

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

Report of the Executive Director of PLACE

Employment and Skills Strategy: More and Better Jobs Plan

1. Purpose of Report

To highlight and note the new employment and skills strategy called the More and Better Jobs Plan.

2. Recommendations

It is recommended that:

2.1 Cabinet agrees the Plan and for it to be translated into a business plan which will outline how each work stream and project will be delivered. Also to note the policy challenges identified within the More and Better Jobs Plan which will require addressing if the borough is to achieve the aspiration to close the skills gap and increase economic performance.

2.3 Cabinet endorses the proposed governance arrangements and embeds these within the Council's overall governance framework.

2.5 Cabinet supports proposals to align activity with city region strategies and maximise devolution and other opportunities by providing adequate resources to implement the strategy.

3. Introduction - the Baseline Employment and Skills Position

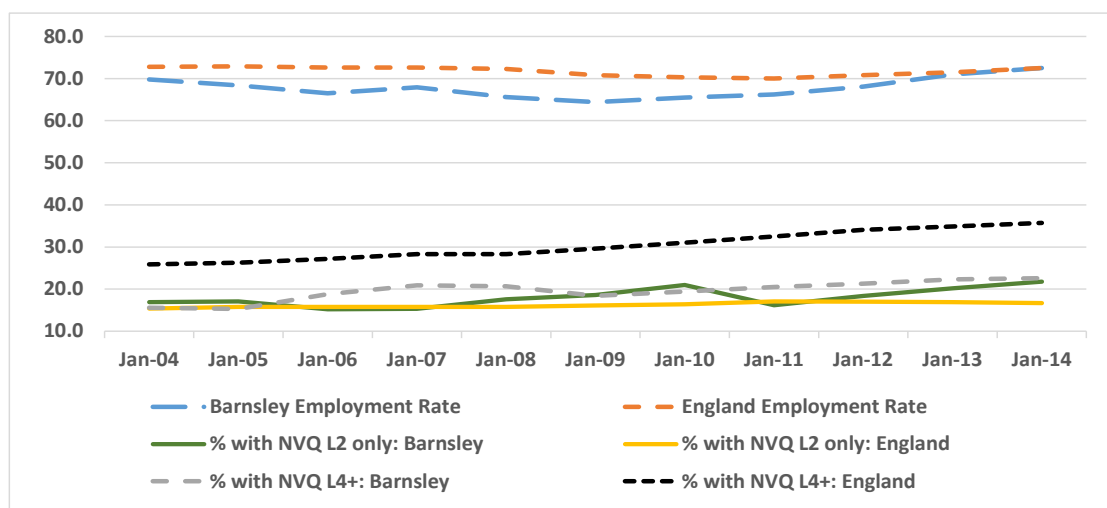
3.1 The Barnsley economy has made good progress recently, with increases in new businesses and an improved employment rate, which at 73.4% now outperforms city region averages. However, challenges remain as the economy is still characterised by lower skills and lower than average workplace earnings than elsewhere in the city region. The local economy is characterised by small and micro companies and, although growing, still has lower job density for the working age population.

3.2 Barnsley is located within two city region LEP areas; Leeds and Sheffield City Regions. The borough's vision aligns with the Sheffield City Region LEP's 10 year Strategic Economic Plan aim to "build a stronger and bigger private sector", with its objectives to grow GVA in the city region by 10%, deliver 6,000 new businesses and increase jobs by 70,000 of which 30,000 will be in higher skilled occupations.

- 3.3 Barnsley's growth plans have aspirations to develop, support and build businesses in higher value sectors, which include:
- Advanced Manufacturing
 - Construction
 - Visitor Economy
 - Logistics
 - Business Services
- 3.4 UKCES forecasts that these sectors will demand technical and higher skills, not only to support growth ambitions, but to meet replacement demand. Therefore it is important to build on high quality post 16 provision and to increase the number of higher skilled residents to 12,100 by 2017 and to 33,700 by 2021.
- 3.5 Skills play an essential role in delivering this vision and the city region's "Better Skills" Strategy will build the market for skills and develop a demand led model so that employers can access the skills they need to grow and have a supply of job-ready and suitably skilled labour now and in the future.
- 3.6 In 2012, the Barnsley Metropolitan Borough Council Cabinet approved a report which set out the objectives for its new economic strategy for the borough, along with the funding envelope to be invested by the Council in helping to secure the delivery of these objectives.
- 3.7 Good progress has been made and the economy is improving with significant regeneration, improving participation and employment rates, more opportunities to enter the labour market and new businesses sustaining for longer.
- 3.8 Equally there has been progress in relation to skills and employability, which play a key role in delivering a stronger economy and supporting productivity. There have been continued falls in youth unemployment and in recent years and significant falls in 16 to 18 years NEET performance, but which at 5.6% is still above our 4% target.
- 3.9 The borough has high quality educational assets in place for pre / post 16 and adult provision and it needs to capitalise on these and work closely with the Barnsley Alliance Board in order to boost educational attainment at 16 and beyond. This is necessary to meet the needs of level 3 and above provision in key economic sectors, including the development of advanced and higher apprenticeships.
- 3.10 However, other challenges remain. Too many young people leave formal education without the skills and attitudes they need for the world of work. There are low levels of adult skills, especially at sub level 2 and level 3 and above which creates significant barriers to employment and career progression. There is a lack of sufficient higher skilled jobs to drive aspiration and retain those with higher level skills.

3.11 The labour market situation in Barnsley is complex and changing. As the graph below highlights, whilst there is a higher than average employment rate in Barnsley (73.4%), there are key challenges around the skills of the population with only 2 fifths of the adult resident population holding qualifications at level 3 or above.

Figure 1- Comparison of Skills Levels



3.12 In addition to the challenges around skills, there is evidence suggesting entrenched worklessness (37% of economic inactivity is due to long term sickness), a lack of quality and progression associated with jobs (half of all employed residents work in lower level occupations), low jobs density (an average of 74 jobs per 100 working-age residents), and low resident earnings (workforce earnings significantly lower than resident earnings). Changing demographics are resulting in an increase in migrant workers, often working below their potential due to language issues.

3.13 It should also be noted the landscape is changing as national policies focus on developing a more productive and better paid workforce. Devolution and the introduction of legislation to introduce the living wage, which will be raised to £9.00 per hour for adults by 2020, both provide challenges to the current Barnsley economy and create an imperative to progress businesses and individuals to achieve higher productivity. For this, increasing skill levels and improving routes to work are essential.

4. Consideration of Alternative Approaches

4.1 There are no alternative approaches as the Council has already adopted the principle of producing a skills and employment strategy.

5. Proposal and Justification

5.1 The Employment and Skills Strategy “*More and Better Jobs*” (2016 - 2021) is designed to:

Identify the key challenges facing Barnsley on employment and skills;

Identify what is in place, any gaps in provision, and what is needed to tackle the education and skills deficit that is holding people back from getting into and progressing in work and in doing so, drive productivity improvements;

Set out the strategic priorities and actions on skills for business and more and better jobs.

5.2 The headline measures of success are that by 2021:

- There is stronger ambition across businesses, organisations and people of all ages;
- All schools and colleges have excellent business engagement and employability activity;
- The proportion of people claiming out of work benefits is cut by a third;
- Workforce skills, progression and earnings are increased, with the gaps to national average on NVQ Level 3+ and NVQ Level 4+ qualifications reduced by a third.

5.3 The strategy aims to *“To embed a shared ambition, not just for any jobs, but for better jobs that grow Barnsley’s businesses in the long term.”* It identified significant gaps and challenges in its review of current and planned skills delivery and recommends 4 priorities:-

1. To raise the ambition of Barnsley business, institutions, people and communities.
2. To improve education, employability and work-readiness.
3. To improve routes into work.
4. To enhance business skills and progression within the workplace.

It aims to drive progress in Barnsley on 2 fronts:

- Ensuring that local people have the skills and aptitudes that will allow them to work and progress.
- Working with businesses to ensure that they have access to the skills they need in order to compete and grow

5.4 The core focus is on embedding a shared ambition not just for any job, but for better jobs that support Barnsley’s businesses and help people to thrive in the long term. The key objectives are:

- Worklessness is reduced and everyone has the skills they need to get a job.
- Careers and employment advice better match the needs of Barnsley’s businesses.
- Young people gain expansive, high quality training through an enhanced traineeship/apprenticeship offer.

- A strong platform of basic, intermediate and higher level skills unlocks enterprise and employment growth.
- Businesses are confident the local workforces will be available to help them grow.
- Businesses will have the best chance of getting the right staff with the right skills and attitude at the right time.
- Businesses are developing their workforce and raising demand for an investment in skills.
- Low paid/low skilled workers, those who earn less than 2 thirds of the median hourly pay, progress in their careers

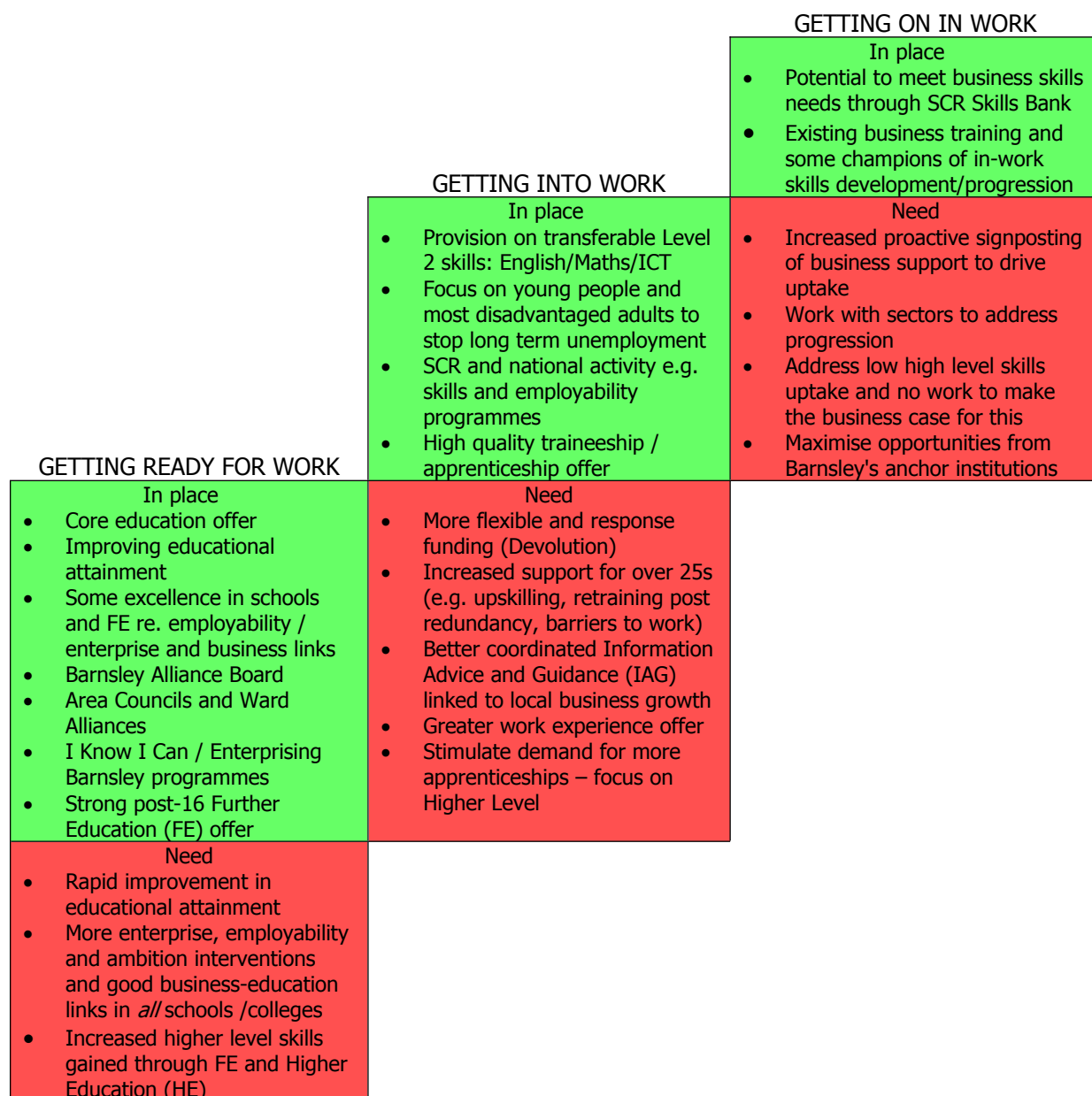
5.5 A wide range of employment and skills activities are already underway in Barnsley. This includes the implementation of national and SCR programmes and a range of local interventions responding to specific needs; with these delivered through the local authority, including area councils and ward alliances and other stakeholders, training providers and business.

5.6 Current or potential resources have been compared with gaps under 3 themes as outlined in figure 2 below.

- Getting Ready for Work
- Getting Into Work
- Getting On in Work

5.7 Underpinning all 3 themes is a cross-cutting theme to raise ambition across all groups in Barnsley, from families and young people to adults of working age and businesses. As this is a common thread, it also creates the heart of the strategy and provides a mechanism to promote co-ordination between the themes and to inform the governance process.

Figure 2 – Resources and Gaps



- 5.8 The strategy is based on up to date data and evidence combined with the responses of a range of stakeholders, with a focus on local businesses, who were consulted over the summer. This took account of the changing learning and skills environment and the impact of the city region agenda; notably the devolution of skills funding.
- 5.9. The strategy identifies what has worked well and the success of interventions, particularly those for business and job creation and building on this, advocates

for raising ambition in all areas to meet the challenges of the future and provide better outcomes.

- 5.10. The base line recognises and celebrates recent progress in reducing unemployment and increasing jobs in the district, but acknowledges the labour market is complex and it is changing. Skill levels remain lower than regional and national averages and this together with continuing pockets of entrenched worklessness remain a challenge to further sustained growth.
- 5.11 The strategy sets our vision within the economic and social context of the district, but also reflect Barnsley's place within Sheffield City Region and align with the city region's Strategic Economic Plan. It identifies and outlines the skills contribution to support Barnsley Council's vision and the Jobs and Business Plan by incorporating quantitative and qualitative research and associated recommendations.

6. What Barnsley Needs

6.1 A forensic review has been undertaken of both the specific local barriers and generic factors that constrain skills and employability, identifying both short term and structural challenges to employability and skills in the district. The strategy contains an overview that identifies our current and potential strengths, areas for improvement, opportunities and threats throughout the skills continuum from basic skills to the higher level skills we need to promote to support increasing productivity in our key sectors.

6.2 The research has identified 3 key areas required to address employability and skills:-

- Basic skills and employability
- Developing an economy that values and grows skills to support increased productivity and labour market adaptability
- Creating skills for sectors with high growth potential

6.3 In addition research and consultation undertaken to inform this strategy has identified 7 things which need to happen in Barnsley to deliver more and better jobs and the skills that businesses need. These link intrinsically to the priorities of the Barnsley Jobs and Skills Plan:

- There is a need for stronger coordination which brings the mix of organisations (with a stake in employment and skills) together around a shared ambition;
- There is a need to create a stronger culture of ambition in Barnsley people, businesses and communities;
- Whilst there has been progress, there remains a critical need to address the educational attainment deficit;
- There is a need to enhance employability skills and create opportunities for work experience and better information, advice and guidance;

- There is a need to move people along the journey to work and provide better routes into employment;
- There is a need to enhance the number of jobs and quality of jobs in Barnsley;
- There is a need to support progression along a continuum within Barnsley businesses, shifting from Level 2 to Level 3 as an immediate priority.

7. How Barnsley is going to Respond – Priorities, Future Actions and Measures of Success

There is a need for an integrated approach to deal with the things which need to change in Barnsley and to effectively address the 'low skills/low wage equilibrium'.

The priorities, actions and performance measures are outlined below in figure 3 below and will be detailed in the Business Plan.

Figure 3 - Priorities, Actions and Performance Measurement

PRIORITIES FOR MORE AND BETTER JOBS			
<p>1. Raise the ambition of Barnsley businesses, institutions, people and communities.</p>	<p>2. Improve education, employability and work readiness.</p>	<p>3. Improve routes into work.</p>	<p>4. Enhance business skills and progression within the workplace.</p>
ACTION TO DELIVER MORE AND BETTER JOBS			
<p>a. Increase the attainment of children and young people in school and further education to close the gap with national averages at level 2 and 3. Raise young people’s aspirations by working with schools and communities.</p> <p>b. Encourage businesses to develop their workforces to increase their productivity.</p> <p>c. Promote lifelong learning and aspiration in individuals and families.</p> <p>d. Coordinate local and regional jobs and skills provision.</p> <p>e. Give leadership to our larger public and private employers to use procurement to incentivise creation of local jobs and training opportunities.</p>	<p>a. Close the gap with national and regional educational attainment, especially in English and Maths.</p> <p>b. Promote teaching and learning of transferable skills in schools and colleges.</p> <p>c. Build business and education collaborations.</p> <p>d. Equip young people with skills in enterprise</p> <p>e. Enhance college/FE course provision in response to the Area Based Review.</p>	<p>a. Coordinate and strengthen services that facilitate employment, including health, transport and childcare.</p> <p>b. Improve the quality of information, advice and guidance (IAG) for young people and adults.</p> <p>c. Increase the number and range of work experience and training opportunities.</p> <p>d. Increase the number of quality of apprenticeships, especially at higher levels..</p> <p>e. Create a joined up employment and health programme for people over 25</p>	<p>a. Promote the uptake of SCR business growth and skills development support by local businesses.</p> <p>b. Strengthen workforce progression in local businesses</p> <p>c. Develop support to retain and increase higher level skills in local businesses.</p> <p>d. Co-create a local ‘skills escalator’ programme with larger public and private sector employers</p>

MEASURING SUCCESS IN ENABLING MORE AND BETTER JOBS

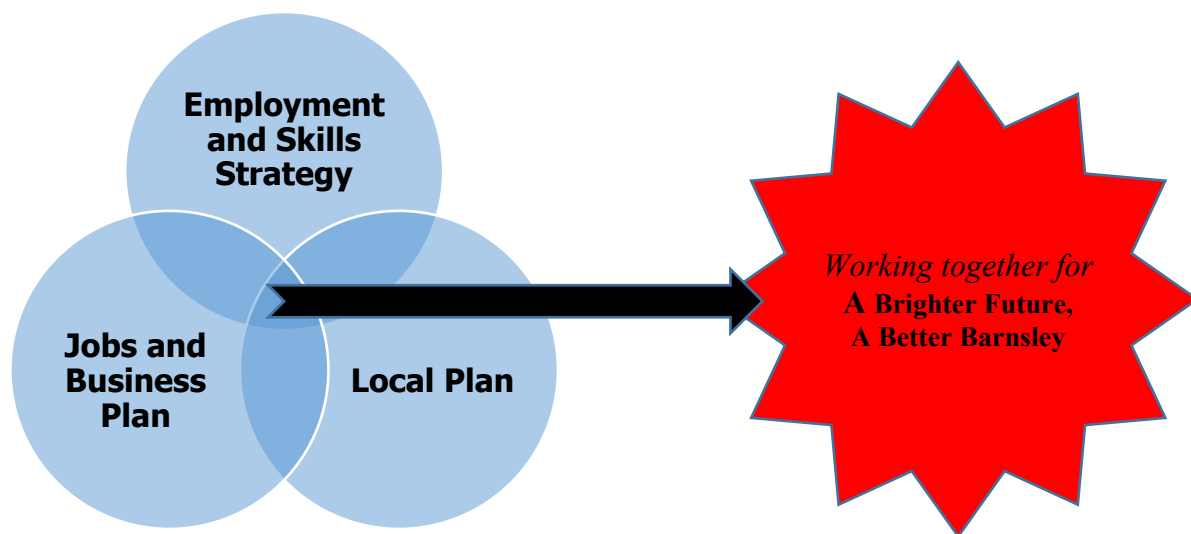
<p>'Stronger ambition across businesses, organisations and people'</p> <ul style="list-style-type: none"> • % Increase in 16–18 participation in education and employment. • % Reduce those not in education, employment or training (NEETS) to %. • % Increase in apprentices at level 4. • % Increase in higher education destinations. • % Increase in uptake of Russell Group university destinations by residents. • % Reduction in the number of adults with low or no basic skill qualifications (below level 2). • % increase in population choosing to invest in own learning. • Increase in the number of clear progression routes matching key sectors. 	<p>'Schools and colleges have excellent business engagement and employability'</p> <ul style="list-style-type: none"> • % Level 2 at 16 including English and Maths) • % level 2 at 19 (incl. English and maths). • % level 3 at 19 (incl. English and maths). • % increase in level 3 apprentices. • By % improved perception in business surveys of work readiness and skills • Increase in the number of business and education collaborations. <p>Qualifications reflect the future business need of the local and regional economy and address current skill shortages and job opportunities</p> <ul style="list-style-type: none"> • % increase in entries in STEM subjects at level 3. • % increase in entries in SCR priority subject areas at level 3+ 	<p>'The proportion of people claiming out of work benefits is cut by a third and the gap to national average reduced'</p> <ul style="list-style-type: none"> • % increase in employment rate. • % decrease in adults claiming out-of-work benefits. • % decrease in adult economic inactivity. • Increase in the number of long-term unemployed, and those at risk of it, gaining employment. • % increase in apprenticeships at all levels. • % increase in level 1 qualifications. • % increase in working age population with L2+. • % increase in working age population with L3+. • % increase in working age population with L4+. 	<p>'Workforce skills, progression and earnings are increased with the gaps to national average on NVQ level 3+ and NVQ level 4+ qualifications reduced by a third'</p> <p>Create a growing, skilled workforce amongst those in a job, including higher level skills:</p> <ul style="list-style-type: none"> • % Increase in L3+ qualifications. • % Increase in L4+ qualifications. • % Increase in SMEs investing in skills development. • % Increase in average hourly pay. • % Reduction in the wage gap with regional and national averages. • % Reduction in reported skills gaps and shortages in Barnsley growth sectors.
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8. Strategic Alignment

In order for the strategic objectives of the More and Better Jobs Plan to be realised, it is essential that it is aligned with proposals being developed as part of the Local Plan, Housing Strategy, Jobs and Business Plan and the Transport Strategy. The importance of this is underlined by the fact that the More and Better Jobs Plan represents only one part of a holistic approach due to the influence housing, transport, jobs and business growth have on the economy.

- 8.1 Each of these strategies will be aligned to ensure that the objectives of one help to underpin the delivery of the others. For example, the Local Plan will underpin the Jobs and Business Growth Plan through the allocation of the necessary quantum of employment land to enable long term job targets to be achieved. Similarly the Housing Strategy will help to create the right mix of housing in order to attract and retain the workforce needed to support the types of jobs and business we are looking to create. The Transport Strategy will outline the type of infrastructure that will be delivered to unlock prospective employment and housing development, and finally the More and Better Jobs Plan will seek to provide the right type of labour force to support business growth.
- 8.2 The strategy is a key part of Barnsley's overall strategic framework with vital linkages to the Barnsley Jobs and Business Plan (2014 to 2017), the Barnsley Local Plan, and the wider strategies of the Sheffield City Region (SCR). It is also framed by the key challenges facing places, including ongoing turbulence in structures and resources, the need to find new ways to facilitate economic growth and job creation; and new opportunities facing places, potentially including more local control and power through devolution. More and Better Jobs is one of a suite of inter-related plans which will work together to deliver "A Thriving Economy" with sustainable jobs and growth in Barnsley, as shown below in figure 4.

