

REPORT TO: Place Scrutiny Committee
Date of Meeting: 8 November 2018

REPORT TO: Executive
Date of Meeting: 13 November 2018

Report of: Skills Officer
Title: Skills Strategy for Exeter

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 This report covers the development of a skills strategy for Exeter, including; progress made to date, an overview of required actions and timescales.

2. Recommendations:

2.1 To note the progress made to date in relation to the development of a skills strategy for Exeter.

2.2 To approve the plan for the next stages of development, leading to the publication of a strategy and associated action plans.

2.3 To approve the formation of a Skills Advisory Group for Exeter that will support strategy development and provide ongoing support, direction and challenge to the delivery of identified priorities.

2.4 That members support the priorities identified in section 10.

3. Reasons for the recommendation:

3.1 To ensure members are kept up to date with progress and future plans, in relation to this area of work.

3.2 To ensure that members understand and are supportive of the planned process and initial priorities to develop and deliver a skills strategy for Exeter.

4. What are the resource implications including non financial resources.

4.1 The work to develop the strategy will be overseen by the Skills Officer, and it is anticipated that this activity will require the majority of the incumbent officers' time during the next 3-6 months'. This will include the work to set up the Skills Advisory Group for Exeter. There will also be a requirement for oversight from the Growth & Enterprise Manager.

4.2 In addition, through the work undertaken to date, to ensure that the strategy can take account of the broad spectrum of existing work undertaken by the City Council which has

an association to the skills agenda, it is anticipated that officers in other departments will be requested to contribute knowledge and some time.

- 4.3 Financial resources are modest. There will be an allocation in the region of £10,000 made to undertake the strategy development, data analysis (supporting our own work to date) and managing the consultation process. This funding is allocated from existing budgets.
- 4.4 Once the strategy is completed, signed off and published, appropriate resources will need to be allocated to deliver projects identified. This will either be through the identification of budgets on a case by case basis, applying for appropriate external funding to support delivery or working with partners and stakeholders with access to appropriate funding streams.
- 4.5 If the requirement to bid for external funding is identified as being necessary to deliver on a particular priority area, then officer time will be required – from a range of services, including finance and legal – to undertake this work. (At this stage it is not possible to give an estimation of how much time this might be.)

5. Section 151 Officer comments:

- 5.1 There are no additional financial implications for the Council to consider contained within this report.

6. What are the legal aspects?

- 6.1 None identified

7. Monitoring Officer's comments:

- 7.1 This report raises no issues for the Monitoring Officer.

8. Background

- 8.1 The council has made a commitment to supporting the development of skills across the city both for our residents, and to support the skills requirements of the city's businesses. This is primarily through the appointment of a Skills Officer to lead on the development of a skills strategy for the city, and to ensure the delivery of identified priorities.
- 8.2 The recently released Greater Exeter Industrial Strategy identifies opportunities to develop skills and approaches to learning to drive productivity levels through skilled employees having higher value and better paid jobs. The development of the skills strategy for Exeter will support this ambition and the work identified within the Greater Exeter Industrial Strategy.
- 8.3 Previously, the City Council had supported a broader approach to the employment and skills agenda, through the Exeter & Heart of Devon Employment and Skills Board – which covered the Greater Exeter geography. In conjunction with other funding authorities, the decision was made to cease direct support for this organisation at the end of 2017.
- 8.4 During the past 6 months, information and intelligence gathering has been taking place, along with in-house data analysis in order to establish the current position of the

city in relation to its key employment and skills indicators. There has also been a small-scale business survey taking place, to ‘take the temperature’ of the city’s businesses in relation to their employment and skills priorities.

- 8.5 The role of supporting employment and skills for Exeter has an impact on many different service areas within the City Council, whilst the role is based with the Growth & Enterprise team, there are many opportunities to support our customers, residents and businesses through other service areas. Therefore, engaging with other departments and identifying opportunities for joint working internally, as well as externally, has been very much at the forefront of the work done to date.
- 8.6 One of the priorities of the City Council and the Growth & Enterprise team, is to support and facilitate inclusive growth. The skills agenda is a key area of work for this priority and focuses our attention on supporting and addressing issues affecting residents and businesses of the city. This agenda works across departments and other external organisations and supports the Heart of the South West Local Enterprise Partnership Productivity Plan in raising productivity.

9 Current Position

- 9.1 In a lot of respects, the city is performing well in relation to key employment and skills indicators. The following table gives a snapshot of the current position of the city. It is proposed that these indicators will form the basis of a quarterly briefing for members.

