commencing July 20th. The key actions identified in the Action Plans will be reflected in the draft Strategic Framework that is discussed at the Skills Board's Away Day on July 28th.



- 2.6 LEP Directors are also invited to the Skills Board Away Day should they wish to attend.

3. Key Milestones

- 3.1 The table below sets out the proposed key Milestones for the development and consultation on the Strategy.

What	When
Local Authority Engagement	By early July
Final Evidence Base	By early July
Sector Skills Action Plans	By w/c July 22nd
Skills Board agree Strategic Framework for consultation	End July
2x consultation events	Early Aug, Mid Sept
Final Report for approval to the LEP Board	6 th October
Agree Final Strategic Framework launch	mid /end Oct.

- 3.2 The LEP Board is requested to agree these milestones

4. Securing Provider Engagement with the Final Strategic Framework

- 4.1 The final draft of the Strategic Framework is scheduled to be ready by the end of September, it is proposed that the Skills Hub, on behalf of the Skills Board, should invite providers and other interested stakeholders to set out how they will contribute to the delivery of the Strategic Priorities and Key Actions.
- 4.2 This process should be designed so that it is very straight forward for providers to set out their current/planned contribution to the priorities. The utility of this exercise will be two-fold. Firstly, the Skills Hub will summarise the aggregated responses from providers. This will provide an overview for the Skills Board (and in turn the LEP Board) of the extent to which strategic priorities are being addressed and what further action is required. Secondly, it will enable providers to communicate to their stakeholders what contribution they are making to the new Strategic Framework.
- 4.3 A draft of the proposed proforma can be found at Annex 2. The LEP Board is invited to comment on the proposed approach.

Annex 1

The Lancashire Employment and Skills Strategic Framework

Draft Version 1



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Introduction

The purpose of this Strategic Framework is to make the Skills and Employment system more responsive to the economic demands and needs of Lancashire. It provides a framework for public investment in Employment and Skills activities in the County, and it outlines the direction employment and skills providers need to take to best address need.

This Strategic Framework identifies the key priorities and actions that should be addressed to tackle labour market failure in the County and its localities. It is informed by local needs and opportunities - and challenges providers to be responsive to them. It covers issues of economic inactivity and unemployment; low and basic skills issues; technical skills gaps and skills shortages; apprenticeships; and, higher level skill needs.

