

## **For publication**

### **Skills Action Plan ([EG030](#))**

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Meeting:	Cabinet
Date:	27 June 2017
Cabinet portfolio:	Economic Growth
Report by:	Economic Growth Manager

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 For Cabinet to approve the Skills Action Plan for Chesterfield and to seek funding to enable the action and activities outlined in the Skills Action Plan to be delivered

### **2.0 Recommendations**

- 2.1 To approve the Skills Action Plan detailed in **Appendix A**.
- 2.2 To approve a budget request of £5,000 for the year 2017/18 from the council's reserves to support the activity outlined in the Skills Action Plan.

### **3.0 Background**

- 3.1 Chesterfield is seeing significant investment with more than £700m of key developments due to enter delivery phase in 2017. It is estimated that more than 4000 new jobs could be created in the next 5 years through the growth of Markham Vale and as a

result of major regeneration projects including Peak Resort and Chesterfield Waterside. Improving the skills and work readiness of individuals in Chesterfield is vital to ensure that local people can access the job opportunities created and progress within their current job roles.

- 3.2 To maximise the benefits of new investment in the Borough and to ensure that local skills activity is aligned to both regional and national priorities, a Skills Action Plan is required. This has been highlighted as an activity within the council's Corporate Plan.
- 3.3 Research carried out by BIS (Department for Business, Innovation and Skills) in 2015 indicates that around 20% of the UK's Productivity gap is attributed to low skills. Productivity in the UK is considered to be poor compared to our international counterparts such as Germany, France and Austria with growing skills shortages and low skills levels impacting upon productivity. The current skills levels in the UK are of significance; ranking in the bottom 4 OECD countries for literacy and numeracy of 16 – 24 year olds.
- 3.4 Raising skills levels to increase productivity and therefore economic prosperity underpins the Governments desire to reform the Skills system in the UK, including the recent Apprenticeship reforms which were announced in the summer budget of 2015, the Post 16 Skills Plan published in July 2016 and the proposed Industrial Strategy that was set out in a green paper and published in February of this year.
- 3.5 An article featured in Further Education (FE) News on 27 July 2015, states, 'there's not a single one of the 39 LEPs that hasn't put skills and productivity at the heart of its strategic thinking about the future economic development of its local functional geography'. Chesterfield sits within two LEP areas; Sheffield City Region(SCR) and D2N2 and in both cases the need to raise productivity through increased skills attainment is at the heart of the Strategic Economic Plans (SEPs)
- 3.6 Chesterfield Borough Council's emerging Growth Plan states that '*A skilled workforce is vital to the future economic success of the area, enabling the growth of higher value added activities and attracting new businesses to the Borough*'. This is recognised in

the first two priorities of the Council Plan which are to make Chesterfield a thriving borough and to improve the quality of life for local people.

- 3.7 Growth is forecast for sectors including construction, health and social care, information technology, wholesale and retail, business services and the visitor economy with the greatest net change in growth being amongst highly skilled occupations.
- 3.8 However, there is evidence to suggest that employers are already beginning to find it difficult to recruit higher skilled workers; a survey commissioned by UKCES (UK Commission of Employment and Skills) in 2015 reported a higher level skills gap of 35% in D2N2. This is reflected in the East Midlands Chamber Quarterly Economic Survey carried out for in the first quarter of 2017 which showed 63% of its members attempted to recruit during this period, of which 58% had difficulty in doing so.
- 3.9 Chesterfield currently has fewer people with higher level qualifications and more people with no qualifications than the national average and whilst the Borough currently enjoys a relatively low rate of unemployment, rates of youth unemployment and residents in receipt of out of work benefits are notably higher than both regional and national averages.

#### 4.0 **The Skills Action Plan**

- 4.1 The Skills Action Plan detailed in **Appendix A** is deliverable between 2017 and 2020 and aims to provide a platform from which to deliver activity to improve the skills profile of Chesterfield and to maximise the impact of skills related programmes for the benefit of Chesterfield residents and businesses to enhance the local economy. Activity will be delivered through the following key objectives :

1. Work with partners to ensure that local people and businesses have the right skills to access current and future employment opportunities
2. Work with our Local Enterprise Partnerships (LEPs) and Education Partners to ensure that skills provision is aligned to

future jobs growth and economic opportunities from emerging sectors.

