

REPORT TO: SCRUTINY COMMITTEE – ECONOMY
Date of Meeting: Scrutiny Committee Economy – 13 November 2014
Report of: Assistant Director Economy
Title: EHOD Employment and Skills Board

Is this a Key Decision?

No

Is this an Executive or Council Function?

No function is being exercised. This report is for information only.

1. What is the report about?

- 1.1 To update Members on the activities and progress of the Exeter and Heart of Devon Employment and Skills Board (ESB) in promoting the value of skills development, supporting business growth and getting local people into work.
- 1.2 The report explores some of the skill issues affecting the local economy, sets out the Employment and Skills Board's priorities and plans, and provides examples of where the Board has made a difference since the appointment of the new Partnerships and Projects Manager in May 2014.

2. Recommendations:

- 2.1 That the Scrutiny Committee Economy note the report and comment on the progress made and priorities set by the Employment and Skills Board in prioritising, planning and implementing interventions designed to better skill a more productive workforce in support of a sustainable and thriving economy.

3. Reasons for the recommendation:

- 3.1 To inform members of the progress made since the appointment of the Partnerships and Projects Manager.

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

- 4.1 Exeter City Council and East Devon District Council co-fund the Partnerships and Projects Manager's role each contributing £15,000 per year to coordinate and deliver ESB activity across Exeter and the Heart of Devon.

5. Section 151 Officer comments:

- 5.1 There are no financial implications contained within this report.

6. What are the legal aspects?

- 6.1 None – this report is for information only

7. Monitoring officer Comments:

- 7.1 No issues arising from this report

8. Background

8.1 The ESB is an employer-led group informed by reports and research (e.g. SLIM Employment & Skills Analysis, RTP Growth Point Study) that indicate a number of underlying labour market dynamics which affect employment levels, skills development and business productivity in the Exeter area. The ESB are looking to address underlying issues in order to improve opportunities for local people and help them to benefit from employment growth.

8.2 Between September 2013, when Gill Bishop the previous Partnerships and Projects Manager left and May 2014 when the current post holder Oenone Thomas was recruited, the ESB was effectively on hold. No meetings or activities occurred and much of the activity and momentum was on hold pending clarification over forward funding of the post and awaiting completion of the recruitment process. Funding has now been obtained until March 2016.

8.3 The board is now deliberating how best to address the following major trends in the local labour market and related issues as summarised below:

- Exeter and the Heart of Devon is not homogeneous. Exeter has a different profile to rest of the more rural areas of the region and it has a significant impact on the Devon economy as a whole. Exeter employers pay higher wages than those in surrounding areas although residents of the city on the whole earn less than their counterparts who commute into the city
- Low business productivity – the productivity of Exeter’s workforce is 93% of the UK national average and higher than the rest of Devon which equates to 85% of the UK national average. The UK national average is 21% lower than other leading G7 nations
- Strong competition for entry level jobs which do not require previous experience – sufficient entry level jobs are vital to creating a talent pipeline
- Exeter has a higher incidence of jobs within knowledge intensive industries than the UK average. However, planned growth in knowledge intensive industries is jeopardised by low take-up of key subjects such as science and technical subjects
- High proportion of people with high skill levels in the area but low graduate retention due to low levels of local graduate recruitment and attractive opportunities elsewhere
- Lower than the national average take-up of apprentices – there are 64 vacancies for apprenticeships in Exeter alone at the time of writing
- High proportion of SME and micro businesses with lower propensity to invest in training
- High levels of low wage/part-time/seasonal/low-skilled work/temporary work
- Reduction in universal access to free information, advice and guidance
- Reduction in education business partnership activity which underpinned work experience and school enterprise activities

9 Exeter and the Heart of Devon Employment and Skills Board

9.1 The ESB’s primary objective is to understand, facilitate and promote the skills needs of businesses within the Exeter and Heart of Devon economic area and improve the skills of the workforce in-line with local economic priorities. The ESB’s mission is vital to the prosperity of the area and to the prospects of individuals and families. Simply put the ESB’s mission is ‘Improving peoples’ lives through Employment and Skills and consciously reflecting that we are doing the right thing’.

