

**Open Report on behalf of Richard Wills
Executive Director of Environment & Economy**

Report to:	Environment and Economy Scrutiny Committee
Date:	18 September 2018
Subject:	Employment and Skills

Summary:

This paper explains that LCC and Greater Lincolnshire Local Enterprise Partnership have commissioned a substantial amount of employment and skills provision. Some of this is coming to a natural end, and so it is useful to explore the benefits of what has been achieved and to identify next steps – whilst recognising the importance of employment and skills as part of economic development.

Actions Required:

It is recommended that members:

- 1) Consider the significant amount of employment and skills provision that has been commissioned by LCC and the LEP
- 2) Discuss the next steps that could be taken in each of the current range of employment and skills provision and task officers with taking each of these steps forward
- 3) Recommend that LCC should provide substantial support to the LEP in preparing the Local Industrial Strategy and implementing the Skills Advisory Panel so that local skills needs are fully understood, and better resourced, by central government

1. Background

Employment and Skills are a high priority to Lincolnshire County Council and to Greater Lincolnshire LEP. It is right that we help people to access the best opportunities that are available to them, and it is important that we help employers to fill vacancies with skilled and motivated staff.

LCC and the LEP are only one part of the employment and skills picture. The government commissions a substantial amount of training centrally – estimated as £50m per year in Lincolnshire alone. Employers and individuals also have to take responsibility for their own employment and training.

LCC and the LEP's job could be described as to be passionate about our place, to understand the statistics about it, to nurture the organisations who can help us to address the issues arising from those statistics, and to encourage everyone to make an investment in the area.

In terms of employment and skills that means commissioning activity that is focused on gaps in provision and that is focused on the issues that are most challenging to the local economy. Both LCC and the LEP are very active in the employment and skills arena.

LCC attracts £1.700m of government funding each year to provide adult learning to up to 7,500 people. Greater Lincolnshire LEP has invested £9.300m in college and training facilities throughout the LEP area, it has jointly commissioned £13.000m of activity with the Education and Skills Funding Agency, and it is one of a small number of LEPs working with central government on pilot schemes to plan training at the local level and to help employees upskill so that they can gain higher level and supervisory jobs.

Because of the changes that the government is making to local regeneration and economic development, now is a good time to review existing provision and to consider next steps. A strong statement on skills and employment should be made in the Local Industrial Strategy. This should identify flexibilities/new approaches to the government's employment and skills provision so that it better meets local needs, and it should identify what should be delivered outside of normal government provision. It must recognise, though, that employers and individuals have as much of, if not a greater level of, a responsibility for employment and skills as the state.

Current LEP and LCC commissioned employment and skills activity

The attached chart shows some of the highlights of employment and skills provision that has been commissioned by the LEP and LCC working in partnership. It shows that a broad range of employment and training provision is taking place, tackling the issues that are particularly relevant to greater Lincolnshire and that have been raised through statistical analysis and through working with important stakeholders. The issues that are being addressed are:

1. Lower than the UK average level of skills within greater Lincolnshire's existing workforce. We have established training programmes which will support 8,000 employees, and this has been widely supported by businesses. The number of training places available is huge. We should seek to continue this programme into the future.
2. Applicants for jobs often not having the right skills and competencies for the job. We have established programmes which will provide training to 4,000 unemployed people. This is a significant programme with an enviably high number of beneficiaries, but it could be argued that it would be better to amend existing government provision so that it addresses this issue better, rather than us commissioning additional provision locally.

