



# **Inquiry into Skills**

## **Scrutiny Inquiry Report**

# Conclusions and Recommendations



## Introduction

1. The Leeds Strategic Plan (LSP) for 2008 - 2011 states that an improvement priority is to enhance the skill levels of the workforce to fulfil individual and economic potential. A range of indicators have been agreed with the Government in order to track progress in this area.
2. In addition, the Comprehensive Area Assessment (CAA)<sup>1</sup> includes a clear and significant focus on community engagement and specifically the equality aspects of engagement, with current guidance indicating that inspectors will explore and expect to see *'how well councils engage with, involve and empower local people to improve their skill levels'*.
3. To achieve these ambitious targets (see Appendix 3) will require a partnership approach that will need to include a range of organisations such as the Learning & Skills Council (LSC), Jobcentre Plus (JCP), Education Leeds, Leeds Colleges and the Voluntary, Community and Faith Sector (VCFS) bodies through Leeds Voice Economy & Skills Forum and Archway Connexions Forum. Details of the key skills agencies, departments and partnerships are set out in Appendix 1.
4. Whilst the Council is a relatively minor partner in the delivery of these targets the consequences of

<sup>1</sup> The CAA has now replaced the Comprehensive Performance Assessment (CPA) for measuring local authority performance and standards

failure would have serious social and economic implications for the city and the Leeds City Region. A range of skills studies, policies and strategies produced at a national and sub-regional level, put skills at the top of the agenda. Some of these are detailed in Appendix 2.

5. The Skills agenda is widely acknowledged as being difficult and complex, with the Government announcement in 2008 making substantial changes to the delivery of skills for adults and young people. This announcement also served to radically reshape the skills agenda for local authorities through the following changes:
  - Dissolution of the Learning and Skills Council (LSC) by 2010
  - Transfer of responsibility for commissioning courses and training to local authorities in the case of young people
  - A new Skills Funding Agency in the case of adults.

The complexity of this issue and the number of partners involved in the delivery of the skills agenda concerned all Members of the Board. It was generally felt that there are too many separate agencies and more needed to be done to streamline and simplify the skills process for young people and businesses.

6. It was reported that Scrutiny Board Children's Services had undertaken an inquiry on the 14-19 programme and it was agreed to limit this inquiry to the further education level 19 years plus although it was

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recognised that there would inevitably be some degree of overlap.

7. The Board also agreed that the current economic downturn made the timing of this inquiry particularly poignant decided to investigate three specific areas:-
  - The future of Further Education (FE) in Leeds;
  - Leeds City Region and how the Multi Area Agreement (MAA) is Working;
  - The Leeds Strategic Plan incorporating the Leeds Local Area Agreement;
8. The Board particularly wanted to assess the success of the actions introduced by the Multi Area Agreement (MAA), the Local Area Agreement (LAA) and the review of Further Education (FE) in contributing to improving all skills levels across the city, both now and in the future. Members particularly wanted to identify the likely impact of the new arrangements on improving skills among hard to reach young people who have Level 1 skills or less.
9. The Board is grateful to everyone who gave their time to participate in this inquiry and for their commitment in helping us to understand and review this matter.

## The Scope of this Inquiry

10. In the light of the Board's discussions, terms of reference for this inquiry was approved on 25 July 2008.
11. It was agreed that the purpose of the inquiry in respect to further education level 19 years plus was to make an assessment of and where appropriate, make recommendations on the following areas

*(a) The future of FE in Leeds.*

To ascertain the extent that the merger of the three colleges will bring about improved outcomes for employers, individuals and communities

*(b) The Leeds City Region MAA*

The focus of the MAA skills proposals, which is on higher level skills (NVQ levels 3 / 4 +) in priority business sectors.

*(c) Leeds Strategic Plan incorporating the Leeds Local Area Agreement*

To consider the activity and contribution of all interested parties towards achieving the agreed improvement priorities and targets contained within the LSP and any future plans in this regard.

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## **(a) The Future of Further Education (FE) in Leeds**

12. We were advised that the Learning and Skills Council (LSC) had led the detailed process of consultation and evidence gathering to consider the future arrangements for FE in the city.
13. We received detailed reports which set out the process of consultation from the LSC – including the Cambridge Education post 16 review, GVA Grimley review of the FE Estate, and the Strategic Options review of May 2007. The Cambridge report in particular indicated that the current organisation of FE colleges would increasingly fail to meet Leeds' economic and social needs and that there was a strong case for merger.
14. We were informed in October 2008 that as a consequence of this process three further education colleges were to merge, Park Lane (Leeds and Keighley), Thomas Danby and Leeds College of Technology.
15. We were also advised that the Secretary of State for Education and Skills subsequently approved the merger to take effect in the Spring of 2009.
16. We were provided with the link to the consultation document 'Excellence and Inclusion' (May 2008) which sets out the benefits of the proposed merger as follows:

- create a unified and successful FE presence serving Leeds and the region that contributes to improved economic success and social inclusion;
- make broad, coherent and comprehensive provision for young people and adults to the highest possible standards, whilst conserving and extending specialisms;
- place learners and employers at the heart of the system, enabling them to influence what is on offer and how it is delivered;
- ensure full access in localities and neighbourhoods for learners at all levels and all ability ranges, promoting inclusion;
- create excellent opportunities for employment;
- create a new city-wide FE estate for the 21<sup>st</sup> century;
- establish a new college which is financially healthy and meets national, regional and local needs through the employment of best value principles.

