



**REPORT TO:** WEST OF ENGLAND MAYORAL COMBINED AUTHORITY COMMITTEE

**DATE:** 15<sup>th</sup> MARCH 2024

**REPORT TITLE:** DELIVERING THE EMPLOYMENT AND SKILLS PLAN AND THE EMPLOYMENT AND SKILLS FUND

**RESPONSIBLE OFFICER:** STRATEGIC DIRECTOR OF ECONOMY AND SKILLS

<b><u>Key Decision</u></b>	<b>Yes</b>
<b><u>Purpose of Report</u></b>	
<ul style="list-style-type: none"><li>• To provide an overview of employment and skills activity delivered so far by the Mayoral Combined Authority and partners against the agreed strategic objectives of the region's Employment and Skills Plan.</li><li>• To recommend the creation of a new Employment and Skills Fund to secure and enhance existing high performing services and commission new activity to ensure the objectives of the Plan are fully realised.</li></ul>	
<b><u>Recommendation</u></b>	
That the West of England Combined Authority Committee agrees:	
<ol style="list-style-type: none"><li>1) To create the Employment and Skills Fund with an initial allocation from the Investment Fund of £15.68m to fund the first two years of delivery against the objectives of the Employment and Skills Plan.</li><li>2) A formal review of the Employment and Skills Fund is presented to Committee 18 months after establishment of the Fund, covering performance to date and recommendations for the next allocation.</li><li>3) If further UK Shared Prosperity Fund is confirmed for skills delivery by government, where possible this will replace the Investment Fund allocation within the Employment and Skills Fund and return it to Investment Fund headroom.</li><li>4) Delegation of authority to the West of England Combined Authority Strategic Director of Economy and Skills, in consultation with equivalent</li></ol>	

Directors from the Unitary Authorities, to agree and administer funds (through the approval of Full Business Cases and Feasibility and Development Applications) and ensure delivery of initiatives under the Employment and Skills Fund (through approval of grant and/or contract funding recommendations). In event of consensus not being reached at Director level, decision making will be escalated to the West of England Mayoral Combined Authority's Chief Executive Officer (CEO) in consultation with Unitary Authority CEOs.

### **Reasons for recommendation**

The agreed West of England Employment and Skills Plan provides a comprehensive evidence base and strategic backdrop for our region's economy and labour markets, to guide economic development and growth. A proposed new Employment and Skills Fund is essential for the delivery of the Plan's vision and objectives, providing funding certainty alongside operational flexibility to achieve the best outcomes for residents and employers.

In summary, it will provide:

- **Greater long term funding certainty** – the majority of the region's core, high performing employment and skills services are funded on a short-term basis (to 2025), including nationally driven funds like the UK Shared Prosperity Fund, with no certainty of continuation. This uncertainty makes delivering outcomes much harder due to the inability to plan, build effective institutions, retain staff, skills and knowledge.
- **Flexibility to adapt, join up or deliver new programs** – because each intervention is decided separately with its own rules and criteria, it is much harder to adapt or change when circumstances change. An overarching Employment and Skills Fund provides much greater flexibility to adapt and move quickly to address changes in the local labour / skills market or changes to the wider employment support / skills policy landscape.
- **Being prepared for greater devolution** – the region needs to move quickly to adapt to greater devolution proposals, whether through the current Government's 'trailblazer' plans or a new Government's more radical plans. We need the flexibility and resource in place to make the most of opportunities as they arise – maintaining the regional and local delivery 'architecture' for employment and skills which has been built up over many years. This is fundamental to making the case to government for more devolution and investment.

### **Voting arrangements**

In order to be carried, a decision on this matter requires a majority of the members present and voting, such majority is to include the Metro Mayor. Each member present may cast one vote. If a vote is tied the decision is not carried. There is no casting vote.

## Publication Requirements

For Publication

### Executive Summary

1. The region's refreshed Employment and Skills Plan<sup>1</sup>, agreed by Committee last year, set an evidence-based vision to *'bring secure and fairly paid jobs to the region including green jobs, working with trade unions, local employers, skills providers and others to help residents access opportunities.'* The Plan recognised that despite progress and the region continuing to see above average levels of productivity, low rates of unemployment, and a highly skilled workforce, significant structural challenges remain, exacerbated by wider national and international economic uncertainty.
2. The Plan showed that the Mayoral Combined Authority and its partners have made huge inroads in key priority areas for the region. For example, by supporting our young people to access high quality careers provision in 97 schools and colleges across the region; by supporting 26,500 residents who are outside of work (including some of those who are most marginalised) to develop the skills they need to gain sustainable employment; and by helping 28,600 employed residents to develop the skills they need to progress and improve their earnings. Employers have been supported to recruit the people they need for economic success, including through retaining £2.6m of apprenticeship levy in the region and creating 332 apprenticeship opportunities.
3. This progress will effectively be undone if we are unable to secure and further develop the region's core, high performing employment and skills services which have evolved over several years of delivery. Our evidence tells us that the region still experiences significant and persistent skills gaps and labour shortages, which will act as a drag on our wider ambitions for economic development, regeneration, and productivity improvements, if not addressed.
4. To fully deliver on the ambitions of our strategic plans, a new Employment and Skills Fund is proposed. An initial allocation of £15.68m would cover the first two years of a three-year delivery plan. This will enable retention and enhancement of existing core services and the commissioning of new services/provision to address gaps. The value of the Fund has been carefully determined by a detailed analysis of need and unmet demand, alongside experience of delivering multiple services over many years.
5. Over three years, the Fund will provide 50,000 people with high quality careers advice and support, help over 35,000 people access new training, support 218,000 young people to plan their routes into employment, and continue to support all 97 secondary schools improve the quality of careers provision and engagement with employers.

