

Education Skills and Employability Board

31 January 2022

SYMCA Strategic Skills Priorities

Is the paper exempt from the press and public?	No
Purpose of this report:	Policy Decision
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

The Board has commissioned development of a strategy for Education, Skills and Employability in South Yorkshire. Discussion at the Board meeting in June 2021 highlighted the need to consider both transformative measures with the potential for significant impact over the longer term and a set of other measures with the potential to target more specific problems and skills shortages over a shorter timeframe. The Board also acknowledged in December that development of the strategy must take account of developments in the wider education, skills and employability landscape that impact on delivery or create new opportunities for residents and employers across South Yorkshire, such as the Skills Accelerator Trailblazer being led by the Chambers of Commerce. The Strategy will be developed by SYMCA as a key enabler of progress towards the vision set out in the region's Strategic Economic Plan. However, it will complement and add value to the economic and skills priorities identified in each local authority's strategy and will need the engagement and support of partners across the region as a pre-requisite for successful implementation. This paper seeks the Board's approval for the overall direction of travel as well as for the ideas proposed for further work and development as key elements of the strategy.

What does this mean for businesses, people and places in South Yorkshire?

Residents and businesses across South Yorkshire face short and longer-term skills and employability challenges that affect their lives and their ability to realise their potential. The challenges are the result of long-term trends that affect both existing skills base and the flow of new skills into the workforce. Challenges also come from the impact of the pandemic in terms of a changing employment landscape, especially in the lower paid sectors that are prevalent in South Yorkshire, and notably from the impact on young people in particular and their readiness for work. The Skills and Employability Strategy will seek to better prepare residents for work in general terms and for employment in areas that are priority for growth in South Yorkshire with the aim of supporting people to progress in their careers towards better paid employment but also to progress into work that is good for inclusion, wellbeing and communities, including work that supports environmental improvement.

Recommendations

Board members are invited to:

- Comment on the overall approach proposed in this paper as the basis for development of the strategy and the fit with developments in the wider education and skills landscape;
- Comment on individual measures proposed in this paper, with more detail to be presented at the Education, Skills and Employability Board meeting;
- Note the timeline for development and the need for further consideration of resources needed for implementation.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

Introduction

- 1.1 The Sheffield City Region Strategic Economic Plan sets out an ambitious plan for the region by 2041. Key indicators of progress include:
- £7.6bn extra inclusive growth;
 - 33,000 additional people in higher level jobs;
 - 30,000 more people with higher levels skills and 9,000 people fewer with no skills or low qualifications;
 - Reducing income inequality whereby wages will have raised, particularly among the lowest-paid, by over £1,500 per year.

Improving educational outcomes and raising the skills levels in the workforce form an inherent part of achieving these key commitments. To do this we need to address the long-term education and skills challenges that lead to failure to achieve our potential and a misalignment of outcomes with both resident needs and business needs. Investment in a system that meets South Yorkshire's future needs will require bold and innovative leadership if it is to improve outcomes and achieve a stronger, greener and fairer future.

- 1.2 Board members have commissioned the development of a strategy for education, skills and employability. Critically the strategy will need to address the challenges set out in the SEP, in terms of both skills supply and demand. Those challenges include:

- Raising attainment and progression in South Yorkshire to levels at least comparable with the rest of England
- Raising qualification levels in the workforce linked to more highly skilled jobs
- Addressing health inequalities that affect productivity
- Better use of apprenticeships to drive up the attainment of technical skills in the workforce, addressing high levels of economic inactivity, especially among young adults
- Driving a more inclusive workforce
- Ensure the system is better aligned to match skills supply with skills demand

1.3 The strategy must also recognise the distinct changes in the employment landscape following the impact of the COVID pandemic, through a robust evidence base setting out analysis of the current and future employment and skills needs in South Yorkshire.

