

## **Appendix 1, ANNEX II: Strategic context for the Employability and Skills Strategy 2016-18**

### **1. Supporting Economic Growth**

The Council's commitment to, and methodology for, achieving economic growth is laid out in its Economic Growth Strategy 2014-2020. The strategy sits with 'Team East Sussex', the sub-Board for the South East Local Enterprise Partnership (SELEP).

The Economic Growth Strategy identifies a range of key sectors for the local economy, including sectors with the potential for growth:

- Construction (includes planning and the Built Environment)
- Engineering and Advanced Manufacturing. Combines two growth sectors of Advanced Engineering and Materials and Electronic Systems
- Healthcare (includes social care)
- Land Management (includes subsectors of Agriculture, Forestry and Fishing and the Visitor Economy)
- Digital and Media (includes creative and cultural industries)
- Low Carbon and Environmental Goods and Services
- Professional and Business Services (includes Financial Sector, Banking, Insurance & Accountancy)
- Wholesale, Retail and Motor

It highlights the need for businesses to be able to access the support of universities, Higher Education Institutes and specialist training providers in order to support this growth and cites the better alignment of skills provision to meet employer needs as one of its priorities.

The strategy also commits to activity to increase the level of workforce skills, through the recruitment of graduates, increase in STEM learning and apprenticeships. It has a focus on the work readiness of employees, advocating the role of business in places of learning to promote work appropriate skills and support the development of work experience and careers information, advice and guidance.

The Employability and Skills Strategy supports the implementation of the Growth Strategy in several respects:

- Its targets are reflected in the Employment and Skills Plans in our procurement and contracting practices
- In our work with schools we are focusing CEIAG and work readiness activity on the priority sectors.
- Skills East Sussex, the Employment and Skills Partnership Board is also focusing on the priority sectors and is the vehicle through which TES brings together businesses and training providers
- Apprenticeships East Sussex meets quarterly and supports the Apprenticeship priorities of the Growth Strategy

### **2. SELEP skills strategy 2014-17**

The SELEP Skills Strategy 2014-17, echoes our own economic growth plan and identifies a core objective of 'developing our talent pool and increasing participation to provide the skills

our businesses need to grow'. The strategy focuses on the use of funding in the SELEP area to support learners and to develop education infrastructure that is linked to economic growth sectors. It aims to support SELEP priorities of creating 200,000 new jobs in the region by 2021.

It cross references to the SELEP Growth Deal which sets out funding arrangements as:

- £22m of skills capital funding for developing training provider capacity
- Co-commissioning of European Social Funds (via the Skills Funding Agency, DWP and Big Lottery).

The majority of this funding has been commissioned, but the services and projects commissioned will happen over the lifetime of this Employment and Skills Strategy. Careers advice and direct delivery of learning via ESF contracts will be delivered and it is essential that the contractors are linked into our local Skills infrastructure and partnerships (including Skills East Sussex) so that we can help to maximise their impact and reduce competition.

The SELEP Skills Strategy is due to be refreshed in 2016 and any changes and their implications for East Sussex need to be noted and discussed by the Skills East Sussex board.

### **3. White Papers**

#### **3.1 'Educational Excellence Everywhere' March 2016 and subsequent 'Education for All' Bill, May 2016**

The White Paper set out plans for all schools to be academised and committed to legislating to this effect. The DfE subsequently retracted legislation requiring all schools to become academies, but retained the commitment to see all schools to convert to academies within the next six years. The Regional Schools Commissioner (RSC) will be given powers to convert all schools within a local authority area when:

- a local authority can no longer viably support remaining schools because a critical mass of schools has already converted and/or
- a local authority fails to meet minimum performance thresholds across its schools.

The effect of academisation will have an impact on the implementation of any Employment and Skills work undertaken by the Council in the longer term as although it can seek to influence and support academies, ultimately they are independent of the local authority and determine their own direction of travel. In order to continue to influence CEIAG, work experience and work readiness, employer-school links in the longer term, we will retain our focus on building this capacity in the immediate future. This will enable us to maintain momentum for schools to actively participate in and commit to this important strand of the Employability and Skills Strategy.

The White Paper also focuses on changes to teacher training, teacher recruitment and teacher continuous professional development. As part of our approach to the Apprenticeship Levy we will explore options for supporting teacher recruitment in East Sussex.

Educational Excellence Everywhere also touches on CEIAG and work readiness. It promotes the ongoing delivery and expansion of the National Citizen Service (NCS), expecting every school to give every pupil opportunity to participate and it also indicates an ongoing commitment to support the Careers and Enterprise Company in its ongoing work with business engagement with employers.