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<sup>1</sup> [West of England Employment & Skills Plan \(westofengland-ca.gov.uk\)](https://www.westofengland-ca.gov.uk)

## Background and Key Considerations

### Background – West of England Combined Authority Employment and Skills Activity:

6. Delivering secure, fairly paid jobs and training opportunities is a key priority for the West of England Metro Mayor and the region as a whole. Skills and the supply of an appropriately qualified workforce underpin our economic, social and environmental ambitions for the region. This vital area of focus helps:
  - **Individuals to gain, sustain and progress in employment**, addressing issues of inequality and poverty. Investment in jobs and skills greatly benefits residents by creating employment opportunities, reducing unemployment, and raising income levels.
  - **Employers to access the skills they require to build their workforce and improve productivity**. Supporting training, skills and employment programmes helps the local workforce become more proficient and attractive to businesses. As businesses thrive with a skilled workforce, they become more efficient and competitive.
  - **Enables the region to prosper and grow**. Investment in employment and skills is a central lever to increasing economic growth and improving productivity.
  
7. As a Mayoral Combined Authority, working alongside our partners, we have already achieved a great deal. We have:
  - **Made it easier for people to access information about skills services and receive support that will help them access good jobs through the development of new innovative services like Skills Connect**: Working with our Unitary Authority partners, the new regional 'hub and spoke' Skills Connect service has already reached 18,000 people, providing vital information on employability, training, and skills provision. A further 668 residents have received direct support through our local delivery hubs.
  - **Supported our region's young people to develop the skills, knowledge, and motivation to access the region's high-quality jobs of the future**: We have extended and supported development of careers activity and employer engagement to all 97 schools and colleges across the region through our Careers Hub. Our schools and colleges are now achieving an average of 6.4 Gatsby Benchmarks (against a national average 5.5), up from a starting position of 1.9 in 2018. Gatsby Benchmarks are the accepted UK framework for world class careers provision in education.
  - **Provided support and skills/training provision to our unemployed residents so they can gain and sustain employment**: Since 2019, we have supported 26,500 residents who are outside of work (including some of those who are most marginalised) to develop the skills they need to gain and

sustain employment. This has enabled them to return to the workforce and for employers to access their talent. Examples of our work include the devolved Adult Education Budget, Community Support Fund, and our We Work for Everyone programme.

- **Enabled our employed residents to progress their careers and move into well paid and secure jobs:** Since 2019, we have also supported 28,600 employed residents. We have helped them develop the skills they need to progress, thereby ensuring the talent supply chain required by our high skilled economy. Our work on the Future Bright, Skills Bootcamps and Digital Skills Investment Project are examples of this success.
- **Supported our employers to recruit the talent they need to grow the region's economy:** We have supported our employers to recruit the talent they need through a variety of different routes. This includes ensuring that to date £2.6m of apprenticeship levy funding has been retained in the region, allowing our local employers to recruit 332 new apprentices. This sits alongside the provision of sector specific support, such as the training of 191 HGV drivers in the region to support our transport and logistics needs, addressing a recent critical issue for the region.
- **Ensured learners have high quality facilities to develop the skills they need:** We have enabled the development of training infrastructure which supports the critical skills the region requires. With c.£10m of investment we have funded development of facilities supporting sectors such as construction, engineering, health, and transport/logistics. This enables our learners to gain the skills they need in high quality and up-to-date facilities.

9. As a region we are **working together** to ensure our future employment and skills support services meet the needs of people across the West of England. To support this, we have:

- Established close strategic and operational relationships between Mayoral Combined Authority and Unitary Authority teams, schools, FE colleges and universities, alongside government agencies like DfE, DWP and Ofsted.
- Created a new Employment and Skills Advisory Panel (ESAP) to provide industry input and perspectives on our work, bringing together oversight of the Local Skills Improvement Plan (LSIP) led by Business West, to align delivery and respond to industry need.
- Established a strong track record of managing devolved powers and funding. This includes devolved Adult Education Budget, Skills Bootcamps and the UK Shared Prosperity Fund (UKSPF)/Multiply provision.
- Integrated and supported key employment support contracts into the regional skills system, including the Work and Health Programme, Restart and National Careers Service.
- Launched Retrofit West which includes a dedicated Retrofit and Green Skills Manager, driving uptake of retrofit training and careers.
- Created a strong, regional skills leadership team in the senior level Mayoral Combined Authority and Unitary Authority Skills Officer Group.

10. Our Employment and Skills activity is a critical, and interdependent part, of the West of England Mayoral Combined Authority's overall delivery across areas such as business support, innovation and inward investment, the environment, transport and infrastructure.

### **Regional Strengths, Opportunities and Challenges**

11. Overall, the West of England's resident population is highly qualified with 52% holding NVQ Level 4 or above (compared with 44% nationally). The region is home to four Universities, Further Education Colleges, and a range of high-quality education/skills providers at all levels.

12. Many of our residents apply their skills in high value businesses: over 65,000 in professional services; 42,000 in the creative and digital sector; and over 40,000 working in advanced engineering and aerospace. The region has a diverse business mix across knowledge intensive industries which will continue to create high quality jobs in the future.

13. We have strong environmental credentials including ambitious commitments among residents and leaders to sustainability and protecting our natural environment. Our transition to Net Zero will create thousands of new green job and career opportunities for residents.

14. However, the region still faces many significant economic challenges. Outcomes for secondary school pupils in many parts of the region remain below the national average. Over 1,300 16 to 17-year-olds are not in education, employment or training (5.8% versus 4.7% nationally). There has been a decline in young people taking apprenticeships, mirroring the national picture. Over the last six years those aged under 19 constitute 6% less of our overall regional apprenticeship starts (which themselves have declined by 7%).

15. Around 80,000 of our residents live in parts of the region which are amongst the most deprived neighbourhoods in the country. 40,800 of our residents are unemployed or economically inactive but want to work. Employment among minority ethnic groups is 8% lower than the white population and employment among those with disabilities is 20% lower than those without disabilities. While we are a relatively healthy region it is still estimated that 43,500 of our residents experience bad or very bad health.

16. Residents' incomes have been stagnant for a long time. (£549 per week in 2022 compared to £563 in 2006). Our productivity has grown slowly in the last decade and is slipping behind the UK average - £36.40 per hour worked in 2021, against £38.30 nationally.

17. The foundational economy accounts for around 39% of jobs in the region. Despite its value to society, employers and workers in the foundational economy face a series of challenges, including workforce shortages, low productivity and pay, precarious work, and a lack of progression opportunities.

18. We have skills gaps and vacancies in key sectors across the region including Construction, Health and Social Care, and there is a need to work with both employers, training providers and support services to address this issue.

