



Report to: Place and Economic Development Committee, 26th July 2021

Report of: Economic Development and Regeneration

Subject: EMPLOYMENT AND SKILLS STRATEGY REVIEW

1. Recommendation

That the Place and Economic Development Committee:

- 1.1 Note progress to date on the review of the Employment and Skills Strategy;**
- 1.2 Approve the revised timetable to complete the Employment and Skills strategy review with a 2022 – 2025 strategy in place for April 2022; and**
- 1.3 Note delivery priorities for the remainder of 2021/2022 as a 'transitional year' aligned to Economic Recovery.**

2. Background

- 2.1 The Worcester City Employment and Skills (E&S) Strategy 2017 – 2021 is a partnership document setting out the shared priorities of the City Council and its key strategic partners including the Worcestershire Local Enterprise (WLEP) and Worcestershire County Council (WCC).
- 2.2 The strategy has four priorities –
 1. **Partnership Working** – recognising the strategy is delivered within a wider partnership including businesses and employers
 2. **Connecting Schools and Business** – preparing young people to become the future employers and employees that will drive economic growth
 3. **Skills for Growth** – supporting the growth of key sectors through workforce skills and business leadership
 4. **Inclusive Growth** – removing barriers to the labour market and driving up skills levels in the resident population
- 2.3 Over the past four years the strategy has been delivered through annual delivery plans and a 'skills enabling budget' (SEB) allocated from the previous New Homes Bonus (NHB) funding. The strategy was due for a review in 2020 ready for relaunch in April 2021. This schedule has been delayed due to the urgent response required by the council in supporting businesses, employers, and residents through the Covid 19 pandemic.

- 2.4 Whilst some preliminary work has taken place over the past year, there has also been a significant change of context within which the review will take place. This report provides an update to the committee on –
- progress to date on the strategy review
 - key changes which the refreshed strategy will need to incorporate
 - timetable for completion of the review
 - priorities for the remainder of 2021/22 delivery as a 'transitional' year.
- 2.5 **Independent Evaluation** – as agreed by the Committee at the October 2019 meeting an independent evaluation of the 2017 – 2021 E&S delivery programme was conducted in Summer 2020. The aim of the evaluation was to test how well the programme had impacted on strategic priorities and achieved value for money whilst making recommendations on how the Council could mature its approach.
- 2.6 The evaluation found that the programme had achieved clear quantifiable outputs for city businesses and residents which represented value for money. However there was less evidence on how well the delivery programme had been able to influence improvements on the strategy's key performance indicators. This was not surprising given some of the structural challenges for raising skills levels such as an ageing demographic, and the pace of technological change.
- 2.7 The evaluation concluded that the Councils' strong partnership ethos had enabled better leverage of mainstream county wide resources into the city, with the skills enabling budget most effective where it filled gaps or added value to this wider provision. Some best practice examples of this were the Inclusive Growth programme which complemented Department of Work and Pensions (DWP) and European Social Fund (ESF) delivery to extend support to more residents in need of specialised help, and grants to Worcester city schools via the Careers and Enterprise Company (CEC) leading to over 9,000 meaningful student interactions with personalised career guidance and/or local employers as measured by the Gatsby Benchmarks.
- 2.8 As the Council's skills enabling budget winds down this year, there will need to be a renewed focus on a partnership approach to leveraging new and existing funding to address the city's priorities including how the Council can maximise social value from its spend programme. The recommendations and stakeholder consultations from the evaluation will feed into the forthcoming strategy review.
- 2.9 **A changing context** – several developments have created a new context for the strategy review not least the Covid 19 pandemic. Economic recovery is now a key priority with positive signs that this is now underway. The UK economy grew by 2.3% in April and the numbers of residents on furlough is decreasing as are claimant counts. However, there are still challenges ahead particularly around supporting young people, sectors hardest hit by restrictions and the demand for rapid reskilling and upskilling as business infrastructure adapts to the post-Covid economy.