3. Maximise the number of training, employment and supply chain opportunities for local people arising from new development and secured through Local Labour Agreements.
4. Provide clear advice & support to local people and businesses about the range of skills programmes available.

## **Benefits**

4.2 The delivery of the Skills Action Plan will bring a number of benefits to Chesterfield including:

- It will ensure that Chesterfield's response to the skills agenda is aligned with regional and national skills policy.
- It will ensure that Chesterfield continues to perform well in attracting funding from LEP funded programmes.
- It will ensure that local people will benefit from investment within the borough
- It will provide a framework from which to work with partners to align skills provision with future employment demand.
- It will enable activity that seeks to address emerging skills gaps across priority sectors and at higher levels.
- It will enable activity that ensures that local people and businesses receive clear advice and support
- It will facilitate enhanced partnership working.

## **5.0 Measuring Success**

5.1 The Skills Action Plan is deliverable from 2017 to 2020 and will be reviewed annually through a progress report to Cabinet. By 2020, the following indicators will demonstrate that the Skills Action Plan has been successful in delivering its objectives:

- We will see an increase in jobs growth with more businesses taking on Apprentices
- We will see an increase in Apprenticeship participation.
- More businesses will access funding to help them upskill their workforce

- We will see an improvement in Chesterfield's Skills Profile with fewer people holding no qualifications and more individuals holding higher and degree level qualifications (L4+)
- There will be a reduction in the number of 18-24 years olds seeking work.
- There will be a reduction in the number of people claiming out of work benefits.

## 6.0 **The Role of Partners**

- 6.1 Our partners will play a critical role in delivering the objectives set out in the Skills Action Plan. A core function of the Skills Action Plan is to ensure that available funding for skills is utilised to improve the work readiness and skills levels of local people to enable them to access current and future job opportunities. A wide range of funding streams can be used to facilitate this including the Adult Education Budget (AEB), Education and Skills Funding Agency (ESFA), European Structural Investment Fund (ESIF), Big Lottery and the Higher Education Funding Council for England (HEFCE).
- 6.2 Crucially, our LEP and Education partners manage this funding and it will be essential to work closely with them to ensure that it is targeted at those who most need it.
- 6.3 Our partners across the Voluntary and Community Sector, Business Support Organisations and at the Job Centre are often the first point of contact for individuals and businesses in need of skills and employment support. Close engagement with these partners will help individuals access available funding.
- 6.4 By working closely with our Local Enterprise Partnerships, we have scope to influence policy and align our own activity to regional policy and are well positioned to access and maximise funding allocated to skills and employment support in Chesterfield.
- 6.5 Partners including businesses, the Schools Community, Chesterfield College, Training Providers, Universities, Destination Chesterfield and the Job Centre play a central role in the delivery of local initiatives such as Apprentice Town. By engaging key stakeholders to contribute to this activity, we are ensuring that

the interests of all in Chesterfield are represented and that co-operative working across the education, business and learning community is promoted.

## **7.0 Human resources/people management implications**

- 7.1 The production and implementation of the plan will not require any additional human resource but will require wider cross departmental working.
- 7.2 To ensure that we maximise the benefits of new investment it will be necessary for Economic Development and Planning Services to work more closely to strengthen the implementation and monitoring of local labour conditions on planning applications.
- 7.3 Establishing Economic Development as a member of the Chesterfield Health & Wellbeing Board will facilitate access to the range of skills related programmes and job opportunities arising from investment in Chesterfield to our most vulnerable communities.
- 7.4 Apprenticeship targets for the public sector that were introduced in April 2017 will mean that Chesterfield Borough Council will generate more Apprenticeship opportunities than in previous years. Establishing the Economic Development team as a member of the council's Workforce Development Strategy Group will help to ensure that local people have access to Apprenticeship opportunities generated and will also ensure that the council itself is positioned to benefit from a range of programmes and support available to upskill the workforce.

