

Skills in Lancashire:

Skills and Employment Strategy and Implementation Plan for Preston, South Ribble and Lancashire City Deal

December 2015

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1 Introduction

Document Scope

1.1 This document sets out the strategy and priority actions required to ensure that Lancashire (comprising residents, businesses and stakeholders) secure the greatest value from City Deal investment. It has been produced alongside an evidence base report that provides the detail underpinning the strategy, including consideration of economic conditions in the City Deal area and across Lancashire, economic forecasts and the detail of City Deal investment propositions, both in terms of direct investment in infrastructure and site development to be unlocked. The key points raised through this analysis are outlined below to set the context for proposals in this strategy and implementation plan.

Baseline Conditions and Growth Forecasts

1.2 The Lancashire Local Enterprise Partnership is one of the largest in the North, with a population of almost 1.5 million and almost 623,500 people working in the area. It is however currently performing below its potential, lagging behind national averages for employment growth and productivity, as examples. Manufacturing and the public sector remain significant employers despite recent declines.

1.3 The City Deal authorities of Preston and South Ribble sit at the centre of the Lancashire economy and account for just over a fifth of employment. The area has experienced a slow economic recovery, only recently returning close to pre-recession employment levels. Construction is an important employer in Preston and South Ribble, accounting for 10% of workplace based employment compared to less than 6% Lancashire wide.

1.4 Under a policy-off growth scenario (i.e. not accounting for City Deal and other investment proposals), forecasts suggest a 4% employment uplift. There is widescale recognition that a step change in economic performance is required to allow Lancashire and sub-areas within it to perform to their potential and address the gap against national performance.

1.5 Six priority sectors have been identified that sit at the core of the Lancashire economy, based on current scale and/or opportunities for growth as:

- Advanced engineering
- Energy and environment
- Professional, financial and business services
- Creative, digital, media and ICT
- Logistics
- Visitor economy

1.6 The Strategic Economic Plan set out ambitious growth targets (see Section 4 for details), taking account of both priority sector and wider growth and City Deal is seen as a central component in allowing these ambitions to be realised.

The City Deal Opportunity

1.7 The Preston, South Ribble and Lancashire City Deal was developed by local partners to drive forward growth. The status is valid for ten years from 2013/14 to 2023/24 and allows the area to make the most of its economic assets and opportunities.

1.8 At its core is a series of strategic transport infrastructure investments, many of which are long standing priorities for the area and are intended to open up new development opportunities. The planned programme of activities totals £375.883m¹ representing a substantial investment programme.

1.9 City Deal status generates benefits from three perspectives:

- Direct benefits associated with the infrastructure works programme;
- Direct benefits arising from a nominal allocation of £100m from a £150m local property pot identified for the City Deal Investment Fund to co-invest in residential and commercial developments on a commercial basis²; and
- Indirect benefits to be secured through subsequent site development that is forecast to accommodate up to 16,950 homes³ and over 1 million m² of new employment floorspace.

1.10 A series of investment proposals have been identified across these categories.

The Scale and Nature of Employment Opportunities

¹ Contingency has been built into the current total in recognition that some scheme details remain to be finalised and cost estimates remain at an early stage of preparation

² As details of investment under this strand are subject to change dependent on allocations no benefits have been factored into employment benefits

³ 15,750 new build and 1,200 by returning vacant homes to active use

1.11 City Deal is forecast to be a major employment generator during both the construction phase and the subsequent occupation of new development sites and premises. Whilst construction employment will be an early win, gaining full value from resulting sites will represent a 20 year legacy of City Deal activity.

1.12 Assessment suggests that directly supported activities will create an annual average requirement for over 4,000 construction workers during the first half of the programme (2014/15-2018/19), rising to 6,300 workers per annum during the second half of delivery. These CITB generated forecasts suggest that in the first five years, City Deal will lead to a 5% increase in construction activity across Lancashire and potentially a 16% increase in Preston and South Ribble.

1.13 Medium to long term employment captured on unlocked development sites will be in the region of 20,000 against the base 2015 position with market adjusted forecasts suggesting that new development will play an important role in:

- Reversing manufacturing decline;
- Securing higher growth in business and professional services and digital and creative;
- Supporting growth in the construction sector; and
- Driving demand for graduates and other highly qualified workers.

1.14 Securing 20,000 jobs over the next 10 years would represent growth of 12% from 2015, against the policy-off forecast of 4% growth.

Potential Challenges to Delivery

1.15 Whilst City Deal represents an important opportunity for the Lancashire economy it also presents potential challenges from a skills and employment perspective. The scale of planned activity is considerable and construction is due to occur at a time when there are already recognised workforce gaps.

1.16 The evidence base review has identified the following core challenges to be addressed through the City Deal Skills and Employment Strategy:

- The City Deal area presents an important opportunity to create a step change in the Lancashire economy, creating new employment of a scale and diversity that will contribute to Lancashire wide objectives. Achieving this will require partners to work effectively together to plan and deliver responses.

- Construction has recently been identified as a key sector for the City Deal and Lancashire economy, reflecting existing strengths, the scale of opportunities to be created and the need to intervene to generate a workforce of sufficient scale and skills.
- City Deal construction activity will be delivered at a time of high demand across the sector in the North West and nationally presenting strong competition for skilled workers. Securing sufficient, experienced personnel over the next three to five years will be a particular challenge, ahead of the skills system being able to respond.
- An ageing population places pressure on all sectors of the economy at a time of growth, requiring all those who wish and are able to work to be supported to do so and a large workforce catchment to be considered by employers in order to achieve recruitment targets.
- Skills demands are increasing across the economy with the proportion of employment requiring people qualified at Level 4+ forecast to rise from 34% to 38% between 2015 and 2025 (an additional 33,500 people Lancashire wide of which 6,700 are in Preston and South Ribble) and the number of roles requiring staff with no qualifications falling by 8,600 over the same period (1,700 in the City Deal area).
- Skills and training provision will need to be responsive to business needs, promoted through greater employer engagement, and be forward looking to address emerging skills requirements.
- Young people and adults need to be alert to the scale and nature of forecast employment changes to allow them to secure the skills and qualifications needed by employers to access and progress in work, thereby planning their personal career paths in response to opportunities.