17. We were interested to hear the reasons why Joseph Priestley College and the Leeds College of Building had declined to join the merger.

### ***(i) New College Arrangements***

18. We noted the comments of Alan Gill, Chair of the Leeds College Strategic Board on the positive vote to merge the three colleges who said:

*"With an estimated budget of £70m, the new college will build upon the*

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*individual specialisms of the three colleges and enhance education provision to all within the community as well as attract potential government funding of up to £200m to fund new 'state of the art' buildings; and it is good to see that the Governors of the three colleges share a common vision of delivering a college that will be one of the best in Europe not only for learners, but for staff, the community and the regional economy."*

19. We met the Principals of the three colleges set to merge and discussed the development of the new college, the potential benefits, along with some concerns that elected members had regarding the proposals.
20. We were informed that in addition to a turnover of £70m per annum the new college would have 60,000 students and financial forecasting for the new Leeds City College showed potential efficiency savings over the next three years.
21. We were advised that the proposed substantial investment in the FE estate by the LSC would, through its vocational educational provision, contribute across a broad range of subject areas to increasing skill levels at Levels 2 and 3 in the City.
22. Specialist teaching areas would be retained within sections of the new college providing a wide range of courses for 14 -19 year olds in and around Leeds.
23. We noted the current complexity of funding and administrative arrangements and that there was duplication of some courses which was not cost effective and had led to unnecessary competition in some areas.
24. We were assured that there would be long-term financial savings in the rationalisation of current buildings (with many being unsuitable and expensive to maintain) and development of new sites and buildings.
25. We were advised that the new Leeds City College would support clear, comprehensive and effective planning and clear structures for collaboration that would facilitate a city-wide approach to the planning of provision and the creation of clear learning pathways. We were informed that this was not possible with the current provision and organisation of current FE colleges.
26. As a major employer and economic influence across the city and due to the new funding responsibilities for the Council, we were advised that the views of the Council on the proposals would be welcomed and valued.
27. We were informed that consultation was ongoing with all interested parties, including young people, parents, College Governors, councillors, staff, Chamber of Commerce, Connexions and the Leeds Skills Board.

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28. We recognised the importance of the Education Plan and the Local Area Statement of Need in developing a coherent FE policy across the city.

29. We were subsequently advised in March 2009 that the Chairman of the Learning and Skills Council had resigned earlier that month over the collapse of building projects at 80 colleges. It was reported that the LSC had a funding deficit of between £3bn and £5bn and work was suspended at those 80 colleges.

### *(ii) Colleges who opted out of the Merger*

30. We heard from the Principals of the Leeds College of Building and Joseph Priestley College, who outlined why they had not joined the merger.

31a. We were informed that from the Leeds College of Building's perspective there was no advantage to them joining the merger. The College was the largest supplier of construction training nationwide and that there were plans in hand to move the college forward as a centre of excellence. The Board of Governors had concluded that it would be better for it to remain independent and this had been supported by their industry partners.

31b. In addition it was reported that the achievement levels (2007/08 academic year) for LCB were:

16-18 year olds                      94%  
7% higher than the national rate

19+ year olds                      91%

6% higher than the national rate

These results show an improvement on those when the college was last inspected in October 2006 and achieved the highest inspection grades within the city; all areas graded either 1 (outstanding) or 2 (good) by Ofsted. This is particularly pertinent because all research, into college mergers, shows that achievements fall following a merger and can take many years to get back to the position pre-merger. Some recent research shows that this could be more than ten years. This was another major concern that influenced the Governing Board to remain outside the merger arrangements.

32. We felt that the reason for Joseph Priestley College remaining outside the merger was not as robustly put or defended. We were told that the Governors of the College considered that merging with the other colleges would dilute the particular focus on South Leeds provided currently by Joseph Priestley College. We found this to be a weak argument, with many students travelling widely across the city to attend their preferred courses.

33. We were concerned about the independence of both Colleges, the future capital funding arrangements and accommodation and course strategies available. We were advised that the proposed Leeds City College would support clear, comprehensive and effective planning, with clear structures for collaboration that would facilitate a

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city-wide approach to the planning of provision and the creation of clear learning pathways. However, we felt that the independence of both these colleges must dilute the potential benefits of the merger.

34. We had some concerns about the potential contradiction between the desire to streamline provision and eliminate duplication with the need to continue to provide learning opportunities in various locations.
35. Some of our Members stressed that improving the learning infrastructure did not necessarily lead to improved teaching and learning. The aspirational improvements in outcomes at Levels 2 and 3 would not be achieved by improvements to the learning environment, through new and renovated buildings, alone.
36. We acknowledged that the proposals needed to be taken forward carefully and considered in terms of a managed phased development. As such, we sought assurances that, given the short timescales for such fundamental changes, the young people moving through the system now, would not be adversely affected.

