

**Report of the Assistant Chief Officer (Planning, Policy and Improvement)**



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**Date: October 23<sup>rd</sup> 2008**

**Board: Scrutiny Board (City & Regional Partnerships)**

**Subject: Skills in the Leeds Strategic Plan, Leeds City Region Multi Area Agreement and the future of Further Education in Leeds**

**Electoral Wards Affected:**

ALL

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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**Executive Summary**

On 3<sup>rd</sup> July 2008 the City and Regional Partnerships Scrutiny Board agreed to carry out an inquiry into skills in Leeds with particular reference to:

- Skills targets in the Leeds Strategic Plan (incorporating the Leeds Local Area Agreement (LAA))
- Skills targets in the Leeds City Region Multi Area agreement (MAA)
- The future of Further Education in Leeds.

This report provides background information on these issues to act as a basis for the Scrutiny Board's inquiry into skills.

## **1.0 Purpose Of This Report**

- 1.1 The purpose of this report is to provide background information on the coverage of skills in the Leeds Strategic Plan and Leeds City Region Multi Area Agreement and the future of Further Education in Leeds to inform the Scrutiny Board's inquiry into skills in Leeds.

## **2.0 Background**

- 2.1. A highly skilled workforce is recognised as vital to Leeds future prosperity and achieving fair access to that prosperity for all, by the Council, Government, public agencies like Yorkshire Forward, schools and further education colleges and local employers. These bodies are working together in a number of ways to provide access to high quality and economically valuable skills training that meet the needs of employees and employers and enable them to fulfill their potential. The provision of skills education and training is evolving rapidly to meet the changing needs of economy. Major developments in Leeds include new approaches, improvement priorities and targets in the Leeds Strategic Plan and Leeds City Region Multi Area Agreement and the merger of three Further Education colleges in Leeds.

## **3.0. Main Issues**

### **Skills Targets in the Leeds Strategic Plan (Local Area agreement)**

- 3.1 The Leeds Strategic Plan 2008 to 2011 recognises the importance of a highly skilled workforce and 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'.
- 3.2 This outcome is based on sound evidence. A Strategic Economic Assessment of Leeds conducted by Yorkshire Forward found that: 'employers in Leeds are more likely to report skills gaps in their workforce, indicating that the current labour force 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'.
- 3.3 It also found that employers in Leeds are relatively good at providing training and should be supported to continue doing so.
- 3.4 The priorities and targets in the Leeds Strategic plan support this outcome. Two indicators have been selected to measure progress against the improvement priority to 'enhance the skill levels of the workforce to fulfill individual and economic potential'. These are the proportion of the working aged population qualified to at least Level 2 (equivalent to five good GCSE passes) or higher and the proportion of the working age population qualified to at least Level 3 (equivalent to two 'A' levels) or higher. Both of 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.
- 3.5 These targets are selected in the Leeds Strategic Plan as they are regarded as the ones which can make the greatest contribution to tackling worklessness and getting people into employment and providing opportunities to gain further skills in work. They are, in effect, gateway qualifications. The 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.
- 3.6 Several partners have signed up to support the delivery of these targets. The Learning and Skills Council, a government agency, has agreed to be the lead partner for these targets and is responsible for coordinating activity to help deliver the targets and collating performance management information. The significant contribution of employers in the city

is demonstrated by Leeds Chamber of Commerce and Industry signing up to contribute to the delivery of this target. 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.

- 3.7 The targets set for Leeds are ambitious 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 6 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 targets it has agreed with Government.
- 3.8 The focus in the Leeds Strategic Plan on enhancing skill levels as a prime lever to drive economic growth and promote wider and fairer access to economic opportunities follows the analysis presented in the Leitch Review of Skills published in 2006. This report recommended that the UK commit itself to become a world leader in skills by 2020 by focusing on employer needs for economically valuable skills and re-orienting the activities of the Learning and Skills Council and further education colleges to help deliver this.

### **Skills Targets in the Leeds City Region Multi Area agreement (MAA)**

- 3.9 The Leeds City Region MAA builds on the ambition in the City Region Development Programme launched in 2006 where 11 local authorities came together 'to develop an internationally recognised city region; to raise our economic performance; to spread prosperity across the whole of our city region, and to promote a better quality of life for all of those who live and work here'. In particular, the MAA identifies and proposes new ways to remove the barriers to faster economic growth including 'closing the persistent gap in higher level skills (NVQ level 3/4+), including those identified within our growth sectors and drivers'. The initial focus is to be on skills in the Financial and Business Services sectors.
- 3.10 A key benefit of the MAA is an opportunity to promote a focused dialogue with Government about how policy can be adapted to facilitate faster growth in the Leeds City Region. Leeds City Region has submitted a number of 'asks' to Government to adapt policy locally to support the acquisition of economically valuable skills and the creation of a competitive workforce. These are closer consultation with Government regionally and nationally on the Integrated Regional Strategy and national skills policy/legislation and with Government agencies including LSC and HEFCE; commitment by DIUS and its agencies to work with Leeds City Region to develop a higher level skills plan for the city region by April 2009, agreement to test innovative ways of engaging employers in providing skills training and agreement to pilot more streamlined and flexible ways of delivering and accrediting skills courses in key growth sectors.

### **Further Education**

#### **3.11 Merger process**

- 3.12 Learning and Skills Council have led a detailed process of consultation and evidence gathering to consider the future arrangements for further education in the city.
- 3.13 Detailed reports which set out the process are available 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.
- 3.14 The outcome of this process is that three colleges are to merge, Park Lane (Leeds and Keighley), Thomas Danby, Leeds College of Technology. The consultation 'Excellence and Inclusion (May 2008)' sets out the benefits of this merger proposal to:
- Education for young people
  - Responsiveness to employers needs
  - Communities

- 3.15 It is anticipated the three colleges could merge by Spring 2009, however before that is achieved the plan has to receive formal approval from the Learning & Skills Council's Regional Board and then to the Secretary of State for a final decision.

### **New College Arrangements**

- 3.16 Commenting on the positive vote Alan Gill, Chair of the Leeds College Strategic Board said: "With an estimated budget of £70m, the new college will build upon the 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 3 colleges share a common vision of delivering a college that will be one of the best in Europe not only learners, but for staff, the community and the regional economy."
- 3.17 The College will, through its vocational educational provision, contribute across a broad range of subject areas to increasing skill levels at Levels 2 & 3 in the City.

### **4.0 Recommendation**

- 4.1 It is recommended that City and Regional Partnerships Scrutiny Board note the contents of this report as a basis for the inquiry into skills in Leeds.

### **Background Papers**

The Leeds Strategic Plan 2008 - 2011  
Leeds City Region Multi Area Agreement  
Strategic Economic Assessment