

**Stoke-on-Trent and Staffordshire  
Local Enterprise Partnership**

**Executive Board**

**SSLEP Public**

**Thursday 18<sup>th</sup> October**

**Sub Group and Policy Group Updates**

- |           |                                       |                  |
|-----------|---------------------------------------|------------------|
| <b>1.</b> | <b>Inward Investment</b> – for noting | <b>Pages 2-3</b> |
| <b>2.</b> | <b>Skills</b>                         | <b>Pages 4-9</b> |

## **Investment Update: October 2018:**

### **Performance**

To date for 2018/19 Make It Stoke-on-Trent & Staffordshire have assisted 5 companies in creating/safeguarding 1,185 jobs (870 created and 315 safeguarded) towards the annual target of 2,000 jobs.

The team also records details of investments and jobs created/safeguarded by businesses where there has been no assistance provided. Although not comprehensive, when combined with those assisted this gives a total of 1,542 jobs and 11 companies.

Successes this year include Davies Group, eds couriers, JCB, Roxane and Welldunn.

### **Lead Generation and Marketing**

- **Commercial Property Events**

- Make It Stoke-on-Trent & Staffordshire Investment Service held their Commercial Property Event on 11 September hosted by Councillor Abi Brown, Chair of Ceramic Valley Enterprise Zone and Simon Peters, Director, Network Space. The event took place at Unit 2, Tunstall Arrow site part of the Ceramic Valley Enterprise Zone. The event brought together Make it Stoke-on-Trent & Staffordshire's regular Commercial Property Event delegates with a total of 90 delegates attended the morning event. Speakers delivered an update on the LEP's flagship project at Ceramic Valley Enterprise Zone of which Tunstall Arrow is the latest site to come forward and the impact it has had on growth for the area and the wider local economy. Four units have been let prior to completion at Tunstall Arrow, an £11m speculative industrial development in Stoke-on-Trent of which phase 1 is now complete with works on phase 2 due to commence soon.
- The team are planning to hold the next commercial property event in Cannock at the Alpha unit on Opus Land's CONNEQT scheme in the New Year. Gazeley have also been in touch with keen interest to hold our event at their 275,000 sq ft unit which is due for completion December 2018.

- **Midlands Engine Challenge Fund**

- DIT are proposing to print copies of the Advanced Materials brochure produced by Make it Stoke-on-Trent & Staffordshire to distribute to colleagues in locations around the Midlands who are leading on the Rail, Automotive and Life Sciences sectors for use at future exhibitions.
- The team are working on two new enquiries resulting from the wider lead generation work as part of the advanced material project.

- **MIPIM Cannes – 12-15 March 2019**

- The latest Midlands MIPIM Steering Group took place on Wednesday 10 October.
  - The Stoke-on-Trent and Staffordshire team are continuing discussions with potential commercial sponsors and to date have secured support from Keele University, Staffordshire University, Knight Solicitors, A&J Mucklow, Wardell Armstrong and Nordic Heat. Knights have agreed to sponsor the LEP Dinner for a second year.
  - The draft Midlands Pavilion programme for MIPIM 2019 is developing and will include a presentation session for Stoke-on-Trent and for Staffordshire.
  - The Midlands Partners Leaders Dinner takes place on 13 February and there will also be a Commercial Partners Launch event on 20 February 2019. Mark Winnington is confirmed to attend the Leaders Dinner.
  - Jaguar Land Rover are scaling back their MIPIM presence, which will impact the Midlands
  - The Birmingham flight to MIPIM is now full and Stoke-on-Trent and Staffordshire have booked 14 seats for our delegation, including some local partners
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- **New Make It Website** – The Make it Stoke-on-Trent and Staffordshire website is on track to be completed by the end of the month ready for user acceptance testing in early November. Once the testing has taken place modifications will be made as required ready for a final sign off before the site goes live in December.

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## Skills Update

### Skills Advisory Panels

#### Purpose

1. To inform the LEP of the recent consultation with stakeholders on the creation of Skills Advisory Panels in each LEP area - including its remit, purpose and composition – and issues raised in consultation.

#### Recommendation

2. The LEP considers and notes the implications of the creation of SAPs and the potential impact on future governance arrangements.

