

To: Future Oxfordshire Partnership

Title of Report: Oxfordshire Skills Policy Landscape

Date: 25 July 2023

Report of: Richard Byard, Director of Business Development OxLEP

Status: Open

Executive Summary and Purpose:

This information only report provides a high-level overview of the skills landscape with a primary focus on post 16 technical and vocational learning which is mainly delivered through further education colleges and other providers drawing DfE funding.

Higher education is out of scope for this report.

How this report contributes to the Oxfordshire Strategic Vision Outcomes:

Skills, training and employment support all of Oxfordshire's strategic vision outcomes in a range of ways – some directly, others more indirectly.

Recommendations:

That the Future Oxfordshire Partnership notes and comments on this report

Our Economy

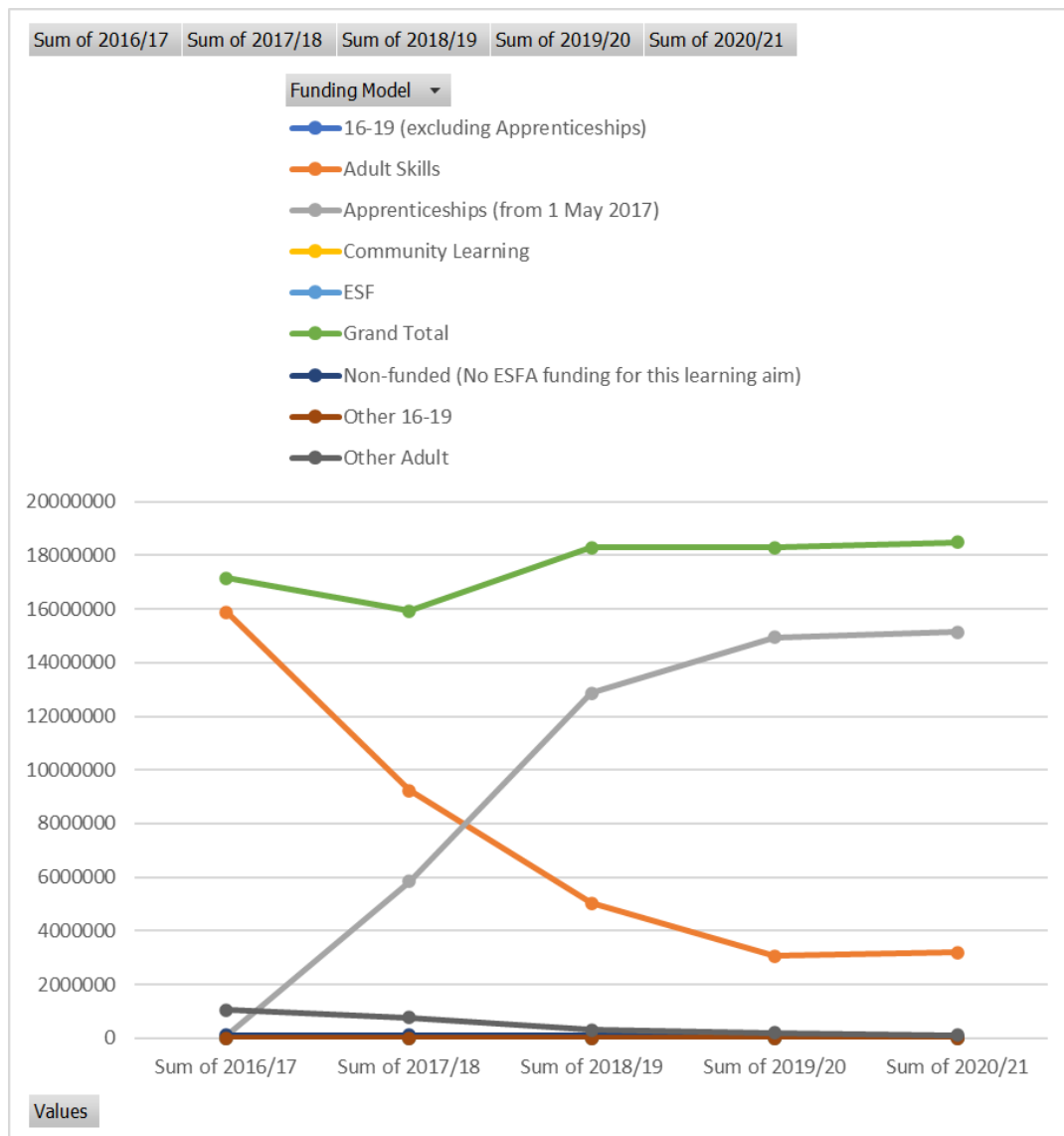
1. For an area with a tight labour market and generally low unemployment, COVID-19 changed labour market dynamics with an initial near threefold increase in universal credit (UC) claimant which has now stabilised at 2.7%- still some 3,500 above pre-pandemic levels. Whilst UC is both an in work and out of work benefit it nevertheless is a good proxy for general un/employment levels.
2. Employment Support Allowance claimants stand at 14,750 and has remained broadly unchanged for decades.
3. OxLEP produce regular [Labour Market Information](#) that provides in depth analysis of our labour market.
4. Labour market projections suggest that:

