

From: Roger Gough, Cabinet Member for Children, Young People and Education.

Matt Dunkley, Corporate Director, Children, Young People, and Education

To: Growth, Economic Development and Communities Cabinet Committee – 1 February 2018

Decision No: N/A

Subject: Employer Guilds, Adult Skill Forums and their role in addressing the employment and skills needs of the County

Classification: Unrestricted

Past Pathway of Paper: A progress report on Kent & Medway Employer Guilds was made to this Committee in March 2017

Future Pathway of Paper: A further progress report, will be provided to this Committee on 15 November 2018

Electoral Division: All Divisions

Summary:

This report explains the current position of employment and skill levels of adults in the County, providing the context for the work of (a) Employer Guilds and (b) Adult Skill Forums

Recommendation(s):

The Cabinet Committee is asked to note the content of the report and recognise the need for co-ordinated action to improve skill levels in the context of the County's response to the Government's Industrial Strategy.

1. Context: employment and skill levels in Kent¹

1.1 Adult unemployment (16-64) and Youth unemployment (16-24) in Kent are each below the National Average, but are above the levels of our South East neighbours (figures)

- Unemployment 16-64: Kent 1.7% (15,750), GB 1.9%, South East 1.4%
- Youth Unemployment 16-24 : Kent 2.8% (3,550); GB 2.8%; South East 2.0%

1.2 Unemployment (16-64) is higher than the National Average in five districts in Kent. Youth unemployment (16-24) is higher than the national average in six Districts.

Table 1

	18-64	18-24
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¹ KCC Business Intelligence Statistical Bulletin. Nov 2017. NOMIS, October 17

Dover	2.3%,(1,520)	4.6% (380)
Gravesham	2.1% (1,390),	3.8% (320)
Shepway	2.2% (1,415)	3.5% (275)
Swale	2.3%, (1,970),	4.6% (530)
Thanet	3.4% (2,755)	5.7% (630)
Ashford		3.3% (305)
Kent	1.7% (15,520)	2.8% (3,550)
South East	1.4%	2.0%
GB	1.9%	2.8%

1.3 Unemployment is **concentrated** in a small number of wards. For example, 7 of 25 wards in Swale account for 50% of the District's unemployment and, in Thanet, 7 of 23 wards account for 62% of its unemployment.

1.4 Although unemployment is currently nationally, and locally, relatively low, the cost of unemployment is still significant. For example, the 3,550 young people 19-24 currently claiming Job Seekers Allowance represent a cost of **£10.7m** (3,550 x 52 weeks x £57.90 per week) in benefits alone. To this can be added the lost revenue from income tax payments and the financial cost of social ills associated with unemployment.

The financial, and other, benefits of assisting young adults into the workforce are many and obvious.

1.5 Skill Levels in Kent are now below the National Average at **all** levels, and are significantly below South East levels²:

Table 2

	Adults with NO qualification s %	Adults at Level 2 Equivalent to 5 x GCSE A*-C) %	Adults at Level 3 (equivalent to 2 A Levels) %	Adults at Level 4 and Above %
Kent	7.3	73.1 (74.6)	54.4 (54.4)	36.9 (33.6)
South East	6.5	77.5 (76.5)	60.3 (59.3)	41.4 (38.3)
GB	9.3	74.3 (72.3))	56.0 (55.8)	38.0 (35.2)
ALES Strategy KPI ambition (%)	6	80	60	40

1.6 Time series statistics show that, from 2001 the skill levels of the Adult Population, nationally; have been steadily increasing, largely because young people with qualifications enter the labour market replacing older, unqualified/less qualified people as they retire.

² ONS Population Survey to December 2016 (previous year in brackets)

- 1.7 Although skill levels in Kent have, likewise, steadily increased, we have fallen further behind our geographical neighbours and, more recently, behind the National Average.

