

SURREY COUNTY COUNCIL**CABINET****DATE: 25 OCTOBER 2022****REPORT OF CABINET MEMBER: MATT FURNISS, CABINET MEMBER FOR TRANSPORT, INFRASTRUCTURE AND GROWTH****LEAD OFFICER: MICHAEL COUGHLIN, EXECUTIVE DIRECTOR FOR PARTNERSHIPS, PROSPERITY AND GROWTH****SUBJECT: A SKILLS PLAN FOR SURREY****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT****Purpose of the Report:**

This report introduces the Skills Plan for Surrey, which is being produced with a focus on the role that skills development has in securing economic and inclusion outcomes across the county. Within 'Surrey's Economic Future,' the Economic Strategy approved by Cabinet in December 2020, several strategic priorities are reliant on both a skilled workforce and on the role skills play in enabling an inclusive economy. The 'Skills Plan for Surrey' builds out from these priorities and sets out Surrey's skills and recruitment related objectives.

Recommendations:

It is recommended that Cabinet:

1. Endorse the emerging outcomes and priorities of the Skills Plan for Surrey and recognise its role in relation to the forthcoming 'Lifetime of Learning' strategy

Reason for Recommendations:

The Skills Plan for Surrey sets out the challenges and opportunities facing the Surrey economy in terms of recruitment and skills. Due to the combination of factors impacting the Surrey labour market which have seen substantial increases in demand for people and skills against a decreasing level of supply, action is required by both Surrey County Council and a wide range of partners, including businesses and training providers, to positively impact this agenda. Through doing so, we can help to support economic growth and provide greater opportunities for Surrey's residents, supporting the principle of leaving no one behind.

Executive Summary:**Strategic context**

1. Through the Skills and Post-16 Education Act 2022, the Government has set out its intent that every area would have a Local Skills Improvement Plan (LSIP) agreed with Government by Summer 2023. Within that approach, Surrey is part of a geography which includes central and north Hampshire. The primary purpose of the LSIPs is to put the voice of employers' front and centre of the development of skills provision,

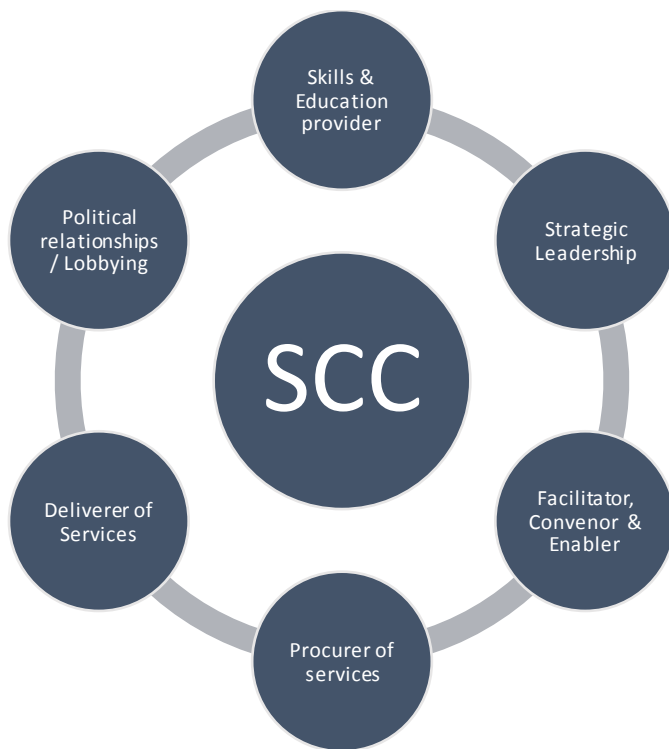
using an evidence led approach to make sure that the LSIP is capable of underpinning future funding decisions and directly influencing future provision. However, it solely focused on post-16 formal education, rather than a 'lifetime of learning' approach. In bringing forward this Skills Plan for Surrey ahead of this timeline, SCC can influence the development of the LSIP, ensuring that a coherent and well-defined Surrey perspective is at the forefront. It also enables SCC to have a defined Skills Plan ahead of any potential County Deal negotiation, strengthening our request for particular freedoms and devolution of funding and control.

