

**Heart of the South West Local Enterprise Partnership
LEP Board Paper agenda item 9b)**

Report title: People Leadership Group / Skills Advisory Panel Update

Date: 12 April 2021

Purpose: This paper is for noting

Link to LIS:

Inclusive Growth		Clean growth		
Energy	Engineering		Digital	
Ideas/ Innovation	People/Skills	Infrastructure	Bus. Environment	Places

Timing: January to April 2021

Financial Impact: None

Decisions requested: None

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- 1.1 The last three months have seen a period of difficult but stable conditions within the HotSW labour market, with unemployment stabilised at around 5% for the majority of the period. Whilst the period has seen a third period of lockdown, early decisions taken by Government to prolong furlough and offer additional support to businesses has seen the overall level of redundancy and closure activity remains relatively static through the period. However, overall claimant count remained over double that of the same period in 2020, with particular pressures continuing for younger people, those over 55 and those with a wider barrier to work through health or other causes. Similarly, distinct areas of pressure continued with Torbay, parts of Plymouth, Northern Devon and Teignbridge, and Mendip within Somerset.
- 1.2 Examining furlough data for the period, patterns continued to broadly follow those seen earlier in the pandemic period, though with some early evidence that companies reacted in a more measured way during the third lockdown period. Whilst furlough rates hit around 15% of the workforce at lockdown peak in February 2021, this was significantly below the 25-35% range experienced during spring 2020. This included substantively lower levels of shutdown in construction, manufacturing and wider service sector activity, with around 10% more people in work during this lockdown event. However, impacts within the tourism and hospitality

industry did once again prove significant, with over 45% of both sector's workforce accessing the scheme in January 2021

1.3 Looking ahead, projections provided by Treasury alongside Budget 2021 suggest that a further peak of unemployment is still expected in 2021, as furlough retracts later on this year. However, the scale of peak has been reduced based on recent data, with a high of 6.5% now anticipated as opposed 7-8% in figures produced in October 2021. To a degree, this reflects improved business data around cashflow and business continuity, as well as early indications of a stronger bounce back than originally anticipated. Early GVA / GDP data for Q4 of 2020/21 reinforced this view, with an expectation that the peak to trough downturn of the quarter will be around 4% compared to 19% plus in the first lockdown. This in turn has reinforced labour market outcomes which will hopefully see a period of reduced increase as Government stimulus is reduced later in the year.

1.4 Given the ongoing lockdown, the People Theme has placed a strong focus over the past three months on preparing the policy environment for any recovery later in the year, supporting early recovery activity and delivery, and promoting and coordinating national and regional provision. Key issues / areas of activity over the past three months include:

- **Skills Advisory Panel / Local Skills Plan** – The HotSW Local Skills Report was published on the Skill Launchpad Website on the 31st March, following endorsement and signed off by the Skills Advisory Panel, Joint Committee and LEP Board. The report includes both the core skills strategy for the HotSW, an associated action plan for the next three years, and a comprehensive evidence for the local area.

Given the publication date coinciding with purdah, launch coverage has been reduced, but the document can be found at [Skills Strategy - for Heart of the South West \(skillslaunchpad.org.uk\)](https://skillslaunchpad.org.uk). A fuller launch will be taken forward in mid-May.

- **National Policy Development / Skills White Paper** – Announced before Christmas, work continued during the spring to clarify and move forward emerging activity around the Skills White Paper and border Government policy on skills. The HotSW contributed to national work around the existing role of SAPs and LEPs within the skills landscape as part of a request from DfE, as well as continuing to advocate for a trailblazer to be placed within the LEP area in whatever final form was agreed by Government. Further information and thinking on the forward role of the LEP, SAPs and other approaches is now expected later in the spring, sitting alongside and perhaps integrated within the Government's wider review of the activity of LEPs.
- **DfE Bootcamp / 'Training4All' Programme** – Following the successful securing of £1.7m of funding toward 10 'bootcamp' programmes in engineering and digital training / upskilling in late October, delivery has been taken forward on 750 training places over the spring, with the first round completed by 31 March (though this did include some slippage of technical courses (around 150 places) into April due to the impact of the lockdown upon face-to-face delivery). The HotSW's approach has been broadly welcomed and praised by DfE, with the Minister of State visiting provision in three locations in Devon and Torbay on 23rd March.

In response, the HotSW has bid for a further £3m of provision in January, led by our DSP Manager and Nuclear Workforce Development Manager, with a focus on two separate programmes covering fast track digital and technical provision. The LEP awaits notification on the bids status over the next few weeks, which will support over 1,000 additional places through to Spring 2022. Over and above this bid, the area's first-round programme has also received an extension fund of £500,000 to extend a sample of relevant courses through to July 2021.

- **Kickstart** – Work has continued across partners over the winter to maximise the number of local placements involved. As of writing, around 400-500 places had been made available locally through the kickstart programme, with a further 500 in process amongst relevant Gateway organisations. This marks a significant uplift on the 60-70 actual places made available in January, and suggests a significant acceleration in DWP and local partner delivery activity (in many ways due to hard work on all sides).

Looking ahead, the LEP is now considering how it may support faster and more in-depth provision of relevant opportunities, with an increased focus upon those further from the market or with other barriers to work. A regular Kickstart joint working group (meeting fortnightly) is also currently considering wider opportunities.

- **Careers Hub** – Roll out of the expanded Careers Hub programme continued over the Winter term, with a focus on supporting schools to return, and sustain careers activity despite lockdown. This included the roll out of the Hub's preferred virtual work experience approach, as well as additional support for career leaders and Enterprise Advisors across the network to sustain their programme in the face of natural barriers to face to face provision which would have normally happened during the spring / summer term. Despite these barriers however, achievement of related Gatsby benchmarks hit an average of 80% achievement score across the 8 core metrics in January 2021, with strong performance around using LMI in curriculum design, encounters with employers and access to personal guidance.