1.17 These challenges set the context for the strategy and actions that follow.

2 Securing Social Value

2.1 City Deal is a substantial investment opportunity that presents opportunities for benefits to be captured through multiple routes. Planning for benefits capture from an early stage is an important requirement to ensure that a wide range of potential benefits are realised in the City Deal authorities and across Lancashire. Capturing social value is a key consideration in the context of the scale of opportunities to be created and current restrictions on labour supply and business preparedness. A public sector drive can support engagement in this area.

Opportunities to Capture Social Value

2.2 Securing social value through public sector investment is a high priority to allow the benefits of City Deal activity to be maximised. The Social Value Act (2013) places a statutory duty on local authorities to consider, at the pre-procurement stage, what social, environmental and economic value is obtainable from public service contracts above the EU threshold. There are also opportunities for social value to be secured through lower value contracts and through the planning system. Implementing such approaches can play an important role in demonstrating partners' ambitions and ensuring that requirements of developers and suppliers are formalised.

2.3 Social value can take a variety of forms, including:

- Supporting local people to gain employment opportunities, for example through the offer of apprenticeships and guaranteed interview schemes, and secure a fair rate of pay.
- Targeting opportunities on particular groups, for example those considered to be disadvantaged in the labour market or priority regeneration areas.
- Engaging young people, for example through school visits and the offer of work placements to increase interest and engagement in the world of work and knowledge of opportunities available locally.
- Increasing the proportion of expenditure captured by local businesses and their supply chains.
- Supporting new investment to be attracted into the area.
- Securing environmental benefits, including commitments to reductions in carbon emissions and/or energy consumption.

2.4 The scale of construction activity to be taken forward through both direct City Deal activity and the subsequent development of sites represents a significant opportunity that partners are keen to grasp. Steps are now required to ensure that opportunities are effectively captured throughout the duration of City Deal activity.

Policy Recommendations

2.5 Although partners recognise the opportunity to secure social value, at present insufficient mechanisms are in place to capture benefits. For an initiative of the scale and profile of City Deal a range of benefits should be sought. The following recommendations should be applied when considering City Deal social value policy:

Articulate social value expectations in a City Deal policy: A single City Deal social value policy should be developed and applied to all activity (and by partners more widely where appropriate) to ensure that:

- a) The social value ambition is articulated to all parties;
- b) The way in which social value requirements will be contracted and monitored is understood by all developers/suppliers;
- c) Requirements are consistently applied.

An Action has been included in Section 5 of this plan to ensure that development of a social value policy is an early priority.

Develop a toolkit to build on existing initiatives and approaches: Achieving social value should build on existing activities. For example, there will be opportunities to link to requirements outlined in the Lancashire Skills Pledge to allow consistent goals to be worked towards and the potential for confusion regarding requirements to be minimised.

Engage relevant parties in policy development: The policy should be challenging but achievable. Considerations in developing the policy will need to include compliance with procurement regulations and the ability of developers/suppliers to deliver proposed benefits. Securing involvement of relevant parties ahead of arrangements being finalised will help to ensure deliverability from a range of perspectives.

Clearly define benefits indicators and performance metrics: Social value performance metrics need to be agreed between partners to allow achievements to be captured and assessed over time. Transparency and clarity will be required around the definition of all agreed forms of social value to allow for consistent forecasting, delivery and monitoring of activities across schemes.

Specify priority benefit indicators: Although there is value in delivering all forms of social value, there may be some forms of benefit that partners wish to encourage over others, for example supporting local residents to access employment and increasing local supply chain expenditure. This should be considered in the development of the policy. Consideration will also be required of how sustained benefits (e.g. an apprentice continuing to be engaged to support the next level of training) are assessed relative to new benefits (e.g. new apprenticeship starts).

Process Recommendations

2.6 Effective delivery of social value objectives will require clear processes that are widely understood by both internal parties (including the City Deal team and local authority planning and procurement teams) and external partners (including developers, suppliers and other skills and employment support providers). The following recommendations are made to ensure a transparent process is established from an early stage of delivery.

Require all City Deal related activity to demonstrate social value: Social value will take different forms for different types of activity but the starting point will be to state that all developers and suppliers are required to contribute to articulated social value objectives with flexibility to be offered where necessary to allow the benefits offered to reflect the nature of supported activity (for example, potential benefits will differ between say the commissioning of infrastructure construction works and commissioning marketing support).

Alert procurement and planning teams to expectations and identify early opportunities in response: Incorporating social value requirements into procurement exercises and planning conditions requires early consideration, if they are to be effectively applied. If not identified at an early stage, there is a risk that activity will be delayed while details are worked through. Raising awareness across such teams and others (for example where colleagues may be aware of forthcoming planning applications and procurement requirements) will be important to allow for effective planning and having a clear process to allow opportunities for social value capture to be identified and documentation prepared accordingly.

Engage supporting partner organisations in the process: Effective delivery will require engagement with a range of potential delivery partners to allow activity to build on existing employment and skills initiatives, for example the work of the Lancashire Employment Support Service, work trials offered through JobCentre Plus and actions to be taken forward through the Lancashire Skills Hub and its Sector Development Groups.

Agree social value contractual arrangements early: New contract requirements should be discussed and agreed at an early stage to ensure outcomes are effectively captured in contracts let through procurement and planning application award decisions. Such requirements should be clearly articulated in application paperwork to ensure contractors and developers are alert to how required outcomes will be incorporated.

Implement robust monitoring arrangements: Securing a commitment to delivering social value benefits is a first step with robust processes then required to allow evidence to be gathered. A process will be required that articulates what information needs to be collected, in what format, at what frequency and arrangements for submitting details for monitoring purposes. This will allow the City Deal partnership to assess social benefits secured by individual schemes and the programme overall.

3 Strategy Objectives

Introduction

3.1 Much of the City Deal documentation to date has focused on the capital investment programme. This strategy recognises the human capital element to the successful delivery of the outcomes – economic and employment growth.

3.2 Without an appropriately skilled and scaled workforce, the Preston, South Ribble and Lancashire City Deal will not deliver to its full potential, either through delivery of the infrastructure programme itself or the wider and lasting portfolio of opportunities through site development of both new business space and residential development. This strategy and action plan has been prepared to support partners to take the steps needed to ensure that it does, involving partners throughout the process.