2. Overall, the UK's skills system is complex and largely fragmented and Surrey is no exception to this. Activity generally takes place on an institution-by-institution basis; whilst colleges, universities and businesses connect with each other, there has been no coherent Surrey-wide perspective on what good practice is being delivered and where opportunities to operate at scale and make improvements might be implemented. This situation has been further exacerbated by the fact that Surrey is served by two different Local Enterprise Partnerships (LEPs), so, when government departments (including the Department for Education) have been contracting key programmes of work via LEPs, the whole-Surrey perspective has been absent, and the interests of Surrey businesses and residents have not been holistically represented. The Skills Plan for Surrey aims to change that.
3. In Surrey we are fortunate to have several effective and well-respected training providers including our schools and sixth form colleges, further education colleges, universities and independent training providers. However, we also hear regular feedback from businesses, both large and small, that the current skills system is flawed in that it can be difficult to engage with and is not always flexible enough to respond to modern day business demands. In Surrey, through the Surrey Business Leadership Forum and strategic business relationships established through SCC, we have been told that businesses across every sector and at every skill level are facing significant recruitment challenges. However, most importantly perhaps, they have indicated a strong desire to be part of the solution and have offered to get directly involved; this offer presents an invaluable opportunity which must be seized, and this is a key feature of the Surrey Skills Plan.
4. Not only do employers find it hard to navigate the system but people who face barriers to employment equally find that it is hard to both enter and progress through the system which is primarily set up for a linear academic pathway into a recognised career. Through the work being led on 'No One Left behind' in SCC the Strategy recognises the importance of ensuring opportunities are available to all with actions to address this objective being developed through the Action Plan.
5. Within the skills system there is a multiplicity of stakeholders and delivery agents. From primary schools through to the prospect of in-work progression and the retention of imminent retirees there are opportunities to promote new careers of the future and to educate and train people to continue to learn and build their experiences through a lifetime of learning. Work already undertaken has highlighted the importance of improving the interface between education and business and this is likely to be needed at Year 7 (or earlier) and at Years 11 / 12. There is a real need for schools to better understand the non-academic options for the students for whom that is a better option.

With forthcoming changes to the law on this, schools will be required to provide meaningful encounters in the workplace from January 2023 and the delivery plan being developed from this Skills Plan should recognise this opportunity.

6. Given the broad spectrum of stakeholders, additional partnership vehicles have been embedded to ensure that suitable influence, constructive challenge and inquiry are embedded within the process of approving and delivering on the Skills Plan. The One Surrey Growth Board holds overall partnership accountability with the Surrey Skills Leadership Forum and the Business Leaders’ Forum both holding equal interest; engagement and consultation is being undertaken in parallel between SCC’s formal approval processes and these wider partnerships.
7. SCC, aside from the delivery of some adult education provision, is not a frontline skills provider within this landscape. Therefore, the focus of our role is to act as a county-wide strategic leader to enable and drive systemic improvements. **Figure 1** below sets out examples of what this role might include.

Figure 1: Role for SCC



The Skills Plan for Surrey

The Vision

Our vision is for a **dynamic, demand-led skills system which hones Surrey’s leading edge, recognises the needs of all businesses and**

maximises inclusion, whilst powering economic growth across the UK.

Objectives

Supporting Businesses	Supporting People	Enabling Collaboration	Future Proofing
Help businesses prosper by making our skills system more responsive – both to immediate needs and those presented in the medium-longer term.	Help people to benefit through improved careers education, information and guidance, linked to clear learning, work and training pathways.	Deliver a step change in our skills system through enhanced and purposeful collaboration between and across businesses, anchor institutions and skills providers.	As part of a thematic focus on skills of the future, strengthen the pipeline of priority skills to meet employer demand, recognising the needs of both SMEs and larger businesses.

How we will get there



Priorities

Supporting Businesses

- Address the skills gaps which inhibit growth

- Support business owners and managers to develop the skills they need to recruit, retain and develop their staff
- Support employers to shape the skills system as key partners
- Support the efficient delivery of high-quality training across Surrey at all levels

Supporting People

- Tackle cold spots in support, education and training provision
- Help residents see and access local employment opportunities
- Help people move between jobs to develop their career locally
- Promote access to good quality jobs across foundation sectors
- Enable access to opportunities for work progression

Enabling Collaboration

- Leverage the corporate capacity of our large firms to support our SMEs
- Promote system-wide collaboration between all partners
- Ensure clear governance and operational systems facilitate partnership working

Future Proofing

- Identify emerging priority skills needs across industry clusters via an approach which can be applied to other arising skills needs
- Improve labour market information about future skills needs across all our sectors
- Provide pathways across all levels for workers into growing sectors, such as green industries

