Report of the Director: Economy and Environment

Agenda item: 9 Meeting: 25 July 2022

# NORTH LINCOLNSHIRE COUNCIL

## CABINET

#### NORTH LINCOLNSHIRE SKILLS ECO-SYSTEM AND FRAMEWORK

## 1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update Cabinet on the work being carried out on the Skills Eco-System and Skills Framework for North Lincolnshire.
- 1.2 To outline the next steps for the production of a new Skills Plan for North Lincolnshire.
- 1.3 The report is for information.

## 2. BACKGROUND INFORMATION

- 2.1 Skills are vital for competitiveness and employability, and it is essential that the right skills base is in place to support the current and future labour market for North Lincolnshire.
- 2.2 The council has undertook an analysis on skills demand and supply in North Lincolnshire in 2021 and provide a complete picture of the current and future skills landscape. The information provides a sound evidence base on which the council, partners, training providers, businesses and those looking to invest in the area can base decisions regarding skills, training and development moving forward.
- 2.3 The conclusions from the study showed that, amongst other things:
  - 2.3.1 Over the past 10 years, the NL labour market has been noticeably tightening, with employers across all sectors reporting skills and people shortages;
  - 2.3.2 There is growth forecast in employment over the next ten years in sectors such as manufacturing, renewables and transport and in cross cutting-occupations such as Digital and Professional Services. There is a need to expand the overall sector labour pools to avoid the risk of displacement.

- 2.3.3 Apprenticeships have traditionally been a local strongpoint in areas such as engineering. Although numbers declined in certain occupations they have since picked back up again recently.
- 2.3.4 Covid-19 has had an impact including community mental health, selfesteem, confidence and social skills making employment transition more difficult and support such as work encounters, work experience etc halted during covid.
- 2.3.5 Whilst front line shortages are currently in the limelight, there is also a need to make sustainable progress towards a higher skilled local workforce and community to meet the forecast future higher skills needs of the area.
- 2.3.6 There is an impressive local infrastructure of innovative, enterprising employment and skills providers rooted in or very near North Lincolnshire with a real appetite to collaborate to benefit local employers, communities, and local provision. The existence of this infrastructure suggests that the local challenge is not about new providers but rather developing local employer and learner demand for economically sustainable provision that can support economic growth and local careers.
- 2.4 A number of recommendations emerged from the Skills Demand and Supply study:
  - 2.4.1 Capitalise on the enthusiasm of employers and other stakeholders for involvement in a locally owned skills strategy and plan for North Lincolnshire.
  - 2.4.2 Targeted cross-cutting action to establish local talent pools either for growing sectors or sectors that are particularly challenged by skills shortages now.
  - 2.4.3 Make apprenticeships centre stage.
  - 2.4.4 Strengthen careers education for school pupils.
  - 2.4.5 Business support and encouragement to local employers to remain competitive in a challenging labour market, considering opportunities to increase their potential applicant pool through greater inclusion, skills and careers development, flexible working etc.
  - 2.4.6 Collective encouragement and support to employers to 'invest' in skills and to raise the profile of lifelong learning and career progression with the local community.
  - 2.4.7 Collectively relaunch and expand interventions such as work experience, sector ambassadors, job tasters etc.