## Recommendation 1

**That in view of the Learning and Skills Council funding deficit the Chief Executive seeks assurances from our partners and Skills Secretary, John Denham that the new Leeds City College will proceed as planned including proposals for an enhanced estate and that a report be presented to this Board or its successor on the outcome.**

## Recommendation 2

**That the Director Children's Services work with the new Leeds City College to identify how it can consult at area and neighbourhood level to inform the development of a curriculum that is adequately responsive to the needs of Leeds.**

## Recommendation 3

**That the Directors of Children's Services and City Development consider and propose how this Scrutiny Board or its successor can scrutinise the outcome of the FE College merger to assess if the benefits outlined in paragraph 16 of this report are achieved over the next 3 years with regard to 19 year olds and above.**

37. We are concerned about transport costs for young people attending the new Leeds City College. In particular we were concerned that

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students in outer areas of Leeds and those travelling across the city from inner city areas might find the travel costs prohibitive. Transport (including the potential costs to students) has come up as an issue for young people many times in various consultations. It is important, therefore, that the full curriculum is accessible from their locality and that transport practicalities have been fully considered.

38. In addition, access to the full curriculum for those living in outer areas of Leeds might mean that they access provision in a neighbouring authority. As such, we would stress the need for effective joint working with our city region partners to ensure no artificial barriers are in place, and that pupils can access the full curriculum at the most convenient place geographically regardless as to where local authority boundaries lay.

## **Recommendation 4**

**That the Principal of the Leeds City College ensures, and provides assurances to this Scrutiny Board or its successor, that the location for the delivery of the new curriculum for 2010/2011 has regard to transport costs and accessibility.**

## **Recommendation 5**

**That the Director of Children's Services work with our partners and neighbouring local authorities to ensure wherever possible that there are no artificial barriers that would prevent young people accessing the full curriculum at the most convenient place geographically regardless as to where local authority boundaries lie.**

## **(iii) Other FE Issues Identified**

39. We were concerned with the abolition of the LSC in 2010 and its replacement by two quangos, namely:
- The Young People's Learning Agency (YPLA) – charged with helping local authorities work coherently and collaboratively in providing for the 14-19 age bracket; and,
  - The Skills Funding Agency (SFA) – tasked with administering the flow of £4bn of public money per annum to colleges and training organisations.

The LSC has an extremely wide range of responsibilities and we consider there will be delays and inevitable tensions until the new arrangements, procedures and processes become established. We also believe that the funding crisis within the LSC will impact on the successor quangos whose



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operating costs we suspect will be much higher than those of the LSC.

## Recommendation 6

**That the Directors of City Development and Children's Services with the Council's partners monitor the transition from the LSC to the YPLA and the SFA to identify any areas of concern including changes in operating costs and report back to this Scrutiny Board or its successor.**

40. That whilst outside the remit of our inquiry we acknowledged the progress that has been made in reducing the number of schools where fewer than 30% of pupils achieve five or more A\*-C grades at GCSE and equivalent including GCSEs in English and maths. We have concerns that the changes being introduced and the new responsibilities which the Council will have for FE may detract from this progress.

## Recommendation 7

**That the Director of Children's Services inform Members of Council of the arrangements being made to take responsibility for FE in 2010 and give assurances that the proposals will not impact on the improvements being made at GCSE level.**

41. We were informed by igen Futurepathways that although it has met its annual targets and reduced the number of young people not in education, employment or training (NEET) it cannot recruit further young people as it will not receive any additional funding as a result of the Learning and Skills Council's new funding formula. We recognise that again NEET 16 -18 is outside our remit but strongly believe that this needs to be resolved quickly to avoid the progress made stagnating, which would inevitably lead to a rise in the number young people being NEET.

## Recommendation 8

**That the Director of Children's Services asks the Learning and Skills Council to explain the new funding formula that is preventing Futurepathways from recruiting NEET young people and how this can be resolved in both the short and longer-term, with the outcome being reported back to this Scrutiny Board or its successor.**

## (b)The Leeds City Region Multi Area Agreement (MAA)

42. We learned that the Multi Area Agreement (MAA) for the Leeds City Region was one of the first of the new style cross-boundary partnership initiatives to be put in place nationally. It seeks to promote and sustain economic growth and prosperity in the City Region. The

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Multi Area Agreement (MAA) is a joint commitment by both the Leeds City Region Partnership and central government to work together towards improved economic prosperity for our communities. The MAA for the Leeds City Region Partnership was signed in July 2008.

43. Under the MAA, the Partnership has asked for more freedom and flexibility in how it sets about improving local access to higher level skills training in the workplace and also enhancing transport connectivity. In turn, a number of ambitious joint targets for sustainable economic growth, all of which will help Leeds City Region close the productivity gap with the rest of the UK by 2016, have been agreed with government..

44. The skills related content of the MAA has been built on the foundations of the 2006 City Region Development Programme (CRDP), and other key policy data including the Leitch Review of Skills.

45. We understand that the skills component of the MAA will deliver the following delegated freedoms and outcomes over the next three years:

- Government recognition of the city region priority to address gaps in higher level skills
- Commitment of Government and its agencies, such as the Learning and Skills Council, to support the development of a strategic framework for skills

investment in the city region, and to consult the city region directly on key national and regional plans and policies.

- In order to boost the skills base in our small and medium sized enterprises, agreement to develop and pilot flexibilities which ease the administrative burden on employers in committing to levels 3 and 4 training for their workforce.

