

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 10th June;
- Paper to be presented to the LEP Board seeking approval to proceed with procurement for 1st July;
- Paper to be presented to the MCA to seek approval to proceed with procurement for 26th 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

Organisation MCA Executive
Email Helen.george@sheffieldcityregion.org.uk
Telephone **07464 980561**

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: