

EMPLOYER VOICE PLACE-BASED CASE STUDY

YORKSHIRE & THE HUMBER

BACKGROUND

Yorkshire and the Humber is a region with around 5 million people and an economy worth £20 billion¹. It is made up of four sub-regions: North, South, West Yorkshire and the Humber. Three city regions have been identified as central to the driving of the region's (and the North's) economy. They are the Leeds City Region, the Sheffield City Region and the Hull and Humber Ports City Region.

The region traditionally relied on large-scale, heavy industries such as manufacturing, textiles and agriculture and was moving to a more diverse economic base prior to the recession, with an increased focus on a service based economy, particularly financial services in the Leeds city region. Following the initial impact of the recession, renewed emphasis is being placed on supporting the advanced engineering and manufacturing base of the region's economy, along with other sectors prioritised prior to the recession such as digital and environmental industries².

Yorkshire and the Humber has fewer skilled people than the most successful regions and suffers from a low skills equilibrium. The region is also one of the worst performing in attainment at GCSE level. The region's universities educate almost 29,000 students to first degree level per year and around 15,000 post-graduates although retention of graduates and post-graduates within the region is an issue. The employment rate in the region currently stands at 73.7% against a national average of 74.2%³.

EMPLOYMENT AND SKILLS STRUCTURES

Regional Work and Skills Partnership Board and Local Work and Skills Boards

Following the recommendations of the Sub National Review⁴, Yorkshire Forward and the Local Authorities have formed a Joint Regional Board (JRB). This acts as the joint regional strategic partnership between Local Government in the region and Yorkshire Forward, the Regional Development Agency (RDA), and is the agreed Regional Body for Planning, Housing, Transport and Work and Skills. It will also prepare an Integrated Regional Strategy (IRS) which will replace the Regional Economic Strategy (RES) and the Regional Spatial Strategy.

The JRB consists of the eight Local Authority (LA) leaders and eight members of the Yorkshire Forward Board. Four thematic boards, focusing on spatial planning, regeneration and housing, transport and work and skills, will support the JRB in its work.

The aim of the work & skills thematic board, known as the Regional Work and Skills Partnership Board (RWSPB), is to maximise the contribution of the region's labour force to sustainable economic growth by improving skills outcomes and productivity on a demand-led basis. It is made up of members from key agencies along with 2 private sector employers and 2 public sector employers, with 1 of the private sector employers chairing the board. It also has representation from each of the sub-regions or city regions plus a Vice-Chair who is a Council Leader.

The RWSPB has been formed out of the Regional Skills Partnership (RSP) in Yorkshire and Humber. In its latest series of meetings, the RSP has been preparing for its transformation including holding a special facilitated event at its December 2008 meeting. The RSP produced a technical brochure

¹ The Regional Economic Strategy for Yorkshire and Humber, 2006 - 2015

² 2005 forecasts suggest that the region has a Gross Domestic Product (GDP) per head of 24,030 Euros - similar to the average for the European Union member states. Forecasts suggest that after a period of growth above the EU average, the region will attain GDP per head of 29,850 Euros by 2015. Gross Value Added (GVA) per worker across the Yorkshire and the Humber region was £29,100 in 2003, compared to an average of £32,100 across England and £32,400 across the UK as a whole. According to forecasts, the region is set to achieve GVA per worker of £38,808 by 2015, whilst the UK is forecast to achieve £42,456.

³ Yorkshire and Humber Labour Market Bulletin, Jobcentre Plus, December 2008

⁴ DCLG (November 2008). Prosperous Places: Taking Forward the review of the Sub-National Review

outlining its 3 strategic priorities of employability, higher level skills and business support which also outlined some headline measures in relation to specific skills priorities and its ability to influence and work in partnership. A performance and management sub-group met regularly during 2008 to ascertain specific KPIs. This has resulted in the development of a balanced scorecard that will now be taken forward by the RWSPB. The RSP Director and senior administrator will now support the RWSPB.

The region has a series of local work and skills boards (WSBs). Most of the boards are linked into the Local Strategic Partnership arrangements in the respective areas. There are local WSBs in each of the South Yorkshire districts (Barnsley, Rotherham, Sheffield and Doncaster) and Leeds, Bradford, Kirklees and Wakefield in West Yorkshire. There is still a Learning Partnership in each of the York and North Yorkshire districts; however, these are merging into 1 WSB. There are also 2 coalitions in the region in South Yorkshire and West Yorkshire (the West Yorkshire Coalition has a number of sub-groups of employers looking at specific areas such as contact centres and diversity.)

