

# Public Document Pack



22<sup>nd</sup> February 2021

To: Members of the SCR - Education, Skills and Employability Board and Appropriate Officers

You are hereby invited to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Virtual Meeting or 11 Broad Street West, Sheffield, S1 2BQ**, on: **Tuesday, 2 March 2021 at 1.00 pm** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read 'D. Smith'.

Dr Dave Smith  
**Chief Executive**



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## Member Distribution

Councillor Sir Steve Houghton CBE (Co-Chair)	Barnsley MBC
Nigel Brewster (Co-Chair)	Private Sector
Councillor Nuala Fennelly	Doncaster MBC
Councillor Abtisam Mohamed	Sheffield City Council
Councillor Denise Lelliott	Rotherham MBC
Councillor Tim Cheetham	Barnsley MBC
Professor Chris Husbands	Private Sector
Kate Josephs	Sheffield CC
Helen Kemp	MCA Executive Team

## SCR - Education, Skills and Employability Board

Tuesday, 2 March 2021 at 1.00 pm

Venue: Virtual Meeting or 11 Broad Street West, Sheffield, S1 2BQ



### Agenda

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**Date of next meeting:** Tuesday, 15 June 2021 at 1.00 pm  
**At:** TBC

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**SCR - EDUCATION, SKILLS AND EMPLOYABILITY BOARD****MINUTES OF THE MEETING HELD ON:****TUESDAY, 5 JANUARY 2021 AT 1.00 PM****VIRTUAL MEETING****Present:**

Councillor Sir Steve Houghton CBE (Co-Chair)	Barnsley MBC
Nigel Brewster (Co-Chair)	Private Sector
Councillor Nuala Fennelly	Doncaster MBC
Councillor Abtisam Mohamed	Sheffield City Council
Councillor Denise Lelliott	Rotherham MBC
Councillor Tim Cheetham	Barnsley MBC
Professor Chris Husbands	Vice-Chancellor Sheffield Hallam University
Dr Dave Smith	MCA Executive Team
John Macilwraith	Sheffield City Council

**In Attendance:**

Helen Kemp	Director of Business & Skills	MCA Executive Team
Helen George	Assistant Director - Skills & Employment	MCA Executive Team
Rob Harvey	Senior Programme Manager	MCA Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	MCA Executive Team
Sue Sykes	Assistant Director - Programme and Performance Unit	MCA Executive Team
Annie Buckley	Press and Communications Officer	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Daniel Wright	Head of Communications & Marketing	MCA Executive Team
Claire James	Senior Governance & Compliance Manager	MCA Executive Team
Jacquie Chambers		Consultant
Angela Foulkes		Chair of Skills Advisory Network
Gillian Richards (Minute Taker)		

**Apologies:**

None

**1 Welcome and Apologies**

The Chair welcomed everyone to the meeting. Apologies were noted as above.

2        **Declarations of Interest by individual Members in relation to any item of business on the agenda**

None.

3        **Urgent items / Announcements**

None.

4        **Public Questions of Key Decisions**

None.

5        **Minutes from Last Meeting**

RESOLVED – That the minutes of the meeting of the Board held on 30<sup>th</sup> October 2020 be agreed as a true record.

RESOLVED – The Written Proceedure of the Board on 13<sup>th</sup> November 2020 be agreed as a true record.

6        **Matters Arising**

None.

7        **Skills Bank Next Steps**

A report was considered which set out proposals for next steps for the Skills Bank.

The Board was reminded that, when developed in 2014, the Skills Bank formed an integral part of the Growth Deal negotiated between the LEP and national government and the LEP were in receipt of 6 years of investment totalling £21.6m. In the 6 years of operation the Education and Skills Funding Agency (ESFA), rather than the MCA, had managed the programme.

The funding model agreed had enabled the creation of an Innovation and Capacity Pot to sustain the Skills Bank after the initial investment. The model was based on a defined set of principles and was aimed at stimulating private sector growth.

The Board discussed the validity of the original founding principles for the and agreed that they were still valid and well-focused and should continue to form the basis for the next stage of Skills Bank development.

Members felt in translating the principles into programme outcomes the area of social value and alignment to “good” employer behaviour was essential as a focus. As was the alignment with and compatibility to other LEP / MCA strategies. Officers were requested to ‘firm up’ the desired outcomes for the Skills Bank and bring back a paper to the next meeting of the Board. When the Principles and outcomes were agreed the Board could then consider the

Operating Model.

The Board was informed that the ESFA had agreed to a temporary extension, until June, of the Skills Bank with the current provider.

RESOLVED - That following discussions at today's meeting a paper on the desired outcomes to be delivered from the Skills Bank would be brought back to the next meeting of the Board.

## 8 **Skills Strategy Development – principles and approach**

A report was submitted which set out proposals for the development of a Skills and Employability Strategy. It sought agreement for a set of core principles and an overall approach that would inform the next phase of development.

The Board was reminded that residents and businesses across South Yorkshire faced education, skills and employability challenges which were the result of both long term trends and the short term impact of the pandemic.

Members had commissioned development of a strategy for skills that would allow the setting of short and long term priorities to address these issues in the context of the wider ambitions for economic growth as set out in the Strategic Economic Plan and the commitment to a stronger, greener and fairer future.

The Board discussed the Core Principles at length.

It was agreed that it was important that the strategy should be a South Yorkshire Strategy and not a South Yorkshire version of a national strategy.

Priorities should include schools, residents, business, wider partners and the voluntary sector and there should be consultation with these partners.

The Board agreed that although the strategy should acknowledge the needs of all age groups it should concentrate on the over 16s and adults. It was also acknowledged that low attainment in schools impacted on future achievements. Although the Board had no lever to address pre-16s it could work with DfE, local authorities and schools to address problems and discuss solutions.

It was agreed that it was important that the strategy was achievable and was aligned to other relevant strategies and policies.

It was noted that the timeline was important and that, although there was some urgency, it was vital that time was taken to ensure the policy was fit for purpose.

It was agreed that Skills Strategy development would be a standing item on the Board's agenda and that a proposed timeline would be presented at the next meeting of the Board.

RESOLVED – That the Board agree:

- i) The core principles for developing the Skills and Employability Strategy.

- ii) The priority themes for inclusion in the strategy.

## 9 **Renewal Action Plan (RAP): Update on the People Theme - Apprenticeship Training Agency**

A report was considered which sought Members' direction on proposals for taking forward the proposal for an enhanced Apprenticeship Hub or Apprentice Training Agency (ATA) for South Yorkshire.

Members were reminded that apprenticeship opportunities and completions had fallen across South Yorkshire in comparison with 2019 and at the October meeting of the Board Members had been supportive of the proposal to use Gainshare funding to develop a Hub or ATA to reverse the decline in apprenticeship take up and drive improved quality and completion rates.

The report detailed the options available:

- Hub – that could carry out promotional and support functions and could co-ordinate the use of levy transfer funding.
- Hub plus – with MCA investment in a matching service and offered a focus point for vacancy filling/recruitment.
- An ATA – with employers contributing to the cost of wages, but de-risked with the MCA as direct employer. The MCA would need to understand and accept the risks in employing apprentices and the resources/time needed to develop the business model.
- An ATA ILM – designed to get young people into apprenticeships as quickly as possible, but which was sustainable only as long as the MCA was prepared to fund wages and noting that this did carry a level of risk for both apprentices and employers.

The Board discussed the options at length including the barriers to employers taking on apprentices, public sector involvement, subsidised wage incentives for adults wishing to upskill, mixed models, risks, costs, capacity and the benefits of each model.

Members felt that there was not one fixed solution and that a flexible model was needed and requested officers to work on this and bring a report back to the next meeting.

RESOLVED – That officers work on a flexible model solution and bring a report back to the next meeting of the Board.

## 10 **AEB Update**

The Board was informed that the Adult Education Budget was now expected to be around £38.5m, an increase of £2.5m as a consequence of the Lifetime Skills Guarantee.

Progress had been made with the 3-year delivery plan and discussions were ongoing as to coping with the effects of Covid-19.

Procurement had gone live on 18<sup>th</sup> December 2020 and potential providers had to submit bids by 2<sup>nd</sup> February 2021. Evaluation of the bids would follow.

Members noted that, at present, the process was on track to commence delivery on 1<sup>st</sup> August 2021.