- Employment growth is slightly higher than the national average, estimated as growth of 6% by 2035, compared to around 5% nationally. This is an increase of 30,000 jobs
 - In addition to this net increase across Oxfordshire, replacement demand is forecast at 211,000 between 2020-2035
 - Employment growth has, in recent years, been driven by Professional / Associate Professional jobs. This trend is forecast to continue through to 2035
 - Forecast demand within the Business & Other Services, Non-Marketed Services and Trade, Accommodation & Transport sector is driving employment growth
 - 62% of Oxfordshire's GVA was derived from five sectors in 2020: Real Estate (16.4%), Professional, Scientific & Technical Activities (13.6%), Manufacturing (11.0%), Wholesale/Retail (10.3%) and Education (10.2%)
 - GVA output from Professional, Scientific, and Technical activities has grown exponentially in importance over the last decade.
 - Projections suggest between 15%-30% of jobs could be impacted by AI, with some sectors more impacted than others – financial administration, customer services and manufacturing for example. OxLEP and the Skills Board are reviewing the data and potential areas of greatest impact. Re-training those impacted will become a significant priority moving forward
5. In parallel, the number of unique job postings increased significantly as the economy moved out of the pandemic. Postings now exceed 33K monthly – some 15K above pre-pandemic levels. Sectors with the highest postings include public health and academia, with support roles (i.e. administration, customer services) the roles in greatest demand.

Funding

6. The national skills funding model is extremely complex and has little flexibility in how it can be deployed. Funding into Oxfordshire is mainly made up of the following funding streams:
- 16-18 Apprenticeships
 - 19+ Apprenticeships (employer listed on apprenticeship service – i.e. levy payers)
 - 19-23 Apprenticeships
 - 24+ Apprenticeships
 - Advanced Learner Loans Bursary
 - Adult Education Budget

Funding breakdown is shown below;



Funding Model	2016/17	2017/18	2018/19	2019/20	2020/21
16-19 (excluding Apprenticeships)	£0.00	£0.00	£0.00	£0.00	£0.00
Adult Skills	£15,895,134.06	£9,224,890.15	£5,022,810.36	£3,071,327.15	£3,192,811.47
Apprenticeships (from 1 May 2017)	£89,230.38	£5,840,069.27	£12,870,713.56	£14,945,437.56	£15,149,065.31
Community Learning	£0.00	£0.00	£0.00	£0.00	£0.00
ESF	£0.00	£0.00	£0.00	£0.00	£0.00
Non-funded (No ESFA funding for this learning aim)	£109,063.63	£101,255.75	£98,093.78	£82,398.34	£48,345.46
Other 16-19	£0.00	£0.00	£0.00	£0.00	£0.00
Other Adult	£1,051,918.42	£763,519.36	£301,379.16	£189,203.00	£101,660.00
Grand Total	£17,145,346.49	£15,929,734.54	£18,292,996.86	£18,288,366.05	£18,491,882.24

HMG funding is mainly aimed at the delivery of qualifications – however many employers state they want more flexible, short training options that the current system doesn't readily allow. Crudely put, the skills system 'sells' qualifications – yet many employers, who are of course potential customers, wanting a more flexible offer. This

is potentially why employer investment in skills and training continues to fall year on year. With AI and new technological advances happening apace there is recognition that the current skills system is struggling to keep pace.