The Problem

1.4 South Yorkshire is in a low skills equilibrium, typified by low skills, low pay, low aspiration and low productivity labour market. This presents a significant risk to the long-term development of the region's economy. This is a long-term issue which affects both the stock and flow of people in the labour market, although there are geographical variations within the region.

15 Markers for formal educational attainment are lower across South Yorkshire compared to the national average at almost all levels. Progress 8 data shows pupil attainment across all four local authorities is lower than the national average. Performance gaps by socio-economic status take root in the earliest years of children's lives and fail to narrow in the years that follow. The root causes are long term and historic as well as being the result of comparative under-investment in school education in South Yorkshire. However, it is worth noting that while they may be deeper, the challenges are not unique to South Yorkshire.

1.6 There have also been notable successes. By focusing on Key Stage 4 outcomes, Barnsley has seen a higher rate of progress in increasing the number of young people with English and maths GCSEs than nationally. But the rate of progress is slow and too limited to achieve the scale of change needed for a flow of highly skilled people into the future workforce. That is a critical requirement, because 80% of the 2030 workforce is already at work today so changing the flow of skills, as well as upskilling those at work are both important.

1.7 Attainment at Level 2 by 19 year olds is up to 7% points behind the national position in parts of South Yorkshire. Attainment at Level 3 across all parts of South Yorkshire is below the national position, ranging from over 5% in Sheffield to over 12% in Doncaster.

1.8 Among adults, South Yorkshire has a higher proportion of people with no qualifications and a lower proportion with higher level skills than the national average. Progression of individuals appears to be an issue with cohorts of learners stuck at certain levels or not progressing beyond Level 2 (GCSE equivalent) or Level 3 (A level equivalent). This may also be driven by demand

for lower level skills in the economy. Entry level to Level 2 make up 80% of education and training participation in South Yorkshire, whilst Level 4 and above makes up only 3%. This suggests an overwhelming focus on entry and lower levels skills provision, and potential issues with progression across all areas.

- 1.9 Apprenticeship numbers had begun to fall across South Yorkshire prior to the pandemic, despite this once being a strength of the city region. In particular, the number of young people doing an entry level apprenticeship had fallen while the number of people already in work and electing to do an apprenticeship as part of their career development had risen. This is consistent with national trends following national government reforms but then further exacerbated by the impact of the pandemic. In South Yorkshire, apprenticeship starts peaked at 10,540 in 2018/19, but by 2020/21 apprenticeship starts had fallen to 4,330.
- 1.10 Employer demand for skills does not work effectively as a driver for increased skills levels across South Yorkshire. The reasons for that are multiple and complex and include:
- Short-termism and an over-reliance on the low skilled / low pay approach;
 - the capacity and capability of many smaller businesses lacking HR expertise to accurately assess future skills needs and plan for future skill needs, including through job design, recruitment, retention, training and succession planning;
 - the capacity of businesses to employ and develop young people coming out of the education system without the skills and behaviours needed for employability;
 - the nature and complexity of the skills system itself through which businesses find it difficult to navigate to a bespoke solution;
 - under-utilisation of skills that do exist in the labour market, making South Yorkshire a less attractive place for graduates to stay.

2. Key Proposals

- 2.1 Without a new and comprehensive strategy for education and skills, there is a risk that we will continue to repeat the activities of the past and achieve similar results. The scale of the challenge in South Yorkshire is so significant across the full breadth of education and skills activity that even with levers, such as devolved Adult Education Budget, we will lack the ability to make real change. Agreement and implementation of a strategy which complements and adds value to approaches being taken in each of the local authority areas and which secures the support of new and existing partners across South Yorkshire, gives us the opportunity to identify innovative interventions to break the low skills cycle and make a lasting change.
- 2.2 The following paragraphs set out a proposed set of measures that would form the basis for the South Yorkshire education and skills strategy. They include a mix of themes for support, some of which are intended to be genuinely transformative with impact to be measured over the longer term and some that are more transactional where we propose investing time or money now for a more immediate change. The following paragraphs provide the headline measures only with a brief explanation; more detail on options will be presented at the ESE Board meeting.