- 2.4.8 Direct support to unemployed young people and adults to understand labour market dynamics, be work ready and be able to compete for local opportunities at a time when jobs are highly accessible.
- 2.5 The above study provided the skills demand and support evidence base, conclusions and recommendations. The next phase of work has been to define the local skills eco-system and set out an Employment and Skills framework to build upon and refine the recommendation in the skills demand and supply study.
- 2.6 Skills Transformation Board
  - 2.6.1 The Skills Transformation Board is a partnership convened by North Lincolnshire Council and has representatives from both the public and private sector. The ambition of the Board is to drive economic regeneration and economic inclusion by enabling:
    - business capacity, growth, enterprise, and innovation
    - progression into and within employment
    - demand led area-wide capacity for skills
    - creating an authorising environment
    - enabling assurance as well as oversight of the relevant pieces of work
    - accountability and oversight of the North Lincolnshire Skills Improvement Plan
  - 2.6.2 The Skills Transformation Board has oversight of the Skills Ecosystem and framework work being undertaken and all of the Board members have been interviewed individually in order for their views to be fed into this phase of work.
- 2.7 Local Skills Eco-system Development
  - 2.7.1 To help assess the skills eco-system in North Lincolnshire, the focus has been on reviewing the relationship between people, employers and education & skills infrastructure and resources. The review has also considered the variables that are present through national, regional and sectoral labour markets and skills initiatives and challenges.
  - 2.7.2 The discussions which have taken place on the existing skills ecosystem have raised a number of points for consideration:
    - The importance of 'place' in the ecosystem and its influence in attracting and retaining people. These factors include, the local cost of living, house prices, green spaces etc.

- Outside factors including other 'eco-systems' are particularly important in terms of influence, understanding the reality of the skills eco-system is not a closed, self-contained system.
- The system needs to be future facing to take into account possible future events, developments and policy.
- The need to reflect the different geographies that influence strategy, commissioning, and delivery.
- 2.7.3 From the work and engagement undertaken to date, several headline opportunities and areas of broad agreement are starting to emerge:
  - North Lincolnshire is very well placed and there is a good opportunity to better align place and skills planning.
  - Improvements could be made in local collaborative planning, funding, communications, and delivery.
  - There is a general need to reconnect across the locality / ecosystem and 'relaunch' of local training, job and career opportunities post covid.
  - Exploration of developing local talent pools with clearer pathways, particularly in certain sectors such as manufacturing, health and care, transport, and logistics etc.
  - A new focus on adults and in-work progression.
  - Prioritisation of Level 3 particularly through Apprenticeships.
  - More local programmes and more national programmes delivered locally.
  - Consistent careers education collectively factoring in a local place dimension.
  - More business support for employers to develop their skills offer and make sustainable skills investment.
- 2.7.4 The above are initial emerging themes and are subject to further refinement as the final piece of work is drawn together.
- 2.7.5 Taking the above into account, a skills framework is starting to develop as set out below. The framework begings to provide the basis for the development of a skills plan for North Lincolnshire.



PLACE OUTCOME - improved skills across the area, more and better paid jobs delivered, leading to increased pro

| A SKILLS PLAN FOR NORTH LINCOLNSHIRE   |   |               |  |  |  |   |   |  |   |   |
|--|---|---------------|--|--|--|---|---|--|---|---|
|  | PEOPLE  |               |  | EMPLOYERS  |  |   |   | INFRASTRUCTURE   |   |   |
|  |   |               |  |  |  |   |   |  |   |   |
| RECOMMEND<br>-ATIONS   | Provide direct support to unem<br>young people and adults to une<br>local labour market dynamics and<br>ready | erstand Strer | ngthen careers<br>ation for school<br>pupils                             | Make<br>apprenticeships<br>(and pre-<br>apprenticeships)<br>centre stage | Provide support<br>encouragement<br>local employers<br>increase thei<br>potential<br>applicant poo<br>through greate<br>indusion | to Encourage<br>to and<br>support to<br>employers<br>to 'invest'    | Relaunch and<br>expand<br>interventions<br>such as work<br>experience,<br>sector<br>ambassadors,<br>job tasters | Promote the<br>concept of the<br>area identifying<br>and developing<br>as a centre of<br>skills excellence | Ensure<br>local<br>labour<br>market<br>data is<br>maximised | Establish local<br>talent pools<br>through cross-<br>cutting action with<br>employees,<br>employees,<br>providers and<br>leamers) |
| CONCLUSIONS  | Over 10<br>years, the<br>North<br>labour<br>market has<br>been<br>voise step<br>tightening                    |               | A growing<br>school age<br>cohort<br>provides a<br>timely<br>opportunity | Apprenticeships have<br>traditionally been a local<br>strongpoint        |  | Substantial growth in employment is forecast for the next ten years |   | An impressive local infrastructure of innovative,<br>enterprising employment and skills providers          |   |   |
| EVIDENCE BASE Induiting but not restricted to the<br>recent SkillsReach report |   |               |  |  |  |   |   |  |   |   |

