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Gloucestershire

Employment Skills and Jobs: a prospectus

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FOREWORD

The world has changed considerably since the coalition government came to power in May 2010. The landscape is still evolving but the issues we have identified and the challenges we wish to address through this prospectus will not change, although the mechanisms that we use to deliver change may be different.

During this time of change this prospectus sets the agenda of how we want to work together. In an era of fewer resources building strong partnerships between the public, private and voluntary sector is more important than ever. As we move forward working with partners such as businesses, colleges, training providers and those agencies delivering the work programme will be increasingly be more important.

In a tougher environment of reduced public sector expenditure we need to ensure that mainstream employment and skills programmes are fit for purpose and responsive to local needs and circumstances in Gloucestershire. We need to support regeneration, inward investment, and economic and jobs growth by ensuring that businesses have access to a flexible supply of skilled labour. We need to work collectively so that we are well placed to make the most of the national programmes as, and when, they emerge. We want to continue to work with you so that we can achieve this for Gloucestershire.

EXECUTIVE SUMMARY

The financial, institutional and policy context has changed radically over the course of the development of this prospectus. However, boosting skills levels and increasing levels of employment remain top priorities for coalition government.

Gloucestershire is a great place to live and work and has a number of key economic strengths. However, despite these strengths a number of challenges remain. The recession has had a significant impact on the economy and employment forecasts are pessimistic and suggest that it may take a long time before employment returns to pre-recession levels. There are still too many residents with low or no qualifications and businesses report skills gaps and shortages with their current workforce.

The Gloucestershire Integrated Economic Strategy sets out a clear view on the economic opportunities for the county, and how we can secure the benefits of these for our businesses and residents. These opportunities are real and include those linked to current and planned regeneration, inward investment, and opportunities for our key industrial sectors to grow and flourish. To maximise the benefits for our current and future businesses we need to make sure that there is a supply of appropriately skilled labour to meet their recruitment needs and to drive up their productivity and competitiveness. We need to make sure that our residents are given the opportunities to enhance and develop their skills to meet these needs.

This prospectus sets out a series of objectives that have been developed through robust analysis of labour market data and extensive consultation and engagement:

Priority 1 – Building Gloucestershire’s future labour force;

Priority 2 – Raising employability and reducing worklessness; and,

Priority 3 – Providing employers with the skills they need for the future.

Taken together these priorities aim to address Gloucestershire’s employment and skills challenges by: ensuring that young people are equipped with the right skills to drive the future growth of the Gloucestershire economy; developing the workforce skills needed now by Gloucestershire’s employers to tackle skills shortages and gaps; and, tackling concentrations of worklessness to ensure that there is a skilled and flexible workforce to meet the needs of employers as the economy moves out of recession.

1. PROSPECTUS FOR EMPLOYMENT, SKILLS AND JOBS IN GLOUCESTERSHIRE

The changing policy context

- 1.1. The financial, institutional and policy context has changed radically over the course of the development of this prospectus. However, boosting skills levels and increasing levels of employment remain top priorities for coalition government. Government is also highlighting an increasing need to recognise the social and cultural benefits of learning and the contribution that this can make to local economies and communities.
- 1.2. The announcements contained within the recent Spending Review, confirmed that local government funding would fall by 26% over the next four years. The Spending Review also shows that £1.1 billion - or 25% of public funding will come out of adult further education in the next four years - that's on top of the £240 million reduction this year. An inevitable consequence of this is that further education and skills providers and Colleges must change the way they do business. Recent Government consultations¹ emphasise an increasing need to create a joint enterprise between learning providers, employers and individuals and strengthen the relationships between colleges, local authorities, charities, voluntary organisations and social enterprises.
- 1.3. The government has recently published the Skills Strategy and Skills Investment Plan outlining how government will simplify how it funds and regulates the further education and skills sector. The Skills Funding Agency will have less interventionist role and Colleges will be incentivised to determine and deliver the outcomes that their customers and communities want. Inherent in all of this is the assumption that both individuals and employers will be expected to make a greater contribution to learning. Government is emphasising an increasing need to create a joint enterprise between learning providers, employers and individuals and strengthen the relationships between colleges, local authorities, charities, voluntary organisations and social enterprises.
- 1.4. The desire is to increase those learning opportunities that bring the most benefits in terms of sustainable jobs and communities, with the possibility of greater incentives attached to priority areas and groups. Government has also signalled its desire to increase those learning opportunities that are work based. This is demonstrated by the increase in funding for Apprenticeships where government has indicated a preference for work based qualifications and an enhanced role for employer led bodies in ensuring apprenticeship frameworks meet criteria for jobs.

¹ Skills for Sustainable Growth, BIS, July 2010
A Simplified Further Education and Skills Funding System and Methodology, BIS, July 2010
A Strategy for Sustainable Growth, BIS, July 2010

- 1.5. The wider policy and operational landscape within we are operating is changing significantly at a rapid pace. Regional Development Agencies have been abolished and with this the creation of Local Employment Partnerships (LEPs) and a new Regional Growth Fund. With the creation of LEPs local authorities and other stakeholders are to be given a role to use labour market intelligence to “nudge” further education and skills provision in the right direction – indeed all of the LEP submissions identified the need to increase skill levels and influence skills provision as a priority.
- 1.6. The Welfare to Work environment is also changing significantly with the move to a single Work Programme for the out of work and the move to larger contracts where risk and reward is more evenly shared between government and prime providers and where sub-contracting arrangements are the norm. The preferred suppliers framework has now been published with prime contractors Work Programme bids expected by the 21st of January 2010. The assessment process will consider the degree of supply chain management and the level of partnership and community involvement. This move to larger contracts and thus prime providers is likely to be echoed with regard to further education and skills also, placing further impetus on the need to work in a different way.
- 1.7. The changing policy and financial context will mean that we will need to look for new ways and seek new opportunities to deliver our ambitions. As we move forward we will use this prospectus as the framework to guide our activities.

Challenges and opportunities

- 1.8. Gloucestershire is a great place to live, work and visit. The county is blessed with beautiful and unique countryside which plays a major role in attracting new inward investment, businesses and people to the area. The population of Gloucestershire is highly skilled and there are a significant number of excellent schools. The county has a diverse economic base and the number of local businesses has increased rapidly over the last decade growing faster than regional and national averages. Economic strengths include: advanced engineering; construction; creative industries; distribution; environmental technologies; finance & business services; food Supply; ICT; and, leisure and tourism².

