



TEES VALLEY
COMBINED
AUTHORITY

TEES VALLEY MAYOR

LOCAL SKILLS REPORT TEES VALLEY MARCH 2021



Chapter 1. Foreword

These are challenging times for everyone. The economic impact of the Covid-19 pandemic on the Tees Valley was deep and immediate, with our region recording over 11,000 more unemployment related claimants in February 2021 than February 2020, and at its peak 1 in 3 jobs furloughed.

The pandemic compounded long-standing employment issues faced, such as a GVA which has remained largely stagnant since 2004/05, an employment rate 6.9% below the UK average and a NEET rate 50% higher than the national average. Prior to Covid-19 only 68% of working age residents were in employment.

But ours is a region which has faced adversity before, and whilst challenging, these are also exciting times for Tees Valley. The significant economic developments happening across the Tees Valley, mean we are confident and optimistic about the future.

The Tees Valley Combined Authority is a Mayoral Combined Authority driving economic growth and job creation across Tees Valley.

We are a partnership of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees local authorities, working with the Local Enterprise Partnership, wider business community and other partners to make local decisions that support the growth of our economy. Under our devolution deal, we have taken on responsibilities previously held by Whitehall including transport, infrastructure, tourism, business investment, housing, culture and skills.

Skills will be fundamental to the Tees Valley's recovery from the past year and to the continuing pursuit of our long-standing aims to create highly-skilled, well-paid jobs in the industries of the future.

Our ambition is to be the leading UK's first net zero industrial cluster – building on industrial scale projects around carbon capture and storage, offshore renewable energy and hydrogen production. Enabling net zero manufacturing will drive growth around the existing regional strength in chemicals, bioscience manufacturing and energy production and also drive growth in key areas including offshore wind and the circular economy.

If we are to achieve this ambition, we need to make sure we have the skills to attract, retain and grow businesses in these and other key sectors and to ensure our residents can access these new opportunities.

Devolution powers handed mean that the Combined Authority have already been able to better align skills funding streams for a more effective and joined-up system that addresses local challenges and seizes opportunities to improve outcomes for our residents and businesses.

This report captures and reflects on the hard work and effort that has been undertaken in identifying the skills needs of the Tees Valley economy and ensuring those needs are met through the successful delivery of our current Education, Employment and Skills strategy, 'Inspiring Our Future' (2018-21). We believe this report demonstrates our delivery success, for example setting out how:

- The devolution of the Adult Education Budget has enabled over 17,000 adults across the Tees Valley to improve their skills during its first year of its devolution.
- Our Routes to Work Programme, which helps those furthest from the job markets overcome barriers to finding work, has engaged with over 3000 local people and helped almost 600 into work.
- Our Covid-19 Apprenticeship Support fund has enabled local businesses to create 100 new apprentice roles in everything from bioengineering to construction and railway and locomotive manufacturing.

- As a gateway for the DWP Kickstart scheme we have helped over 500 local young people secure work placements at over 100 local firms.

A compelling example of our approach to integrating skills and economic development can be found at Teesworks, formerly the site of British Steel Redcar, which closed in 2015 with the loss of 2000 jobs.

Teesworks covers more than 4,500 acres – the UK’s biggest development site. These will be high-skilled, good-quality jobs supporting the offshore wind, clean energy, chemicals and processing, and advanced manufacturing sectors.

We have established the Teesworks Skills Academy to help us to equip local people with the skills businesses will need to grow and succeed. Delivered by a local cluster of Further Education Colleges in partnership with higher education establishments across the Tees Valley, the academy will link investors, employment hubs, skills providers, jobseekers and apprentices to create a world-class workforce for the future.

Teesside has recently been named the UK’s largest Freeport and recent investment announcements by GE renewables and BP highlight the regions potential.

The Tees Valley future is based around a skills-led recovery. A future where we continue to shape the region’s workforce and help secure future employment, ensuring local people can take advantage of the new and replacement demand jobs being created across Tees Valley.

The development of a new Education, Employment and Skills Strategy (beyond 2021), due to be launched Summer 2021, is the perfect opportunity for us to set out our future skills priorities, aligned to the significant economic opportunities in Tees Valley over the coming years.



Ben Houchen, Tees Valley Mayor



Cllr Robert Cook, Cabinet Member for Education, Employment and Skills and Chair of Education, Employment and Skills Partnership Board and Skills Advisory Panel

Chapter 2. Skills Advisory Panels - Introduction

Skills Advisory Panels: the national context

Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England as part of Mayoral Combined Authorities and Local Enterprise Partnerships.

The Department for Education (DfE) supports SAPs with grant funding primarily to produce high quality analysis of local labour markets and [Local Skills Reports](#). The Reports set out the local strengths and skills needs and how the SAP proposes its area addresses its key priorities. The Reports aim to influence local partners and feed intelligence to central government, including the national-level [Skills and Productivity Board](#) (SPB).

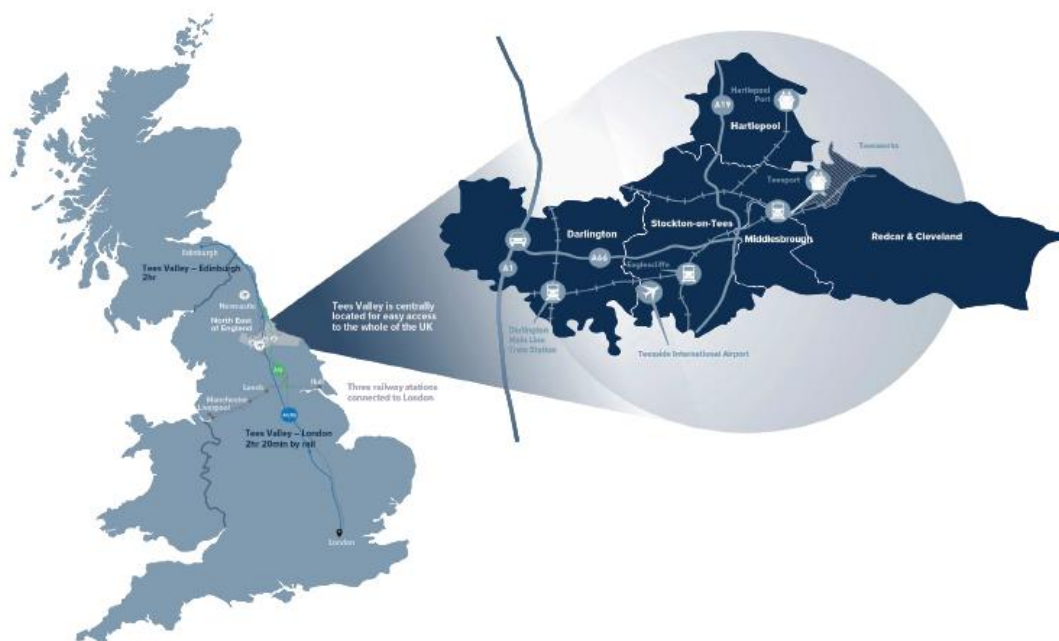
In January 2021, DfE published its White Paper "[Skills for Jobs: Lifelong Learning for Opportunity and Growth](#)," which set out a number of reforms aimed at putting employers more firmly at the heart of the skills system. The White Paper outlined plans to test in 2021-22, in a small number of areas, "Local Skills Improvement Plans" created by business representative organisations.

The White Paper committed to build on the work of SAPs to date. SAPs and their Local Skills Reports will continue as the DfE trailblazes "Local Skill Improvement Plans" and until any potential changes are made to a SAPs remit and responsibilities.

Tees Valley Skills Advisory Panel – Tees Valley Combined Authority Education, Employment & Skills Partnership Board

Covering over 300 square miles and located on the North East coast, **Tees Valley** connects five distinct boroughs, **Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees**, with the river Tees running through each, forming a functioning economic geography.

The Tees Valley area represents 1.2% of the population of England and 0.6% of the English land mass; it is highly urbanised, with 90% of the population in urban areas.



In December 2018, DfE published guidance for Mayoral Combined Authorities (MCAs), the Greater London Authority (GLA) and Local Enterprise Partnerships (LEPs) on the role and governance of Skills Advisory Panels (SAPs).

The guidance states that where the MCA leads on the Local Industrial Strategy, DfE expect that it will also lead on the development of the local Skills Advisory Panel (SAP). For Tees Valley, the Combined Authority is the identified responsible authority for implementing the local Skills Advisory Panel.

It was also expected the Skills Advisory Panels to reflect the geography of the Local Industrial Strategies, and where existing employment and skills boards are functioning well, they would take on the Skills Advisory Panel role and function.

In March 2019, it was agreed that the **Tees Valley Combined Authority Education, Employment and Skills Partnership Board** (the Board), Chaired by the Tees Valley Combined Authority Cabinet Portfolio Lead for Education, Employment and Skills, would take on this role and function, and in doing so, this would align with the constitution of the Combined Authority and existing governance arrangements in the Tees Valley local area.

The Tees Valley Combined Authority Education, Employment & Skills infrastructure, set out in the Education, Employment & Skills Strategy 'Inspiring Our Future' 2018-21¹, demonstrates the role of the Board in understanding and facilitating the wider dependencies, including working with other parts of the Combined Authority and the Local Enterprise Partnership, which is fully integrated.

Education, Employment and Skills Delivery Workstreams

The scope of work and range of activities which fall under the education, employment and skills policy area is vast and varied. It is therefore necessary to have representatives with expertise in each strand to come together as thematic groups, to undertake specific development/delivery activities.

All Education, Employment and Skills Delivery Workstreams report and make recommendations to the Board. This may also need to include smaller 'task and finish group' activities, where appropriate. The five Education, Employment and Skills Delivery Workstreams are as follows:

Pathways to Work; Careers; Business Engagement; Skills Routeways and Education Improvement Board

Each Skills Advisory Panel is expected to locally define and ensure that it has, through its composition, the capability to be able to advise on, and help implement, funding and investment decisions for local skills and employment provision. Below is the membership of the Tees Valley Education, Employment and Skills Partnership Board.

| Tees Valley Education, Employment and Skills Partnership Board / Skills Advisory Panel Membership |
|---|
| Tees Valley Combined Authority Cabinet Portfolio Lead for Education, Employment and Skills (Chair) |
| Tees Valley Combined Authority – Local Authority Chief Executive Lead for Education, Employment and Skills |
| Tees Valley Combined Authority – Chief Executive |
| Local Authorities – Councillors |
| Local Authorities - Director/Senior Manager (1 from each Local Authority, chosen to collectively represent the full range of Education, Employment and Skills responsibilities) |
| Regional Schools Commissioner |
| DfE Regional Director |

¹ Tees Valley Education, Employment & Skills Strategy – 'Inspiring Our Future' (page 23): <https://teesvalley-ca.gov.uk/wp-content/uploads/2018/04/EES-Strategy-Brochure-LRez.pdf>

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| Education & Skills Funding Agency |
| Cities and Local Growth Unit |
| DWP District Manager |
| Teesside University |
| Durham University |
| Tees Valley FE Colleges & Sixth Form Colleges (joint representative) |
| Independent Training Providers (AELP) |
| School Headteachers (Primary & Secondary) |
| Third Sector representative |
| North East England Chamber of Commerce |
| Federation of Small Businesses |
| Trades Union Congress |
| LEP employers/sector representatives (as available) |
| Chairs of Education, Employment and Skills Delivery Workstreams x 5 |
| |
| In addition - TVCA Officers attend as required |

Board meeting schedule

The Board meet quarterly throughout the year in March, June, September and December, or at other intervals as required.

Contact information

For anyone who may wish to find out more about the work of the Tees Valley Skills Advisory Panel, the report's contents or get engaged in the local skills agenda, please contact:

| | |
|----------|--|
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Chapter 3. Skills strengths and needs

Local skills landscape

Tees Valley, which covers 300 square miles and has a population of circa. 676,000, was historically a region with a number of traditional industries, some of which have declined over time, resulting in job losses for many Tees Valley residents. However, many of those industries have successfully evolved and repositioned themselves in the economy, alongside the emergence of some new growth sectors.

Tees Valley has significant sectoral strength and relatively high employment in higher productivity sectors such as Chemical & Process, Clean Energy, Low Carbon & Hydrogen and Advanced Manufacturing. Construction sub-sectors including civil engineering and specialised construction together with Logistics sub-sectors such as road freight transport are also well represented. Health and Social Care is also one of the largest sectors for employment in Tees Valley, and there are also emerging strengths in Digital and Business & Professional Services.

Tees Valley has a conterminous, fully integrated Combined Authority and Local Enterprise Partnership in the area, responsible for driving economic growth.

Tees Valley has a wide range of extensive development sites, opportunities and financial incentives including the Mayoral South Tees Development Corporation – Teesworks², which is the UK's largest industrial development zone. It is the first Mayoral Development Corporation outside of Greater London and the 4,500-acre site is six times bigger than the City of London.

Teesworks has recently been named the UK's largest Freeport, with the potential to create 18,000 jobs. These will be high-skilled, good-quality jobs supporting the offshore wind, clean energy, chemicals and processing, and advanced manufacturing sectors.

Following the Freeport announcement, it has been confirmed that a global offshore wind manufacturer will build a new multimillion-pound state-of-the-art wind turbine blade manufacturing factory on Teesworks. It will sit alongside a new port being created on-site, making it the UK's premier location for offshore wind.

Also, at the heart of the Teesworks site, Net Zero Teesside will be the UK's first carbon capture utilisation and storage facility (CCUS). The project is set to decarbonise the area's carbon-intensive businesses by as early as 2030.

Crucially, Teesworks will create jobs on several sites across the Tees Valley such as, the Port of Middlesbrough, the Port of Hartlepool, Liberty Steel, Wilton International and Teesside International Airport, which was brought into public ownership in January 2019.

The opportunity to benefit from so many zones spread right across the region means the jobs created are accessible to all and everyone can benefit from the £3.2million boost it will bring to the economy, helping to deliver both the UK's industrial and economic strategy, as well as the Northern Powerhouse Initiative.

A highly skilled workforce specialising in manufacturing, engineering and offshore industries, will be complemented by Teesworks Skills Academy. The new academy builds on the region's core skill sets and history of innovation to enhance skills, showcase career opportunities and create a world-class workforce of the future.

But the academy has not only been set up on site for the new opportunities that come with Freeport status, but also to support and maximise the opportunities through £400m of projects announced in July 2020 that will cover works for 12 months on 19 major demolitions, land clearance and remediation, priming 780 acres of land for 9.5m sq. ft of manufacturing and industrial space.

² <https://www.teesworks.co.uk/>

Last year, Middlesbrough College was announced as the sole Tees Valley provider in the North East - Institute of Technology (IoT), led by New College Durham. Middlesbrough College's focus within the IoT delivers quality higher-level technical training in subjects such as digital, advanced manufacturing, and construction from Level 3 to Level 6.

Tees Valley also has three Enterprise Zone sites each offering Business Rate Relief.

Several towns within Tees Valley have been awarded funding from the Governments Towns Funds and Town Deal settlements. Darlington have been awarded £22.3m of regeneration funding through the Town Fund, along with Middlesbrough and Thornaby-on-Tees who were announced as two of 45 areas to receive funding as part of Government's Town Deals programme in the Budget. They will receive a combined £46million from the Towns Fund. In 2020 Stockton Borough Council also received a provisional funding offer of £16.5m from the governments Future High Street Fund.

The Town Investment Plan for Redcar contains several of the proposals which it is proposed will be delivered through the Government's Towns Fund and which will help to drive economic growth in the town. The plan was submitted to government in January 2021. In December 2020 Redcar and Cleveland Borough Council received a provisional funding offer of £5.8m from the Governments Future High Streets Fund.

Furthermore, the Government's decision to locate the Treasury's new Northern Economic Campus in Darlington will see 750 senior civil servants from the Treasury, along with other economic based departments, move to Darlington town centre.

All of this, aligned with the plans to further develop the impact of business growth in Clean Energy, including hydrogen and decarbonisation of existing businesses, the need for new and higher-level skills has never been more critical, particularly as we respond to and recover from the impacts of Covid-19.

Impact of Covid-19

Directly following the outbreak of the pandemic, Tees Valley Combined Authority (TVCA) commissioned independent support and analysis to inform Coronavirus Economic Recovery Planning. The point-in-time commission was therefore completed before the full extent and persistent nature of Coronavirus became clear and before the start of the second wave of the virus in the Autumn.

It does however provide a robust and informed analysis based upon projected impacts of the pandemic for key sectors and residents in Tees Valley. This work identified economic support needs for Tees Valley, that can enable our economy to recover, be resilient to future economic shocks and chart a path to sustainable economic growth.

Sectors within the region were broadly categorised into three groups:

- **Severe and immediate impact:** Retail, arts and leisure services required immediate support, as many struggled to survive, with significant impacts on unemployment;
- **Rebound with support:** Construction and manufacturing were identified as suffering most from lost investment and a recession-based hit to demand. Without support, this risks the loss of strategic sectors for Tees Valley and many thousands of skilled jobs; and
- **Recovery and growth:** Health and parts of the Education sector were identified as most able to survive and grow, offering jobs in care and skills development to meet increased demand.

Priority Local Industrial Strategy (LIS) sectors including Digital and areas of Manufacturing can also benefit from structural change, including rapid digitalisation of the economy and domestic supply needs, providing growth opportunities.

Due to the rapidly changing path of the pandemic, any economic forecasts or projections must be viewed as point-in-time predictions and as they are strongly dependent on changing circumstances, point-in-time data can quickly become dated.

We will continue to undertake analysis to understand the impact of Covid-19 on Tees Valley businesses and the economy. This work includes understanding the impact of Covid-19 and developing an economic recovery plan based on immediate impacts being experienced by businesses and individuals in Tees Valley, along with assumptions about structural changes to the economy over the medium and longer term.

Whilst the Tees Valley economy provides a strong platform for growth, a number of economic challenges exist including low levels of participation in the labour market and underperformance in relation to education and skills continue to impact on economic performance.

Key skills strengths - where there is a strong supply of certain skills

Summary – key skills strengths

Advanced Manufacturing sector – engineering has the highest number of Tees Valley achievements and also the largest share of achievements in further education

Engineering is also the leading subject group feeding the **Clean Energy, Low Carbon and Hydrogen sector**

Digital - the large professional element within the workforce is highly dependent upon Higher Education supply

Bioscience sector – production industries. Science-specific roles including laboratory technicians are sizeable, and heavily concentrated within the sector, as are chemical scientists.

Tees Valley has a sizeable **Health and Social Care sector**, with a very strong ‘hospital activities’ and the largest sector for employment.

Tees Valley residents hold a good supply of skills to support professional and management roles across key sectors. Along with a good supply of skills to meet demand in electronics and electricals, administration and support, maintenance and security and cleaning.

The Tees Valley can be defined as a functional economic area with close to 9 in 10 local jobs filled by Tees Valley residents and similarly close to 9 in 10 local residents employed within Tees Valley i.e. relatively small and balanced levels of in and out-commuting.

Employment in several Tees Valley key sectors has risen since the SEP baseline of 2014, including **Biologics, Digital, Logistics, Creative, Culture and Leisure, and Professional and Business Services**. Health and Social Care, Retail and Education are also the largest sectors for employment in Tees Valley.

The percentage of employers reporting skills shortage vacancies is **lower than national and has dropped since 2017**, with a particular drop within the **education** industry sector.

Reflecting the strength of the Tees Valley **Bioscience sector** in production industries, process roles are particularly important. Science-specific roles including laboratory technicians are also sizeable, and heavily concentrated within the sector, as are chemical scientists.

There is a **good skills infrastructure in Tees Valley** and boasts a number of **world-class training facilities**, incorporating real work environments with high specification equipment that matches that of an industrial setting. Teesside University is described as the UK's leading higher education institution for working with business and received the Queen's Anniversary Prize for work at world-class level in the field of enterprise and business engagement.

Participation in higher education is above average with a higher percentage of 18-39-year olds in higher education than national, and top subjects for participation supporting key sector strengths in Tees Valley. However, **graduate retention is an issue**, with less than half of Tees Valley graduates finding employment within the Tees Valley 15 months after graduating and over a quarter were working in non-graduate roles, potentially displacing those with lower level skills into unemployment.

The leading subject grouping feeding the **Advanced Manufacturing** sector is **engineering**, with the **highest number of achievements** and also the **largest share of achievements** in further education.

Tees Valley has a **higher percentage of 16-34 year old residents starting an apprenticeship than nationally** and **apprenticeship achievement rates are consistently higher than the national average**. However, with the Covid-pandemic impacting heavily on apprenticeships, apprenticeship starts have significantly fallen over the last year.

Skills needs - where there is a current gap or anticipated growth in demand

| Summary – key skills needs |
|--|
| Increase the number of Tees Valley residents with higher level skills , whilst ensuring a parallel supply of higher-level jobs |
| Increase the number of Tees Valley residents with intermediate level skills |
| Reduce the number of Tees Valley residents with no qualifications |
| Increase the number of the working age population with skills suitable for entry level employment opportunities |
| Increase apprenticeship starts, particularly in Tees Valley priority sectors |
| Largest number of job vacancies in Tees Valley in 2020 were for Nurses, Care Workers, Teachers, Sales and Customer Service staff, Social Workers and IT staff. |
| Tees Valley has strong demand (relative to the national average) for Web Developers, IT Managers, IT Service Managers and IT Trainer roles. Digital skills which are in higher demand in Tees Valley than elsewhere also include animation and gaming skills (e.g. character animation, character design). |
| Tees Valley occupational clusters - alignment analysis indicates gaps in demand for clusters such as healthcare delivery, chemicals and hydrocarbons and metal work |
| Skills shortage vacancies are high within the Transport and Storage sector – due to current and future growth in demand |

Productivity and competitiveness are dependent upon the skills of the workforce and the challenges facing many of the Tees Valley priority sectors should not be under-estimated.

Despite Tees Valley being one of the most significant industrial economies in the UK it still faces challenge, with areas of **significant social and economic deprivation in many wards** and the relative lack of Tees Valley jobs. An **ageing workforce** is contributing towards potential skills shortages, and gaps that employers cannot fill, particularly in key sectors.

The **Tees Valley Strategic Economic Plan** identified that without access to an appropriately skilled workforce, Tees Valley would struggle to maximise the job creation planned, address local employment and skills challenges and meet the demand from our employers to fill both the targeted creation of new jobs and meet the significant replacement demand of existing positions.

Tees Valley consistently has a **lower than average job density with a higher than average number of residents unemployed**. Throughout the past three years, the Tees Valley employment rate has broadly matched its pre-recession highs observed during the mid-2000s, however, the **Tees Valley employment rate remains significantly below the UK rate**.

Analysis of employment and skills in Tees Valley shows that high qualification and/or high skill occupations are making up an ever-increasing share of total employment. Prior to the Covid pandemic, Working Futures predicted that **100,000 jobs may need filling by 2027**, with **74% requiring high level skills**. However, there will still be a high demand for intermediate and lower level skills, requiring a level 3 or below qualification, particularly in replacement jobs.

Key challenges being faced in Tees Valley are the **higher levels of the working age population with no qualifications**, and **fewer people qualified to levels 2, 3 and particularly level 4**, compared to the national averages. There is a relatively high proportion of low skilled jobs with a low percentage of residents employed in high value occupations compared to the national average, impacting on the area's productivity.

Graduate underemployment and retention is also an issue in Tees Valley, with less than half of Tees Valley graduates finding employment within the Tees Valley 15 months after graduating and over a quarter were working in non-graduate roles, potentially displacing those with lower level skills into unemployment. Indicating a need to increase the number of graduate level jobs in the area. There is also the opportunity to increase lifetime learning so Tees Valley residents can reskill and upskill during the lifetime of their careers.

In terms of how supply maps to Tees Valley occupational clusters, the comparison against England shows that occupational clusters such as **sales and retail** have a more aligned supply and demand position compared, while clusters such as **chemicals and hydrocarbons, metal work and healthcare delivery** have a higher level of demand than supply. Initial gap analysis between the supply of learners and labour demand using job openings indicates there may be an undersupply of labour for occupational clusters that could be considered as focused on lower skill levels such as **retail, food and beverage services** and **transport and distribution**.

Chemical and Process, Bioscience, Logistics, and Creative, Culture and Leisure industry sectors all have very high demand for low skill labour-intensive roles. The largest unmet demands are in the lower skill roles such as elementary occupations, sales, customer service and administrative roles.

The largest number of job vacancies in Tees Valley in 2020 were for **Nurses, Care Workers, Teachers, Sales and Customer Service staff, Social Workers and IT staff**, with increased demand in 2020 reflecting the impact of Coronavirus on the Health Care sector in particular. Outside of Health Professionals, **Science, Research, Engineering and Technology Professionals** – important occupations within both Tees Valley's Life Sciences and Advanced Manufacturing sectors – showed large annual increases through 2020. Whilst job vacancy numbers are up by 10% from this time last year, many of the jobs advertised are at a graduate level. The Covid-19 pandemic has created unprecedented levels of unemployment, and although the number of job vacancies appears to have recovered, the competition for these roles will be high.

As part of the evidence base developed for the Tees Valley Local Industrial Strategy research was undertaken into the Digital sector in Tees Valley, showing that the challenge of finding skilled people to fill digital jobs is a key barrier to growth, especially for experienced staff. Of recent adverts for digital occupations in Tees Valley, **Software Developers and IT Managers** were the most frequently advertised posts, and Tees Valley has strong demand (relative to the national average) for **Web Developers, IT Managers, IT Service Managers and IT Trainer roles**. Skills which are in higher demand in Tees Valley than elsewhere include skills related to Tees Valley animation and games subsectors (e.g. character animation, character design).

Following the pandemic, Tees Valley's already sizable health and social care sector, together with the associated skillset of the local population, puts the area in a strong position to meet any further increases in sectoral demand. In addition, further opportunities aligned to vaccine production and the extension to Fujifilm and National Horizons Centre, could be enhanced. Digitalisation, both within businesses and households, may create new openings and a shift to ecommerce has also resulted in an increased demand for logistics. There could be significant opportunities if the workforce is able to meet these demands.

However, although the Covid-19 pandemic has resulted in an increased requirement for health care workers; the **Health Care sector has seen the largest fall in Tees Valley graduate qualifications over the past year**. The split between professional and caring roles is crucial in understanding the education supply mix supporting Health and Social Care sector workforce development.

For health professional and associate professional roles, higher education is dominant in supplying newly qualified workers, while for caring personal service occupations, further education and apprenticeships are critical. Apprenticeships especially have become important in health and social care provision, while nursing is now degree-driven.

There has been a **large rise in skills shortage vacancies within the Transport and Storage sector in Tees Valley**. This is coupled with an increased demand for logistics to feed rising e-commerce as a result of the Covid-19 pandemic. The logistics sector's two main specialist concentrations are LGV drivers and elementary storage occupations.

The Chemical and Process, and Construction sectors rely on further education and apprenticeship provision to feed a large proportion of its workforce, in particular process, plant and machine operatives and skilled trades. The Covid-pandemic has impacted heavily on apprenticeships and apprenticeship starts have significantly fallen over the last year.

Chapter 4. Skills strategy

The Combined Authority's purpose is to drive economic growth and job creation in the region. It has a major role in facilitating the creation of the 100,000 jobs that may need filling by 2027, which includes both new jobs and replacement jobs³, and for ensuring a vibrant, diverse economy that is inclusive for all.

Tees Valley has a clear strategy, '**Inspiring Our Future**' (2018-21)⁴ focusing on transforming education, employment and skills in the area. The strategy set out our ambitions and priorities for skills and education over the coming years and reflects the powers, funding and responsibilities secured by Tees Valley Combined Authority through devolution and aims to build the skills needed for a modern economy.

Recognising that there are significant challenges and opportunities in Tees Valley, the areas for intervention have been prioritised based upon consultation and analysis to identify the added value or gaps in the system that the Combined Authority is best placed to address. The 'Inspiring Our Future' strategy set out six key aims and included a set of collaborative actions to help address these challenges and realise the opportunities.

Aim 1: Support innovation and collaboration in education

Recognising that a successful career starts with an excellent quality education system and the strategy encourages collaboration and innovation between schools to address the challenges they face that will support more pupils to progress into positive destinations when they leave statutory education.

To support this, a £2m Tees Valley Education Innovation and Collaboration Fund was established. The activity, to be delivered through schools, is aimed at improving educational attainment, particularly at Key Stage 4.

Aim 2: Develop a skills system for Business Growth

Understanding and addressing the skills needs of the local economy is a complex task. The economic landscape continues to evolve, and the development and expansion of the global economy has brought with it the need for a wider skills base as new technologies are introduced into working processes at an ever-growing rate. Within this increasingly competitive and changing world, skills and workforce development have a critical role to play in Tees Valley's economic growth and future prosperity, whether for the individual, the employer, or the wider economy.

To support this, we set out to provide re-training opportunities that supports local people to access the changing labour market and take more flexible career paths; prepare for the technical education reforms and the anticipated demand for increasing work placements; and increase the number of apprenticeships and enable progression to higher level apprenticeships.

Aim 3: Addressing long-term unemployment

Evidence shows there are stark inequalities across Tees Valley for long-term unemployed people and those facing multiple and complex barriers when accessing work. In supporting people, we will increase the support for long-term unemployed residents, especially those most distant from the labour market and prevent young people becoming long-term unemployed. Removing barriers to work through targeted and multi-agency programmes will be a high priority.

³ Working Futures 2017-27

⁴ Inspiring Our Future: <https://teesvalley-ca.gov.uk/wp-content/uploads/2018/04/EES-Strategy-Brochure-LRez.pdf>

Aim 4: Create a Careers and Enterprise Initiative

It is important for young people and adults in Tees Valley to be fully aware of all the opportunities available to them and to ensure they are given the necessary information, advice and guidance to make well-informed decisions about their career choices.

Activity to support this aim will seek to improve co-ordination, and convene a consistent, high- quality all-age careers system across Tees Valley by better aligning school careers and enterprise education to business needs; improving the experiences of our young people to ensure they are better informed and prepared for work; and increasing the quantity and quality of adult careers education linked to business demand.

Aim 5: Business challenge and workforce planning

Our future economic success requires an understanding of the new jobs and opportunities that will be created. To achieve this, we need to work much more closely with businesses to identify and articulate their current workforce skills requirements and to plan for business growth in the future.

This activity will include providing business support to increase the number of businesses that identify and plan for future workforce demand and predict future skills gaps; increase our knowledge of priority high-demand sectors' skills needs; support businesses to create more jobs, apprenticeships, work experience and volunteering opportunities; and support businesses to maximise the use of the Apprenticeship Levy

Aim 6: Enhance the Higher Education role in driving economic growth

Without a dynamic knowledge base, we cannot sustain the growth of the high-performing sectors that will deliver our economic prosperity. We need to tackle this deficit through a clear and ambitious multi-partner strategy to foster, retain and attract the talent and ideas that are a prerequisite of a high-skill economy.

Given that many future high-level skills and roles will be fulfilled by those currently in work, we need to reverse the decline and accelerate the take-up of in-work training. We will promote and encourage employer investment in workforce development, particularly through the growth of Higher and Degree Apprenticeships, which offer a major opportunity to build and enhance higher-level workforce skills in key sectors, roles and occupations.

Throughout the period of the strategy, the Board is committed to working strategically with key partners and stakeholders in determining future priorities and as such, acknowledge that this will take time.

The strategy is an integral part of the Combined Authority's wider budget and Investment Plan and sets out the strategic approach to the deployment of the Education, Employment and Skills Programme of the TVCA Investment Plan 2017-21 and devolved Adult Education Budget for the Academic Year 2019/20 .

The Tees Valley Education, Employment and Skills Programme contributes to the delivery of priorities within the Tees Valley Combined Authority (TVCA) Strategic Economic Plan (SEP) (2016-26), in particular, Education, Employment and Skills investment activity will support the following SEP aim:

To increase educational attainment, produce the skilled workforce that businesses need and increase lifetime opportunities for our residents.

Across Tees Valley, over £100 million has been identified for the period 2017-21 for investment in education, employment and skills. This is in addition to the £970 million per year of public expenditure devoted to education by schools, colleges and universities in Tees Valley.

In developing the 'Inspiring Our Future' strategy, the Board recognised that creating more 'good' jobs and increasing the number of people in work is critical to improving productivity in Tees Valley.

In July 2018, the Combined Authority was identified by Government as being in the second wave of areas to develop a Local Industrial Strategy (LIS). This would identify the local strengths and challenges, future opportunities and the action needed to drive productivity.

We worked closely with Government to develop a Draft Tees Valley Local Industrial Strategy (2019), which set out our ambition for Tees Valley to be:

'A global leader in Clean Energy, Low Carbon and Hydrogen - to achieve a Net Zero carbon industrial cluster by 2040, providing good jobs with long-term prospects that local people can access.'

This ambition continues to sit at the heart of our framework for growth. However, following the outbreak of Covid-19, it has been necessary to reassess our priorities and ensure that regional activity supports future resilience as our economy recovers and charts a path to growth.

Skills Advisory Panels are expected to analyse and reach an evidence-based view on local skills needs, inform the 'People' element of the Local Industrial Strategies and local post-16 skills provision, so that skills provision better meets labour market needs, now and in the future.

Having been identified in July 2018 as a wave 2 area to develop a Local Industrial Strategy (LIS), this preceded the formal establishment of a Skills Advisory Panel, as such, Tees Valley was much further along the journey of developing our LIS than many other local areas. This included the work already undertaken to produce the evidence base for our LIS.

For Tees Valley, the Board informed the 'People' element of our Local Industrial Strategy through the partner and stakeholder engagement workshops rather than in its Skills Advisory Panel capacity to undertake the analysis.

The allocation to Tees Valley through the European Structural and Investment Funds (ESIF) for 2014-2020, to support the Tees Valley's economic growth opportunities, includes a European Social Fund (ESF) and Youth Employment Initiative (YEI) allocation of £84.5m. The primary aim of ESF is to increase labour market participation, promote social inclusion, and develop the skills of the existing and future workforce.

The European Structural and Investment Funds Strategy (ESIF) for Tees Valley, aligns with our Strategic Economic Plan, and sets out how the area will maximise the opportunity presented by the allocation of funding to support the Tees Valley's economic growth opportunities during the 2014-2020 programme.

With an expectation in today's economy for individuals to take on greater responsibility for managing their careers more actively and developing the skills that employers view as essential, our priority is to connect people to appropriate education, employment and training opportunities throughout their lives, whether they are taking their first step onto the career ladder, are unemployed or facing redundancy or looking to improve or change their career prospects.

However, they also acknowledged that simply helping people into work, including self-employment, is not enough to tackle unemployment, under-employment and create a strong workforce, capable of sustaining economic activity and growth.

Working closely with key partners and stakeholders and maximising devolved powers and funding, we set out to develop an agile and responsive education and skills system that meets the needs of all local people and businesses, recognising that these are critical to the future economic success of the Tees Valley.

Our key strategies provide synergy between our agreed City Deal, Devolution Deal, Growth Deal and European aims – and the funds we have at our disposal through the Tees Valley Investment Fund, Local Growth Fund and local partners' investment.

Skills Priorities

The evidence base used to inform the education, employment and skills strategy in Tees Valley is the **Tees Valley Economic Assessment**. To ensure this evidence base remains robust and timely, the report is updated annually and the education, employment and skills section is supported by separate annual deep dive reports for Higher Education in Tees Valley, Apprenticeships started by Tees Valley residents and Job Demand in Tees Valley.

The Tees Valley Economic Assessment 2020, along with additional skills analysis undertaken by the Board, has informed the detail of our skills priorities using the following categories:

Cross-cutting skills priorities (far-reaching, cross-sector)

Structural economic change is likely to support growth across many sub-sectors of Tees Valley's already strong Advanced Manufacturing sector and its rapidly expanding Digital sector. Coronavirus has accelerated existing trends towards more flexible ways of working involving digital technology and the EU exit is likely to provide new trading opportunities that can allow Advanced Manufacturing to start to reverse its long-term employment decline.

The potential impact of major investments in the Tees Valley indicates there is potential to boost labour demand. If the major investments go ahead, the analysis indicates there could be a swell in demand for jobs in clusters related to construction and the manufacture of components required for Net Zero Teesside.

Setting up links between Net Zero Teesside and local education institutions to help provide the labour supply with the skills required to deliver the scheme may be beneficial in helping to meet this potential demand

The Tees Valley is home to the single biggest industrial development opportunity in the UK in the form of Teesworks. This significant opportunity means that Tees Valley's private sector business and economic growth potential, particularly across our strong Advanced Manufacturing and Clean Energy, Low Carbon & Hydrogen sectors is among the greatest in the country.

Development here, in conjunction with the burgeoning Offshore Wind sector, can strongly support the government's levelling up agenda.

Covid-19 recovery and renewal skills priorities and exiting the EU

There are multiple economic unknowns around these factors currently; however, the analysis does indicate that a supply of labour with the right skills to meet demand for core clusters that keep society and the economy going (e.g. healthcare delivery and utilities) could be important.

High levels of employment already concentrated in the Health & Social Care sector puts Tees Valley in the best possible position to grow this sector further. This sector is seeing the greatest number of new vacancies following Coronavirus and is now expected to be the fastest growing sector across the country.

Within a rapidly changing labour market, Tees Valley's flexible and hard-working labour force have the transferable skills, knowledge and experience to enable them, with the appropriate bespoke training if necessary, to take up opportunities in new and emerging spheres of work, jobs and occupations e.g. across Digital, Health & Social Care and Clean Energy sectors.

Sector priorities (or occupational priorities)

The percentage of Tees Valley employers reporting skills shortages has dropped since 2017, however pockets of skills shortages remain and have risen in some key sectors, including Logistics and Construction.

Occupational clusters such as transport and distribution, metal work and health specialists have also recently grown, making up for where jobs have disappeared in other occupational clusters including chemicals and hydrocarbons and electronics and electricals.

There may be a need for upskilling in some occupational clusters in the future. The scale of increases indicates a need for small tweaks in skillsets rather than wholesale changes.

Chapter 5. Skills action plan

The Education, Employment and Skills Partnership Board was established by the Combined Authority to bring together the key institutions responsible for the delivery of the strategy and its associated actions.

The Tees Valley strategy for Education, Employment and Skills is summarised within the Action Plan framework below.

Strategic Summary Table

| | Objectives (Why?) | Properties (What?) | Routes to Delivery (How?) |
|---|---|--|--|
| Support innovation and collaboration in education | To add value to the education of our young people to ensure they achieve the best they can and have good progression outcomes once they leave statutory education. This will contribute to improve attainment levels of our pupils and school performance. | <p>Improve the recruitment and retention of good teachers</p> <p>Develop technical routeways for 14-16 year olds</p> <p>Pilot new activities that enhance educational outcomes for our pupils.</p> | <p>Create an Educational Innovation and Collaboration Fund</p> <p>Support the Tees Valley Regional Schools Commissioner and Tees Valley School Improvement Board</p> <p>Identify national funding gaps and provide investment where appropriate.</p> |
| Develop a skills system for Business Growth | To provide better training routeways directly linked to businesses' skills demand that support Tees Valley residents to access progressive jobs. | <p>Create technical training routeways</p> <p>Prepare for technical education reform in 2020</p> <p>Improve adult training better linked to business demand.</p> | <p>Devolve Adult Education Budget</p> <p>Engage with DfE to implement T levels for technical education</p> <p>Engage with more businesses to inform skills provision</p> <p>Support the creation of apprenticeship training.</p> |
| Addressing long-term unemployment | <p>To reduce long-term unemployment and the numbers of young people that continue to be out of work. Businesses continue to tell us they find it difficult to recruit locally.</p> <p>Levels of disengagement within our most deprived communities is a concern that results in residents not fulfilling their potential and continuing to be reliant on the welfare state.</p> | <p>Increase the support for long term unemployed residents, especially those most distant from the labour market</p> <p>Prevent young people becoming long-term unemployed.</p> | <p>Implement the Routes to Work pilot</p> <p>Develop 16-18 work experience pilot</p> <p>Implement 16-18 holistic support</p> <p>Develop and implement a new 18-24 support programme.</p> |

| | | | |
|---|---|---|---|
| <p>Create a Careers and Enterprise Initiative</p> | <p>To improve and simplify the career information and education available to residents of Tees Valley. The level of information available is confusing and lacks co-ordination. Businesses continue to feedback that too many applicants for jobs lack the basic knowledge of the work place and what skills are expected by employers.</p> | <p>Better align school careers education to business needs</p> <p>Increase the quantity and quality of adult careers education linked to business demand</p> <p>Improve the experiences of our young people to ensure they are better informed and prepared for work.</p> | <p>Engage and partner more businesses in schools to shape and deliver careers education and information</p> <p>Produce a careers toolkit for schools and young people, including developing more digital and social media tools Implement a programme of events and activities that schools can access on a call off basis</p> <p>Work with the provider of the National Careers Service to enhance this service in line with Tees Valley requirements.</p> |
| <p>Business challenge and workforce planning</p> | <p>To challenge and support businesses to create more jobs, apprenticeships and opportunities that residents can access.</p> | <p>Increase businesses that carry out workforce planning to identify growth and skills needs.</p> <p>Increase the knowledge of priority and high demand sectors skills needs.</p> | <p>Provide business brokerage and support for workforce planning</p> <p>Provide incentives and support to businesses to create more opportunities including jobs, apprenticeships, work experience and volunteering</p> <p>Support businesses to maximise access to the Apprenticeship Levy by creating more apprenticeships.</p> |
| <p>Enhance the Higher Education role in driving economic growth</p> | <p>To ensure higher education institutions are fully integrated to influence and provide support to achieve economic growth.</p> | <p>Increase innovative research and development linked to support the growth of Tees Valley businesses</p> <p>Increase engagement between higher education institutions and businesses Increase degree level apprenticeship training.</p> | <p>Strengthen our working relationship with Teesside University to maximise its anchor institution role</p> <p>Actively support the creation and take-up of higher and degree apprenticeships that support our ambitions for a high-skill, productive economy</p> <p>Develop and promote clear progression routes through Further Education to Higher Education</p> <p>Work collaboratively with business, Teesside University and other higher education providers and research institutes with links to our economy</p> |

| | | | |
|--|--|--|--|
| | | | Align this work directly to the Tees Valley Innovation Strategy. |
|--|--|--|--|

Chapter 6. Assessment of progress

Taking a local leadership role

In what ways has your SAP become a local leader for skills work?

The Tees Valley Education, Employment and Skills Partnership Board continues to provide a strong leadership role on all aspects of education, employment and skills in Tees Valley. It provides advice and makes recommendations on education, employment and skills related issues to the Tees Valley Combined Authority and Cabinet as appropriate.

The Board is focused on ensuring successful delivery of those elements set out in the Tees Valley Devolution Agreement with Government⁵ and any future devolution deals or other shared commitments with Government, along with the successful delivery of the Tees Valley Strategic Economic Plan (SEP) 2016-26⁶ and Tees Valley Local Industrial Strategy, which was agreed locally in 2019 and sets out an ambitious plan to transform the economic performance of the area.

The Board, having previously led the strategic approach, including the data analysis, on the Education, Employment and Skills Strategy, 'Inspiring Our Future' 2018-21, now leads on the successful delivery of the key aims identified in the strategy and will lead the development and delivery of any future strategy.

The DfE White Paper "[Skills for Jobs: Lifelong Learning for Opportunity and Growth](#)," committed to build on the work of SAPs to date, and in undertaking its leadership role in Tees Valley, the Board welcomes the opportunity to work closely with DfE to help shape and inform "Local Skill Improvement Plans" for Tees Valley.

To what extent is your SAP working together with local partners including skills providers and employers? How has this changed over the time the SAP has been running?

The Combined Authority, with a co-terminus and fully integrated Local Enterprise Partnership has well-established governance arrangements. The Board and members of the Delivery Workstreams continue to work collaboratively with partners and stakeholders in a positive and effective way to drive forward key economic objectives for Tees Valley learners and employers.

In disseminating information, Board members not only have a key role to play in ensuring that the SAPs analysis and skills priorities are disseminated but they also have a key role to play in ensuring that critical employer and provider intelligence is fed back into the work of the SAP.

Members of the Skills Routeways Delivery Workstream of the Board are representatives from Tees Valley providers, and the Business Engagement Delivery Workstream has employer representation from many of the key sectors in Tees Valley. The Chair of the Business Engagement workstream is also the Tees Valley LEP Skills Lead and there are several identified SME representatives on the Tees Valley LEP Board.

Private sector members of the LEP play a key role in influencing the development and delivery of the strategies of the Tees Valley Combined Authority. Members come together regularly to ensure that the unique voice of business is heard, and influences decision making.

As 99.5% of Tees Valley businesses are SMEs, nearly all of our employer engagement is with SMEs, therefore, the relationship with organisations such as the Federation of Small Businesses (FSB) is

⁵ Tees Valley Devolution Agreement: <https://teesvalley-ca.gov.uk/wp-content/uploads/2016/07/Devolution-Deal.pdf>

⁶ Tees Valley Strategic Economic Plan: <https://teesvalley-ca.gov.uk/wp-content/uploads/2016/12/TVCA207-SEP-Document-Full-WEB.pdf>

important to us. We are keen to develop an even stronger working relationship in Tees Valley with our businesses so that we can really understand and address the skills support for the self-employed and the 15,555 micro businesses (under 10 employees).

The Board and its members maximise all opportunities to work with local businesses through Tees Valley Business and the various Tees Valley ERDF and ESF projects supporting business growth and skills for growth.

Even within the Tees Valley geography, the scale and diversity of SME's is challenging. And determining their individual skills needs and responding in a funding driven skills system is very challenging, often the current system is not flexible nor responsive enough to meet their needs.

AEB Provider Relationship and Performance Officer (PRPO) - the role of the PRPO is to manage a caseload of providers, of both relationships and performance at a local level. In undertaking their roles, the PRPOs liaise directly with the 31 AEB Providers in Tees Valley.

How has this changed since the Covid-19 pandemic?

Recognising that businesses and providers in Tees Valley are dealing with some significant changes at the moment, the Combined Authority worked with local authorities and other stakeholders to understand the immediate and anticipated medium-longer term impacts of the pandemic. This included macro-economic analysis and local intelligence gathering (including Business Survey and Stakeholder engagement).

Enhancing local knowledge

How far is your SAP in developing a clear understanding of current and future skills needs? How developed is your knowledge base? What still needs improving?

The Combined Authority has an established core team of economic analysts that carry out analysis linked to the requirements of the SAP. This work is, and will continue to be, an integral element of the wider economic analysis that the Combined Authority undertakes.

The most reliable and robust evidence base for Education, Employment and Skills in Tees Valley is covered through the Education, Employment and Skills section of the Tees Valley Economic Assessment 2020, which aligns to the Core Indicators in Annex A of this report. This year has seen the greatest shock to the world economy in a century. Data presented in the Economic Assessment reflects as far as possible Coronavirus impact, to inform recovery planning and economic interventions for 2021 and beyond.

The Tees Valley Economic Assessment is updated on an annual basis, with separate deep dive reports available annually for Higher Education in Tees Valley, Apprenticeships started by Tees Valley residents and Job Demand in Tees Valley.

Skills Demand Analysis - progress

To try to understand the current and future 'skills demand' needs in Tees Valley, several pieces of work have been undertaken to inform this, following the Skills Demand model below.

| | |
|---------|------------------------|
| Stage 1 | Strategic Overview |
| Stage 2 | Vacancy Analysis |
| Stage 3 | Future Labour Market |
| Stage 4 | Curriculum Development |

This work has included:

A review of national and regional skills strategies, reports and papers, along with relevant reports produced/published by sectoral organisations and bodies;

Analysis of the skills demands of ten priority industry sectors within Tees Valley, with each report containing a detailed economic overview by sector, including demographics, job trends, salaries and key occupations, as well as a recruitment outlook and overview of the talent pool; analysis of occupational skills demands in Tees Valley;

An internal report which examines the Working Futures employment projections 2017-27 (prepared by the Institute for Employment Research and Cambridge Econometrics on behalf of DfE), with a focus on the emerging skills needs of the Tees Valley by occupation and industry sector⁷; and

An internal report which examines the Tees Valley level analysis of the DfE Employer Skills Survey. The Employer Skills Survey is one of the largest business surveys undertaken in the UK, with 81,000 employers participating in 2019. The survey was undertaken between June and December 2019.⁸

In addition, a number of evaluations have been carried out on key areas of work underpinning the strategy, these include:

- Routes to Work Evaluation - including examination of a process for identifying those most at risk of becoming long term unemployed;
- Apprenticeship support evaluation-that examines the recent grants provided in Tees Valley
- A Year 1 Adult Education Budget Evaluation - that will examine the progress made and make recommendations for the future devolved programme; and
- Tees Valley Careers Education Evaluation and Impact Study.

What still needs improving?

The Combined Authority will continue to increase data access and analytical capacity to produce robust data led evidence to help the SAP develop Education, Employment and Skills policy, delivery priorities and increase investment in this agenda.

In order to achieve this it will be necessary to work with DfE and other government departments in a common cross-departmental manner that increases access to national data sets and evidence.

We anticipated that the Examine A Place tool currently being developed by DWP, DfE and DCMS will eventually provide local areas with data to replace tools which are currently accessed locally at a cost, multiplied by each SAP locality.

DfEs support in allowing continued access to the ESFA localities Data Cube is also essential to help the SAP understand skills supply whilst increasing access to data that provides evidence of skills demand including apprenticeships and workforce data.

Further to our skills demand model set out above, for us to really be able to influence Stage 4. Curriculum Development' and better understand which routes best meet various occupational skills requirements, it would be extremely helpful if the Institute for Apprenticeships and Technical Education (IfATE) could extend the scope of the occupational maps, that currently only reflect occupations that

⁷ The prime focus of Working Futures is on the demand for skills as measured by employment by occupation and qualification. The projections update those produced in 2016 (covering the period 2014 to 2024) on behalf of the UK Commission for Employment and Skills. The aim of this report is to understand the emerging skills needs of the Tees Valley by industry sector and occupation

⁸ It should be noted in relation to the 'Working Futures employment projections 2017-27', that impacts resulting from the Coronavirus pandemic are not reflected in detail in these projections. And, as with the Working Futures projections, while the findings of the DfE Employer Skills Survey still provide an important source of labour market intelligence, the impact of Covid-19 means that the economic landscape has changed significantly since the survey fieldwork was conducted.

can be accessed through an apprenticeship, to cover all Institute approved technical education programmes.

We would welcome support from DfE in relation to gaining information relating to levy-paying employers and the use of apprenticeship levy in order to ensure we maximise use of the levy in local areas and support the creation of much needed apprenticeships.

Impact on local skills provision

To what extent is your SAP influencing skills providers so that their offer better meets the skills and labour market needs in the area? This could include any provision you directly commission and/or any devolved budgets, functions or responsibilities (e.g. devolved AEB in MCA areas).

An evaluation of the 2019/20 devolved Adult Education Budget (AEB) funded skills provision in Tees Valley has been carried out. The key findings and recommendations from this will assist in better understanding how the sector requirements for skills, competencies and behaviours are currently being addressed in delivery.

However, in the first year of devolution, we have already started to see a positive impact of employer led skills programmes. Maximising the flexibilities of the AEB Delivery Plans, several skills pilot programmes have been developed and implemented throughout the Academic Year 2019/20 using devolved Adult Education Budget. These include Gateway to Construction Skills including Civils Trade training, Telecoms construction; Rail Academy; Forklift Truck; Logistics Training; Welding; Scaffolding; and Decommissioning.

The Combined Authority has also initiated further discussion with the NHS Trusts and the Engineering Construction Industry Training Board (ECITB) to consider further development of local programmes to address some of the emerging skills gaps. The work with the ECITB includes exploring the extension of a localised scholarship scheme which will look to address the skill shortages in, and provide a future pipeline of skilled workforce including welders, mechanical and electrical engineers, project controllers and pipefitters.

Additional AEB funding was allocated in direct response to Health and Social Care training needs during the Covid pandemic.

Challenges are still faced FE and HE providers in your local area to align provision to meet skills needs? Are some providers easier to engage than others? The challenges stem from the SAP and combined Authority trying to change a skills system that is not driven by employer demand.

Covid-19 recovery and renewal plans

a. How has your SAP influenced priorities for Covid-19 recovery and renewal plans?

Following the onset of Covid, the Combined Authority worked with local authorities and other stakeholders, including the Board to understand the immediate and anticipated medium-longer term impacts of the pandemic. This included macro-economic analysis and local intelligence gathering (including Business Survey and Stakeholder engagement).

This work resulted in the identification of costed, economic priorities for the short, medium and longer term, and a draft Economic Recovery Plan. The Draft Recovery Plan identified priority themes and interventions, these were:

- Confident people confident business
- Education Skills and Jobs
- Agile companies and competitive workers
- Building Blocks for Growth

- Bringing Business Home

Immediate work with local partners and central government enabled the Combined Authority to act to ensure rapid and targeted support for those most severely impacted in the short term. This included:

Adult Education budget – using devolution powers to optimise the use of AEB to support the sustainability of Tees Valley AEB providers, move learning online, support digital access for learners and pilot new programmes of learning that address the changing labour market.

New Employer Grant for Apprenticeships – investment of £1m for a New Employer Grant for Apprenticeships. The grant funded 105 apprenticeships and was available for small to medium sized businesses from priority sectors in Tees Valley who employed a new Apprentice aged 16-20.

DWP Innovation Pilot – Tees Valley Routes to Work – TVCA worked with DWP to flex the eligibility and timeframe for delivery of the Routes to Work project.

Kickstart – representative organisation – following the Government's launch of the £2bn Kickstart Scheme, the Combined Authority pledged to act as a representative for any businesses who wish to offer less than 30 job placements, supporting the many small and medium sized companies in Tees Valley to access this support and create jobs.

The Draft Recovery Plan themes remain relevant and over recent months, activity has taken place across all these themes to support resilience and growth for the Tees Valley economy. However, the specific interventions, particularly the scale and scope of local investment, must be informed by an on-going understanding of need, and align with national support measures to ensure we maximise the impact in the short, medium and longer term. We will continue to monitor the impacts of Covid on business and communities in Tees Valley and use this intelligence to influence the response.

Renewal plans

Work is underway with the Board to development of the next iteration of the Tees Valley Combined Authority's Education, Employment and Skills Strategy and delivery plan. It is proposed to publish this in the Summer of 2021.

Emerging priorities to be developed within the strategy include:

Addressing unemployment;
 Developing skills for the labour market;
 Increasing access to jobs and work experience; and
 Provide relevant Careers Education and improving destinations of young people post statutory education

The key principles driving these four priorities would include:

Aligning employment and skills delivery;
 Maximising existing projects funded by external sources;
 Providing a safety net for disengaged people; and
 Simplifying the support available by greater collaboration between projects

Skills action plan

a. What are the most significant elements of your skills action plan that you have been able to fulfil? Equally, which of those unfulfilled actions need addressing most?

Progress against the strategy for delivery is showing that some areas have progressed faster than others.

The key priority in academic years 2019//20 and 2020/21 has been to successfully commission and manage the Adult Education Budget. Whilst challenging, this has been achieved and prior to Covid-19 lockdown good progress was being made in changing provider behaviour, moving towards more outcome focussed training, and understanding performance and delivery against employer demand.

Other areas where good progress is being made are:

Addressing long term unemployment - by supporting the most distant from the labour market through the Routes to Work project; and Careers and Enterprise Initiative.

All Tees Valley Schools (11-18) are making good progress, with 13 education establishments fully achieving all eight benchmarks and 10 achieving seven benchmarks. There are now 1,000 employers engaged with Tees Valley Careers.com supporting careers education in our schools and colleges.

Across Tees Valley, ESF funded programmes, particularly the Youth Employment Initiative, Skills Support for the Unemployed and Skills Support for the Workforce projects are all performing well and been awarded growth and extension.

In cases where progress has been slower, this has been because of direct impact due to the Covid pandemic.

This is particularly so for the supporting innovation and collaboration in education where programmes of work have been delayed in terms of commencement. The Education Improvement Board recognise that it will be necessary to review and re-profile some of the programmes of intervention in response to the impact of COVID. Where required, programmes have been allocated an extension to July 2022. It is considered too early to gauge the overall impact of these programmes on addressing the priorities of reducing unemployment and improving secondary school performance.

Apprenticeships are one of the skills areas that continue to be a challenge. Without employer incentives, new apprenticeship creation has seen a huge decline. However, businesses are continuing to engage with TVCA to access the Apprenticeship Grants available to help create new apprenticeships and the current TVCA grant to businesses continues to receive applications.

Chapter 7. Case studies/positive impact stories

DEVELOPING A SKILLS SYTEM FOR BUSINESS GROWTH

Case Study 1. Adult Education Budget 2019/20

In the first year of the devolved budget, the Combined Authority set out a strategic approach that would enable greater evaluation of the provision to support and move towards an adult education and skills system which is driven by the following principles:

- Maximising the amount of funding that reaches the learner
- Developing collaborative and strategic working relationships with providers to benefit Tees Valley residents and employers
- Prioritising delivery that is strategically and economically advantageous to Tees Valley
- Developing and supporting a sustainable skills base in Tees Valley
- Supporting appropriate value for money and high-quality subcontracting activity
- Establishing better measurement and evidencing of positive outcomes to demonstrate how providers are meeting the needs of learners and employers across Tees Valley
- Actively managing quality by introducing a provider performance management framework
- Providing skills provision directly linked to employer needs across Tees Valley

It is recognised that the Covid-19 pandemic and lockdown restrictions has had a significant impact on the delivery the was planned in this first year including many of the planned employer led skills pilot programmes. However, some of these were able to be implemented towards the end of the academic year.

The devolved budget has enabled the Combined Authority to introduce local flexibilities through “employer led skills pilots” to allow providers to deliver recognised skills training programmes that have directly responded to the skills needs of employers.

These flexibilities have also enabled greater collaboration amongst providers and instrumental to this has been the introduction of the role of the Provider Relationship and Performance Officer (PRPO). The role of the PRPO is to manage a caseload of providers, of both relationships and performance at a local level. One of the key functions and benefits of this role is that there is an overview of all of the planned AEB delivery across providers. Therefore, PRPOs can encourage collaboration amongst providers where appropriate.

An example of this is:

Hartlepool FE College, DTN Academy and Seymour’s Civil Engineers

Adam Harker, Managing Director of Seymour said ‘We are delighted that by blending our collective industry and training skills expertise, we can help bridge current skills gaps and unemployment challenges in Tees Valley. Flexibility between partners and routes to employment will also provide a gateway to new construction and Civil operative jobs as part of the new digital infrastructure build and upgrade”

One of the major employers for these future roles is City Fibre. In July, City Fibre the UK’s third national digital infrastructure platform, announced a three-year recruitment and training programme to provide up to 10,000 people with jobs upgrading the UK’s digital infrastructure to full fibre. More recently, City

Fibre announced their intent locally with the plans to invest over £42m in replacing Middlesbrough's copper networks with gigabit-capable full fibre optic connectivity.

The newly formed partnership aims to train over 100 learners in the next 6 months with the emphasis on providing career opportunities for Tees Valley residents.

Other examples of the employer led skills pilot programmes include:

Hartlepool College responding to skills needs within the Rail Transport Industry a new partnership has been formed between the College and a key recruitment agency, National Skills Solutions (NSS), for the sector that will aim to up skill Tees Valley residents for skilled, well-paid work to meet the increasing demand. The College is now an approved centre for Rail Engineering qualifications and through work with NSS is working with key employers such as Ganymede Solutions, McGinleys, Resourcing Solutions, Vital Morson Group, Coyle, Amco, SES and many more.

Redcar and Cleveland Borough Council Adult Learning Service working in partnership with the local Grangetown Employment Hub responding local skills needs within the logistics sector and providing HGV training to Tees Valley residents.

Case Study 2. T Levels prepare students for the world of work

T Levels are exciting new technically focussed qualifications that have been developed to equip learners with the skills they need to succeed in the workplace. For school leavers aged 16-19 they combine a substantial period of on the job training – at least 45 days – with classroom learning.

The two-year courses, which are equivalent to three A Levels, include structured work placements that allow students to get essential hands-on experience in their chosen industry. Like an apprenticeship, a T Level course is designed by the employer, though the main difference is the learner spends more time in the classroom. Middlesbrough College is the first general further education college in the Tees Valley to offer these courses from September 2021 and they have been piloting them in recent years with various employers.

Mark Wainwright Director / Office Manager of RS Hall Engineering Ltd is impressed with the scheme, and said,

“Working with Middlesbrough College through the T Level programme has allowed our business to locate a motivated person aspiring to become an engineer. We see it as a necessity to invest time into aspiring young people and to help them on their journey to become engineers, this ensures that the sector continues to produce people who are gaining valuable time working alongside already established engineers and forming good working relationships with a variety of colleagues in the workplace, whilst also gaining the appropriate academic skills at their college.

James has proven to be an exemplary employee both from his time with us on the T Level Programme and from the part time work we offered him because of his time with us on the T Level programme, which will develop into an apprenticeship when his course has finished.”

Middlesbrough College offers T Level courses in digital, engineering, science, healthcare, childcare and construction – and the College's expert team help learners identify and secure a high-quality work placement.

Case Study 3. Institute of Technology offers first class higher level technical training

Progression opportunities for T Level learners include routes into higher and degree level apprenticeships or directly onto higher education courses such as HNC/Ds, Foundation Degrees and

Degrees. Each year, many of Middlesbrough College's Level 3 learners progress onto the College's university level programmes which are delivered in partnership with The Open University and Pearson Education to provide accessible, flexible, and affordable higher education in the Tees Valley. This strategy is very much in line with the recent Augar review and the proposals outlined in the new FE White paper 'Skills for Jobs'.

Last year, Middlesbrough College was announced as the sole Tees Valley provider in the North East - Institute of Technology (IoT), led by New College Durham. Middlesbrough College's focus within the Institute delivers quality higher-level technical training in subjects such as digital, advanced manufacturing, and construction from Level 3 to Level 6. The College works in close collaboration with anchor employer partners such as Nissan and Esh who help shape new course development and content.

The development of Middlesbrough Colleges' facilities

T Levels and the IoT has been also been supported with additional grant funding to develop a new University centre by way of expansion to the existing STEM centre, as well as creating a state of the art digital block and new construction facility to support the roll out of T Levels. These centres now include up to date industry standard equipment and facilities and will be operational by Autumn 2021.

ADDRESSING LONG-TERM UNEMPLOYMENT

Case Study 4. Tees Valley DWP Innovation Pilot – Routes to Work

In response to the high levels of economic inactivity in Tees Valley, in February 2017, the Combined Authority was successful in securing DWP Innovation funding to pilot a major new approach to support those most distant from the labour market to prepare for and to access work, which is named Tees Valley Routes to Work (RTW).

This programme developed a holistic, person centred approach to assessing beneficiaries needs and developing bespoke, tailored solutions for the individual. The support was offered by a key worker who mentored the individual through their journey towards work, this included building up a strong relationship that offered support on anything that would assist the individual move towards work, This engagement was pro-active with the key worker providing a regular and consistent method of communication that ensured the individual kept motivated, engaged and built upon success whilst addressing new barriers as they appeared.

Since its start in 2018, Routes to Work has supported almost 3,000 people and helped nearly 600 back into employment across the Tees Valley. The true success of the programme has been the consistent, flexible and responsiveness of the key worker to engage and react to the individuals changing needs; both positive and negative.

Building on its success the programme has now been extended and expanded and will now offer support to all unemployed people across the region until 31st March 2022. This expansion has enabled engagement with younger people whose chance of gaining employment has been affected by Covid19. The wider eligibility has provided Routes to Work key workers to support people aged 16+ with sign-posting, information, advice and guidance; and where the young person has significant risk of becoming long term unemployed Routes to Work full provision. This change in criteria means more people can access the service, bridging gaps in the existing support from other projects e.g. ESF, ensuring everyone can receive the help they need to get into employment.

The aim of the Tees Valley Innovation Pilot Routes to Work (RTW) is to test innovative approaches in relation to removing barriers and supporting people into, or closer to, employment. A key element of the model is to test providing in-work support for an extended time and offer an employer incentive. The

employer incentive is led by the individual and is offered to businesses when deemed necessary to support a person moving into work, this also includes a paid work trial model.

An example of where this has supported an individual is:

Client A had been out of work for 26 years. In addition to long-term unemployment, they felt their age and health issues were causing barriers to employment.