46. The MAA has agreed a series of outcomes with Government which focus on economic performance (productivity and jobs) and specific targets for transport and skills. Appendix 3 shows the additional higher level skills attained/skills gaps reduced through the proposed relaxed accreditation pilot, with an annual 10% improvement on established baseline within the representative pilot cohort of circa 200 small and medium sized Enterprises. Both estimated baseline and improvement were agreed with Government as a holding measure and shall be subject to review in due course.

47. We noted the March 2009 publication of the report by Houghton, reviewing the contribution and role of local authorities and partnerships in tackling worklessness. The report proposes the development of Multi-area Work and Skills Plans, that conform to functional economic areas regardless of local authorities boundaries, that work collaboratively to meet the needs of local

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employers, employees and workless residents. This is perhaps even more important in the context of rising unemployment.

48. Houghton also recognised that this co-operation must be based on the choice of individual authorities and founded on clear agreements for how funds are to be distributed and managed, with any additional flexibilities and freedoms needed from Government.
49. We also noted that the Government's recent Pre-Budget Report has proposed devolution to city regions to be driven by local authorities co-operating on the basis of strong local capacity, and governance arrangements which provide clear accountability.
50. Therefore the partnerships delivering the existing seven "first wave" Multi Area Agreements signed off in July 2008, including the Leeds City Region Partnership, are potentially well placed to progress this agenda, including worklessness issues as considered appropriate.

We congratulate everyone involved in having the foresight to develop an MAA and being one of the initial few authorities to gain Government approval.

51. We discussed MAA Skills Targets. Comparisons were made with skill levels nationwide and the need for continued investment, noting that that Leeds City Region was lagging in terms of higher level skills.

52. We were concerned at the lack of performance data and management information systems to track delivery of the MAA particularly on skills within the Leeds City Region. The lack of such systems and basic information also means we are unable to benchmark with other comparable areas.

### Recommendation 9

**That the Assistant Chief Executive (Planning, Policy and Improvement)**

**(i) considers the development of suitable performance data and management information systems for the MAA delivery plan.**

**(ii) ensures that there are clear roles and responsibilities for performance management.**

53. It was reported that the Leeds City Region Leaders' Board is overseeing the MAA arrangements and delivery plan although clearly elements of the MAA are being delivered by partner organisations. We noted that within the local authority, additional member involvement was through the Skills and Labour Market Panel which advises the Leaders' Board.
54. Nonetheless, as elected members we feel excluded from this process and would welcome a review of the current reporting arrangements to consider how Members could be better informed and involved in the initiatives and work being undertaken to improve skill levels.

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We would also like to be involved with any review of the estimated baseline and improvement that were agreed with the Government as a holding measure.

## **Recommendation 10**

**That the Assistant Chief Executive (Planning, Policy and Improvement) considers**

**(i) the MAA delivery plan and reviews the current partnership reporting arrangements with a view to ensuring that Members are better informed and involved in the initiatives and work being undertaken to improve skill levels through the MAA and report back to this Board or its successor on the outcome.**

**(ii) how Members can input at an early stage to the policy making process in developing agreements like the MAA / LAA and subsequent implementation**

55. In this section we wanted to look at the progress in delivering skills targets in the LAA. We also wanted to look at the support given to people who have left school with Level 1 skills or under or no qualifications at all.

56 We noted that the Leeds Strategic Plan 2008 to 2011 recognises the importance of a highly skilled workforce, along with the provision of infrastructure, institutions and culture to support lifelong learning for the city's future. The strategic

outcome adopted under the learning theme is to have 'An enhanced workforce that will meet future challenges through fulfilling individual and economic potential and investing in learning facilities'.

57. This outcome is based on sound evidence. Research has found that: 'employers in Leeds are more likely to report skills gaps in their workforce, indicating that the current workforce needs to improve certain skills to work effectively' and 'the instances of skills shortage vacancies are also higher in Leeds than elsewhere in the [West Yorkshire] sub region'.

58. We were advised that it also found that employers in Leeds are relatively good at providing training and should be supported to continue doing so.

59. We recognised that the priorities and targets in the Leeds Strategic plan support this outcome, with the following indicators being selected to measure progress against the improvement priority.

- The proportion of the working aged population qualified to at least Level 2 (equivalent to five good GCSE passes) or higher;
- The proportion of the working age population qualified to at least Level 3 (equivalent to two 'A' levels) or higher.

Both these indicators are drawn from the National Indicator set and have been agreed with the Government as part of the negotiations for the Leeds Strategic Plan 2008 to 2011. The

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Leeds Strategic plan priorities and targets complement the Multi Area Agreement which focuses on the reported gaps in higher level skills with an initial focus on financial and business services.

60. Several partners have signed up to support the delivery of the these targets. The LSC has agreed to be the lead partner for these targets and is responsible for co-ordinating activity to help deliver the targets and for collating performance management information. The significant contribution of employers in the city is demonstrated by the involvement of Leeds Chamber of Commerce and Industry. The other partners who have agreed to help contribute to the delivery of these targets in addition to Leeds City Council are Jobcentre Plus, Education Leeds, Leeds Colleges and the voluntary, community and faith bodies who will coordinate their contribution through Leeds Voice.

61. We understand that Voluntary groups have, in many cases, been commissioned through programmes like Access to Employment to deliver training, particularly to people without qualifications and are furthest away from employment. The Leeds Initiative Skills and Economy partnership oversees skills and training activity from a partnership perspective for the city.