The Board discussed the importance of consultation between the MCA and local authorities to ensure that strategies in this area were aligned.

The Board also discussed the position of only allocating grants to South Yorkshire based providers and the use of sub-contractors. It was noted that sub-contracting arrangements could be supported in certain cases but the process would be carefully managed to ensure that it was effective.

The Chair thanked H George and R Harvey for the update.

## 11 **Working Win**

Members were reminded that at the October meeting of the Board it had been agreed to take up the opportunity of submitting a business case to secure additional funding from the Work and Health Unit (DWP/Dept. of Health) for the Working Win Programme.

Following the submission of an outline business case the WHU had advised of their intention to award the MCA c£3m.

The report detailed:

- The Programme Focus.
- The Service.
- Engagement with Health Services.
- Benefits and Outcomes.
- The Operating Model.

RESOLVED – That the Board endorse:

- i) Progression to the MCA Board the request to accept the Work and Health Unit c£3m grant funding for the Working Win Programme subject to due diligence on any conditions of award.
- ii) Entering into a Partnership Agreement with Sheffield Clinical Commissioning Group in order for the Working Win programme to be procured as an NHS contract, as stipulated by the Work and Health Unit on terms to be agreed by the Head of Paid Service.

## 12 **Any Other Business**

R Adams informed the Board that she had learned during the meeting that the ESFA would extend the contract with the current provider of the Skills Bank for

three months to the end of June 2021.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed .....

Name .....

Position .....

Date .....

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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**EDUCATION, SKILLS AND EMPLOYABILITY BOARD****02.03.2021****Skills Bank Next Steps****Purpose of Report**

This paper seeks approval for an extension and variation of an existing agreement with Calderdale College for an interim arrangement for the continuation of delivery of the current Skills Bank Programme until the new programme is fully developed and operational. The paper also seeks approval for delegated authority to be granted to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer to enter into legal agreement for the schemes

**Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme

**Recommendations**

Board members consider and approve:

1. Progression of an extension and variation to the existing agreement with Calderdale College for the continuation of Skills Bank;
2. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above

**1. Introduction**

- 1.1** On the 30<sup>th</sup> October 2020 the board agreed for interim arrangements to be explored to enable the current Skills Bank programme to continue until the new Skills Bank programme had been developed and implemented. Recent communications with the ESFA confirmed that, in recognition of the difficulties and delays caused by the pandemic, they were not able to extend their current contract beyond March 2021 for any funded delivery.
- 1.2** Work is underway to further develop the Skills Bank operating model to support a future programme, but this is unlikely to be ready for operation until early 2022. This paper outlines for Members the interim approach to maintain a Skills Bank service whilst the development and procurement work for the new programme is concluded. This will ensure a smooth transition is maintained.  
This paper seeks approval from members to go ahead with interim arrangements as proposed until the new programme is fully developed and operational.

## 2. Proposal and justification

- 2.1 Skills Bank is currently delivered on behalf of the MCA by Calderdale College who were recruited through a full procurement exercise in 2018. They are contracted directly with the ESFA with a separate contract in place for the MCA element of the programme. A Memorandum of Understanding (MOU) is in operation between the MCA and Calderdale College which covers other aspects of the programme including skills brokerage and marketing.
- 2.2 As an interim arrangement it is proposed that the MCA issue an extension to this MOU to allow Calderdale College to continue delivery of the Skills Bank until the development, governance and procurement of the new programme is complete.
- 2.2 The current Skills Bank programme has been in operation since early 2019 and is currently performing well against its contracted outputs. Despite the difficulties experienced from the Covid-19 pandemic demand remains high with over 350 businesses and 895 learners supported so far this year from 399 approved Skills deals.
- 2.3 At the time of writing a further 22 employer applications are in appraisal and over 1300 learners approved for training to add to the 895 already supported. So far this year (20/21) £809,613.84 has been invested in training support from Skills Bank funds along with £393,604.36 employer contributions and we are on track to fully achieve programme outputs. Pipeline activity means we also have the potential to considerably overachieve on learner starts.
- 2.4 The proposed interim arrangement, aligned to the original principles and operating model agreed by the LEP via an extension to the current Memorandum of Understanding will ensure there is no gap in support for businesses
- 2.5 The interim model would require a maximum investment of £785,000 leaving a further £1,515,000 to support the future Skills Bank programme.

## 3. Consideration of alternative approaches

- 3.1 **Do Nothing** – without an interim programme the Skills Bank would cease to operate from 1 April 2021 leaving local businesses without access to training in support of business growth. With the country still in lockdown as a result of the Covid-19 pandemic there is even more need for businesses to look at the skills they have and will need in order to survive and grow once the pandemic is under control. Evidence supporting the priorities of both the Renewal Action Plan and the Strategic Economic Plan, the economic shock as a result of COVID and the impending issues for businesses following BREXIT provide an overwhelming case to continue to maintain support for businesses and their workforces to secure growth.

If the Skills Bank programme were to close at the end of March this would leave many businesses without the support needed to upskill their workforce which, for some, is critical in planning for future growth whilst surviving this difficult period.

- 3.2 **Do More** – The option of doing more for the interim period is unviable given the timescales, changes to the programme are being considered as part of the development of the next programme and will be designed into the new delivery model.

## 4. Implications

### 4.1 Financial

The Skills Bank Reserve held by the Skills Bank Operator is £2,134,833 and with activity is anticipated grow to £2,300,000 by June 2021. The interim model would require a maximum investment of £785,000 leaving a further £1,515,000 to support the future Skills Bank programme. In addition to this investment would be the MCA costs for programme management and admin of the programme which will be taken from a separate reserve budget.

### 4.2 Legal

The proposed value of the interim arrangement negates the need to undertake a full OJEU procurement exercise.

### 4.3 Risk Management

Without an interim arrangement there are some high-level strategic risk areas that the continuation of the offer seeks to mitigate are:

- Reliance on the national mainstream offer, is insufficiently flexible and fails to provide an offer to businesses to support their growth ambitions;
- The implications of Brexit and COVID, raise demand for business support to support business diversification, resulting in increasing demand for bespoke support for workforce development, which would not be met without the Skills Bank offer
- Current pipeline activity is high, and development of Skills Bank applications varies in timescales dependent on the complexity of the deal and availability of business resource. Any changes to the Skills Bank programme need to be communicated well in advance to avoid businesses spending valuable time on applications which will not be processed if the programme has to close.

### 4.4 Equality, Diversity and Social Inclusion

The Skills Bank is not designed as an approach to improving social inclusion, in the same way that this features in the devolved AEB programme, however data is monitored and reported upon and will continue for the duration of this interim programme.

## 5. Communications

- 5.1 Immediate communication requirements relate to the continuation of the service post March, a timely decision on interim arrangements will ensure we are able to communicate with stakeholders, and specifically with the local business community, that the programme will remain open.

## 6. Appendices/Annexes

- 6.1 N/A

<b>REPORT AUTHOR</b>	<b>Sue Sykes</b>
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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**EDUCATION, SKILLS AND EMPLOYMENT THEMATIC BOARD**

**02 March 2021**

**Skills Bank – Future Options**

**Purpose of Report**

This discussion paper seeks members' direction on proposals for incorporating social value and alignment to 'good' employer behaviour into the outcomes of the future regional Skills Bank programme. It seeks agreement to the development of a specification for the future programme which takes account of the agreed options.

**Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme. This paper may be released under a Freedom of Information request.

**Recommendations**

That the Board

1. Discuss the social value and 'good' employer behaviour options for the Skills Bank and
2. Agree to a specification being developed which includes agreed economic and social value outcomes.
3. Agree the operating model as presented

**1. Introduction**

- 1.1** At the January Education, Skills and Employability Board members agreed that the original founding principles for the Skills Bank programme were still valid and well-focused and should continue to form the basis for the next stage of Skills Bank development. However, members felt that in translating the principles into programme outcomes the area of social value and alignment to "good" employer behaviour needed to be refined and be aligned with the Strategic Economic Plan (SEP), the Renewal Action Plan (RAP) and other LEP / MCA strategies. Officers were requested to 'firm up' the desired outcomes for the Skills Bank and bring back a paper to the next meeting of the Board.
- 1.2** The current Skills Bank programme, contracted by the ESFA, gives us few opportunities to use programme outputs to give different shape to the programme; the only outputs measured are those that were included in the original specification and are restricted to individual learner starts and referrals to other forms of support, such as apprenticeships or the Skills Support for the Workforce programme. These targets are 'easy to count' measures, but neither actually measures the impact of training on either the learner or the employer. They do not give a true picture of activity and aren't a good demonstration of the added value of the programme.

