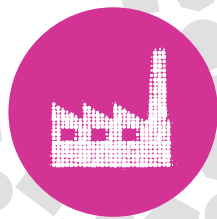
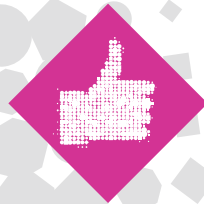


# Act now to get **West Yorkshire** working again

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**730,000**

the number of UK workers on payroll that fell between March and July 2020.

**3.4 million**

people could be unemployed by the end of 2020. Up from a record low of 1.3 million

**1 million**

are expected to be young people aged between 18 and 24. The rest are over the age of 25.

# National Challenge

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According to the Office for National Statistics (ONS) the number of UK workers on payrolls fell by 730,000 between March and July<sup>1</sup>. The Institute for Public Policy Research (IPPR) stated that as many as 3.4 million people would be unemployed by the end of 2020<sup>2</sup> – up from record lows of 1.3 million at the beginning of the year. Of the unemployed, 1 million are expected to be young people aged between 18 and 24 with the rest of the 2.4 million workers over the age of 25.

Even pre-Covid-19 the Government had a challenging, and much needed, plan to update the UK's infrastructure from rail to roads and energy to housing. Since the pandemic struck, the long awaited National Infrastructure Plan will become more relevant to the UK economy than ever as it presents the opportunity to create thousands of high skilled jobs across the country and could act as a major boost for our economy.

All of this coupled with a no deal Brexit on the horizon, more stringent immigration policies in place and continual advances in the use of workplace automation means that we need to act now in order to grow the workforce that is needed to make these ambitious plans a reality.

<sup>1</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020>

<sup>2</sup> <https://www.ippr.org/research/publications/guaranteeing-the-right-start>




## West Yorkshire

West Yorkshire<sup>3</sup> consists of five metropolitan boroughs and includes the cities of Leeds, Wakefield and Bradford. The total population is 2.3 million and the working age population of the area totals 1.5 million.

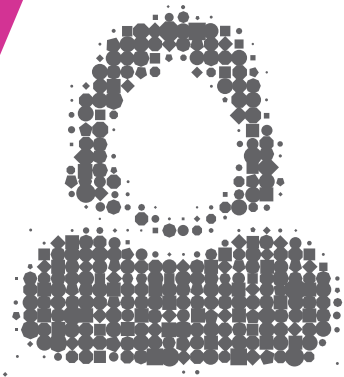
West Yorkshire had an unemployment rate of 3.8% between December 2019 and February 2020 but this had doubled to 7.5% by September 2020.

West Yorkshire has a lower than average number of people with an NVQ Level 4 and above qualification (33% vs 40% nationally) and higher than the national average of people with no qualifications at all (9.5% vs 7.7% nationally)<sup>4</sup>.

These statistics coupled with the continued and ongoing risk of local lockdowns has had a large impact on West Yorkshire's economy.



The unemployment rate in West Yorkshire has doubled between February and September 2020. It is now 7.5%



<sup>3</sup> <https://www.nomisweb.co.uk/reports/lmp/la/1967128616/report.aspx?town=West%20Yorkshire> <sup>3</sup> <https://www.nomisweb.co.uk/reports/lmp/gor/2013265921/report.aspx>

<sup>4</sup> <https://www.nomisweb.co.uk/reports/lmp/la/1967128616/report.aspx?town=West%20Yorkshire>

# The local policy maker's perspective

Councillor Susan Hinchcliffe discussed what was already happening in the region including the creation of the West Yorkshire Economic Recovery Board, which is focusing on getting people back into work and reviving the local economy.

She also spoke about the Future Ready Skills Commission which involves a cross-section of people from the area and looks at technical education, careers and in-work progression.

She outlined the 8 key points from the 'Blueprint for a Future Ready Skills System' which is the ask of the Combined Mayoral Authority (CMA) to improve skills provision in the area<sup>5</sup>:

1. **Ensure the funding system offers fair access regardless of age, level of attainment, background and learning route**
2. **Empower areas to design services around the individual to address complex health and employment issues**
3. **Employers should take greater ownership of their talent management and skills development**
4. **All adult skills and careers funding needs to be devolved to the Mayoral Combined Authority Areas**
5. **Recognise that areas are best placed to understand their own unique skills needs and implement a statutory strategic skills plan**
6. **Skills providers should be providing the skills that the area needs both now and in the future (linked to Labour Market needs)**

**7. Large scale public infrastructure plans should include a 5% skills premium to help level up the local community**

**8. The Apprenticeship system needs a national review to make it work more effectively.**

The Councillor noted that she would like to see skills becoming more integrated in the infrastructure in the region and that funding should be further devolved so that regions can address challenges more efficiently. She would like to see more involvement from businesses in helping to shape the local labour market moving forwards.

