

# Scrutiny of Skills Policy in Yorkshire & Humber

March 2006 - Scrutiny 8



**YORKSHIRE  
AND  
HUMBER  
ASSEMBLY**  
*Voice of the region*

# Contents

The Assembly's Scrutiny Role	4
Skills Scrutiny	4
Yorkshire and Humber Assembly Panel Members	5
Yorkshire Forward's Strategic Role	6
Structures for Skills	7
Delivering Skills to Individuals	8
Meeting the Needs of Young People	9
Promoting Diversity and Creating a Culture of Learning	10
Next Steps	11
Annex A: Action Plan in Response to Scrutiny Enquiry 8	12

## **Acronyms used in this report**

RSP	-	Regional Skills Partnership
RSA	-	Regional Skills Alliance
LSC	-	Learning and Skills Council
NETP	-	National Employer Training Programme
RDA	-	Regional Development Agency
IDB	-	Information, Diagnostics and Brokerage
RES	-	Regional Economic Strategy
VCS	-	Voluntary and Community Sector
BITC	-	Business in the Community



## Foreword

I have been delighted to lead this enquiry into skills policy in our region. Making sure that the region has a coherent approach to skills policy is something that I, and my fellow Panel members, feel passionately about. Good skills provision, at all levels, is key to our future economic success. It can promote inclusion, by connecting people to economic opportunity, and it can make our businesses more successful.

Producing this report has been a fascinating and rewarding experience. I am sure I speak for all of my fellow Panel members, when I say that we are grateful for the time and commitment shown to this review by Yorkshire Forward, and by the wide range of other stakeholders who gave evidence to the Panel.

It is this level of input which makes regional scrutiny valuable. The number and quality of organisations offering evidence to the Panel, in a variety of ways, means that the issues and solutions raised in this report have real legitimacy and ownership.

The Panel's key task is to listen to all submissions received, weigh up those submissions and to reach a considered conclusion. At all times, the Panel has taken this responsibility extremely seriously. The conclusions reached in this report may not echo every single comment received during the course of this review, but it is my opinion that our conclusions do offer a fair balance of the points raised by witnesses.

Finally, the Scrutiny Panel took a decision very early on about the format and style of the report that they wished to produce. Previous reports have been rather lengthy, with a wide range of recommendations. For this review we have taken a rather different approach. We have produced a short report that focuses on a small number of key recommendations. We hope that this will encourage the report to be read as widely as possible and will allow effective monitoring of delivery.

Skills is too important an issue for the region to get wrong. The Assembly is committed to work alongside Yorkshire Forward and other partners to ensure that we are offering the right package of skills, to the right people, at the right time and in the right way. If this report helps us to do this, then I will consider it a success.

A handwritten signature in black ink, appearing to read 'Julian Cummins'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Julian Cummins  
**Scrutiny Chair**

‘Making sure we have the right provision at all levels is key to our future economic success.’



## The Assembly's Scrutiny Role

Scrutiny is one of the Assembly's key statutory roles. This work is essential in making sure that the activity of Yorkshire Forward is accountable to the region. The Assembly, Yorkshire Forward and the wider region are all committed to making sure scrutiny is a positive process leading to better delivery to meet the needs of Yorkshire and Humber.

Each scrutiny review is a time limited, in-depth enquiry lead by a panel of up to six members. It is made up of representatives from the Assembly, the Commissions and local authority elected members with scrutiny experience and chaired by a full Assembly member.

## Skills Scrutiny

This scrutiny enquiry has considered the effectiveness of skills policy in the region. With higher-level skills, this agenda is about the competitiveness of businesses and the region. With lower levels, the skills agenda is about inclusion. Making sure we have the right provision at all levels is key to our future economic success.

The Panel has chosen to produce a short report, focusing on key recommendations. This is to encourage the report to be read as widely as possible. However, a great deal of work has gone into collating evidence from a wide-range of sources - through written evidence, background research and hearings with Yorkshire Forward and with other stakeholders. The conclusions in this report are based on this wider evidence-base. There is an additional technical paper available setting out the evidence base for the Panel's findings available on request at [www.yhassembly.gov.uk](http://www.yhassembly.gov.uk)

The scrutiny panel has concentrated on Yorkshire Forward's strategic role.

It has focused in on four specific areas that provide the bulk of this report. These areas reflect the concerns and priorities that were raised by stakeholders in written evidence, interviews and formal hearings and are:

- The structures for skills
- Delivering skills to individuals
- Meeting the needs of young people
- Promoting diversity and creating a culture of learning

For more details and to get a copy of the full report email: [mail@yhassembly.gov.uk](mailto:mail@yhassembly.gov.uk) or tel: 01924 331555.

