

SKILLS AND EMPLOYMENT BOARD

September 2020

SCR RENEWAL ACTION PLAN IMPLEMENTATION

Purpose of Report

This report presents the SCR Renewal Action Plan and sets out the actions being undertaken to implement the Plan in terms of the People elements of the Plan.

Thematic Priority

This report relates to all of the existing and future Strategic Economic Plan priorities.

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme.

Recommendations

The Board is asked to

1. Consider the update on the SCR Renewal Action Plan, including the update on work to better understand the national and local programmes in order to shape and develop the actions being undertaken to implement Plan.
2. Consider the priorities for the future ESF commissioning activity, noting that these priorities have been influenced to deliver priorities outlined in the RAP

1. Introduction

- 1.1 The development of the Sheffield City Region (SCR) Renewal Action Plan (RAP), endorsed by the LEP Board on the 16th July and approved by the MCA on the 27th July, is an important move to mitigate the worst effects of the Covid-19 crisis and ensure a strong and timely recovery towards a more resilient economy and society.
- 1.2 The RAP focuses upon three main areas of action:
 - **People** - *we will invest to ensure local people have the opportunity to develop their skills, and to find, stay and progress in work*
 - **Employers** - *We will invest to ensure employers can survive, adapt and thrive*
 - **Places** - *We will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment*

The evidence shows that the areas above will face the greatest challenges and thus should be the focus of activity. These challenges laid bare by the evidence are briefly summarised below.

1.2.1 People

The global and national economic outlook is widely predicted to be bleak. The potential impact on the City Region could be devastating for our communities, particularly the

predicted rise of unemployment. There is also expected to be a significant loss of training opportunities, at least in the immediate term. This includes those made unemployed, forced into unemployment by personal circumstances, those currently on the job retention scheme though at risk of unemployment, and those to be made unemployed in the next 6 – 12 months.

1.2.2 Employers

There are immediate concerns of the liquidity of many businesses in SCR. It is expected that as supportive measures reduce or are discontinued, the business base will face pressing cashflow, invoicing and investment challenges. There is a risk of widespread insolvencies, due to a lack of demand and/or inability to operate in the wake of COVID-19 impacts. This includes those businesses over leveraged through loans and Central Government support, who will no longer be viable once Government support ends.

1.2.3 Place

Our places are feeling the effects of social distancing measures and reductions in disposable income due to furlough measures or loss of income due to increased unemployment. This is most stark in our urban centres which are facing current challenges with their space configuration and mobility and could see longer term issues, particularly with property values. With the potential closure, or failure, of high street retailers our urban centres face an uncertain future. This includes the knock-on impacts on wider determinants of health and wellbeing, community, inclusion, transport, housing and employment / engagement opportunities

- 1.3 The RAP has been designed with three linked horizons in mind – Relief (immediate term) Recovery (medium term) and Resilience (long term). The RAP is attached at Appendix 1. The interventions in the draft RAP are designed to be delivered within the next 12 to 18 months to bring immediate **Relief** to local people, employers and businesses. The Skills and Employment Board is tasked by the LEP and MCA in overseeing the related implementation activity for the People strand of activity.

2. Proposal and Justification

2.1 Implementing the RAP

The Thematic Boards have been tasked by the LEP and MCA to oversee activities related to their thematic area to implement the strategy and achieve the ambitions and targets set out in the RAP. The intention is for implementation plans to be developed via the appropriate Thematic Boards to present to the LEP and MCA Boards at their October / November meetings, with delivery beginning as soon as funds are available and allocated.

- 2.2 The People strand of activity is focused upon delivery of a core vision, detailed as Our Promise:

We will invest to ensure local people can develop their skills, and to find, stay and progress in work.

- 2.3 The justification for the people strand of the RAP comes from the evidence summarised at a high level below:

- 2.3.1 **Unemployed:** Out-of-Work claims in SCR increased from 29,750 in February to 58,625 in June. Within that the claims from young people increased from 6,075 in February to 12,800 in June. We expect those numbers to continue to rise.

- 2.3.2 **Education** Many Colleges, Schools, and Universities have been closed, exams have been cancelled (and the ramifications of that have been significant for many young people). Digital and blended learning has been available, it has not worked for

everyone, the sector continues to face significant challenges, in getting young people back into education.