### **The West of England Metro Mayor**

19. Employment and skills are a key priority for the West of England Metro Mayor. The Metro Mayor has championed a range of interventions to address employment and skills related issues including the regional Skills Connect service, bus and HGV driver training/recruitment, the Good Employment Charter, Trade Union employment support, and provision related to our early years workforce.

20. Moving forwards, the Metro Mayor would like to focus on developing an integrated employment support service, accessible to all residents and employers. An integrated service has the potential to join up employment support, skills/training provision, health services and childcare. A service such as this could benefit significant numbers of our residents at any career stage and provide a significant boost to our regional economy.

### **Our Regional Employment and Skills Plan**

29. The West of England Metro Mayor wants the Mayoral Combined Authority to be even more ambitious with the employment and skills actions we undertake and facilitate to support people and develop our regional economy.

30. We know our strengths, opportunities, and the challenges we face, and our new Employment and Skills Plan (ESP) provides a clear roadmap to show what we need to do next (see below). This plan was designed collaboratively and in consultation with a wide range of partners. Unitary Authorities have used its design and ambition to shape local plans. The ESP was agreed by the Mayoral Combined Authority Committee in June 2023.

*Table 1*

<b>Objective</b>	<b>Aim</b>
1. Strengthen and simplify the skills system	Further strengthen our system leadership, planning and joint working across the region. Help our residents and employers to easily understand and effectively engage with our region's complicated employment and skills system.
2. Enable all young people to achieve their potential	Help our young people to progress within education and training to benefit from the job opportunities available now and in the future.
3. Support unemployed and inactive people into work	Help unemployed and inactive residents to address the barriers they face to employment so they can benefit from the opportunities available to them and maximise their contribution to the economy.

4. Support people to progress in work	Support residents to progress to better jobs, addressing issues such as inequality and our high cost of living. Residents can feed the talent supply chain required by our economy, progressing to higher skilled roles, and creating room for those further down the employment ladder.
5. Address employer needs and skills shortages	Help employers to fill skills gaps and skills vacancies ensuring that they can thrive, increase productivity, and drive our economic growth.

31. The ESP sets out specific measurable targets across all five objectives to help judge impact (see Appendix 2).

32. The new Employment and Skills Fund will secure core regional and local employment and skill services, which will in turn enable us to shape and influence a range of additional funded services to deliver on our strategic plan e.g.

*Table 2*

<b>Service</b>	<b>Relationship to MCA</b>	<b>Focus</b>	<b>Regional Value</b>
Pre and Post 16 Mainstream Provision	Support	Secondary and V/1th form mainstream education	<b>£438m</b> (21/22 academic year)
16-19 Further Education Funding	Influence and support	Provision in FE Colleges	<b>£63.8m</b> (23/24 academic year)
Apprenticeship Levy Sharing	Influence	Utilising apprenticeship levy funding in the region	<b>£2.6m</b> (shared and spent to date)
Devolved Adult Education Budget/National Skills Fund Level 3	Control	Provision for residents aged 19+	<b>£16m</b> (23/24 academic year)
Young people	Control	Work experience, employer and careers support	<b>£0.5m</b> (CEC funds attracted 23/24 academic year)
Multiply	Control	Provision to address low levels of adult numeracy skills	<b>£1.5m</b> (£4.4m total 3 yr allocation)
Skills Bootcamps	Control	Provision to support employer skills needs	<b>£7m</b> (24/25 FY)
UK Shared Prosperity Fund - Skills	Control	Supporting high quality skills and training provision	<b>£3.2m</b> (total 2 yr allocation)
Health, disadvantaged communities, young people & resettlement support	Leveraged  (Controlled by UAs)	Funds for skills & employment support leveraged by UAs on skills investment by the MCA	<b>£4.9m</b> (23/24 FY)



## Delivering Our Plan

33. We have made great strides in building an evidence base to guide our current and future activity/investment. However, to fully achieve the refreshed ESP's ambition, we must:

- **Continue to provide and ensure system leadership** and convening functions, including provision of data and intelligence capabilities for programme planning, monitoring and evaluation.
- **Maximise our regional return/benefit from mainstream education and skills funded delivery** and continue to attract further funding into the region.
- **Strengthen and evolve existing regional services** not delivered through mainstream funding.
- **Establish new provision/services which fill gaps in our regions employment and skills system**, particularly where this can lead to stabilisation through mainstream funding.

34. Working in partnership, we have established a strong base of successful project support and service delivery. We now need to adapt and evolve these services to better integrate them into a more cohesive Employment Support Service for the region. However, short-term, uncertain funding hampers the continuity we need to both protect and further develop this joined-up and collaborative system.

35. Having carefully mapped all the activities set out in our ESP, we also know that current services will not enable us to fully achieve the Plan's ambitions, and new provision will need to be commissioned. Therefore, security of funding is essential to extending existing services and instigating new delivery, which will in turn help us leverage and attract other external funding.

## The Employment and Skills Fund

36. Funding for skills interventions needs to be multi-year so that:

- The West of England Mayoral Combined Authority and its partners can plan in a more strategic manner and over a longer period of time.
- We can secure our regional delivery infrastructure, retaining critical knowledge, skills and experience.
- Services/provision can develop, mature, and deliver the intended outputs, outcomes and benefits over a number of years.
- We can work flexibly and in a responsive manner.

37. It is proposed that a new Employment and Skills Fund, valued at approximately £24m over a three-year period, is established with an initial allocation of £15.68m to cover the first two years of delivery.

38. The value of the Fund has been determined by:

- The actual costs of delivering the core services proposed for continuation.

- Known staffing/resource costs.
- Unmet demand associated with the now exhausted Mayoral Priority Skills Fund which address the needs of the outlined in the ESP.
- Funding shortfall due to unconfirmed future UK Shared Prosperity Fund (UKSPF) allocation.

Fund Elements:

39. The Employment and Skills Fund will cover two different elements:

- Continuation of core services.
- Establishment of new provision and support.

