

## **AGENDA ITEM 12**

### **REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET**

**5 FEBRUARY 2018**

### **REPORT OF THE HEAD OF EDUCATION, EMPLOYMENT & SKILLS**

### **PORTFOLIO: EDUCATION, EMPLOYMENT & SKILLS**

## **INSPIRING OUR FUTURE**

### **SUMMARY**

This report presents a summary of the recent consultation of the Education, Employment and Skills Strategy, “Inspiring Our Future”, and the changes to be incorporated into the final document.

An updated version of the strategy for further consideration will be circulated prior to the cabinet meeting with a deadline for further comment.

### **RECOMMENDATIONS**

It is recommended that the Combined Authority Cabinet:

- i. Note the consultation recommendations and the updated strategy
- ii. Agree to consider the strategy document circulated and make any further comment by Friday 9<sup>th</sup> February
- iii. Agree to delegate approval of the final document for final publication, formal launch and implementation to the Managing Director in consultation with the elected Mayor and Cabinet Portfolio lead member.

### **DETAIL**

1. The Education, Employment and Skills strategy; “Inspiring Our Future, the Tees Valley plan to build the skills we need for a modern economy” was considered by Cabinet on 23<sup>rd</sup> November 2017. It was agreed to undertake a consultation on the draft strategy and for the recommendations from this consultation to be incorporated into a final document to be agreed by Cabinet.
2. This report summarises the consultation feedback and presents an amended strategy that incorporates the feedback provided for consideration.

3. The strategy provides a comprehensive approach to addressing a wide range of challenges across the Education, Employment and Skills arena whilst maintaining the focus of creating a locally available skilled workforce that provides the skilled personnel that businesses require. The strategy clarifies the priorities for immediate focus. These include:
  - a. Supporting innovation and collaboration between schools to address common challenges
  - b. Reducing business skills gaps
  - c. Increasing the number of apprenticeships created, particularly at higher and degree levels
  - d. Supporting people most distant from the labour market to secure and retain jobs
  - e. Expanding access to technical education for our young people
  - f. Improving and extending Careers and Enterprise Education
  - g. Supporting businesses to plan for their future skills demand
  - h. Enhancing the role of the Tees Valley Higher Education institutions
  - i. Ensuring local communities have access to high quality college and training facilities
  
4. A formal publicly accessible consultation was launched via the Combined Authorities website on 1<sup>st</sup> December and closed on 19<sup>th</sup> January. This consultation consisted of a short survey and opportunity to make general comment and recommendations for improvement. An invite from the Portfolio Lead was sent to key stakeholders to respond.
  
5. Additional consultation discussions and workshops have been undertaken during the consultation period. These included:
  - a) An Education, Employment and Skills Partnership Board (EESPB) workshop
  - b) A Tees Valley wide Councillor workshop
  - c) Presentation and discussion to the LEP Board
  - d) Discussion at the Small Business Group meeting
  - e) Discussions with the Local Authority officers Group
  - f) Discussion at the Sub-regional School Improvement Board
  - g) Presentation to the Tees Valley Learner Provider Network
  - h) Discussion at the North East Science Industry Partnership
  
6. All comments and responses have been collated and considered. These comments have informed the strategy document presented.

### **Consultation summary**

7. A detailed summary of the website consultation is attached as Appendix A for information. 58 responses were received via this route, 14% were resident in Tees Valley, and 33% were schools, 7% businesses and 12% Training Providers.
  
8. Generally the feedback has been very supportive of the strategy and many comments indicated that it was a great step forward to have a strategy that provided a comprehensive approach to addressing skill levels at all ages driven by economic demand.
  