Routes to Work provided support to assist in removing barriers to employment and provided employability support. As client A moved through the RTW customer journey they worked with the Key Worker to create a strategy to move to employment. The Key Worker identified a role which was available in a local small business and worked with Client A and the business to secure employment for client A. RTW provided the employer an incentive which paid 50% of the wages for a 6 month period. Routes to Work were also able to provide Client A with bus tickets to travel to work for the first month of her new job. After 26 years client A is very happy to be returning to work. Her long-term goal is to develop her career within an administrative role and is aiming to complete her Level 3 qualification in Administration. Client A is incredibly grateful for all of the help and support she has received from Routes to Work and will continue to be offered in work support from her Key Worker.

CREATING A CAREERS AND ENTERPRISE INITIATIVE

Case Study 5.

Tees Valley Combined Authority incorporates the Tees Valley LEP and as such undertakes the role of the LEP in delivering the national Careers Enterprise Company's careers programme. This includes the business engagement function under the Enterprise advisor network and delivering the careers Hub. TVCA has been successful in all three rounds of the Careers Hub and as such now has all 11-18-year-old educational establishments engaged in the Hubs. This includes all SEND schools and Pupil Referral Units.

In addition to this TVCA and its stakeholders recognise the importance of employer engagement with young people in careers education and wider advice and guidance provision. As a result, over £3.5m has been allocated to improve careers education in the Tees valley. This programme has provided funding to schools, colleges, and independent training providers to enhance and/or develop their careers education offer.

The funding provided to schools etc. has provided resource from teaching products and toolkits, teacher CPD, careers leadership training, teacher backfill, careers events and employer visits.

Alongside this TVCA has now launched a programme of careers activity in primary schools and produced online tools for all to access. Building on the priority to engage more employers and businesses with our young people a digital employer engagement tool has been developed which provides an opportunity for schools and colleges to directly market employers suitable for their needs and for employers to respond directly. This has assisted in identifying over 1,000 businesses that are committed to engaging in careers activities.

Support is offered by a team in TVCA to assist schools deliver activities and access toolkits, this includes developing specific careers lesson plans where required. This support also undertakes regular audits of "Compass" returns that records these schools' activities against the 8 Gatsby careers benchmarks, this has both challenged the evidence recorded but also identified activities that had not been recorded. Some examples of employer led activities include:

Venator

Teesside based global manufacturing company Venator hosted hundreds of pupils at its STEM Fest to inspire innovation, stimulate learning in science, technology, engineering, and maths and demonstrate the career opportunities available in STEM.

Venator hosted 170 pupils from secondary schools to its first-ever STEM Fest at the manufacturer's global HQ at Wynyard Park on Teesside.

The students visited Titanium House to find out more about the diverse range of career opportunities available in STEM subjects and heard from the Senior Vice President EHS, Innovation and Technology on 'The Science behind Venator' before taking part in STEM activities. These included hands-on engineering and maths challenges, and a demonstration of the scope of technology at the manufacturing company.

In the Engineering Zone, students took part in an interactive session entitled 'the Titanium Tower Challenge' in which they were given construction packs and tasked with building the tallest and strongest tower that can hold a pot of titanium dioxide on top. A specially designed Finance Zone also got the pupils focused on hidden maths and why it matters.

Wates Construction

Wates Construction hosted a group of girls from three Tees Valley schools at their construction site at the National Horizons Centre at Darlington. Titled "The Sky's The Limit", the workshop aimed to raise awareness of careers in construction and consisted of five female speakers who work in different roles in the construction industry.

The speakers talked about their career journey from school to present day (the good and bad) and passed on any advice they had for the girls in terms of pursuing a career in the construction industry. The students also completed a task where they matched job responsibilities to construction job titles, so they talked about wider roles and what they involve.

BUSINESS CHALLENGE AND WORKFORCE PLANNING

Putting regeneration and employers at the heart of skills development

Tees Valley has a unique opportunity to maximise the impact of the ambitious regeneration programme that includes multiple sites across the region, alongside the development of Teesside International Airport, Teesworks site, Freeport locations and the emerging development of significant Offshore Wind development site. Aligned with the plans to further develop the impact of business growth in Clean Energy, including hydrogen and decarbonisation of existing businesses the need for new and higher-level skills has never been more critical.

With rising unemployment, Tees Valley Combined Authority (TVCA) and its key stakeholders are working collaboratively to directly respond to his unique opportunity to increase the access and availability of a skilled local workforce for recruiting businesses.

There are two distinct opportunities that are established as leading this approach. The creation of the Teesworks Skills Academy and Combined Authority's approach to Social Value in procurement both act as visible actions that demonstrate the intent to both support and hold businesses to account to support, influence and directly respond to employment and skills needs of the Tees Valley. In turn this directly influences the skills offer provided by our training providers from public, private, and voluntary sectors.

Case Study 6. Teesworks Skills Academy

The academy was created in January 2021, following a procurement exercise that resulted in creating this "virtual" academy that provides a collaboration of all five Tees Valley Further Education Colleges, Teesside University, and an Independent Training provider: Learning Curve. The model includes the ability to bring in additional training providers, including commercial bodies where skills are demanded by a business that cannot be served by the existing partners.

The Academy works closely with the Site Development Company to engage at the earliest opportunity with businesses looking to locate onto the site, continuously engage with infrastructure development businesses including demolition and groundworks and with end users once businesses are established. The 'Teesworks' site is the former SSI Steelworks site, the largest development zone outside of London and 4,500 acres in size and the potential to create 18,000 jobs within 5 years of the commencement of freeport status in law. The recent Budget announcements of the Freeport and Offshore Wind commitment will drive forward the development of the site at pace and the remediation of the land is well underway.

Teesworks Skills Academy will have a small infrastructure onsite, but most training will be provided by the partners off-site. Already established is an enhanced site mandatory Health and Safety training course that ensures a high level of safety on the site but also develops further than required workers skills in Health and Safety, which assists in future job opportunities.

The Academy will work closely with businesses to define their skills and recruitment needs, establish a forward-looking skills plan for the site and develop the skills offer in response to business requirements. A toolkit of support products will be available as part of the Academy and include formal workforce planning support, leadership and management training and business training needs analysis.

Case Study 7. Social Value-Employer Engagement through procurement

The Combined Authority's Group remit is to achieve significant economic growth, both through direct intervention and indirect influence. Maximising all opportunities for achieving this is at the heart of what we do, this includes utilising all procurement opportunities to achieve economic social value.

Every procurement opportunity over £100k is considered as to its appropriateness to achieve Social Value and an overall scoring weighting of 20% is implemented. Engaging local businesses and maximising economic benefits from contracts awarded through Social Value is an integral element of our operating model. The Combined Authority has a contract with the national "Social Value Portal" and officers work alongside the Portal staff to evaluate bids received.

Working with the Portal 32 Themes, Outcomes and Measures (TOMS) have been prioritised to be included in many procurement opportunities. These are then amended to suit the contract to be delivered. Recent examples include setting up a Framework and contracts for demolition projects and establishing an Electric Joint Venture.

The TOMS selected have a focus around employment; particularly of people with distinctive characteristics, apprenticeships, creation of good jobs, careers education input, community engagement and benefit, approaches to improving carbon footprints and energy saving.

Bidders responses are scored on a quantitative and qualitative basis for Social Value and the TOMS targets submitted are written into the contractual obligations. These are then monitored against those submitted and performance managed. Where necessary support can be provided to assist any underperformance.

As we have implemented this approach, good practice has shown that bidder engagement and advice sessions have been essential and effective in providing clarity of expectation to all potential bidders. Bidders' responses are stronger as a result and therefore the economic benefit through Social Value is greater.

In 2021 the current model will be reviewed, and discussion has commenced with the Combined Authority's constituent Local Authorities to learn from their approaches and gain further consistency in how we engage businesses and maximise this further.

Case Study 8. Tees Valley Combined Authority Apprenticeship Grant Support

In August 2016 DfE devolved the Apprenticeship Grant for Employers (AGE) to the Combined Authority to administer. £1.5m was devolved and an enhanced support offer for local employers was approved by the Cabinet. The grant supported employers who created a new position for an apprentice aged 16-24; employers could claim a grant of £1,500 for up to 3 apprentices with an extra £1,000 for traineeships, high level apprenticeships and identified priority sectors. Training Providers were involved to promote the grant to potential employers and support them to access the training needed. Demand for this grant was very high and additional funding of £0.5m was provided by TVCA to support a greater number of apprentices. 867 businesses employing 975 apprentices were supported via this grant.

With the introduction of the Apprenticeship Levy in April 2017 the Combined Authority continued to prioritise support for businesses to create apprenticeships. With the levy and an updated national grant scheme for 16-18 year olds TVCA identified a gap in the support available for apprentices aged 19+, so developed a programme of support for local employers and apprentices. The grant has evolved over time and has been adapted to the changing labour market. This ability to directly respond to changing labour markets and business need is highly effective in continuing to engage businesses in responding to increasing employment and addressing skills needs of local people.

From February 2020 the Apprenticeship Support Grant supports businesses who fall within identified priority and high growth sectors. SMEs can access a grant up to £3,000 for apprentices aged 16+. SMEs of less than 50, who do not fall within a priority sector, can access a smaller grant of £500. In the last 12 months this grant has supported 147 businesses with 192 apprentices, it is still live and open for applications.

In response to Covid-19, the decline in apprenticeship creation and responding to business feedback in which 69% of businesses stated they had furloughed their apprentices and 35% could no longer commit to taking on a new apprentice TVCA introduced an additional and New Employer Grant for Apprenticeships. This grant provided an incentive for priority sector businesses to take on an apprentice aged 16-20. The incentive provided the grant equivalent to 100% of apprentices wage for the first six months and 50% for the remainder of the apprenticeship employment, up to a maximum of 2 years. To date we have supported 100 apprentices.

ENHANCE THE HIGHER EDUCATION ROLE IN DRIVING ECONOMIC GROWTH

Case Study 9. Teesside University College Partnership (TUCP)

The Teesside University College Partnership (TUCP) has established an innovative, impactful model for the design and delivery of higher-level skills provision across the Tees Valley. Composed of Teesside University, Darlington College, Hartlepool College of Further Education, and the Education Training Collective, the TUCP draws together the combined expertise of all partners to provide a cohesive solution to higher level skills delivery. The TUCP offers a range of provision, including Higher Apprenticeships and HNCs/HNDs, explicitly aligned with the needs of employers and industry in key sectors such as engineering, digital and healthcare.

The TUCP operates a distinctive network approach to the delivery of higher education, through working in collaboration to offer courses in a diverse range of locations according to student demand and employer need. The distinctive geographic footprint of the TUCP harnesses the specific technical expertise and industry standard facilities of all partners. The TUCP has established clear progression pathways for students to progress in their learning from level 3 through to postgraduate level, including through apprenticeship routes. Lifelong learning is fundamental to the ethos and philosophy of the partnership, with students returning to pursue their studies with the TUCP at different stages in their career progression. Over the last three years alone, 1938 individuals have achieved higher level qualifications through the TUCP.