For further details re time series see **local authority profiles** at: www.nomisweb.co.uk,

- 1.8 **Priority Sectors:** For economic growth it is not sufficient to improve qualification levels. Skills are needed in the *right* sectors – those perceived to have high value, such as science and engineering, and those with high employment demand, such as health & social care, hospitality and construction. Education and training providers need to be responsive to the needs of the labour market and create clear pathways to skilled employment including ‘alternative escalators to higher skills’³.
- 1.9 **Priority Communities:** People from lower socio-economic backgrounds are far less likely to access training and education than those from higher socioeconomic backgrounds; people who left education at age 16 are far less likely to access education/training than graduates; and people from deprived and isolated communities are less likely to access education/training. Given that people from these groups are the very people who need education and training the most, in order to maintain independent and productive lives, some targeting of resources is required.

2. Response

- 2.1 In 2015 the *Adult Learning Employment and Skills Strategy 2015-18* was published. The strategy contains fourteen KPIs framed within four key priorities:

- Reduce unemployment
- Increase adult skill levels
- Increase training and employment in priority sectors
- Increase employment and participation in learning amongst priority communities

Available at: https://www.kelsi.org.uk/data/assets/pdf_file/0020/54632/Adult-Learning-Employment-and-Skills-Strategy-2015-2018.pdf

Note: At the time of writing, the ALES strategy is being updated and a 2018-21 Strategy is being produced. A draft version of the refreshed Strategy will be available in January 2018.(prior to the Committee meeting)

- 2.2 In consultation with a wide range of stakeholders, including FE and HE College, Training Providers, Job Centre Plus, Adult Education, and employer representatives, an *Action Plan* was produced to deliver the KPIs

- 2.3 Two mechanisms have been created to support delivery of the strategy:

- 2.3.1 **‘Employer Guilds’** across eight industrial sectors:

- Sciences

³ CBI Annual Skill Survey. Pearson, 2016

- Engineering & Advanced Manufacturing
- Construction & the Built Environment
- Land Based Industries
- Hospitality & Tourism
- Health & Social Care
- Creative & Media
- Financial Services

The purpose of the Guilds is to *'provide an interface between employers and education /training providers'*

Each Guild is attended by employers from within a defined sector, universities, FE Colleges and training providers and schools that have a focus on the sector. (A data-dashboard is attached illustrating the make-up of each Guild).

Currently 181 companies are signed up to the Guilds, approximately half of which regularly attend (quarterly) Guild meetings.

For 2017/18 the Guilds have been targeted to provide:

- 800 work placements
- 300 apprenticeship opportunities
- 20 Employer advisers for the Careers Enterprise Company (CEC)
- 20 Schools receiving the support of employer advisers (CEC)

To date the companies attending the eight guilds have reported providing a total of 458 work placements and 215 Apprenticeship Opportunities. The guilds are on course to achieve both targets by the end of the academic year .

The purpose of work placements is to provide an opportunity for young people to gain experience of the workplace. For some older pupils this occasionally leads to employment. The primary purpose is for younger pupils to begin to consider their career options as part of a CEIAG offer.

KCC Skills and Employability jointly funds a post with the Careers Enterprise Company. The postholder, Munya Badze, has worked through the Guilds to appoint 28 'employer advisers' that work with 24 schools to broker employer engagement.

2.3.2 Adult Skill Forums

Commencing in July 2016 Adult Skill Forums have met on a quarterly basis at five locations across the County, based around the catchment areas of the five FE Colleges.

- Hadlow, West Kent and Ashford Colleges (Ashford, Sevenoaks, Tonbridge and Tunbridge Wells)
- Maidstone, Mid Kent College (Maidstone, Swale and Medway)
- Canterbury, Canterbury College (Canterbury and Shepway)
- Broadstairs, East Kent College (Thanet and Dover)
- Dartford, North Kent College (Gravesend and Dartford)

The meetings are attended by FE & HE College reps, training providers, Adult Education staff, District Economic Development Officers and Job Centre Plus staff.

