

AGENDA ITEM 9**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET****22nd July 2022****REPORT OF Head of Education, Employment and Skills****Education, Employment and Skills****EMPLOYMENT AND SKILLS STRATEGY****SUMMARY**

This report presents the draft Tees Valley Employment and Skills Strategy for the Tees Valley. It will form the basis for any new Employment and Skills investment for 2022-29.

The report includes a summary of the current strategy, priorities for informing delivery and the process taken to develop the new strategy for publication.

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. Approve the Strategy for publication,
- ii. In line with the development and appraisal processes approved as part of the Constitution, delegates the future approval of the delivery plan Business Case to the Chief Executive in consultation with the Elected Mayor and cabinet Portfolio lead member.

DETAIL**Background**

1. The first Tees Valley Education, Employment and Skills Strategy; Inspiring our Future 2018-2021 was approved by cabinet in 2018. It is now timely to review the delivery of this strategy, take into consideration the impact of Covid19 and consider how a new strategy, delivery plan and investment can achieve even more impact for the businesses and people of Tees Valley.
2. The 2018-21 strategy set out the challenges and opportunities for Tees Valley businesses and residents. It provided a base for piloting and testing new delivery to address the gaps in supporting more businesses to engage positively in the labour market whilst supporting disadvantaged communities and groups of people to access support, training and the available jobs.
3. The 2018-21 strategy was set in a period of relative stability and opportunity in the labour market. The pandemic has had a significant impact on this stability. The immediate and available jobs are predominantly at lower skill levels than previous. More people are unemployed and are available for work and this has resulted in a very competitive labour market with a higher skilled and available potential workforce.

This in turn has resulted in under-employment and lack of immediate good career opportunities for those entering the labour market for the first time. In addition many businesses are reporting difficulty when recruiting.

4. However, Tees Valley is punching above its weight in terms of the increase of new vacancies being made available. The emerging and future job opportunities resulting from Teesworks and the airport investment will provide the step change that provides the job and career opportunities for local people, including school leavers.
5. The 2018-21 strategy prioritised five areas for action and investment from the Combined Authority. These were:
 - Supporting education innovation and collaboration
 - Developing a skills system for business growth
 - Addressing long-term unemployment
 - Creating a Tees Valley Careers and Enterprise initiative
 - Business challenge and workforce planning
6. Individual projects within the strategy have been externally evaluated and this has been considered by the appropriate workstreams and the Education, Employment and Skills Advisory Group to inform the future strategy.
7. As part of the development work the current programme was reviewed and the key conclusion is that all projects and the associated investment are delivering as per planned, albeit in some cases delayed due to national funding approval timescales, Covid19 and lower than anticipated take up of available funding. For example, the DWP approval for the ESF funded project to support businesses undertake training needs and analysis and provide tailored training solutions was delayed by a year but has now commenced and is achieving the expected outputs, the Education Collaboration and Innovation Fund available to schools was not fully committed and the remaining £800k reprioritised at school's request to support schools in Covid recovery.

Future Strategy

8. In line with the associated Tees Valley Investment Plan the proposed strategy will cover a period to 2029. The draft strategy is attached as a separate paper for consideration.
9. The incorporated delivery plan and any new programme of delivery or project that utilises investment from the Tees Valley Investment Plan will be limited to delivery to 2025. A review will be undertaken to consider if the delivery plan and associated projects remain fit for purpose. This aligns this strategy with the Investment Plan refresh process.
10. The draft strategy has been developed following significant mapping of provision, gap analysis of provision and economic analysis to provide the evidence base for future work.
11. There have been recent policy changes in this arena and the related national launch of new products in Tees Valley have also been significant, these have included:
 - DWP's launch of Plan for Jobs, with new mainstream provision being implemented via Jobcentre plus
 - DWP launch of Restart to assist 17,000 long-term unemployed residents in Tees Valley
 - DWP Kickstart programme, that supported 6 month paid work experience for 16–24-year-olds
 - DfE launched national online learning programmes and national numeracy skills campaign