- 1.3** This paper considers the potential options and practicalities for building a more robust set of measures into the future spec for the programme, including both economic and social value outcomes of the future Skills Bank programme. Approval by members will allow us to start work on the detailed specification.

## **2. Proposal and justification**

### **2.1 Consideration of future options**

The MCA Executive team have always required the Managing Agent (currently Calderdale College) to track and record additional Management Information over and above that contracted by the ESFA, such as sectors supported, location and type of training undertaken and our recent commissioning of the evaluation of the Skills Bank phase 2 will look at business and regional growth measures. This new programme brings an opportunity for us to introduce more sophisticated and meaningful measures from the very start of delivery.

- 2.1.1** As we develop the specification for procurement of the delivery of the new programme we can focus on the real added value to ensure the programme supports the aims of the SEP/RAP and that we gain a true insight into the impact and benefits for both businesses, individual learners and the region as a whole.

- 2.1.2** In the current programme the potential to do differential deals with businesses linked to the social value and public return was built into the model but covered only two areas of raising aspirations and supporting local supply chains. This arrangement, however, only impacted on the level of intervention offered to a business but did not require recipients themselves to increase or introduce new social value activity. There is, therefore, the opportunity and potential for this to be increased and expanded in the future programme

- 2.1.3** Whilst it would be simple to replicate the current model it will not go far enough in aligning with the SEP/RAP to strengthen the focus on economic outcomes and also build a robust link to improving social value as required by the Board at the last meeting.

### **2.2 Proposal**

A broader range of programme outputs will allow us to measure and recognise the full impact of the programme and ensure the programme supports achievement of SEP/RAP outcomes. Introducing a themed approach will broaden the focus on individual project applications and help to support the stronger, greener and fairer aims of the RAP across the following areas:

- Economic
  - Business Benefits
  - Regional Benefits
  - Individual Benefits
- Social Value

- 2.2.1** This approach expands the current model with a range of potential programme outcomes being linked to each of the areas above. With the MCA in direct control through priority setting and performance management of the operator's contract these outcomes can be refined over the lifetime of the programme and used to further target activity where gaps are identified or where new priorities evolve. This would also allow additional reporting measures which would allow for early identification of, and response to, any changes/issues.

### **2.3 Economic**

Economic Business benefits would cover growth indicators such as creation of new jobs including the creation of higher value jobs, increase in productivity, development of new products and/or services and increasing competitiveness. These would feed into the

potential economic benefits for the region and support an increase in GVA/GDP, increased proportion of the population educated at higher levels, more higher value jobs, increasing skills levels and support additional inward investment.

- 2.3.1** Individual economic benefits would cover learner starts as in the previous programme but expanding individual outcomes would help to demonstrate how learning fits with our priorities, e.g. supporting growth sectors, and ensure a more robust and transparent way of reporting the impact of the programme. Measuring completions not just starts would also allow us to better monitor the performance of individual training providers and make adjustments for poor/high performers. Such measures could include the measurement of progressions into new roles, new jobs, apprenticeships and/or further education along with the more traditional learner starts and learning/qualifications gained.

## **2.4 Social Value**

The introduction of Social Value measures from the early stages of programme development right through to programme delivery and monitoring would complete the picture, much of this would be a key part of Skills Deals offered to employer applicants and cover both contracted and voluntary outputs. Social Value covers such a wide range of topics it would be useful to break these down into a number of thematic groups each with its own list of potential outcomes. The appraisal and approval process could then incorporate an employer commitment to one or more activities which link to the intervention rate and subsequent level of support offered to the applicant.

- 2.4.1** Further consideration could be given to the inclusion of social value options across the whole spectrum of the programme. This could include the requirement of the appointed Managing Agent and training providers to deliver Social Value benefits whilst they deliver the main element of their contract

- 2.5** The table at Appendix A sets out some examples of programme outputs broken down into the two areas discussed above with an indication of the impacts likely from each. This can be developed and refined during development of the specification to account for operational and monitoring requirements.

- 2.6 Do members agree with the proposals for development of an outcome strategy for the programme as outlined in the paper to be used as a specification for the next phase of the programme?**

## **2.7 Operating model**

The operating model was outlined in the paper presented to the January Board and is set out again at Appendix B. At the time members asked to see the development of programme outcomes before considering the operating model but in order to meet the necessary timescales to deliver the new programme we will need to come back to the June board with a specification which will include the proposed operating model. By then we may be able to take account of any findings from the early stages of the current evaluation of Skills Bank 2. We will also want to review if there are ways of saving money or of doing things more efficiently so welcome the views of the board.

## **2.8 Next steps in procurement**

The timeline for procurement is important, in the event of any slippage SCR could be without one of its key instruments to support local businesses and could incur some criticism and reputational damage. Subject to the views and advice from the Board the skills team will start work on the development of a specification for the new programmes.

The proposed next steps are summarised below:

- Paper including worked up procurement spec to be presented to the Education, Skills and Employability Board for 10<sup>th</sup> June;
- Paper to be presented to the LEP Board seeking approval to proceed with procurement for 1<sup>st</sup> July;
- Paper to be presented to the MCA to seek approval to proceed with procurement for 26<sup>th</sup> July.

**2.9** This timescale would allow for the procurement exercise to commence in August which would allow a 5-month window to implement, conclude and resolve any issues with the procurement exercise and would mitigate potential adverse impact from the cessation of the interim programme and should cover any lead in/implementation time for the new contract holder and avoid a shortfall in support available to local businesses.

### **3. Consideration of alternative approaches**

**3.1** The approach set out in this paper can be further developed and flexed in line with members views.

### **4. Implications**

#### **4.1 Financial**

It is planned for the programme to be funded from the Skills Bank Capacity and Innovation Fund which has been built up during delivery of the two previous Skills Bank programmes. The current value of the SCIF held by SCR is £5.084m with an additional £1.515m forecast from the current managing agent by June 2021. Total of £6.599m

#### **4.2 Legal**

No legal implications at this stage as this paper is seeking members views on next steps only. A full procurement exercise will be required to secure delivery of the agreed programme.

#### **4.3 Risk Management**

A full risk plan will be developed as part of project planning and during the specification development phase.

The main risk of the programme is a delay to programme start, we need to ensure it is ready for delivery as soon as the current/interim programme comes to an end.

#### **4.4 Equality, Diversity and Social Inclusion**

Monitoring of all data on take up and beneficiaries supported will be a contractual requirement of the Managing Agent upon completion of the procurement exercise and award of contract.

### **5. Communications**

**5.1** A detailed communications plan will be developed by SCR in partnership with the successful Managing Agent during the implementation phase.

### **6. Appendices/Annexes**

**6.1** Appendix A: Table of Programme Outcomes

**REPORT AUTHOR  
POST**

**Helen George  
Assistant Director, Education, Skills and Employability**  
Officer responsible Helen Kemp

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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Skills Bank Added Value Outcomes

