



Report of the Assistant Chief Officer (Planning, Policy and Improvement) / Director City Development

Date: 26 February 2009

Subject: Skills Targets in the Leeds Strategic Plan

Electoral Wards Affected:
ALL

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

On 3rd 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 information on progress by partners to deliver targets in the LAA.

Additionally, the Board has requested information on actions to support people who have left school without any qualifications and this report details work taking place in Leeds to address this.

1.0 Purpose Of This Report

- 1.1 This report provides information on the skills targets in the Leeds Strategic Plan 2008 to 2011 and what the Learning and Skills Council, the lead partner and other partners are doing to achieve these targets. Additionally, the scrutiny board has requested information on what is being done to help those in the working age population who have no qualifications.

2.0 Background

Skills Targets in the Leeds Strategic Plan (Local Area Agreement)

- 2.1. 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'.
- 2.2. 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'.
- 2.3. It also found that employers in Leeds are relatively good at providing training and should be supported to continue doing so.
- 2.4. 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 fulfil 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. 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.
- 2.5. Several partners have signed up to support the delivery of these targets. The Learning and Skills Council has agreed to be the lead partner for these targets and is responsible for co-ordinating 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. Scrutiny board has heard evidence on the activities of further education colleges in Leeds at previous meetings. 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. This is discussed below in this report. The Leeds Initiative Skills and Economy partnership oversees skills and training activity from a partnership perspective for the city.
- 2.6. 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 for Level 3 skills 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.

- 2.7. Train to Gain is a national scheme which delivers 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.
- 2.8. 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.

3.0. Main Issues

Progress in Leeds

- 3.1 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. The latest figures from the 2007 survey records a fall in the reported level of Level 2 and 3 skills in Leeds. For Level 2 skills the percentage reporting they have these skills has fallen from 70.9 per cent in 2006 to 69.0 percent in 2007 and for Level 3 skills the reduction is from 50.9 per cent in 2006 to 49.5 per cent in 2007. Although this suggests that skill levels have fallen in Leeds from 2006 to 2007 this could be due to sampling error and cannot be taken to mean that skill levels are certainly worsening among the working age population in Leeds. More up to date figures are not yet available.
- 3.2 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 have to be carefully monitored and action taken by the Learning and Skills Council, Skills Board, Leeds City Council and others.
- 3.3 Although the Learning and Skills Council is the lead partner for the delivery of the skills targets in the Local Area Agreement it is not the principal provider for the delivery of Level 2 and Level 3 skills in Leeds. It is a significant funder of further education provision in Leeds and delivers the Train to Gain brokering service in Leeds. It is also responsible for encouraging employers in the city to sign up to the Skills Pledge.

Apprenticeships

- 3.4 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.

Train to Gain

- 3.5 LSC figures show that the number of Leeds residents enrolling on Train to Gain courses have increased by 178% between 2006/7 and 2007/8 for level 3 skills courses and 134% for level 2 skills courses. 4651 Leeds residents started a Full Level 2 programme through Train to Gain in 2007/8. 275 residents started a Full Level 3 programme through Train to Gain in 2007/8. Figures for 2008/9 are not yet available. In January 2009 the Government announced it will extend Train to Gain to agency workers. The impact of this in Leeds is not yet known.

Skills Pledge

- 3.6 As of November 2008, 97 businesses in Leeds have signed the Skills Pledge and the Learning and Skills Council is working to encourage other businesses to sign up. 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

- 3.7 The Leeds Skills Board, led by the Chamber of Commerce, which is composed mainly of local employers with Yorkshire Forward and Learning and Skills Council also as members, is working to raise demand for skills through supporting the Skills Pledge, Train to Gain, promote new vocational Diploma courses and support the increased take up of apprenticeships among local employers.

Working age population with no qualifications

- 3.8 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 it increasingly difficult to find work.
- 3.9 Leeds City Council and its partners are working to help those who will be most disadvantaged in the future labour market. Working with Jobcentre Plus and the Learning and Skills Council the Council has commissioned a number of organisations including voluntary organisations like Groundwork and Archway to help people where worklessness is highest in Leeds to improve their skills and get into work through the Access to Employment programme. This is a three year subregional 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.
- 3.10 In December 2008 Leeds City Council successfully bid for the Learning and Skills Council / European Structural Fund which co-financed Leeds Skills For Jobs programme. The programme runs from December 2008 to May 2010, with the possibility of a 12month extension to May 2011. The total contract value to May 2010 is £829,000. Through the Skills for Jobs programme Leeds City Council will commission low level skills training activity which enhances existing employability skills activities and is aligned to Learning & Skills Council, 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 19years+ 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
- Commissioning will be guided by a District Action Plan and will focus on those most likely to be workless, chiefly BME communities, lone parents, and workless households where children are being raised.
- 3.11 Through the Skills for Jobs (SfJ) 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
 - 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
- 3.12 As a major employer in the city, employing people at all skill levels the Council can make a significant contribution to addressing the numbers of working age people with no or few skills. The Council recently conducted an employee census to identify training needs including basic skills such as literacy, numeracy, e-skills and English language skills. This will guide the Council's future training and development policies.

4.0 Conclusion

- 4.1 The Leeds Strategic Plan recognizes the importance of a highly skilled and well-qualified workforce to ensure that Leeds is economically competitive and can go up a league and that more people with marketable skills can help to narrow the gap across the city. Ambitious targets on Level 2 and Level 3 skills have been included in the Plan and agreed with government.

5.0 Recommendation

- 5.1 It is recommended that the City and Regional partnerships Scrutiny Board note the contents of this report.