9.2 Mark Shepherd, the Chair of the ESB, is a Waitrose Manager, member of East Devon Business Forum and importantly a member of the Heart of the South West (HoSW) Local Enterprise Partnership (LEP) People Group. The HoSW LEP is a partnership between the private sector, local authorities, universities and further education across Somerset, Devon,

Plymouth and Torbay with the purpose of leading and influencing economic growth, job creation and prosperity across the Heart of the South West. The People Group is one of the key groups advising the HoSW LEP Board focusing on employment and skills. Mark Shepherd provides Exeter and the Heart of Devon with vital direct representation and will help ensure that the region is appropriately represented.

9.3 In May 2014 a new ESB Partnerships and Projects Manager was recruited on a fixed-term contract until March 2016. The new board has an improved membership with significant employer representation for key sectors and across the partnership area broadly covering East Devon, Exeter and Teignbridge. A manufacturing representation from Teignbridge is being pursued. The structure and frequency of ESB meetings has been streamlined. The full board meets every six months and the new subgroups, as opposed to the previous three meet quarterly. (See Appendix 1 for membership details).

9.4 The ESB used Labour Market Information and intelligence from ESB board members to identify the following priority areas:

- Increasing graduate retention in order to support the development of a Knowledge Intensive Industry
- Higher level skills in Smart Specialisation Areas – Agri-tech, Translational Medicine, Climate Change, Water and Big Data
- Higher Performance working for low-paid/part-time/seasonal/temporary employees and workers in order to improve productivity and the life chances of individuals
- Better Information, Advice and Guidance for young people and older workers seeking help in career and work choices and training in order to build capacity in growth areas
- Work Experience opportunities to help ease the shortage of entry level opportunities and to inform employers about the potential within the local area
- Programmes targeting those furthest from the workforce
- Increasing engagement of SME businesses with apprenticeships

9.5 The ESB Employers Group has identified key areas for attention which have been classified as 'low hanging fruit' and 'difficult nuts to crack'. It is the intention of the ESB that efforts will not be spread too thinly and that some 'difficult nuts' must be tackled. It is recognised that there are few quick wins but the longer term benefits will represent value for money/effort. Action/project groups will be formed in order to work on local priority areas.

9.6 Since May 2014 considerable ESB resources have been used in supporting EHOD Growth Board's drive for local employment and skills development associated with construction projects in and around the city. A serious national shortage of those skilled in construction trades and professions provides a difficult backdrop. This is further exacerbated by competition from Hinkley, a project four times the size of the London Olympics, an ageing construction workforce and the reduction in recruitment to training and degree courses escalating the need to address these concerns which threaten the area. The ESB has been tasked by the EHOD Growth Board to secure a commitment to an aligned Employment and Skills policy in Exeter, East Devon, Teignbridge and Devon. In addition the ESB are working towards the implementation of an aligned process for procurement, planning and practice which will require contractors to engage with local employment and skills development. It will be our recommendation that the provision of construction apprenticeships would be facilitated by the adoption of the South West Shared Apprenticeship Scheme set-up through the CITB which would remove many of the barriers which employers cite.

9.7 Since May 2014 successful funding applications have secured circa £47,000 to fund numerous training opportunities. Further funding is being sought through the UK Commission for Employment and Skills, the HoSW LEP European Structural and Investment Funds, DCC Enterprise in Schools Grants and various other sources. The Partnerships and Projects Manager has become a member of the HoSW LEP Local Response Fund group. A summary of successful funding bids to-date is given below:

9.7.1 Free Unlocking Big Data – Investing in Human Capital Event

(Supporting the growth of Knowledge Intensive Industries and the Science Park.)