# Yorkshire and Humber Assembly Panel Members

## **Julian Cummins - YHA Member and Chair of the Quality of Life Commission.**

Julian was chair of the Assembly's Quality of Life Commission for two years, and was also a representative of faith communities on the Assembly for four years. Prior to that he was a Board Member of Yorkshire Forward from its inception in 1998 where he was responsible for social inclusion activity.

## **Cllr Terry Sharman - Deputy Leader of Rotherham MBC.**

Terry has been with the Council for thirty-three years; his role is to deputise for the Leader and his particular remit is Human Resources, Equalities and Training and Development.

## **Cllr Natalie Warriner MBE - Ryedale DC.**

Natalie is a serving elected member with Ryedale District Council, and Pickering Town Council. Her work at Ryedale includes serving on the executive of the Local Government Association's SPARSE group and the Rural Commission.

## **Cllr Dick Fordham - North Lincolnshire Council.**

Dick has been a member of North Lincolnshire Council since 1999. He was a key player in setting up North Lincolnshire Council's scrutiny arrangements before they were formally introduced in September 2001 and is now vice chair of the Policy Review & Development Scrutiny Committee

## **Cllr Bill Miller - Scarborough Borough Council.**

Bill has been a Borough Councillor of six years and a County Councillor for four. He has extensive experience of scrutiny work and is a member of the Environment and Transport Portfolio for Scarborough BC.

## **Carl Leonard - Skillfast UK.**

Carl is a National Account Manager with responsibility for the Northern Way and interacting with employers and strategic organisations with regards to skills development. He has previously worked for the LSC as a Workforce Development Manager and before that the TEC.

The panel was supported by: Rob Warm, Chris Pilkington, Yorkshire and Humber Assembly and ECOTEC Consulting.



‘Using this flexibility in a creative way adds value to the work of others and underpins all of the recommendations in this report.’

## Yorkshire Forward’s Strategic Role

This scrutiny enquiry has had to consider Yorkshire Forward’s role within a complex regional landscape where other players also make a substantial contribution. This context is clearly seen in terms of spend on skills, learning and training programmes in the region by the three most substantial regional players: Yorkshire Forward, the Learning and Skills Council (LSC) and Jobcentre Plus.

Yorkshire Forward funding is just 4% of the total - and this total figure does not include money spent on Higher Education in the region, or invested in training by the private sector. The comparatively low level of funding hides the important strategic and leadership role of Yorkshire Forward in relation to skills in the region.

The Agency has more flexibility than other agencies working at a regional and local level. Using this flexibility in a creative way adds value to the work of others and underpins all of the recommendations in this report.

Some of the recommendations that the Panel has made in this report relate to skills provision at particular ‘levels’. The Panel is aware that some stakeholders may not be familiar with what these levels mean. In brief, Entry Level and Level 1 relate to basic skills; Level 2 is GCSE grades A-C or an equivalent vocational qualification; Level 3 would be ‘A’ Level equivalent or more advanced vocational qualifications, whilst Levels 4 and 5 relate to higher levels - degree level and above or equivalent.

### Regional Programme Expenditure on Skills 2004/5

Regional Organisation	Spend on skills programmes
Yorkshire and Humber Learning and Skills Councils	£727m
Jobcentre Plus	£74m
Yorkshire Forward	£33m
Total spend	£834m

*ECOTEC Research and Consulting*

# Structures for Skills

This scrutiny review was not primarily reviewing the structures and processes surrounding skills provision. However, in the course of this review a large number of comments have been received which relate to the structures. In particular, many key stakeholders emphasised the difficulty that a wide range of organisation have understanding and engaging with the structures. There is particular confusion about the respective roles of the two bodies that have varied advisory and co-ordination roles. These are Regional Skills Partnership (RSP) and Regional Skills Alliance (RSA). This needs to be addressed as an absolute priority. The Panel acknowledge that YF is aware of this issue, and has already started to review structures.

## Recommendation 1

Regional skills structures are overly complicated and lack focus. In particular there are specific issues around the ability of business to understand and engage with these structures. The Panel recommends that YF continues to work with key partners to agree an action plan for a fundamental change to the structures. This must achieve a simplification of the structures and set a timeline to have this review complete within 3 months of publication of this report.



‘Defining precisely what those business needs are will require a high-level debate between the YF and the region’s businesses.’

## Delivering Skills to Individuals

Actual provision is the business of other organisations and agencies than Yorkshire Forward. However, Yorkshire Forward has a shared responsibility for skills provision in the region at all stages of the ‘skills ladder’ i.e. basic through to higher level skills. Its role is to lead and facilitate innovative skills support that meets the needs of individuals and businesses and ‘fills gaps’ that cannot be filled through mainstream funding such as that provided to the LSC.