3.3 The scale of the labour force needed to deliver the ambition is considerable and requires a multi-faceted skills set. While there are strengths to build upon, the scale of the challenge should not be under-estimated with prompt and diverse activities required to support Preston, South Ribble and Lancashire to deliver and benefit from activity.

3.4 Considerable resources are available to help support employment and skills plans in the City Deal area. These include the European Social Fund, Skills Funding Agency capital and revenue investment, and the support of agencies such as the National Apprenticeship Service.

3.5 The City Deal area also benefits from the presence of Universities and Further Education Colleges, as well as private sector training providers. These organisations are important local partners as well as the providers of training services. In addition, secondary schools have an important role to play in the provision of information, advice and guidance to young people about the new employment opportunities which will be available over the next ten years.

3.6 The City Deal area is a core part of the Lancashire economy and will draw its workforce from a wide geographical area. It will be important that skills and employment plans recognise the importance of the wider Lancashire workforce in developing initiatives rather than simply people living within the City Deal boundary, if the scale of ambition is to be realised. The planning of future post 16 and post 19 support and any re-organisation arising from area-based reviews need to take account of the skills requirements of the City Deal.

Strategic Challenges

3.7 Achieving this aim will require careful planning and management, recognising the scale of the ambition, the multiple partners with a role to play in delivery and the wider context in which City Deal activity is being taken forward.

3.8 The major challenges with regard to the City Deal aspirations are:

- Providing a workforce for the new economy, particularly the priority sectors; including a large cohort of young and well qualified workers attractive to incoming employers.
- Providing a workforce for the construction industry which will deliver the infrastructure, commercial and residential development set out in the City Deal, addressing the challenge of delivering a marked increase in new housing development.
- Maximising the training and employment opportunities available for both young people and older people from construction activity, using procurement processes to deliver a higher level of industry engagement and increase social value for public sector construction expenditure.
- Providing training and skills support which helps to secure new inward investment and company expansion in the City Deal area.

3.9 These challenges require a medium term approach, rather than short term initiatives, with consistent actions over the next five to seven years.

3.10 A key feature of the response to skills challenges will be the need to increase working with senior schools, sixth form colleges and Further Education colleges, recognising their role working with younger people.

Priority Sector Challenges

3.11 As well as recognising economy wide challenges, it will be important for City Deal partners to recognise challenges facing priority sectors with a key role to play in the area's growth. Recently prepared Sector Skills Action Plans have already highlighted challenges to sector growth with the key points to note in the development of City Deal proposals being:

Recognised Priority Sector Skills and Employment Challenges	
Business, Finance and Professional Services	
<ul style="list-style-type: none"> • Mismatch between supply and demand – including an undersupply of graduates completing sector related degrees and a need to engage workers who have not taken a university route. • High levels of replacement demand and a need for effective succession planning – particularly for higher level occupations presenting a need to upskill workers to take over roles. • Image issues – with a need to promote Lancashire's offer to both attract and retain workers in the sector and compete with neighbouring cities. • Intelligence issues – limited communication between employers and providers with better understanding of requirements and lead times needed. • Diversity of the sector – the composition of the sector's employment is forecast to change with the skills system required to respond. 	
Manufacturing	
<ul style="list-style-type: none"> • Planning for turnover – including to recognise ageing of the workforce and replacement demand and widening the sector's appeal to young people. • Responding to technological change – with a need to embrace change and associated skills needs to enhance competitiveness and innovation. • Attracting higher skilled employees – particularly technical specialists and leadership and management positions, with a requirement to generate more local supply. • Covering a variety of skills needs – securing a coherent and responsive model of skills provision that covers both core and specialist requirements. • Building opportunities for businesses – ensuring the skills and growth capacity to become preferred suppliers through supply chain opportunities. 	

Energy and Environmental Technologies
<ul style="list-style-type: none"> • Shortage in specialist technical skills – including new and experienced engineers across a range of disciplines. • Gaps in multi-disciplinary and softer skills – including communication and team working, high calibre management competencies and the ability to manage and commercialise innovation. • Workforce profile – including an ageing workforce, contractors who are mobile and a small overall labour pool which results in poaching. • Image issues – seen in the low numbers of people studying STEM subjects (particularly women) and competition from other sectors for graduates. • Intelligence and supply issues – lack of communication between providers and employers to ensure appropriate skills provision plus recruitment challenges to secure FE teaching staff.
Visitor Economy
<ul style="list-style-type: none"> • Opportunities in the sector are under-sold – the breadth of opportunities offered by the sector is poorly understood, particularly in advice offered through schools. • Negative perceptions persist – jobs in the sector are often, wrongly, seen as second best, in part due to attitudes towards the service sector and low average pay. • Applicants are not work ready and lack soft skills – employers are demanding higher standards than those currently delivered through the skills system to ensure applicants have a rounded skills set. • Pay and conditions are not favourable – entry level roles are often at the minimum wage, average wages remain low and the need for weekend and evening working presents a further challenge to recruitment.

3.12 Positioning the City Deal area to both respond to sector opportunities and overcome challenges will in many instances require participation in Lancashire wide initiatives proposed through the sector plans.

Overarching Objective

3.13 This strategy has been prepared to support the achievement of one overarching objective:

Build and maintain a workforce of sufficient scale, skills and ambition to deliver the City Deal infrastructure programme to the agreed delivery programme and support the development and sustainable growth of priority sectors, capturing benefits for Lancashire residents and businesses

3.14 Achieving this aim will require careful planning and management, recognising the scale of the ambition, the multiple partners with a role to play in delivery and the wider context in which City Deal activity is being taken forward.

3.15 The City Deal employment and skills plan sits within the context of Lancashire wide plans, particularly with regard to the priority sectors. As such, City Deal partners will need to work closely with training providers across a wider geography, accessing where necessary specialist training provision relevant to companies and new inward investors in Preston and South Ribble.

3.16 One of the most important aspects of City Deal skills and learning aspirations is a long term commitment to increase the quality of vocational opportunities open to young people in Preston and South Ribble. This will begin with guidance in schools and close working with employers, Sixth Form and Further Education Colleges and UCLAN, as the local university, to ensure young people have a broader choice as they enter employment and further and higher education.

3.17 Another underlying aspiration is to ensure that older workers and those returning to the labour market also have more choice in terms of training and employment opportunities as a result of the City Deal related investment. The intention is to increase employment and economic activity rates, and reduce the numbers of unemployed people and those seeking employment.