Proposed Transformative Measures

- 2.3 School readiness. The importance of early years education to children's cognitive, behavioural and social development and to eventual educational outcomes is well established. Over recent years, government policy has driven a focus on formal measurements for school readiness through the Good Level of Development indicators at the end of Reception year, alongside other measures such as the availability of 30 hours per week free childcare for 3 and 4 year olds. These measures are an indication of how important this stage of development is in a child's overall education but they are unlikely to be the only driver needed for success and improved longer term outcomes. Ensuring that young children across South Yorkshire are ready to learn and that their parents are ready and able to support them gives the best chance to improve educational outcomes later on and raise the level of skills in the future workforce.
- 2.4 Educational enrichment. The impact of family, community and place on young people's school outcomes are as important as the education itself in determining levels of aspiration and driving attainment. Many young people across South Yorkshire face chaotic lives and disrupted education. Others are simply held back in their aspiration and education because their families lack the commitment, resources or skills to provide a broader education. There are particular risks around key transition points and good evidence from programmes such as summer activities for KS4 leavers that a wider programme of engagement can help to retain young people in education and to boost attainment. The Doncaster Opportunity Area provides a good local body of evidence on programmes that work in this space. This is a particular priority for South Yorkshire in the light of disruption to education resulting from the pandemic. Anecdotally, young people leaving school post pandemic lack the confidence and maturity levels that would normally be expected. Those young people who were disadvantaged prior to the pandemic – such as those with Special Educational Needs or in Pupil Referral Units – will be doubly disadvantaged.
- 2.5 Technical Education and Apprenticeships. In line with the national picture. South Yorkshire lacks the technical skills needed to allow businesses to reach their potential. Successful, completed apprenticeships offer a clear monetary return to apprentices and significant value to their employers. In 2015, the Government estimated that the benefits add up to between £48,000 and £74,000 over a lifetime for level 2 apprenticeships; and between £77,000 and £117,000 for level 3 apprenticeships.¹ Those completing an apprenticeship at level 4 or above could earn £150,000 more on average over their lifetime. Meanwhile employers report that establishing an apprenticeship programme leads to increases in productivity and improvements in the quality of delivery as well as reducing staff turnover and improving employee satisfaction. As proposed in the Renewal Action Plan, investment in a portfolio of apprenticeship activity – including one or more hubs and a flexi apprenticeship model – has the potential to re-invigorate starts, especially among 16-24 years olds, drive quality to ensure a focus on completions and provide progression pathways to better jobs and the emergence of a more highly skilled technical workforce.
- 2.6 Adult basic English, maths and digital skills. The number of adults with no qualifications or very low, entry level skills is higher in South Yorkshire compared to the national average. SYMCA is already prioritising improvements within its

commissioned AEB provision. However, drawing on experience from the 2001 Skills for Life strategy, evidence shows that rounded strategy, with investment to support to develop teachers and to deploy innovative materials offers greater impact in the numbers of adults improving their skills. Positioning basic skills as a fundamental part of family learning and embedding approaches within workplace training is a key lever for engaging those who would like to develop their skills but who may be reluctant to join a formal programme. Community organisations and Union Learning Representatives can play critical roles in addressing this key barrier to improving skills and productivity.

