

Report of the Assistant Director for Employment

Economy, Skills and Sustainability Overview and Scrutiny Committee

Birmingham Skills Investment Plan

15th January 2016

1 Purpose of the Report

To share with members of the Scrutiny Committee the final draft of the Birmingham Skills Investment Plan for comment prior to Cabinet approval and full Council discussion.

The version attached to this report is the final draft that is undergoing “soft” consultation with stakeholders many of whom will play a part in delivery.

2 Background

2.1 The development of a Birmingham Skills Investment Plan (SIP) was a major priority in the Leader’s Priority Statement 2014/15. It is important that the SIP is clearly rooted in an **employer led statement of current and future skills needs** in the City, linked to jobs and economic growth. The SIP is intended to address the whole range of issues which contribute to the problem of mismatch of supply and demand. **But more importantly it will ensure that no-one gets left behind.** We want to see a framework for specific skills plans linked to major investments and developments such as HS2 and the opportunities for further growth these will bring.

2.2 We wanted to ensure that the SIP provided

- a better articulated employer employment and skills needs **captured through a variety of means including the broader activities of the Growth Hub of the Greater Birmingham and Solihull Local Enterprise Partnership**– providing quality LMI to providers, schools, young people and their advisers.
- **a plan to increase co-investment** in skills development by businesses, service providers and schools in order to:
 - **upskill the existing workforce**, particularly improving the resilience/transferability of skills
 - **establish an employer led approach to addressing NEETs** and youth unemployment **by using new and existing levers**, maybe linked to other business support functions, to encourage businesses to provide meaningful work experience and promote links with schools and training providers and supporting the delivery of quality and meaningful careers information and guidance

- **improve responsiveness** of training providers to new and future skills needs by encouraging collaborative and flexible approaches to delivery – including the Birmingham Adult Education Service
- facilitating **improved pathways** into employment through activities which seek to “level the playing field” for those communities with low skills and attainment and furthest away from the Labour Market.

3 Context

- 3.1 The context for the development of the SIP is set against a complex interaction of social and economic strategies to encourage the retention of skills within the City, the engagement of young people and the attraction of new and growing businesses to Birmingham through the inward investment activity of Marketing Birmingham and the Greater Birmingham and Solihull Local Enterprise Partnership. It will support the delivery of the Birmingham Youth Promise and align with the work developing out of the Kerslake Review published in December 2014.¹
- 3.2 Although the Skills Investment Plan is Birmingham specific, the model could be expanded and adopted more widely across the GBSLEP and the wider combined authority area given the recent announcement of the **West Midlands Combined Authority Devolution Deal**. The **Greater Birmingham and Solihull LEP** were actively involved in the commissioning of the SIP. We have passed the draft document back to the LEP and the Combined Authority (CA) leads for comment. Within the context of the devolution deal and CA we are aware and mindful of the functional economic area. But as a partner local authority the Birmingham SIP has set down the scope and nature of Birmingham’s skills and employability challenges. It presents an opportunity to provide an overview of those areas ripe for channelling future investment.
- 3.3 The SIP will align with the wider growth ambitions articulated through the developing transport infrastructure (HS2 and Midland Metro extension), the Enterprise Zone and the developments in key growth sectors, all of which will create jobs and skills needs across the wider sub-region. **In particular we wish to see skills plans aligned to all major infrastructure developments.**
- 3.4 The SIP will inform the GBSLEP focus on the delivery of £109m (excluding YEI²) of ESF across the whole LEP area, a significant resource that the LEP will be able to influence to deliver priorities over the next 7 years.

¹ <https://www.gov.uk/government/news/kerslake-report-birmingham-council-must-radically-improve>

² Youth Employment Initiative

4 Developing the SIP

- 4.1 Following a full tender process, **the Centre for Economic and Social Inclusion (CESI)** was appointed to develop the SIP. This has been done in consultation with a wide range of stakeholders under the guidance of a Steering Group chaired by the Cabinet Member for Skills, Learning and Culture. Steering Group members included providers of Further and Higher Education, the Chamber of Commerce, community and voluntary sector, Skills Funding Agency and DWP.
- 4.2 We asked CESI to consult on and point the direction to working with partners to facilitate improved brokerage on apprenticeship opportunities for **young people to improve the operation of the local skills and employment market** by drawing together the recruitment activity of the City Council (as an employer) and other engaged employers – **through procurement, planning and FDI** – providing the “go to” place for employers to recruit young people (initially) looking for work.
- 4.3 We now have a final draft that we are happy to “soft” circulate for further comments. The SIP is broken into 2 documents:
- a high level statement
 - a technical annex that will provide the full evidence base.

The documents still require some tweaks to respond to the comments of some of our key stakeholders, and some refinement in terms of the nuances contained within. With these caveats, the documents attached are as they stand prior to the “tweaking”.

Following discussion at Executive Management Team in December we now wish to strengthen the following areas:

- sector focus clarified
- appropriately articulated links to skills and reducing dependency on out of work benefits
- explicit reference to young people with disabilities
- explicit reference to enterprise skills

5 What next?

- 5.1 The SIP is a 10 year plan, and it is not simply new money. It is about how we're investing **what we have** to transform the culture and behaviours of those with the spending power. With the advent of the Combined Authority spending decisions will, to some degree, lie with the local authorities and the LEPs. This represents a fundamental shift from the current status quo.
- 5.2 We are looking to hold follow-on consultative workshops with stakeholders to identify priorities for action, timescales and lead responsibilities. It is important to

recognise that the City Council cannot deliver this plan alone. We want and need to create the right environment and conditions for collaboration and cross sector action. This will make the difference between stating aspirations and achieving our goals.

The Birmingham Skills Investment Plan will be considered by Cabinet with a recommendation that this plan is included within the Council's Policy Framework and therefore as a consequence will go to Full Council for approval at the earliest possible opportunity.

6 Recommendation

6.1 That Committee note the contents of this report

Attachments

1. Draft Birmingham Skills Vision
2. Technical Annex

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