As part of our Employability and Skills Strategy we will continue to engage with CXK, the national careers service provider, via our Skills East Sussex Board to ensure that we are linked into developments with the NCS and will deliver our Careers and Enterprise funded initiatives on behalf of Skills East Sussex. We will work closely with the Careers and Enterprise company to obtain additional funding for school-business engagement and CEIAG activities where possible.

### **3.2 14-19 Skills, Due for release Summer/Autumn 2016**

The content of the White Paper is currently unknown but there is speculation that the paper will advocate young people choosing a vocational (technical professional education TPE) or academic pathway at age 16. This could have a significant effect on the local post-16 education landscape in terms of provider offers and the continued existence of sixth form colleges.

There are likely to be 15 TPE routes, delivered either full-time over two years or through an apprenticeship, with substantial work experience elements in the non-apprenticeship TPEs. As with the Apprenticeship Levy, the Institute of Apprenticeships may oversee the TPEs. TPEs at 16-19 will be able to lead onto Higher level (degree) apprenticeships.

This white paper will also lay out mechanisms for the delivery of CEIAG.

The paper has implications for the ESCC Employment and Skills Strategy which will need to be reviewed and adjustments made to several elements of the strategy as we move forwards over the next year and a half. It will have an impact on:

- Devolution arrangements
- How we implement measures within our Economic Growth Strategy
- How we work with schools to provide support with CEIAG and employability/work readiness
- How we support the uptake of Apprenticeships in the County
- How we support the implementation of the Area Based Review

### **3.3 Higher education: Success as a knowledge economy, May 2016**

Key proposals within the Higher Education (HE) white paper that have implications for the Councils Employability and Skills Strategy include:

- Universities that meet quality standards in 2017-18 will be allowed to increase tuition fees in line with inflation. This could have an impact on the number of young people locally progressing into HE courses in our priority sectors.
- HE providers are being encouraged to accredit and develop Higher Level Apprenticeships (Degree Level). This can support Skills East Sussex and our Growth Strategy in terms of higher level skilled workforce in specific growth areas, but it could also be used to support the implementation of our own Apprenticeship Levy response, and any model that emerges from 3SC devolution discussions.

#### **4. Area Based Review**

An area based review of further education in Sussex has been undertaken. Its conclusions have been shared with the FE providers' Boards of Governors who have agreed the recommendations in the report as follows:

##### **Northbrook & City College**

- A merger between Northbrook College and City College Brighton & Hove with a focus on the development of apprenticeships and higher level skills to meet local need

##### **Chichester College**

- Chichester College to remain independent currently, but to explore the potential for partnership with (an)other college(s)

##### **Plumpton**

- Plumpton College to remain independent, exploring collaboration around land-based FE and HE provision and shared services

##### **SDC/SCCH**

- Sussex Coast College and Sussex Downs College to form a legally binding federation (in September / October 2016).

##### **Worthing**

- Worthing College to remain an independent college and explore the potential for academisation

##### **Bexhill**

- Bexhill College to remain an independent sixth form college

##### **BHASVIC**

- BHASVIC to remain an independent sixth form college and explore academisation

##### **Varndean**

- Varndean College to remain as an independent sixth form college

##### **Central Sussex College**

- The preferred option for Central Sussex College should be a merger with a strong college, with a suitable partner identified as soon as possible. The financial problems faced by the college need to be addressed by the Government by the end of August 2016

- Recommendation to be agreed by email between FE Commissioner, college and BIS

The review should have a positive outcome for East Sussex, with its two main Colleges planning curriculum between them that meets employer needs and the needs of the local economy.

## **5. Devolution**

The three Southern Counties of East Sussex, West Sussex and Surrey (3SC) have been negotiating the devolution of powers and funding for certain aspects of delivery where there is common ground and potential for maximising impact through collective working and devolved control. One of the elements of the 3SC devolution asks is 'Skills'.

The 3SC area has significant skills gaps in elementary jobs and skills shortages that will become even more severe over the next five years unless the supply of appropriately skilled labour increases. These gaps will impede 3SC economic growth unless they are addressed.

Consequently, the 3SCs have put forward a range of requests which include:

- Greater influence over national skills and employment programmes through devolved funding, including the Adult Skills Budget
- Local co-ordination and commissioning of appropriate provision at FE level that meets economic growth needs.
- Influence over local CEIAG programmes
- The opportunity to oversee the implementation of the Apprenticeship Levy in the 3SC area.

Should negotiations be successful, devolution will have implications for workstreams two and three of our Corporate Employability and Skills Strategy.

Devolution will have implications for how we as a public authority work with others in the 3SC area to implement our Apprenticeship Levy collectively and to address common workforce development and recruitment issues (e.g. health and social care, social work, teacher recruitment).