40. The Fund will support continuation of our established core services, supporting a range of residents (aged both pre-19 and 19+) not covered by mainstream education and skills funding (i.e. schools funding, Adult Education Budget, Skills Bootcamps etc.). These include:

Table 3

<b>Service</b>	<b>Focus</b>	<b>Current Funding</b>	<b>Achievement to Date</b>
Skills Connect	Central 'hub' of information about skills, training and career support alongside community-based 'spokes' providing differently levels of employment support directly to individuals	Investment Fund	Visits to the Skills Connect Website <ul style="list-style-type: none"> <li>• 18,000</li> </ul> Signposting & Low Intensity Support <ul style="list-style-type: none"> <li>• 368</li> </ul> Medium Intensity Support <ul style="list-style-type: none"> <li>• 175</li> </ul> High Intensity Support with SMART Action Plan <ul style="list-style-type: none"> <li>• 111</li> </ul>
Careers Hub	Support for schools and colleges to improve quality of careers provision and careers readiness of pupils	Investment Fund / Careers Enterprise Company	Number of Schools and Colleges being supported in the region <ul style="list-style-type: none"> <li>• 97</li> </ul> Achievement of Gatsby Benchmarks (UK framework for world class careers advice) <ul style="list-style-type: none"> <li>• Average of 6.4 Benchmarks achieved per institution (national average 5.5) from starting position of 1.9</li> </ul> Enterprise Advisers recruited and providing the voice of employers in school career programmes <ul style="list-style-type: none"> <li>• 76</li> </ul>
Future Bright	Support for employed residents to develop skills and progress in jobs/careers	Investment Fund / UKSPF	Number of referrals <ul style="list-style-type: none"> <li>• 4,114</li> </ul> Number of people receiving information, advice and signposting <ul style="list-style-type: none"> <li>• 2,960</li> </ul> Number of people with one or more action plan goals achieved on exit

			<ul style="list-style-type: none"> <li>• 857 Number of people with improvement in tangible work outcomes</li> <li>• 1,634 Number of people reporting improvements in attitudes to work</li> <li>• 1,167 Number of people with increased incomes at exit</li> <li>• 598 Number of people reporting improved health and wellbeing</li> <li>• 1,141 Time Period: March 2021 – Dec 2023</li> </ul>
We Work for Everyone	Support for unemployed residents with special education needs to develop skills and gain employment	UKSPF	<ul style="list-style-type: none"> <li>Starts on Programme</li> <li>• 1,458 Unemployed participants into employment or self-employment</li> <li>• 170 Inactive participants into employment or job searching</li> <li>• 481 Participants gaining basic skills</li> <li>• 47</li> </ul>

41. Funding for the above core services comes prominently from Investment Fund and UKSPF. UKSPF is scheduled to finish on 31<sup>st</sup> March 2025 with no indication of further funding at this point. Current funding from the Investment Fund will also be largely committed by this point. If further UK Shared Prosperity Fund is confirmed for skills delivery by government, where possible this will replace the Investment Fund allocation within the Employment and Skills Fund and return it to Investment Fund headroom.

42. To fully deliver the Employment and Skills Plan and support our wider plans, the Fund must also establish new provision. To do this we will expand the Mayoral Priority Skills Fund both in terms of value and reach, ensuring it now supports both those under the age of 19 and adults. The overall value is based on experience of the 1<sup>st</sup> call of this fund which received applications of £3.7m. It is anticipated this additional flexible funding will support over 13,000 pre-19 and over 7,000 adult residents over three years (see table 7 below and Appendix 3).

Funding Approach:

43. The initial allocation of £15.68m would be drawn from the Combined Authority's Investment Fund.

44. An illustration of how the funding for the Employment and Skills Fund would be deployed across the initial allocation is as follows:

<i>Table 4</i>	<b>25/26</b>	<b>26/27</b>	<b>2 Year Fund Total</b>	<b>3 Year Fund</b>	<b>% Fund</b>
<b>Objective 1</b> - Strengthen and simplify the employment and skills system	£1,448,831	£1,529,097	<b>£2,977,928</b>	<b>£4,556,563</b>	<b>19%</b>
<b>Objective 2</b> - Enable all young people to achieve their potential	£750,830	£836,692	<b>£1,587,522</b>	<b>£2,441,613</b>	<b>10%</b>
<b>Objective 3</b> - Support unemployed and inactive people into work	£830,000	£871,500	<b>£1,701,500</b>	<b>£2,616,575</b>	<b>11%</b>
<b>Objective 4</b> – Support people to progress in work	£1,200,000	£1,260,000	<b>£2,460,000</b>	<b>£3,783,000</b>	<b>16%</b>
<b>Objective 5</b> – Address employer needs and skills gaps	£184,522	£198,388	<b>£382,910</b>	<b>£585,266</b>	<b>2%*</b>
Cross Cutting Themes	£276,783	£297,582	<b>£574,365</b>	<b>£877,899</b>	<b>4%</b>
Mayoral Priority Skills Fund Pre-19	£500,000	£650,000	<b>£1,150,000</b>	<b>£1,800,000</b>	<b>7%</b>
Mayoral Priority Skills Fund - Adult	£2,409,557	£2,438,642	<b>£4,848,199</b>	<b>£7,295,163</b>	<b>31%</b>
	<b>£7,600,523</b>	<b>£8,081,901</b>	<b>£15,682,424</b>	<b>£23,956,079</b>	

\* the low allocation for Objective 5 reflects the existence of a range of funded regional business support services like the Growth Hub and Invest Bristol and Bath which can also be leveraged to support this objective.

45. As stated above, this funding is needed for both existing and new provision. The proposed split of the initial allocation between existing and new provision is as follows:

*Table 5*

	<b>Two Year</b>	<b>%</b>
<b>Existing Core Services</b>	£9,683,820	62%
<b>New Provision</b>	£5,998,604	38%
	<b>£15,682,424</b>	

46. The Employment and Skills Fund financial resource supports delivery by the Combined Authority and Unitary Authorities. Through the flexible Mayoral Priority Skills Fund it also supports delivery/provision by organisations who have yet to be confirmed. The split of this funding is anticipated to be as follows.

*Table 6*

	<b>25/26</b>	<b>26/27</b>		
<b>Combined Authority</b>	£2,290,366	£2,491,446	<b>£4,781,812</b>	<b>30%</b>
<b>Unitary Authority</b>	£2,787,657	£2,917,955	<b>£5,705,612</b>	<b>36%</b>
<b>Mayoral Priority Skills Fund</b>	£2,522,500	£2,672,500	<b>£5,195,000</b>	<b>33%</b>
			<b>£15,682,424</b>	

Outputs and Outcomes:

47. The estimated outputs, outcomes and impact (benefit) resulting from investment in each area is set out in full at Appendix 3. We have based these targets on track record to date. Table 7 summarises the outputs which we anticipate over three years of the Fund.

