

Mayoral Combined Authority Board

Tuesday, 12 March 2024

Skills Strategy for South Yorkshire

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

Director Approving Submission of the Report:

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Executive Summary

This paper sets out the content of the Skills Strategy for South Yorkshire. It outlines the Mission Areas of the Strategy, and the outcomes and the actions the MCA will take to help deliver them.

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

The South Yorkshire Skills Strategy sets out the skills offer to residents. It provides businesses with certainty over where and how they can access skills training and support for employees to ensure they have the skills they need for their businesses to succeed and grow, while challenging businesses to invest in their workforce and improve the region's skills base.

The Skills Strategy outlines the steps the region will take to support the economy and how the region will build a pipeline of talent that will make South Yorkshire the best place to live and work.

Recommendations

That Board members:

- a. Approve draft content of the Skills Strategy.
- b. Delegate authority to the Corporate Director and section 73 officer in consultation with the Portfolio Lead for Education, Training and Skills to sign-off the final Skills Strategy content and design.

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

N/A

1. Background

- 1.1 This paper seeks the Board's approval for the content of the Regional Skills Strategy. To ensure the document is ready for publication, we ask the Board to delegate final sign-off as outlined above.
- 1.2 In 2022 the MCA began the process of developing a Skills Strategy and appointed Kada Consulting to research and develop an evidence base. This included running workshops with key regional stakeholders on their vision for the skills system in South Yorkshire. This evidence base can be found in Appendix A.
- 1.3 Kada's report was published in summer 2023 and subsequently the MCA began turning findings into a strategic document that sets out the region's priorities and actions for skills to be published in early 2024. Throughout this process we have continued to engage partners and stakeholders frequently on the strategy development.
- 1.4 The Skills Strategy will be used to:
 1. Convene partners across the region around what is currently being done and what more can be done to meet the region's objectives;
 2. Commission, procure and delegate skills funding; and,
 3. Structure our campaigns regionally and our asks of national government.

2. Content

- 2.1 The Skills Strategy follows a logic model format. We identified our objective – *to support citizens to live resilient and productive lives*. We then assessed the evidence of what were the greatest skills challenges are that prevent us meeting this objective. Key statistics include:
 - Almost a quarter of working age adults are inactive. Of those who are inactive, almost a quarter are inactive due to ill-health.
 - Above average rates of young people who are not in employment, education or training (NEET) and a rapidly rising rate of persistent absenteeism in schools.
 - Too many communities underserved and under-represented by skills training and employment support both within and outside of work. Higher unemployment rates in ethnic minority groups. High rate of NEET young people who are classified with special educational needs and disability (SEND).

- 16% of our working age residents have no formal qualifications, 43% of the working age population have qualifications at level 2 and below, meaning only 51% are qualified to Level 3 and above.
- Significant geographic disparities of skills attainment and support. In the most deprived area in South Yorkshire, 28% of people had a level 3 or above qualification, this compares to 79% of people in the least deprived area.
- Challenges with diffusion and retention of high skill talent. Compared to GMCA, WYCA and LCR, South Yorkshire has the highest share aged 20-24 with NVQ4+ and the lowest share aged 25- to 29-year-olds with NVQ4+.
- Falls in the intermediate and technical skills, such as apprenticeships, that will support our economy to prosper.

2.2

Through the evidence base three Mission Areas have been identified:

1. Move those far from the labour market into work or ready for work;
2. Raise attainment of core knowledge and skills; and,
3. Increase the supply of a high-skilled workforce.

The purpose of these Mission Areas is to provide a framework for discussions around where, who and what funding should be targeted towards. They are designed to summarise the key challenges in the skills system. We have also identified a set of outcomes against each mission area which all skills system partners will be responsible for delivering against. These are:

1. *Move those far from the labour market into work or ready for work*

- a) A reduction in our inactivity rate and a corresponding increase in long-term employment or full-time further education.
- b) This includes a reduction in inactivity in localities and groups that have historically seen a larger proportion of the population long-term inactive.
- c) A reduction in young people (16-25) who are not in employment, education or training and corresponding increase in long-term employment or full-time further education.

2. *Raise attainment of core knowledge and skills*

- a) An increase in proportion of population with up to and including level 2.
- b) An increase in groups that have been historically less likely to access these qualifications and skills (learners with SEND, ethnic minorities, learners from disadvantaged backgrounds).

3. *Increase the supply of a high-skilled workforce*

- a) An increase in proportion of population with level 3 and above qualifications, particularly in areas relevant to the South Yorkshire's economy.
- b) This includes an increase in groups that have been historically less likely to access these qualifications and skills (for example, learners

with SEND, ethnic minorities, learners from disadvantaged backgrounds).

- c) An increase in the proportion of higher-level occupations within South Yorkshire and an increase in median earnings.