Local landscape

7. The [Oxfordshire Skills Board](#) (OSB) – a sub-group of the main LEP board has for many years been responsible for overseeing improvements to the local skills infrastructure. It has drafted three skills strategies, introduced a range of initiatives in support of skills priorities and overseen c£25m capital skills investment into Oxfordshire’s skills infrastructure – including City of Oxford College’s Advanced Skills Centre and Hospitality Skills Centre, Abingdon & Witney College’s Green Construction Skills Centre and Oxfordshire Advanced Skills at Culham.
8. OSB also fulfilled the functions of a Skills Advisory Panel (SAP) until the DfE’s requirement for SAPs ceased in March 23.
9. OSB authored the 2022 [Oxfordshire Local Skills Plan and Report](#) – aka The Oxfordshire Skills Strategy. It identified the six high level priorities below that support future economic growth and inclusivity with delivery being both a shared priority and responsibility across multiple stakeholders and partners – including business, providers, schools and communities. OSB allocates a priority theme for each meeting drawing key stakeholders and partners together to review progress, barriers and opportunities.

Oxfordshire’s Local Authorities have differing levels of skills support deployed with some more actively engaged than others. The OxLEP convened Joint Oxfordshire Business Support (JOBS) group regularly brings together economic development leads to share intelligence, knowledge of individual programmes and to explore collaboration where practical.

Oxfordshire's Local Skills Plan & Report Priorities







CHAPTER 4 SKILLS STRATEGY

As previously detailed the Oxfordshire Skills Board has made great strides in supporting skills and training development over the past decade, having led the development of three skills strategies prior to the emergence of Local Skills Plans and Reports.

Good progress has been in many areas, with OxLEP and OSB/SAP at the heart of a more collaborative approach to skills development, including significant investment in our strategic skills infrastructure. This provides firm foundations to develop our latest skills priorities and to encourage and engage a wide range of stakeholders in delivery and discussion.

Our priorities are set in six broad thematic areas but of course there are interdependencies and many points of cross reference between each and as such they should not be taken in isolation.

Oxfordshire Skills Priorities

Number	Priorities
 1	Supporting the reform of vocational and technical skills provision, which includes promoting Apprenticeships and T Levels offers: to meet the area's skills needs is a priority echoed by the Department of Education's (DfE) 'Skills for Jobs' White paper published in January 2021 and mirrors longstanding ambition set out in our previous strategies, including unlocking the Apprenticeship Levy in order to support the growth of new Apprenticeships within Oxfordshire.
 2	Help to provide clear, diverse and inclusive career pathways for young people and adults to ensure they are aware of the Oxfordshire Labour Market and sectors: The current careers landscape is confusing, fragmented, and unclear for many. We need to ensure that young people and adults obtain appropriate qualifications, together with the ability to develop the career management skills and attributes required to compete in a rapidly changing labour market.
 3	Managing Oxfordshire's consistently tight labour market: whilst we saw more flexibility in the labour market because of the COVID-19 pandemic, economic analysis suggests that our labour market has rapidly returned to near full employment. Whilst this is generally a positive position it does create some challenges for both residents and businesses and potentially hinders long term economic prosperity.
 4	Graduate Promotion and Retention: Both universities play a key role supporting specialist sectors by providing a strong pipeline of graduates. As Oxfordshire continues to demand management and director level professionals and candidates with a degree or higher qualifications, the area needs to better help undergraduates understand the scale and breadth of career opportunities that exist once graduated to support talent retention.
 5	Business Skills Provision and Support: Meeting the skills demands of Oxfordshire's Cornerstone and Breakthrough employers, including those sectors most impacted by the COVID-19 pandemic which can include the promotion of upskilling and reskilling and supporting the development of enabling and 'softer' skills that employers demand. We also work with Government and FE providers in anticipating the occupational standards needed by the zero-carbon economy.
 6	Ensure training and re-skilling provision in identified priority sectors: High level and specialist skills can be more important than length of experience. To maximise the opportunities across current and projected growth sectors, we need to continue to work collaboratively with the main delivery partners through our Provider Network to support the development of the skills infrastructure.

Local Skills Improvement Plans

10. The [skills for jobs white paper](#) set out the government's blueprint for reshaping the technical skills system to better meet the needs of employers and the wider economy. As part of this new approach, the Department for Education has introduced local skills improvement plans (LSIPs) and a strategic development fund (SDF).
11. Local Skills Improvement Plans – overseen by Employer Representative Bodies have superseded SAPs. Thames Valley Chamber of Commerce are leading the development of the Oxfordshire (and Berkshire) LSIPs and submitted applications to DfE for review and endorsement/adoption by autumn.
12. LSIPs largely focus on post 16 vocational and technical education (i.e. F.E. provision) and provide an agreed set of actionable priorities that employers, providers and stakeholders in a local area can get behind to drive change.

LSIPs should:

- place employers at the heart of local skills systems; and
- facilitate direct and dynamic working arrangements between employers and providers.

