

Prosperous Overview and Scrutiny Committee - Thursday 28 September 2023

Employment and Skills Strategy

Recommendations

I recommend that the Committee:

- a. Considers and comments upon the draft Staffordshire County Council Employment and Skills Strategy in terms of the vision and priorities it sets out to support the delivery of the Council's Economic Strategy.
- b. Considers and recommends interventions that the Committee believes would help to enable the successful delivery of the Strategy.
- c. Invites the Deputy Leader and Cabinet Member for Economy and Skills to bring an update on delivery of the Strategy to this Committee for scrutiny initially through 6 monthly reviews for the first year of the strategy and annual reviews thereafter.

Local Member Interest:

N/A

Report of the Deputy Leader and Cabinet Member for Economy and Skills

Summary

What is the Overview and Scrutiny Committee being asked to do and why?

1. The purpose of this report is to:
 - a. Provide the Select Committee with an opportunity to consider and comment upon the draft of the County Council's **Employment and Skills Strategy**. Whilst we continue to concentrate on post-pandemic recovery and prepare for opportunities like devolution, we recognise an increased need to support residents of all ages into work, to progress or change careers, and to ensure that businesses can access the skills and talent they need to diversify and grow. This Strategy for Staffordshire puts in place the vision and priorities to deliver our united economic vision for the Staffordshire economy. It will achieve a county-wide workforce that is equipped, not only to weather the storms of economic shocks such as a global pandemic but to thrive

and grow in a pioneering county. We will deliver the digital skills needed to embrace the power of technology and digital transformation in our priority sectors and the green skills needed to achieve net zero by 2050. This is therefore an opportunity for the Committee to help to shape the Strategy and the County Council's plans for the local skills and employment support up to 2030, in line with the Government's missions for Levelling Up the UK.

- b. The successful delivery of the Strategy in achieving the vision and priorities that it sets out will be dependent on many factors, not least the identification and delivery of appropriate projects and programmes. A range of interventions are already underway and continue to be delivered within the county, as has been reported to the Committee through regular updates. Further projects and programmes will be needed, and there is therefore an opportunity for the Committee to consider further areas of focus that could help to successfully deliver the Strategy.
- c. Monitoring the County Council's performance in delivering the Strategy will be vital to ensuring we ultimately achieve its vision and priorities. The Committee has an important role in scrutinising our performance over the duration of the Strategy.

Report

Background

- 2. Our [Economic Strategy](#) was considered by the Scrutiny Committee and agreed by Cabinet in March 2022 and outlines the County Council's vision, ambitions, and priorities for the Staffordshire economy up to 2030, aligned to our Strategic Plan and national Government policy such as the Skills for Jobs White Paper and underpinning Skills and Post-16 Education Act 2022.
- 3. Our Strategic Plan outlines those outcomes that the county council most wants to achieve, including that, "Everyone in Staffordshire will have access to more good jobs and share the benefits of economic growth."
- 4. The Economic Strategy recognises that in order to achieve this we are uniquely placed to support a whole-system approach to continuing recovery and growth of our economy, due to our responsibilities for transport, infrastructure, environment, education, skills, and health.
- 5. To support the delivery of the economic vision and priorities our new **Employment and Skills Strategy** has a clear focus on improving the skills of local residents to be able to access the more and better paid jobs

being created but also supports the delivery of wider priorities including increased productivity, inward investment, innovation and entrepreneurship to achieve greater economic growth. This in turn can lead to improved prosperity, health and wellbeing of our residents across Staffordshire.

6. The development of this Strategy will ensure that we have the right skills and workforce locally to support our plans for the renewal and long-term transformation of the local economy. It will ensure that our interventions are targeted on the right employment and skills priorities for Staffordshire and allow us to influence/shape the approach taken by Government working closely with the Department for Education, the Midlands Engine and local partners including FE and HE such as informing the new accountability statements required from education providers and the development of the Local Skills Improvement Plan (LSIP) for Stoke-on-Trent and Staffordshire. It will aid with securing funding and powers to deliver our overall ambitions, including through the various Government policy agendas.
7. By outlining the County Council's employment and skills priorities in the coming years, the Strategy will also guide any future work and discussions with our partners and Government on opportunities for further devolution to the local area. Any County Deal agreed with Government has the potential to provide further powers and resources that will allow us to deliver our employment and skills priorities more quickly and effectively and is being considered through the Staffordshire Leaders Board.