The purpose of the Strategic Framework is to:-

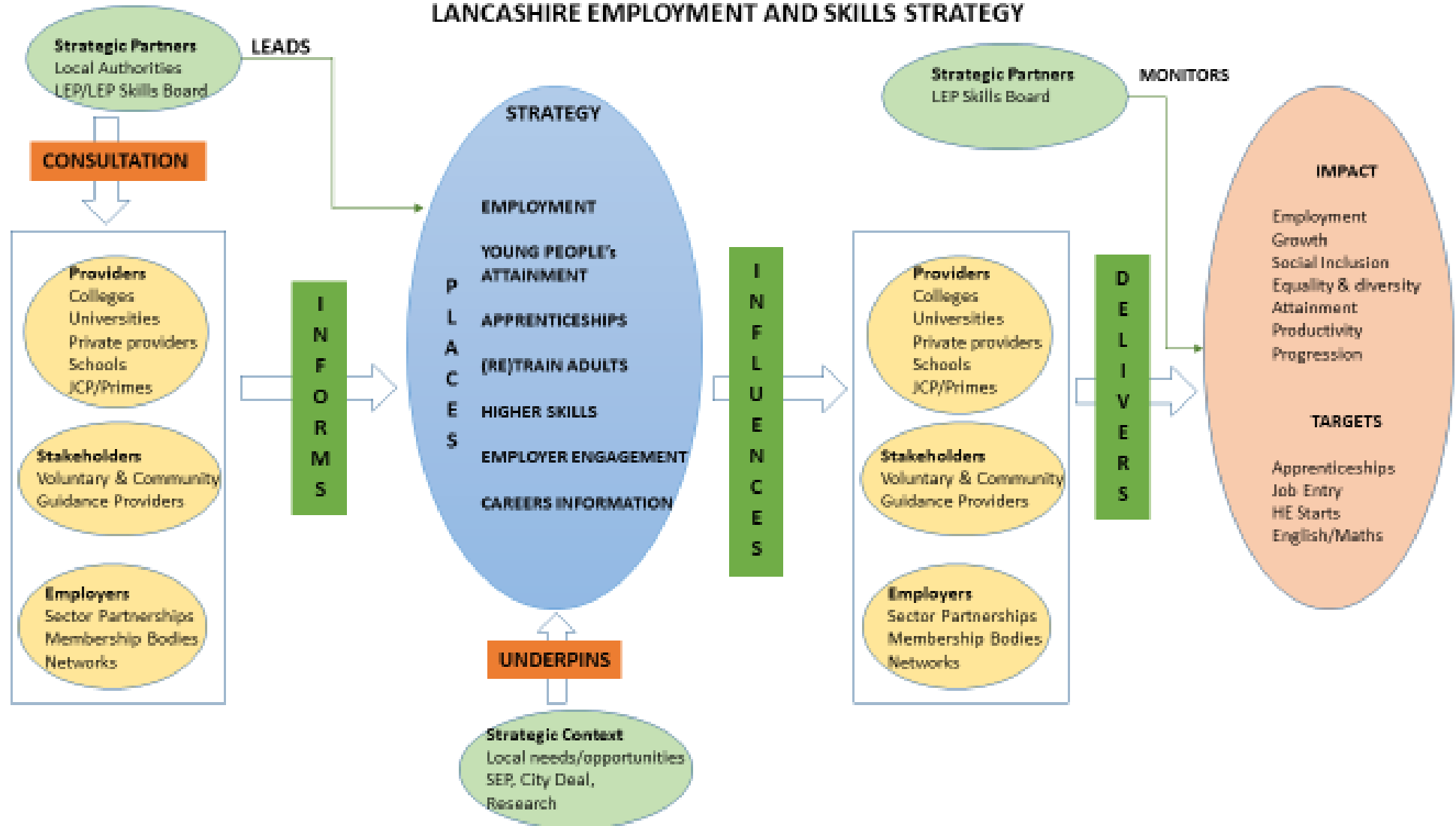
- a) Deliver SEP Priorities;
- b) Increase prosperity and economic growth;
- c) Address issues of unemployment and economic inactivity; and,
- d) Promote social inclusion, social cohesion, and equality and diversity.

The Framework seeks to influence the improvement of service delivery for the county's employers, young people (14-19) and working age adults. The delivery in scope includes welfare to work programmes; all 14-16 and 16-19 education and training; all apprenticeships; all adult skills and further education; higher education; and, information, advice and guidance services for adults and young people.

Where the LEP or Local Authorities have direct authority or a role in particular skills budgets (eg ESF, Skills Capital, 16-19, NEET IAG etc), it is intended that the Strategic Framework will inform and underpin the investment decisions made in relation to these budgets. In addition it is expected that the Strategic Framework will influence the utilisation of all post-16 education, skills and welfare to work budgets. Providers making use of these budgets in Lancashire will be invited to set out how their delivery will contribute to achieving the Framework's priorities. In delivering the Strategic Priorities, the LEP Skills Board and other strategic partners will also work with employers to leverage greater levels of employer engagement and investment in key areas.



LANCASHIRE EMPLOYMENT AND SKILLS STRATEGY





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Key Issues in the Lancashire Labour Market

The Lancashire workforce is ageing, as it is elsewhere in England, and combined with modest population growth, this presents the biggest challenge to the LEP meeting its economic targets. Four factors - the current population size, demographics, economic activity and skills profile will make it more difficult for Lancashire to attract the inward investment needed to support the employment targets set out by the LEP. The skills and employment system can make a real impact on two of those factors – economic activity and skills.

A lower proportion of employment in the current business base in higher level occupations than nationally, will make it difficult for employers to recruit skilled workers, particularly for a number of the priority sectors. Reskilling the existing workforce will go some way to addressing this.

Although a significant number of young people from Lancashire go on to higher education, many young people are not returning, and the low numbers in the workforce aged 21-34 years old is a serious weakness in the workforce profile.

In the future, employers are likely to find it difficult to recruit higher skilled and experienced personnel, and increasing demand for construction is likely to lead to more severe skills shortages in skilled trades, with the potential for the displacement of skilled workers from other sectors.

There are major challenges in creating new employment opportunities in East Lancashire. There are also considerable challenges with regard to Blackpool, Fylde and Wyre.