- The Further Education Reform White paper proposing simpler funding processes and greater business influence,
 - The DfE Skills Accelerator programme to establish Local Skills Improvement Plans
 - The Strategic Development Fund skills capital and revenue programme
 - Level 3 employer led Skills Bootcamps launched nationally and grant funded to Mayoral led Combined Authorities
 - Devolution of L3 skills provision to Mayoral Combined Authorities
 - ESF project extensions to 2023
 - Travel and Digital support for schools and training providers
 - Increased grant support for businesses in a myriad of areas.
12. Many of these new programmes of activity will continue and therefore the proposed strategy has taken these into consideration. In future our approach will be to fill gaps; and enhance and avoid duplication of existing provision.
13. The proposed strategy centres around three key pillars, which are:
- Preparation-support for those still in education and training (our pipeline future workforce),
 - Intervention-support for those seeking work (our potential workforce); and
 - Retention-support for those in employment and accessing work (our new and existing workforce and their employers).
14. The proposed strategy represents a vision where every Tees Valley resident has access to the support and training, they require to make informed decisions that will help them achieve and access their chosen career and job, and every business has access to skills, recruitment and workforce development support to sustain and grow their business.
15. Alongside this there is an accepted priority to support the development of skills provision required for the emerging Clean Growth and Net Zero ambitions whilst also supporting high growth and high demand sectors.

Delivery and Investment

16. There are four key strategic ambitions within the proposed delivery plan, which are:
- To have a clear support network and function for those seeking work, accessing training or retraining, and for those most distant from the labour market
 - Every business in Tees Valley has access to a readily available and skilled workforce, and know where to find the workforce they need
 - To create a locally skilled and experienced workforce for new and emerging industries, including Clean Growth sectors and new employers to the Tees Valley; and
 - Every young person and adult has the support to continually access their chosen career.
17. These ambitions and the three pillars will provide the strategic basis for developing a delivery programme for the future. Any new delivery programme requiring investment will be developed as an integral element of the full Business case and will be appraised against these ambitions and pillars.
18. Now that UKSPF and Multiply guidance has been received and the associated investment plans are being developed it will be possible to identify the areas for priority investment. A full business case will be developed to allocate any funding from the Investment Plan for identified gaps in the Employment and Skills arena.

19. Approval of any investment business case will be subject to the agreed due diligence, appraisal and approval processes through the Tees Valley Assurance Framework.

FINANCIAL IMPLICATIONS

20. The delivery of the strategy is contained within existing allocations within the investment plan with an annual baseline of £37 million for Education, Employment and Skills. This allocation will be supplemented by any specific grants or further devolved funds that are secured by the Authority.
21. Within the Investment Plan Refresh report on this agenda the UKSPF allocations and Multiply project are set out and incorporated into the plan.

LEGAL IMPLICATIONS

22. There are no direct legal implications from this report.

RISK ASSESSMENT

23. This proposed Strategy is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.”

CONSULTATION & COMMUNICATION

24. Extensive consultation has been undertaken over a lengthy period involving a wide range of stakeholders. This includes Local Authority Officer workshops, Businesses, provider networks; including representatives from private, public and VCSE sectors. Consultation has also taken place formally with Tees Valley Management Group, Tees Valley Chief Executives and the Education, Employment and Skills Advisory Group.
25. Once approved the new Strategy will be published on The TVCA website, distributed to a wide range of stakeholders and a formal launch arranged to publicise the Strategy.

EQUALITY & DIVERSITY

26. This report proposes to approve a strategy that assists in addressing equality of access to support to assist all individuals regardless of their characteristics to access training and work. The strategy prioritises targeting of those with protected characteristics and those most distant from the labour market.

LOCAL ENTERPRISE PARTNERSHIP

27. This item has been considered at the LEP meeting in advance of it coming forward to Cabinet.

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