

Report To: Greater Cambridge Partnership Joint Assembly

10th September 2020

Lead Officer: Niamh Matthews – Head of Strategy and Programme, Greater Cambridge Partnership

COVID-19 – SKILLS AND EMPLOYMENT - PROPOSAL TO ADDRESS ANTICIPATED IMPACT(S)

1. Purpose

- 1.1. To highlight the impact that Covid-19 is likely to have on the local skills base and labour market and to propose a package of measures to address those impacts.
- 1.2. The Joint Assembly is invited to consider proposals to be presented to the Executive Board and in particular:
 - (a) To endorse the scope for a new skills work package that seeks to directly address the likely impact of Covid-19 on the local skills base and labour market.
 - (b) To endorse a proposal to procure a new Skills contract, over four years, from April 2021, worth up to £2m.

2. Background – Pre Covid-19

- 2.1. The Skills workstream has been part of the GCP programme from its outset in 2015. The work has focused on increasing apprenticeship starts, particularly in strategic growth sectors, in order to achieve the target set out in the City Deal.
- 2.2. Over the last five years the GCP has achieved significant success in raising the profile of apprenticeships, both with employers and job seekers. The GCP has met its target of new starts and continues to make good progress with additional starts.
- 2.3. The GCP's current contract has enabled it to build a programme of delivery focused around these apprenticeship targets that has enabled all 23 local secondary schools and colleges to offer students additional careers advice and education. As referenced in paragraph 7.2 of the Quarterly Progress Report (agenda item 11), a recently commissioned RAND Europe report, highlighted careers advice provision as needing significant attention locally.
- 2.4. The GCP skills programme has made significant progress since 2015; particularly since the establishment of Greater Cambridge Apprenticeships in March 2019. More detail is reported in section 6 of the Quarterly Progress Report but the current contract has consistently met or exceeded its targets to date.
- 2.5. Although we can demonstrate significant progress across the Skills workstream, the anticipated impact of Covid-19 on the local skills base and labour market is likely to be significant. Any new work on skills needs to consider this issue at the heart of its scope.

3. Key issues and Considerations

- 3.1. The economic damage from Covid-19 is likely to hit the younger generation very hard and will leave very many adults with significant retraining needs.
- 3.2. March to May 2020 saw the largest quarterly decrease to the vacancies total since the current ONS data period started in 2001. Job losses in the past quarter are the highest they've been since the 2009 financial crisis and the end of furlough may generate many more.¹ 700,000 young people will leave education this year and go into competition with more experienced workers for scarce jobs.
- 3.3. Sales, hospitality, catering, administration, consultancy, HR and recruitment remain the areas with the largest falls, reflecting the areas of the economy most affected by the 'shut down'.² These are the sectors that students often work in to support themselves through Higher and Further Education.
- 3.4. There is clear evidence that young people who have repeated and/or long-term spells of unemployment are much more likely to be out of work later in life, to be in poor quality work and have lower earnings.³ Young people with a disadvantaged family background are 50% more likely not to be in education, employment or training (NEET). Young people with lower qualifications (less than 5 GCSE passes) are nearly twice as likely to be NEET compared to those with 5 GCSE passes: 29% compared to 15%. People with A-Levels or Level 3 vocational qualifications experience the lowest NEET rates (8%).⁴
- 3.5. Future and more intensive work to support the economy and to ensure companies are attracted to and remain in Greater Cambridge because of a high-quality workforce, is essential to address the issues set out above. The Executive Board will be recommended to approve proposals for a new skills work package designed to address this.

4. Scope

- 4.1 To significantly increase the GCP's work on skills and address these issues for the longer term, officers have carried out extensive engagement with private sector partners and providers to draw up a scope of targeted activities that could be delivered locally. From that work, four broad themes have been identified as key areas for intervention:
 - Supporting young people into employment;
 - Support for adults who need to retrain;
 - Preventing NEETs – creating opportunities for all; and
 - Ensuring employers can find the skills and talent they need locally.
- 4.2 To support these core themes, a number of activities have been identified. As the proposal is further refined, each of these activities will be further developed and assigned a set of KPIs. Impact data will be collected to track activities to outcomes so we can learn what the most effective interventions are. The suggested activities are as follows:
 1. Development of a "Cambridge Curriculum" that prepares students for work opportunities within the sectors important to the Greater Cambridge economy;

¹ Office for National Statistics

² Institute for Employment Studies

³ Institute for Fiscal Studies

⁴ National Institute of Economic and Social Research

2. Intensive careers advice and guidance in schools and in the community for adult jobseekers or career changers;
3. Intensive support for adults with skills and retraining needs;
4. A significant increase in careers education in schools and post-16 education, with special support for promoting technical education;
5. Intensive and targeted support for employers to help navigate funding opportunities and to offer increased progression routes (e.g. apprenticeships) to young people;
6. Increased support for employers and prospective employees, apprentices and re-trainees that will act as a bridge between the two;
7. Primary school careers activities;
8. A significantly increased mentoring programme that will target students;
9. An additional mentoring programme that will provide mentoring training for employers;
10. A significant uplift in the provision of work experience and industry placements;
11. Increased support for Science, Technology, engineering and math (STEM) outreach activities; and
12. A significant increase in employer engagement to support careers education and work opportunities.

5. Financial Implications

- 5.1. To significantly increase the GCP's current work on skills and to deliver the scale of activities set out in section 4, officers are suggesting a budget uplift for the skills programme of c£1.2m over a four year period. Including the current budget profile for skills (c£800k), this would enable the development of a contract for up to £2m over four years.
- 5.2. The current GCP Apprenticeship Service contract is worth £250k per annum. The suggested uplift would in effect double the capacity and delivery of the GCP's skills programme.

6. Next Steps

- 6.1. The Current GCP Apprenticeship Service contract, delivered by FTF and CRC, is due to end in March 2021. In order to build on this successful work, to offer the intensive support that will be required locally and to ensure that there is no gap in skills provision when the existing contract comes to an end, delivery of any additional targeted work needs to be underway by the beginning of April 2021.
- 6.2. To meet these timescales, officers will need to carry out a procurement exercise starting October 2020.
- 6.3. Given the likely doubling in efforts required and the need to establish a robust service that can be given some level of funding certainty, officers suggest securing any new service over a four year period. Starting in April 2021, four years would bring the GCP to its next Gateway Review period.