Economic Outcomes

Thematic Area	Potential Programme Outcomes	Economic Value for Individuals	Economic Value Business	Economic Value Region
Increase in Jobs	New jobs created/increase in staffing	Supporting local communities/vibrant communities % of jobs available in disadvantaged areas	Supporting growth	Supporting SEP/RAP targets/improved employment rates/increasing spend Additional jobs for region/more people in work/reduced reliance on benefits
	High value Job Creation	Community reputation/more attractive community	Supporting growth and reputation	Supporting SEP/RAP targets/improved employment rates/increasing spend Higher skilled local workforce
	New jobs in Growth Sectors	Job career change opportunities	Wider Supply Chain	Higher productivity/increasing jobs/higher level jobs
Increase in Productivity	Increase in GVA / productivity measure	Potential for increased pay	Thriving economy, business growth opportunities	Higher productivity Supporting SEP/RAP targets/ reputation improvement/additional business/more output
	Development of new products/services	Increased skill levels/employability	Increasing markets/wider range of product offering/supporting growth/increasing customers	More resilient business base/creation of new jobs
	Increase in turnover	Additional business creates additional jobs	Supports business growth	Supporting SEP/RAP targets/ reputation improvement/additional business/more output
	Accessing new markets	Encouraging entrepreneurial skills	Reducing reliance on fewer markets/improving business resilience	More resilient business base/creation of new jobs
	Use of/Introduction of new/digital technology	Increased skill levels/employability	Improve efficiency and productivity/ability to compete better	Supporting SEP/RAP targets/improved employment rates/increasing spend
Increase in Skills	Training started	Improved self-esteem/confidence	Employer of choice	
	Training completed/new qualifications gained	Improved self-esteem/confidence/improved employability	Higher skilled workforce/increased productivity/additional output/more business	Increased skill levels across the region, fills technical skills gaps
	Progression – into new role/apprenticeship/Further and Higher Education	Improved self-esteem/confidence/improved employability	Improved reputation for supporting employees/attracting wider pool of staff/	Stable workforce Highly qualified workforce – enhanced reputation
	Individuals supported to achieve Higher Level skills/qualifications	Improved self-esteem/confidence/improved employability	Wider pool of potential employees	Wider pool of talent / supports inward investment Allow support through supply chain / collaboration Retention of talent within SY

## Social Outcomes

Thematic Area	Potential Programme Outcomes	Social Value	Economic Value Business	Economic Value Region
<b>Employment</b>	Employing Apprentices	More young people employed, increased skills	Increasing skill levels/ input into skills development/additional output/additional business	Higher skilled workforce
	Apprenticeship Levy – large companies sharing/SMEs tapping into	Increased CSR for large companies, promotes increase in number of SME's able to access apprenticeships	SMEs	More businesses taking on apprentices/Higher skilled workforce/increase in skills levels
	Living Wage/ National Minimum Wage	Higher income for individuals/improved self-worth/confidence/ wellbeing	Attract more employees, reputation as good employer, open up opportunities with larger companies	Increase local spending
	Equal Opportunities/ Gender Pay Gap / widening access – eg to women into engineering	Supporting local communities	Reputation, attract wider pool of employees	Higher disposable income/local spending
<b>Education/Training</b>	Offering work placements	Increasing knowledge and understanding of work, improving work ethic	Larger pool of people when recruiting	Increased skills levels/reducing unemployment/increased school leavers with higher employability
	Becoming an Enterprise Advisor	Working with school/young people/connecting with business	Increased reputation/additional connections/wider business activity	Future labour market better informed about careers / business
	Link with local school to offer work experience/visits/mentoring /support with careers education/curriculum development	Improving understanding of work, life skills/increased employability	Reputation/Relationships/ Networking/wider pool of employees	Reduced unemployment/higher skill levels/
	Become STEM ambassador	Raising aspirations	Bigger pool of future employees	Higher skill levels
<b>Environmental</b>	Decarbonisation	Better informed residents	Reputation, increased business	Better neighbourhoods
	Reduce energy consumption/waste/air pollution	Improved health and wellbeing/clean air/more desirable neighbourhoods	Reduced costs, increased profitability	Cleaner air/supports regional and national environmental targets/reputation/more attractive to inward investment
	Reducing carbon emissions	Improved health and wellbeing	Reduced costs, increased profitability	Supports regional and national environmental targets/reputation/more attractive to inward investment

	Support sustainable travel	Reduced air pollution, improved communities, more mobile workforce	Increased pool of employees/	Cleaner air/supports regional and national targets/environmental benefits
<b>Community</b>	Volunteering within community	Giving individuals a sense of purpose, increasing skills/improving confidence	Community focus/Improved reputation/valued staff	Motivated, aspiring workforce
	Supporting local community groups	Increased activity for local community	Community focus/Improved reputation/valued staff/Visible CSR	Business understanding of local labour market = influence
	Supporting green spaces	Improved local area	Increased visibility	Labour market of choice to attract high quality workforce
	Supporting/partnering with local VCSEs	Enhanced support for individuals	Improved Community presence/relationships	Labour market safety net increases resilience
<b>Supply Chain</b>	Increase use of local supply chain	Collaboration/local reputation	Wider supply chain network/reduced cost potential/increased business	Additional local business adds to local economy/regional job creation
	Skills support to suppliers	Collaboration/local reputation	Greater partnership working	Increased local networks/higher skilled employees
	Meet the buyer/supplier events	Collaboration/local reputation	Wider supply chain potential/reduced costs	Improving use of local supply chains/retaining business in the region
<b>Disability</b>	Disability Confident Employer	Supporting equality	More attractive employer	Contribution to increasing disability employment targets
	Employ residents with disabilities	Supporting individuals to maximise potential, increasing self esteem	Wider pool of employees	Increasing skills levels, contribution to increasing disability employment targets
	Support for disabled employees	Happier employees, raising awareness Improve health inequalities	Reputation as good employer/wider pool of employees	Diverse workforce Labour market of choice
<b>Health &amp; Wellbeing</b>	Supporting healthy eating at work/providing fresh fruit at work	Ensure healthy standard of living/prevention of ill health	Healthier workforce, less sickness absence, improved reputation/attract more employees	Reduced level of benefit payments
	Healthy workplace schemes	Raising education of health benefits	Healthier workforce, less sickness absence, improved reputation/attract more employees	Enhanced reputation
<b>Good people management</b>	lIP achievement Athena Swann (eg) Improved diversity Mentoring / coaching	Happier workplaces Inclusive Better mental health	Improved retention and recruitment Reduced sickness absence More effective in-house training Talent retention	Exemplar companies setting local good practice Enhanced reputation

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## Appendix B

# Skills Bank Operating Model

### **The Skills Bank Operator**

The operator of the Skills Bank is independent of the training delivery infrastructure. This was designed into the model following feedback that identified models integrating management of a programme alongside delivery had an increased potential for a business to be sold the training offer of the Managing agent. This was often at the expense of a more dispassionate impartial discussion and the building of a wider local training supply chain.

### **Independent brokerage**

The evaluation of the Skills Made Easy programme, developed as part of the City Deal received business feedback valuing an impartial service that not simply referred to the training offer of the programme but could have a wider discussion with businesses on other options including apprenticeship provision or mainstream AEB.

In the first procurement of Skills Bank the brokerage was integrated into the Managing Agent, this was changed in the second procurement where the brokers are an integral part of the business support offer through the Growth Hub. The primary role of the independent brokerage is as much about supporting a business access other national and regional offers including apprenticeships, AEB and Kickstart for example as it is about accessing the Skills Bank funding. The first phase model was perceived to perversely skew the operator to delivery of Skills Bank first deals as opposed to exploring with the business the other options including AEB and apprenticeships.

### **A locally based delivery training supply chain**

The model requires the Operator to develop a locally based training supply chain, made up of our colleges and Independent Training Providers complemented by regional or national providers where local provision does not exist, e.g. where specialist training is required. The stipulation of the Operator not being able to deliver training activity means they need to access and work with a breadth of suppliers to ensure the offers meet the specific requirements of businesses.

### **Marketing and Communications of the Skills Bank Service**

The marketing and communications activity in the first three years of the Skills Bank was managed directly by the Operator. In the second procurement this was brought in house within the MCA Executive function to be developed in conjunction with the Operator. This gives greater control the key messages about Skills Bank, and enables greater alignment with LEP, MCA and Growth Hub communications and campaigns. It provides the opportunity to flex communications to respond to specific business priorities as and when required.

### **Co-investment in deals linked to business growth**

Continuing on from the Skills Made Easy model, co-investment of the business with the training offer was hard wired into the Skills Bank model. A Skills Bank deal would be made where there was a credible and demonstrable business growth story and a requirement for training to realise this growth. This potentially could be a company with expansion plans leading to the creation of new jobs, the introduction of new technology, or access to new markets etc.

The requirement is for every business to make a contribution to their training deal. The extent of the co-investment made by the Skills Bank is determined by the perceived return to the economy of the co-investment. Once a deal has been secured the employer has the autonomy to select a training provider of their choice.

The employer co-investment in deals currently stands at £5.44m.

In response to the current issues facing businesses a number of agreed training offers have been made that have been fully funded to support business recovery.