#### Background

3. Skills Advisory Panels (SAPs) are a 2017 Conservative manifesto commitment to “deal with local skills shortages and ensure that colleges deliver the skills required by employers through Skills Advisory Panels and Local Enterprise Partnerships working at a regional and local level”.
4. SAPs aim to strengthen the relationship between employers and education or training providers in local areas. The panels will use robust labour market analysis to understand skills needs and supply and address priorities effectively, improving productivity and their local economy.
5. SAPs analysis will underpin the ‘People’ pillar of the Local Industrial Strategies (LISs) to be produced Local Enterprise Partnerships (LEPs) and a guidance document has been developed by DfE to support this.
6. SAPs will be aligned to the broader work to implement the recommendations of the LEP Review and development of Local Industrial Strategies.

#### Aim of SAPs

7. The aim of the SAPs programme is to set out the government’s expectations of the governance structures that Local Enterprise Partnerships (LEPs) should have in place to **lead their work to support the effective functioning of their local labour markets**.
8. SAPs will need to **build capability to advise on potential investment decisions** for local skills and employment provision as well as overseeing implementation.

#### The Proposed Remit, Composition and Responsibilities of the SAPs

9. The SAP board will have an advisory role with the following responsibilities:
  - Developing a clear understanding of current and future local skills needs and local labour market as well as the present skills and employment support provision in place.
  - Develop a clear approach to addressing skills and employment challenges within the local area, which then informs a clear local ‘People’ strategy, as part of a strong Local Industrial Strategy.
  - Understanding the wider dependencies in the local area and working together with other parts of the LEP to link them to the skills and employment analysis, strategic plan and the ‘People’ elements of the Local Industrial Strategy
  - Acting as coordinator of local skills providers to ensure skills needs are provided for.
  - Working closely with careers advisory services to ensure that potential learners are informed about potential career routes within a local place

- Promoting apprenticeships with local employers and providers.
- Advising where skills and labour market resource should be directed to support local employers and residents

### The SAP Board composition

10. The SAP **will have its own Board**, be private sector led and representative of the local economy, chaired by a LEP Board member and include education and training providers. It will build on existing local governance structures and where a strong and representative employment and skills board exists LEPs are able to nominate an existing board to take on the SAP functions.
11. For SSLEP, **the SAP could be accommodated through the strengthening of the Education, Skills and Employment Group (ESEG)** to act as the Board of the SAP. This may need to be underpinned through a working group to collate the information and intelligence to inform the analysis by the Board.
12. The SAP boards should bring together a range of local partners who are close to practical implementation and understand local needs. The board should be diverse and contain the necessary expertise to oversee influential labour market analysis and develop and advise on effective strategies and will include:
  - Employers
  - Education and Skills Providers – FE, HE, training providers
  - Community and Voluntary sector
  - Government Agencies - Education and Skills Funding Agency (ESFA) Cities and Local Growth Unit, Jobcentre Plus
13. The expectation is that SAPs need to be focused and **composed of 15 members**, with the **option to add a further five board members with specialist knowledge** (e.g. analytical expert).

### The Skills and labour market analysis

14. The skills and labour market analysis **needs to follow a SAP analytical framework that features as part of the consultation**. It is unclear in terms of the extent and degree of analysis that needs to be produced to satisfy the SAP remit where other work has previously been undertaken.
15. The analytical framework consists of 5 stages:
  1. Analysis and definition of the local landscape
  2. Analysis of skills demand
  3. Analysis of skills supply
  4. Mapping of demand and supply
  5. Conclusions
16. The analytical framework has been designed by DfE to ensure a review of the skills system in relation to the labour market both locally and nationally. A “data tool” to support the SAP analysis has been proposed but it is unclear on delivery timeline, content and level of detail.
17. The framework identifies a set of key questions against 4 topic areas and lists a range of evidence sources that may be used to provide responses to the questions. The 4 topic areas are:

1. Skills and labour supply
2. Economy and labour demand
3. Cross cutting themes
4. Policy

18. It is the role of the LEP SAP to discuss the outputs of the analysis and construct strategies and delivery plans.

### **SAP Consultation**

19. This is clearly a strengthened and clearly defined governance model for SAPs from the Government for LEPs role in employment and skills. The overall guidance and policy is still being refined by the DfE and is being informed by live consultation.

20. A number of questions have been raised as part of the consultation that are set-out below. Once the consultation responses have been considered and the final guidance and policy is published a further consideration will be required by the LEP Chair and Chair of the ESEG.