First year actions

Objective	Action to take within one year
Support Business	1. Enable more businesses (large + SMEs) to inform skills provision planning, for general and technical skills
	2. Connect SMEs to existing business support services to support workforce development
	3. Develop a campaign targeted at business owners and leaders to raise awareness of importance of people/talent development and support to identify/articulate needs
	4. Develop a Surrey County Council 'Skills Action Plan' which recognises the county's role as leader, employer, procurer and provider
Supporting People	5. Establish annual Skills & Careers Festival, which engages businesses, learners and skills providers on the opportunities in Surrey
	6. Pilot a collaborative approach to careers advice in priority sectors, working with a range of partners and employers, with focus on maximising inclusion and diversity, expand to other themes
	7. Produce baseline evaluation of current employment support and impact assessment
Enabling Collaboration	8. Map skills provision across Surrey to develop a clearer picture of provision (and gaps)
	9. Pilot easily accessible labour market information for providers to inform future provision
	10. Pilot business to business peer mentoring and support schemes
	11. Pilot syndicated training purchasing across businesses
	12. Pilot a business to provider co-mentoring scheme
	13. Lobby Government for greater flexibility for employers in using the apprenticeship levy
Future Proofing	14. Promote awareness of the opportunities for workers in growing sectors, such as green industries
	15. Strategic Development Fund projects completed, and lessons embedded into future skills planning
	16. Prepare a Surrey Priority Skills plan to support a pipeline of provision across sectors, including in green skills
	17. Develop a specific STEM careers strategy for Surrey

8. Whilst the previous two pages set out the key components of the Skills Plan, the background papers set out the longer version of the Skills Plan, establishing the evidence base and more detail on our vision, our objectives, the rationale for

intervention and the actions required to deliver on our ambitions, framed across the immediate (1 year), and medium term (1– 3 years). This work is underpinned by extensive research and local stakeholder knowledge, setting out a roadmap for what needs to be done to see improved outcomes for both businesses and residents. The process of consultation and engagement with people is deliberately iterative and progressive, in this way it is built from a strong evidence base, layering on local knowledge, insights and experiences.

9. Supporting analysis for the Plan is being made publicly available as completed. This includes:
 - *Skills in Demand* – What skills are in demand across Surrey, now and into the future
 - *Skills Provision landscape* - Current state of skills provision across Surrey and opportunities for greater collaboration
 - *Skills demand framework* – A tool to anticipate emerging skills needs in sectors
 - *No One Left Behind* – The support required by vulnerable groups from the skills system
 - *Economic analysis and priorities* – Evidence report underpinning One Surrey Growth Board priorities

10. It is important to note the importance of shared ambition and added value from joint delivery that is central to the intent of the Plan. The Plan is not a representation of all existing activity that is currently supporting skills development in Surrey (although some mapping of existing work has formed part of the research phase ensuring a deeper understanding of the provision landscape) but is instead a recognition of where combined approaches can deliver new and improved outcomes. It requires each stakeholder to build from individual operational drivers towards mutually beneficial complementary action as part of a coherent strategic plan. This, in turn will not only deliver singular benefits to each organisation but will also secure enhanced, multiple outcomes across Surrey.

11. The fundamental difference between previous skills plans that have incorporated parts of Surrey and this one is the forensic focus on the needs of employers as the driver for changes to the skills system. This intent mirrors that of Government policy so the structure of the Skills Plan for Surrey document itself follows that of Government's requirements. Surrey's employer perspective underpins the objectives of the Plan and their offer to co-deliver on solutions is recognised throughout the action plan.

12. Within the development of the Skills Plan, employer needs have been separated into current and emerging skills needs, an assessment of the whole skills system's ability to respond to those needs (through a lifetime of learning approach) and a consideration of where the workforce to meet these needs might come from.

13. The Plan recognises both immediate SME skills needs alongside a focus on sectors of growth (prioritising against criteria such as: numbers employed, Government priorities, county-wide priorities, fast growing sectors and funding availability - especially for innovation). The Plan uses a Skills Demand Framework to provide a way of making evidence-based decisions about the priority actions needed to support

improvements within the local skills system. Within this framework we recognise the importance of a focus on SME businesses providing interventions which will support their businesses to grow.

14. Whilst it is important to set out the vision for improvements to the system and to be clear on the joint objectives which will deliver long term outcomes, the most important impact from the Skills Plan for Surrey is to deliver real change on the ground. The Plan therefore includes a distinct focus on the establishment of a Delivery Plan. Over the coming weeks it will be developed further to motivate and galvanise partners to seek creative solutions and be jointly accountable for making the changes. As part of the drive to design and deliver innovative actions a Skills Summit is planned for 10th November where agencies with a role to play will be presented with a call to action.