Strategic Objectives

3.18 A series of supporting strategic objectives have been identified to support achievement of the headline ambition. This approach recognises that a series of actions will be required, spanning a range of subject areas, to support Lancashire partners to recognise, plan for and exploit the City Deal opportunity.

3.19 The Plan also recognises that City Deal is essentially a major infrastructure programme designed to unlock a long term land supply for commercial and residential development. As such, City Deal partners have a particular interest in the construction sector and associated opportunities.

3.20 There are four strategic objectives:

- Provide the well qualified workforce needed to support employment growth and meet replacement demand, with a special emphasis on the Lancashire priority sectors.
- Support the development of the construction industry and supply chain in the City Deal area as a priority sector for company and employment growth, working with local companies to strengthen skills and training provision.
- Work with the construction industry, using procurement processes where appropriate, to increase training and employment opportunities for young people and older workers and increase social value.
- Develop a skills, training and recruitment support package for employers taking up business space on the City Deal linked priority sites and premises, including Preston City Centre, the Enterprise Zone and Cuerden as the major centres for new inward investment.

3.21 The success of City Deal is dependent on both the outcomes of infrastructure investment, i.e. land and premises developed, and companies providing new employment. While the construction related opportunities can be mapped with some certainty, the growth of the priority sectors will require a very effective inward investment marketing and promotion effort over a sustained period, as well as a competitive support offer to attract new companies to Lancashire.

Provide the well qualified workforce needed to support employment growth and meet replacement demand, with a special

emphasis on the Lancashire priority sectors.

3.22 The priority sectors are a very important source of local jobs in the Lancashire economy. The sectors forecast both employment growth and replacement demand and will provide a consistent source of employment opportunities.

3.23 There are five objectives with regard to the Priority sectors, some of which require a medium term commitment. These are:

- a) Increase the STEM performance in senior schools, where necessary working with younger pupils.
- b) Strengthen the information, advice and guidance system in senior schools and sixth form and FE colleges to provide a pool of well qualified young people interested in pursuing careers in the Priority sectors, including construction.
- c) Increase the number of apprenticeships across the broad range of occupations needed to support the Priority sectors, embedding a cultural change in company investment in training for the future workforce.
- d) Work with local companies, UCLAN and Lancaster University to increase the internships, placements and graduate recruitment linked to supporting company growth in the Priority sectors.
- e) Establish the Lancashire Enterprise Zone as a leading centre for manufacturing, energy and environment and construction related vocational training, linked to new assets and the leading role of BAE Systems and its supply chain.

3.24 The provision of a well-qualified workforce is critical to Lancashire meeting its economic aspirations for its economy and communities. There is considerable scope in all of the Priority sectors, all of which provide opportunities for progression in terms of supervisory and management positions. It is important that young people in particular are aware of these opportunities to progress with experience.

3.25 There remains a continuing challenge of promoting vocational opportunities on a par with academic opportunities and the Priority sectors provide good openings for both graduate and non-graduate young people.

Support the development of the construction industry and supply

chain in the City Deal area as a priority sector for company and employment growth.

3.26 The construction industry is already facing skills shortages and as new build activity increases, these issues will become more acute. There is a short to medium term problem regarding the availability of a skilled labour force to meet the needs of the construction industry in Lancashire and elsewhere in the North West.

3.27 A number of initiatives are already underway with regard to construction and there is a need to increase and intensify the industry given the employment forecast and the planned scale of construction activity. Fundamental to any efforts to strengthen the construction labour force is a strong commitment of employers to invest in workforce development.

3.28 There are five objectives with regard to the construction industry, some of which require a medium term commitment. These are:

- a) Increase the number of apprenticeships across the broad range of occupations needed to support the construction industry, embedding a cultural change in company investment in training for the future workforce.
- b) Work with local construction and supply chain companies to increase the internships, placements and graduate recruitment linked to supporting company growth.
- c) In the light of the persistence of skills shortages, work with the construction industry to support the recruitment of older workers from other sectors and backgrounds.
- d) Prioritise construction companies for bespoke business support through the Lancashire business development support system including management development, planning and investing for growth and improving productivity.
- e) Foresight: Explore construction related manufacturing and supply chain product development to increase the economic benefits from construction.

3.29 The most important step for Lancashire is recognising the construction industry as a priority sector in its own right, with the potential to provide both jobs and new manufacturing and supply chain opportunities which will contribute to economic growth.

Work with the construction industry, using procurement processes where appropriate, to increase training and employment opportunities for young people and older workers and increase social value.

3.30 The construction industry is a very important source of local jobs, with employment growth and replacement demand providing a consistent source of employment opportunities. Large construction companies are familiar with public sector requirements to provide training and work placement opportunities as part of contractual requirements for some public works contracts.

3.31 Recent developments have added the concept of social value to the ambition of public sector agencies to increase the benefits from public sector investment. The introduction of social value does however need to take account of the costs of any requirements and the ability of companies to contribute to social value goals.

3.32 There are four objectives with regard to the construction industry, some of which require a medium term commitment. These are:

- a) Ensure a specific commitment to working with local schools and colleges with regard to IAG and require site trips and visits as part of public sector funded construction contracts.
- b) Prioritise groups which have difficulty accessing apprenticeships, including women and ethnic minority groups, in public sector funded construction contracts.
- c) Secure a commitment to recruiting older workers, where necessary using public sector skills support to make candidates work ready and attractive to contractors and sub-contractors.
- d) Develop a social value ask/requirement which takes account of the other requirements being placed on contractors.

3.33 Given the scale of public sector investment in construction activities, and the potential for further investment over the next ten years, there is an opportunity to assist some groups in the labour market who have the potential to take up training and employment but where there are barriers which need to be addressed.

3.34 This objective needs to be balanced by the costs involved, and setting ambitious but realistic targets for company engagement and commitment will be a key part of the development and negotiation process with the construction industry.

Develop a skills, training and recruitment support package for employers taking up business space on the City Deal linked priority sites and premises, including Preston City Centre, the Enterprise Zone and Cuerden as the major centres for new inward investment.

3.35 The City Deal will provide Preston and South Ribble with a long term land supply with the capacity to attract significant new investment in a range of sectors. There is a need to assist companies with recruitment, addressing skills shortages and developing training plans, including pre-recruitment training where appropriate. These activities need to build upon existing arrangements for inward investors and include consideration of company growth plans for existing businesses.