One of the key issues that the Panel focused on was whether we have the right balance when it comes to skills provision - and whether we are doing enough to promote progression by individual learners.

The Panel considered a range of evidence. We concluded that whilst basic skills ought to be the region’s priority, Yorkshire Forward’s additional investment should be targeted at supporting higher-level qualifications (Level 3 and above). The Panel’s view is that YF should focus on equipping people in the region with the higher-level skills that businesses will need in the future. Defining precisely what those business needs are will require a high-level debate between the YF and the region’s businesses. The current process of bringing together businesses and providers, within the RSP, does not work as well as it needs to

The second specific gap that has been identified in this review is ‘reskilling’ those older workers who may not qualify for publicly funded assistance due to their having an outdated Level 2 qualification (e.g. ‘O’ Levels taken 30 years ago). Public funding through the LSC is not available to this group. Given the demographics of the region, reskilling and retaining older workers ought to be a key priority.

In our view, there is potential for funding imaginative and effective training that meets real needs. It is inevitable that the Government will not meet every need even though its spending is at the highest levels ever. Businesses, the voluntary sector, faith communities and local people put their own resources into training if they see that it works and meets their needs. That is why we need a more focussed, straightforward and practical structure than we have at present.

### Recommendation 2

YF must find a new way to involve businesses in identifying future skills needs. The RSP (or its structural replacement in accordance with Recommendation 1) should respond by producing an action-plan setting out how the region will provide support for Level 3 and higher-level qualifications. This action plan should focus on meeting the needs of employers in particular to address identified skills gaps and should involve Higher Education institutions.

### Recommendation 3

Yorkshire Forward must work with the LSC and other regional partners to identify additional support for people who have an initial Level 2 qualification to obtain a further Level 2 qualification in key occupational sectors of current and future regional importance. This will help to respond to labour market needs to address particular skill gaps.

# Meeting the Needs of Young People

A key concern of the Panel, throughout this enquiry, has been that too many young people are leaving school early, with no qualifications. This relatively small group can have a disproportionately negative impact on their communities. This, in turn, has an impact on the economic development of the region. The Panel believes that regional agencies involved in skills need to work to address the needs of this group in a proactive and imaginative way. They must work alongside Local Education Authorities who remain the key deliverers to this age group.

The Panel accepts that Yorkshire Forward's delivery activity in this area is necessarily limited. However, stakeholders clearly believe that the Agency can play a key role in helping to influence and drive the debate around vocational education, improving co-ordination in this area and helping to 'fill the gap' for work with younger children - particularly for children between the ages of 11 and 14. This is a critical age when the seeds of exclusion and disengagement are often sown. The region needs to think imaginatively about the way that we will develop transferable strategies for re-engaging disaffected young people.

Once an effective framework has been put into place, Yorkshire Forward must work with the voluntary, community and faith sectors to ensure that skills delivery is reaching the most difficult to reach young people.

## Recommendation 4

Yorkshire Forward must commit to work with the LSC, LEAs and other partners to ensure that there are learning opportunities for 11-14 year olds who are not in mainstream education or who are at serious risk of exclusion. This provision should be designed to merge seamlessly with the emerging strategic framework for 14-19. It must lead to a comprehensive 11-19 regional framework for skills - particularly focusing on the most marginalized sections of our communities.

‘The Panel believes that regional agencies involved in skills need to work to address the needs of this group in a proactive and imaginative way.’



# Promoting Diversity and Creating a Culture of Learning

A cohesive and successful region needs to ensure that there is provision that meets the needs of all of our communities. Understanding the diverse needs of communities and individuals, and making sure that provision is tailored to meet those needs, is key to our future success.

A related issue, which has been raised consistently throughout this review, relates to shifting the aspirations and ambitions of large numbers of people, businesses and communities in our region. The need to bring about 'cultural change' is accepted and supported by all agencies - indeed one of the key FRESA objectives relates to "creating a culture of learning" in the region. The Panel remain unsure precisely what such a cultural change would constitute and how the region will know if we are moving towards it. One key way that progress must be assessed is in whether disparities between different sections of our communities are narrowed over time.

## Recommendation 5

Yorkshire Forward and partners must improve their understanding of the significant issues around access and achievement in skills, which affect some of the region's communities. Research should be conducted where there are currently gaps in understanding about particular areas of need. Any future funding directed towards specific groups must have a set of specific associated targets to assess the effectiveness of investment in a robust and transparent way.