² The Economy of Gloucestershire 2009



- 1.9. Despite these strengths there are a number of challenges that need to be recognised and addressed if Gloucestershire is to realise its ambition of becoming “a place where businesses flourish, communities thrive and individuals have the opportunity to reach their potential”. Evidence suggests that the north of the South West region, including Swindon and Gloucestershire, appears to “have borne the brunt” of the recession. Forecasts are pessimistic and suggest that it may take a long time before employment returns to pre-recession levels. There are still too many residents with low or no qualifications and businesses report skills gaps and shortages³ with their current workforce impacting on the productivity and competitiveness of the county’s economy.
- 1.10. Gloucestershire First is the lead body through which partners undertake core functions to drive forward inward investment, work with business leaders and employers to retain jobs and services in the County, enhance the skills base

³ A skills 'gap' implies an area where individuals within the existing workforce have lower skill levels than are necessary to meet business or industry objectives, or where new entrants lack some of the skills required for them to perform effectively. A skills 'shortage' is where there is a lack of adequately skilled individuals in the labour market.

within the workforce and encourage economic regeneration in key localities. The Partnership has three key policy boards. The Employment & Skills Board (ESB) is responsible for understanding and communicating the present and future needs of employers in relation to jobs, skills and investment in Gloucestershire. It is tasked with identifying and developing appropriate actions which can be progressed through the partnership to tackle the challenges raised. Under this remit, the ESB has led the development of this prospectus⁴.

- 1.11. The ESB is employer-led with ten executives and directors drawn from a range of the County's key economic sectors. They are supplemented by senior officers from key stakeholders at regional and local level including SWRDA, Jobcentre Plus, Business Link, the Skills Funding Agency, Unite Union and the Federation of Small Businesses.
- 1.12. The strategic partnership arrangements in Gloucestershire are currently being reviewed to ensure that they are fit for purpose in the current financial and policy climate. Alongside this, the reduction in public expenditure underlines the need to find new ways of working together to continue to support our businesses, residents and communities. While the coalition government policies and programmes are still being developed some of the potential new interventions will be unclear. However, in this period of uncertainty, what is clear is the coalition government's support for localism and empowerment of councils and local communities. This is in line with the work, and ambitions, of Gloucestershire First and the Gloucestershire Employment and Skills Board.
- 1.13. Moreover, the issues we have identified and the challenges we wish to address will not change even though the policy context we are working in is rapidly evolving.

Strategic Objectives

- 1.14. The Gloucestershire Integrated Economic Strategy sets out a clear view on the economic opportunities for the county, and how we can secure the benefits of these for our businesses and residents. These opportunities are real and include those linked to current and planned regeneration, inward investment, and opportunities for our key industrial sectors to grow and flourish. To maximise the benefits for our current and future businesses we need to make sure that there is a supply of appropriately skilled labour to meet their recruitment needs and to drive up their productivity and competitiveness. We need to make sure that our residents are given the opportunities to enhance and develop their skills to meet these needs.
- 1.15. To do this we need to agree a clear set of priorities for the future development of employment and skills. This document sets out a series of objectives, and a prospectus that has been developed through a robust

⁴ Details on governance arrangements are provided in section 6 of the prospectus

analysis of labour market data and extensive consultation and engagement. The three strategic objectives which provide the overall framework for the Plan are:

- Objective 1 – Building Gloucestershire’s future labour force;
- Objective 2 – Raising employability and reducing worklessness; and,
- Objective 3 – Providing employers with the skills they need for the future.

1.16. Taken together these priorities aim to address Gloucestershire’s employment and skills challenges by: ensuring that young people are equipped with the right skills to drive the future growth of the Gloucestershire economy; developing the workforce skills needed now by Gloucestershire’s employers to tackle skills shortages and gaps to improve their productivity and competitiveness; and, tackling concentrations of worklessness to ensure that there is a skilled and flexible workforce to meet the needs of employers as the economy moves out of recession.

The Role of the Employment and Skills Board

1.17. In a tougher environment of reduced public sector expenditure we need to ensure that mainstream employment and skills programmes are fit for purpose and responsive to local needs and circumstances in Gloucestershire. We also need to ensure that Gloucestershire residents and businesses get their fair share of the public sector investment at a time of reduced funding. We need to support regeneration, inward investment, and economic and jobs growth by ensuring that businesses have access to a flexible supply of skilled labour. We need to work collectively so that we are well placed to make the most of the national programmes as, and when, they emerge.

1.18. While the local and sub-regional structures we work through may change, in light of the LEP bid and new partnership structures, any new arrangement will have to consider how the public and private sector partners come together to address employment and skills challenge. In this regard, Gloucestershire Employment and Skills Board has an important role in:

- **Acting** – working with employers in the public, private and third sectors to raise their demand for, and investment in, skills provision to increase competitiveness and support economic growth;
- **Coordinating** – working together with our partners to coordinate a range of services and activities to deliver ‘more for less’ for our residents and businesses;
- **Promoting** – working to promote, and raise awareness of, programmes and initiatives that can help deliver a step change in our labour market and economy;
- **Championing** – as major Gloucestershire employers we will lead by example championing workforce development, acting as employment and skill ambassadors to the business community; and,

- **Influencing** – We will seek to influence regional and national partners and programmes wherever possible, to ensure that employment and skills provision is locally focused and meets the needs of our businesses and residents.

- 1.19. This prospectus is an invitation, and call to action, to local, regional and national stakeholders, partners, agencies, businesses, providers and the voluntary and community sector. We want to work with you to help tackle the challenges facing Gloucestershire, and to seize the opportunities that change offers to build the foundations for a strong and stable economy ensuring that we create the conditions for jobs growth.
- 1.20. This prospectus is being developed during a period when the policy context is rapidly evolving. This is an active document and will be kept up to date to reflect and respond to policy changes and opportunities as they emerge.