## **8.0 Financial implications**

- 8.1 The delivery of Apprentice Town activity and an annual Skills Conference are key tangible outputs of the Skills Action Plan and an operating budget will be required to effectively deliver these activities. It has been possible to deliver a basic level of activity through the Apprentice Town Initiative to date, including an Apprenticeship Supplement within the Derbyshire Times, a small Apprenticeship and Skills Reforms event in January 2017 and the development of the Apprenticeship Town logo. However, this

activity has largely been low key and has relied upon the good will of partners to make contributions.

- 8.2 To maximise the impact of Apprentice Town and wider skills related activity, it will be necessary to scale up this activity through a number of campaigns at key points throughout the year, supported by an Apprentice Ambassador Network. We would envisage a focused period of marketing activity towards businesses together with an additional campaign in the run up to the annual Skills Conference in October. We would also look to deliver a focused campaign to coincide with school leavers from May to August and National Apprenticeship week in March.
- 8.3 Apprentice Town marketing activity will be enhanced by the establishment of an Apprentice Ambassador Network. The Ambassador Network in Chesterfield will consist of employers and apprentices who will be charged with promoting all aspects of apprenticeships, including traineeships, higher levels and degree level apprenticeships across priority and emerging growth sectors.
- 8.4 To support ongoing Apprentice Town activity and to meet the costs of an annual skills conference an annual budget of £10,000 is required for the period over which the Skills Action Plan is deliverable (2017 – 2020). An indicative breakdown of costs for 2017/18 is detailed in **Appendix B**.
- 8.5 For 2017/18, it is proposed that £5,000 of the industrial promotion budget held by Economic Development is used to support this activity. It has been possible to negotiate reduced rates for a number of marketing activities that have generated a saving and as a result we propose to use this in 2017/18 to contribute to activities outlined in the Skills Action Plan. A further £5000 is sought to top up this budget from the council's reserves fund. This growth request will be included in the quarter 1 budget monitoring report for consideration by full Council in July 2017.
- 8.6 For future years, until 2019/20 an annual budget of £10,000 is sought from the Council's revenues fund. This request will be considered when the medium term forecast is reviewed as part of the council's budget setting process in October 2017.

## 9.0 **Legal and data protection implications**

- 9.1 It isn't envisaged that the production of the Skills Action Plan will have any legal or data protection implications.

## 10.0 **Consultation**

- 10.1 In producing the Skills Action Plan we have asked key partners for comment including, Chesterfield College, The University of Derby, Apprentice Town Group members, our own Human Resources and Planning Departments, The Head of Employment and Skills at Derbyshire County Council, and key members of the Health and Wellbeing Board. The Scrutiny Committee for Enterprise and Wellbeing considered the plan on 30 May 2017.
- 10.2 Feedback has been received from Chesterfield College, Derbyshire County Council, Chesterfield Borough Council's HR Department and Forward Planning and the Skills Action Plan has been updated to reflect comments received.
- 10.3 Feedback from the Enterprise and Wellbeing Committee was positive and supported the activity outlined in the plan.
- 10.4 Financial Planning Group (FPG) considered the report and budget request on 13<sup>th</sup> June. FPG supported the request of £5000 for 2017/18 subject to approval from the Chief Executive Officer and full Council. This request will be included in the quarter 1 budget monitoring report for consideration by full Council in July 2017. The budget requests outlined in section 8.0 for future years will be considered as part of the council's budget setting process in October 2017 when the medium term forecasts are reviewed.
- 10.5 The report and Skills Action Plan were considered and approved by the Chief Executive at weekly business review on 16<sup>th</sup> June 2017.