## Recommendation 6

Yorkshire Forward must develop a clear set of criteria to measure the progress being made in the region towards establishing a 'learning culture'. This will include refining existing indicators and establishing new ones. This work should be done through the RSP (or its structural replacement). This will assist Yorkshire Forward and the wider region in assessing progress in this area and provide a rationale for future activity linked to cultural change.

'Understanding the diverse needs of communities and individuals, and making sure that provision is tailored to meet those needs, is key to our future success.'





## Next Steps

This report has focussed on 6 recommendations that will move the region forward in the way it deals with skills.

The recommendations acknowledge and build upon Yorkshire Forward's existing positive commitment and the strong achievement by LSC, schools, colleges, Job Centre Plus and other providers. The Panel acknowledge and celebrate the very good work that is going on in the skills agenda. We are also grateful to the many people we interviewed who contributed to these recommendations

However, we all share Advancing Together's ambition to achieve much more for our region. Therefore the report also sets out practical steps that need to be taken to attain higher standards in Yorkshire and Humber. Ensuring that these recommendations are delivered is absolutely key to our future success. The Assembly will work with partners to ensure that robust monitoring arrangements are put in place to ensure that the changes identified in this report are delivered.

‘Ensuring that these recommendations are delivered is absolutely key to our future success.’

# Annex A: Action Plan in Response to Scrutiny Enquiry 8 - Skills November 2005

	Recommendation	Actions	Timescale
<b>Structures for Skills</b>	<p><b>Recommendation 1</b></p> <p>Regional skills structures are overly complicated and lack focus. In particular there are specific issues around the ability of business to understand and engage with these structures. The Panel recommends that YF continues to work with key partners to agree an action plan for a fundamental change to the structures. This must achieve a simplification of the structures and set a timeline to have this review complete within 3 months of publication of this report.</p>	<p>The RSP has been reviewed with a report made available to the RSA and the Education and Skills Commission. A key recommendation is the establishment of a new Regional Skills Partnership Board with increased demand-side engagement by holding up to six of the 15 seats on the Board.</p>	<p>The proposed timeline for the establishment of the new Board is April 2006.</p>
		<p>In order to ensure clarity for businesses within the region Yorkshire Forward, the regions LSC's and Business Links have all committed to delivering services to employers in an integrated manner. Better Deal for Business provides a framework for key organisations responsible for delivering business support services to operate within. The development of the NETP within the region is being done hand in hand with the RDA to ensure alignment of Skills brokers and the IDB service operating through Business Links. The Regional Skills Partnership Board has responsibility for ensuring that the service is being designed to meet local needs.</p> <p>At the same time the review of Business Support within the region should highlight areas where further alignment is needed and inform any future business support programmes, given that RDAs have now taken on responsibility for Business Links.</p>	<p>August 2006</p> <p>Review to be completed July 2006</p>
<b>Delivering Skills to Individuals</b>	<p><b>Recommendation 2</b></p> <p>YF must find a new way to involve businesses in identifying future skills needs. The RSP (or its structural replacement in accordance with Recommendation 1) should respond by producing an action-plan setting out how the region</p>	<p>Yorkshire Forward is working towards increased demand-side engagement (see above).</p> <p>An action plan to address support for Level 3 and higher level qualifications is in the revised RES, giving a strengthened role to these actions through the Sub Regional</p>	<p>April 2006</p> <p>June 2006</p>

	<b>Recommendation</b>	<b>Actions</b>	<b>Timescale</b>
	will provide additional support for Level 3 and higher-level qualifications. This action plan should focus on meeting the needs of employers in particular to address identified skills gaps and should involve Higher Education institutions.	<p>Investment Plans (SRIPs), for example, through the work on Clusters.</p> <p>To engage HE institutions, a Vice Chancellor and a College Principal will sit on the new Regional Skills Partnership Board.</p> <p>Also, Yorkshire Futures, through the RSP, will be asked to provide 6 monthly labour market skills productivity trend reports to the new Board. The skills chapter of Progress in the Region will form the first report.</p> <p>Stakeholder workshops are also being held with the relevant sector skills Councils, LSC, HE and other key partners to determine future areas of needs and to ensure a programme is in place to progress this.</p>	<p>April 2006</p> <p>October/November 2006</p> <p>Commenced September 2005</p>
<b>Delivering Skills to Individuals</b>	<p><b>Recommendation 3</b></p> <p>Yorkshire Forward must work with the LSC and other regional partners to identify additional support for people who have an initial Level 2 qualification to obtain a further Level 2 qualification in key occupational sectors of current and future regional importance. This will help to respond to labour market needs to address particular skill gaps.</p>	<p>Subject to the prioritisation and limits of funding, the need for an additional Level 2 qualifications will be tested through the investments made with the framework of development under The Northern Way initiatives.</p>	<p>Reporting March and October 2006.</p>
<b>Meeting the Needs of Young People</b>	<p><b>Recommendation 4</b></p> <p>Yorkshire Forward must commit to work with the business community, LSC, LEAs and other partners to ensure that there are innovative vocational learning opportunities for 11-19 year olds who are not in mainstream education or who are at serious risk of exclusion.</p>	<p>Yorkshire Forward is already firmly committed to this, as evidenced through the revised RES. The existing Regional Skills Partnership has already endorsed the joint LSC/LEA 14-19 regional statement of priorities.</p> <p>Yorkshire Forward continues to work with representatives of the VCS e.g. BITC, Princes Trust, and with schools to support the development of enterprise education across the region. The Young People's Enterprise Forum is also key to this.</p>	<p>Autumn 2005</p>