2.3

Our strategy will detail how the MCA will use its levers of control – funding, convening and campaigning – to deliver on our missions. Within each mission we have also identified our proposed flagship programmes and ideas. These are:

1. South Yorkshire Youth Offer

Habits formed in youth will stick for adulthood. Those who do not pass literacy and numeracy qualifications by the age of 25 struggle to achieve them thereafter; those who become NEET increase their risk of economic inactivity and lower future earnings; alternatively, young people and adults who engage in enrichment activities outside of education and work are more likely to report higher confidence and wellbeing. Since the pandemic, we have seen a significant increase in persistent absenteeism and increasing numbers of young people reporting struggles with poor mental health. As part of this Skills Strategy, we will **establish a Taskforce which will design and develop a Youth Offer for young people in South Yorkshire.**

The Taskforce will build on ongoing work in delivering programmes such as the UKSPF in South Yorkshire to design the core elements of a youth skills programme, including defining a core target group. It will draw on insights from the Pathways to Work Commission and the Raising Participation Age Group. This programme will support young people to take the next step in developing the skills needed for work and life.

2. South Yorkshire Community Skills Hubs

Inactivity and low attainment are closely correlated and geographically concentrated in pockets of South Yorkshire. Residents in these places often suffer with multiple, complex needs. We know from programmes such as Working Win that community-based, person-centred, and co-ordinated support is required for individuals to progress. The next generation of programmes to address economic inactivity need to bring together skills, health and employment support. This coordination of resources is complex, particularly in the current funding environment, and often relies on high quality ‘coaches’ that work with individuals in need.

That is why we want to deliver ‘**Community Skills Hubs**’ which will seek to bring together skills, health and employment support, building on the lessons from Working Win and integrating disparate government funding streams. In practice, this will require close partnership working with Job Centre Plus, health services, providers, and community groups. These hubs may differ in form: we will work with the grain of existing services, based on existing community assets, to deliver a higher quality co-ordinated service.

These Community Skills Hubs will also form part of our campaign to bring employment support into a single devolved pot to deliver the next generation of programmes targeted at reducing economic inactivity.

3. Expanding and simplifying Skills Bank

Effective skills systems are partnerships between the public and the private sector. That is why we created Skills Bank, a public/private co-investment fund to address under-provision of workplace training in South Yorkshire. Since launch in 2016 we have supported nearly 5,000 learners on courses from leadership to coding, with businesses co-investing in training alongside the MCA. We know there is more we can do to improve this programme which is why over the next four years **we will expand and simplify Skills Bank, with an aim to double annual provision by 2025. That means increasing both the rate of public sector and private sector investment in training in the region.** We will particularly look at how Skills Bank investment can support our growth agenda.

4. South Yorkshire Single Skills and Employment Portal

Too often, the barrier to skills is lack of information and guidance. We have Careers Hubs and careers services across the region which are supporting all-age groups to understand the training and support available to them. There is more we can do, both for individuals and businesses which is why we will **develop a single portal for skills and employment opportunities in South Yorkshire.** This will build on our Careers Hubs and Apprenticeship Hub and be a site with a single point of guidance both for residents and employers. As part of our work to increase uptake in attainment and engagement, we will continue to run effective and targeted marketing for skills.

5. South Yorkshire Technical Offer

Opportunity in South Yorkshire can appear ceilinged with skills supply and demand skewed towards lower wage and lower skill work. Routes to gain qualifications and skills outside of traditional academic routes can appear complex and inaccessible. In 2022, only 8,320 began an apprenticeship with achievements coming in at just over half this number. We want to make South Yorkshire a leader in the provision of and engagement with the technical skills our economy needs, offering opportunity to all residents with or without school qualifications to progress to level 3 and above.

This will include: campaigning and raising awareness of technical routes on offer; identifying and increasing the number of technical and apprenticeship placements available; increasing apprenticeship starts and completions region-wide, while also increasing the proportion of apprenticeships available locally to those aged between 19 and 25; and, developing a pledge for the number of apprentices anchor institutions will take on. At every stage, we will work to improve access to and availability of technical education opportunities those historically under-represented and underserved by education and skills training.

We will also explore developing **cross-organisational training schemes**, such as apprenticeships and supported internships, with our MCA partners. These schemes could involve wider public sector or anchor institutions in the future.

6. Better Business Campaign

Employers and contractors play a crucial role in ensuring South Yorkshire residents have the skillset they need to be productive and resilient. We are committed to delivering our **Better Business Campaign.** This includes a skills element of encouraging businesses to invest in employees and engage in careers advice; championing and awarding best practice; and, ensuring employers are supporting employees to remain and prosper in work.

7. Mayoral Awards

Where changing attitudes to skills and training are hard to shift, we could do more to recognise and reward best practice. Alongside delivering our Better Business Campaign for South Yorkshire, we will develop Mayoral skills awards that will recognise learners, practitioners and stakeholders that embody the vision of the Skills Strategy.