For clarity LSIPs are not designed to be the panacea for all the skills challenges faced; they have a narrower post 16 vocational and technical education focus. However, pathways into post 16 education and employment start well in advance of 16 so it is important to ensure we align the collective work undertaken with schools – led by OxLEP co-investment alongside Careers Enterprise Company in our Careers Hub.

The Oxfordshire LSIP has identified the following priority sectors;

- Construction and Built Environment
- Health and Life Sciences
- Care
- Hospitality & Visitor Economy
- Manufacturing (Science & Innovation)
- Haulage and Logistics
- Digital (ICT)

And the following priority transferable skills

- Leadership & Management
- Skills for a Net Zero Economy
- Digitalisation
- Business, Professional & Administration.

13. It further breaks down the technical skills level required by employers for job roles where labour shortages are frequent – see example below;

Recruitment Difficulties Reported by Employers	Technical Occupations (Levels 2-3)	Higher Technical Occupations (Levels 4-5)	Professional Occupations (Level 6+)	T Levels
Mechanical Engineers	Engineering design and draughtsperson - Control & Instrumentation or Mechanical L3	Engineering Manufacturing Technician L4		Design & Development-Mechanical Engineering

This is significant as it allows providers to better understand the actual skills gaps and qualifications required and potential to introduce new or scale existing provision subject to viability – and demand from learners and re-trainers.

14. Oxfordshire's LSIP is currently being reviewed by DfE and will be made available once approved.

What are we doing to address skills challenges

15. A thriving, innovative economy underpinned by a skilled workforce that maximises opportunities for all residents has been a key priority for Oxfordshire for many years. Skills and qualifications underpin enhanced socio-economic opportunities, better paid jobs, better health – including mental health outcomes, support resilient and cohesive communities and improve social mobility.
16. For many years OxLEP has led the county wide approach to skills and training activities; supporting and supported by the Oxfordshire Skills Board (OSB) which brings together key stakeholders to plan for a more integrated and coordinated approach across the whole skills and training landscape. It has led the development of three skills strategies – each setting the strategic landscape against which training providers and other key stakeholders developed provision. OxLEP has also overseen c£25m of skills capital investment into much needed facilities that provide state of the art training facilities for current and future learners.
17. OxLEP's activities contribute to and support a number of local authority priorities. We also support Oxfordshire Inclusive Economy Partnership's priorities
 - (i) maximising retained apprenticeship levy
 - (ii) promote and support the delivery of Community Employment Plans

Provider Network

18. The Skills landscape is complex and confusing, with hundreds of providers drawing public funds to deliver a plethora of skills, training and qualifications – to residents and to businesses. Competition and market confusion is a real challenge with many providers competing for the same clients – whether that be students or support to businesses; there is a very fine line between employer engagement and employer *enragement*.
19. There are around 350 training providers currently delivering in Oxfordshire – ranging from established FE colleges to small niche providers of specialist sector specific training.
20. Collectively these draw c£18.5m of public funds to deliver skills and training opportunities, however it should be noted that most of these funds (©82%) is deployed to deliver apprenticeships.
21. Of the 350 providers around 20 deliver c90% of all outcomes, with around 95% of all outcomes delivered by just half a dozen providers – the main FE institutions primarily – therefore these are key partners to help shape future priorities.

22. OxLEP leads the Oxfordshire Training Provider Network that brings key stakeholders together – including our main providers, DWP, community and voluntary sector providers to share intelligence, strategy development, better understand key policy interventions, priorities, pressures and opportunities – and to ensure we have a broad range of delivery that meets the needs of our economy – both current and projected.

Labour Market Information (LMI)

23. OxLEP leads the development of LMI that provides key labour market and economic data on a regular basis to key stakeholders – including skills and training providers. LMI covers monthly Universal Credit Claimant count at county and district levels, further broken down by age and gender, as well as business start-up and survival data and sector-based growth/contraction projections when available. LMI is a key strategic tool in planning for skills and training delivery and used by many stakeholders to support strategy and business planning – including our main training providers.