62. We acknowledge that the targets set for Leeds and agreed with the Government are ambitious – particularly with the current economic down turn, and represent an

acceleration on past performance. For Level 2 skills the target is to achieve an increase of nine percentage points by 2010/11 and for Level 3 skills six percentage points by 2010/11. New national programmes, including the Skills Pledge and Train to Gain, will increase the numbers achieving basic skills and help Leeds achieve the agreed targets.

63. However, skill levels in the working age population are measured through the Annual Population Survey. This asks a sample of the population to provide details on their skill levels. We note that the latest figures from the 2007 survey records a fall in the percentage of people reporting they hold Level 2 and 3 skills in Leeds, as follows:

- Level 2 has fallen from 70.9 per cent in 2006 to 69.0 percent in 2007;
- Level 3 has fallen from 50.9 per cent in 2006 to 49.5 per cent in 2007.

Although this may suggest that skill levels have fallen in Leeds, it should be recognised that this could be due to a number reasons, including sampling errors, and cannot be taken to mean that skill levels are certainly worsening among the working age population in Leeds. To be more meaningful, comparisons need to be viewed over a longer period of time – although year-on-year comparisons can be usefully viewed as indicative. At the time of this inquiry, more up to date figures were not available.

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64. The economic downturn may be expected to reduce the number of highly qualified people employed in Leeds, and employers may be expected to reduce investment in skills training in a downturn. This will need to be carefully monitored and action taken by the LSC Skills Board, Leeds City Council and others.

### Recommendation 11

**That the Director of City Development**

**(i) considers with our partners the accuracy of the reported skill levels for Leeds based on the Government's annual population survey and whether there needs to be more accurate data in order to determine whether or not we are achieving our targets.**

**(ii) monitors the effects of the economic downturn on the level of skills investment if there is a fall as predicted and report on the action taken with the Council's partners to try and address this situation.**

65. In addition, the Director of Environment and Neighbourhoods has accountability for meeting the targets at 19 plus for Skills Level 1 and under, with the Director of City Development accountable for Skills Level 2 and 3. We think that this may be an unnecessary division within the Council and suggest that this ought to be reviewed.

### Recommendation 12

**That the Assistant Chief Executive (Planning, Policy and Improvement) initiate a review involving the Chief Executive of Education Leeds, the Director of Environment & Neighbourhoods and the Director of City Development to consider responsibilities for the skills agenda.**

### Apprenticeships and other skills programmes

66. We learned that 2635 Leeds residents started on an apprenticeship in 2007/8. Of these 1734 were at Level 2 and 901 at Level 3. Around half of those starting apprenticeships are under 19 but will be in the working age population when they complete their apprenticeships. In January 2009 the Government announced 35,000 additional apprenticeships nationally for 2009/10. It is not yet known what impact this will have in Leeds.

67. When we met the Principal Advisers igen we were provided with details of the number of young people (aged 16 -18) that were registered with Leeds Careers in February 2009. The figures were broken down into occupational and learning achievements and aspirations at entry level and levels 1 to 3.

68. Members were concerned that whilst there were 1,212 young people

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registered a further 211 were registered but have no occupational or educational aim listed and 251 young people have registered details with Leeds Careers but do not have regular contact. It was explained that the numbers included teenagers suffering long term sickness and teenage pregnancies. However, more worrying, we learned that 60% of those young people whose skill level was known, were below Skills Level 2.

69a. We also learned that Garforth Community College ran a successful construction course that provided an alternative to the Leeds College of Building, which had ceased due to a lack of funding. IGEN expressed concern that there are not enough courses available at Skills Level 1 and below.

69b. We noted that Joseph Priestley College also provides successful construction courses at Level 2, Level 1 and Entry Level. In 2008/09 number on courses are 91 on Level 2, 9 on Level 1 and 16 on Entry Level. The College reported that they had no plans to reduce numbers and that they work with the Leeds College of Building to progress appropriate learners on to courses there.

### Recommendation 13

**That the Directors of Children's Services, City Development and Environment and Neighbourhoods work with the Council's partners to ensure that:**

- (i) there are alternative suitable courses available to young people across the city who are not accepted for entry into the Leeds College of Building.**
- (ii) there are sufficient courses available across the city, aimed at Skills Level 1 and below.**

70. We were informed that the national scheme 'Train to Gain' aims to deliver tailored support to businesses of all services and in all sectors to improve the skills of their employees. The Skills Pledge is a voluntary commitment by an employer to provide training for its employees.

71. We were provided with a range of performance measures from the LSC regarding the Train to Gain programme and were delighted with some of the results. The highlights included:

- A 178% increase in the number of Leeds residents enrolling for Level 3 Skills courses (between 2006/7 and 2007/8);
- A 134% increase in the number of Leeds residents enrolling for Level 2 Skills courses (between 2006/7 and 2007/8);

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- 4651 Leeds residents started a Full Level 2 programme in 2007/8.
- 275 residents started a Full Level 3 programme in 2007/8.

While figures for 2008/9 are not yet available, in January 2009 the Government announced its intention to extend *Train to Gain* to agency workers. The impact of this in Leeds is not yet known.