The commitment to sustainable partnership working is evident in TUCP governance structures. The TUCP Board is chaired by the Pro Vice-Chancellor (Learning & Teaching) from Teesside University and composed of College Principals from each partner institution. Portfolio development directly responds to local and regional skills needs. The TUCP is underpinned by the role of Teesside University as a local awarding body deeply rooted in the regional economic context. A TUCP Operations Group meets regularly to ensure that the partnership remains responsive to the needs of industry.

The travel, tourism and aviation sector is well supported through TUCP provision. Teesside University, Stockton Riverside College and Hartlepool College work in partnership to provide an authentic learning experience, highlighting the demands of this dynamic industry. College and university teams work closely to support the academic, personal and professional progression of students in order for students to reach their career goals. The majority of students continue their studies locally and progress on to the BA (Hons) International Tourism, or the BA (Hons) Airline and Airport Management course. In the last 3 years, over 70% of students graduating with the FdA Aviation and Tourism award, progressed to the University to complete a top up course. A high proportion of these students continued their studies and successfully completed Masters Degrees in a business discipline. In 2019, students from both colleges attended an event at Teesside International Airport to learn about its expansion plans and about the Love Tees Valley Campaign. This led to a number of research opportunities. Students across the partnership engage with the Tourism Management Institute (TMI) which supports destination management professionals throughout their career.

The TUCP has an established heritage in supporting the engineering sector. Gestamp Tallent worked in partnership with Hartlepool College to develop a Mechatronics HNC through the TUCP, providing a responsive skills solution for current and aspiring technicians in mechatronic design, manufacture, and maintenance.

The creative and digital sectors are well supported by knowledge, expertise and facilities across the TUCP. Darlington College is currently working with Double Negative, one of the largest visual effects companies in the UK, to develop a new Foundation Degree in Media Production, ensuring that the curriculum will directly respond to emerging industry needs.

The TUCP has worked collaboratively to sustain high-quality higher-level skills delivery during the pandemic, including pivoting teaching and learning to an online model. Partner institutions have provided direct support for the NHS and local businesses. The TUCP is well positioned to support the skills needs of employers and industry and contribute to economic growth during recovery from the pandemic. The innovative nature of the TUCP has been recognised by the Independent Commission on the College of the Future through a published case study.

Chapter 8. Looking forward

We want Tees Valley to be a place where everyone is excited by the current and future opportunities available in the region. There is enormous potential to retrain, upskill and grow the current and future workforce to meet economic demand and make sure local people can have the career they want and achieve their full potential.

To support a skills-based recovery in Tees Valley, we are taking a long-term approach to sustain and grow jobs, not just over the coming years, but for the next 5-10 years.

Our approach will simultaneously support the achievement of Government ambitions to:

- Develop technologies to achieve Net Zero carbon emissions by 2050.
- Strengthen economic recovery from Covid-19 by prioritising skills and jobs.
- Level up economic opportunity across the country, reduce regional disparities and increase productivity; and
- Strengthen the UK's place in the world

This Local Skills Report for Tees Valley provides us with a far greater understanding of the strengths and challenges in the Tees Valley economy and how our skills system is, and can, respond now and in the future.

Much of the work set out in our 'Inspiring Our Future' strategy is ongoing, however, to respond effectively and efficiently to the Covid-19 pandemic, board members are in agreement that now is the right time to develop a new education, employment and skills strategy for Tees Valley.

Central to the new strategy will be a focus on maximising existing provision and resources, with the priority for any new investment being to enhance and add value. We have identified a suite of interventions, funded both nationally and locally, which can deliver significant benefits for the Tees Valley economy.

These include new entitlements and training programmes announced in the recently published White Paper "[Skills for Jobs: Lifelong Learning for Opportunity and Growth](#)," that are currently being piloted or will be introduced in the near future including, National Skills Fund; Bootcamp training programmes and the Lifetime Skills Guarantee. Furthermore, is the government's new Help to Grow management training programme, aimed at SMEs with the objective is to upskill 30,000 SMEs in the UK over the next three years, with funding totalling £220m to be allocated to the initiative in this period.

Alongside national funding and programmes are resources identified in the Tees Valley Combined Authority Investment Plan 2019-29. It has also been confirmed that the Combined Authority has been allocated £30.5million for its second year of devolved Adult Education Budget (2020/21). The funds will be used alongside wider devolved powers to support training in local priority sectors, and to support local people already in employment to retrain and upskill, and for those searching for work to move back into employment.

In addition, a new £2.7million funding stream has been allocated to the Combined Authority which will further give adults the chance to secure their first qualification equivalent to two A Levels. The money will give any adult aged 24 or over who does not currently possess a qualification to such a standard – known as "Level 3" qualifications – access to hundreds of fully funded courses in order that they may work towards obtaining a higher level award, which is also equivalent to a technical certificate or

diploma. This Lifetime Skills Guarantee, will be available in key sectors for the region, including engineering, construction and health and social care plus many more.

A £35million Tees Valley Business Fund was set up in January 2020 to support SMEs across the region. 886 businesses were supported during the calendar year supporting £41million of private sector investment.

These funds alongside the immediate opportunities, and those on the horizon, will help us to attract new businesses as well as increase the quantity and quality of jobs available. It will also support local people to access these jobs, help them achieve their full potential and attain social mobility for them and their families.

However, we recognise there are also interventions which do not require new investment but do require a more strategic and regionally focused use of existing funds as a driver of economic development. The opportunity to inform and shape increased flexibilities in the use of non-devolved skills and employment funding, enabling individual regions to maintain, develop and repurpose successful provision to support economic recovery will be vital.

Tees Valley, as a Mayoral Combined Authority, has proven it has the capacity and capability to invest in the local economy and maximise the use of national funds, empowering and enabling us to provide opportunities to those without jobs, prevent long term scarring and develop the skills necessary to support productivity driven growth.

The region plays host to some fantastic businesses, top-class research organisations and educational establishments, but most importantly, fantastic people, making it a great place to work and live.

Underpinning our strategic approach are three core assets: **individuals, businesses, and resources and infrastructure**. In implementing our approach, we want to facilitate and influence the better integration of them to strengthen the overall skills system in Tees Valley.

Business plays a leading role in setting priorities, identifying opportunities and barriers, and delivering better outcomes. Only by engaging and working closely with our employers, prospective employers and providers can we create and implement the necessary mechanisms to meet identified skills needs and optimise the opportunities afforded to us, influencing and facilitating the delivery of skills provision to meet current and future economic needs.

Improving the skills of individuals whether in preparation for employment, to upskill or to retrain, requires the simplification of skills development pathways to ensure employers get what they need.

In developing the new education, employment and skills strategy for Tees Valley, we want to move towards a skills system which is driven by:

- Collaborative and strategic working relationships with businesses and providers to benefit Tees Valley residents.
- Prioritised delivery that is strategically and economically advantageous to Tees Valley - therefore ensuring that skills provision is directly linked to employer needs, resulting in a sustainable skills base for the region; and
- Maximising amount of funding that reaches the learner.

There is still a long way to go to fulfil our plans, but if we continue on this path – soon the entire Tees Valley region will be home to thousands more jobs and Teesside will lead the UK in net zero manufacturing, energy and innovation.



TEES VALLEY
COMBINED
AUTHORITY

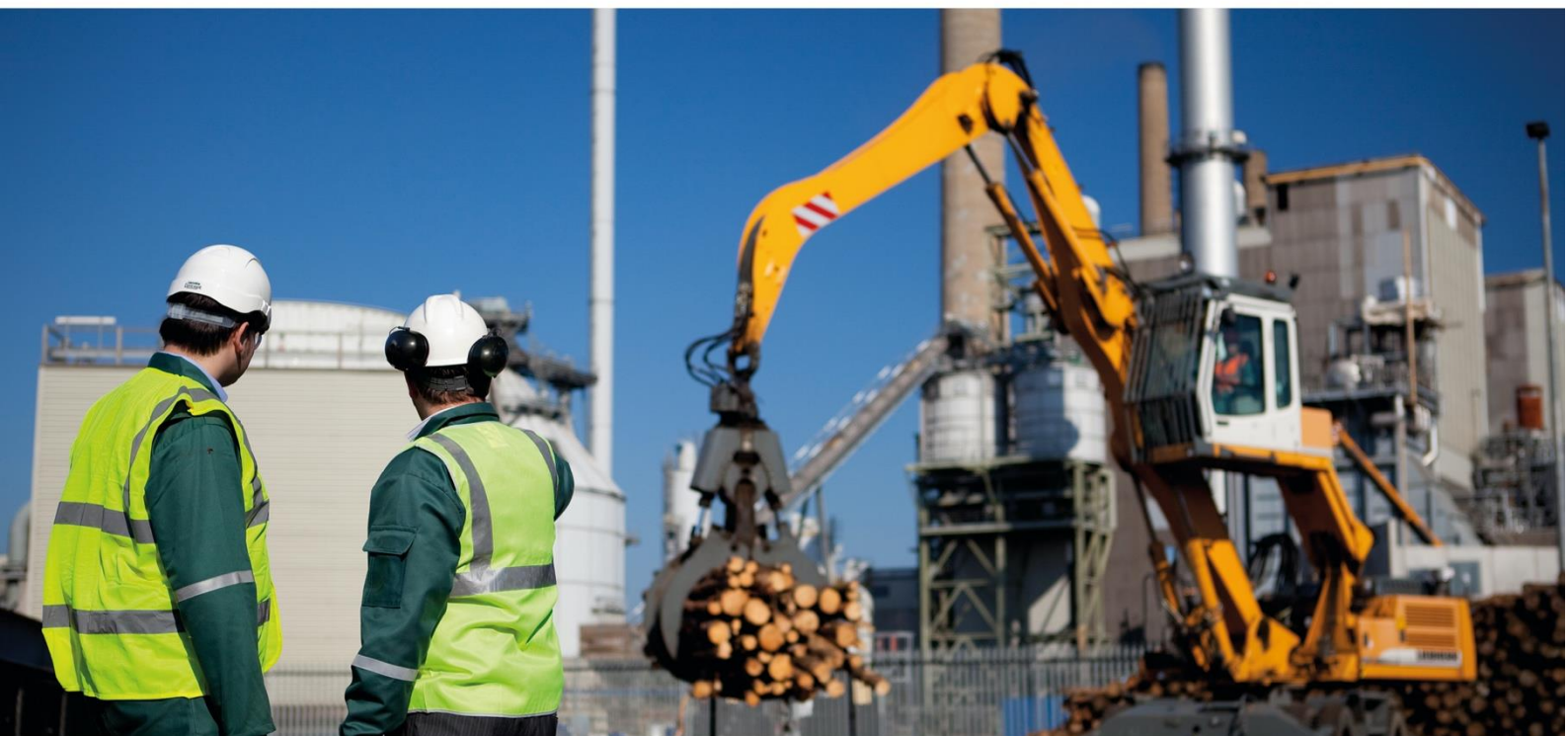
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