Oxfordshire Apprenticeships

24. OxLEP's Oxfordshire Apprenticeships contributes to the promotion of Apprenticeships and Traineeships to young people, parents and employers, specifically through:
- Maximising retention and use of Apprenticeship Levy in Oxfordshire, for Oxfordshire via our Levy pledging initiative. The team have so far supported over 20 employers to pledge c£1.05m of levy that is currently supporting 38 new apprenticeship placements.
 - Workshops/presentations to schools to raise awareness of Apprenticeships.
 - Supporting school with information, advice and guidance, activities and initiatives.
 - Engaging parents about Apprenticeships at careers evenings/information events.
 - Advising and supporting businesses and organisations to employ Apprentices.
 - Developing and maintaining a network of Oxfordshire Apprenticeship Ambassadors, consisting of current and former Apprentices.
 - Working with partner organisations on new projects and activities to promote Apprenticeships and Traineeships, such as Careers Fest, West Oxfordshire Learning Partnership Apprenticeship Events etc.
 - Delivering the annual Oxfordshire Apprenticeships Awards.

Community Employment Plans

25. Oxfordshire has a very strong pipeline of large-scale infrastructure projects being developed or planned. To maximise the benefits of the developments for communities, we aim to ensure that local people can better access job opportunities. This is achieved through the development of Community Employment Plans (CEPs) –

sometimes referred to as Employment and Skills Plans (ESPs). OxLEP supports local planning authorities and developers in creating CEPs. We then provide support and resources to set up and ensure success of appropriate steering groups and quarterly monitoring meetings. CEPs are key to maximising the social value of large developments and can help bring those hardest to reach closer to our vibrant economy - a key part in delivering an inclusive economy. CEPs can form part of S106 planning obligations and are currently in progress for 10 significant developments across Oxfordshire with a potential pipeline of 30 future CEP opportunities at construction and end use phase. They encourage local spend/procurement, place-based programmes, investment supporting educational achievements, skills-based training, access to employment, and growth of a future workforce with the necessary skills needed for future development. They provide positive social and community outcomes and benefits in areas impacted by strategic development and promote responsible business.

We intend to bring an updated CEP proposal to a future FOP meeting for endorsement

Social Contract

26. Funded via the County Council using COVID recovery funding the £1.7m Social Contract Programme (SCP) proposal links directly to the Oxfordshire COVID-19 Economic Recovery Plan (ERP) - the comprehensive and co-ordinated whole system economic route map response to the COVID-19 pandemic. SCP helps address various impacts of the COVID-19 pandemic related to unemployment or barriers to employment, education, and training and the impact these factors can have on health and wellbeing – for individuals, for communities and for businesses. It is based on strong partner and community-based engagement, grounded in clear evidence from both the ERP and our monthly Labour Market Intelligence and supports:
- Young people who have experienced education disturbance and/or unemployment, or at risk of NEET.
 - Improved social mobility for minority ethnic communities.
 - Those furthest from the labour market including employment support for those affected by the digital divide, food poverty or other socio-economic deprivation.
 - The Over 50s – aligned to the OxLIFE priority of the LIS.

As Oxfordshire communities emerge from the Covid-19 pandemic and navigate through the cost-of-living crisis, it is critical for both individuals and families that there is access to good quality employment opportunities supported by appropriate skills and training. All these elements are key in supporting improved health and well-being for individuals, for families, for communities and will help strengthen personal and community resilience. We are working collaboratively across the Community Food

Larder network supporting users with employability, skills, digital literacy, and mentoring support to help them progress.

SCP might be viewed as a pilot for future programmes for those most disadvantaged in our communities.

To date the programme has supported 750 individuals - often the most marginalised; with employment and skills training; £200K+ of bursaries to remove barriers to employment and training; such as digital access and skills, or travel - with outcomes including 135 new apprenticeship starts or supported completions, 20+ individuals having moved into sustainable employment and a further 245 making individual progress towards EET (Employment, education and training); secured over £1.05m of levy pledges and a substantial consistent rolling pipeline of £200K pledge support for Oxon SME's; 38 new apprenticeships funded from the current virtual pot to date worth £413K of training and assessment costs. Much of the success to date may be down to the increased flexibility the programme has to address barriers to progression and employment – especially when set against prescriptive national employability programmes.

UK Shared Prosperity Fund (SPF)

27. SPF is the long-trailed successor funding to EU funding. In May 2022 HMG announced UKSPF allocations at lower tier authority level.

It should be noted that SPF allocations are such that c75%-80% are available in 24/25 and that allocations should be defrayed in full in year or LA's risk clawback. Working with other places is strongly encouraged in the delivery of Fund interventions, where it meets the needs of place and achieves value for money or better outcomes for local people or businesses.

SPF supports the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.