## Recommendation 14

**That the Director of City Development inform Members of this Board or its successor of the impact the Government's announcement has had on extending the Train to Gain to agency workers and be provided with the Train To Gain figures for 2008/09 when they become available.**

74. We were advised that as of November 2008, 97 Leeds based businesses had signed the Skills Pledge and the LSC is actively working to increase this number. Leeds City Council signed the Skills Pledge in November 2008 and is developing its own approach to Train to Gain funded learning opportunities and corporate apprenticeships.
75. We were extremely pleased that the Leeds Skills Board, led by the Chamber of Commerce and largely composed of local employers, with Yorkshire Forward and the LSC as members, is working to raise demand for skills through:

- Supporting the Skills Pledge and the Train to Gain programme,
- Promoting new vocational Diploma courses; and,
- Supporting the increased take up of apprenticeships among local employers

## Recommendation 15

**That the Director of Resources provide further details to this Board or its successor on (i) how the Council is developing its own approach to Train to Gain funding learning opportunities and corporate apprenticeships (ii) the outcome of the Council's own skills survey which is currently being undertaken.**

76. In order to increase our understanding, in March 2009 we requested further information on the provision available to support those people who have left school with no qualifications or with qualifications at Level 1 only. We wanted to hear how partners work together to tackle worklessness in Leeds. We met with representatives from Archway, Learning Partnerships and Jobcentre Plus, Council representatives and the LSC.
77. We were advised that around a fifth of the working age population in Leeds do not have a Level 2 or above qualification. As unskilled employment is expected to decline in the future these people will find



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it increasingly difficult to find work.

78. Working with Jobcentre Plus and the LSC, Leeds City Council has commissioned a number of organisations, including voluntary sector organisations such as Groundwork and Archway, to help people where worklessness is highest in Leeds – with the aim of improving peoples skill and help them into a working environment through the Access to Employment programme. This is a three year sub-regional programme, largely funded through Yorkshire Forward. To date over 1,100 people have been helped towards employment of whom 400 have accessed work and 440 have been assisted to improve their skills. As such, we acknowledge the excellent work the Council and its partners are doing to try to help those who will be most disadvantaged in the future labour market.

79. We learned that In December 2008 Leeds City Council successfully bid for the LSC / European Structural Fund which co-financed Leeds Skills For Jobs programme. The programme is scheduled to run from December 2008 until May 2010, with the possibility of a 12 month extension to May 2011. The total contract value to May 2010 is £829,000. Through the programme, Leeds City Council will commission low level skills training activity which enhances existing employability skills activities and is aligned to

LSC, Jobcentre Plus and other skills provision in Leeds, such as:

- Neighbourhood Learning in Deprived Communities;
- Wider Skills For Jobs provision;
- Access To Employment;
- First Steps; and,
- The New Deal.

The target group is low skilled adults aged 19 years+ living in disadvantaged communities who are not in employment, but who want to work and are either:

- new Jobcentre Plus customers ineligible for mainstream provision; *or*,
- not in contact with Jobcentre Plus

### **Skills for Jobs (SfJ) programme**

80. Through the programme, beneficiaries will be offered a diverse, flexible and responsive menu of activity that can act as stand alone support or as a series of interconnected stepping stones, including:
- An initial short engagement activity, eg. learning activity taster
  - Referral onto IAG provision
  - Ongoing mentoring support
  - Bespoke learning and/or training activity, accredited or non-accredited, linked to an individual's specific needs
  - Skills for Life / Basic Skills qualification, eg. literacy, numeracy, ESOL and ICT at entry Level 1,2 & 3

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- Vocational accredited learning below NVQ1 level or at NVQ1 or equivalent level
- Support to progress into employment or volunteering
- Support to progress onto further learning within the SfJ programme or through another provision

especially during this economic downturn.

## Entry to Employment (e2e) scheme

81. During our discussions around this scheme, we heard from igen, who were of the view that more resources need to be directed here and that there should be much less classroom based work to actively encourage young people to participate that are currently alienated from the system.

### **Recommendation 16**

**That the Director of Children's Services seek support for additional funding of the e2e scheme and that it become much less classroom based.**

### **Recommendation 17**

**That the Director of City Development advise all Members of Council of the initiatives being undertaken by the Council and our partners to reach SMEs to encourage and promote training for when the economic downturn starts to recover and what success we have had in this regard.**

82. Finally one of the areas of concern from our partners (LSC, FEs and the Financial Services Business Academy) was the question of small and medium enterprises (SMEs) and how we find them, contact them and engage with them to encourage them to see the value of training

# Monitoring Arrangements



## Monitoring arrangements

- Standard arrangements for monitoring the outcome of the Board's recommendations will apply.
- The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.
- Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

# Reports and Publications



## Reports and publications submitted

- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 23rd June 2008
- Note of the Scrutiny Board (City & Regional Partnerships) Skills Working Group Meeting held on 3rd July 2008
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 21st July 2008
- Note of the Scrutiny Board (City & Regional Partnerships) Skills Working Group Meeting held on 22nd September 2008.
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 25th September 2008
- Terms of Reference for the Board's Inquiry dated 21<sup>st</sup> July 2008
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 23<sup>rd</sup> October
- Reports on the LAA, MAA and FE dated 23rd October, 20th November, 17th December 2008, 15th January and 26th February 2009
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 20th November 2008
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 17th December 2008
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 15th January 2009
- Minutes of Scrutiny Board (City & Regional Partnerships) meetings held on 26th February and 26th March 2009
- Note of the meeting with the Principal Advisers of igen held on 11th March 2009
- Minutes of Scrutiny Board (City & Regional Partnerships) meeting held on 30th April 2009
- Note of the meeting with the Futurepathways igen held on 30th March 2009