Employability

The Lancashire economy currently has too few jobs to provide the employment opportunities to increase employment rates to a level which would significantly raise low household incomes in many communities. A considerable number of people are without employment in Lancashire, and this number has been affected by the very slow employment recovery compared to other parts of England. As jobs growth begins to take hold in the County, linking those out of work with these opportunities may help to decrease economic inactivity levels.

A lower employment rate, particularly amongst certain age groups (and older people) and the doubling of unemployment since the onset of recession, with an ILO estimate of 50,000 currently unemployed, presents a challenge in an economy where employment growth has been limited recently. As the employment recovery picks up in the County, it is imperative that these increasing opportunities are linked to local people who can benefit from them.

While the workforce is ageing, many people will need to remain in employment for longer due to changes in pension arrangements. This could indirectly lead to fewer employment opportunities for young people, unless new jobs are created in the economy. Successful delivery of the LEPs growth plans will be fundamental.

There is a strong link between qualifications and employment, and too many people, including those affected by Welfare Reform, have qualifications below Level 2. These people are vulnerable to becoming trapped in low-paid and insecure employment, leaving some communities experiencing low incomes and multiple deprivation. Adults achieving employment-linked qualifications at Levels 2 and 3 provides a route to more secure employment options.

There is a need to improve the educational performance of school students in many parts of Lancashire. With current attainment levels, too many school students will be unable to take up the employment and training opportunities in the sectors which will create new jobs.

Skills and Employment Provision

Lancashire has a number of highly regarded Further Education Colleges, private providers and HEIs, providing substantial work-related education and training each year to young people and adults. The challenge to providers is to ensure their offer is capable of meeting current and future economic demands. While provision attempts to match market demand, there are some areas where increased provision could be considered.

Considerable numbers each year are provided with life and work skills, although workplace learning opportunities are limited. Apprenticeships continue to provide work based training opportunities, although again numbers are limited, and without further incentives it is not clear if employer participation can be increased substantially, or if a significant number of young people with the required capabilities and attitudes can be attracted into apprenticeships as a vocational alternative to higher education.

The Work Programme is the largest back to work programme in Lancashire, although less than one in four of the substantial number of participants successfully attain a job outcome.

Employment Growth and the Lancashire Workforce

Growth sectors in the Lancashire economy will create circa 45,000 jobs over the next ten years, and this will increase to over 55,000 if the LEP's ambitions for economic growth are met. In terms of recruitment and skills to support this employment growth:

- A marked increase in construction employment is likely to be inhibited by skills and recruitment challenges.
- A large proportion of the recruitment for the forecast increase in logistics and distribution, the visitor economy and leisure can be met by local residents supported by relevant occupational training.
- The growth in business and professional services and ICT related business may be affected by a limited pool of labour of well qualified younger people, and this may have an impact on inward investment.

The challenges facing companies recruiting for new jobs will be exacerbated by the need to replace existing workers as they retire, change jobs or leave the labour market. Replacement demand will create much greater requirements for training provision than absolute employment growth, much of it in higher level occupations.

The economic forecasts suggest that manufacturing employment will decline by some 10,000 jobs over the next ten years. Initiatives are underway to ensure this does not happen and that manufacturing sub-sectors with the potential to grow are fully supported. This will require:

- New inward investment linked to Lancashire manufacturing specialisms and supply chain.
- The continual upskilling of the workforce.
- A long term programme to bring new apprentices and graduates into the industry.

Given the need for Lancashire to address the ageing of its workforce and to stop the talent drain of younger workers, Lancashire needs to develop best in class apprenticeship and graduate retention programmes.

The overall competitiveness and sustainability of the Lancashire economy is linked to a wider move to a higher skilled and more productive workforce in both manufacturing and the service sector. This will require, at every level, a better educated and qualified workforce, with both life and vocational skills.