2. STRATEGIC OBJECTIVE 1

Strategic Objective 1: Building Gloucestershire's future labour market

- 2.1. Gloucestershire **performs well on equipping young residents with qualifications**. GCSE attainment within the county is above the national and regional average. Despite this good performance almost one-quarter of Gloucestershire employers, who have recruited school leavers, state that **young people are poorly, or very poorly, prepared for work**. The main reasons cited are literacy problems, poor education and general knowledge, and lack of motivation and commitment.
- 2.2. Historically the level of young people not in employment, education or training (NEET) has been low in the county. However, as a consequence of the recession young people are finding it increasingly difficult to enter the labour market. **Youth unemployment has more than doubled** in the past two years in Gloucestershire and this growth has been **significantly above the national average**.
- 2.3. The take up of vocational routes to learning in Gloucestershire is low with employer involvement in **apprenticeships the lowest in the region**; in addition to this, **too many young people in Gloucestershire are in jobs without training**.
- 2.4. Young people need to make important decisions which will impact on future career options, even earlier than before. This emphasises the need for increased education/business collaboration and for the development of an enhanced Information Advice and Guidance (IAG) service.
- 2.5. Therefore, the three priorities which have identified to build Gloucestershire's future labour market are:
- Enabling Gloucestershire's young residents to make informed decisions based on real opportunities in the future;
 - Building an educational system that is responsive to the needs of Gloucestershire businesses; and,
 - Recognising the benefit of vocational routes to learning for young people.
- 2.6. These priorities are closely aligned with the Gloucestershire County Councils 14-19 delivery plan and commissioning statement.

Priority 1 - Enabling Gloucestershire's young residents to make informed decisions based on real opportunities in the future

- 2.7. It is essential that young people in the county have access to information to make informed choices about their future and an excellent range of vocational and academic options to choose from. There is evidence that learners who receive good quality IAG achieve better grades and are less likely to drop out of learning or change course after they are 16. There also is

evidence that effective IAG programmes contribute to both achievement and inclusion by raising aspirations, increasing motivation, challenging stereotyping and enabling young people to make the most appropriate choices.

- 2.8. All maintained schools and FE colleges in Gloucestershire have an obligation to make impartial IAG available to all young people. However, at the moment individual learners lack a coherent, high quality and independent IAG system. Further, there is no coherent, good quality and regularly updated system of labour market intelligence (LMI). This is needed to inform key decision makers (such as the ESB) and to feed into the IAG system. These issues and challenges are already recognised by 14-19 Gloucestershire Partnership and part of their ongoing work programme.
- 2.9. We need to work with partners to agree common standards and systems for the delivery of careers IAG to young people across the county which has real links to the advice and guidance information being given to adults. This needs to be supported by arranging for the preparation and regular updating of LMI and associated training for intermediaries.
- 2.10. On this basis, the Employment and Skills Board proposes the following actions to enable young people to make informed decisions based on real opportunities:

1SP1a	Develop a co-ordinated and high quality IAG system with a focus on priority sectors, skills and occupations which meet employers' needs.	Coordinating
1SP1b	Educating the educator; create stronger links between IAG providers and teachers in schools.	Coordinating
1SP1c	Coordinate IAG for young people with advice and guidance being given to adults, to ensure consistency and progression.	Coordinating
1SP1d	Promote the 14-19 prospectus to Gloucestershire's parents and young residents.	Promoting
1SP1e	Monitor the amount of time spent on careers advice and guidance in schools in Gloucestershire with a view to targeting those providing the least comprehensive services for additional support.	Influencing

Priority 2 - Building an educational system that is responsive to the needs of Gloucestershire businesses

- 2.11. Schools and businesses need to work much more closely together to make sure that young people understand and are better equipped for the world of work and have the right skills to drive the future growth of the Gloucestershire economy. There are some excellent examples in the county of providing enterprise education in schools and in engaging with the business community. We need to work with these exemplars to promote and

spread the benefits of enhanced business and education links to other schools across Gloucestershire.

- 2.12. In order to build better links between Gloucestershire’s business community and the education system, we propose the following priority actions:

1SP2a	Work with Gloucestershire businesses to provide enterprise education in schools. Monitor coalition Government proposals around the development of enterprise education.	Coordinating
1SP2b	Develop a co-ordinated approach to employer engagement in education through the development of a shared employer contact database.	Coordinating
1SP2c	Enable schools to take up Gloucestershire’s Education Business Partnership offer.	Coordinating
1SP2d	Ensure greater synergy between the 14-19 Employer Engagement group and bringing its commission of EBP activity under the remit of the ESB.	Coordinating

Priority 3 - A recognition of the benefits of vocational routes to learning for some of Gloucestershire’s young people

- 2.13. Currently Gloucestershire underperforms in the take up of apprenticeship places by businesses and young people. We need to work to promote the benefits of vocational routes to learning so that they are recognised as real, career enhancing alternatives to university for Gloucestershire’s young residents. Apprenticeships allow young people to learn while they earn and research shows that apprentices can earn, on average, over £100,000 more throughout their lifetime than other employees.
- 2.14. We need to make sure that Gloucestershire businesses understand the benefits of taking on an apprentice. Apprenticeships can help businesses across all sectors by offering a route to harness fresh new talent, help tackle skills shortages and gaps, and address skills problems associated with an ageing workforce. Other benefits for businesses employing apprentices include: increased productivity; improved competitiveness; and a committed and competent work-force.
- 2.15. As well as promoting the benefits of taking on apprentices to businesses in the county we also need to make it easier for Gloucestershire employers to take on apprentices, especially small and micro businesses. We can enable them by promoting apprenticeship sharing schemes and work of partners, such as the South West Apprenticeship Company who provide a flexible minimal risk route for businesses.

2.16. The Employment and Skills Board proposes the following actions to promote vocational routes to learning:

1SP3a	Champion apprenticeships and other vocational routes to learning and increasing the total number of apprenticeships at all levels across the county.	Championing
1SP3b	Enable small employers to take on apprentices through promotion of apprenticeship sharing schemes and flexible models such as the South West Apprenticeship Company.	Promoting
1SP3c	Ensure new academies developed in the county have a strong vocation and apprenticeship offer.	Coordinating
1SP3d	Use apprentices as ambassadors to promote vocational routes to learning to Gloucestershire's young people. Work with NAS to build on the existing South West Apprenticeship Ambassador networks to extend the range and number of employers/apprenticeships from the county	Promoting
1SP3e	Champion apprenticeships and other vocational routes to learning and increasing the total number of apprenticeships at all levels across the county.	Coordinating