9. A brief summary of the website consultation concluded that:

- a. The most important priority for respondents was 'Supporting education, innovation and collaboration' with 83% placing as their top or second top priority and 67% placing as their top priority.
  - b. The second most important priority is 'Developing a skills system for economic growth' with 50% placing as their top or second top priority.
  - c. Over a quarter of respondents (25%) thought that 'Supporting and challenging business to create the opportunities/jobs required' was a top or second top priority.
  - d. Over a third of respondents (31%) placed 'Creating a comprehensive Tees Valley wide careers initiative' in their top three.
  - e. The least important priority was 'Enhancing the role of higher education' with 81% placing as their least important or second least important priority.
10. The website feedback also concluded that the top ten activities considered to be critical to supporting people into work or improve Education, Employment and Skills are:
- a. Meeting the education workforce challenge and retaining teachers' was selected as the most critical activity with 57% of respondents placing as their most critical.
  - b. Increasing apprenticeships was selected was the second most critical activity with over a quarter of respondents (23%) placing as their most critical.
  - c. Over a third of respondents (43%) thought that 'Supporting school collaboration' was the most critical or second critical activity.
  - d. Around a third of respondents (27%) thought that 'Supporting schools to deliver more and better careers education' was the most critical or second critical activity.
  - e. The least critical activity was 'Improving careers support for adults' with 67% placing as their least or second least critical activity.
  - f. 'Supporting business to undertake more workforce planning' was also one of the least critical activities with 41% of respondents placing it in their bottom three.

### **Additional comments received**

11. In addition to the Website comments we have received many additional and lengthy comments regarding the content. A short summary of these comments follow. Discussion was had with the LEP Board, the small business group and individual responses received from business. Businesses generally endorsed the strategy and clearly identified with the business demand for skills to be the key driver for raising skill levels and experience to create an available and skilled labour force.
12. Generally businesses engaged with the recognition that there is both a challenge and support approach to businesses to respond to this strategy. They recognised that businesses needed to do more to support the skills system, create more jobs and apprenticeships and provide better experiences of work for our young people. There was a specific discussion had that suggested innovative, digital solutions to world of work experiences through virtual reality that will be followed up.
13. A specific recommendation from business leaders was to provide greater emphasis on the creative, enterprise and entrepreneurial experiences in all skills and preparation for work provision. There was a strong sense that these skills are very much valued by businesses but applicants and young people struggle to articulate and demonstrate these skills when engaging with employers. It was recommended to

- include alignment of this strategy with the sector action plans, particularly with the creative industry sector but to also provide cross sector skills action plans.
14. Businesses strongly endorsed the development of this strategy to align with the UK Industrial strategy, particularly around boosting productivity and earning power of residents and helping businesses to create better, higher paying jobs.
  15. There was a recognition from businesses that more apprenticeships should be created alongside a focus on Science, Technology, Engineering and Maths skills development. They continue to consider these skills sets as a good base for progressive employment.

### **Key changes to the strategy document**

16. There were four key areas for improvement that were regularly referred to during the consultation that have now been incorporated into the strategy. These are:
  - a. Direct consideration and linkage to the published UK Industrial Strategy
  - b. Greater prioritisation given to providing enterprise, creative and personal development skills as an integral part of the education, careers and skills services
  - c. Better recognition given to the role of higher education in terms of skills provision, support to business, raising aspirations and research and development
  - d. Clarifying the priorities and areas for attention, ensuring that these are consistent throughout the document

### **Further detail regarding the four key changes:**

17. **Industrial Strategy**, the Industrial Strategy provides direction to increase productivity, help businesses create high quality, well paid jobs whilst improving people's skills in order to access these jobs. Ultimately the goal is to provide good jobs with greater earning power for all.
18. There is a strong emphasis on developing technical, digital and construction skills. This includes:
  - a. establishing a technical education system that includes updating school and college performance measures to assist students to make informed choices between technical or academic education routes
  - b. an additional £406m for maths, digital and technical education, including improving the quality of teaching to address the shortage of science, technology, engineering and maths skills
  - c. creation of a National Retraining Scheme that supports adults to re-skill (starting with £64m investment for digital and construction training)
19. The Industrial strategy prioritises business led solutions to addressing skills challenges and the role of employers developing and leading change. Changes to the Apprenticeship levy system will enable levy paying employers to transfer up to 10% of their funds to another employer.
20. There is a strong emphasis on the role of employers through the establishment of Skills Advisory Panels that will be integrated with mayoral Combined Authorities and Local Enterprise Partnerships to determine local skill priorities and influence over the provision of education and training for those over age 16, including the new technical route ways.