Finally, she acknowledged that the Department for Work and Pensions have increased their regional engagement and wants this model to be replicated across other government departments.

The councillor would like to see more involvement from businesses in helping to shape the local labour market moving forwards.

<sup>5</sup> [futurereadyskillscommission.com/a-blueprint-for-a-future-ready-skills-system/](https://www.futurereadyskillscommission.com/a-blueprint-for-a-future-ready-skills-system/)

# Current labour market outlook in West Yorkshire

## Unemployment is up

The number of people claiming benefits rose 90% between March and July including high numbers of Job Seekers Allowance claims from people who were previously working as Sales and Retail Assistants and Labourers working in Construction Trades.

## Job posting activity is slowly returning

Unique job postings were down by 35% between February and May in the region but are rising slowly with postings up by 10% between May and July<sup>6</sup>. The rebound in job posting activity includes some low skills roles but also many mid-level and high skilled roles.

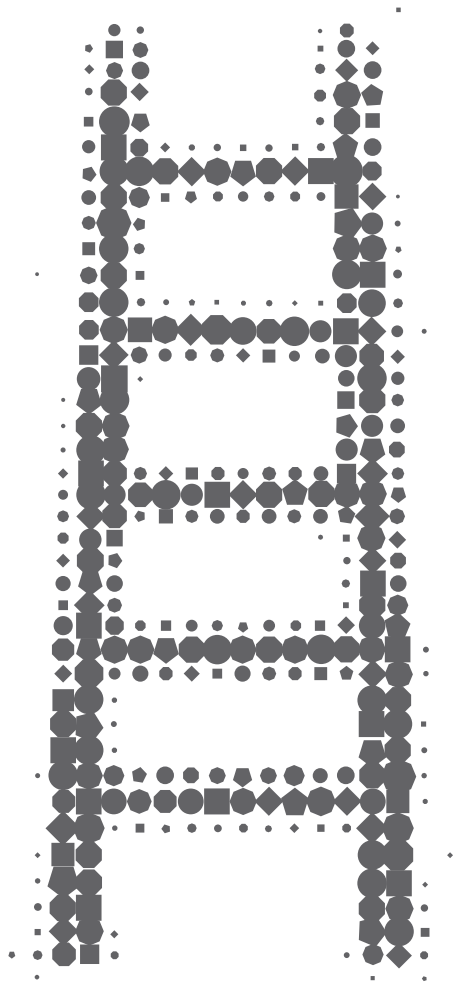
## Automation will displace more people

27% of West Yorkshire's workforce are in occupations with 50% or more of their tasks categorised as 'highly automatable'<sup>7</sup> with roles including Cleaners and Domestic, Kitchen and Catering Assistants, Bar Staff and Packers, Bottlers, Canners and Fillers all having over 80% of tasks considered at risk.

The regional picture shows that unemployment is mostly impacting low skill, high volume employment and that automation is likely to worsen the short-term disruption of the low skilled labour market.

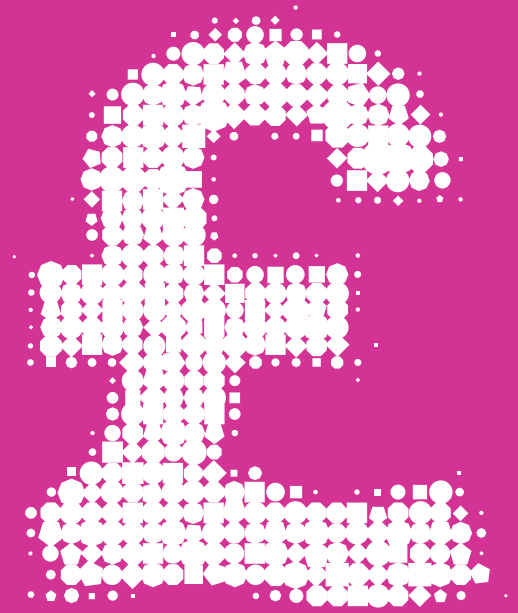
## Skills Bridges

Created by City & Guilds as a solution for turning the tide on unemployment, Skills Bridges will identify the overall potential of an individual and determine whether their skills and motivation could be transferred seamlessly into other industries and occupations. It will offer candidates the tools and knowledge of the sector they need to gain direct entry into a new occupation and industry and give them an advantage in the recruitment process.