It will also affect our role as an influencer and partner, as we will be involved in a regional 3SC skills forum, (the shape of which will be developed) and in commissioning FE provision via the Adult Skills Budget.

It is unlikely that any decisions will be made by government before this strategy is approved, and new specific actions may need to be developed during the lifetime of this strategy to support this important area of activity.

## **6. Apprenticeship Levy**

As part of the Comprehensive Spending Review, the Government announced that it would be implementing an Apprenticeship Levy from April 2017. The Levy will be placed on all UK employers in all sectors who have a wage bill of over £3m. Organisations will be levied at 0.5% of their wage bill over £3m, and will be paid alongside National Insurance and Income Tax via PAYE. Government has set a target for all public sector organisations to employ 2.3% of their workforce as Apprentices in the framework of the new Levy.

For East Sussex this means that we will be required to:

- Pay an Apprenticeship Levy of £1,225,000
- Employ approximately 280 Apprentices in our core business and in our schools

The Council will need to develop the mechanisms to enable it to implement its approach to the Apprenticeship Levy during the first six months of this Employability and Skills Strategy. We need to work closely with partners to make sure that we deliver the most cost effective and workforce needs-led approach to the Levy, at a time of considerable economic constraint for local government.

## **7. EU referendum**

The results of the EU referendum, the leave vote, will affect employment and skills at a national level once an exit is negotiated. At this early stage in proceedings we do not know what the implications are on policy, funding for skills or on the economy.

When article 50 is invoked and negotiations to leave the EU begin, we will have greater clarity as to the impact that the referendum will have on employment and skills in East Sussex.

## **8. Health and Social Care**

East Sussex Better Together (ESBT) is our 150-week programme to transform health and social care services. It's about making sure we use our combined £850million annual budget to achieve the best possible services for local people. The programme started in August 2014 and is led by two local NHS clinical commissioning groups and East Sussex County Council. At the time of writing, Connecting 4 You, the transformation programme for High Weald, Lewes and Havens (HWLH) is being developed, with a specific focus on the needs of the HWLH population. While our budget is likely to stay about the same, demand and costs will continue to rise so we are working together with local people and stakeholders to design and commission safe, high quality and more integrated health and social care services that will meet the needs of people now and in the future.

Workforce is an integral part of the joint health and social care work. The scope of this work includes the independent sector who provide a significant number of social care services. There are established mechanisms through which the workforce agenda is being progressed. For example, responsibilities of the ESBT Strategic Workforce Group include:

- Reviewing the current gaps in workforce provision and define the size and shape of the health and social care workforce required to deliver integrated service plans.
- Develop plans to promote understanding between the health and social care workforce to support the sustainability of both sectors.
- Undertake continued assessment of role development and training for any new roles needed to support the delivery of an integrated health and social care system.
- Ensure where relevant, the joint education, training and development of health and social care staff is made available or considered.

Priority areas of work include:

- New models of care and relevant workforce transformation and organisational development agenda
- Opportunities for joint Education, Training and Development initiatives
- Recruitment and retention issues and joint solutions

## **9. Raising the Participation Age (RPA) Strategy**

The Council's aspirations and methodology for increasing the participation of 16 – 18 years old in education and learning is set out in our Raising Participation Strategy. This strategy is led by the Standards and Learning Effectiveness Service within Children's Services. The ESCC RPA Scrutiny review which reviewed the RPA Strategy in 2015 acknowledged the work and commitment from partners and providers which are reflected in positive participation rates for 16 and 17 years old, and reduced 18 year old NEETs which are above national and regional averages. The review also identified areas for improvement, with key recommendations including:

CEIAG: all our schools and colleges should attain the Investors in Careers (IIC) standard for careers advice services, or an equivalent alternative, to demonstrate to Ofsted and ESCC that they operate careers advice to the standard required by the Department for Education (DfE) statutory guidance

-Vulnerable Groups: Schools, colleges, ESCC and its partners to examine ways to support the 'next most at risk' young people who may not trigger traditional vulnerability criteria

- Meeting Employers' Needs: this included recommendations to pilot the employability passport and to support business engagement with schools and to promote traineeships and apprenticeships across the county.

A 16-19 Summit was held in June 2016 to review the current RPA Strategy and inform a refresh of the Strategy. Senior leaders attended from across the sector to inform and influence the direction, priorities and content of this new strategy. The updated RPA strategy will be published in September 2016.

## **10. State of the county**

The State of the County report is published annually and informs the development of our Council Plan:

<https://new.eastsussex.gov.uk/yourcouncil/about/keydocuments/councilplan/state-of-the-county>