- 2.7.6 The final report on the skills eco-system and skills framework will be delivered by the end of July 2022.
- 2.8 A skills plan for North Lincolnshire
  - 2.8.1 The work that has taken place to date forms a strong evidence base document for the development of a skills plan for North Lincolnshire. The skills plan will also form a vital part of the new North Lincolnshire Economic Growth Plan (EGP) which is currently being developed. The timeframe for the development of the skills plan and how it fits into the wider EGP is set out below.

| Action                                  | Timeframe (deadlines)     |  |  |  |  |
|---|---------------------------|--|--|--|--|
| Evidence base for EGP and skills plan   | End of July 2022          |  |  |  |  |
| complete                                |                           |  |  |  |  |
| Drafting and approval of priorities for | August 2022               |  |  |  |  |
| engagement                              |                           |  |  |  |  |
| Conference engagement event             | End of September 2022     |  |  |  |  |
| (covering EGP emerging priorities,      |                           |  |  |  |  |
| skills, transport and infrastructure,   |                           |  |  |  |  |
| visitor economy)                        |                           |  |  |  |  |
| Drafting of plans and approval for      | Mid to late November 2022 |  |  |  |  |
| engagement                              |                           |  |  |  |  |
| Engagement on the drafted plans         | End of December 2022      |  |  |  |  |
| Revisions to plans and approvals        | January to March 2023     |  |  |  |  |
| Launch of new Economic Growth plan      | April 2023                |  |  |  |  |
| including supplementary plans           |                           |  |  |  |  |
| (including Skills Plan)                 |                           |  |  |  |  |

- 2.9 Governance
  - 2.9.1 The Skills Transformation Board will continue to act as an advisory board for the development of the skills plan and the skills element of the Economic Growth Plan. An Executive Working Group is being developed to oversee the development of the Economic Growth Plan.

# 3. OPTIONS FOR CONSIDERATION

3.1 The report is for information only.

# 4. ANALYSIS OF OPTIONS

4.1 This report is for information only.

# 5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 As the Skills Plan develops, the financial and other resource implications will be considered.

# 6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 The Skills Plan will link directly to the Council Plan 2022 and 2025 and to the Council priorities and outcomes. The existing Economic Growth Plan and Skills and Employability Plan are referenced in the Council Plan as part of the framework that guides activity across the council.

# 7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 An integrated impact assessment will be completed on the drafts of the skills plan and the Economic Growth Plan.

# 8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 8.1 Engagement has been a core part of the work undertaken on the Skills Demand and supply study included:
  - Virtual skills conversations with small sector groups.
  - One-to-one interviews including the largest businesses, inward investors, learning providers, stakeholders (e.g., DWP) and growth businesses.
  - Attending the November 2021 Jobs Expo in Scunthorpe to speak to a range of recruiting businesses, plus a post-event online survey.
  - Attending the Visit North Lincolnshire business meeting to discuss sector skills issues.
  - A back-up online survey for those who could not attend specific events.

- 8.2 Overall, the project engaged with over 110 local stakeholders in employment and skills across all sectors.
- 8.3 Individual conversations have taken place with each of the Skills Transformation Board members on the work to date on the Skills eco-system and framework.
- 8.4 All of this engagement has fed into the conclusions and recommendations as set out above and in the final reports.

## 9. **RECOMMENDATIONS**

9.1 Cabinet is asked to note the report and the work taking place to support the development of a strong skills system and plan for North Lincolnshire.

## DIRECTOR: ECONOMY AND ENVIRONMENT

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#### Background Papers used in the preparation of this report -

Skills Demand and Supply Study - <u>Skills Demand and Supply Study | Invest in North</u> <u>Lincolnshire</u>