21. The questions raised during the consultation can be summarised as follows:

- What influence or control will SAPs have with learning and skills providers in ensuring provision meets local skills needs and what resources are available to support this?
- Learning and skills providers are autonomous and have their own accountability and governance frameworks. Will the SAP have any local control or influence over providers and will this be formalised e.g. through control of funding to support priorities, ability to approve delivery plans and will any changes to funding or quality assurance mechanisms be put in place to support this?
- What should the output from the SAP process look like and will this be subject to any assessment, appraisal, approval or intervention from the government and will there be a set of criteria that will be used to do this?
- Is the requirement for LEPs to complete the SAP analysis exactly as per the specification or is flexibility allowed to the LEPs to focus on their respective key areas?
- What resource is available locally to complete the skills and labour market analysis and what support is available nationally?
- How will the role of schools and academies be included within the SAP and how can they be linked in to the SAP?

Contact Officer: Anthony Baines – County Commissioner Skills & Employability

## **European Structural and Investment Funds 2014-2020**

### **Purpose**

1. To provide the LEP with a progress update regarding the SSLEP ESF opt- in programme and progress with the use of ESF funds for open calls.

### **Background**

2. SSLEP has committed and allocated just over £37 million through twelve contracts awarded following open and competitive tendering procurement across all eight Staffordshire districts and the Stoke-on-Trent City Council area.

3. The committee has previously agreed to opt-in for a second round of ESF training and skills provision with the ESFA. The four areas of investment will require investment of £14.5 million of funding and it is anticipated that the extended programme will be in place to commence in April 2019 when the current contracts come to an end in the March.

The indicative funding attached to each of the proposed four programmes are:

IP 1.1 Skills Support for the Unemployed:	£2,000,000
IP 1.2 Support for Young People - NEET:	£5,000,000
IP 1.4 Community Grants:	£1,000,000
IP 2.1 Skills Support for the Workforce:	£5,000,000

4. In addition, two open calls have gone out to tender from the Managing Authority (MA) for Priority 2 Skills for Growth; 'Higher Skills' project and a 'Skills Hub' brokerage training support project. We are awaiting the outcome of these awards which when combined account for £8 million.

### **Local Programme Progress**

5. The ESIF Committee receives via the MA programme performance for the three opt-in projects with the ESFA, DWP and Big Lottery. Locally we receive high level performance reports from ESFA, DWP and Big Lottery but these lack sufficient detail and timeliness to inform partners of delivery.
6. We have via the opt-in partners and lead providers a system of localised reporting to gather local intelligence on how well the programme is operating and how we can support delivery through a process of receiving unverified data... This is to help to identify how we can work with providers to maximise the outcomes and success of the programme by addressing any barriers to delivery and making connections with mainstream provision and promoting the programme to residents and business.
7. Table 1 below shows the overall cumulative position across all currently operating contracts. In total 14,648 people have started on the programme and, 5,325 have progressed in work, into education, training and apprenticeships and jobs helping to improve skill levels and productivity.

**Table 1: Cumulative Programme Starts and Progressions by Geography**

<b>Total starts and progressions by district</b>				
<b>Geography</b>	<b>Number of starts to June 2018</b>	<b>% no. of total starts</b>	<b>Number of progressions to June 2018</b>	<b>% no. total progressions</b>
Cannock Chase	1555	11%	491	9%
East Staffordshire	1023	7%	309	6%
Lichfield	729	5%	206	4%
Newcastle-under-Lyme	1492	10%	429	8%
South Staffordshire	464	3%	167	3%
Stafford	1265	9%	457	9%
Staffordshire Moorlands	619	4%	279	5%
Stoke-on-Trent	6094	42%	2411	45%
Tamworth	730	5%	227	4%
Out of Area	677	5%	349	7%
<b>Total</b>	<b>14648</b>	<b>100%</b>	<b>5325</b>	<b>100%</b>

8. Table 2 shows the improvement in skill levels across the LEP area compared to nationally. As the data shows, there are now relatively fewer people with no qualifications than nationally and a relatively faster growth rate in people gaining qualifications in the LEP area, which is narrowing the skills gap. Whilst the growth in skill levels is growing faster than nationally, more pull through from lower levels and growth in intermediate and higher level skills is required when compared to national skill levels.

**Table 2: Labour Force Qualifications**

	<b>SSLEP</b>			<b>GB</b>			<b>Percentage Point Difference SSLEP &amp; GB</b>	
	<b>2014</b>	<b>2017</b>	<b>Change</b>	<b>2014</b>	<b>2017</b>	<b>Change</b>	<b>2014</b>	<b>2017</b>
<b>No Qualifications</b>	13.3%	7.0%	-6.3%	8.8%	7.7%	-1.1%	4.5%	-0.7%
<b>NVQ Level 1 and above</b>	80.9%	84.7%	3.8%	85.0%	85.4%	0.4%	-4.1%	-0.7%
<b>NVQ Level 2 and above</b>	70.3%	72.1%	1.8%	73.3%	74.7%	1.4%	-3.0%	-2.6%
<b>NVQ Level 3 and above</b>	48.8%	51.6%	2.8%	55.0%	57.2%	2.2%	-6.2%	-5.6%
<b>NVQ Level 4 and above</b>	26.8%	30.6%	3.8%	36.0%	38.6%	2.6%	-9.2%	-8.0%

Source: ONS annual population survey  
 Numbers and % are for those of aged 16-64  
 % is a proportion of resident population of area aged 16-64

**Programme Funding by Investment Priority (IP)**

9. Table 3 below gives an estimate of the current position in terms of potential funding outturn after commitments. This is based on unverified data collected locally and takes account of the revised exchange rate, the performance reserve, open calls and opt-in extensions leaves a remaining fund estimated at £15.7 million. Further detail is available at Annex 1.



**Table 3: Programme Funding by Investment Priority (IP)**

Priority	Allocation (new exchange rate of £0.877)	Contract Value inc extension & mgt fee	Remaining Funds at contract value	Known underspend inc mgt fee	15% Top Up Value	Remaining Funds after underspend and Top UP
1.1 Total	19,846,773	18,645,594	1,201,179	420,600	2,977,016	4,598,795
1.2 Total	9,799,840	6,415,103	3,384,737	688,708	1,469,976	5,543,421
1.4 Total	11,805,340	14,056,836	- 2,251,496	2,784,123	1,770,801	2,303,428
2.1 Total	19,373,974	20,730,973	- 1,356,999	810,596	2,906,096	2,359,693
2.2 Total	3,471,274	3,084,839	386,435	-	520,691	907,126
<b>Total</b>	<b>64,297,201</b>	<b>62,933,345</b>	<b>1,363,856</b>	<b>4,704,028</b>	<b>9,644,580</b>	<b>15,712,464</b>

10. Across IP 1.1 there is a potential to increase the current opt-in programme with DWP for a further two years estimated at around £4 million, subject to negotiation. DWP require the LEP to confirm it agrees to supporting the extension of the current 3-year ESF opt-in arrangements for the 'Work Routes' contract held by Reed in Partnership that has a current end date of 31/12/2019. The original ESIF Sub-Committee approval back in 2015 was for this contract to be awarded on a 3+2 basis subject to performance criteria being met. DWP with LEP agreement awarded the contract to Reed in Partnership and so far after two-years of operation it has supported over 3,300 participants with over 900 job entries and it has met the DWP performance criteria to trigger the extension. The LEP has a good working relationship with Reed in Partnership and we support the extension and have set sufficient funds aside to support the two-year extension through to December 2021. DWP required the letter from the LEP Chair to confirm the go-ahead to approach Reed in Partnership to negotiate terms and payment model for the two-year extension. This two-year extension is key to delivering the LEP's ESIF ESF programme and commissioning plan.

11. The BBO opt-in position has been communicated for a second round however there is insufficient funding to support this in IP1.4 and therefore a growth case is required. There is also provision in IP2.1 for the Open Call for Higher Level skills but it is unlikely that the £5 million in the call will be secured based on dialogue with applicants. Limited amounts of funding will be available in IP 2.2 after the Skills hub has been awarded.

## Recommendations

12. It was agreed that the Committee continues with the Opt-in extension for the Work Routes DWP programme.
13. It was agreed that the Committee support the extension of the Big Lottery Building Better Opportunities programme and make a case for growth.
14. It was agreed that given the remaining availability of funds and take up of open call and opt-in extensions it is recommended that a project pipeline is established to utilise all remaining funds across the IPs.
15. It was agreed to write to the managing authority regarding the rate of progress in approving the Skills Hub brokerage open call.