The primary purpose of the Adult Skill Forums is to build pathways between providers creating 'alternative escalators to higher skills'. Information sharing and qualification mapping help this process. For example, the five Forum meetings in January led to Independent Training Providers delivering Social Care, linking with Christ Church University's new degree apprenticeships to create a pathway from level 2 to level 5; CLS has created local referral mechanisms for parents attending family learning to attend access courses at FE colleges; and training providers have linked with Colleges to provide specific elements of courses such as online functional skills and enterprise education.

KCC contributes directly to the training of adults through CLS providing courses in literacy and numeracy, and through family learning. Beyond this KCC has a role in mobilising all of the relevant providers to respond to compelling evidence of need.

3. SELEP

- 3.1 South East LEP has responsibility for allocating £72m of European Social Funds for Skill Development. As this requires match funding, SELEP has formed three partnerships with the SFA (now ESFA), DWP and Big Lottery Fund and has allocated over £50m to the three partners.

SELEP has offered 18 contracts with values from £250,000 to £11m. The 12 organisations that won these contracts work with a multitude of sub-contractors.

Detailed information about the funds and the many providers that are delivering training can be found on the SELEP Website:

<http://www.southeastlep.com/skills/esf>

- 3.2 Programmes began to operate earlier this year and include

Skills Support for the Workforce (SSW) :

- Higher Skills (Ixion),
- Higher Digital Skills (EK College), and
- Numeracy/Literacy (STUK)

Skills Support for the Unemployed (SSU):

- Preparation for Apprenticeship (STUK)
- Numeracy and Literacy (STUK) ;
- Preparation for Employment (REED in Partnership)

It is hoped that each of these programmes will have an impact on increasing employment and increasing adult skill levels.

- 3.3 The remaining £20m was the subject of a LEP seminar in September. There will be calls for proposals early in 2018 and it is anticipated that these will include a funding stream for Employer Engagement.

4. The industrial Strategy

- 4.1 In November 2017 the government released the *Industrial Strategy White Paper: Building a Britain Fit for the Future*. The Strategy contains five strands: Ideas, **People**, Infrastructure, Business Environment and Places.

The 'People' (skills) strand has the following themes:

- Building on strengths – particularly the Higher Education sector
- Building a world class Technical Education system, including the introduction of new qualifications (T-Levels), and, of course, growing apprenticeships.
- Driving up the study of maths and digital skills
- Creating opportunities for all throughout life, which includes the creation of a National Re-training Scheme for people already in the workforce.

The Industrial Strategy responds to concerns about productivity and the UK's international competitiveness – and places skills at the heart of the Strategy. This is a very welcome development as it recognises the need to make radical improvements to our training infrastructure, including re-training and upskilling the existing workforce.

Kent County Council is responding to the Industrial Strategy by producing a *Kent Enterprise and Productivity Strategy*. The strategy recognises the need to improve the education and skill levels of the County's workforce in order to deliver economic growth.

5. Conclusion

- 5.1 Kent has serious issues with its skill levels and, therefore, its ability to respond to the changing requirements of commerce and industry. There is a risk that some parts of Kent could become low-value, low-skill economies - but this can be mitigated if attention is paid to ensuring that our education and skills system responds to the needs of local and wider industry, driving up skills.

Employer Guilds and *Adult Skill Forums* can play an important role in influencing employers, education and training organisations to provide a responsive skills system, and place KCC in a position of strategic leadership, as the National *Industrial Strategy* is implemented.

6. Recommendation(s)

The Cabinet Committee is asked to note the content of the report and recognise the need for co-ordinated action to improve skill levels in the context of the County's response to the Government's Industrial Strategy

7. Background Documents

7.1 14 -24 Learning, Employment & Skills Strategy. -
http://www.kent.gov.uk/_data/assets/pdf_file/0014/6206/14-24-learning,-employment-and-skills-strategy.pdf

8. Contact details

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