Table 7

<b>Objective</b>	<b>Outputs</b>	<b>Year 1 &amp; 2</b>	<b>Year 3</b>	<b>2 Year Value (£)</b>
1. Strengthen and simplify the employment and skills system	Visits and interactions with the Skills Connect central web portal & team	33,333	16,667	£2,977,928
	Residents supported through the local services.	2,353	1,178	
2. Enable all young people to achieve their potential	Secondary age school children & 16-19 year old FE students benefit from Careers Hub support	145,333	72,667	£1,587,522
	Schools and colleges achieve the Gatsby Benchmarks / utilise the Future Skills Questionnaire	97		
3. Support unemployed and inactive people into work	Unemployed / inactive residents supported	6,467	3,233	£1,701,500
4. Support people to progress in work	Residents supported	8,800	4,400	£2,460,000
5. Address employer needs and skills gaps	Residents take up green skills training, qualifications and/or employment opportunities	667	333	£382,910
	Residents take up digital skills training, qualifications and/or employment opportunities	667	333	
	Employers supported to deliver apprenticeships through Levy share	33	17	
Cross Cutting Themes	Outputs and outcomes support all objectives above			£574,365
Mayoral Priority Skills Fund	Adult residents supported through flexible funding	4,783	2,392	£5,998,199
	Pre-19 residents supported through flexible funding	8,730	4,365	
	Work placements created	67	33	

*\* The Mayoral Priority Skills Fund outputs will contribute to all the objectives above and will be determined with precision through Business Case development.*

## Match Funding

48. In addition to the funds leveraged as set out in Table 2, the Employment and Skills Fund brings opportunity to create added value through match funding associated with the flexible funding element. We anticipate that a minimum figure of 25% match is achievable. This is informed by our experience in leveraging match against the £1m Community Support Fund (a COVID recovery skills project) which for £1m of West of England Mayoral Combined Authority investment, achieved £331K match (31%); and our recent UKSPF skills delivery, which for £4.5m of investment achieved £556K match (12%). The targets will be for both direct cash and in-kind match. This will be monitored and reported on as the delivery of individual projects and services progress. Match will be aligned to the West of England Mayoral Combined Authority's emerging social value policy.

## Integration with Mayoral Combined Authority Functions and Regional Strategic Projects

49. The Employment and Skills Fund will underpin deliver of a range of projects across the Mayoral Combined Authority functions and activity. These include, for example, regeneration activities, achievement of Net Zero, enterprise and inward investment, transport and infrastructure.

50. There are several key regional projects/areas of focus which the fund can support by helping to meet the need for recruitment of thousands of skilled workers e.g.

- Temple Quarter
- The East Fringe in South Gloucestershire
- Bristol and Bath Science Park
- Bath Quays
- Sommer Valley

51. The skills support, funded under this portfolio will complement the work of the Adult Education and Skills Bootcamps to meet gaps in demand by directing our focus on employer need via Objective 5 of the ESP.

## Delegated Authority and Governance

52. The Committee is requested to delegate authority to the West of England Combined Authority Strategic Director of Economy and Skills, in consultation with equivalent Directors from the Unitary Authorities, to agree and administer funds (through the approval of Full Business Cases and Feasibility and Development Applications) and deliver initiatives under the Employment and Skills Fund (through approval of grant and/or contract funding recommendations). In event of consensus not being reached at Director level, decision making will be escalated to the West of England Mayoral Combined Authority's Chief Executive Officer (CEO) in consultation with Unitary Authority CEOs.

53. The Skills Officer Group will be the key operational point for work between Combined Authority and Unitary Authority staff where agreement on

recommendations for funding priorities will be made to the Directors.

#### Full Business Case/Feasibility and Development Study Applications

54. An illustration of the potential timings for these FBC's/F&D's is as follows:

*Table 7*

<b>FBC / F&amp;D</b>	<b>Objective / Area of Delivery</b>	<b>Date</b>	<b>Value</b>
<b>1</b>	Objective One - Skills Connect	Jun-24	£2,407,234
<b>2</b>	Objective Three	Jun-24	£1,701,500
<b>3</b>	Objective Four	Jun-24	£2,460,000
<b>4</b>	Objective Two	Sep-24	£1,587,522
<b>5</b>	Mayoral Priority Skills Fund (Pre-19 / Adult)	Sep-24	£5,998,199
<b>6</b>	Objective One - Employment Service	Sep-24	£570,694
<b>7</b>	Cross Cutting Support	Dec-24	£574,365
<b>8</b>	Objective Five	Dec-24	£382,910
			<b>£15,682,424</b>

#### Oversight and Management

55. This paper proposes a portfolio management approach similar to that used to allocate and manage the West of England Green Recovery Fund. This industry standard methodology (based on Management of Portfolio practice) allows for a funding 'envelope' to be allocated for a portfolio, in this case the skills portfolio. This is then allocated to specific projects and services via individual Full Business Cases (or Feasibility & Development Applications, as appropriate) which would be co-developed through the Skills Officer Group with strategic input from the Employment & Skills Advisory Panel.

56. Management and monitoring of the programme of the individual services and projects funded via the E&SF Skills Fund will be provided by officers within the West of England Mayoral Combined Authority's Economy and Skills Directorate and specifically the Employment and Skills Service. This service has extensive capability and track record in managing this scale of funding and activity, alongside the necessary data storage, management and processing capacity. It has developed the project management framework required to ensure that funding, timing, outputs and outcomes and ultimate benefit realisation is achieved from each funded element.

57. Delivery and performance data on each project or service, as well as overall portfolio performance, will be provided via dashboards at a variety of levels throughout the West of England Mayoral Combined Authority including Skills Officer group, at Director level and at CEO level. Programme risks will be managed using the same methodology already employed within the West of

England Mayoral Combined Authority Employment & Skills Service, in line with West of England Mayoral Combined Authority standards.