Recommendation	Actions	Timescale
		<p>Of significance within the region is the need to improve attainment across the science, technology, engineering and Maths (STEM) agenda. Yorkshire Forward's Board have recently approved £9m expenditure for this area of activity.</p>
<p><b>Promoting Diversity and Creating a Culture of Learning</b></p>	<p><b>Recommendation 5</b></p> <p>Yorkshire Forward and partners must improve their understanding of the significant issues around access and achievement in skills, which affect some of the region's communities. Working through Yorkshire Futures, research should be conducted where there are currently gaps in understanding about particular areas of need. Any future YF funding directed towards specific groups must have a set of specific associated targets to assess the effectiveness of investment in a robust and transparent way.</p>	<p>Through the new Regional Skills Partnership, Yorkshire Futures will be tasked to provide 6 monthly labour market intelligence, skills and productivity trend reports to the new Board.</p> <p>Investment Planning is the process for RES delivery. Sub regional partnerships and the strategic economic analysis that underpins the RES will be the vehicle for identifying labour market gaps and the use of the single pot, EU Funding and over time other public sector funding. This process will improve partner understanding of the significant issues around access and achievement.</p> <p>The Regional Skills Partnership has commissioned the Sector Skills Development Agency and Yorkshire Futures, to undertake research work on regional sectoral information and intelligence.</p> <p>Yorkshire Forward is investing in the Intercultural Leadership Programme for Faith communities</p> <p>Commencing in 2006 Progress in the Region to report in October/November 2006</p> <p>Reporting dates still to be determined</p> <p>Ongoing</p>
	<p><b>Recommendation 6</b></p> <p>Yorkshire Forward should develop a clear set of criteria to measure the progress being made in the region towards establishing a 'learning culture'. This will include refining existing indicators and establishing new ones. This work should be done through the RSP (or its structural replacement). This will assist Yorkshire Forward and the wider region in assessing progress in this area and provide a rationale for future activity linked to cultural change.</p>	<p>Yorkshire Forward is responsible for reporting on the Tasking Framework to Government, so a new set of criteria will not be established.</p> <p>However, the RSP have tasked Yorkshire Future to devise a monitoring and evaluation framework for RSP activities. A key recommendation will be that Advancing Together's high level targets are those set to measure progress. This information will be made available to the new Regional Skills Partnership Board.</p> <p>Outline proposals to Regional Skills Alliance in January 2006</p>

## Previous Scrutiny Reports

Business Birth Rate Strategy	Scrutiny Enquiry 1	Autumn 2002
The Impact of the Regional Economic Strategy on Social Inclusion	Scrutiny Enquiry 2	Spring 2003
Public Sector Investment and the Achievement of Regional Economy Strategy Objectives	Scrutiny Enquiry 3	January 2004
Five Cities: Drivers of Economic Growth	Scrutiny Enquiry 4	June 2004
Market Towns Initiative and Renaissance Market Towns Programme	Scrutiny Enquiry 5	August 2004
Clusters Policy	Scrutiny Enquiry 6	January 2005
Marketing and Inward Investment	Scrutiny Enquiry 7	June 2005

For copies of any of the above reports please email: [mail@yhassembly.gov.uk](mailto:mail@yhassembly.gov.uk) or visit the web site at [www.yhassembly.gov.uk](http://www.yhassembly.gov.uk)

Yorkshire and Humber Assembly  
18 King Street  
Wakefield  
WF1 2SQ

Tel: 01924 331555  
Fax: 01924 331559  
e: [mail@yhassembly.gov.uk](mailto:mail@yhassembly.gov.uk)  
w: [www.yhassembly.gov.uk](http://www.yhassembly.gov.uk)