3. Young people not recognising the career opportunities that they have within greater Lincolnshire. We have created a website which has examples of local careers, and have recently recruited a Careers and Enterprise Co-ordinator who will help schools to work with businesses on producing a careers plan. Regeneration funding rules tend to constrain our ability to work with schools, yet this is absolutely critical to the whole issue of employment and skills and therefore to the county's future economic prosperity. We should lobby for the UK Shared Prosperity Fund to allow careers work to be delivered in schools.
4. Employers struggling to recruit from outside the area because of a low awareness of the area. The www.marketinglincolnshire.com website has been created and it holds a wealth of information, photos, videos, quotes, etc about the benefits of working in Lincolnshire. Our initial evaluation shows that the businesses that have used www.marketinglincolnshire.com have found it to be a valuable tool, but more can be done to encourage employers to use the platform. A strong push by the LEP, all local authorities, and business organisations is necessary.
5. Colleges needing to invest in new training facilities so that they can deliver contemporary and future skills. Demand for skills is changing all of the time, and increasingly the skills that employers need is based on specific knowledge and niches of activity. Changes to digital technology are also having an impact on the way that trainees receive training. However, the amount of capital available to colleges and training providers is limited therefore the LEP introduced a skills capital grant scheme which has provided £9.300m to address this challenge. It is recommended that further capital for investment in colleges and training providers is sought.

As can be seen from the previous section, the range and breadth of provision that has been commissioned by the LEP and LCC working together is substantial. But the issue of employment and skills remains important –not least because regular surveys of the business community show that despite the economic slowdown they still have plans to recruit, and because economic forecasting models indicate that greater Lincolnshire's businesses will create 200,000 vacancies over the coming decade.

Local Industrial Strategy

The Local Industrial Strategy will be used to set the economic development dialogue between government and local areas. It is imperative that the LIS contains a strong statement about the importance of employment and skills, as well as identifying some of the strategic schemes that we would wish to pursue.

Running in parallel with the preparation of the Local Industrial Strategy is work to design the UK Shared Prosperity Fund, which is expected to amalgamate the post-Brexit successor to EU funding with the various strands of growth funding. Officers are working with government officials on the co-design of the Shared Prosperity Fund and are seeking a strong focus on employment and skills in the Shared Prosperity Fund.

Skills Advisory Panel

It must not be forgotten that the vast majority of employment and skills provision, whether it is Job Centres being located in district council offices or multi-million pound training programmes being procured by the Education and Skills Funding Agency, are commissioned and managed centrally by government. Over the years government have been unsure whether employment and training should be commissioned nationally or locally –at the moment they are starting to move towards a localised model and are piloting Skills Advisory Panels in a small number of LEP areas including greater Lincolnshire.

The ambitions of the Skills Advisory Panels are to : (i) create a single version of the truth for skills analysis and policy development, (ii) join up more employment and skills discussions, and (iii) feed into the development of strategy and delivery for local area skills provision. The piloting of a Skills Advisory Panel, coupled with a recruitment process for new private sector members, will refresh the Greater Lincolnshire Employment and Skills Board and it is important that LCC and the LEP support the Employment and Skills Board as it goes through this change, thereby providing us with a stronger voice to shape local skills and employment policy.

Employer

Research tells us that local employers have challenges filling job vacancies, although they tend to report fewer problems than elsewhere in the country.

The challenge is usually a result of a combination of factors: a lack of experienced people, skilled people, and managers within the local labour market, lack of accessible training to upskill existing workforce; and other factors such as lack of recruitment expertise, level of wages and local infrastructure that make recruiting from further afield more problematic. The government has introduced the apprenticeship levy for larger employers, but there remains a requirement for employers to invest in their potential workforce as well as their recent recruits –this may include increased salaries as well as training and support to staff.

In previous years, initiatives like "Investors in People" have provided a framework for employers to champion the way that they support their workforce. But as these initiatives have reduced in scale, local initiatives have started to be implemented across the country. These have galvanised employers, and demonstrated to residents that there are career opportunities within their local area. It would be useful for the LEP and LCC to work together to establish a similar local initiative.

2. Conclusion

Skills and employment initiatives remain vital to the local economy. The LEP and LCC have jointly taken significant steps to address this issue, and it now a useful time to agree to our next steps.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Employment and Skills

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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