<sup>6</sup> Emsi 2020

<sup>7</sup> Emsi 2020



**The number of people claiming benefits rose 90% between March and July** including high numbers of Job Seekers Allowance claims from people who were previously working as Sales and Retail Assistants and Labourers working in Construction Trades.

# What needs to happen in West Yorkshire to address unemployment and job displacement now and in the future?

Below are the key recommendations from the discussions we had with our attendees during the event.

## Common themes

### We need to change the funding model

**Invest in people not just in skills** – Most funding is aimed at delivering technical skills as Ministers think this is what is needed but actually what's needed is having the right people skills. The technical skills can be taught in the workplace but education should be training people to be work ready with the right attitude. Something is not working if we have shiny new colleges in place but people without the transferable skills required in order to work effectively throughout their lifetimes.

**Listen to what employers need** – We need a funding mechanism that responds to employers' requirements but we are currently funded to deliver qualifications. This has led to training that isn't fit for purpose and a disconnect between what is funded from Government versus what an employer needs. Devolution would provide the opportunity and flexibility to address this.

**Changing the apprenticeship levy** – In times of uncertainty, workforce development budgets are often amongst the first things to be cut by employers. Could there be flex in the apprenticeship levy for other forms of workforce development? For example could there be the flexibility to pay apprentices' wages from the levy for 12 months to encourage people to take on apprentices in the first place?

## Skills Bridges

**Skills Bridges need to build on existing local infrastructure** – In order for Skills Bridges to work at a regional level they must not be seen as another national idea driven only from the top down. Skills Bridges need to build on what's already working well in the regions building on the local systems and infrastructures in place.

Skills Bridges should be looked at through two lenses: what is already available that could be used in a different way to support the Skills Bridge; and a short and a long term view of getting people quickly back into work versus investing in longer term skills development.

**Create a skills retention scheme** – The existing job retention scheme needs to shift to a skills retention scheme so we are able to move skilled people from declining industries into ones that are growing where their skills can be utilised.

## Focus on skills

**Create a modular approach** – Older workers may not want to go back into training as they don't see it as appropriate for them. There needs to be a way of engaging with this demographic and making training a viable option for them. Short, sharp training interventions delivered through a modular approach may make reskilling or upskilling a more attractive offer to these groups.



**Have clear career pathways available –**

People are not aware of how their skills are transferable to other roles and need to better understand the options and opportunities available to them. They need this information before deciding on which qualifications or courses to take. Colleges are not currently delivering this remit nor are they funded to do this.

**Use skills mentors** – Using mentors will help individuals to understand the different options on offer and help to motivate those who need it or would be at risk of dropping out of retraining.

**Don't forget the importance of transferable skills** – There is a need for shorter, sharper programmes that may well be unaccredited focusing on things like resilience, team working and project management: the skills needed to make someone work ready and able to thrive in the workplace.

**Ensure there are online options**

**Combining the physical and the virtual** – We can't underestimate people's time and financial commitments and how this might hold them back from being able to reskill and retrain. Much of a Skills bridge programme can be delivered virtually and therefore travelling to training is not a barrier to access. However the impact and results must be delivered locally and having regional mentors able to offer support would also offer real benefit.

**Automation will change the way we work** – We need to upskill and support people as we move towards different ways of working in the future. Training should be made available focusing on how people can work alongside automation rather than competing with it.

**Partnership working**

It was noted that the most success comes from initiatives where there is a strong relationship between stakeholders across the region. So continuing to build and strengthen relationships post-Covid between colleges, employers and local government is one of the best ways to ensure that solutions are viable and joined-up whilst effectively meeting the varied needs across the region.

We need to ensure that businesses and providers are recognised for their hard work in rethinking business models and adapting to change in order to survive the pandemic. We need to take learnings that work and use these as blueprints across other organisations and sectors.

**Stimulating demand**

Jobs are a feature of demand but what we also need to look at is how we increase that demand in the region. The Government is supporting investment into infrastructure but are we doing enough to work together across the region to look for new markets and create more jobs by stimulating demand?