Context

8. Through strong partnership working and significant capital and revenue investment e.g., City Deal, Growth Deal, ESF, Getting Building Fund etc. over recent years Staffordshire has seen significant improvement and success in developing local skills. Staffordshire has seen faster improvement in reducing the number of working age residents with no formal qualifications compared to nationally, with 7,900 fewer residents with no qualifications in 2021 compared to 2016 equivalent to a 19.5% reduction compared to a 17.0% reduction nationally. This significant improvement means that in 2021 there were 6.3% of working age residents with no qualifications which was just below the national rate of 6.4%.
9. Staffordshire has also closed the gap to the national for working age adults with higher skills. We have seen adults with Level 3+ (A Level equivalent or above) increase by 30,500 between 2016 and 2021, equivalent to 10.8% rise compared to a 9.0% rise seen nationally. The

latest position for 2021 now shows 60.2% of adults in Staffordshire now have Level 3+ qualifications just behind the 61.3% seen nationally. We have also closed the gap to the national average for Level 4+ qualification (Degree equivalent or above) where we have seen an increase of 39,200 adults with such qualifications between 2016 and 2021, equivalent to 22.1% rise compared to a 15.0% rise seen nationally. In 2021 41.7% of adults in Staffordshire had Level 4+ qualifications closing the gap to the national average of 43.1%.

10. By developing local skills, we have helped ensure that more residents can access better paid jobs and play an active and productive role in the local economy. In 2022 average annual resident earnings in Staffordshire stood at £32,386 which was just below the UK average of £33,000. Between 2017-22 Staffordshire saw faster improvement in resident earnings than nationally, with 16.5% growth compared to 14.2% for England.
11. Our unemployment and economic inactivity (worklessness) rates remain well below the national average meaning that significantly more of our residents are in work and fewer are reliant on state support. Staffordshire's unemployment rate for the latest available period of Oct 2021-Sep 2022 was estimated at 14,700 or 3.3%, which was below the national rate of 3.8% and significantly below the regional rate of 5.0%. While Staffordshire's economic inactivity rate for the same period was estimated at 16.3% equivalent to 87,800, which was significantly below the national rate of 21.2% and regional rate of 22.2%.
12. Overall, this recent employment and skills improvement and success has contributed to greater local economic growth and increased productivity, with more businesses choosing Staffordshire as a place to invest and operate creating more better paid jobs for the people of Staffordshire.

Approach

13. We are now looking to build on this recent employment and skills improvement and success across Staffordshire and ensure that the county has the highly skilled workforce it needs to reach its full potential.
14. Working with key partners such as the DWP, Job Centre Plus and Skills Providers we will look to provide the employment and skills support needed for residents to access the better paid jobs being created across Staffordshire.
15. We will continue to develop inspirational Careers Education, Information, Advice and Guidance (CEIAG) through our Careers Hub to ensure that all

residents have access to the information and advice they need to make informed career choices and manage their career.

16. Through our strong Colleges and Universities, we will increase the supply of higher-level technical skills and develop new skills needed by businesses in our priority sectors, with a particular focus on cross-cutting digital skills development through new state-of-the-art provision and green skills vital for the county's net zero ambitions. We want the needs of business to be at the heart of transformation and seek to forge new and lasting partnerships to make this happen. Key to this is building on the recent development of the £16m Stoke-on-Trent and Staffordshire Institute of Technology (IoT), with business and education providers increasingly working together to deliver the facilities and technical provision needed in Staffordshire to provide the future skills for growth.
17. We will also look to ensure that there are fully effective pathways for all learners to achieve higher technical qualifications. An important aspect of this will be addressing the current progression issues from level 2 to level 3 and the requirement to reform level 3 alternative academic and technical qualifications that sit alongside A Levels, T Levels and apprenticeships in order to support progression and attainment for all students. This will provide the opportunity for all students to move into high-skilled jobs, either directly, or through progression into good quality higher education courses.
18. We also want to ensure that residents have access to the support and provision in order to develop entrepreneurial and innovation skills that support greater local enterprise.
19. Staffordshire is resilient and we have put in place skills support for our residents and workers to deal with change and access support and training when they need it. This includes ensuring that those people more adversely affected by economic shocks such as Brexit, the pandemic and energy/cost-of-living crisis (young people, women and those with lower-level skills and workers from hardest-hit sectors) are front and centre of our plans for the future. Transferable skills are at the heart of this, especially for those leaving rapidly shifting sectors such as retail and hospitality.
20. Given the speed with which the economy is now changing we also recognise the need to develop a stronger culture of life-long learning in Staffordshire to ensure that all residents can continue to benefit from continued economic growth and the better paid jobs being created.
21. Models of delivery are changing, and we will support that change so that businesses, especially small ones, can be instrumental in crafting new

courses in modular, bite-size, and on-demand formats. We want individuals to be able to access qualifications, especially for digital and green skills, at a time and in a way that suits them to upskill or reskill, improving social mobility, inclusion, and lifelong learning.