## Witnesses Heard



### Witnesses Heard

- Councillor Richard Brett, Leader of the Council
- Rob Norreys, Head of Regional Policy, Chief Executive's Support
- Martin Dean, Deputy Director, Leeds Initiative
- James Flanagan, Project Manager, Chief Executive's Support
- Jane Stageman, Senior Policy Manager, Planning, Policy and Improvement
- Dylan Griffiths, Policy Manager, Planning, Policy and Improvement
- Carson McCombe, Senior Economic Officer, City of Bradford Metropolitan District Council
- Cristina George, Partnership Director (Leeds) Learning Skills Council
- Anne Craven, Economic Development officer, Learning Skills Council
- Mandy Crawford-Lee, Economic Development Manager, Learning Skills Council
- Ian Billyard, Principal, Leeds College of Building
- Carolyn Wright, Principal, Joseph Priestly College
- Maxine Room, Principal, Park Lane College
- Peter Ryder, Principal, Leeds College of Technology
- Roy Thorpe, Principal, Thomas Danby College
- Sylvia Perrins, National Director, National Skills Academy Financial Services
- Linda Schofield, Regional Director, National Skills Academy Financial Services
- Gillian Haddon, 14 - 19 Project Manager, Education Leeds
- Paul Stephens, Chief Economic Services Officer, City Development
- Teresa Brookes, Skills Development Manager, Environment & Neighbourhoods
- Philip Hunter, Learning & Skills Council
- Val Snowden, Head of Jobs & Skills, Environment & Neighbourhoods
- Diana Towler, Job Centre Plus
- Ruth Davany, Archway
- Cath O' Grady, Learning Partnership
- Councillor Andrew Carter, Leader of the Council

## Witnesses Heard & Dates of Scrutiny



### Witnesses Heard by Working Group

- Kate Bowes, Principal Adviser, igen
- Liz Aylott, Principal Adviser, igen
- Lisa Cooper, Principal Adviser, igen
- Philip Styan, Assistant Director igen, Futurepathways
- Rebecca Healey, Service Manager igen, Futurepathways

### Dates of Scrutiny

- 23rd June 2008 Scrutiny Board (City & Regional Partnerships)
- 3rd July 2008 Scrutiny Board (City & Regional Partnerships) Working Group
- 21st July 2008 Scrutiny Board (City & Regional Partnerships)
- 22nd September 2008 Scrutiny Board (City & Regional Partnerships) Working Group
- 25th September 2008 Scrutiny Board (City & Regional Partnerships)
- 23rd October 2008 Scrutiny Board (City & Regional Partnerships)
- 20th November 2008 Scrutiny Board (City & Regional Partnerships)
- 17th December 2008 Scrutiny Board (City & Regional Partnerships)
- 15th January 2009 Scrutiny Board (City & Regional Partnerships)
- 26th February 2009 Scrutiny Board (City & Regional Partnerships)
- 11th March 2009 Scrutiny Board (City & Regional Partnerships) Working Group
- 26th March 2009 Scrutiny Board (City & Regional Partnerships) Working Group
- 26th March 2009 Scrutiny Board (City & Regional Partnerships)
- 23rd April 2009 Scrutiny Board (City & Regional Partnerships)
- 12th May 2009 Scrutiny Board (City & Regional Partnerships)

# Appendix 1



Details of the key skills agencies, departments and partnerships are given below

## **1. Department for Children, Schools and Families**

- Has a focus on raising standards for children and young people.

## **2. Department for Innovation, Universities & Skills (DIUS)**

- Brings together science and innovation and skills, further and higher education.

## **3. Department for Works & Pensions and Jobcentre Plus (DWP, JCP)**

- DWP aims to help people achieve their potential. JCP provides an integrated service to people of working age.

## **4. Learning & Skills Council (LSC)**

- Responsible for planning and funding high-quality learning and skills for everyone post-16.

(The LSC delivers the legal right for all adults to get training up Level 2, and the guarantee of fee funding for every 18-25 year-olds until they reach 25 or achieve Level 3 qualifications. Skills for Life literacy and numeracy learning up to Level 2 are also free to the learner.

## **5. Leeds Learning Partnership and Leeds Skills Board**

- The Partnership brings together those involved in learning and skills development. The Board provides a forum for discussing how to raise skills levels.

## **6. Sector Skills Councils**

- 25 employer-driven organisations setting out qualifications required and prioritising delivery funding.

## **7. UK Commission for Employment & Skills**

- Aims to raise UK prosperity and opportunity by improving employment and skills.

## **8. Yorkshire Forward**

- Brings together skills projects and initiatives underpinned by the Regional Economic Strategy.

## **9. Yorkshire & Humberside Regional Skills Partnership**

- Ensures that demand for skills are matched by the suppliers of skills development

## Appendix 2



The vast array of skills studies and strategies produced at the national and sub-regional level have put skills at the top of the agenda.