21. Generally the Education, Employment and Skills strategy did reflect the Industrial Strategy priorities, but this has been made more explicit in the updated document.
22. **Enterprise skills**-many comments were made regarding the absence in the strategy document of the importance of enterprise, creativity and personal employability skills. These comments originated from both businesses and the education and skills sectors.
23. Businesses clearly articulated their demand for more creative led learning in the skills system to develop creative thinking and responses to problem solving and leading change. This alongside their recognition that personal attributes and the knowledge of the world of work was critical to preparing people for work.
24. Businesses also provided general commitment to engage and create new solutions to providing support for careers and enterprise education approaches, for example digital businesses supporting the provision of virtual reality tools for work experience.
25. The education and skills providers have also requested support to assist them to provide more skills provision around personal experiences, enterprising skill development and employer led programmes of study to create real examples of tasks in the workplace.
26. The priority for enterprise and creative skills has been incorporated into the strategy in the appropriate priorities.
27. **Higher Education** –it was widely accepted that the Higher Education section of the strategy was weak and reflected the previous level of focus taken on supporting the development of higher skills in our workforce. There is recognition of the need for higher skilled people for the identified priority and growth sectors. Developing support for higher and degree level apprenticeships, articulating business demand for higher skills and creating the relevant courses to meet this demand will be a priority.
28. It was also identified that greater focus should be on the role of the Higher Education institutions located and delivering within Tees Valley. This included the role of Teesside University as the anchor institution and their role in research and development to attract inward investment and support to existing businesses to grow.
29. This section of the strategy has now been developed with Teesside University to refine and strengthen this priority.
30. **Priority clarification**- further work has been undertaken to ensure greater clarity of the priorities within the strategy and provide consistency throughout the document. This supports production of the associated delivery and investment plan.

### **Finalising the Strategy and moving to implementation**

31. As highlighted a wide range of comments were received via the website consultation and individual submission. These have been considered and incorporated into the strategy where appropriate and many are relevant to be further considered when the strategy moves to implementation.
32. Due to the wide ranging and significant length of these comments we have not circulated these but are summarised as above. If any cabinet member would like to receive these in full please contact [shona.duncan@teesvalley-ca.gov.uk](mailto:shona.duncan@teesvalley-ca.gov.uk)

33. Once the strategy has been completed, task and finish work streams will be led by the Combined Authority to implement the strategy. The work streams will include a range of appropriate partners to ensure the delivery is objective and deliverable.
34. These work streams will reflect the six key themes within the strategy and will produce associated delivery plans for implementation. These delivery plans will include targets, funding allocations and timescales for delivery and will be regularly monitored and reviewed.
35. The delivery plan will be continuously monitored and reviewed by the Education Employment and Skills Partnership Board and progress reported annually to the Cabinet.

## **FINANCIAL IMPLICATIONS**

36. The financial implications are incorporated into the wider Combined Authorities Investment Plan and are within the allocated budget. Additional opportunities for increasing access to national funding streams will be considered as they emerge.
37. The revenue and capital funding allocations are within the TVCA Medium Term Financial Plan.
38. The increased work to deliver the strategy will require further consideration of staffing requirements. These will be managed within the proposed Combined Authority budget.

## **LEGAL IMPLICATIONS**

39. There are no immediate legal implications from approving this strategy.

## **RISK ASSESSMENT**

40. Publication of the Education, Employment and Skills strategy is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.
41. Further development of the detailed delivery of the key strands of work will have risk assessments carried out as part of their ongoing implementation.

## **CONSULTATION**

42. Consultation and engagement has been with Local Authority officers, Chief Executives and Leaders, the Education, Employment and Skills Partnership Board and has been available to stakeholders and the public for seven weeks from 1<sup>st</sup> December 2017 to 19<sup>th</sup> January 2018 for consultation.

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