22. These better local skills and stronger workforce can support the delivery of our shared economic strategy and vision alongside the wide range of ambitious current and pipeline projects being delivered by our Local Authorities.
23. A significant amount of evidence continues to be compiled on the local labour market picture, primarily through the County Council's Economy and Skills Evidence Base and Economic Bulletin. Along with additional evidence produced by economic 'think-tanks' and alike, this locally produced evidence has underpinned the development of the Strategy and will continue to form the basis of our supporting plans and strategies in the future.
24. We recognise that the County Council does not operate in isolation and there are numerous stakeholders with a vital role in supporting the development of skills and growth of the Staffordshire economy, most notably our Colleges, Universities and District and Borough Councils. We have therefore conducted an extensive partner engagement exercise to help develop the Strategy and a 4-week public consultation, seeking views from stakeholders, businesses, and residents on the draft Employment and Skills Strategy.
25. Through the 4-week public consultation we have received very positive feedback on the strategy with 87% either strongly agreeing or agreeing with the vision for employment and skills in Staffordshire. For all 5 of the strategic priorities 91% or more strongly agreed or agreed with those identified. In addition to this we have received ongoing input and positive feedback from key partners throughout the development of the strategy either directly or through partner forums including the SSLEP Skills Advisory Panel, LSIP Board and College Principals Group, with a number of colleges asking to feature more prominently in the strategy and submitting case studies of where they are having a positive impact in our priority areas.
26. We will ensure that we are continuing to engage proactively with our Colleges, Universities, Districts and Boroughs, businesses, residents, and partner organisations to provide an opportunity to help shape the Delivery Plan for the Strategy.

Delivery

27. Our delivery approach for this strategy across Staffordshire and its districts and boroughs will be:
28. To work in partnership to leverage and align public sector investment e.g., the Local Skills Improvement Plan and associated Local Skills Improvement Fund, the Levelling Up Fund, the UK Shared Prosperity Fund.
29. To match and maximise public and private sector investment e.g., Apprenticeship Levy.
30. To work with government on the opportunities for more powers and funding through devolution e.g., Adult Education Budget.
31. To maximise employer investment in skills and involvement in the design of skills provision.
32. To shape and influence the strategic commissioning of other funds and priorities e.g., HS2, West Midlands Freight Interchange, A50 A500 Strategic Corridor, the LSIP as a route to delivering technical skills.
33. We will develop a Delivery Plan to support the Strategy and this will be used as part of the updates on delivery to Cabinet and the Prosperous Overview & Scrutiny Committee, including performance reporting and monitoring of KPIs included in the Strategy evidence base.
34. We will continue to manage and monitor our progress in the delivery of the Strategy through our existing governance arrangements, including regular Cabinet updates and quarterly reporting to and consideration by the Prosperous Overview & Scrutiny Committee.

Link to Strategic Plan

35. The Strategy primarily relates to the 'support Staffordshire's economy to grow, generating more and better-paid jobs' Strategic Plan priority and all the associated priorities. However, there are aspects of the Strategy that cut-across all the Strategic Plan priorities with the need to tackle climate change, increased prosperity to improve to our resident's health and wellbeing, support infrastructure development, and better life chances for more local people.

Link to Other Overview and Scrutiny Activity

36. The Economy, Recovery and Renewal Strategy was considered by the Committee in June 2020, and regular quarterly updates have been considered by the Committee since then. The range of employment and

skills activity that the County Council has progressed and continues to progress over the last couple of years, as has been reported to the Committee, remains relevant and will be important to the delivery of the Strategy.

Community Impact

37. The impacts of the pandemic, energy and cost-of-living crisis continue to be felt by some industrial sectors and therefore residents more than others. The Levelling Up agenda is a key theme that cuts across all the strategy and the aim is therefore for all residents to benefit from its delivery. A 'live' evidence base continues to be updated on at least a monthly basis, reported through our Economy Bulletin, to monitor the ongoing state of the local economy and labour market, whilst the strategy allows us to remain agile to respond as necessary as and when required.

List of Background Documents/Appendices:

Appendix 1 – Consultation Draft Full Employment and Skills Strategy

Appendix 2 - Consultation Draft Summary Employment and Skills Strategy Brochure

Community Impact Assessment

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