

Report subject	Levelling up – Creating a Skills Commission
Meeting date	27 October 2021
Status	Public Report
Executive summary	This report recommends the creation of a time-limited Dorset Skills Commission to oversee an ‘at pace’ response to critical skills issues that have been identified from recent economic research. These require an urgent response if the area is to achieve its economic ambitions and level up our economy. The Commission will be tasked with reporting back on its findings to a future Cabinet meeting in 2022/23.
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> a) Cabinet supports the creation of a Dorset Skills Commission between November 2021 and September 2022; b) For this Commission to facilitate the skills delivery needed for an effective and at pace response to a jobs-led approach to COVID-19 economic recovery and levelling up across Dorset; c) That the Commission undertakes a review into the Dorset skills landscape – with a particular consideration of the National Skills White Paper, and the levelling up agenda, producing a report that lays out a potential skills journey and opportunities/needs based on 10, 20 and 30-years trajectories; d) That the Commission works closely with the Dorset Skills Board and Panel to support immediate implementation of the wider skills priorities within the agreed Dorset Skills Plan and Dorset Investment Prospectus; e) That the Director – Economic Development in consultation with the Portfolio Holder for Covid resilience, Schools and Skills, and the Cabinet member for Regeneration, Economy and Strategic Planning, be given delegated authority to agree with Dorset Council and Dorset LEP the governance and membership of the Commission for inclusion in the Terms of Reference.

Reason for recommendations	The establishment of a dedicated Commission will oversee an effective and at pace response to a jobs-led approach to COVID-19 economic recovery and contribute to the levelling up of the economy. It would also provide an objective and independent review of the future Dorset Skills landscape, helping to shape a world-class skills and learning infrastructure for all communities, and helping to inform actions in the Brighter Futures and Dynamic Places sections of the Council's corporate plan.
Portfolio Holder(s):	Councillor Nicola Greene, Portfolio Holder for Covid Resilience, Schools and Skills Councillor Phil Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council
Corporate Director	Elaine Redding – Corporate Director Children’s Services Adam Richens – Director of Finance
Report Authors	Chris Shephard – Director of Economic Development Sarah Rempel – Director of Education
Wards	Council-wide
Classification	For Decision

Background

1. The importance of a skilled labour market and the link between skills and social mobility has been recognised and embedded across all recent work associated with economic growth and levelling up in Bournemouth, Christchurch and Poole, particularly but not exclusively in the Council's draft Economic Development Strategy which will come to Cabinet in November.
2. A critical focus for Bournemouth, Christchurch and Poole's successful economic future is ensuring an increase in the availability of a local labour market, with the right skills. At the same time, it has to ensure that these people have the ability to live and move effectively across the region.
3. The 'demographic crunch' across our area (i.e., our rapidly ageing workforce) will put significant pressure on our skill base, social infrastructure and economic development potential. This represents one of the biggest challenges to our economic strategy and ambition to level up, with many businesses struggling to recruit the key skills that enable them to meet demand, to innovate and to grow. This has been further exacerbated with the economic impacts of COVID-19.
4. Headlines from the wider-Dorset area economic evidence base show that, out of a total population of some 800k (of which 350k are of employment age):
 - 25% of people working are due to retire in the next 10 years

- 24% of the working population have been furloughed – with a high % risk of redundancy (at the time of writing this the Furlough scheme has just ended)
 - We have seen over 150% increase in claimant count (which rises to 190% for 16-24yr olds) – i.e. a high % of people have already experienced job loss.
5. The evidence base would lead us to infer the following ‘take-away’ points:
- The demographic impact in Dorset is leading to a critical replacement demand issue (i.e. those leaving the workforce to retire are relatively well-qualified/skilled – an equivalent workforce is not ready ‘in the wings’).
 - Hard to fill vacancies are marked in Dorset.
 - Skills levels fluctuate across the area – with the lowest skilled in areas of relative deprivation.
 - Graduates and highly skilled people are leaving the area, with low numbers of those with equivalent skills coming into the area, yet 77% jobs are forecast to require Level 5 or above between 2017-2027.
 - There are widely reported recruitment gaps and lower numbers of Apprentices when compared nationally
 - COVID-19 has created a significant exposure in key industries: Hospitality & leisure, manufacturing, construction, arts/creative, tourism.
 - Dorset has a high % of people in self-employment - many of whom have been unable to access additional support in last 12 months.