## **Alternative Options Considered**

58. The alternative options, which have been considered and discounted, include:

- *Do nothing*: this means that no further funding is sought and services currently funded cease at their respective current end points (March – July 2025). This would mean that all the staff unable to be redeployed would be made redundant (both at the West of England Mayoral Combined Authority and UAs) and our ability to influence and leverage all the wider regional funds as set out above would cease. This would have a catastrophic impact not only on our ability to attract and manage further funding to the area but would mean that our ambitions for system simplification and join up, a regional Employment Service and all the other ambition set out in our ESP would not be delivered.
- *Annual funding renewed each year*: it would be possible to allocate funding on an annual basis. This would reduce the amount that had to be allocated upfront but would mean resubmitting and reconsidering every year a further request for funding. This would be distracting, time consuming and detract from service continuity. While skills projects and services could probably be maintained on the whole, it would mean extensive disruption as the West of England Mayoral Combined Authority would be unable to plan on a medium-term basis. The risk of failing to meet targets would also increase sharply as staff funded on continued short-term contracts would leave for more secure employment, taking their knowledge base and skills with them. This would be highly demoralising for remaining staff, endanger achievement of the ESP and damage the regional employment and skills architecture.
- Both the above solutions have been discounted as they would not allow us to deliver the ambition in the ESP, as agreed by all in Summer 2023.

## **Consultation and Engagement**

59. In developing this proposal, which is strongly based on previous extensive collaboration and codesign of the Employment and Skills Plan, we have ensured full collaboration and co-design with UA senior skills leads. (For development of the ESP we also consulted the Business & Skills Board, Dept for Work & Pensions, Dept for Education, Western Training Provider Network, all four Colleges, all our Universities, Business West, Unions and sector and employer representatives.) Consultation and engagement on this proposal started in August 2023 as soon as the ESP was approved, and we thank the UA skills leads for their input to this paper. The lead officers are:

- Claire Lynch (Bath & North East Somerset Council)



- Jane Taylor (Bristol City Council)
- Debbie Gibbs (South Gloucestershire Council)

60. Further consultation has also taken place with Unitary Authority Economic Development Leads and the Business and Skills Directors Group.

## **Key Risks**

70. The key risks include:

- Delay in agreeing the funding envelope requested: If March Committee does not approve this request, if permitted, we could resubmit this proposal based on any advice/direction to the June Committee; however, at this point the time limit for starting redundancy proceedings would be reached and services would be at high risk.
- Funding approved but delay in preparing business cases to ensure funds are secured in time for 'at risk' services: this would have the same effect as the risk above. However, we are confident that we would be able to submit timely business cases as we have already factored this in to our timelines and work planning. Highly experienced staff in the West of England Mayoral Combined Authority and UAs are knowledgeable and have the evidence to inform cases. Also, if business case approval is delegated to Director level, this again shortens the timeframe from submission to approval to proceed.
- Disagreement or inability to agree funding or its use: failure to reach agreement about how to use funding may hold up and endanger continuity. However, this proposal has been fully co-developed with UAs including reviewing the initial breakdown of funds as allocated in the envelope. There is room for small adjustments, based on evidence and best delivery method, but we have already agreed the principles which inform the allocation of funds across objectives and services within those objectives; the funds needed to ensure continuation of existing services and the methodology to respond to gaps and we are strongly aligned on the ESP which underpins this proposal.

## **Equality, Diversity and Inclusion Implications**

71. The Employment and Skills Fund will enable existing core provision to be extended and new provision to be put in place to support residents of the Combined Authority area. The overall programme of activity would support those with, and those without, protected characteristics both within childhood and adulthood.

72. We do not consider that any of the provision will be likely to have a negative impact on someone with protected characteristics. Some of the provision will be

directly targeted at improving outcomes for people with protected characteristics, a key example of this would be the We Work for Everyone programme focused on those with Special Educational Needs and Disabilities (SEND).

73. Equality, diversity and inclusion will be key issues considered in design, and delivery, of new provision and equalities impacts will be considered in the submission of Full Business Cases/Feasibility and Development Fund applications. Where necessary we will undertake specific impact assessments as part of this process.
74. Where funding is being offered on a competitive application basis for other organisations to apply for all documentation will follow adhered to disability access guidelines.

### Climate Change Implications

75. Green Skills is a cross cutting theme of the Employment and Skills Plan. As such this proposal will directly support delivery of the green skills that are needed within the region to achieve our environmental and ecological ambitions. There is also specific funding to enable green skills across a range of interventions/provision, alongside the focus on green skills which will support pre-19 and adult residents (both unemployed and employed).

### Financial Implications

76. The table below provides a financial overview for the additional funding of £15.68m from the investment fund towards the skills and employment plan. A detailed business case will be needed to release each tranche of funding.

#### Financial Summary of Income and Expenditure

	25-26	26-27	Total
<b>Total Income - Investment Fund</b>	<b>7,600,523</b>	<b>8,081,901</b>	<b>15,682,424</b>
Objective One: Strengthen and Simplify the Skills System	1,448,831	1,529,097	2,977,928
Objective Two: Enable All Young People to Achieve Their Potential	750,830	836,692	1,587,522
Objective Three: Support Unemployed and Inactive people into Work	830,000	871,500	1,701,500

Objective Four: Support people to Progress in Work	1,200,000	1,260,000	2,460,000
Objective Five: Address Employer Needs and Skills Shortages	184,522	198,388	382,910
Cross Cutting Theme	276,783	297,582	574,365
Mayoral Priority Skills Fund – Pre-19	500,000	650,000	1,150,000
Mayoral Priority Skills Fund – 19+	2,409,577	2,438,642	4,848,199
<b>Total Expenditure</b>	<b>7,600,523</b>	<b>8,081,901</b>	<b>15,682,424</b>
<b>Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Legal Implications

77. There are no direct legal implications arising from this report. However, Legal Services should be consulted by officers in relation to legal and governance requirements for Projects which are planned for implementation with funding from the Employment and Skills Fund. In particular, subsidy control issues should be considered in respect of any funding provided from the Employment and Skills Fund.
78. In addition, it is recommended that formal Terms of Reference are formulated in respect of the Employment and Skills Fund.