Other measures

- 2.7 Use of devolved AEB. As we move to the second year of devolved AEB funding and beyond, we have an opportunity to consider how we flex our commissioning model to secure greater value for South Yorkshire. SYMCA has already made changes to provision across the region including strengthening the focus on basic English, maths and digital skills and on completion of Full Level 2 qualifications to support progression. There is scope to further align delivery with the region's priority skills needs:
- a) by looking again at whether there are particular skills and outcomes that we want to procure in response to particular skills gaps. This might be the case particularly for ringfenced Level 3 provision.
 - b) by considering the future funding model for AEB- for example by moving away from a methodology based on funding institutions to a place and outcomes-based funding model.
- 2.8 Skills to support SYMCA's commitment to low carbon. SCR has adopted challenging targets to achieving a net-zero carbon economy by 2041 as our contribution to tackling the climate emergency and ensuring better, more sustainable life across the region. Developing skills are key to achieving this, both in terms of a skillset needed to deliver on our 2041 commitments and as a thread running through all our education and skills delivery. Options include development of a Retrofit Academy model, prioritisation of green skills within our AEB commissioned activity and including carbon reduction and green education among the social value secured through SYMCA contracts.
- 2.9 Adult Enrichment Activity. Adult learning plays a vitally important role for residents across South Yorkshire. Around 20% of our devolved AEB funds 'Community Learning' delivered by local authority providers and RNN college in Rotherham plus Northern Residential College. This is a vitally important resource and lifeline for many residents across the region. However, the impact of our investment could be strengthened to better support engagement of people with greatest needs and to support progression. A review in partnership with each of the local authorities and based on an ambition to strengthen the offer- would offer a major step forward in securing better outcomes.
- 2.10 Hidden NEETs. South Yorkshire has a higher rate of economically inactive young people than the national average and there is a risk that the impact of the pandemic has exacerbated the number of young people who are at risk of long term scarring due to periods spent without a job, apprenticeship or in training. Of particular concern are those young people who have disengaged completely and who have not registered for benefits – 'hidden NEETs'. In our 2021-22 AEB

commissioning, SYMCA procured a programme of provision targeted at these young people. This will be an important learning opportunity to see what works. However, there is an opportunity to think more widely about the dialogue with young people about the world of work, and how we raise aspiration and recognise and celebrate their achievements.

- 2.11 All-age careers provision. As identified in the SEP, access to good quality accurate information, advice and guidance in relation to skills and career development will make a significant contribution to raising productivity levels by driving more people to new opportunities in higher and technical vocations and in reducing demand for jobs where skills are underutilised. We already have a significant resource in the developing South Yorkshire Careers Hub and investment is being made in extending the START platform to provide advice to all ages. More can be done to provide timely advice to those pivoting between careers, and in particular to those refreshing career ambitions such as women returning to the labour market.
- 2.12 Link to employability. SYMCA will continue to work with DWP and its contractors to make good use of programmes aimed at those who are unemployed or who have an opportunity to progress in work to better paid opportunities.

Skills landscape

- 2.13 Key threads running through our strategy will be changes in and leadership of the South Yorkshire skills landscape.
- We have an opportunity through devolved AEB to signal priorities and shift the way that we commission provision to deliver better outcomes for South Yorkshire. Implementation of the strategy will require close and strategic working with South Yorkshire's Further Education Colleges and grant providers and with the region's independent training providers.
 - SYMCA supports the work being done through Chambers of Commerce in leading the South Yorkshire Skills Accelerator. As the Board heard in December, learning from the Skills Accelerator will be critically important given the Skills Bill that is currently in passage through Parliament. The Local Skills Improvement Plan has the potential to transform the way in which employers engage with skills challenges and the way in which the system response to their needs.
 - The Skills Advisory Network has a key role in linking employers and other stakeholders with the framework for the strategy as set out in this document and will provide advice to the Board in prioritising action and developing solutions.

The extensive nature of these strategy proposals will require the advice and support from a wide group of stakeholders, including those in Early Years, schools and higher education. SYMCA will ensure that robust consultation arrangements and advisory groups are established, working alongside local authorities

Next steps and timeline

- 2.14 This paper provides a summary of the key areas being proposed for focused attention in the SYMCA strategy. Further detail will be provided at the ESE Board meeting and Board members will be invited to provide a steer on the overall ambition and shape of the strategy and on specific proposals. Further work will be carried out into the Spring to develop the framework rationale against which

the proposed areas fit and to refine costed options in each area for the Board's approval.

- 2.15 This is an ambitious and wide-ranging strategy with measures that will require agreement with partners and identification of funding. Taking account of the Mayoral election purdah period, it is likely that a more developed version will be prepared for consideration by an incoming Mayor in May / June.