Figure 4 – Interrelation of Plans

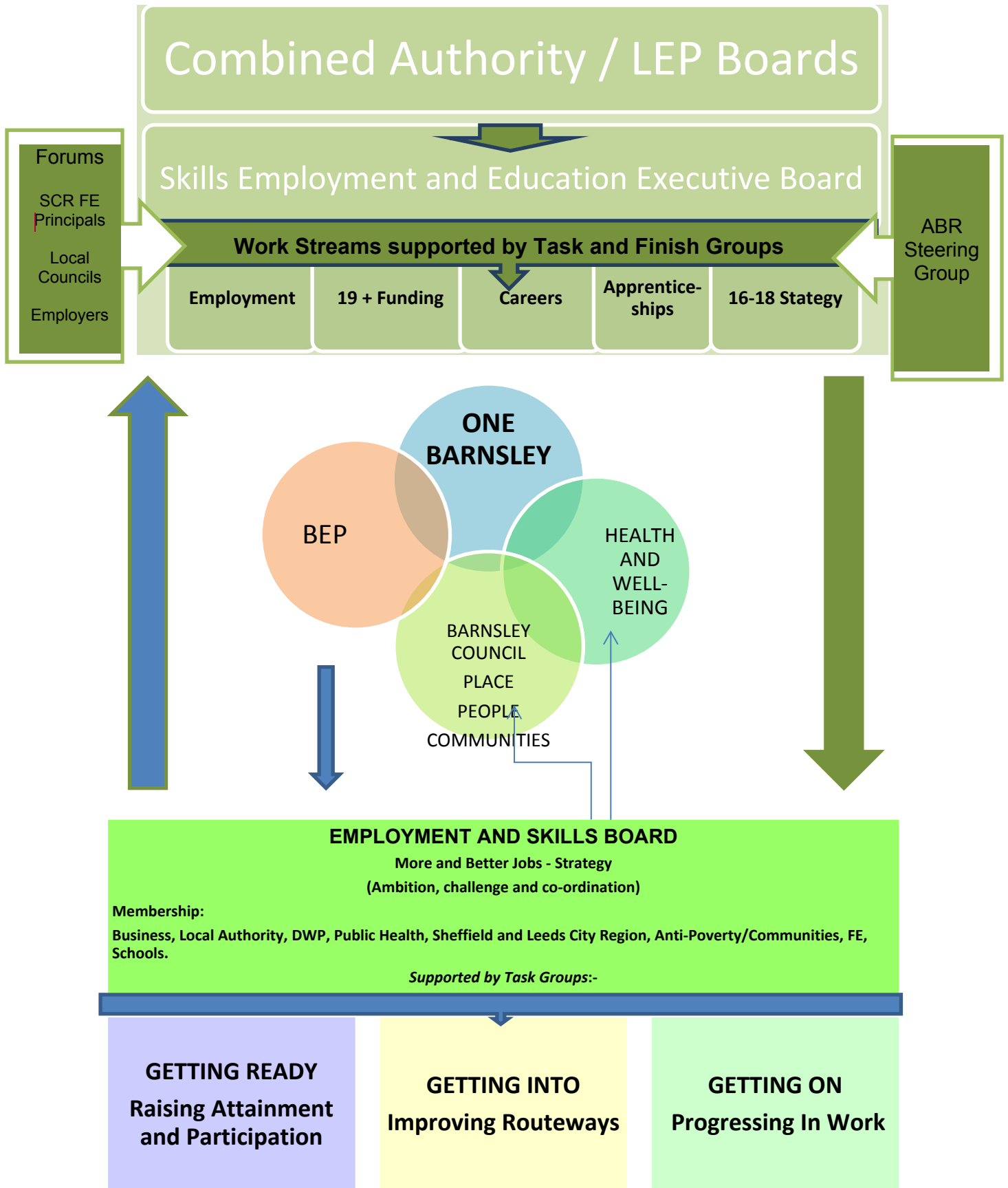


9. Governance and Programme Management

In order to support this new programme management structure, an aligned governance model will be adopted. The strategy will need robust; action focused governance comprising key stakeholders who are able to drive the forward actions, support and challenge providers and ensure that there is a coordinated offer for businesses and individuals as shown in Figure 5 below.

- 9.1 The Council will lead this work with BEP taking an advisory role to strengthen employer engagement. It will be supported at an officer level by an Employment and Skills Board. Similarly there will be Task Groups to allow for each work stream or project to be carefully managed in accordance with project management principles.

Figure 5 – Governance structure for "More and Better Jobs" Employment and Skills Strategy and its fit with Sheffield City Region



- 9.2 In order to effectively manage the plan, a robust programme management structure will be put in place. All new projects will be expected to have a completed Project Initiation Document (PID) before they are signed off to proceed. This will ensure all projects are fully worked up, clear on costs and outputs. The PID will be approved by the Employment and Skills Board, chaired by a member of BEP. All projects will also be expected to manage the delivery via programme management methodologies.
- 9.3 Significant financial resources for skills development have now been devolved to Sheffield and Leeds City Region and it is likely more will be devolved or co-commissioned with city regions including employment support, but at the same time the overall funding is reducing. Aligning the strategy to and engagement with city region partners will be vital to access the financial resources needed to support the ambitions of the plan and to ensure that local businesses and individuals can maximise the opportunities these resources present.
- 9.4 We need to ensure we have the capacity and appropriate structures in place to maximise these opportunities and also to ensure we have the infrastructure in place to have a robust, outcome focused commissioning process in place that targets resources where they will have the greatest impact. It is suggested that this will be chiefly achieved through alignment of existing staff situated in the Employment and Skills unit but have close links to Economic Regeneration so that synergies between activities are maximised.

