**STOKE-ON-TRENT AND STAFFORDSHIRE
LOCAL ENTERPRISE PARTNERSHIP
EXECUTIVE BOARD MEETING
14th February 2019**

Skills Advisory Panels

Purpose

1. To inform the ESEG of the latest guidance on the creation of Skills Advisory Panels (SAPs) in each LEP area, which includes information about the £75k funding and applied conditions from the Department for Education to develop governance and analytical capabilities.
2. Tto share a project plan determining next steps in the SAP process and its alignment to the completion of the Local Industrial Strategy.

Recommendation

3. The ESEG approves proposals to utilise the £75k DfE funding and considers the contents of the project plan and the alignment with the Local Industrial Strategy.

4. The ESEG approves the recommendations to strengthen the Education, Skills and Employment Group (ESEG) to act as the Board of the SAP.

Background

5. 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".

6. 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.

7. 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.

8. 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

9. 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**.

10. 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

11. The SAP board will have an advisory role with the following responsibilities:

- to develop 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.
- to 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.
- To understand 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.
- To act as coordinator of local skills providers to ensure skills needs are provided for.
- To work closely with careers advisory services to ensure that potential learners are informed about potential career routes within a local place.
- To promote apprenticeships with local employers and providers.
- To advise where skills and labour market resource should be directed to support local employers and residents.

The SAP Board composition

12. 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.

13. 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

14. 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).

15. For SSLEP, **the SAP will be accommodated through the strengthening of the Education, Skills and Employment Group (ESEG)** to act as the Board of the SAP. This will need to be underpinned by a data working group to source additional data and evidence with partners and to collate the information and intelligence to inform the analysis by the Board.

16. Stoke-on-Trent & Staffordshire already has a provider network in place through the Staffordshire Partnership for Employment and Skills (SPES). This Partnership includes representatives from FE colleges, universities, the voluntary and community sector and local authorities. We have agreed to work with SPES as the provider forum to engage with. In addition, SPES is already a member representative of the ESEG.

The Skills and labour market analysis

17. The skills and labour market analysis **needs to follow a SAP analytical framework that features as part of the consultation supported by a Local Skills Analysis Toolkit**. 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.

18. 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

19. 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 the delivery timeline, content and level of detail, are currently unclear.

20. 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

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

How the £75k DfE funding will be used to develop SAP governance and analytical capabilities

22. The Department for Education has awarded £75k to each LEP to support the development of the SAPs and to support the completion of the skills and labour market analysis.

23. For SSLEP the funding will provide additional analytical capacity through a Skills Analyst to undertake the qualitative engagement of businesses and key stakeholders in systematically collating and analysing local skills and LMI, and build a network of key businesses to do this. The Skills Analyst will provide a systematic approach to inform providers of analysis and the implications for skills priorities. Further consideration needs to be given however to how the work will continue beyond the funded period to ensure sustainability.

SAP Consultation

24. This LEP has recently submitted a number of questions as part of DfE consultation on the development of SAPS. The issues raised by the LEP are as follows:

25. 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. Without any real influence, resource or leverage there is a risk that the SAP will not be able to affect change. This is often a source of frustration to business in that they are expected to engage and provide advice but have little influence in driving forward change.

26. In the current skills system learning and skills providers are autonomous and have their own accountability and governance frameworks. Therefore, how 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?

27. Further clarity on what the output from the SAP process will 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? Knowing this up front ensures we can focus our efforts and not have to rework activity which often switches off businesses from further engagement.

28. The conclusion to the consultation is that the DfE will work with local areas to determine:

- how to spread best practice across LEPs and MCAs
- how to address concerns around data availability
- what analytical support central government should provide
- what influence Skills Advisory Panels might have over skills provision.

Next Steps

29. To conclude initial mapping work to determine gaps in evidence.

30. To recruit a SSLEP Skills Analyst co-funded by the LEP and Staffordshire County Council for potentially up to 2 years.

31. SPES has agreed to be the provider network so there is a need to map in the key dates of their meetings for engagement.

32. To formalise the data working group to source additional data and evidence with partners.

Board Member: Wendy Dean
Contact Officer: Anthony Baines – County Commissioner Skills & Employability

SAP project Plan

Quarter	Activities	Risks	Mitigations
Jan-Mar19	• Evidence gathering to map & gap existing skills research, intelligence and LMI data against the analytical framework • Initial assessment and identification of initial issues, gaps and priorities for further exploration • Commence recruitment of Skills Analyst • Draft SAP governance arrangements • Tender and appointment of consultant to complete LIS	• Insufficient capacity to undertake the mapping and gapping	• Initial project team formed, and work has commenced • Project team feeding into LIS work programme design on an ongoing basis to maximise capacity and synergy
Apr-Jun19	• Appoint Skills Analyst • Establish SAP Board • Report initial findings of analysis and early priorities • Phase 1 collation of evidence base for LIS	• Lack of suitable candidates Ability to procure suitable contractors	• Commission external support Use LA contractors from existing procurement frameworks
Jul-Sep19	• Engagement of stakeholders in diagnosis and analysis • Phase 2 sector profiling for LIS • Review of progress with	• Lack of engagement of stakeholders	• Communications and engagement will be led by the SAP board working with the LIS Steering Group on business engagement

	DfE SAPS team		
Oct-Dec19	• Draft Report and conclusions from analysis • Develop key policies, priorities and actions • Final report including policies and priorities agreed by SAP board • Phase 3 scenario planning and strategy development for LIS		
Jan-Mar20	• Draft delivery plan for priorities • SAP Board agrees delivery plan • Communicate the priorities and delivery plan • LIS completed	• Lack of resources to deliver the priorities	• Secure influence and resources with key stakeholders to own and deliver priorities
Apr20-Mar21	• Implement skills delivery plan • Monitor and evaluate the plan		
Beyond April 2021	• Refresh analysis • Monitor and evaluate the priorities • Revise plan	• Lack of ongoing analytical resources	