- £6,000 awarded from HoSW Local Enterprise Partnership
- 5 key note speakers
- 70-80 Leading professionals and influencers from across the region participating in an event at the Met Office
- Participants at this event will help to shape future funding proposals
- Event to be held January 2015

9.7.2 Free Hospitality Training

(Supporting Higher Productivity Working in the hospitality industry.)

- £33,000 awarded from HoSW Local Enterprise Partnership Local Response Fund
- Training day from leading SW Hospitality Trainer at Sandy Park
- Participants to attend the 'World Class Welcome to EHOD Rugby World Cup'
- Purpose is for participants to up-skill to deal with VIPs, international visitors and provide informed guidance about the Rugby World Cup, with the opportunity to take a City & Guilds level 2 qualification
- Spring 2015 – 10 one day sessions each of 16 delegates, 160 delegates in total

9.7.3 Free REEP (Rugby Employability Enhancement Programme)

(Supporting those furthest from the workforce to engage in training, education or work.)

- £8,000 from Exeter Rugby World Cup (RWC) Legacy Fund, Motiv8-SW, Department for Work and Pensions and Parkwood Leisure.
- A 10 day programme for rural 18-24 year olds who are not in employment, training or education (NEETS) from East Devon and Teignbridge. Individuals who are considered for this programme are those furthest from the workplace for a variety of reasons. Following the programme they will be buddied for 3 months with trained RWC volunteers whilst the young people transition to work, training or employment.
- 12 NEETS and 12 mentors in the pilot – the hope is that more programmes can be funded
- Aims to successfully transition NEETs into employment, training or work
- Spring & summer 2015

9.8 The ability to address priority areas is largely dependent on the ESB's ability to attract funding in addition to in-kind support and representation within the key sectors. Without resources the ESB can aspire to work towards a World-class Workforce but with resources a plan for the short-term, and a strategy for the longer term, can be formulated. Funding opportunities will be pursued and priority given to those which offer the best fit to enable the delivery of priority areas. For example, the ESB is entering the UKCES competition for Retail and Hospitality as part of our drive for higher productivity working in two of the regions traditional industries. In addition, the board is influencing the HoSW LEP in the development of its response to ESIF and in turn considering how EHOD's needs, can be met through ESIF. The board is beginning to use its networks and knowledge in order to influence, inform and implement whilst being conscious that some goals are achieved over the longer term. Individual employer members have a part to play in working within their own sectors and as a collective leading by example.

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

The ESB seeks to identify and address skills and employment issues affecting the local economy. It contributes to delivering the council's corporate plan many ways, including:

- 'Help me run successful business – promote the city nationally and internationally to secure investment and attract new businesses and skilled workers.' The ESB's

aspiration is to up-skill the local workforce to support local business productivity and thereby help to attract new businesses to relocate here.

- ‘Help me get back to financial independence – continue to work with Exeter & the Heart of Devon Employments and Skills Board to promote investment in training provision for employers and progress projects which support local people to take advantage of job opportunities’ – The ESB’s current projects cover a range of skills needs from those furthest from the workplace to highly skilled specialist skills development. The majority of small businesses rely on on-the-job training with little formalised learning. This works well where an existing skill set needs to be replicated but it does not address skills which are new to the organisation. The ESB promotes investment in training provision through its connection with the HoSW LEP and the Facilitators, Funders and Providers group.
- Help me get back to financial independence – work with local partners to explore how we can join up services to help residents to find or get back into employment – The ESB works with organisations such as Jobcentre Plus, Careers SW, Pluss and St Loyes in order to join up services. For example in the REEP project by recruiting participants through Jobcentre Plus we leverage their funding streams for help with transport and childcare, protect participant’s entitlements and help our partners to achieve their own goals.
- ‘Work through the Exeter and Heart of Devon Employment and Skills Board and JobCentre Plus will address skills and qualifications of young people in providing opportunities through training, employment and apprenticeships’ – The ESB has identified as a priority the necessity to work with Young People and employers to improve opportunities for Work Experience, Information and Advice and Guidance. We have raised the matter with HoSW LEP and intend to apply for funding.

11 What risks are there and how can they be reduced?

- 11.1 Without ECC’s contribution to funding the post of ESB Partnerships and Projects Manager this important work will not be done. This was demonstrated when the previous post holder was not replaced immediately which led to the demise of the organisation and the difference it makes.
- 11.2 Considerable thought and effort has been dedicated to achieving high-calibre membership who bring considerable expertise, knowledge, profile and resources to the ESB. Their involvement will be lost should the ESB lapse again.
- 11.3 The development of a World-class Workforce is not only linked to investment growth it is vital to its attainment.

12 What is the impact of the decision on equality and diversity; health and wellbeing? Safeguarding children, young people and vulnerable adults; economy; safety and the environment?

The ESB promotes equality and diversity within the workforce, and safeguards young people and vulnerable adults. By consciously reflecting that ‘we are doing the right thing’ we will safeguard the environment and individual’s health and well being:

- The ESB Employers have identified their difficulties in achieving diversity within their workforces. This has become one of the ESB priority areas particularly around gender equality in construction where only 2% of trades and 8% of professionals are female. Within the REEP project, which could easily become predominately male, partners have been asked to consciously recruit females.
- DBS checks are being carried out on all mentors recruited for the REEP project as the participants are potentially under 18 years of age. There are financial and time resource implications of this route but without this measure we cannot work with this age group.

- It is recognised that working individuals with greater control over their own destiny than those out of work, are happier and healthier individuals. In turn they provide better role models for their children and contribute to the local economy. The work of the ESB supports this tenet.

13 Are there any other options?

- 13.1 The HoSW LEP is one the largest LEPs in England and has varied and vast issues across the full area. There have been discussions that there should be a Devon-wide ESB although the existing arrangement was thought more effective in delivering the particular needs of the differing functional economic areas within Devon.

Oenone Thomas, ESB Partnerships and Projects Manager

Richard Ball, Assistant Director Economy

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

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees), Room 2.3, (01392) 26115

Employer membership on the ESB board:

- CHAIR Mark Shepherd, Waitrose (& East Devon Business Forum
- Alan Styles, Axminster Tools & Machinery
- Andrew Boomer and Jane Boulton, Flybe Training Academy
- Chris Griffin and Harry Wild, River Cottage
- Fiona Parsons, South West Water (TBC)
- Hannah Foster, HR Director National Church Institutions
- John Varley, Clinton Devon Estates
- Julie Hawker, COSMIC
- Kay Eldergill, Met Office
- Malcolm Dickinson, Michelmores
- Mark Godfrey, The Deer Park Country Hotel
- Mike Watson, Stagecoach
- Paul Gale, Interserve Construction
- Steve Hindley and Ian Bassett, Midas Group

Facilitator, Funder and Provider membership on the ESB board:

- Alex Ledbrooke, Education Business Partnership - South West
- Alison Thorpe, Skills Funding Agency
- Bernadette Parkinson, CITB Construction Skills / Sector Skills Council Alliance
- Charlotte Williams, PLUSS
- Craig Marshall, Devon & Cornwall Training Provider Network
- Derek Phillips, Exeter Chamber of Commerce and Industry (& Hotels Association)
- Frances Canning, Exeter Federation of Small Businesses
- Janet Sinclair, Jobcentre Plus
- Jo McCreddie, University of Exeter
- Karen Clarke, St Loyes
- Nicki Snell and Anita Butt, PGL Training
- Rebecca Harvey, Career South West
- Richard Ball, Exeter City Council
- Richard Daulton, Apprenticeships
- Richard Jenkins, Bicton College
- Mike Blakeley, Exeter College
- Susan Wearne, Careers South West
- Steven Wallers, University of Exeter

Following the retirement of Nigel Harrison, EDDC we need to identify a representative from EDDC. In addition more members are being recruited from the previous ESB Workforce Development Group.