We need to act now to address these issues, and identify the most effective responses to help level up our economy.

Proposed action

6. This report recommends the creation of a time-limited Dorset Skills Commission to oversee an ‘at pace’ response to critical skills issues across Dorset. This is one of a series of actions BCP Council is looking to take to address the issues outlined above and contribute to levelling up our economy.
7. Draft Terms of Reference (see appendix 1) are appended to this report. In summary, we would seek high level business leadership of the Commission, by appointment – with an emphasis on independence and objectivity as well as an understanding of the skills agenda in Dorset, the UK and beyond. It should be led by a figurehead skills expert, preferably from outside Dorset, who can claim the national stage on Dorset’s behalf. The Commission will be established in November 2021, with a final report by 30 September 2022.
8. The Commission would report to both Councils and the Dorset LEP Board. It is not proposed to be a Committee or Joint Committee and therefore only has advisory powers, not decision-making ones. It is envisaged that the Commission would focus on 3 tasks.
9. First, to oversee and help shape the most effective response to deal with the immediate implications on skills and learning (for those aged 16 and above) as a result of COVID-19 across Dorset. Whilst partners are already working on recovery and response activity, it is felt that a dedicated, high-level Commission would give

added impetus and focus, helping to 'cut through' barriers to progress. At this stage, it is envisioned that focus will be on:

- Establishing demand-led rapid retraining/reskilling programmes (potentially targeting worst hit areas, sectors and groups, such as 16 – 24 year-olds and the visitor economy).
 - Unlocking bespoke support to the self-employed (e.g., local procurement, supply chain network growth, 'buy local' etc).
 - Identifying support for business to achieve increased vacancy opportunities (e.g., Dorset co-ordination of Kickstart for micro and SMEs)
 - Aligning local and national responses for 'seamless' approach with maximum impact.
10. Second, and the *primary* role for the Commission will be to oversee a review of the Dorset skills landscape, with a particular focus on responding to the Government's [Skills White Paper](#) and on the levelling up agenda, enabling a plan for the future economy (10, 20, and 30-years) based on the future skills needs to improve and accelerate the productivity values of the economy.
 11. The White Paper notes the role of skills as "critical to our future success" noting *'the impacts of the coronavirus pandemic, the commitment for net-zero by 2050 and to embrace the new opportunities that exiting the European Union brings'*. It also supports the delivery of the Prime Minister's commitment to a "Lifetime Skills Guarantee". It is anticipated that the Commission would also seek to identify optimum implementation arrangements, particularly for Further Education, as well as the opportunity to deliver a devolved Adult Skills budget for Dorset.
 12. Finally, to ensure alignment and continuity, the Commission would be expected to work closely with the existing Dorset Skills Board and Panel to support, where appropriate, their implementation agenda across the Dorset Skills Plan and Dorset Investment Prospectus, and with future bids to Government funds including the UK Shared Prosperity Fund. It will also be expected to work with colleagues in the Integrated Care System (ICS) to ensure alignment with work on this subject.
 13. This alignment will then ensure continuity with the Council's work to help young people to Prepare for Adulthood by implementing accredited approaches to developing skills, strengthening the working relationships between adult and children services to improve transitions, widening the apprenticeships offer to increase accessibility for young people into the employment market. And, with the work to develop a broad post-16 curriculum offer, apprenticeships and joint work with local businesses to increase the range of high-quality opportunities for young people reducing local levels of Not in Education, Employment or Training (NEETs) to at or below the national average of 11.5%.

Options Appraisal

14. Option 1: To support the creation of a time-limited Dorset Skills Commission to oversee an 'at pace' response to critical skills issues across Dorset and contribute to levelling up our economy.
15. Option 2: To not support the recommendations and miss the opportunity to address critical skills issues across Dorset and contribute to levelling up our economy.

Summary of financial implications

16. The cost of delivering the work of the Commission is estimated to be approximately £25,000. This includes remuneration for the Chair of the Commission, operating costs and production of final report material. Several organisations, including Arts University Bournemouth and Dorset LEP have expressed interest in sponsoring and/or supporting the Commission. Contributions will also be made from both BCP Council and Dorset Council of approximately £5,000 each, which will come from existing service budgets from Economic Development, Adult Skills and Learning and Children's Services. Officer time will also be provided in-kind in support of the Commission. Actions arising will be delivered through a combination of committed resources, securing external funding and bids for additional funding as and when appropriate.