The provision of training needs to take account of both the challenges in supporting employment growth and the need to strengthen the existing business base through a better skills workforce. The emerging priorities are:

- **Young People's attainment:** improving the attainment rate of schools students to match the national average, with a focus on those schools where students are seriously lagging behind.
- **Apprenticeships:** increasing the number and quality of apprenticeships, reaching more employers and introducing strengthened mechanisms to deliver partnerships.
- **Graduate and Higher-level skills retention:** developing new and innovative mechanisms including increasing internships and graduate placements across the Lancashire business base, increasing the number of workers with higher level skills.
- **Construction:** given the need to complete major infrastructure works and increase residential development, develop new initiatives to address requirements and skills changes in construction and increase the number of partnerships in skilled trades.
- **FE and Skills Provision:** working with Further Education Colleges, private providers and employers to target vocational training opportunities at areas of high replacement demand and genuine employment growth.
- **Employer engagement:** there is a need to increase employer engagement in skills, and encourage greater commitment to workforce development, as well as encouraging employers to work with education providers to influence vocational provision.
- **Employability:** there is a need to increase efforts to link young people and those seeking employment with the regular opportunities made available through replacement demand, and tackle employability issues before they become entrenched by reducing the number of young people becoming NEET, and working with those at risk of redundancy to re-train or transfer their skills to other sectors / employers.
- **Work Programme:** Lancashire needs a more effective Work Programme capable of generating higher than average outcomes for local residents.

Strategic Priorities and Key Actions

In order to maximise economic growth and the benefits which accrue from it, it is critical that Employment and Skills issues identified above are addressed. To do so, the following Strategic Priorities have been identified:-

- **Strategic Priority 1:** Continue to deliver increased levels of attainment by Young People at age 16 and age 19.
- **Strategic Priority 2:** Deliver increased numbers of apprenticeships in the County by growing Level 3 and above apprenticeships for Young People (16-24).
- **Strategic Priority 3:** Train and retrain adults to help them benefit from, and contribute to, economic growth.
- **Strategic Priority 4:** Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.
- **Strategic Priority 5:** Effectively link those who are NEET and/or out of work to employment opportunities in the local economy.
- **Strategic Priority 6:** Increase levels of employer engagement with, and investment in, skills.
- **Strategic Priority 7:** Ensure access to high quality and impartial careers information advice and guidance for all young people and adults aged 14 and above.

Strategic Priority 1

Continue to deliver increased levels of attainment by Young People at age 16 and at age 19.

Key Actions

Key Action 1: 16-19 Providers should deliver a high quality curriculum with appropriate stretch and challenge and good success. With agreement from the relevant local authority, providers should remove curriculum areas whose success rates fall persistently below national benchmarks or where progression and destination outcomes are poor.

Key Action 2: English and Maths attainment at 16 and at 19 is a priority. Providers are encouraged to develop collaborative strategies with each other to ensure the needs of all learners are effectively met.

Strategic Priority 2

Deliver increased numbers of apprenticeships in the County by growing Level 3 and above apprenticeships for Young People (16-24).

Key Actions

Key Action 3: Each apprenticeship provider will increase the volume of 16-24 apprentices at level 3 and above.

Key action 4: Each existing apprenticeship provider will develop their capacity to deliver higher level apprenticeships. Universities, FE Colleges and private providers will collaborate to develop degree apprenticeship programmes.

Key Action 5/15: A 'Lancashire Skills Pledge' will be developed by the Lancashire Skills Hub. The Skills Pledge will be adopted by Lancashire Employers as a commitment to workforce development and will result in increased apprenticeship places with local employers.

Strategic Priority 3

Train and retrain adults to help them benefit from, and contribute to, economic growth.

Key Actions

Key Action 6: Every adult who requires support to bring their English and/or Maths up to a basic standard should receive it. Where appropriate, providers' curriculum offer should support this.

Key Action 7: All adults should have the opportunity to retrain at level 3 to secure employment in the major growth and replacement demand sectors: health, visitor economy, advanced manufacturing, finance and professional services, creative and digital and energy/environment. Construction skills will also be required to support the anticipated significant growth in the construction sector. Where appropriate, providers' curriculum offer should support this (re)training activity.

Key Action 8: A combined skills retraining and guidance offer should be available to individuals in major redundancy situations. The Lancashire Skills Hub will work with Local Authorities, providers and Job Centre plus to coordinate this.

Strategic Priority 4

Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.

Key Actions

Key Action 9: Universities will work with employers to improve the number and proportion of Lancashire employers who recruit direct from local Universities.

Key Action 10: Lancashire colleges to work with universities to develop their higher level technical specialisms and a curriculum that reflects this.