The WSBs vary in membership and approach. Some are more strongly weighted towards public sector membership (Wakefield) whilst others are completely employer-driven (Leeds). Many of the WSBs have focused on tackling worklessness. In South Yorkshire, this is partly as a result of the focus on delivering the City Strategy Pathfinder. In Bradford, this is because the WSB was a development of the West Yorkshire Coalition. Yorkshire Forward has allocated a small amount of money to each WSB (£15k) with specific outputs attached in order to strengthen the focus of WSBs and link them into the RWSPB. They are being asked to:

- Deliver local labour market intelligence;
- Stimulate demand and be an advocate for the regional skills offer;
- Scrutinise Yorkshire Forward's investments and impact at a local level.

The Chair of the RWSPB and the Chairs of the local WSBs will meet formally for a dinner bi-annually to agree common areas aims and share information. In addition, there is a network of WSB officers who meet with the Director of the RWSPB and Local Government Yorkshire and Humber (LGYH) lead to ensure that policy and strategy is communicated across the region as well ensuring that the RWSPB has good links with the City Region strategies for work and skills.

City Regions

Leeds City Region Partnership consists of 11 LA areas across North, West and South Yorkshire. Its Leaders Board became the first legally constituted city region body in 2007. It has a series of panels taking forward specific issues. One of the panels is the Skills and Labour Market Panel. There is also a Business Leadership Group consisting of key business figures in the City Region which acts as an advisory group to the Leaders Board and panels. Leeds City Region Partnership took forward the development of its Multi-Area Agreement (MAA) which was signed off in July 2008.

Leeds City Region was announced in Budget 2009 as 1 of the 2 forerunner City Regions to be given devolved powers subject to a final decision in July 2009. In its Forerunner Plan, it states that it will establish a private sector-led Employment and Skills Board (ESB) by summer 2009 that will be responsible for the development and delivery of its Work and Skills Plan which will also be finalised in summer 2009. The ambition is for the ESB to take full charge for commissioning of the Work and Skills Plan by December 2010.

Sheffield City Region Forum oversees the development and delivery of the Sheffield City Region strategy. The City Region consists of South Yorkshire Local Authorities plus the northern parts of the East Midlands region. The Forum operates through a number of Joint Issues Boards (JIBs). There is a Skills JIB which is chaired by a LA Leader and has private sector membership plus public sector partners. Sheffield City Region Forum put forward an unsuccessful forerunner City Region bid.

The Hull and Humber Ports City Region is overseen by the Humber Economic Partnership which has an Enterprise, Employment and Skills Board. The Board is chaired by a private sector employer and has ambitions to become a formal ESB with commissioning powers.

Other Structures and Mechanisms

There are other structures in place in the region that aim to ensure employers are able to influence the learning and skills system. The Alliance of Sector Skills Councils (SSCs) in the region has recently undergone a transitional phase and is now chaired by the CEO of Cultural and Creative Industries Sector Skills Council. Each of the SSCs have a different structure but some will have regional staff who engage with regional partners depending on their capacity.

Jobcentre Plus has a national, sectorally driven approach to employer engagement. They work with individual employers through the development of Local Employment Partnerships (LEPs)⁵ and with specific SSCs at a national and regional level to ensure that the sector offer is relevant. This approach results in a standard national offer which includes pre-employment training routeways and employment toolkits. Jobcentre Plus work closely with the 2 Coalitions in the region to engage with groups of employers.

The Learning and Skills Council (LSC) have a sector team in place in the region and, until the Train to Gain brokerage moved to Business Link in April 2009, had a series of sector brokers. The LSC meets regularly with SSCs in the region in order to understand the national sectoral needs and translate this into the regional offer.

There is also a Business Support Partnership, led by the RDA, which brings together all of the employer representative organisations in the region to determine the effectiveness of products, including skills products, that are offered to businesses. To ensure consistency with the work of the RSP, the RSP Director and Chair have been members of this group and this will continue with the formation of the RWSPB.