3. Options Considered and Recommended Proposal

3.1 Option 1

This paper seeks a steer from the ESE Board on priorities for further development. While it identifies areas to be considered, it does not introduce specific costed proposals. These will be worked up once we have a steer from the Board. Option 1 will be for the Board to fully support all the proposals contained in this paper.

- 3.2 A verbal update will be provided at the Board meeting itself and will cover actions that the Board may wish to pursue under each of the areas proposed. Detailed costings will be worked up following the Board's steer, but the update will indicate solutions that can be met within existing costs and those that will require an investment case to be developed. . It will be made clear that any proposal for use of existing funds will be for approval. Any case for additional investment will be subject to SYMCA business case approval and to the business planning process.

3.4 Option 1 Risks and Mitigations

Strategy proposals are too wide ranging which stretches limited funding and internal resources too far. The strategy must have a clear focus with challenging but achievable goals. Once further work has been done, we will test this again with the Board.

3.5 Option 2

This paper seeks a steer from the ESE Board on priorities for further development. While it identifies areas to be considered, it does not introduce specific costed proposals. These will be worked up once we have a steer from the Board. Option 2 will be for the Board to partially support the proposals contained in this paper, so that further development work will be done on some but not others.

- 3.6 A more detailed paper will be submitted at the Board meeting itself at which members will see a range of solutions with proposed costs including 'no cost' / within existing budgets' and 'investment case required'. It will be made clear that any proposal for use of existing funds will be for approval. Any case for additional investment will be subject to SYMCA business case approval and to the business planning process.

3.8 Option 2 Risks and Mitigations

There are two opposing risks if the Board elect to support only some of the proposals. The first risk is that the strategy is still too wide ranging and leads to over-stretched funding and internal resources. The second is that all the options identified in this paper are important and to leave any of them out reduces the

impact of the strategy and compromises our ability to achieve the step change in education and skills that is required. The document to be produced for the meeting will deliver the detail required to support the Board's decision.

3.13 **Recommended Option**
Option 1

4. Consultation on Proposal

4.1 Consultation will be part of the longer-term development of the strategy to take place once we have an agreed set of proposals. Development of the strategy will draw on earlier consultation activity by each local authority on education and skills issues.

5. Timetable and Accountability for Implementing this Decision

5.1 SYMCA Executive will take forward development of more detailed proposals according to the steer from Board members. It is anticipated that a more developed proposal will be available by early summer.

6. Financial and Procurement Implications and Advice

6.1 No additional funding will be required to fund the development of the strategy as above. All development will be undertaken by existing policy budgets for 2021/22, with no additional requirement for further funding at this time

7. Legal Implications and Advice

7.1 The MCA has adult education, skills and training functions. The development of a strategy will complement those functions. Many of the MCA's functions are exercised concurrently with the Constituent Councils. In developing the strategy any expenditure will comply with Contract Procedure Rules. The decision to adopt the final strategy will be a Key Decision

8. Human Resources Implications and Advice

8.1 None at this stage

9. Equality and Diversity Implications and Advice

9.1 An equality Impact assessment has already been undertaken and presented to Members at the time of considering the Strategy.

As part of developing any strategy the MCA will need to have due regard to the need to :-

I. Eliminate discrimination, harassment and victimisation;

II. Advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and

foster good relations between those who share a protected characteristic and persons who do not share it.

10. Climate Change Implications and Advice

10.1 None at this stage. To be revisited when proposals are developed

11. Information and Communication Technology Implications and Advice

11.1 None at this stage

12. Communications and Marketing Implications and Advice

12.1 Outcomes of the strategy and agreed interventions will inform the development the Business and Skills Marketing and communications Strategy. Central to this remains exposure of issue and solution promotional marketing of interventions and gaining new market communication ground.

List of Appendices Included

None

Background Papers

Local Skills Report – 2021 Final from SYMCA website