3. STRATEGIC OBJECTIVE 2

Strategic Objective 2: Raising Employability and Reducing Worklessness

- 3.1. **Prior to the economic downturn Gloucestershire had a relatively tight labour market** with high employment rates and low levels of worklessness. However, the recession has led to **rising levels of worklessness** in the county and rapid increases in unemployment. Data suggests that the north of the South West region including Swindon and Gloucestershire, appears to **"have borne the brunt" of the recession** in terms of job losses. Employment forecasts suggest post-recession **growth will be limited and unlikely to counteract the jobs lost during the recession.**
- 3.2. Forecasts show that Gloucestershire cannot rely on growth in the economy to create new entry-level positions for workless residents. This means that a crucial part of any employment growth will be created via planned housing expansion and major current and planned development projects in the county. While the regional planning structures are currently under review and likely to change, the scale of the demand that was previously indentified gives an indication of the number of new houses needed. The draft Regional Spatial Strategy set out proposals for an additional 48,600 new dwellings principally in Gloucester, Cheltenham, and Tewksbury in the period 2006-2026, with around 22,000 jobs and 118 hectares of employment land in the Gloucester and Cheltenham travel to work areas.
- 3.3. In addition to these development proposals, there continues to be an urgent need for economic regeneration initiatives in the county to maximise the employment opportunities earmarked within their original development proposals. These include: regeneration opportunities within Gloucester; the Cotswold Canals Project to regenerate the Thames-Severn Canal and urban and multi-site local regeneration programmes in the Forest of Dean.
- 3.4. Worklessness is **highly concentrated in certain areas** of the county with particularly high levels in the urban areas of Gloucester and Cheltenham. Rates of **worklessness are higher amongst certain groups**, in particular young people, the low skilled, over 50's, ethnic minorities, lone parents, those with disabilities and with mental health needs. All of these groups make up a sizeable proportion of the county's workless population and face significant barriers to accessing employment and training opportunities.
- 3.5. High concentrations of worklessness restrict the viability and cohesion of many of Gloucestershire's communities and have a considerable impact on the effectiveness of the county's economy. Persistent unemployment will mean that significant proportions of Gloucestershire's labour market will be under-utilised, and there will be an insufficiently skilled workforce available to meet the demands of employers and to support economic recovery and future growth. For employers, this will increase the pressure to source, secure and train new employees from further afield with the greater risk of staff turnover which will not be economically or environmentally sustainable.

3.6. Three strategic priorities have been identified to raise employability and reduce worklessness:

- Co-ordinating and integrating employment services;
- Maximising employment opportunities for Gloucestershire residents; and,
- Influencing mainstream national provision.

Priority 1 - Coordinating and integrating employment services

3.7. Evidence indicates that the recession has led to rising levels of worklessness in particular communities and among certain vulnerable groups in the county. During these challenging times it is important to ensure that those furthest from the labour market are not marginalised even further. We recognise that no one agency can tackle the barriers faced by workless individuals. We need to work across organisations and services such as welfare advice, health, housing, and children services, to help our residents gain and remain in sustainable employment.

3.8. We need raise awareness among our residents of the support available and work to co-ordinate employability provision in the county to create a seamless and joined up offer to job-seekers and employers, so that there is no 'wrong door'. Operational personal data sharing restrictions prevent effective and co-ordinated targeting of workless individuals, particularly those experiencing the most severe barriers to employment. However, this information is crucial to effective client management and referral in order to access key services that can unlock opportunities for the individual.

3.9. The ESB proposes that the following actions are required to co-ordinate and integrated employment services:

2SP1a	Explore opportunities, through JCP's enhanced flexibilities programme and other projects, for integrating a range of services to support workless residents tackling multiple barriers.	Coordinating
2SP1b	Improve data sharing to allow wider sharing of individuals' basic details between referral agencies building on the Gloucester Works model – to maximise the time frontline staff have with an individual.	Coordinating
2SP1c	Monitor new funding opportunities to develop new programmes which can enhance the performance of mainstream employment and skills infrastructure.	Acting

Priority 2 - Maximising employment opportunities for Gloucestershire residents

3.10. Employment forecasts show that Gloucestershire can not rely on economic growth to provide new jobs for workless residents. Replacement demand, created as the workforce ages and people retire, will free up additional jobs. Whilst the majority of these employment opportunities will require higher level or specialist skills, there will be some entry level job vacancies which

will be suitable for workless residents to enter the labour market. Other opportunities are likely to arise from regeneration activity and it will be important to connect residents to these jobs as these projects come on line.

- 3.11. For some vulnerable workless groups in Gloucestershire, such as ex-offenders, self-employment is a recognised and viable route out of employment. It is also the case that during recessions there is often an increase in the number of people interested in self-employment due to their experience of redundancy. We need to support the work of employer facing agencies to increase referrals to business start up services for those individuals who express an interest in self-employment. This approach is aligned to current government policy which states that they will support would-be entrepreneurs through a new programme – Work for Yourself.
- 3.12. Work-placements, volunteering and internships for workless residents and unemployed graduates offer valuable on the job experience, increasing the chance of individuals finding sustainable full time work. We need increase the number of work placements and internships offered by promoting the benefits to Gloucestershire employers, building on the successful Graduate Challenge and Future Jobs Fund programme.
- 3.13. The ESB proposes the following actions to maximise employment opportunities for Gloucestershire residents:

2SP2a	Work with employers to promote local recruitment practices, including increasing the number of vacancies that are advertised locally building on the Gloucester Works jobs hub model.	Promoting
2SP2b	Maximise use of planning powers to ensure workless individuals are linked to the opportunities arising from key developments. Local authorities to share/spread best practice.	Coordinating
2SP2c	Maximise use of public sector procurement through to increase access to employment and apprenticeship opportunities for workless residents. Local authorities to share/spread best practice.	Promoting
2SP2d	Promote self-employment and enterprise as a route out of worklessness – working with JCP to ensure that a suitable support offer is available, including monitoring developments in 'Work for Yourself' programme	Promoting
2SP2e	Promote and increase awareness of volunteering opportunities available to workless residents in the County.	Promoting

Priority 3 - Influencing mainstream national provision

- 3.14. The Employment and Skills board will seek ways to influence new mainstream employability programmes as and when they emerge. We invite national, regional and local providers to work with us to ensure that provision is locally tailored and responsive to local need so that it will deliver enhanced outcomes for Gloucestershire residents.
- 3.15. Welfare reform under the new coalition government is seeking to widen the mainstream support offer; a new single Work Programme will be introduced in Summer 2010 offering targeted, personalised help. The framework for preferred suppliers has now been published with Work Programmes bids expected by the 21st of January. The Work Programme prospectus states that prime contractors will have to identify all sub-contractors and confirm partnership arrangements in their tenders. There will be other measures provided under the "Get Britain Working" banner for people who have been out of work for shorter periods including support for self-employment, volunteering, and increased numbers of work placements and apprenticeships. Partners and delivery agents in Gloucestershire need to find ways of working together to ensure that the new Work Programme will be responsive to local need.
- 3.16. The actions we will undertake to influence mainstream provision are:

2SP3a	Ensure that future mainstream provision, including the Work Programme, is appropriate to Gloucestershire's needs.	Influencing
2SP3b	Advise on needs and monitor the performance of JCP and prime contractors to ensure that are held to account.	Influencing
2SP3c	Build a countywide consortium of local providers with which DWP prime contractors for the new single Work Programme can engage	Coordinating
2SP3d	Monitor developments in welfare policy and seeking opportunities to influence new programmes as they emerge, including seeking to influence programme specifications.	Influencing

4. STRATEGIC OBJECTIVE 3

Strategic Objective 3: Providing Employers with the Skills they need for the Future

- 4.1. Gloucestershire has a **pool of highly skilled labour** with a high proportion of resident degree holders. However, **over one-quarter** of local residents **have low or no qualifications** (below NVQ Level 2) making it difficult for them to compete in the labour market, and providing a major drag on the productivity of the county's economy. Further is significant variation in performance within the county, with Gloucester City having a lower proportion of resident degree holders.
- 4.2. Despite a relatively highly qualified pool of labour in most parts of the county, **employers** in Gloucestershire **struggle to find suitably skilled employees** and report **skills shortages** within their current workforce. This is more pronounced in Gloucestershire than the region as a whole and has worsened in recent years. This indicates a **mismatch in skills and qualifications** held by local residents and types of skills and qualifications required by local employers. In some sectors such as engineering, this has remained evident despite the recession and more people seeking employment.
- 4.3. Although employment forecasts show a contraction in total employment in the county, some sectors are expected to grow post recession and it will be important to ensure that this growth is not undermined by skills shortages in these sectors. In addition there will still be **strong replacement demand** – largely resulting from retirements - across all sectors and occupation which require a variety of skills levels. High levels of replacement demand in a local economy **raises considerable issues in relation to skills development, career progression and succession planning** for Gloucestershire businesses.
- 4.4. The overall trend will be towards an **increased demand for occupations requiring higher level skills**. It will also be important to increase skills in those sectors currently prioritised by the Gloucestershire Integrated Economic Strategy if growth aspirations are to be realised (e.g. advanced engineering, environmental technologies, ICT and creative media).
- 4.5. Building a skilled Gloucestershire workforce will require investment and commitment from both public agencies and Gloucestershire employers. **Fostering strong relationships with Gloucestershire employers, of all sizes and types of business, is a fundamental requirement for building a skilled and competitive workforce for the future.** Government policy places employer leadership with a strong and coherent voice, at the heart of driving forward the employment and skills system. It sees this crucial ambassadorial role as being critical in bringing together providers, public agencies and stakeholders to articulating need and boosting local economies.

- 4.6. Discussions with stakeholders, during the development of this prospectus, suggest that there are **examples of good practice in employer engagement** in the employment and skills agenda, for example, education businesses linkages in HE and FE and the work in some local authorities. However, **this is patchy** and there is a need to **scale up what we are doing well and co-ordinate it more effectively across the county as a whole**.
- 4.7. The **reduction in public expenditure** will also mean that the focus will increasingly be on **leveraging additional resources from the individual/employer**. Employer leadership in promoting the business benefits of investing in workforce skills, employment growth, and regeneration opportunities will be a crucial part of the county's economic recovery
- 4.8. The three strategic priorities we have identified to provide employers with the skills they need for the future are:
- Engaging with employers and learners to raise the demand for, and investment in, skills development;
 - Developing the Gloucestershire Skills Offer to business; and
 - Building the influence of the Employment and Skills Board to support the needs of Gloucestershire's residents and businesses.

Priority 1 - Engaging with employers and learners to raise the demand for, and investment in, skills development

- 4.9. Succession planning, workforce training and developing clear career progression routes for staff will be an essential tool if Gloucestershire businesses are to ensure an adequate supply of skilled workers. It will also be important to raise learner demand for skills development through promoting a culture of lifelong learning among Gloucestershire residents.
- 4.10. Following the election of the new Government, the policy landscape for employment and skills continues to change and will continue to do so in the near future. What is clear, however, is that there will certainly be less public money available to support new initiatives. Therefore the ESB has an important role to play in championing the needs of Gloucestershire's residents and businesses to ensure that we are getting our fair share of what mainstream investment in skills and training is available. We will do this by promoting and raising awareness about the funding that is on offer to Gloucestershire businesses and residents. In parallel, the ESB will need to use its influence as major employers to champion private sector investment in workforce development.
- 4.11. Engaging more effectively with employers and residents to encourage the development of skills required to support the growth of the local economy is a critical element of the prospectus. The actions to support this aim are:

3SP1a	Ensure that ESB private sector members, the Voluntary and Community Sector, Local Authorities and other public sector agencies act as model employers and recruiters, leading by example in the recruitment, retention and training of local residents via continued progression.	Acting
3SP1b	Increase the level of mainstream investment in skills development through promotion and marketing to raise learner and employer demand. Develop sector focused events led by large Gloucestershire employers who are actively involved in workforce training to promote the benefits to the supply chain	Promoting
3SP1c	Increasing the number of businesses committing to the ongoing training and skills development of their workforce.	Promoting
3SP1d	Raise awareness of the long term benefits of training and encourage individuals to take an active role in their own development.	Promoting
3SP1e	Promote the benefits of leadership and management training across all sectors to increase the productivity of Gloucestershire's economy. Increase awareness and takeup of advice and support services by local businesses	Promoting
3SP1f	Increase graduate retention in Gloucestershire. Promote and raise awareness of current initiatives such as Grad South West and building on the Graduate Challenge Programme.	Promoting
3SP1g	Working with Business Link and other employer facing agencies to increase the number of Gloucestershire Employers actively involved in business planning ensuring that skills development and succession planning is a key element.	Coordinating

Priority 2 - Developing the Gloucestershire Skills Offer to business

- 4.12. Many employers in Gloucestershire believe that training programmes are not always sufficiently tailored to their needs. They are now demanding more workplace based training, 'bite size' and bespoke courses and modular qualifications. They also identify that accessing support and sourcing the right provision to meet their needs is difficult due to a complex and inflexible skills system.
- 4.13. We need work to develop more effective relationship between employers and providers so that skills provision more accurately reflects the needs of our businesses and key sectors. The ESB proposes the following key actions:

3SP2a	Develop stronger links between HE/FE and business to ensure that skills provision is targeted at current and future skills needs. Establish key employer led sector focused task and finish groups to inform FE and HE provision.	Coordinating
3SP2b	Ensure delivery methods meet the needs of employers including more work based learning, bespoke and portable units of qualification.	Coordinating

3SP2c	Prioritise the development and take up of digital and ICT skills at all levels within the workforce as a core employability requirement across Gloucestershire's economic sectors.	Promoting
3SP2d	Establish 'Employer Development Partnerships', a voluntary agreement with investors to focus planned employment opportunities through a structured Gloucestershire recruitment, training and aftercare support package.	Coordinating

Priority 3 - Building the influence of the ESB to support the needs of Gloucestershire's residents and businesses

4.14. We will look for opportunities to shape, influence and benefit from developments in government policy and look for ways to build the influence of the ESB in relation to commissioning and monitoring the direction of change in skills and employment provision. This will include putting employment and skills priorities, as set out in this prospectus, at the heart of our proposals for a Gloucestershire Local Enterprise Partnership.

3SP3a	Continue to lobby for more local influence through national and regional structures and by proactively forging links with new skills structures as they emerge.	Influencing
3SP3b	Review and monitor the nature and volumes of current provision to ensure adequate supply to address current skill shortages and hard to fill vacancies and to address the long-term needs of the Gloucestershire economy. Request regular updates on direction of provision from SFA.	Influencing
3SP3c	Position the Board to lead Gloucestershire's case to shape and influence mainstream national provision	Influencing
3SP3d	Seek to influence the delivery of the Adult Advancement and Careers Service by developing a local Information, Advice and Guidance network	Influencing
3SP3e	Explore opportunities to develop a managing agent role for EU Structural Funds in the County	Acting

5. ACTION AND INVESTMENT PLAN

Strategic Objective 1 – Building Gloucestershire’s future labour force

Strategic Priority 1 - Enabling Gloucestershire’s young residents to make informed decisions based on real opportunities in the future

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
1SP1a	Develop a co-ordinated and high quality IAG system with a focus on priority sectors, skills and occupations which meet employers’ needs.	GCC (14-19 Unit)	GCC	Medium
1SP1b	Educating the educator; create stronger links between IAG providers and teachers in schools.	GCC (14-19 Unit)	GCC	Medium
1SP1c	Coordinate IAG for young people with advice and guidance being given to adults, to ensure consistency and progression.	GCC (14-19 Unit), CYP, NAS, AACS	GCC	Medium
1SP1d	Promote the 14-19 prospectus to Gloucestershire’s parents and young residents.	GCC (14-19 Unit)	GCC	Medium
1SP1e	Monitor the amount of time spent on careers advice and guidance in schools in Gloucestershire with a view to targeting those providing the least comprehensive services for additional support.	GCC, ESB	N/A	Long term

Strategic Priority 2 - Building an educational system that is responsive to the needs of Gloucestershire businesses

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
1SP2a	Work with Gloucestershire businesses to provide enterprise education in schools. Monitor coalition Government proposals around the development of enterprise education.	Education Business Partnerships, Prospects	GCC	Medium
1SP2b	Develop a co-ordinated approach to employer engagement in education through the development of a shared employer contact database.	GCC (14-19 Unit)	GCC	Short
1SP2c	Enable schools to take up Gloucestershire’s Education Business Partnership offer.	GCC (14-19 Unit)	GCC	Medium
1SP2d	Ensure greater synergy between the 14-19 Employer Engagement group and bringing its commission of EBP activity under the remit of the ESB.	GCC (14-19 Unit), ESB	N/A	Short

Strategic Priority 3- A recognition of the benefits of vocational routes to learning for some of Gloucestershire’s young people

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
1SP3a	Champion apprenticeships and other vocational routes to learning and increasing the total number of apprenticeships at all levels across the county.	ESB , NAS, GAVCA, FSB	NAS	Short

1SP3b	Enable small employers to take on apprentices through promotion of apprenticeship sharing schemes and flexible models such as the South West Apprenticeship Company.	SWAC, Glos 1 st , NAS, Royal Forest of Dean College, FSB	NAS	Medium
1SP3c	Ensure new academies developed in the county have a strong vocation and apprenticeship offer.	Prospects, FE Colleges	SFA/NAS	Medium
1SP3d	Use apprentices as ambassadors to promote vocational routes to learning to Gloucestershire's young people. Work with NAS to build on the existing South West Apprenticeship Ambassador networks to extend the range and number of employers/apprenticeships from the county	NAS, ESB	NAS	Short

Strategic Objective 2 – Raising employability and reducing worklessness

Strategic Priority 1 - Coordinating and integrating employment services

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
2SP1a	Explore opportunities, through JCP's enhanced flexibilities programme and other projects, for integrating a range of services to support workless residents tackling multiple barriers.	JCP, Glos 1 st , GCC, FSB	JCP	Medium
2SP1c	Improve data sharing to allow wider sharing of individuals' basic details between referral agencies building on the Gloucester Works model – to maximise the time frontline staff have with an individual.	JCP, LA's & Glos 1 st	JCP	Medium

2SP1e	Monitor new funding opportunities to develop new programmes which can enhance the performance of mainstream employment and skills infrastructure.	ESB, Glos First	N/A	Ongoing
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Strategic Priority 2 - Maximising employment opportunities for Gloucestershire residents

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
2SP2a	Work with employers to promote local recruitment practices, including increasing the number of vacancies that are advertised locally building on the Gloucester Works jobs hub model.	JCP, LA's, Business Link	JCP	Short
2SP2b	Maximise use of planning powers to ensure workless individuals are linked to the opportunities arising from key developments. Local authorities to share/spread best practice.	LA's & Glos 1 st	N/A	Medium
2SP2c	Maximise use of public sector procurement through to increase access to employment and apprenticeship opportunities for workless residents. Local authorities to share/spread best practice.	LA's & Glos 1 st	N/A	Medium
2SP2d	Promote self-employment and enterprise as a route out of worklessness – working with JCP to ensure that a suitable support offer is available, including monitoring developments in 'Work for Yourself' programme	JCP, FSB	JCP	Short
2SP2e	Promote and increase awareness of volunteering opportunities available to workless residents in the County.	Glos Assembly, GAVCA, GCC, Glos First	Glos Assembly /GAVCA	Medium