### **Differential Deals**

Linked to the co-investment requirement the potential to do differential deals with businesses linked to the social value and public return was built into the model. This has been the hardest element to operationalise under the management of the ESFA. The operating principle for this was that the level of contribution to a deal made by the Skills Bank should be differentiated based upon the return on investment for the public purse.

As an example. Company A and Company B are both seeking a deal to train 5 middle managers. Company A during the negotiation of the deal with the Skills Bank agree to take on an apprentice and participate in providing work experience linked to a local school. Company B are unwilling or unable to take on apprenticeships and are not interested or able to support work experience. The potential return on investment of the management training to both businesses is broadly similar however the social value associated with the Company A deal is greater given the wider benefits for young people. The operating model allowed therefore for a higher contribution to be made to Company A than to Company B.

### **Three application routes to access a Skills Bank deal**

In recognition of the need for the Skills Bank to support businesses of all sizes, not simply those that had the size and internal training capacity to make an application, the operating model provided three routes to accessing a Skills Bank deal:

- A direct single business application,
- an aggregated demand application made on behalf of a group of businesses (usually for very small businesses who do not have the capacity to apply individually) or
- a training provider application where they can evidence, they are working with businesses with shared demand.

The application process was overhauled by the second Skills bank operator, taking this through a portal and fixing key KPIs for business responsiveness.

**Education, Skills and Employability Board**

**02.03.2021**

**Renewal Action Plan (RAP): Update on the People Theme – South Yorkshire Jobs Fund**

**Purpose of Report**

To set out how the Authority intends to take forward the proposal for a 'South Yorkshire Jobs Fund' (SYJF, referred to previously as Kickstart 25+) using Gainshare funding. Funding for the proposal was agreed in October 2020 as part of the £8.4m for activities under the RAP People Strand. At the informal Board on the 9<sup>th</sup> of February members asked officials to return with worked up proposals for an ILM working model for older worker building on discussion of the paper and a positive conversation with DWP.

**Thematic Priority**

Skills and Education

**Freedom of Information and Schedule 12A of the Local Government Act 1972**

The paper will be available under the Combined Authority Publication Scheme

**Recommendations**

That members:

- Confirm they are content with the proposed model for the programme
- Confirm they are content with the approach to an initial phase of the programme
- Confirm they agree with the core funding model for the programme
- Confirm they agree that we should accept the Flexible Support Funding offer from DWP and that the Authority should progress the detail and application with local authorities?
- Note the buy in and support offered from DWP for the programme
- Confirm whether they would like to sign off the TOR for the SYJF Steering Group
- Comment on whether we should use the South Yorkshire Jobs Fund working title or revert to 'South Yorkshire Works' as in the RAP.

**1. Introduction**

- 1.1 The Authority has committed £8.4m to delivery activities under the People Strand of the Renewal Action Plan. This includes funding for a Back to Work programme for residents aged 25+. At the informal Board meeting on the 9<sup>th</sup> of February, members gave a steer on the development of the programme and asked for more work to be done in time for the March Board. This paper sets out proposals for some pathfinder work based on further work since the February Board.

## 2. Proposal and justification

### 2.1 The Board's steer was to:

- Develop the programme as an Intermediate Labour Market model, drawing on the experience of current programmes but also considering the benefits of earlier programmes such as Future Jobs Fund;
- Preferably, avoid the title 'Kickstart 25+'. We are using South Yorkshire Jobs Fund (SYJF) as a working title;
- Clarify the role that the Authority will play bringing together partners to support development and delivery;
- Develop the proposal around a key cohort of residents aged 25+ who have been claiming Universal Credit benefits for 6 months and who are likely to be able to secure sustainable employment with some additional training and / or workplace experience;
- Approach the programme as an opportunity to address the structural problems of long term worklessness and low skills across the region;
- Focus the programme on sectors with employment growth to give as many people as possible the opportunity to secure sustainable employment.

There is a strong shared interest between partners across South Yorkshire to make the programme a success with an important role for local authorities and building on the positive discussions with DWP, backed up with an offer to support the programme.

### 2.2 Design Approach

#### 2.2.1 The Offer

The purpose of this programme is to give participants who have been out of work for 6 months the confidence, skills and sector-based work experience necessary to help them secure sustainable employment. The proposal fills a gap in DWP provision between offers for claimants at 13 weeks and Restart which will support those who have been unemployed or 12 months+.

The core of the offer is a job which gives the participant recent, relevant experience and up to date skills. As an employee, they would receive a wage, probably at the level of the National Living Wage, paid for through the Authority's Gainshare funding.

Around the core offer there are a number of proposed additional elements. Before starting the SYJF placement, participants will have an opportunity to take part in a Sector Work Academy Programme to test suitability with the employer. Participants will have the opportunity to address basic English, maths and digital skills where they fall below entitlement levels.

The aim of the programme is to get people into a sustainable job or apprenticeship either with the placement employer or with another in a growth employment sector, so participants will be offered support from the employer on completion of the work placement, with additional brokerage provided if help is needed to move to an alternative employer.

The key principles of any role will be that they are:

- paid employment – the intention is that the employment opportunities will come from both public and private sector organisation;
- real jobs – providing dignity of employment taking on roles with real responsibilities and subject to normal employment conditions;
- provide training which develop labour market employability skills (and this is planned into the role);

- employers support staff who are undertaking the training (that this is not on top of the day job);
- employers engage because they genuinely see the value of being able to provide staff with the opportunity to develop their own skills by training others, but also who see this as an opportunity to 'pay it forward' for the support many have received during the pandemic.

### **Are members content with the proposed programme offer?**

#### **2.2.2 Working with employers**

While many employers are under pressure as a result of the pandemic, there is evidence that in some sectors there are significant recruitment opportunities. In identifying businesses where there might be the appetite to run the SYJF programme we are planning to focus initially on a limited number of sectors where we know there are opportunities. In the warehousing and logistics sector we have Hermes planning to come into the area with the largest warehouse in Europe employing up to 1300 people and operating alongside existing firms such as Clipper and Amazon. Focusing on the sector, rather than individual employer growth should provide some flexibility across the programme and a greater chance of linking participants with genuine vacancies at the end of the programme.

These larger companies where we know there are likely to be vacancies are our entry point to discussions on SYJF. However, we can take the approach further with these companies to consider opportunities with the SMEs in their supply chain such as facilities management companies or, for example, the site clearance and construction companies that will be operating in preparing the site for Hermes.

In addition, DWP are confident that on the public sector side, there is evidence of significant retention potential in the health and care sector. The Authority and DWP are already working effectively with the NHS as a public partner across a number of agendas. Building on those existing partnerships, we would like to actively explore the potential the NHS to participate in the SYJF programme.

To avoid displacement of permanent jobs, it is important that SYJF roles are not roles into which the employer could recruit a permanent member of staff. This makes the NHS an attractive option for an employer to engage because much of the additional work they are carrying out is related to the pandemic and temporary, although NHS experience would put people in a good position to apply for permanent roles either in the NHS or have the skills required to secure a sustainable job elsewhere in the health and care sector, or in other admin or technical roles.

We will use existing routes to engage with employers on the SYJF, such as local authority employment and skills teams and DWP brokerage. The SYJF activity will add to the mix of programmes available to both residents and employers including traineeships, apprenticeships, Sector Work Academy Programmes, Kickstart and Restart and it will be critically important to promote the range of opportunities in a coordinated way. We will be working with local authority teams DWP and local employer representatives (eg Chambers) to develop plans to do this effectively.

### **Do members agree that this is right approach to an initial phase of the programme?**

### 2.2.3 Funding Model

Funding for the programme itself will cover:

- payment of wages based on National Living Wage (£8.91 from 1/4/21 plus 12% National Insurance=£9.98ph) for 30 hours pw over a 26 week period = unit cost of £7,784 (Income Tax not included)
- A part time option could be considered eg 16 hours per week over 26 weeks would have a unit cost of £3707.
- payment to employers for admins, support and in-house training = unit cost £1500.
- Total per head cost £9284 (or £5207 for 24 hrs)
- An initial cohort of 130 people would cost c£1.2m (30 hrs) £677k(16hrs).