## Human Resources Implications

79. This paper proposes extension of a number of core employment and skills services via the Employment and Skills Fund. Without further funding these services will need to be terminated resulting in redundancy implications for both the Combined Authority and teams within B&NES Council, Bristol City Council and South Gloucestershire Council. These services will need to cease operation on the 31<sup>st</sup> March 2025.
80. In situations where funding is reduced, with implications of reducing the workforce on a specific project/s, the Combined Authority's managing change will be applied, with options of redeployment and/or redundancy where appropriate. The Combined Authority will aim, as a priority, to redeploy staff into suitable alternative roles.
81. Any change that will have financial implications through redundancy will be signed off first in principle by the Director of Resources, appropriate Strategic

Director/senior leader and the Director of People & Assets.

82. For situations that result in increased funding with the need for more staff, any-CLT approved posts (fixed term/permanent) and interim/agency staffing will be recruited to with support from the Human Resources Team.

### **Commercial and Procurement**

83. Commercial have no comment on the approach defined within this paper, however any requirement to spend budget on external goods or services would, depending on the value, be subject to approval of the West of England Mayoral Combined Authority Commercial Board before any procurement process commences.

### **Appendices**

- Appendix 1 – Employment and Skills Plan Measures of Success
- Appendix 2 – Anticipated Outputs and Outcomes

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## Appendix 1 – West of England Employment and Skills Plan - Success Measures

Indicator	Latest Figure	Baseline	Change Since Baseline	National Figure	Source of Data	Ob 1	Ob 2	Ob 3	Ob 4	Ob 5
Number of unique users of Skills Connect website	12,000	0 (2023)	n/a	n/a	Skills Connect	√	√	√	√	
Average number of Gatsby benchmarks achieved in schools and colleges	6.4 (23/24)	2.46 (2019)	Up 3.9	4.9 (21/22)	Careers and Enterprise Company West of England Careers Hub	√	√			
% of students achieving sustained education, apprenticeship or employment destination at 16-18	79.3% (20/21)	82.1% (17/18)	Down 2.8%	79.1 (20/21)	DfE Education Statistics Destination of students leaving 16-18 study	√	√			
% of <i>disadvantaged</i> students achieving sustained education, apprenticeship or employment destination at '16-18	69.1% (20/21)	72.2% (17/18)	Up 2.3%	35.7% (20/21)	DfE Education Statistics Destination of students leaving 16-18 study	√	√			
% of students at KS 5 progressing to any HE institution	26.8% (20/21)	24.5% (17/18)	Up 2.3%	35.7% (20/21)	DfE Education Statistics Destination of students leaving 16-18 study	√	√			
Apprenticeship starts aged 16-24	3,790 (21/22) 52.8% of starts	4,660 (17/18) 60.4% of starts	Down 19%	52.6% of starts	DfE Education Statistics	√	√			
% of NEETs/activity not known aged 16-17	6% (2022)	6.6% (2017)	Down 0.6%	4.7% (2022)	DfE Education Statistics	√	√			

% of residents aged 16-64 who are unemployed	2.6% (Jan 22 – Dec 22)	4% (Jan – Dec 19)	n/a	21.5% (Jan 22 – Dec 22)	Annual Population Survey	√		√		
% of residents aged 16-64 who are inactive	18.1% (Jan 22 – Dec 22)	18.1% (Jan 19 – Dec 19)	n/a	21.5% (Jan 22 – Dec 22)	Annual Population Survey	√		√		
% of inactive residents (aged 16-64) who want to work	22.5% (Jan 22 – Dec 22)	28.5% (Jan 19 – Dec 19)	Down 5.5%	18.1% (Jan 22 – Dec 22)	Annual Population Survey	√		√		
% of residents (aged 16-64) with level 2 or above skills	83.0% (Jan 21 – Dec 21)	80.7% (Jan 19 – Dec 19)	Up 2.3%	78.1%	Annual Population Survey	√		√	√	
% of residents (aged 16-64) with level 3 or above skills	69.2% (Jan 21 – Dec 21)	66.2% (Jan 19 – Dec 19)	Up 3%	61.4% (Jan 21 – Dec 21)	Annual Population Survey	√		√	√	
% of residents (aged 16-64) with level 4 or above skills	50.5% (Jan 21 – Dec 21)	45.4% (Jan 19 – Dec 19)	Up 5.1%	43.2% (Jan 21 – Dec 21)	Annual Population Survey	√			√	√
% of people earning less than the Real Living Wage (as defined by the Living Wage Foundation)	15% (2021)	19% (2018)	Down 4%	17.1%	Living Wage Foundation/Annual Survey of Hours and Earnings	√			√	
No. of apprenticeship starts	7,180 (2021/22)	7,720 (17/18)	Down 540		DfE, Education Statistics	√	√	√	√	√
% of people aged 16-64 who received job related training in the last 13 weeks	24.8% (Jan 21 – Dec 21)	25.1%	Down 0.3%	18.6%	Annual Population Survey	√				√
No of businesses signed up to the Good Employer Charter	115 Active Supporters, representing 7,845 employees (March 2023)	n/a	n/a	n/a		√				√

No of employers that have signed up to DWP Disability Confident Charter	321 (March 2023)	n/a	n/a	n/a		√				√
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## Appendix 2 – Anticipated Outputs and Outcomes

The following data provides indicative outputs and outcomes for the Employment and Skills Fund over the first three years of its operation. This information is based on previous service delivery. Where it relates to flexible funding final figures would depend on a variety of factors.