- 2.10 More positively the City Council has been successful in securing £17.9M investment from the Future High Streets fund and £19.6M from the Towns Fund (plus over £25m match funding) to deliver the Worcester Town Investment Plan. Together with the £4M Arches project currently underway there is now a £65M regeneration programme creating new jobs and training opportunities across a range of sectors including construction, creative industries, health, and digital services. The Town Investment Plan includes proposals to develop a network of learning and enterprise hubs across the City help to embed a culture of lifelong learning and entrepreneurship that will drive long term economic growth.
- 2.11 New national policy and funding regimes are also driving changes for the strategic context overseen by the WLEP Employment and Skills Board, which is also acting as the Local Skills Advisory Panel (LSAP) with a statutory role in delivering the Local Industrial Strategy. The Worcestershire Local Skills Plan (LSP) sets out the key challenges and issues for the County, and priority actions for 2021 – 2024 which will set the framework for the partnership approach to delivering the Worcester Employment and Skills Strategy 2022 – 2025.
- 2.12 The LSP identifies a number of key action areas to address these challenges including –
- **Demographics** – working with employers to adapt to the reality of the ageing workforce, whilst attracting and retaining young people in the county through place promotion and better careers advice linked to local growth sectors.
 - **Skilled Workforce** – taking an employer and intelligence-led approach to training provision in the county to upskill and reskill the workforce for the future economy.
 - **Covid Recovery** – responding to the impact of the Covid 19 pandemic on those most affected and meeting the accelerated demand for digital and technical skills.
- 2.13 The preparation of the refreshed E&S strategy will need to incorporate and align with several Council strategy and plans including –
- City Plan (being refreshed in 2021)
 - Worcester Town Investment Plan
 - City Centre Masterplan
 - Coronavirus Community and Economic Recovery Plans
 - Worcester Tourism Strategy 2017 - 2022

The strategy will also need to align with the Council’s partnerships and approach to environmental sustainability, children and young people, child poverty and housing and homelessness.

3. **Preferred Option**

3.1 The preferred option is to complete the strategy review in 2021/22 whilst continuing to deliver against key objectives as we move through what has become a 'transitional' year.

3.2 Proposed strategy review schedule

Q2: July – September 2021	<ul style="list-style-type: none">• Working Draft: Reviewing the Priorities - Internal Consultation• Alignment with Town Fund business case process/schedule
Q3: October – December 2021	<ul style="list-style-type: none">• 1st Draft – stakeholder consultation• Review
Q4: January – March 2022	<ul style="list-style-type: none">• Final Draft – final consultations• Approval by PED Sub-Committee

3.3 The key delivery objectives for the remainder of 2021/22 are –

1. Supporting implementation of the Worcestershire Coronavirus Economic Recovery Plan (Employment & Skills) including the DWP Youth Hub from September 2021
2. Supporting development of, and the business case for, the Town Investment Plan Community Skills and Enterprise (CSE) project with specific regard to matching external revenue funding
3. Establish a standard process for securing economic benefits from development and the Council's Capital Programmes such as the Future High Streets Improvement scheme.
4. Deliver the final year of the skills enabling budget (SEB) programme with the following projected outputs:

Total Programme Delivery Budget	£20,410
<u>2021/2022 Total Outputs</u>	
Children and Families supported with community STEM Learning	TBC
Students supported with Careers	TBC
Vulnerable/Disadvantaged residents supported with employment & skills	310
16 - 24 year old residents supported into apprenticeships	10
SME's in Key Sectors Supported with apprenticeship recruitment	8
Construction SME employees upskilled to Level 2/3	145

4. Alternative Options Considered

- 4.1 **Do nothing** – The Employment and Skills Strategy requires a comprehensive update to align with the City Councils’ key strategies, plans and regeneration programme and inform annual delivery plans for implementing key actions from April 2022.
- 4.2 **Delay** – further delay to reviewing the strategy would impact on the robustness of the Town Fund business case, the delivery of the Worcestershire Economic Recovery Plan to meet the city’s needs and the Council’s ability to lever external funding to deliver key strategies and plans.

5. Implications

- 5.1 Financial and Budgetary Implications
The delivery objectives for 2021/22 will be delivered through the remaining skills enabling budget and associated funding pots totalling £21,301 of which £20,4410 has been allocated to committed 2021/22 delivery. Resource requirements that are identified following the completion of the review and the development of forward plans will be reported to the Committee in due course.
- 5.2 Legal and Governance Implications
There are no legal or governance implications.
- 5.3 Risk Implications
There are no corporate risk implications.

5.4 Corporate/Policy Implications

The Council's Employment and Skills Strategy is aligned with existing and evolving corporate plans and policies as listed in section 2.3 above

5.5 Equality Implications

The Employment and Skills Strategy delivers against social and economic inclusion objectives, by preventing and addressing disadvantage, inequality and marginalisation of individuals, groups and communities in the local labour market and supporting underrepresented groups into business through entrepreneurial education and business skills support.

5.6 Human Resources Implications

There are no Human Resources implications as the work proposed is aligned to the current Skills Officer contract up to March 2022.

5.7 Health and Safety Implications

There are no health and safety implications.

5.8 Social, Environmental and Economic Implications

The delivery of the Employment and Skills Strategy and action plans directly supports jobs and business growth in the city, through support to both key sector growth and directly to business as well as facilitating local employment, training, and education for residents.

Ward(s):

All

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Background Papers:

1. Independent Evaluation of the Worcester City Employment and Skills Service 2017 – 2020 (Raise Partnership)
2. Worcestershire COVID 19 Economic Recovery Plan
3. Worcestershire Local Skills Plan 2021 - 2024
4. Worcester Town Investment Plan