Indicator	Exeter	National
Employment Rate (April 17 – March 18)	80.2%	78.4%
Total Claimants (April 17 – March 18)	17,000 / 19.8%	21.6%
JSA Claimant Count % (August 2018)	775 / 0.9%	2.2%
ESA Claimant Count (November 2016)	4,530 / 5.2%	6.1%
Workplace Earnings – Gross Weekly (FT) (2017)	£544.90	£552.30
Residential Earnings – Gross Weekly (FT) (2017)	£507.30	£552.70
Level 2 or above % (2017)	84.9%	74.7%
Level 3 or above % (2017)	68.1%	57.2%
Level 4 or above % (2017)	51.4%	38.6%
GCSE attainment 8 score* (2017)	48.3	46.3
Grade 5 or above in English and Maths (2017)	44.6%	42.70%
Apprenticeship starts (2016)	1060	N/A
Apprenticeship completions (2014/15)	490	N/A
Graduates retained locally	7.4%	N/A
Job Density (2016) (ratio of jobs to 16-64 population)	1.21	0.84

*Schools get a score based on how well pupils have performed in up to 8 qualifications, which include English, maths, 3 [English Baccalaureate](#) qualifications including sciences, computer science, history, geography and languages, and 3 other additional [approved qualifications](#).

- 9.2 The initial feedback from the short business survey includes;
- Commitment of candidates; flexibility, motivation, quality.
 - Low unemployment = challenging recruitment in some sectors such as hospitality and care.
 - Customer service skills are missing from a number of candidates.
 - A majority of employers stated that they could find people with the right skills for the available jobs, but that they were also delivering comprehensive training programmes.
 - The high employment rate was cited as a particular challenge for many, with the market currently very candidate driven.
 - A majority of responders are not offering work experience or engaging with schools.
 - There is a mixed response to Apprenticeships.

10 Emerging Exeter Skills Strategy Priorities

10.1 There are some initial conclusions that can be drawn from the work undertaken to date and from the analysis of city wide data. However, in order to develop the most robust skills strategy it would be wise to test these on business. Emerging priorities for further development and research are:

- Apprenticeships – engagement of SME businesses in the apprenticeship market, particularly in sectors that are growing and of importance to the Exeter economy. Also includes advice and guidance to young people and parents / carers.
- Careers Education, Information, Advice and Guidance – enhancing the current offer to support localised information. Working with the Careers and Enterprise Company and the new Careers Hub to support delivery.
- Sector-Based Support – defining our key sectors, for growth and inclusivity, and adopting approaches to work with and support those sectors and their workforces, e.g. Building Greater Exeter and construction sector.
- Workforce Development and Progression – supporting the ongoing development of the workforce (by sector, or sector blind), to ensure progression can be achieved and that vacancies at the appropriate level can be filled (also links to Apprenticeships theme and a position of ‘grow your own’). Applying the use of ‘escalator’ models, as per the Data Analytics approach, identifying entry routes, qualifications and job roles.
- Inclusive Growth – supporting entry to the labour market, re-entry, re-training, new and up-skilling, progression from entry level jobs. This could include dedicated work with identified groups (e.g. single parents, mental health sufferers), or areas of the city (measured against key indices, e.g. skill levels).
- Partnerships – ensuring that we have well developed relationships and partnerships with our key organisations that are developing and delivering in the employment and skills space. Supporting common interests and aspirations for the benefit of businesses and residents.

- 10.2 It would be reasonable to expect our priorities to be grouped in 3 ways;
1. Those that the council can and will deliver on directly.
 2. Those that we need to work with others to access funding and resources.

3. Those that are for others to deliver on with our support.

10.3 The employment and skills landscape can be notoriously complex, with a number of government departments engaged in policy, a range of funding streams, and a large number of interested partners, stakeholder and delivery organisations involved on a local basis. Ensuring that all elements of the existing system and landscape are engaged and considered in the production of the strategy is important to the credibility and robustness of what is produced.

11 Exeter Skills Strategy Development

11.1 The Skills Officer is currently procuring an external contractor to support the development of the skills strategy for Exeter, for them to undertake the following work:

- Further business focussed research to survey in greater depth a representative sample of the city's businesses and gain feedback in relation to their employment and skills challenges and opportunities.
- Production of an overarching strategy that finalises key priorities for the city in relation to employment and skills. This will include identification of those that should be priorities for the City Council, partners / stakeholders, and aspirational priorities that will require significant resources to deliver.
- Consultation with businesses, partners and stakeholders – both internal and external, to ensure that the proposed priorities are appropriate and support complementary work and activities being undertaken by other organisations.

11.2 Where possible, the opportunity to work with others, such as Devon County Council, to achieve economies of scale and jointly commission pieces of work is being explored.

12 Exeter Skills Advisory Group

12.1 In order to support the delivery of the skills strategy and the projects that are developed, it is proposed that a Skills Advisory Group for Exeter is formed. The group should have appropriate business representation, along with identified partners and stakeholders from organisations that are involved in the delivery of projects and programmes from across the city that are relevant to the skills agenda. These may include: DWP, National Careers Service, Careers and Enterprise Company, the Work and Health Programme Provider, and a variety of organisations in the CVS sector.

12.2 It is proposed that the group be chaired by a private sector representative to ensure that Exeter's business voice is at the heart of the skills agenda in the city. There should also be a good spread of sector representation. Time will be invested in ensuring that all members of the group are well briefed to a level of common understanding in relation to the employment and skills agenda, the issues affecting Exeter and the opportunities. This will enable an appropriate level of challenge and support to take place.

