

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Hampshire Economic Board
<b>Date of Decision:</b>	25 February 2010
<b>Decision Title:</b>	Skills for the Hampshire Workforce
<b>Decision Reference:</b>	1370
<b>Report From:</b>	Director of Economic Development

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### 1. Executive Summary

- 1.1. The purpose of this paper is to briefly consider the main skills issues for the Hampshire workforce and current skills-related actions. It seeks the approval of the Board to immediate action priorities and direction for the future.
- 1.2. This paper seeks to:
- set out the background to the main skills issues for Hampshire
  - highlight the work in progress to address these
  - look at what more can be done to ensure an appropriately skilled workforce for Hampshire.

### 2. Contextual information

- 2.1. Increasing skill levels has a correlation to productivity, which in itself is a significant determinant of economic growth. Economic prosperity needs an appropriately skilled workforce. This is equally true of both the public and private sectors.
- 2.2. Improving skills has a significant effect on the ability of individuals to find work and to progress through a career path. Supporting people into sustainable work is more effective than any other intervention used to promote social inclusion. By ensuring residents gain skills that will keep them in work, a range of social inclusion issues will be addressed. The benefits of work and skills do not stop with the individual but spread through the family and to the next generation.

- 2.3. It is difficult to assess the skills needs for the current Hampshire workforce as the picture is constantly changing. What can be said with confidence is that employees will need to have a range of generic skills that can be flexibly applied. It is not only the job of schools to produce these adaptable people as those who are already in work will need to develop these attributes too. Workforce planning and in-work training will be important.
- 2.4. Business intelligence does not currently provide enough information for long-term skills planning and the speed of change of technological and market opportunities will always make forecasts difficult. However, there are methods that would go some way towards building a better picture of skill needs and these will be explored through the Economic Assessment.
- 2.5. Government has recently published a National Skills Strategy which seeks to address barriers to the UK becoming a world class leader in skills. In the document, the Government plans for wider access to more flexible training with an expansion of advanced apprenticeships and a focus on intermediate level skills. Locally, a range of strategies and plans seek to address skills issues but there is no complete picture.
- 2.6. Qualifications across the county have shown a steady increase over recent years at NVQ levels 2 (5 GCSE A-C) and 4 (degree level) but have remained fairly constant at level 3 (A level). There has been a decrease in those with no qualifications but the amount of people with qualifications below level 2 remains a cause for concern at around 23%. As school leaver level 2 rates are improving year-on-year, this indicates a slower rate of improvement in the working population. Data for qualifications is not reliable at below county level, but trend information points to particular problems with low skilled adults in Havant, Rushmoor and the New Forest.
- 2.7. A group of particular concern are the NEETs (16-18 year olds not in education, employment or training). As they are no longer in the education system or in the workplace they fall through the gap for training and are vulnerable to developing long term employment problems. Hampshire NEETs numbered 1880 (5.84% of the age group) in November 2009. It is important to note that there is significant variation in NEET numbers at district level; Havant, for example, has above the regional average with 8.61% (251 young people) and some wards in Gosport have even greater problems.
- 2.8. The County Council currently has influence over skills in a number of areas. Most significant is the responsibility for children and young people. Following from the abolition of the Learning and Skills Council (LSC) this year, 16-19 commissioning moves to the County Council. Over time, this could give it significant influence over young people's qualifications. The participation rate (in education or work with training) will be raised in stages to 18 by 2015, with the accompanying need to ensure sufficient work or training places are available for all young people.

- 2.9. The Connexions service provides support to young people (particularly NEETS) and works to find work and training opportunities for them. Connexions clients will include disadvantaged groups, including some care leavers and those at risk of offending. The recession has placed an added burden on young people looking for work and more apprenticeship places are needed to increase opportunities for this group. The Council's pilot apprenticeship scheme is allowing it to offer a small number of places to young people and there is potential for this programme to be expanded.
- 2.10. A longer term approach to reducing NEET numbers is being pursued by Children's Services where a 'whole system' approach is being taken to identify children at risk of becoming NEET at a very early stage. All parts of the system work to make a difference but the lead time for results is long.
- 2.11. Work on adult skills is either carried out through service provision or internally through the development of the County Council's own workforce. Culture Communities and Rural Affairs (CCRA) provides a range of adult, community and family learning opportunities in a variety of settings, including libraries and children's centres. A budget of around £2 million from a range of Government grants supports 16,000 learners. Some of these achieve an NVQ level 2. Adult Services provides support to service users, including those with learning and physical disabilities and mental health conditions.
- 2.12. A range of targeted activities to support businesses affected by the downturn have been developed to encourage businesses to continue to address skills issues through the recession, as detailed in the report to the Board of 14 December 2009.
- 2.13. The Council has recently signed the Skills Pledge to demonstrate its commitment to ensuring its staff have at least a level 2 qualification. It is likely that those below this level will be employed at grades A-C but there is currently no data to confirm this or assist planning to address the situation. This could be addressed through a skills audit which would help to identify where there is need for intervention.
- 2.14. The Apprenticeships Pilot, Future Jobs Fund and Workright programmes are currently enabling the Council to use its position as a large employer to provide work and training opportunities to a number of people. Many of the programmes that it delivers are reliant on external funding and successful bidding but allows the opportunity to trial new approaches at low cost to the authority. However, significant results will need the impetus of sustained funding and in the longer term, the Council's ambition should be to influence government funding for adult skills.
- 2.15. This approach could be developed through a county-wide Employment and Skills Board (ESB) as referenced in the report to Cabinet on 27 April 2009. The development of an ESB would be consistent with the new responsibility of the Council for the 16-19 years agenda and would give a

strong, integrated base for further development in skills and employment across Hampshire.

- 2.16. An ESB is already in place covering the PUSH area and the North Hampshire and M3 Corridor Board is exploring the possibility of an ESB for the north of the county. While these local approaches may be effective to a point, a Hampshire- wide ESB could take a strategic approach to the needs of the county as a whole but work with local ESBs where appropriate. In this way, interventions would be planned at the correct spatial level, in a coordinated and resource-effective way.

### **3. Finance**

- 3.1. There are no immediate financial implications arising from this report.

### **4. Future direction**

- 4.1. In order to plan appropriate interventions, it will be necessary to have a better picture of both skill levels and skill needs. This intelligence will need to be on-going and will be developed through the Local Economic Assessment. When an evidence base has been assembled, a comprehensive skills strategy should be developed to address the needs of Hampshire businesses and Hampshire residents.
- 4.2. Delivery of the Future Jobs Fund, the Apprenticeships Pilot and the Workright programme will provide a platform of experience to develop a wider apprenticeship programme and develop other approaches. Development of a skills audit pilot would help to ensure that County Council staff have basic skill levels. Once there is a good track record of delivery, the Council can use its influence to impact on skill levels through its suppliers and contacts, and by working with public sector partners to spread good practice in relation to apprenticeships and workforce development.

## 5. Recommendations

- a) That the short term priorities for the Council on skills development be confirmed as follows:
- Delivery of the Future Jobs Fund programme
  - Delivery of the Apprenticeships pilot
  - Developing future proposals to expand the apprenticeships programme
  - Developing proposals to further assist NEETS (not in education, employment or training) and other vulnerable young people
  - Assessing the skill levels of the Council's workforce in support of the Skills Pledge the Council has made and in support of the delivery of the Local Area Authority target to reduce the proportion of the Hampshire workforce with skills below NVQ Level 2.
- b) That the medium term priorities for improving skills be:
- To collect better intelligence on skills in the Hampshire workforce and business needs, including the quality of entrants to the workforce, skill needs at Level 3 and above in potential growth sectors and develop a Hampshire skills strategy
  - To seek greater influence over the deployment of skills funding for adults in support of the delivery of this strategy
  - To establish a Hampshire wide Employment and Skills board to assist in the delivery of the forgoing objectives.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Business plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Recession Measures Update	1108	14 December 2009
Economic Development – Strategy and Proposals	705	27 April 2009
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1. These measures are likely to benefit people in all sections of the community, particularly those who are disadvantaged by the recession and unemployment.

### **2. Impact on Crime and Disorder:**

- 2.1. The measures are unlikely to have any direct impact on crime and disorder. However, providing work and skills opportunities for people is a successful method of deterring people from criminal activity.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No impact.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact.