

Leeds Chamber response to the Leeds Talent & Skills Plan 2017-2023

3rd November 2017

Leeds Chamber is part of the West & North Yorkshire Chamber of Commerce (the “Chamber”) and represents businesses which collectively employ a third of the working population of the Leeds City Region. Membership of the Chamber is diverse and reflects all sizes and sectors of organisation across services and manufacturing.

In our conversations with business across Leeds, access to talent is regularly cited as a barrier to growth so we welcome the steps taken by Leeds City Council to try and address this important issue. The latest data from the ONS report record numbers of people in employment and the lowest level of unemployment since 1975 and against this backdrop the Chamber’s own economic survey of regional employers (Q3 2017) echoes the national position with companies seeking to recruit in increasingly larger numbers. Yet despite this activity 57% of service sector businesses and an eye watering 64% of manufacturers said they struggled to recruit appropriately skilled people in the last quarter which is a cause of real concern.

The following are comments, concerns and observations with regards to the Talent & Skills Plan raised during consultation with Chamber members. We have sought to highlight areas where the Chamber is willing to assist in accomplishing quick wins, they are underlined below.

1. Putting children at the heart of the skills plan

- a. Broad and strong agreement with the aspirations set out under strengthening the role of schools in developing students, however some concern over the ability to deliver given the over centralised control over government policy relating to secondary education. The role of Ofsted has been questioned with regards to the perceived narrow measuring of school performance and the focus on exam results at the expense of developing fully rounded individuals.
- b. Non-existent or inconsistent careers advice in school is strongly recognised by businesses as a major issue in preparing young people. Students have to understand the implications for taking and dropping subjects at GCSE and the career avenues this opens and closes, this conversation needs to happen in Year 9 at the latest.
- c. Employers don’t just want academic qualifications they want young people with, what are often referred to as ‘soft skills’. Curiosity and imagination, problem solving, resilience, creativity, team working, confidence and communication, these are attributes which employers value highly and would want to see developed through the education system.
- d. The Chamber would welcome meetings with school head teachers to discuss business’s concerns and hear directly from education leaders about the challenges they face.

2. Employers and residents together at the heart of the education and skills system

- a. Retraining adults was highlighted as a concern as it was felt the amount of young people entering the labour market would not be enough to fill the projected number of vacancies forecast.
- b. Additional funding for skills is only likely to be made available through two sources the first being the apprentice levy. The Chamber would like to see measures in place to ensure companies in Leeds are able to claim the maximum funding available to them. Additional funding could also be made available through the Advanced Learner Loans programme available to individuals studying for level 3, 4, 5 or 6 qualifications. According to sources, there has been a big drop off in the number of adults accessing funding for level 3 and 4 qualifications since 2013. However without clear careers advice and guidance it is probably not surprising that people are reluctant to take loans to access courses which may not provide jobs which facilitate repayment. Alongside careers advice in schools, we would wish to see careers advice which is tailored to adults also. Currently colleges and training providers are restricted as to the amount of funding through this channel they are able to accept due to changes made by the ESFA.
- c. Concerns regarding the requirements to have a minimum grade C GCSE in maths and English in order to access apprenticeships were raised. Companies have reported having to release candidates who have failed to pass exam retakes and therefore are ineligible to continue onto apprenticeship programmes. Employers would be keen to explore alternatives, perhaps rethinking what used to be called functional skills assessments, where English and maths are taught / measured within the context of the apprenticeship job role.
- d. Many businesses already support the education sector; however an issue which arises frequently is the plethora of education-business related initiatives which currently exist. Should the city consider creating a simple tool which will allow businesses to better understand the range of education engagement services and initiatives available in order to make the choice which will best meet their needs?
- e. Graduate attraction and retention as set out in the talent and skills plan is recognised by the Chamber as an issue and in part, was why we facilitated the creation of the Leeds BID. We welcome the 'InLeeds' initiative developed by the city's four universities in 2017 and look forward to seeing it running again in 2018. The Chamber would be happy to support and promote this as needed.

3. Better jobs – tackling low pay and productivity

- a. We acknowledge the data relating to in-work poverty and its relationship with low productivity / low skilled employment along with comments that 'a job is the best

route out of poverty' being an outdated concept. Despite this there is still very strong evidence that the anecdote, 'It is easier to get a job when you already have a job' still rings true. We would support and promote a programme of in-work training which helped individuals to improve their skills as we have done in the past through Train2Gain, the LEP Skills Service and Skills Support for the Workforce.

- b. We welcome the recognition within the plan that businesses are already facing a rise in upfront costs, which impact before any profit is made. In recent years employers have had to accommodate pension's auto-enrolment, insurance premium tax, apprentice levy, changes to business rates, the rising cost of raw materials and imported inflation. On top of this, inflationary pay pressure due to skills shortages in sectors such as IT, engineering and construction are having a serious effect. Please recognise that the ability to pass on rising costs up the supply chain or onwards to consumers and clients can be difficult and ultimately decisions will have to be taken about creating new jobs.

4. Increasing labour market activity and productivity through a more representative workforce

- a. In the Chamber's 2017 Workforce Survey, 51% of companies said they filled vacancies via word of mouth. 43% posted vacancies to job search websites and 40% used UK based recruitment agencies. Only 18% of companies said they advertised directly through Job Centre Plus (although recruitment agencies often act as an intermediary on their behalf) and even less said they used local press advertising. What is clear from this is that those people without the connections and social networks lose out in the hunt to find job vacancies.

5. Attracting and retaining talent in the city, and widening participation in education and training

- a. The Chamber acknowledges the work already being done under this theme and welcomes a more structured approach to connecting university undergraduates to work experience opportunities.
- b. The document makes little reference to housing and in our opinion misses the opportunity to make the connection to quality of place and lifestyle with the economy. Affordable housing in the right locations with a mix of appropriate tenures is an essential component in attracting and retaining talent. We recognise that this is in part picked up under the Inclusive Growth Strategy; however it is one of the golden threads which, alongside transport connectivity, must run through everything relating to economic growth.
- c. The Chamber is fully supportive of the Leeds Apprenticeship Fair, which has been a great success over recent years. However, a short internet search for apprentice

vacancies in Leeds brings up a number job search websites, links to the city council pathways site and links to colleges however it brings up no employers directly. Given there is still much to do in order to raise the awareness of this pathway, especially in the minds of parents, teachers and the young people themselves we need to make apprenticeship vacancies as visible as possible. Should we be thinking about a job board for hosting apprentice vacancies by employers on a site which is tailored to the city's economy?

- d. In 1990, as development at Canary Wharf began, an endowment of £2.5m was set aside to fund grants for local people to access further and higher education. The trust, now known as The Tower Hamlets and Canary Wharf Further Education Trust, pays out significant amounts of grant funding each year to local people who need additional support to access college, university or professional courses. In advance of HS2 arriving in the city how can we create an endowment fund to support those who are cut off from the labour market (both physically and educationally), could this be funded as part of the new station redevelopment?

6. Improve connections between employment opportunities and residents

- a. The Chamber is a long standing supporter of transport improvements in Leeds and our views are well known to Leeds City Council. The plan rightly seeks to ensure that unaffordable transport connections do not present a barrier to work something the Chamber would support. Thought should be given to operating times of bus services to ensure they meet the needs of those in employment, especially those whose hours are non-standard.
- b. Proposed action to tackle air quality in the city centre must also be sensitive to ensure it doesn't add further cost to those who are unable to afford less polluting, newer cars and for whom bus services are not able to facilitate journeys to and from work. Many lower paying jobs in the city are in sectors which traditionally work non-standard hours especially within leisure, hospitality, facilities management and parts of the NHS.

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