- 2.3.3 Pay:** Average wages in SCR are 15% lower than the national average with almost 1 in 3 in low wage jobs, which have been disproportionately affected by COVID 19. It is essential that people do not get trapped in low paid low skilled jobs, or worst still as low wage jobs reduce get trapped in unemployment.
 - 2.3.4 Recruitment:** The number of job-postings across the region has continued to decrease. Economic uncertainty reduces the confidence of many businesses to recruit and invest in business growth activities which impact on longer term growth.
 - 2.3.5 Workforce Pipeline:** In-house development of a skilled workforce is essential, the loss of institutional knowledge as staff have been made redundant, makes future skills acquisition essential e.g. ensuring that people continue to be attracted onto new apprenticeships but also any apprenticeships underway are successfully completed.
- 2.2** The focus of the Jobs programme is South Yorkshire Works which has 4 interventions and has been set with ambitious targets and outcomes to deliver:
- 2.2.1** Train to work: to upskill the workforce at scale delivering c3,000 apprentices and c17,000 education, training and paid work experience places.
 - 2.2.2** Back to work: to match people to opportunity, especially in industries like clean energy, health and care, advanced manufacturing and construction, supporting c10,000 residents, reducing the unemployment rate to 5% or lower.
 - 2.2.3** Young people's skills guarantee: support young people to progress, supporting c4,500 residents to get NEET levels below the national average, increasing the numbers still in education and/or training after 6 to 12 months.
 - 2.2.4** Overcome barriers: remove barriers to training and employment for vulnerable groups, supporting c15,000 residents with tailored support to re-engage with the labour market.
- 2.3** In seeking to design localised interventions to address the above priorities we need to understand the contributions that national and local interventions can play. In this early stage, mapping those activities is essential, so we can be clear what additional activity is needed to "fill the gaps" enabling SCR to Build Back Better. As information is being collated, additional detail will be presented to the Board.
- 2.3.1 National programmes:**

This is proving complicated due to the number of initiatives, timescales and current lack of detail. The MCA is actively engaging with Government both nationally and locally, and with LGA/MCA's with a focus on influencing and co-designing where possible e.g. Kick Start; Traineeships; Apprenticeships: National Careers Service; programme to support long term unemployed people into work; expansion to the Work and Health Programme and reskilling and retraining adults.
 - 2.3.2. Local Programmes:**

A review by the Local Authority Officers Group for Skills and Employment is underway looking at opportunities there might be to build upon or invest in e.g. Localised single gateways; Triage; Support for people facing barriers and Employment creation incentives. Also, initial thinking in relation to specific priority areas e.g. Employability and Skills programme for Young People; Employment Hubs; A Kickstart Scheme for Adults including a basket of employment incentives and a programme to ensure all residents are digitally included and can access the necessary skills, equipment and infrastructure.

2.3.3 ESF:

There is currently an opportunity for areas to bid for additional ESF funds to be allocated to activity in their area drawn from a National Reserve Fund. Current information is that the bidding process for these national funds to be allocated to an area is open until the end of September 2020.

A competition of this nature is likely to be heavily over subscribed as all areas seek to get a share of unused ESF to deliver priorities linked to the current economic circumstances.

MCA Exec Officers, working with LA are seeking to bid for allocations from the National Reserve that align to the RAP objectives, specifically, Job Creation and Unemployed skills, existing workforce digital skills and skills to support business productivity, existing workforce progression / productivity / under-employment / career change.

If ESF is allocated to SCR from the National Reserve Fund, the commissioning timeframe is anticipated to start by the beginning of October 2020 with the issuing of call specifications by the Managing Authority. Successful bids will need to be approved by the ESIF committee before contracting between the Managing Authority and the bid organisation; this will ensure the alignment of the bids to the RAP. Indications of the realistic start date for delivery is from April 2021.

3. Consideration of alternative approaches

3.1 Do more

At this stage it is unclear what the resources will be that can support our RAP aspirations and whilst the focus could be to look at all three time horizons this has been discounted in order to focus on the immediate relief Phase and thus target available resource to the immediate needs.

3.2 Do Less

Failure to develop and focus activity to address the needs identified in the Relief phase has also been discounted. The RAP was sent to government with a request for additional resources to be made available. In addition other departments may call for ideas for investment and therefore there is an imperative to develop in detail the interventions we wish to see supported

4. Implications

4.1 Financial

The RAP will help to secure additional funding from Government for SCR. The actions and activities being developed / undertaken, as set out in this report, will have financial implications, but these will be the subject of a future Board paper once details are known

4.2 Legal

There are no legal issues arising directly from this paper.

4.3 Risk Management

Risks include:

- Failure to adequately prepare for and implement schemes that mitigate the adverse impacts of the economic downturn on young people, those in lower paid jobs in the most affected sectors or others in the labour market who are unable to work as a result of the downturn. The consequence being that there is a significant increase in unemployment and long term economic sustained labour market upheaval.
- Failure to adequately prepare schemes to a detailed level of development, that evidence their deliverability to support individuals in a timely manner. The

consequence being the potential loss of government funding as the region is unprepared to secure new and additional resources that could be made available.

- Failure to demonstrate leadership of the agenda to the residents of the City Region. The consequence being adverse publicity or reputational damage to the Mayor, the MCA and the LEP.

4.4 Equality, Diversity and Social Inclusion

The RAP will help to address poverty and the health and wellbeing of the local populations and therefore will contribute to improving social inclusion. Covid-19 is disproportionately affecting vulnerable groups – from a health and economic perspective and the RAP seeks to target these groups.

5. Communication

- 5.1** Proactive communications will be delivered across a range of channels, including digital, social and traditional media as part of implementation of the RAP. The LEP and MCA will work with partners and stakeholders to deliver this communication. A RAP communication plan is available.

6. Appendices/Annexes

Appendix 1 – SCR Renewal Action Plan

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ. Other sources and references: N/A.