It would be possible to pay a wage above the NLW and our initial proposals were for £11k across the 6 months of the programme. However, further work would be needed with DWP to assess the impact of a higher wage on Universal Credit payments. It is possible there would be some unintended consequences for people with families, mortgages as a result of a higher wage that may act as a disincentive to participation.

The proposed payment to employers is consistent with similar Covid recovery payments to employers for other programmes eg Kickstart 19-24 (£1,500) traineeship incentive (£1000) and Apprenticeships (£1500 for 25+).

In addition, funding from other sources would wrap around the programme to create a broad offer of support. This includes:

- Adult Education Budget funding to support delivery of suitable Sector Based Work Academy Programmes and ongoing literacy / language, numeracy and digital provision where required;
- AEB funding could also be accessed through additional low value procurement to provide short, sharp vocational or occupational training to residents on JCP benefits who have a job offer or need training to be able to compete for vacancies in the local labour market;
- DWP Flexible Support Fund – we have an opportunity to apply for a pre-approved pot of £515k funding to pay for work-coach brokerage and support based in local authorities to help people into work;
- Additional DWP support to remove barriers to work including CSCS cards, travel passes, clothing etc.
- Use of grants e.g. Fuller Working Lives Hubs.

**Do members agree with the core funding model for the programme?**

**Do members agree that we should accept the Flexible Support Funding offer from DWP and progress the detail and application with local authorities?**

### 2.3 **Wider Collaboration and support**

The steer from the informal board was for a blended approach to underpin design and delivery of the programme. To achieve this, we will work with colleagues from the Authority, DWP, local authorities, and business representatives including the Chambers of Commerce through a Steering Group set up for this purpose, but potentially with a longer-term role in relation to employment programmes.

**2.4** Building on Councillor Houghton's initial productive discussion with DWP we are continuing to work with them on the design of the programme and on additional resources to support

delivery. DWP have offered to work with their trusted partners e.g. NHS; Amazon: Clipper and others to help get a pathfinder phase of the programme underway.

DWP have also offered to provide the following:

### **Additional staffing resources**

Provide a full-time secondment at **leadership grade**, to act as liaison between the Authority and DWP who will

- work with the Authority, Chambers of Commerce and local authorities to develop and prepare for launch of the South Yorkshire Job Fund Programme.
- liaise with JCP internal and external stakeholders
- progress and monitor grant funding applications to support SY residents move closer/into work
- other ad hoc duties as required.

### **JCP Resources - Work Coaches**

DWP will provide and pay the full costs of dedicated Work Coaches reporting to the DWP secondee embedded in the Authority, with a commitment from DWP that the staffing resource will be flexible and could grow as the programmes scales up, up to approx. 4 full time JCP staff. The coaches will support residents by:

- using the Flexible Support Fund to remove barriers to starting work, e.g. Travel pass, clothing etc.
- providing six weekly, touch points with participants to offer advice and support, including bespoke intensive support six weeks prior to their vacancy ending providing Labour Market support e.g. match to suitable vacancies, update CV, application support, mock interview etc.
- identifying barriers, promoting and referring residents to suitable local or national DWP and other provision/support, to improve their chances of being able to take up Job fund roles
- job broking activity, matching suitable residents from their caseloads to vacancies
- supporting potential participants with a better off in work assessment and understanding of the impact on Universal Credit

### **Support from JCP Account Managers**

The JCP Account managers will on behalf of the SY Jobs Fund provide

- recruitment advice to employers
- cross working with the Authority and partners to support the identification, promotion of SYJF to suitable employers and attract good quality vacancies in growth sectors, and that use the training they receive enable to them to progress into sustainable jobs with good pay.
- work with employers and providers to identify and design suitable Sector Based Work Academy Programmes which will provide residents opportunities to access job fund vacancies.
- facilitate employer presentations to Work Coaches to promote their SY Job Fund vacancies.

## 2.5 Governance of the Programme

A Steering Group will be set up, with a clear Terms of Reference (ToR), setting out the Roles, Responsibilities and Accountability arrangements. Expected membership of the Steering Group will be:

- the Authority
- local authorities
- DWP local team
- Employer representation – eg Chambers of Commerce
- Training provider representative

**Do members want to review and comment on the final draft ToR?**

## 3. Consideration of alternative approaches

- 3.1 The Authority was not looking to duplicate provision, this is an ILM to sit alongside the national young people's Kickstart. There is no 25+ waged offer (other than an apprenticeship which is not a suitable option for these residents).

## 4. Implications

### 4.1 Financial

Use of £8.4m Gainshare funding as agreed to support RAP: People Strand activities shared with Apprenticeship interventions and Union Learning. Proposals in this paper are for an initial pathfinder test and learn model at a cost of between £781k and £1.27m (depending on hours worked) for 150 people.

### 4.2 Legal

This paper is seeking a view from members on points of principle and design only.

### 4.3 Risk Management

There is a risk that there will be no incentive to participate in the programme if there is no differential in income between SYJF jobs and Universal Credit. However, we would need to secure 'buy in' from DWP for payment of higher wages that would incentivise the programme and need to do more work to understand how Universal Credit might be impacted through SYJF wages.

### 4.4 Equality, Diversity and Social Inclusion

Enabling those who are unemployed to gain the skills needed to enter and progress in the workplace, reduces inequality and supports social mobility.

## 5. Communications

- 5.1 At the informal meeting, members proposed that we moved away from the title 'Kickstart 25+' to avoid connotations with the DWP programme for young people. The working title 'South Yorkshire Jobs Fund' has been used for this paper

**Members are invited to comment on whether they would prefer to revert to 'South Yorkshire Works' which was the title used for the People Strand in the RAP.**

## 6. Appendices/Annexes

- 6.1 N/A

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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**EDUCATION, SKILLS AND EMPLOYABILITY THEMATIC BOARD****02.03.2021****Support for Union Learning Fund Y&H****Purpose of Report**

To highlight to members the contribution that the Union Learning Fund has made to improving skills to date and the impact of the end of funding from April 2021. To seek approval for an offer of funding to TUC Yorkshire and Humber to support a project officer post to lead on the continuation of Union Learning Funded activity once national funding comes to an end on 31<sup>st</sup> March 2021.

**Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme

**Recommendations**

That the Board consider and agree:

1. The Union Learning fund has made a significant contribution to workplace learning and in particular to supporting those with low skills to achieve and progress.
2. Continued ULF style activity has the potential to add further value across South Yorkshire and contribute to the priorities identified in our SEP and RAP.
3. £170k proposal for funding for a project officer support post for 2 years from 1<sup>st</sup> April 2021 to allow South Yorkshire to continue to benefit from the capacity and expertise built up under ULF.

**1. Introduction**

- 1.1 The Union Learning Fund (ULF) was set up in 1998 to support trade unions to widen access to learning and training in workplaces. The fund supports workplace projects across England and is coordinated by the TUC.
- 1.2 Successive evaluations of ULF show it to have been particularly effective in reaching people in workplaces who are hardest to engage in learning and in supporting progression for people with very low skills levels. However, ULF plays an important role in helping people progress into apprenticeships and higher-level learning and in supporting employers find solutions to their skills challenges.
- 1.3 In late 2020, the Government announced that funding for ULF would cease from 31<sup>st</sup> March 2021. This will lead to a significant loss of capacity and expertise across South Yorkshire.
- 1.4 This paper recommends funding is provided by the Authority to the TUC to extend the ULF model and continue activity on a geographical basis.

## 2. Proposal and justification

- 2.1** Each year around 200,000 workers nationally have been supported into learning or training through ULF and TUC activities. These learners undertake all sorts of job-relevant and life changing learning and training, including basic literacy and numeracy, ICT skills, apprenticeships and traineeships, vocational training, continuing professional development and many other informal and formal courses.
- 2.2** At the heart of the model are union learning reps – trained workers who understand the workforce, the nature of the business and the skills gaps that exist. Union learning reps work with employers, their own union, unionlearn and with learning providers to broker access to relevant learning opportunities for workers in their workplaces. There are currently more than 44,000 union learning reps in England with 1600 in Yorkshire and the Humber and an estimated 700 in South Yorkshire.
- 2.3** Successive governments have evaluated ULF and there is good evidence of the success of the union learning model. For example, 37 per cent of union members regularly access workplace training compared to 22 per cent of non-members. Total training volumes are on average 19 per cent higher in unionised workplaces.
- 2.4** The 2018 evaluation of ULF clearly shows benefits to individuals, employers and to the Exchequer:
- Over two-thirds (68 per cent) of learners with no previous qualifications got a qualification.
  - 47 per cent of those with entry level or level 1 qualifications got a qualification at a higher level.
  - Four in five (80 per cent) said they had developed skills that they could transfer to a new job.
  - 53 per cent saw an increase in the number of employees gaining qualifications.
  - Over two-thirds (68 per cent) of employers said that unions could reach and inspire reluctant learners to engage in training.
  - For every £1 spent on the Union Learning Fund, there is a return of £12.30: £7.60 to the worker, £4.70 to the employer.
  - The return to the exchequer (through reduced spending on welfare benefits and other factors resulting from the boost to jobs and wages) is £3.57 for each £1 spent on the Union Learning Fund.
- 2.5** The success of union learning is attributed to the fact that union learning reps are trusted by their peers and by employers, and both employers and workers can see the benefits. Union learning activity is determined locally with reps working collaboratively with employers to identify solutions that respond to skills challenges that are directly relevant to the workplace and are tailored to the skills, progression and wellbeing needs of workers.
- 2.6** Last year, the Government announced that it intended to cease ULF activity from March 2021, absorbing the £12m annual ULF grant into the £2.5bn National Skills Fund. The stated expectation is that people in unionised workplaces won't be disadvantaged because they will be able to access the universal skills offer. However, given that ULF activity has been particularly successful in supporting those with very low skills levels and reaching people who are the hardest to engage in learning, the end of ULF will disproportionately affect these groups. The impact will affect workers across South Yorkshire at a time when upskilling and reskilling are critically important, especially for those seeking new jobs or retraining as current roles changes eg for the green economy as highlighted in the RAP.
- 2.7** In practical terms, the end of ULF will mean that 12 learning centres across South Yorkshire – established through collaboration between unions and employers working

together with the Union Learning Fund - will be left without support or resources. We risk losing significant skills capacity in workplaces and communities as the momentum to engage new union learning reps and provide direction and support for their activities comes to an end.

- 2.8** Discussions have taken place between MCA officials and TUC Yorkshire and Humberside about the feasibility of allocating some funding to support continuing ULF activity. Providing funding to support project officers will allow the TUC across South Yorkshire to maintain momentum in activity and deliver workplace training that will support our region's economic recovery and meet the needs of mayoral, business and union priorities. It will also ensure that we retain the expertise and capability of the ULR network, with support to navigate the skills system as it changes.
- 2.9** TUC officials propose that a project officer and support fund would cost an estimated £85,000 (£65,000 salary inc on-costs + £20,000 facilitation budget) annually, with an initial pilot programme proposed to run over 24 months. The TUC would offer to provide payroll and line management services as the employer.

**Do members support the proposal to support this project with the TUC when the ULF comes to an end?**

- 2.10** Devolved Adult Education Budget funding is not in scope for this programme given the primary aim of AEB to support learner participation rather than capacity building or co-ordination. However, £8.4m has already been agreed from Gainshare funding for skills and employment activity and it would be possible to use a small amount of that funding to support this project.
- 2.11** KPIs and impact measures would be agreed to help understand the impact of the programme and would provide the evidence base for future decisions about the programme. KPIs might include:
- No of workers engaged in learning and at what levels
  - No of qualifications achieved
  - No of progressions supported eg into apprenticeships
  - No of learners achieving / progressing by demographic
  - No of people progressing into new jobs where redundancy is a possibility
  - No of workplace learning programme established and type
  - Number of active Union Learning Reps / number trained

**Do members support these KPIs? Are there KPIs that are missing from this list?**

- 2.12** To root this project firmly in collaboration between the Authority and TUC, it is recommended that the £20k facilitation funding is made available on a match funding basis. This would ensure a collective responsibility for delivering the programme, helping to maintain interest from unions beyond the end of the national ULF. Initial discussions with TUC confirm that non-cash match through TUC education officer time plus funding for events, seminars and publicity materials is feasible.

**Do members support this approach to securing non-cash match for facilitation funding?**

- 2.13** The TUC are interested in supporting this activity across both South and West Yorkshire and have begun parallel discussions with West Yorkshire Combined Authority. Those discussions have not yet concluded but we are hopeful that we can develop and support a joint programme of work with a West Yorkshire contribution that either reduces ours or adds additional capacity.

- 2.14** Recommendation: Board members are requested to approve use of max £170k Gainshare funding for a TUC project officer to work with union learning representatives for a period of two years from 1<sup>st</sup> April 2021 when ULF comes to an end.
- 2.15** Agreement on this recommendation will allow us to press ahead with arrangements and allow a smooth transfer when ULF ceases. However, we will continue to work with West Yorkshire as they consider a contribution which may reduce the required amount from South Yorkshire. ULF activity will be linked to the geographical area making funding available.

### **3. Consideration of alternative approaches**

- 3.1** Do nothing and accept the consequences of closure of the Union Learning Fund and the loss of local capacity.
- 3.2** Fund as per the recommendations in this paper at a total cost of £170k over 2 years.

### **4. Implications**

#### **4.1 Financial**

The recommendation is to make £170k max available to the TUC for this project over a period of 2 years from 01/04/2021. Funding would come from the £8.4m agreed for RAP skills and employment activity.

#### **4.2 Legal**

Potentially a legal issue around the Union Learning Fund title as this was government terminology and the programme will have closed. An alternative title will be agreed with TUC.

#### **4.3 Risk Management**

Risks in the programme will be managed through

- a) Requiring TUC to identify match funding for the project facilitation element of project funding so ensure that the programme of activity is built on solid foundations of union engagement
- b) Setting KPIs for the project to ensure value and alignment with RAP priorities can be identified.

#### **4.4 Equality, Diversity and Social Inclusion**

ULF activity supports people among the most disadvantaged to access learning and progress.

### **5. Communications**

- 5.1** If members are supportive a communications plan will be developed with TUC. The Guardian ran a story on the closure of the ULF on 6<sup>th</sup> February so it is likely there will be interest in MCAs supporting the model going forward. This would also be a good news story in terms of continuing valuable support in line with RAP ambitions.

### **6. Appendices/Annexes**

- 6.1** N/A

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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**EDUCATION, SKILLS AND EMPLOYABILITY THEMATIC BOARD**
**02.03.2021**
**Skills Advisory Network Workplan**
**Purpose of Report**

To update the Board on progress with establishing the Skills Advisory Network and progress against the 2020-21 workplan. To give the Board an opportunity to consider the role of the SAN in the light of the Authority's priorities and to approve a proposed programme of work for 2021-22.

**Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme

**Recommendations**

- That the Board approves additional memberships of the SAN with representation sought from:
  - Careers and Enterprise Hub
  - HEI with sufficient skills knowledge and understanding at regional level
- That the Board notes progress on the current plan of work, including the Local Skills Report
- That the Board endorses the proposed future workplan and supports the SAN in commencing work in earnest.

**1. Introduction**

- 1.1** The South Yorkshire Skills Advisory Network is a local partnership that brings together skills providers and local employers to ensure that SCR has sufficient knowledge and understanding of current and future skills and labour market needs. The SAN provides an opportunity for partnership working that includes oversight of both immediate needs and challenges and to take oversight of any potential future challenges.
- 1.2** The establishment of robust partnership working through the SAN is intended to support the LEP and MCA in analysing local skills and labour markets to better understand the current position; to recommend local skills needs priorities in the short-term and into the longer-term and to propose how that provision might be met for consideration.

**2. Proposal and justification**
**2.1 Structure and Governance**

- 2.1.1** Membership of the SY SAN reflects the geography of the region and includes representation from a range of skills providers, employers, employer

representative bodies, the voluntary and community sector and other local stakeholders.

**2.1.2** As the SAN is becoming more established it now has a good level of knowledge and expertise to oversee labour market analysis, to advise on effective local strategies and to advise and assist in the implementation of effective local funding, investment and delivery decisions. However, there are still some gaps that we would like to fill including inviting representation on careers and from Higher Education. Currently the SAN comprises of representatives as follows:

- Sheffield City Region Provider Network
- Voluntary & Community organisations
- Schools & Colleges
- Chambers of Commerce
- ESFA
- Federation of Small Businesses
- Job Centre Plus
- Local Authorities

**Are members content for the SAN to seek representation on careers and from Higher Education?**

**2.1.3** The Chair of the SAN is Angela Foulkes, a member of the LEP Board and the Chief Executive and Principal of The Sheffield College, the chair's term is two years.