ESP Objective	Aim	Type of Activities	Outputs	Outcomes
One	Further strengthen our system leadership, planning and joint working across the MCA. Help our residents and employers to easily understand and effectively engage with our region's complicated employment and skills system.	<p>Skills Connect: Provision of information and support to reduce complexity and support individuals and to identify and access the most suitable services, programmes and/or training to meet their needs.</p> <ul style="list-style-type: none"> <li>• Interaction with the Skills Connect web portal and hub – with signposting to the local authority spoke services for more intensive and individualised support.</li> <li>• Light Intensity – Centralised web-based self-service support.</li> <li>• Medium Intensity – Support/signposting via web and in person. Telephone/email support for specific enquiries.</li> <li>• High Intensity – 1-2-1 individualised in person/telephone support.</li> </ul>	<p>50,000 visits and interactions with the Skills Connect web portal and hub service.</p> <p>3,533 residents supported (by March 2025) through the spoke services.</p>	<ul style="list-style-type: none"> <li>• More residents benefitting from a centralised system to access knowledge about employment, training, skills provision and/or volunteering.</li> <li>• Residents can make better-informed decisions to progress their skills knowledge through advanced CEIAG</li> <li>• Young people have better access to jobs, apprenticeships and further training</li> <li>• Residents benefit from increased availability of personalised advice and guidance for people who</li> </ul>



				<p>want to work, including those at risk of redundancy</p> <ul style="list-style-type: none"> <li>• Residents digital skills improved across all sectors</li> <li>• Residents inspired and motivated to enter 'green' jobs and careers</li> </ul>
Two	<p>Help our young people to progress within education and training, benefit from the decent job opportunities available to them and form our workforce of the future.</p>	<p>A range of activities that support schools to achieve the 8 Gatsby Benchmarks of Good Career Guidance:</p> <ol style="list-style-type: none"> <li>1. A stable career's programme</li> <li>2. Learning from career and labour market information</li> <li>3. Addressing the needs of each pupil</li> <li>4. Linking curriculum learning to careers</li> <li>5. Encounters with employers and employees</li> </ol>	<ul style="list-style-type: none"> <li>• Approximately 218,000 (over three academic years) secondary age school children benefit from Careers Hub support</li> <li>• 16 - 19-year-olds in Further Education benefit from Careers Hub support</li> <li>• 95 schools and colleges directly supported (including teachers and careers professionals)</li> </ul>	<ul style="list-style-type: none"> <li>• Improved Career Readiness and Essential Skills development (as per the Future Skills Questionnaire)</li> <li>• Improved quality careers provision being delivered in schools and colleges (measured by Gatsby)</li> <li>• More schools and colleges have the skills, knowledge and resources to deliver quality careers programmes</li> </ul>

		<p>6. Experience of workplaces</p> <p>7. Encounters with further and higher education</p> <p>8. Personal guidance</p>		<ul style="list-style-type: none"> <li>• More employers can deliver quality outreach activity in schools</li> </ul>
Three	<p>Help unemployed and inactive residents to address the barriers they face to employment so they can benefit from the opportunities available to them and maximise their contribution to the workforce and economy.</p>	<p>Employment support for Individuals with disabilities</p>	<ul style="list-style-type: none"> <li>• Over 9,700 unemployed / inactive residents supported across skills portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Unemployed/inactive residents progress into sustained work, further learning or volunteering</li> <li>• Residents benefit from increased availability of personalised advice and guidance for people who want sustained work, including those at risk of redundancy</li> <li>• Residents with barriers to sustained work supported into work or further learning</li> <li>• More residents gaining confidence to continue learning, progress in work or enter employment following training</li> </ul>

				<ul style="list-style-type: none"> <li>• Improved range of green course options offered by providers</li> </ul>
Four	<p>Support residents to progress to better jobs, addressing issues such as poverty and inequality and our high cost of living. Residents can feed the talent supply chain required by our economy, progressing to higher skilled roles and creating room for those further down the employment ladder.</p>	<p>Support for residents in employment to move into secure employment, develop their skills and progress</p>	<p>13,200 residents supported through this objective</p>	<ul style="list-style-type: none"> <li>• More people employed in education/training aligned to regional skills demands and needs.</li> <li>• Residents benefit from work both personally and financially</li> <li>• Residents benefit from simplified access to digital skills provision across the region, helping them to easily identify the most suitable courses</li> <li>• Increased job security through progression opportunities and/or increased income</li> <li>• Residents will be able to understand and follow pathways into green jobs</li> <li>• More residents gaining the green skills needed</li> </ul>

				<p>to support the region's low carbon transition</p> <ul style="list-style-type: none"> <li>Enhanced awareness and understanding of green careers, career pathways, and training among individuals seeking guidance from the additional CEIAG roles.</li> </ul>
Five	<p>Help employers to fill skills gaps and skills vacancies ensuring that they can thrive, increase productivity, drive our economic growth and achieve our regional ambitions.</p>		<p>1,000 residents supported to take up green skills, training, qualifications and/or employment opportunities.</p> <p>1,000 residents to take up digital skills, training, qualifications and/or employment opportunities.</p> <p>Approximately 50 employers supported to deliver apprenticeships through Levy share</p>	<ul style="list-style-type: none"> <li>Residents will be able to understand and follow pathways into green jobs</li> <li>More residents gaining the green skills needed to support the region's low carbon transition</li> <li>More unemployed / inactive residents inspired and motivated to enter 'green' jobs and careers</li> <li>Enhanced awareness and understanding of green careers, career pathways, and training among individuals seeking guidance from the additional CEIAG roles.</li> </ul>

				<ul style="list-style-type: none"> <li>Employers are more prepared to deliver apprenticeships in their organisation</li> </ul>
<p><i>*Note</i></p> <p><i>There are additional numbers that will contribute to each objective above that we are unable to classify by objective at present. These numbers will be achieved through the delivery of the Mayoral Priority Skills Fund (flexible funding) and will be determined by individual business cases in due course.</i></p>				
n/a	Flexible Support Funding	Services/provision which support delivery of the five Employment and Skills Plan objectives	<ul style="list-style-type: none"> <li>7,175 Adult residents supported through flexible funding</li> <li>13,095 Pre-19 residents supported through flexible funding</li> <li>100 Work placements</li> </ul>	<p><b>Adult</b></p> <ul style="list-style-type: none"> <li>Residents in education or training which is aligned to local skills needs /gaps.</li> <li>Residents achieving a positive skills and employment outcome after engagement</li> <li>Residents report feeling more confident to progress into sustained work or further learning</li> <li>Number of residents reporting improvements</li> </ul>

				<p>in increased mental health and welling following training</p> <ul style="list-style-type: none"><li>• Residents will be able to understand and follow pathways into regional priority roles</li></ul> <p><b>Pre-19</b></p> <ul style="list-style-type: none"><li>• Young people in the region interested in pursuing digital and green jobs or pathways</li><li>• Employers in the region engaging with schools to deliver work experience and outreach activity</li><li>• Improved recruitment of diverse talent with a focus on apprenticeships</li></ul>
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