Consultation:

15. As outlined above, the development of the Plan has by necessity included wide ranging consultation. This engagement has been with businesses, employer representative bodies (such as Surrey Chambers of Commerce), training providers (including colleges, universities and independent training providers) and those who play a key role in supporting people into employment (including the Department for Work and Pensions and our District and Borough Councils).
16. As the vision for the Plan has developed, it has also gone through various forums, including the Surrey Skills Leadership Forum, the Business Leaders' Forum and the One Surrey Growth Board. Feedback from all groups has been incorporated into the development of the document.
17. The Plan went to the Communities, Environment and Highways Select Committee on 6 October and the revised version has incorporated its feedback.

Risk Management and Implications:

18. SCC does not have a statutory role to play in this agenda and therefore the risks are largely reputational. There is a risk that SCC does not have the resources to create the systemic change we are hoping to implement and that we end up tinkering at the edges of the skills system rather than delivering wholesale improvements. However, it is believed that the risk of this is low due to the partnerships we are building to help aid delivery and the way the Plan shares responsibility across multiple actors in this space.
19. The risk of SCC not taking any action is that the skills system continues to be fragmented and, in some ways, difficult to access from both a business and learner perspective. If we do not act, we will miss out on opportunities for collaboration and sharing, which will harm both the economic growth of Surrey's business community and the skills development opportunities for our residents. Taking no action also increases the risks of Surrey becoming a less desirable place for investment; skills problems are already a significant concern of many established Surrey businesses who would look elsewhere for future investment if they felt the right talent pool was available to them.

Financial and Value for Money Implications:

20. The vast majority of activity outlined in the Plan will require support and delivery through a wide range of partners, largely meaning that our commitment is focused on staff time and resources. Any financial contribution from SCC will come from existing and future budgets, as well as through securing Government funding, such as the Local Skills Improvement Fund.

Section 151 Officer Commentary:

21. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
22. Any financial contribution from SCC will come from existing budgets, as well as through securing Government funding, such as the Local Skills Improvement Fund. As such, the Section 151 Officer supports the recommendation in this paper.

Legal Implications – Monitoring Officer:

23. Local Skills Improvement Plans are a Government initiative introduced in the Skills and Post 16 Education Act 2022 supplemented by statutory guidance issued in August 2022. This legislation does not impose new duties upon the Council. However, working with other stakeholders, it will assist the Council to deliver its plans for economic growth on Surrey

Equalities and Diversity:

24. The potential activity outlined in the Skills Plan is agnostic of protected characteristics.

Other Implications:

25. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	There is the opportunity for the Skills Plan to be of benefit to the most vulnerable of our residents, with a critical focus on how the system helps to support SCC's 'no one left behind' agenda.
Compliance against net-zero emissions target and future climate compatibility/resilience	A focus of the Skills Plan is on 'Green' skills. The development of these skills and the training providers who provide them, will

	support SCC's ambitions to move to net-zero emissions both as an organisation ourselves and by businesses across the county.
Public Health	There is a clear, established link between improved employment outcomes and improved health outcomes. Whilst not a primary focus of the Plan, it is hoped that a positive by-product of the development of more skilled communities and therefore more residents into employment is a positive impact on their health outcomes.

What Happens Next:

26. After endorsement of the Plan, there will be a public launch on November 10 at the Surrey Skills Summit. This event will bring together businesses, training providers and other key partners in the skills arena to build commitment to the actions required to deliver on the ambitions of the Plan.
27. The Plan will then be reviewed on an annual basis to ensure it is still delivering against its objectives.

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Sources/background papers:

- [The Surrey Skills Plan](#)
 - 'Surrey's Economic Future to 2030 - Economic Strategy Pages 39 – 66 of the 151221 Cabinet papers
 - COVID-19 Economic Impact Assessment (ARUP June 2020)
 - University of Surrey Cluster Research (November 2020)
 - Surrey Economic Commission Findings (Lord Philip Hammond September 2020)
 - Surrey's demand for jobs research (Shared Intelligence 2021 and Metro Dynamics 2022)
 - Surrey's provision mapping (Metro Dynamics 2022)
 - SCC's No One Left behind Employment and Skills Research (2022 ongoing)
 - Growth Board Papers are available at Invest in Surrey
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