**2.2 Purpose**

**2.2.1** The key focus of the SAN is to advise the ESE Board as follows:

- Provide skills advice to the ESE Board through engaging with employers and providers
- Develop a clear understanding of current and future local skills needs and the local labour market by:
  - o producing robust evidence-based skills and labour market analysis which clearly identifies existing local skills and employment challenges, and identifies key areas of future needs relating to projected local employment growth areas
  - o developing a sophisticated understanding of both the local labour market and skills provision in the local area, the extent to which labour mobility within, or into, a local economy can address skills needs, and the projected gaps between skills needs and skills provision
  - o building knowledge of the range of both local, regional and national employment provision that exists or is planned
  - o presenting the analysis at board level and sharing it with the wider employer and provider communities to ensure that their perspective on the local labour market and local employment and skills system is reflected in the prioritisation the board takes forward

co-ordinate views and initiatives from local skills providers to ensure that plans are relevant, targeted and inclusive

**2.3** In December 2020 the Department for education confirmed that funding of £75k would be made available to the Authority to deliver an initial package of work based on proposals put together by MCA officials.  
The following items were agreed with DfE as a work programme relating to the £75k funding and to be delivered between March – May 2021:

**2.3.1** Local Skills Report

(£35k) Due: 31<sup>st</sup> March

The Local Skills Report will provide a clear and consistent view of local skills across SCR. The LSR will enable the SAN to better engage with and influence support for the SCR skills agenda. It is intended to bring together information relating to skills across the region and to enable visibility in such a way that it can be compared to other areas given that the DfE has commissioned LSRs from all MCA/LEP areas.

The LSR is intended to be a holistic document, bringing together work on skills into one document which, following approval by the Chair of the SAN, is published on the MCA/LEP website by 31 March 2021.

The MCA has commissioned consultancy support to produce a draft report for SAN Board overview on 17<sup>th</sup> March with the intent of publishing per the deadline.

**2.3.2** Intelligence Hub - Development of skills pages including sector dialogues

(£25k) Due: 31<sup>st</sup> March

In order to facilitate robust underpinning data which will contribute to the SAN Board's ability to analyse and use data to advise on next steps, skills specific content is being developed as part of the MCA's Online Data Visualisation Platform (Intelligence Hub), including information relating to the skills challenges and needs for specific groups of people / sectors.

Subsequent to the initial developments, a series of "sector dialogues" with Chambers of Commerce, employers and providers will be facilitated to begin the development of sector specific content.

The skills pages will be in place for 31 March 2021 with the subsequent sector specific pages in development and available for May 2021.

**2.3.3** Deep dive into the Manufacturing sector

(£20k) Due: May 2021

An initial deep dive project into the Manufacturing sector has been initiated with the intent of preparing action research into the skills challenges within the sector. The deep dive is intended to supplement known data through contextualising core information to SY and through employer led dialogue. On completion, the SAN will collate, present and propose and potential activity to the ESE Board for scrutiny.

**3** **Future Work Programme**

**3.1** The proposals in the attached annex are the initial outcomes of discussions at the SAN Board and are intended to identify future priority areas for consideration for the ESE Board in relation to the delivery of the RAP and the SEP priorities.

**3.2** SAN members noted the need to focus on providing recommendations to the ESE Board based on the need to support SEP and RAP priorities and to ensure that the proposals considered immediate Covid-19 related priorities, short-term skills issues and the potential long-term priorities for the region.

**3.3 Do members support the proposals from the SAN at Annex 1 as the basis for a programme of work?**

**4. Consideration of alternative approaches**

**3.1 Alternative approaches not considered as this paper meets the Terms of Reference commitment to put a proposed plan of work to the Board for clearance.**

**4. Implications**

**4.1 Financial**

The current workplan is funded through the core SAN grant from DfE. Funding for the Local Skills Report and for the Intelligence Hub was transferred to the Authority from DfE via Section 31. Whilst there is some flexibility, spend is expected to be completed by 31<sup>st</sup> March 2021.

The future workplace will require confirmed resources and we will need to return to the Board with a proposal for how these costs can be covered if the Board is content to prioritise the workplan. Some strands of work may be carried out in house within the MCA or across the analytical capability of SAN members who are willing to contribute time. There is an important link between the work on Level 2 and below skills that has a direct link to our AEB commissioning AEB admin costs could support some of that work. Similarly, work on apprenticeships could be funded through a small amount of Gainshare funding already identified to support apprenticeships.

**4.2 Legal**

No legal implications arising from the update and workplan proposals

**4.3 Risk Management**

No risks arising from this update and proposed workplan.

**4.4 Equality, Diversity and Social Inclusion**

We have identified as a key element within several of the strands of the future programme the need to consider inclusion and equity across different groups in South Yorkshire. For example, our proposed workstrand on young people will consider where there is evidence of groups facing disproportionate barriers to inclusion and progression as a result of the pandemic.

**5. Communications**

**5.1** No immediate communications implications, although longer term this workplan can be used to underpin greater partnership working.

**6. Appendices/Annexes**

**6.1** *Annex 1 sets out the proposed future workplan for the SAN*

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Area	Areas to investigate	Rationale
<p><b>Impact of Covid-19 and strategies to mitigate</b></p>	<p>Understanding the level of workplace displacement and the impact on:</p> <ul style="list-style-type: none"> <li>- Specific sectors</li> <li>- Age groups</li> <li>- Demographics (BaME/disabled etc.)</li> </ul>	<p>Focus on employability, retraining and upskilling for adults as a key priority</p>
	<p>Understanding the impact of the pandemic on young people across South Yorkshire including:</p> <ul style="list-style-type: none"> <li>- tracking NEET numbers</li> <li>- numbers of hidden NEETs</li> <li>- scale of lost opportunities relating to employment</li> <li>- Demographics</li> <li>- Additional support needs</li> <li>-</li> </ul>	<p>Focus on ensuring key re-engagement strategies are proposed and enacted at pace to ensure that no young person is left behind.</p>
<p><b>Apprenticeships</b></p>	<p>Analysis of volumes of apprenticeships across the region by sector.</p> <p>Review current spend/underspend of Apprenticeship Levy.</p>	<p>Identify opportunities to support growth.</p> <p>Identify opportunities to prime the market through employer-led demand via Levy flexibilities.</p>
	<p>Identify barriers to entry onto apprenticeships for both employers and potential apprentices.</p>	<p>Increase number of apprentices in employment and learning in line with the ambitions of the RAP.</p>

SAN Paper Annex 1

<p><b>Level 3 take up at 18 and above</b></p>	<p>Developing a clear understanding of:</p> <ul style="list-style-type: none"> <li>- Current levels of attainment at L2/L3</li> <li>- Current offer at L2 and L3 (pathways)</li> <li>- Barriers to entry at L3</li> <li>- Demographic profile in relation to attainment at L3</li> <li>- Employment opportunities for entry at L3</li> <li>- Sector areas where L3 is vital</li> </ul>	<p>Ensuring that there are opportunities for career progression that match skills needs per the RAP and SEP.</p>
<p><b>Achievement at Level 2 and below</b></p>	<p>Develop a clear understanding of:</p> <ul style="list-style-type: none"> <li>- Attainment of literacy, numeracy and digital skills up to L2</li> <li>- Progress made over time</li> <li>- Effect of poor basic skills on equality indices and labour market</li> <li>- Pathways to positive outcomes</li> <li>- Level of need in basic skills across the region</li> </ul>	<p>Developing a lifelong learning approach that focuses on the levelling up agenda.</p>
<p><b>Careers IAG</b></p>	<p>Review the current careers offer across the region and identify:</p> <ul style="list-style-type: none"> <li>- Any gaps in provision</li> <li>- Potential interventions on those hard to reach and “at the margins”</li> <li>-</li> </ul>	<p>Linked to SEP ambition for an all-age careers service</p>
<p><b>Green Economy</b></p>	<p>Instigate a deep dive into this area</p>	<p>Better understanding of this sector as a clear future skills market</p>



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