12.3 There will be elected member representation from the City Council on the Exeter Skills Advisory Group, with the most appropriate portfolio holder to be identified – most likely to be the Portfolio Holder for Economy & Culture. There may also be other elected members engaged in line with different work streams and priorities, for example, projects focussing specifically young people.

- 12.4 Whilst the work of the group should focus on the delivery and outcomes of the skills strategy, and specifically on Exeter, there will naturally be reference to the Greater Exeter area, and where appropriate we will seek to work in partnership.
- 12.5 There is currently an ongoing conversation with the Heart of the South West LEP to agree how the relationship between this group and the emerging Skills Advisory Panel (SAP) for the LEP will work together.
- 12.6 Full terms of reference for the group will be developed in conjunction with the legal team.

13 Timescales

- 13.1 The strategy will be developed and published by the end of March 2019, with a further report being presented to Place Scrutiny Prior to this date. To support this work, there will be consultation with relevant partners, stakeholders, businesses and residents. Consultation will also be held with internal stakeholders.
- 13.2 There is an opportunity for the city to state its commitment to supporting employment and skills and to engage with a range of interested organisations and individuals, and to ensure that our strategic priorities will provide support and intervention where it is most needed.
- 13.3 There will be an annual cycle of business developed alongside the skills strategy to ensure that the Skills Advisory Group are monitoring the progress of activity to support the priorities. This will also include a process to update the key indicators, provide briefings to members and SMB and gain business feedback.

14. How does the decision contribute to the Council's Corporate Plan?

- 14.1 The development of a skills strategy for Exeter and a work programme to address the identified priorities, has the most tangible links to the following priorities;
- **Building Great Neighbourhoods** – through the development of skills and access to employment and career progression opportunities, we can strengthen and build our communities and neighbourhoods through our people.
 - **Promoting Active and Healthy Lifestyles** – there are strong links between being active and healthy (both physically and mentally) and employment. In particular there are links to the Sport England Local Delivery Pilot across 2 strands of work; Activity Ambassadors and Active Workplaces, and the skills strategy is expected to identify areas of joint work under these themes.
- 14.2 The skills strategy will contribute to the emerging new Exeter Vision 2040, as investment in and delivery of activity to support employment and skills will ensure that citizens are able to take advantage of the opportunities and share in the prosperity of the city.
- 14.3 This will be achieved through ensuring that access to opportunities for education, to develop and increase skills and employment will be available for all. In particular the work undertaken will support the statement that “Employers will be able to recruit, nurture and retain a skilled local workforce as well as attracting the best global talent.”

15. What risks are there and how can they be reduced?

Potential Risk	Likelihood	Mitigation
Identified priorities need significant budget (more than available) to deliver	Medium	The City Council needs to be aware of this, and be prepared to support bids and applications to external funding streams in order to meet the needs of the strategy. Engagement and support to partners may also secure funding and delivery of priorities.
Lack of partner support / engagement	Low	A range of organisations / partners / stakeholders have already been engaged in the process, and thus far have been very supportive.
Priorities cannot be agreed	Low	There is already significant commitment to supporting the employment and skills agenda. Through initial discussion and research, there will be suitable priorities to gain appropriate support.

16. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

16.1 All of the above will be considered during the development of the strategy, to date impacts have been recognised as;

- Equality and Diversity - By the very nature of this piece of work, ensuring equality of opportunity for all and the diversity of the workforce will be considered.
- Health and Wellbeing - The links between a healthy and active population, engagement in the workforce and productivity will be explored as part of the development of the strategy.
- Safeguarding Children - There is no direct impact on safeguarding children as part of the development of the strategy.
- Young People and Vulnerable Adults - It is anticipated that young people will very much be a feature of the strategy, in particular, their role in the economic prosperity of the city in the future, and how they are being prepared for the future opportunities that will be available to them in Exeter. There is also likely to be an impact on vulnerable adults, through some of the inclusion themes that are showing early signs of having a role in the strategy.
- Community Safety - There is no direct impact on community safety through the development of the strategy.
- Environment - There is no direct impact on environment as part of the development of the strategy. There may however be linked areas of work, such as the role that flexible and agile working could have on reducing congestion within Exeter.

17. Are there any other options?

- 17.1 The City Council could choose to do nothing and not produce a skills strategy for Exeter. The development of skills, education, employment prospects could be left to market forces and providers and organisations actively engaged in this space.
- 17.2 However, the City Council has a commitment to supporting inclusive growth and social mobility, and ensuring that there is a strategy that will deliver appropriate interventions, and set direction for organisations across the city in relation to vision and ambition, is crucial to that.
- 17.3 An approach could be adopted to work across the Greater Exeter area, however, the City Council have decided that the strategy should very firmly focus on the residents and businesses within the city. By the very nature of the functional economic and travel to work area, those employed within city businesses, but resident outside will benefit from the work undertaken.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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