SPF has three priority areas as shown below, with each theme having a number of interventions to select from based on local priorities.

i) Communities and place



ii) Supporting local business



iii) People and skills

Investment Priority: People and Skills

Objectives

Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers (Scotland, Wales and Northern Ireland only. In England, this is delivered through the Department for Education's Multiply programme).

Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.

Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.

Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

Nation specific interventions
For example: 'Employment support for economically inactive people'

Outputs
For example: 'Number of people supported to engage in job-searching'

Outcomes
For example: 'Number of people in employment, including self-employment, following support'

Aligned with the Levelling Up White Paper Missions to Build pride in place and increase life chances

Through the Joint Oxfordshire Business Support group OxLEP has developed a high-level overview of how Oxfordshire's local authorities intend to deploy SPF and is seeking to maximising collaboration and co-ordination of activities where appropriate.

Current shared priorities across 2 or more authorities are shown below;

Business Support	LA	Skills	LA
E16: Open markets & town centre retail & service sector	Cherwell Oxford West Oxfordshire	E33: Employment Support for Economically Inactive People	Cherwell Oxford
E17: Development and Promotion of the Visitor Economy	Oxford South Oxfordshire Vale of White Horse	E38: Local areas to fund local skills needs	Cherwell West Oxfordshire
E22: Enterprise infrastructure and employment/innovation sites	South Oxfordshire Vale of White Horse	E39: Green skills courses	Cherwell Oxford South Oxfordshire Vale of White Horse West Oxfordshire
E23: Strengthening local entrepreneurial ecosystems.	Cherwell West Oxfordshire		
E26: Growing the Local Social Economy	Oxford West Oxfordshire		
E29: Supporting decarbonisation & improving natural environment	Cherwell South Oxfordshire Vale of White Horse		

Green Skills

28. Pathways to Zero Carbon Oxfordshire (PaZCO) has a number of targets to help Oxfordshire achieve its zero-carbon ambitions - including skills development.

It states:

'Challenges around skills and training are likely to proliferate into sectors such as construction, heating, ventilation and air conditioning and automotive maintenance, as these trades play a crucial role in delivering the solutions to decarbonise buildings and transport. At present, there is very low demand for the work that is required to decarbonise these sectors, and where there is a low demand for skilled work there is, by definition, a low demand for skills training.'

The challenge of low-carbon skills is therefore more than simply a lack of provision; it is a lack of real demand for (and use of) skills in the workplaces where the zero-carbon activity will be needed.

To tackle these issues effectively requires a much greater level of co-ordination between policies for energy, industrial strategy and education. There is an important role for government in anticipating the types and quality of work required in a zero-carbon economy and in setting out occupational standards to complement the energy performance standards that will also be needed.'

There is much interest in green skills, with multiple organisations and stakeholders very active in this area nationally, regionally and locally. OxLEP has invested over £6m in green skills infrastructure including the Green Construction Skills Centre and Earth Trust.

OxLEP is also leading, alongside the County Council, on certain workstreams of the Net Zero Route Map and Action Plan:

- i) Building Decarbonisation - *'Expand and scale-up retrofit delivery'* and *'Scale up programmes to address the retrofit skills gap'*

Each of Oxfordshire's local authorities has prioritised 'green skills' in SPF investment plans with allocations ranging from £75,000 to £200,000. It is imperative that we maximise impact of these funds, increase demand for skills courses and engagement from industry. A collaborative and co-ordinated approach is necessary to maximise impact and value.

29. Multiply

In parallel to SPF, Oxfordshire (via the County Council) has been allocated c£2.57m Multiply funding to help people improve their ability to understand and use maths in

daily life, home, and work. Multiply will offer a range of options such as free personal tutoring, digital training and flexible courses that fit around people's lives and are tailored to specific needs, circumstances, sectors and industries. Funding is available for 3 years (c£800k 22/23; c£900k each in 23/24 & 24/25) and required the development of an investment plan. There is significant synergy between Multiple and priority skills outcomes identified in SPF

Financial Implications

30 There are no direct financial implications to FOP from the recommendations of this report.

Legal Implications

31. There are no direct legal implications to FOP from the recommendations of this report.

Conclusion

32. The skills landscape is complex and multi-faceted. There are many stakeholders – with some more engaged in strategic partnerships and minded to collaborate than others. However, in order to maximise impact, scale, reach and outcomes it is imperative we continue to build on the strategic coordination provided through OxLEP/OSB over the past decade and ensure its alignment with the emerging LSIP and local authority priorities. FOP has a key role in leading the strategic collaboration and co-ordination of the skills landscape moving forward – including alignment of SPF allocations where feasible.

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