## 11.0 **Risk management**

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
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Without a Skills Action Plan there is likely to be a fragmented response locally to regional and national skills policy	M	H	CBC will continue to be an active member of LEP Skills working groups and work closely with local education providers to inform to ensure that CBC's response is aligned to regional & national policy.	L	L
Without the Skills Action Plan CBC risk performing less well in attracting skills funding at LEP level.	H	M	Implement the Skills Action Plan to ensure mechanisms for monitoring skills programmes performance in Chesterfield are established.	M	L
Without a Skills Action Plan individuals will not easily be able to access the range of skills programmes available which could impact upon their skills and ability to access job opportunities arising from growth.	H	H	Implement activity outlined within the Skills Action Plan to create a skills fact card and work with skills providers to ensure provision is targeted at those who most need it.	M	M
Without a Skills Action Plan businesses will not easily be able to access / navigate	H	M	Implement activity within the Skills Action Plan to create a skills fact card and	M	L

the range of skills programmes available to help upskill their work which could impact upon their ability to grow.			provide focused skills support though existing key account management (KAM) activity		
The Skills Action Plan helps education & skills partners to align provision to local need and future jobs growth. Without a skills action plan there is a risk of widening skills gaps.	H	H	Implement the Skills Action Plan which directs activity between CBC and education providers, allowing for key economic priorities to be shared, inform future curriculum planning for provision that supports future growth	M	M
Negative publicity /reputational damage should CBC fail to implement the plan and act as exemplar in response to some national policy drivers (i.e. Apprenticeship Levy)	H	M	Implement the Skills Action Plan and deliver activity that ensures local people have access to opportunities arising from CBC's Apprenticeship Levy commitments.	L	L

## 12.0 Equalities Impact Assessment (EIA)

12.1 A preliminary EIA has been undertaken (attached at **Appendix C**) and whilst the Skills Action Plan could potentially impact all groups listed, the impact is positive. The skills agenda has been subject

of much change recently and there is a plethora of skills programmes available through different providers. The skills landscape is complicated and it can often be difficult for business and individuals to navigate the system to understand what is available and how to access it.

- 12.2 The Skill Action Plan seeks to ensure that all individuals and businesses in Chesterfield have the right skills to access current and future growth and employment opportunities. The plan seeks to give local people and businesses clear advice and support about the range of programmes available. The plan will help maximise the number of training employment and supply chain opportunities for local people arising from new development and secured through local labour agreements.

### 13.0 **Alternative options and reasons for rejection**

#### Do Nothing

- 13.1 Without a Skills Action Plan there is a risk of a fragmented response to regional and national skills policy. There has been a significant amount of change to the wider skills agenda since 2015, resulting in skills and apprenticeship reforms and changes to the DWP Health and Work agenda. Producing and implementing the Skills Action Plan allows Chesterfield Borough Council and its partners to take a proactive stance in response to contribute to positive changes in the economy.

Businesses and individuals in Chesterfield can currently access a plethora of skills and employment programmes, many of which are funded via LEP ESIF (European Structural Investment Fund). The sheer range of provision available can lead to a complicated picture and it is often difficult for employers and individuals to navigate. A Skills Action Plan will ensure that funding opportunities are maximised in Chesterfield and skills support can be accessed by those who most need it.

#### Partial Implementation

- 13.2 It is possible to partially implement the plan by just responding to LEP Employment and Skills Strategies. This option is reactive and

risks a generic response that doesn't take into account specific local need.

#### 14.0 **Recommendations**

- 14.1 To approve the Skills Action Plan detailed in **Appendix A**
- 14.2 To approve a budget request of £5,000 for the year 2017/18 from the council's reserves to support the activity outlined in the Skills Action Plan.

#### 15.0 **Reasons for recommendations**

- 15.1 A Skills Action Plan will provide a platform from which to deliver activity to improve the skills profile of Chesterfield and to maximise the impact of skill related programmes. The operating budget requested will enable the activity detailed in the report to be delivered.

<b>Glossary of Terms</b>	
ABR	Area Based Review
AEB	Adult Education Budget
BIS	Department of Business Innovation and Skills
ESIF	European Structural Investment Fund
FE	Further Education
LEP	Local Enterprise Partnership
OECD	Organisation for Economic Cooperation and Development
SCR	Sheffield City Region
SEP	Strategic Economic Plan

#### **Decision information**

<b>Key decision number</b>	<i>731</i>
<b>Wards affected</b>	All Wards
<b>Links to Council Plan priorities</b>	To make sure that local people benefit from growth in Chesterfield Borough

## **Document information**

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<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix A	Skills Action Plan
Appendix B	Skills Action Plan Cost Break down
Appendix C	Preliminary EIA