Key Action 11: Lancashire colleges will seek to increase the number of adults benefitting from Access to HE programmes.

Strategic Priority 5

Effectively link those who are NEET and/or out of work to employment opportunities in the local economy.

Key Actions

Key Action 12: Providers will organise their offer to deliver local plans that link need and opportunity. For example providers will deliver key actions in the City Deal Employment and Skills Strategy.

Key Action 13: The Work Programme Primes will secure significant improvements in Work Programme performance. In particular they should deliver improvements in Hyndburn, Blackpool, Pendle and Blackburn with Darwen. Currently, job outcomes as a percentage of attachments stand at below 20% in all of these places

Key Action 14: Providers and colleges should ensure that every District and Borough is supported by Sector Workbased Academy provision that recruits and trains unemployed local people to fill employer vacancies.

Strategic Priority 6

Increase levels of employer engagement with, and investment in, skills.

Key Actions

Key Action 5/15: A 'Lancashire Skills Pledge' will be developed by the Lancashire Skills Hub. The Skills Pledge will be adopted by Lancashire Employers as a commitment to workforce development and will result in increased apprenticeship places with local employers.

Key Action 16: Colleges and providers are asked to develop Curriculum Advisory Panels (or similar) of employers in areas of vocational specialism as recommended by the Commission on Adult Vocational Teaching and Learning in its report 'It's about work...(Excellent adult vocational teaching and learning)'

Key Action 17: The Lancashire Skills Hub will work with providers, stakeholders and employers to deliver the Lancashire Sector Skills Action Plans

Strategic Priority 7

Ensure access to high quality and impartial careers information advice and guidance for all young people and adults aged 14 and above

Key Actions

Key Action 18: The Lancashire Skills Hub will identify existing strengths and weaknesses in the current delivery arrangements for 14-19 Careers Information, Advice and Guidance and bring forward proposals for improvement.

Key Action 19: The Lancashire Skills Hub will work with Local Authorities and the National Careers Service provider to review delivery arrangements to ensure that they are responsive to local need.

Annex 2 - Delivering the Priorities of the Lancashire Employment and Skills Strategic Framework

The Lancashire Employment and Skills Strategic Framework identifies the key priorities and actions required to tackle labour market failure in the County and its localities. The Strategic Framework is informed by local needs and opportunities - and challenges providers to be responsive to them. It covers issues of economic inactivity and unemployment; low and basic skills issues; technical skills gaps and skills shortages; apprenticeships; and, higher level skill needs.

The Framework seeks to influence the improvement of service delivery for the county's employers, young people (14-19) and working age adults. The delivery in scope includes welfare to work programmes; all 14-16 and 16-19 education and training; all apprenticeships; all adult skills and further education; higher education; and, information, advice and guidance services for adults and young people.

It is expected that the Strategic Framework will influence the utilisation of all post-16 education, skills and welfare to work budgets in the County. Providers making use of these budgets in Lancashire are invited to set out how their delivery will contribute to achieving the Framework's priorities.

The following Strategic Priorities have been identified:-

- **Strategic Priority 1:** Continue to deliver increased levels of attainment by Young People at age 16 and age 19.
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Higher Education Institutions, Further Education Colleges, Welfare to Work providers, Skills Providers and other stakeholders (voluntary sector, guidance providers, schools etc) are invited to complete the proforma overleaf to describe the action they are taking to deliver the Lancashire priorities.



Delivering the Priorities of the Lancashire Employment and Skills Strategic Framework

Provider Name:		
Sites/Delivery Locationsⁱ:-		
Provider Purpose/Mission/Prioritiesⁱⁱ:		
Delivering Lancashire Prioritiesⁱⁱⁱ		
1. Young People’s attainment	2. Increase apprenticeships	
3. (Re)train adults	4. Higher Skills in the workforce	
5. Tackle worklessness and NEET	6. Increase employer engagement and investment	
7. Information, advice & guidance		
Description of your organisation’s contribution to the Lancashire Priorities^{iv}:		



- i Please provide the site name/address of major delivery locations for which your organisation is responsible.
- ii Please outline your organisation's purpose, mission, vision, strategic priorities etc as relevant.
- iii Please tick each priority which is being addressed by your organisation
- iv For each Priority ticked, please describe how your organisation is contributing to the 'Key Actions' that are set out in the Strategic Framework document.