Strategic Priority 3 - Influencing mainstream national provision

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
2SP3a	Ensure that future mainstream provision, including the Work Programme, is appropriate to Gloucestershire's needs.	JCP, GAVCA, Local Authorities & Glos 1 st	N/A	Short/medium
2SP3b	Advise on needs and monitor the performance of JCP and prime contractors to ensure that are held to account.	ESB, JCP, Glos First	N/A	Short
2SP3c	Build a countywide consortium of local providers with which DWP prime contractors for the new single Work Programme can engage	Glos 1 st	Glos First	Short
2SP3d	Monitor developments in welfare policy and seeking opportunities to influence new programmes as they emerge, including seeking to influence programme specifications.	ESB, Glos 1 st	N/A	Medium

Strategic Objective 3 – Providing employers with the skills they need for the future

Strategic Priority 1 - Engaging with employers and learners to raise the demand for, and investment in, skills development

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
3SP1a	Ensure that ESB private sector members, the Voluntary and Community Sector, Local Authorities and other public sector agencies act as model employers and recruiters, leading by example in the recruitment, retention and training of local residents via continued progression.	ESB, Local Authorities, GAVCA	N/A	Medium term
3SP1b	Increase the level of mainstream investment in skills development through promotion and marketing to raise learner and employer demand. Develop sector focused events led by large Gloucestershire employers who are actively involved in workforce training to promote the benefits to the supply chain	Glos 1 st , NAS, SFA & Business Link, FSB	Glos First, NAS	Long term
3SP1c	Increasing the number of businesses committing to the ongoing training and skills development of their workforce.	Business Link	Business Link	Long term
3SP1d	Raise awareness of the long term benefits of training and encourage individuals to take an active role in their own development.	FE/HE, AACS, Glos First	AACS	Long term
3SP1e	Promote the benefits of leadership and management training across all sectors to increase the productivity of Gloucestershire's economy. Increase awareness and takeup of advice and support services by local businesses	Business Link	Business Link	Medium term
3SP1f	Increase graduate retention in Gloucestershire. Promote	University of		Medium term

	and raise awareness of current initiatives such as Grad South West and building on the Graduate Challenge Programme.	Gloucestershire, FE Colleges, NAS, Employers and Glos 1 st		
3SP1g	Working with Business Link and other employer facing agencies to increase the number of Gloucestershire Employers actively involved in business planning ensuring that skills development and succession planning is a key element.	Business Link	Business Link	Medium/long term

Strategic Priority 2 - Developing the Gloucestershire Skills Offer to business

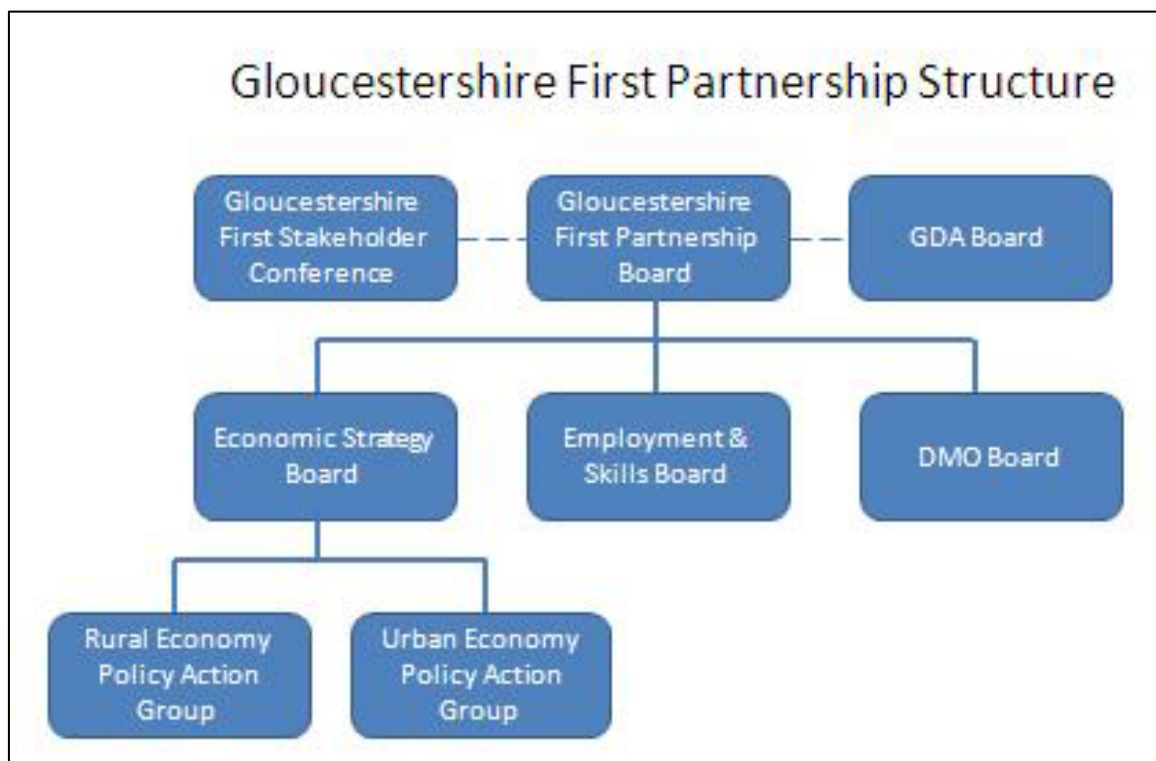
	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
3SP2a	Develop stronger links between HE/FE and business to ensure that skills provision is targeted at current and future skills needs. Establish key employer led sector focused task and finish groups to inform FE and HE provision.	FE/HE, Businesses, Glos First, FSB	Glos First	Short
3SP2b	Ensure delivery methods meet the needs of employers including more work based learning, bespoke and portable units of qualification.	FE/HE providers, ESB, SFA, Glos First, FSB		Medium
3SP2c	Prioritise the development and take up of digital and ICT skills at all levels within the workforce as a core employability requirement across Gloucestershire's economic sectors.	Glos First, ESB	Glos First	Medium/Long
3SP2d	Establish 'Employer Development Partnerships', a voluntary agreement with investors to focus planned employment opportunities through a structured Gloucestershire recruitment, training and aftercare support package.	Glos 1 st & Local Authorities,	Glos First	Medium