3.36 There are three objectives with regard to assisting company growth plans in the priority areas. These are:

- a) Develop and promote a clear recruitment, skills and training offer for companies locating or expanding in the priority locations and sectors in the City Deal area.
- b) Develop a clear pre-recruitment training offer to increase the prospects of local people securing employment and new employers recruiting a suitable workforce.
- c) Assist new companies and those expanding their workforce to develop workforce training plans which incorporate apprenticeships, internships, graduate recruitment and other workforce up-skilling arrangements, including links to employer networks and training providers.

4 Alignment with Wider Ambitions

4.1 The City Deal Skills and Employment Strategy has not been developed in isolation nor will it be delivered as a stand-alone plan. Throughout the development process, consideration has been given to the wider strategic context and fit with emerging actions proposed through both Lancashire economy wide strategies and sector specific skills plans.

4.2 The main areas of contribution are outlined below. The identification of aligned objectives emphasises the need for City Deal partners to work with partners across Lancashire to ensure that both programme and LEP wide ambitions are satisfied and that resources can be efficiently and effectively focused. Actions that respond to both City Deal specific requirements and opportunities yet support the achievement of wider strategic ambitions follow in Section 5.

Fit with the Strategic Economic Plan

4.3 As recognised in the evidence base report, Lancashire’s Strategic Economic Plan (SEP) sets out an ambitious plan to create 50,000 new jobs, 40,000 new houses and add £3bn of additional economic activity to the Lancashire economy over a ten year period. This represents a step change for an economy which currently underperforms compared to the national average with the delivery of City Deal activity, both directly and indirectly, to make an important contribution towards these ambitions.

4.4 SEP skills ambitions are outlined to support overarching targets through a Skills for Growth strategic programme which aims to re-focus skills provision to be responsive to business needs and demands. Proposals included establishment of an Apprenticeship Hub and securing greater flexibility over the use of skills capital funding to respond to local priorities.

4.5 ESF resources are recognised to be an important funding source for the delivery of skills ambitions, focused around two programme aims to drive skills for growth and create opportunities for disadvantaged groups and communities. Considering how City Deal requirements can be addressed through Lancashire wide programmes will be an important consideration going forward with a rationale to support both access to employment and upskilling activities within the City Deal area and to support a workforce resident in a wider area to access City Deal related opportunities.

Contribution to the Lancashire Employment and Skills Strategic Framework

4.6 The recently produced Lancashire Employment and Skills Strategic Framework brings together evidence gathered through a series of sector skills plans and an early draft of this City Deal commission to identify common themes in the requirements of employment and skills activity. The need to engage people of all age groups and skills levels in the agenda, and ensure that all relevant partners play a role based on up to date intelligence, is recognised by the framework’s structure around four themes of:

- Future Workforce
- Skilled and Productive Workforce
- Inclusive Workforce
- An Informed Approach

4.7 The four themes show clear areas of alignment with the objectives and opportunities identified through the City Deal Skills and Employment Strategy, as well as delivery opportunities. In summary:

Contribution to the Employment and Skills Strategic Framework	
Theme	City Deal Contribution
Future Workforce	Opportunities to demonstrate to young people the scale and breadth of employment offered through construction and site end uses, including opportunities for progression to inspire the next generation
Skilled and Productive Workforce	Support the workforce to continue to develop their skills (including gaining higher skilled qualifications) to support progression and address skills gaps in construction (in the short term) and priority sectors accommodated on City Deal sites (in the medium to long term)
Inclusive Workforce	Enhance IAG to ensure local people are informed about employment opportunities and associated skills needs to support them to access and progress in employment through a variety of routes
An Informed Approach	Support the collection of intelligence at the City Deal level to feed into the Skills Hub

4.8 Sitting below this, the priority actions identified in Section 5 show a strong fit with actions outlined in the Lancashire Employment and Skills Strategic Framework (as shown in the far right hand column) ensuring that delivery supports the achievement of Lancashire wide objectives as well as City Deal specific requirements. In this context, coordinated delivery to ensure that City Deal activity is set in the context of Lancashire delivery is strongly recommended.

Supporting the Delivery of Sector Skills Priorities

4.9 As recognised through the evidence report, a series of challenges and opportunities have been identified to realising the growth potential of Lancashire's priority sectors. Of particular relevance to the City Deal area are actions required to support growth in the business, financial and professional services, manufacturing, energy and environmental technologies and visitor economy sectors, reflecting the anticipated use of City Deal unlocked sites.

4.10 Delivery of this strategy and implementation plan will however play a role (as part of Lancashire wide activities) in overcoming a number of identified challenges, including through the following opportunities to be considered with partners:

Contribution to Sector Skills Needs	
Business, Finance and Professional Services	
Requirement	City Deal Opportunity
Address skills gaps and shortages	Increase awareness of new and growing employment opportunities, equipping individuals and employers with the knowledge they need to prepare
Develop the supply side	Encourage greater collaborative planning of provision (including forward looking) in response to business needs
Increase worker interest and retention in the sector	Demonstrate the scale of opportunities anticipated on City Deal sites to young people and adults and through this show that there are opportunities for career progression
Increase sector intelligence	City Deal intelligence (e.g. inward investment enquiries and site specific development plans) to feed into Lancashire Skills Hub evidence

Manufacturing	
Requirement	City Deal Opportunity
Inspire and engage young people	Increase awareness and interest in opportunities amongst young people, including greater understanding of the breadth of available opportunities and career routes
Recruit and retain a competitive workforce	Increase the skills of the local workforce, including through opportunities for on the job training and knowledge transfer, plus new entrants
Develop a responsive skills system	Improved working relationships between providers and employers to drive responsive, timely provision
Secure employer investment in training	Engage employers to understand the scale of skills challenges as part of coordinated activities with partners and publicise available skills support
Energy and Environmental Technologies	
Requirement	City Deal Opportunity
Meet varied demands for skills	Increase liaison with employers to assess skills requirements and allow an appropriately skilled and scaled workforce to be offered in response
Attract new entrants to the sector	Increase awareness of the scale and nature of opportunities anticipated to be created, including knowledge of anticipated skills requirements
Improve sector intelligence	Use evidence from existing businesses plus enquiries for City Deal sites to feed into Skills Hub intelligence
Develop the supply side	Support improved working relationships and forward planning between employers and skills providers
Visitor Economy	
Requirement	City Deal Opportunity
Prepare the future workforce	Publicise the scale and nature of employment expected to be created and demonstrate progression routes to young people
Develop the existing workforce	Work with employers and employees to explore future skills requirements and potential approaches to address, e.g. through on the job training and knowledge transfer
Learn from good practice	Explore opportunities for initiatives elsewhere in Lancashire to be rolled out in the City Deal area to support sector growth and skills development

5 Priority Actions

Key Early Actions

5.1 A series of key early actions have been identified to support delivery of the City Deal Skills and Employment Strategy and progress all four supporting objectives, whilst also recognising wider strategic drivers. Identifying both priority actions and partners with responsibility for delivery at this early stage ensures that momentum established through the strategy's development continues to be built upon and there is local ownership of activity. It is recommended that partners continue to identify required actions over time to ensure that implementation of the strategy remains responsive to experience on the ground as well as wider change in policy and economic drivers. Longer term actions are anticipated to focus on publicising what has been achieved through short term actions (e.g. new initiatives established) and demonstrating to potential inward investors and expanding businesses that a skilled workforce is available to meet their needs. Reflecting wider strategic fit, all actions should be developed and implemented in coordination with wider activity being progressed across Lancashire through the leadership of the Lancashire Skills Hub to ensure that the potential for duplication is reduced, the most effective use is made of available resources and partners have aligned plans across different strands of activity.

Strategic Objective 1: Provide the well qualified workforce needed to support employment growth and meet replacement demand, with a special emphasis on the Lancashire priority sectors				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Coordinate IAG in Preston and South Ribble schools and colleges to ensure consideration of opportunities available in the priority sectors is embedded in material	School, college and training networks	STEM initiative leads, Sector Development Groups	Existing funding City Deal focussed	FW2b
Engage with existing sector initiatives such as STEMFirst to ensure that all initiatives are aware of the scale and nature of City Deal related employment and skills opportunities	City Deal team	STEM initiative leads, schools, colleges	Existing funding City Deal focussed	SPW4a
Increase sector specific marketing of apprenticeship opportunities for priority sectors and work with apprenticeship providers to agree target numbers by sector for year on year achievement	Lancashire Apprenticeship Hub	Employers, sector representatives organisations, education and training providers, JobCentre Plus	ESF and existing funding Lancashire wide initiatives	FW3a
Support and promote support for tailored skills provision available to businesses through the Sector Skills Action Plans	Lancashire Skills Hub	In liaison with a range of partners and business networks and linked to the Sector Development Groups	ESF and existing funding Lancashire wide initiatives	SPW4a
Coordinate an enhanced skills re-training and guidance offer for older workers and returners looking to access opportunities in priority sectors, including those affected by redundancies and the contraction of	Lancashire Skills Hub	Skills and training providers, JobCentre Plus, Lancashire Work Clubs, Central Lancashire Employment Taskforce	ESF and existing funding Lancashire wide initiatives	IW1a and 1b

traditional industry				
Work with employability support services to raise awareness of the scale and nature of employment opportunities to be created by City Deal investment and wider growth	City Deal team and Lancashire Skills Hub	JobCentre Plus, Work Programme prime contractors	ESF and existing funding City Deal focussed	IW1a and 1d
FE and HE providers to continue to work together to plan provision and progression routes to support people to secure the higher level skills required by the priority sectors, as well as exploring opportunities for students to secure practical work experience with local employers to help develop the skills of the future workforce	FE and HE providers	Lancashire Skills Hub, employers, construction sector groups	ESF Lancashire initiatives	FW3a
Local FE and HE providers to incorporate targeting of the priority sectors through both existing and new intern and graduate recruitment initiatives	UCLAN and FE colleges	Lancashire Skills Hub and sector representatives' organisations.	New funding required City Deal focussed	FW4a
Regularly monitor achievements against priorities identified in the Sector Skills Action Plans to assess change and identify and help overcome any identified challenges to delivery	Lancashire Skills Hub	Action owners identified in the Sector Skills Action Plans	Existing resources Regular monitoring data required	AI1a

Strategic Objective 2: Support the development of the construction industry and supply chain in the City Deal area as a priority sector for company and employment growth				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Secure agreement from partners across Lancashire to formally identify construction as a priority sector for growth in Preston and South Ribble to support wider actions to flow from this (e.g. including construction as a priority sector for programmes such as Lancashire Skills Support for the Workforce and successor initiatives)	Lancashire LEP (through the City Deal team)	LEP Board members, Lancashire businesses, skills/training providers, local authorities, public sector partners and others (as appropriate)	City Deal initiated Lancashire wide action	IA2b
Increase the tailoring of Growth Hub marketing materials and support advisors to actively target and support construction businesses to help them to plan for and achieve growth in City Deal related activities	Boost Business Lancashire (Lancashire's Growth Hub)	In consultation with sector representatives (e.g. CITB) and other business support providers, including local authorities	ESF and existing funding Lancashire wide initiatives	SPW3a
Map out career opportunities, progression routes and core elements of existing provision to support skills development in the construction sector to inform information, advice and guidance (IAG) offered to young people to allow them to make informed choices, develop a specific programme of careers actions for schools linked to construction businesses and skills providers, e.g. CITB, and develop a means of communicating choices directly to residents	School and college networks, prompted by Lancashire Skills Hub	Sector representatives (from sector bodies and large employers), skills/training providers, Central Lancashire Employment Taskforce members	New funding required City Deal focussed	FW2b
Run a construction specific Apprenticeship campaign in Lancashire to alert local businesses to the scale of workforce requirements identified for City Deal, support available through the apprentice programme, how they can identify an apprentice, the nature of training available and the costs and benefits associated with doing so	Lancashire Apprenticeship Hub (steered by Lancashire County Council)	Employers, sector representatives (e.g. CITB, Construction Hub), skills and training providers, JobCentre Plus	ESF and existing funding Lancashire wide initiatives	SPW1a
Develop an industry approved training programme which supports adults/older workers to move into the sector	Skills and training providers	Employers, sector representatives (e.g. CITB), Lancashire Skills Hub	ESF and existing funding Lancashire wide initiatives	SPW4a

		Construction Hub), JobCentre Plus		
Prepare a brief and commission research to explore opportunities for Lancashire to capture a wider share of construction related activity, for example consideration of opportunities for local businesses to play an active role in the manufacture of building materials, how supply chains can support new product development. The research should identify both existing strengths to build on and opportunities for new specialisms to be established in the medium term	Lancashire County Council (on behalf of the City Deal partnership)	Brief to be developed with industry representatives and work to be overseen by an appropriately skilled steering group	New funding required City Deal initiated Lancashire wide action	IA1a

Strategic Objective 3: Work with the construction industry, using procurement processes where appropriate, to increase training and employment opportunities for young people and older workers and increase social value				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Prepare a formal Social Value policy to be included in all procurement packs that clearly states overall ambitions for City Deal investments, the form of benefits that will be preferred (e.g. offer of apprenticeships, employment opportunities for Lancashire residents, priority groups, allowance for school visits) and how agreements will be enforced	Lancashire County Council procurement team	To be developed in consultation with City Deal staff, a sample of employers and sector representatives through the Construction Club and other local authority economic development and planning contacts to ensure ambition yet realism	Funding required City Deal focussed	IW1e
Require a Skills and Employment Plan to be prepared for all City Deal commissioned construction contracts that clearly outlines the contractor's commitment to delivering social value, including through training and employment activity, and sets out how achievements will be evidenced through the Lancashire Skills Pledge	Lancashire County Council procurement team	To be progressed in consultation with City Deal staff and a sample of employers and sector representatives, including through the Construction Club	Existing resources City Deal focussed	SPW3b
Develop a monitoring framework that allows social value gained through individual contracts to be consistently gathered and aggregated to show the return secured on City Deal investments over time through a social value toolkit and associated performance metrics	City Deal team	Preston City Council, South Ribble Borough Council	Existing resource City Deal Team	IW1e
Existing sector groups (e.g. the new Construction Club for Central Lancashire and the East Lancashire Chamber of Commerce Construction Alliance) to encourage construction businesses to work with local schools and colleges to promote careers in construction and support work experience placements	Construction Club for Central Lancashire to initiate	Schools, colleges, construction businesses	New funding required City Deal initiated Lancashire wide action	FW2b
Develop employer engagement channels (for construction as part of a wider initiative for Lancashire) to ensure up to date intelligence is secured from businesses to	Lancashire Skills Hub	Lancashire business base, schools, colleges, training providers	ESF and existing funding City Deal initiated Lancashire wide action	la1a

inform future education and training provision and IAG activity (potentially through new Curriculum Advisory Panels)				
Skills and employability support providers (such as Lancashire Skills Support for the Workforce and Work Programme prime contractors) to continue to work with partners to ensure a good understanding of the sector's skills needs is established to ensure the potential workforce (including older workers and those exploring new career opportunities) is job ready	Support service providers	Priorities to be identified through consultation with businesses	Existing resource City Deal initiated Lancashire wide action	SPW4a
Once live, promote the proposed 'Lancashire Skills Pledge' amongst construction businesses, working to an agreed take-up target and promoting links to wider actions (e.g. use of apprenticeships)	Lancashire Skills Hub	Local employers, local authority economic development and planning teams	New funding required City Deal initiated Lancashire wide action	SPW3b
Work with apprenticeship providers to agree target engagement levels for the construction sector to ensure sufficient provision is available to support sector needs and active steps are taken to engage both learners and employers to achieve the targets year on year	Lancashire Skills Hub	Apprenticeship providers, schools, employers	New funding required City Deal initiated Lancashire wide action	SPW1b

Strategic Objective 4: Develop a skills, training and recruitment support package for employers taking up business space on City Deal linked priority sites and premises, including Preston City Centre, the Enterprise Zone and Cuerden as the major centres for new inward investment				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Establish and publicise an agreed point of contact for skills and employment matters associated with incoming and growing businesses in the City Deal area to ensure consistency of messages and coordination of resulting skills planning and delivery	City Deal team	Contact point to be communicated to a wide range of partners Local authorities through inward investment/investor development activity	New funding required City Deal Team	N/A
Produce a development prospectus that sets out the ambition for City Deal sites, including consideration of the scale and quality of space to be created and the sectors/types of business to be attracted to help generate interest amongst incoming and expanding businesses. This should be based on up to date local authority Employment Land Study assessments	City Deal team	Lancashire County Council marketing team produced in partnership with local authority marketing teams and to be distributed through partners	New funding required City Deal Team	N/A
Create initial information packs (tailored by site and sector) to be hosted on the City Deal website and issued to interested parties with details of the recruitment and skills offer as well as strengths in the education and training provision and existing workforce available to incoming and expanding businesses, with clear points of contact for further information identified	Lancashire Skills Hub	Lancashire County Council, Preston City Council, South Ribble Borough Council	New funding required City Deal Team action	IW3a
Deliver tailored pre-employment training support that responds to the specific requirements of incoming businesses and helps local people to benefit from the employment opportunities being created	Lancashire Skills Hub to initiate	Lancashire Work Clubs, JobCentre Plus, Work Programme prime contractors, local authorities and Central Lancashire Employment Taskforce	ESF and existing funding City Deal initiated	IW3a
Enhance support available to new and expanding businesses to develop workforce training plans that can be supported by current education and training provision and help to inform employer responsive future	Lancashire Skills Hub to initiate	Employers, schools, FE, HE and training providers	New funding required City Deal initiated Lancashire wide action	FW3a

provision				
Encourage occupiers of City Deal supported sites to sign the Lancashire Skills Pledge to demonstrate their commitment to continual investment in their workforce	Lancashire Skills Hub	Local employers and local authorities through inward investment, investor development and planning activities	Existing resources City Deal Team action	SPW3b

6 Arrangements to Support City Deal Delivery

A Committed Team and Partnership

6.1 Delivering the core strategy of new commercial and residential development will require a long term commitment by senior partners and developers. The success of the infrastructure investment and the scale and pace of new development will be critical to employment growth.