2.5 **Roadmap**

The action plan, including flagship programmes, will set out how we will deliver this for the next four. We will refresh the skills strategy after four years. This will include assessing how we have delivered against our missions and outcomes. We will finalise an implementation plan in autumn 2024 which will provide detail on the work programmes the MCA is taking forward from the strategy. This will include:

- Developing an **Outcomes Framework** which will set realistic targets for our regional outcomes and programme outputs.
- Developing **our Adult Education priorities** which will provide further detail on how funding, procurement and commissioning will align with our skills strategy.
- Delivering on our **Flagship Programmes**. We will work with partners to scope next steps on these projects. These steps will be included in our implementation plan.

3. **Options Considered and Recommended Proposal**

3.1 **Option 1: sign-off the regional Skills Strategy**

We intend to publish the skills strategy following the MCA board on 12th March and prior to Purdah. We are developing a comms plan for this publication.

3.3 **Option 1 Risks and Mitigations**

The greatest risks to the Skills Strategy are:

1. Failure to publish in early 2024 resulting in us continuing to deliver our adult education budget without a clear strategy.
2. Failure to effectively consult partners on the Skills Strategy content resulting in no or poor adoption of its objectives and actions.

On the former, our proposal to publish the Skills Strategy in March 2024 ensures that we will have a policy in place to form commissioning, procurement, and funding decisions for the Adult Education Budget from 2024/25 onwards.

On the latter, we have regularly engaged with our local authorities, providers, third sector organisations, employers, and employer representative bodies in the development of this document. Partners have been content with the level and frequency of this engagement and have indicated support for the document's content.

3.4 **Option 2: delay publication of the Skills Strategy**

The publication of the Skills Strategy can be delayed should Board wish to revisit any content and structure of the document. Please note, should Board wish to delay publication the next available date to publish will not be till June 2024.

3.5 **Option 2 Risks and Mitigations:**

The greatest risks to the Skills Strategy are:

1. Failure to publish in early 2024 resulting in us continuing to deliver our adult education budget without an updated strategy.
2. Failure to effectively consult partners on the Skills Strategy content resulting in no or poor adoption of its objectives and actions.

We think it is imperative that we publish a Skills Strategy as soon as possible to provide structure and direction to cross-region conversations on skills and conversations with current and future governments. Delaying till June will inhibit our ability to influence the current and future governments and delay the MCA implementing actions set out in the strategy.

As above, we have regularly engaged key partners on Skills Strategy development and are confident we have engaged and heard from a wide range of stakeholders across the skills system.

3.6 **Recommended Option**

We recommend option 1.

4. **Consultation on Proposal**

4.1 In 2022, SYMCA ran a series of workshop with stakeholders on the Skills Strategy. The write-up of this evidence base can be found attached.

4.2 Since summer 2023, we have regularly met with stakeholders across the region (provider leaders, local authority officers, MCA portfolio leads, employers, employer representative bodies and third sector organisations) to discuss and develop the Skills Strategy.

5. **Timetable and Accountability for Implementing this Decision**

5.1 Following a decision on this paper, the Skills Strategy document will be updated to reflect comments and then prepared for publication later in March.

6. **Financial and Procurement Implications and Advice**

6.1 The Skills Strategy itself does not have any direct financial or procurement implications, implications of individual interventions will be considered as part of implementation of the strategy.

7. **Legal Implications and Advice**

7.1 The legal implications of the Skills Strategy have been fully considered by a representative of the Monitoring Officer

7.2 The Skills Strategy will contribute towards the MCA Education Skills and Training functions in the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Functions and Amendment) Order 2020

8. Human Resources Implications and Advice

8.1 This Skills Strategy sets out the actions the MCA will take to improve skills within the region. The MCA is committing to delivering against every action set out in the strategy and will publish an implementation plan in summer/autumn 2024 as to how it will resource delivery.

9. Equality and Diversity Implications and Advice

9.1 We have completed an equalities impact assessment (see Appendix B). Overall, our assessment is the impact of decision on characteristics outlined in our EIA framework will be neutral and/or positive.

10. Climate Change Implications and Advice

10.1 This Skills Strategy sets out the framework and action through which we will ensure that the region has the skills needed to tackle the climate crisis and deliver on our net zero goals.

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice

12.1 Communications plan to be developed ahead of any announcement in March. Consideration to be given to preparation and release of all communications ahead of pre-election period.

Options include press release highlighting salient points to be drafted with Mayoral and Local Authority Chief Executive input. Assets/graphics to be created for website and socials based on approved strategy document to be drafted and ready ahead of launch date. Further communication assets to be prepared for release following 2nd May.

List of Appendices Included:

A KADA Skills Strategy evidence base

B Equalities Impact Assessment