These key policies, plans and strategies include:

### **1. Leeds Strategic Plan 2008-2011**

- Demonstrates how Leeds City Council has agreed a single shared set of outcomes and priorities for the city.

### **2. Leitch Review of Skills**

- Independent review of the UK's long term skills needs.

### **3. The Freud Review**

- Reducing dependency, increasing opportunity: options for the future of welfare to work.

### **4. LSC Statement of Priorities**

- The Learning and Skills Council's priorities and key actions for 2008/9 to 2010/11.

### **5. Review of Sub-National Economic Development and Regeneration**

- Makes the link between skills, jobs and economic growth and sets out a number of reforms.

### **6. Opportunity, Employment and Progression: making skills work**

- Sets out the principles of welfare reform.

### **7. Regional Economic Strategy: Y&H 2006-15**

- Sets out six overarching objectives to deliver economic growth.

### **8. Leeds City Region Development Programme and Multi Area Agreement on Skills**

- Sets out a series of economic drivers through which substantial increases in employment and GVA are sought.

### **9. Integrated Employment and Skills Service**

- A further integration of welfare and skills is a recommendation within Leitch.



## Appendix 3



### Multi Area Agreement Target with the Government

<b>Outcome</b>	<b>Baseline (i.e. 2008)</b>	<b>April 2009</b>	<b>April 2010</b>	<b>April 2011</b>
To improve the skills of the population throughout their working lives to create a workforce capable of sustaining economic competitiveness and enable individuals to thrive in the global economy <sup>2</sup>	Estimated baseline, based on economically active adults qualified at level 4 (28.1%) and level 3 (48.4%)	Pilot programme designed and implemented.	10% above	10% above

<sup>2</sup> Department of Innovation Universities and Skills – Departmental Strategic Objective

## Appendix 3



Improvement Priority	Indicator selected by Leeds	Baseline	Improvement Target			Partners who have signed-up to the target and any which are acting as lead partner/s (shown with a *)
			08/09	09/10	10/11	
Enhance the skill levels of the workforce to fulfil individual and economic potential	NI 163 Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher.	70.6% (2006)	72.6%*	75.6%*	79.6%*	LEARNING AND SKILLS COUNCIL*  Leeds Chamber  Leeds City Council  Education Leeds  Jobcentre Plus  Leeds Colleges  Re'new  VCFS bodies contacted through Leeds Voice Economy and Skills Forum
	NI 164 Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher	50.5% (2006)	52.5%*	54.5%*	56.5%*	LEARNING AND SKILLS COUNCIL*  Leeds Chamber  Leeds City Council  Education Leeds  Leeds Colleges  VCFS bodies contacted through

## Appendix 3



Improvement Priority	Indicator selected by Leeds	Baseline	Improvement Target			Partners who have signed-up to the target and any which are acting as lead partner/s (shown with a *)
			08/09	09/10	10/11	
						Leeds Voice Economy and Skills Forum
Improve learning outcomes for all 16 year olds, with a focus on narrowing the achievement gap.	NI 78 Reduction in number of schools where fewer than 30% of pupils achieve 5 or more A*-C grades at GCSE and equivalent including GCSEs in English and Maths	13 Schools*  (2006/07 Academic Year)	7 Schools*  (2007/08 academic year)	2 Schools*  (2008/09 academic year)	1 School*  (2009/10 academic year)	LEEDS CITY COUNCIL*  Partners through the Children Leeds Partnership  Education Leeds  VCFS bodies contacted through Archway Connexions Forum  Leeds Colleges  West Yorkshire Fire & Rescue Service
Improve learning outcomes and skill levels for 19 year olds.	NI 79: Achievement of Level 2 qualifications by the age of 19	62.9%  (2005/06 Academic Year)	68.6%*  (2007/08 Academic year)	71.8%*  (2008/09 Academic year)	75.2% *  (2009/10 Academic year)	LEEDS CITY COUNCIL*  Education Leeds  Learning and Skills Council  Leeds Colleges  VCFS bodies contacted through Archway Connexions Forum

## Appendix 3



Improvement Priority	Indicator selected by Leeds	Baseline	Improvement Target			Partners who have signed-up to the target and any which are acting as lead partner/s (shown with a *)
			08/09	09/10	10/11	
Increase the proportion of vulnerable groups engaged in education, training or employment.	NI 117: 16-18 year olds who are not in education, training or employment (NEET)	9.1% (An average of Nov, Dec 2006 and Jan 2007)	8.9%*	7.8%*	6.8%*	LEEDS CITY COUNCIL* Partners through the Children Leeds Partnership Education Leeds Learning and Skills Council VCFS bodies contacted through Leeds Voice Economy and Skills Forum Jobcentre Plus  Leeds Colleges
Reduce worklessness across the city with a focus on deprived areas.	<b>NI 152 working age people on out of work benefits</b> <b>Targets will be revised as part of next year's Annual Review</b>	11.2% (2007)	0.3 percentage point reduction to 10.9%*	0.6 percentage point reduction to 10.6%*	1 percentage point reduction to 10.2%*	JOB CENTRE PLUS* Leeds City Council  VCFS bodies contacted through Leeds Voice Economy and Skills Forum  Learning and Skills Council  Yorkshire Forward