6.2 At the same time, a major commitment by a considerable number of other local partners and front line staff will be required to support company and employment growth. Successful delivery will require:

- Collaborative working to ensure that employment and skills activity is coordinated across providers to make the best use of available resources at a time of high demand.
- Engagement with the majority of employers from a range of sectors and of varied sizes, and a system to keep up to date with employers' requirements.
- Sufficient flexibility for education and training provision to respond to local and changing needs as the economy develops.
- A culture of regularly reviewing progress to reflect on achievements and identify priority topics for future intervention.

6.3 The actions outlined in the previous section will ensure that these foundations are set as early as possible.

6.4 Whilst all partners have a clear desire to ensure that skills and employment considerations are integrated into the delivery of City Deal activity, at present that is limited clarity about the resources available to support this. Although significant resources have been secured to deliver construction works, funding arrangements for staffing and coordinating wider activity, such as employment and skills considerations, remain limited.

6.5 The core City Deal partners (Lancashire, Preston and South Ribble Councils and the Lancashire Local Enterprise Partnership) need to finalise resourcing arrangements as quickly as possible to take account of:

- Existing resources, including their scale, nature (including whether funding or staff time) and flexibility
- The scale and nature of resource required to deliver all of the actions outlined in the previous section

- Identified gaps in capacity and skills once the two points above have been considered together
- The potential funding sources available to support delivery, both of individual actions and for the underpinning delivery resources needed to initiate and oversee coordinated activity

6.6 Based on an assessment built through this commission, resources will be required in the following areas as a minimum:

Requirement	Rationale
A developer and company central contact point	To ensure that interested parties know where to go to access information and that enquiries are handled in a consistent way, including in the material that is shared and onward referral routes where necessary
Marketing	Create an outward facing identity for City Deal that helps to build awareness of proposed activity and the role it will play in underpinning economic growth across Lancashire. Materials will need to be developed for a range of audiences, including residents, investors, occupiers and contractors
Investor and occupier engagement	Generate awareness and test interest in medium term investment opportunities to ensure that development sites are taken forward once infrastructure is in place and that the types of eventual uses envisaged as part of City Deal planning and the wider SEP are captured on completed sites. This will require emphasising the scale of the opportunity and the assets that are available to support growth (including strengthened infrastructure, existing employment specialisms and the offer of a skilled workforce)
Employer and training provider liaison	To support greater understanding of employer workforce demands including scale and specific skills requirements. This will help to ensure that provision is responsive and that potential employees also understand skills requirements and career paths into and through the employment opportunities to be created

Financing and Delivering City Deal Skills Actions

6.7 City Deal is a capital programme focused on realising employment and residential land which supports employment growth. There is no dedicated source of funding to provide skills initiatives linked to the workforce required to support company growth.

6.8 The Lancashire LEP has however considerable influence over skills investment and has developed a Lancashire wide Skills Plan, directed by the LEP Skills Board, with a number of sector plans recently published, after detailed research and consultation. The LEP has a major influence over ESF funding for skills, although agencies such as DWP and the Skills Funding Agency are closely involved in delivery.

6.9 There is a delivery challenge to ensure that LEP proposed skills initiatives fully impact on Preston and South Ribble companies and residents, and avoiding duplication of activities at the local level.

6.10 There are therefore three complementary aims for City Deal partners and local training providers. These are:

- To ensure Lancashire wide initiatives fully target Lancashire businesses and residents, particularly with regard to Priority sectors.
- To provide new training initiatives to address gaps in provision and activities.
- To monitor key skills metrics in Preston and South Ribble, including numbers of apprenticeship places and companies engaged with skills programmes.

6.11 These aims will help to ensure that priorities are pursued at an appropriate level and any shortfall in local provision linked to City Deal employment and workforce growth are fully addressed.

Securing Representation in Lancashire Wide Structures

6.12 A number of new skills structures are being established across Lancashire to take forward delivery of the Lancashire Skills and Employment Strategic Framework and the priority sector Skills Action Plans. The LEP Skills Board will have oversight of the Strategic Framework's delivery while Sector Development Groups are being established to take forward the sector skills plans.

6.13 As shown in Section 5, many of the City Deal's employment and skills ambitions will be delivered in the context of Lancashire wide activities. This approach ensures that resources are not unnecessarily duplicated and that a consistent approach to delivery is taken across Lancashire. Maintaining oversight and input to activity will however remain important.

6.14 Achieving this will require appropriate representation within Lancashire wide structures. It is recommended that early discussions are initiated through the Lancashire Skills Hub to agree how City Deal interests will be represented within the LEP Skills Board and Sector Development Groups with potential candidates to be identified to provide a City Deal perspective.

Monitoring Progress and Measuring Success

Proposed Metrics

6.15 The success of delivery of employment and skills plans will be measured in terms of early actions implemented and progress against a series of metrics. It is recommended that regular monitoring reports be provided on:

- The number of Preston and South Ribble companies involved in apprenticeships, including the number involved in higher level apprenticeships
- The number of Preston and South Ribble companies involved in Skills Hub supported initiatives
- The number of Preston and South Ribble companies involved in Priority Sector Skills Plan initiatives
- The number of Preston and South Ribble residents involved in apprenticeships, including the number involved in higher level apprenticeships
- The number of City Deal area/Lancashire residents securing work in the construction sector and in businesses accommodated on City Deal supported sites
- The number of City Deal area/Lancashire residents completing qualifications and taking up employment in priority sectors

- The number of apprenticeships supported each year in the construction and priority sectors.

6.16 Specific metrics may also be developed to assess performance against the achievement of individual actions outlined in the section above, for example to capture social value gains through construction activity and the number of employers and training providers engaged in regular communication.

Baseline

6.17 In order to assess progress, City Deal partners need to understand the area's current baseline against the key metrics, such as the numbers of apprenticeships and companies involved in business and skills programmes. While some of the data may not be immediately available, the City Deal secretariat should establish an initial baseline for as many of the key indicators as possible.

Monitoring

6.18 To support monitoring against the baseline, Lancashire wide initiatives will need to be obliged to breakdown achievements by local authority area that can in turn be aggregated up to the City Deal area. Early discussions will be required to facilitate this and allow the City Deal area's share of engagement and achievements to be demonstrated.

6.19 Delivering the strategy will require a successful inward investment effort to take up the new business space which the infrastructure projects will facilitate over the next ten years. Maintaining a record of both the activities completed and successes as a result will be an important consideration, including records of marketing activity undertaken, direct company approaches made, the number of businesses moving into the City Deal area and the scale of employment secured as a result.