Summary of legal implications

17. The Council intends to enter into a form of 'research and development' group with Dorset Council, the Dorset LEP, and Arts University Bournemouth, ('the R&D Group') in order to set up an independent, non-decision making Skills Commission. The initiative to set up the R&D Group has arisen as a result of the "Skills for Jobs: Lifelong Learning for Opportunity and Growth" White Paper released January 2021 which aims to guarantee access to education and training opportunities in order to fill an emerging skills gap. The purpose of the R&D Group is to set up and monitor the Skills Commission who will delve into the skills shortage specific to the county of Dorset which is due to worsen over the coming years and propose remedial options. Whilst there is no statutory obligation for the Council to enter into the R&D Group or undertake this piece of work, the Council is bound by s3(1) Local Government Act 1999 which states that Local Authorities "must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." By creating and participating in the R&D Group, the Council is complying with its continuous improvement duty by taking pro-active steps to identify and improve the skills shortage within the Dorset area.
18. The members of the R&D Group will consider entering into a Memorandum of Understanding or other such agreement with each other, to include but not limited to, setting out each parties obligations, nominating a member to contract with third parties on behalf of the R&D Group, confirming monetary and time contributions by each member and other such matters.
19. It is understood that the R&D Group will procure consultants who will form the Commission, to then undertake research, produce reports and propose improvements which will be fed back to each organisation. Given the R&D Group is at a very early stage, it is not clear as to which entity within the R&D Group will contract with the relevant consultant(s). The Service Unit has been advised that whichever entity intends to contract on behalf of the R&D Group, it must ensure that an appropriate procurement process is followed (i.e. three quotes procedure). If the intention is that the Council will be the contracting body, the Council must ensure that it has adequate funds to pay the consultant before entering into the contract in order to minimise risk to the Council. The R&D Group must carefully consider any confidentiality clauses when appointing consultants to ensure that the outputs can be distributed to each member of the R&D Group (and their respective employees) and other bodies which the R&D Group intends to work with.

20. This report refers to the R&D Group potentially applying for and obtaining external funding at a later stage. Whilst this is merely an option at this point, the Service Unit has been advised that it must ensure that the terms of any funding are reviewed to ensure that monies can be passed via one applicant through to the R&D Group, whether there are any clawback provisions, whether there are any conditions precedent to draw down and any other risks associated with the funding terms and conditions

Summary of human resources implications

21. Whilst this will be an externally led commission, some officer time will be required to both administer it and support it at a strategic level. This will come from existing resources in Economic Development and Adult Skills and Learning. The Secretariat will be provided by the Dorset LEP.

Summary of sustainability impact

22. The report acknowledges the commitment of the Council to the climate and ecological emergency. The Dorset Skills Plan and Investment Prospectus prioritises 'green and blue skills' which highlight the importance of skills needs and opportunities to support delivery of sustainable and clean growth, achieving progress towards a zero-carbon economy

Summary of public health implications

23. It will be important for Public Health to be consulted as part of the work of the Commission, both in terms of the links between the future health and well-being of the public and their future skills needs, but also in terms of what opportunities might exist in terms of future skills needs to support the public health sector itself. It is recommended that the Commission ensures there is continuity between its work with ongoing within the ICS on this subject.

Summary of equality implications

24. An EIA conversation/screening document has been completed and has been approved by the EIA panel, rated Green. This is attached at Appendix 2. The impact assessment summary is as follows:

The creation of a Skills Commission as set out in this EIA, and in this Cabinet report, will help create a more inclusive and world class skills and learning infrastructure for all communities. Whilst this EIA is focused on the strategy to set up a Commission, such as the procurement or recruitment of its members, further EIAs will be required on the outcome/output and following actions, which will be known once the Commission has published its findings in 2022. It will be important for the Commission to work with different stakeholders and groups to gather local perspectives on the subject and to inform its research. [The Principles of Public Life](#) and [Public Sector Equality Duty](#) are embedded in the Terms Of Reference for the Commission and in the process for establishing it, and will be followed at all times.

Summary of risk assessment

25. Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: Low. Residual Risk: Low

Appendices

Appendix 1: Terms of Reference

Appendix 2: EIA conversation/screening document