Strategic Priority 3 - Building the influence of the ESB to support the needs of Gloucestershire's residents and business

	Priority Action	Lead delivery partner	Budget	Timescale (short/medium/long term)
3SP3a	Continue to lobby for more local influence through national and regional structures and by proactively forging links with new skills structures as they emerge.	ESB	N/A	Short/medium
3SP3b	Review and monitor the nature and volumes of current provision to ensure adequate supply to address current skill shortages and hard to fill vacancies and to address the long-term needs of the Gloucestershire economy. Request regular updates on direction of provision from SFA.	ESB, SFA	N/A	Medium/Long
3SP3c	Position the Board to lead Gloucestershire's case to shape and influence mainstream national provision	ESB	N/A	Long
3SP3d	Seek to influence the delivery of the Adult Advancement and Careers Service by developing a local Information, Advice and Guidance network	ESB, Glos First	Glos First	Short
3SP3e	Explore opportunities to develop a managing agent role for EU Structural Funds in the County	Glos 1 st & ESB	N/A	Short

6. GOVERNANCE ARRANGEMENTS

- 6.1. The Gloucestershire Employment and Skills Board sets within the wider Gloucestershire First partnership structure. These were recently revised and were approved by the Partnership in February 2010.
- 6.2. The diagram below shows the current relationships between the key component parts – the Gloucestershire Development Agency, the trading company behind the Partnership, which employs the staff not seconded directly by Gloucestershire County Council, the Gloucestershire First Partnership Board and the Stakeholder Conference, an annual meeting of interested parties to share strategic thinking about current and emerging issues. This ‘upper tier’ is serviced by a number of specialist policy boards, one of which is the Gloucestershire Employment and Skills Board, which reports to the Gloucestershire First Partnership Board.



- 6.3. The specific delivery and reporting arrangements for each of the suggested actions are set out in the body of the action planning table, but the overall progress in delivering the programme of action will be kept under review as part of the Gloucestershire’s Employment and Skills Board and Gloucestershire First Partnership business planning processes.

7. MONITORING AND MANAGEMENT

High level and overarching indicators

- 7.1. Progress in delivering the outcomes of the Employment and Skills Strategic Plan will be measured against a small basket of high level (overarching) indicators.
- 7.2. High level overarching indicators:
- 16-18 year olds who are Not in Employment, Education or Training
 - Working age population in receipt of out-of-work benefits
 - Adult population with at least a level 2 qualification
- 7.3. It is envisaged that the targets in the Employment and Skills Plan to support the delivery of increasing the number of people in sustainable employment will be developing in line with the principle of narrowing the gap between the best performing and worst performing neighbourhoods for working age people on out-of-work benefits.
- 7.4. It will be essential to establish a methodology for both collecting and reporting performance with respect to the overarching indicators at regular intervals.

Lower level and operational indicators

- 7.5. Given that performance against high level targets can be influenced by economic factors beyond the control of the Employment and Skills Strategic Plan it will also be beneficial to establish a series of lower level indicators and targets which reflect outputs and outcomes which Gloucestershire partners can directly influence through their activities.
- 7.6. We will also to identify some lower level indicators that we can monitor. These will be developed over the coming month to ensure alignment with changing policy and delivery arrangements, including those relating to the new Work Programme and Local Enterprise Partnership, but could include:
- Number of apprenticeship starts;
 - Number of individuals referred to mainstream employment and skill services; and
 - Proportion of Gloucestershire unemployed claimant entering employment against national performance.

Gloucestershire First Performance Management Framework

- 7.7. Gloucestershire First, the economic development partnership for Gloucestershire contributes to the overarching Economic Development Strategy for the County – the IES. A voluntary partnership agreement underpins these arrangements and is monitored in line with the wider performance management targets of the Partnership Plan.
- 7.8. In recognition of the County Council's role as one of the Partnership's principal partners, elements of the Partnership Plan also need to meet particular requirements within GCC's performance management framework. However, consistent with the adoption of an Integrated Economic Strategy and its application/implementation through the new Joint Strategic Planning process, these requirements have been embraced within the design of a central monitoring mechanism which sits behind the Plan. This system is in the early stages of development and will be refined over 2010, but in its simplest form will track the performance of individual improvements to activities listed in the Plan, whilst also identifying the headline 'highlights' and 'lowlights' relating to each Priority Card. **Strategic and operational issues recorded here will then be reported 'up the line' into the Partnership's Economic Strategy Advisory Panel** and from there, where appropriate, on into the full Partnership, Community Strategy Executive Board (part of the Gloucestershire Conference) and/or to meet the reporting/monitoring expectations of key partners such as GCC and the District local authorities, as well as external funders also investing in the activities of the Partnership.
- 7.9. As well as tracking the wider quantitative and qualitative effects of the Plan, core operational issues for the Partnership, such as risk, business continuity and resource utilisation/staffing will also be managed through this process.
- 7.10. The Employment and Skills Board's role in contributing to Gloucestershire's First Performance Management structures will be reviewed as the system develops over the coming year.

APPENDIX 1 ESB MEMBERSHIP

First name	Surname	Position	Organisation
Anthony	McClaran	(Chair of ESB) Chief Executive	The Quality Assurance Agency for Higher Education
Diane	Savory	Chief Operating Officer	SuperGroup Plc
Peter	McKee	Chief Executive	TRL Technology
Tony	Markey	Managing Director	Markey Group
Rebecca	Wassell	Director of HR	Messier-Dowty
Simon	Whitwham	Customer Services Director	Stroud & Swindon Building Society
Simon	Spears	Managing Director	Bottlegreen Drinks Gloucestershire Royal Hospitals NHS Foundation Trust
David	Smith	Director of HR	Foundation Trust
Michael	Carter	Managing Director	Carter Construction Gloucestershire County Council Federation of Small Businesses (FSB)
Duncan	Jordan	Interim Group Director	
Carole	Garfield	Board Member	
David	Owen	Chief Executive	Gloucestershire First
Advisors			
John	Tempest	Head of Client Services	Skills Funding Agency
Christine	Starling	Regional Officer	Unite the Union
Glen	Leat	Senior External Relations Manager	Jobcentre Plus
Phil	Smith	Managing Director	Northern Arc Ltd South West Regional Employment and Skills Partnership
Liz	Georgeson	Head of Regional Skills Policy	