10. Implications for Local People/Service Users

As outlined earlier there are significant positive implications for residents of Barnsley if the More and Better Jobs Plan is successfully implemented.

11. Financial Implications

- 11.1 There are no immediate financial implications arising directly from this report.

12.0 Employee Implications

- 12.1 There are no immediate employee implications arising directly from this report.

13.0 Communications Implications

- 13.1 It is essential that the final More and Better Jobs Plan is presented in a form which could be used as an external promotional document for businesses, citizens and partners. As such a public focussed externally facing document has been developed to ensure key messages are clear.

- 13.2. This draft externally facing document is attached (Appendix A).
14. Consultations
- 14.1 Wide consultation has taken place both internally and externally.
- 14.2 External consultation has included the Barnsley Economic Partnership (BEP), Stronger Communities Partnership, local businesses, members and officers of the Sheffield City Region LEP and Combined Authority, schools, skills and education providers from further education, community and adult learning and work-based training providers, the Skills Funding Agency and Department of Work and Pensions.
- 14.3 Internal consultation has included colleagues from the Directorates of PEOPLE, PLACE and COMMUNITIES.
15. The Corporate Plan and the Council's Performance Management Framework
- 15.1 The proposals in this report are consistent with Council's Corporate Plan as it directly contributes towards the Future Council ambitions of people achieving their potential, stronger more resilient communities and a thriving and vibrant economy by raising aspirations, increasing skills and supporting people to access more and better jobs.
- 15.2 The More and Better Jobs Business Plan will set out a clear set of metrics by which its overall success will be defined through indicators feeding into the Council's performance monitoring system.
- 16.0 Tackling Health Inequalities
- 16.1 Ill health is identified in the More and Better Jobs Plan as a major cause of economic inactivity, entrenched worklessness and a barrier to full engagement in the labour market. Recognition of this factor and actions to support people tackle their health barriers and progress into and in employment will help to address some of the long-term causes of structural health inequality.
- 17.0 Risk Management Issues
- 17.1 Barnsley starts from a low base position in terms of its key economic and skills indicators, namely to reduce the numbers of people with no qualifications to and increase Level 2 and Level 3 achievement, simply to reach Yorkshire and Humber average. Moving forward however, the borough needs to accelerate skills development in order to keep abreast of wider change such as the introduction of the living wage.
- 17.2 Central budgets for skills are diminishing with increasing emphasis being placed on self-funding for higher level skills. It will be important to maintain and build engagement with city region partners to ensure the borough

continues to access the funding to support skills progression, but also to ensure financial capacity remains to enable people to develop from a low skills and wage base.

18. Health, Safety and Emergency Resilience Issues

18.1 There are no immediate implications arising directly from this report.

19. Compatibility with the European Convention on Human Rights

19.1 The proposal is fully compliant with the European Convention on Human Rights.

20. Promoting Equality, Diversity and Social Inclusion

20.1 The proposal includes proactive support to promote social inclusion and to support people to address barriers to labour market participation and access to employment.

20.2 Some people face significant barriers to employment and skills. The strategy will ensure that the needs of these groups are fully incorporated – identifying any gaps in current service delivery, appropriate priorities for future focus and activities to ensure the strategy benefits all sections of the community. In particular the strategy will consider the needs of:

- Disabled people
- People with long term health conditions
- People recovering from mental health
- BME people, including refugees and new arrivals to the Borough (eg from Eastern Europe)
- Young people leaving care

21. Reduction of Crime and Disorder

21.1 The prison population has a higher proportion of individuals with low basic skills; an issue which contributes toward crime and disorder and makes integration into labour market more difficult upon release. Helping people to progress their skills at all levels will therefore provide an indirect benefit to reducing crime and disorder.

22. List of Appendices

Appendix 1 – More and Better Jobs externally facing document

20. Background Papers

More and Better Jobs Plan – full version.

Officer Contact [David Shepherd] Telephone No [772621] Date [07/03/2016]

Financial Implications /
Consultation
(To be signed by senior Financial Services officer where no
financial implications)