In addition to the formal networks established through top-down policy, there are also a number of informal networks, either set up as part of the RDA's cluster activity or that have self-formed around specific concerns, e.g., Special Metals Forum, South Yorkshire Manufacturing Group, West Yorkshire Industrial Forum, Manufacturing Task Group (set up as a result of the economic climate), Regional Health Alliance, Digital 2020 etc. Some have established themselves as legal entities, e.g., Electronics Yorkshire, Regional Food Group, Humber Chemical Focus. In addition to this, there are employer representative groups formed from trade associations that are active or based in the region (e.g., Institute of Spring Manufacturers), the Engineering Employers' Federation's (EEF) new regional council and some regional groups formed by SSCs and other sector bodies, such as the ECITB's Regional Group, who all actively seek to influence the skills agenda.

IMPACT

Measurement of impact varied across the groups with local WSBs focusing largely on Local Area Agreement (LAA) targets and the RWSPB adopting a new approach to measurement through the development of a balanced scorecard. However, there is evidence of impact across the various structures despite the fact that many are newly set up or evolving from previous structures that are changing due to new policy directives.

At a regional level, the RSP, and now RWSPB, has created an environment where there is an effective partnership in operation. This has resulted in a strengthened partnership between the RDA

⁵ Local Employment Partnerships (LEPs) are a deal between Jobcentre Plus and individual employers looking to recruit and jointly tackle the increasing recruitment and skills challenges of the labour market and economy.

and the LSC and also stronger relationships for partners with HEFCE and the LAs. The evolution to the RWSPB is viewed as strengthening even further the links between partners and the LAs.

The partnership has provided the ability to align funds and develop a collective understanding of the region and its skills needs. This has helped to drive or support initiatives such as the ESF strategic investment framework (steering co-financers in targeting funds), Train to Gain (TtG) Enhancement Fund (60% contribution to courses demanded by employers but not eligible for TtG funds) and the skills element of Yorkshire Gold (Olympics campaign to lever raised skills in the region).

At a local level, Leeds WSB has established a key role in influencing the employment and skills system. In particular, it acquired a key role in making recommendations for the new governance structure for the city's college review which resulted in the merger of all of Leeds' FE colleges. The WSB, driven by the Chamber of Commerce and key business people in the city, lobby hard to be listened to on key employment and skills issues and now have an established record of influencing the system.

Rotherham WSB has seen success in the delivery of "The Junction", a project aimed at tackling worklessness and funded through the Working Neighbourhoods Fund. Rotherham WSB has also been active in supporting Yorkshire Forward programmes relating to employability.

At a city region level, the evidence of partnership development, particularly in Leeds City Region's pulling together of its MAA, has provided clarity of focus and ambition for the partners in the City Region around common issues.

The national sector influence is clearly defined in the work of Jobcentre Plus. Working with Skills for Care and Development, they have established a series of regional events targeting employers and job seekers with the aim of promoting an employment growth sector during the recession. The events identify recruitment needs, inform job seekers about potential new jobs and provide advice to Jobcentre Plus advisers on what the opportunities are to move people into work in the sector.

Jobcentre Plus also influence national policy as a result of on the ground feedback from employers. A recent example of policy change due to strong employer feedback was the concern from employers in relation to fees for CRB checks for job seekers. These fees can now be supported by local advisers' discretionary funds for any LEP job seeker.

STRENGTHS AND WEAKNESSES

The partners interviewed to inform the development of this case study were asked to identify strengths and weaknesses of the current system. They identified the strengths of the current arrangements in Yorkshire and the Humber as follows:

- A strong and well-networked employer chair who is able to understand the national and regional employment and skills system, provide strategic drive to a group and provide a broad industry perspective, e.g., RSP / RWSPB employer Chair, Leeds WSB LA (as a large employer) Chair;
- Employer ownership of the development of the group where this is tied into formal structures such as a local WSB, e.g., Leeds WSB which was driven by Leeds Chamber of Commerce;
- Evidence of impact such as the delivery of key pieces of work so that members are able to recognise the tangible contribution that their commitment has achieved. Employers, therefore, feel that they are brought into the Board to fulfil a purpose and they can see the output of their discussions in practical terms, e.g., Leeds WSB influence on the city's FE college merger, the RSP's influence and ability to align partners on the development of the TtG Enhancement Fund.

In addition, weaknesses of the current structures and mechanisms were identified as:

- Formal structures, such as the RSP / city regions / WSB, are bypassed by national policy and partners, e.g., DWP Future Jobs Fund was allocated to LAs without RSP / WSB consultation and HEFCE innovation funding went straight to Universities without RSP consultation;
- A number of WSBs have struggled to engage employers and some have disengaged as a result of:
 - Lack of clear role and purpose of the group and the employers' specific roles on the group;
 - Lack of evidence of clear outputs and outcomes being delivered as a result of employer commitment and contribution;
 - Majority public sector partner membership and / or discussion largely based on public sector language and target setting;
 - The ability to influence is perceived as weakened when a funding stream ends and / or project delivery is not the focus of the group;
- 2 of the city region employment and skills groups are not employer-led and lack private sector membership. The groups lack a clear focus and there are no formal linkages between the city region skills groups and the local WSBs;
- Informally established employer-led groups not formally tied into regional policy and structures struggle to find a route for their influence so they have to "survive" on goodwill or small pots of discretionary funding to take work forward, e.g., WY Industrial Forum, SY Manufacturing Group;
- A number of WSBs in the region have successfully addressed the worklessness agenda, many have not been able to tackle skills issues;
- Partners struggle to recognise where the "best" employer influence can be obtained as there is a range of formal and informal employer voices;
- Partners switch off when it is apparent that employer members of formal groups are speaking solely about issues faced by their specific companies;
- The Alliance of SSCs is in an early stage of development and not yet in a position to influence policy as a collective of the SSCs. Some SSCs have limited capacity at a regional level and there is a challenge for them to effectively represent the views of SMEs and also interact at sub-regional, city region or local levels.

A CASE FOR CHANGE

As part of this case study development, Yorkshire and Humber partners that were consulted were asked to identify any changes they would make to the current system. Suggestions for improvements and or simplification of the system at a national, regional sub-regional and local level to ensure the employer voice is strengthened fell into 4 areas:

- Clarity;
- Effectiveness of employer input;
- Build on what's working and;
- System redesign.

The key points are detailed in the table below:

CLARITY
Joint guidance from the Department for Business, Innovation and Skills (DBIS), the Department for Communities and Local Government (DCLG) and the Department for Work and Pensions (DWP) for WSBs to clarify expectations on purpose, role and remit, the benefits to employers for participating and committing time and energy to the ESBs, and a clear distinction between ESBs operating at

<p>regional, sub-regional, city region or local levels.</p> <p>Clarify what “employer engagement”, “employer voice”, “employer-led” actually means (it means different things to different institutions / employers).</p> <p>Produce a map clarifying how employer-voice structures at national, regional, city region, sub-regional and local levels link to each other with supporting guidance on how all mechanisms can work together and support the development of a collective employer voice.</p> <p>Clarify the sector role at a national, regional, city region, sub-regional and local level supported by:</p> <ul style="list-style-type: none"> • A formalised relationship between the sectoral and spatial levels; • An endorsement (through relicensing) of the extent of SME engagement an SSC has established.
EFFECTIVENESS OF EMPLOYER INPUT
<p>Provide guidance to employers on their role as an employer representative on a formal board to ensure they are able to contribute in a consistent way.</p> <p>Establish a communication mechanism that enables employers on boards to have access to key messages about employer views on the system.</p> <p>Provide employers with incentives to engage through formal groups with the system.</p> <p>Ensure that employers can recognise action that is taken as a result of their input and / or see the practical results of their influence.</p>
BUILD ON WHAT’S WORKING
<p>Ensure consistent support from Government and develop policy to make use of existing structures and mechanisms rather than bypass them or devise new structures. Formally recognise key structures and mechanisms as part of the overall employer voice structures.</p> <p>Stop researching what good employer engagement looks like and take some action to build best practice into current structures.</p> <p>Ensure all initiatives / new funding streams are “employer proofed” through the formal employer voice structures prior to development and delivery. Ensure that when the initiative is launched the employer-proofing is effectively communicated.</p> <p>Build formal employer voice structures and mechanisms on existing groups of employers / informal networks.</p>
SYSTEM REDESIGN
<p>Move to an NHS type model where the SSC / City Region is a commissioner, consulting with W/ESBs in regions, sub-regions and local areas to deliver regionally tailored sector skills programmes funded by a central funding body.</p> <p>Provide a virtual forum where employers and representatives can feed in their views on specific issues regardless of the formal or informal status of their group – this then acts as a filter point for the system to access the collective employer voice.</p>