Employment and Skills Diagnostic
Commissioned by Cornwall Council

Final Report, 20 January 2017
Executive Summary

Through our research and conversations with key stakeholders our diagnostic identified 6 causes effecting Cornwall’s capacity and capability to deliver devolved skills as part of Devo1.

Our six recommendations are:

1. **Vision & Strategy:** The Devolution Deal and E&S Strategy have much in common - moving forward there must be a shared vision of how and who will deliver the Devolution Deal’s E&S objectives
   - **Ownership:** There is no clear ownership and accountability and this needs to be put in place at the political, business and executive levels

2. **Governance:** There needs to be a re-set of governance to reflect its critical role in the Devolution Deal and Cornwall’s economic future

4. **Resources:** Cornwall Council & the LEP must commit sufficient capacity to create an effective Core Team

5. **Communication:** Effective external and internal communications need to be put in place to articulate why skills are at the heart of Cornwall’s economic development

6. **Implementation:** Resolving the issues of ownership, governance & resourcing will deliver a clear line of sight on implementation

These recommendations need to be fully implemented before an assessment can be made about how Cornwall may be able to take on further devolved powers as part of Devo2
Scope

Cornwall Council commissioned the Collab Group to undertake a diagnostic assessment of the capacity and capability that is needed within Cornwall for the effective delivery of devolved skills and to provide guidance of where this capacity should sit and the impact on current and future governance and funding arrangements.
1. The employment and skills (E&S) diagnostic was commissioned by Kate Kennally, Chief Executive of Cornwall Council.

2. The diagnostic was undertaken by a team of 3 staff of the Collab Group. This team was led by Ian Pretty, Chief Executive of the Collab Group, supported by Kate Green, Head of Business Development and Tom Lowe, External Relations Co-ordinator.

3. Visits and meeting schedules were co-ordinated by Clare Harris, Employment and Skills Manager at the CloS LEP, and Natalie Smith, Lead 11-25 Pathways at Cornwall Council.
# Methodology

<table>
<thead>
<tr>
<th>Week</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>Dec/ January</th>
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<tbody>
<tr>
<td>Activity</td>
<td>1. Confirm scope of diagnostic exercise 2. Initial desk research 3. Initial interviews with key stakeholders in Cornwall</td>
<td>1. Progress meeting with key stakeholders 2. Further stakeholder interviews 3. Further desk research into devolution in other parts of the UK</td>
<td>1. Validation workshop to discuss draft strawman for Cornish approach to devolved E&amp;S</td>
<td>1. Presentation of final report, including strawman and road-map to support further devolution</td>
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**Interviews undertaken:**
- 22 people (in Cornwall)
- 13 organisations (in Cornwall)
- 8 people & organisations outside of Cornwall

**Including:**
- Cornwall Council – councillors and staff
- LEP – personnel and E&S Board
- Education stakeholders
- Business stakeholders
- Devon County and Plymouth City Councils
- Key stakeholders in other devolved areas
Our diagnostic assessment was developed through a structured process

- Checking the alignment between the E&S strand of the Devo Deal and the CloS E&S Strategy
- Reflecting on what people told us during the stakeholder interviews
- Researching experience in other devolved areas
- Development of the diagnostic assessment
# The ClOŞ Employment and Skills strategy has 4 key objectives and an underpinning apprenticeship action plan

<table>
<thead>
<tr>
<th>SO1: Develop our highly skilled workforce for tomorrow</th>
<th>SO2: Drive employer and individual engagement and investment in skills</th>
<th>SO3: Enable people to access and progress in meaningful employment</th>
<th>SO4: Enable people to learn about career pathways and be equipped for the world of work</th>
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<tbody>
<tr>
<td>Enable the demand and supply of skills to meet the needs of the future economy</td>
<td>Enable the demand and supply of skills to meet the needs of the future economy</td>
<td>Build on models of good practice and find new ways of working with people furthest from the labour market</td>
<td>Ensure high standards of CEIAG available and accessible to all people</td>
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<tr>
<td>Retain and attract skilled individuals</td>
<td>Improve workforce health and well-being</td>
<td>Improve earnings and progression of lower paid workers</td>
<td>Enable schools, colleges, employers and others to deliver sustainable employer/school engagement and experiences</td>
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<tr>
<td>Improve availability of STEAM/STEAM skills</td>
<td>Support small, micro, social and community business and self-employed to engage in training</td>
<td>Support those at risk of leaving the labour market</td>
<td>Encourage development of enterprise and work readiness skills in young people</td>
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<tr>
<td>Develop higher and degree level apprenticeships</td>
<td>Create an effective apprenticeship service for ClOŞ employers</td>
<td>Raise awareness of apprenticeship routes to progression for all staff</td>
<td>Promote the value of apprenticeship and vocational routes</td>
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*Employment and Skills Diagnostic for Cornwall Council*
Employment and Skills in the Devolution Deal

The Employment and Skills strand of the Devolution Deal aims to:
• Increase the number of people with higher level skills
• Combat underemployment
• Support those furthest from the labour market to get the skills and experience needed to find work

The intention is to improve the system’s responsiveness to local labour market need and economic priorities through a strategic approach led by the LEP’s Employment and Skills Board. This activity is underpinned by the Employment and Skills Strategy.

Objectives:
1. To re-shape training provision within Cornwall – aligning strategy and resources (AEB, Adult Community Learning funding, EU funding)
2. Improve apprenticeship brokerage activities targeted at SMEs
3. To improve careers advice for younger people
4. To help people into employment
We undertook an alignment exercise between the Devolution Deal objectives and the CloS E&S Strategy

<table>
<thead>
<tr>
<th>Devo Deal E&amp;S Strand</th>
<th>CloS E&amp;S Strategy</th>
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<tbody>
<tr>
<td>To re-shape training provision within Cornwall</td>
<td>To enable better fit between demand and supply of training (Within SO1 and SO2)</td>
</tr>
<tr>
<td>Improve apprenticeship brokerage activities targeted at SMEs</td>
<td>Cross-cutting Apprenticeship Action Plan</td>
</tr>
<tr>
<td>To improve careers advice for younger people</td>
<td>Implement Cornwall Careers offer, Enterprise Adviser Programme and link to CEC (SO4)</td>
</tr>
<tr>
<td>To help people into employment, particularly those furthest from the labour market</td>
<td>SO3: Enable people to access and progress in meaningful employment</td>
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We see clear alignment between the Devolution Deal objectives; the only area where there is no alignment is in the area of commissioning training provision because the CloS E&S strategy is silent on this.
Our research in other devolved areas* highlighted a number of similar issues

The importance of having clear ownership of devolved skills for individuals, institutions and governments

Implementation requires cross sector engagement, partnership and effective collaboration

Governance structures must be fit-for-purpose to deliver effective skills devolution

Effective delivery depends on the right resources and capabilities being appropriately allocated

Employment and Skills Diagnostic for Cornwall Council

*More details can be found in Appendix 2
Our research led us to conclude that there are six themes that impact the ability to effectively implement the Devolution Deal’s Employment and Skills strand of activity.

- **Resource capacity:** people/time, finances, skills & knowledge
- **Focus on strategy, but not on implementation**
- **Challenge of communication and co-ordination:** Multiple Boards and Strategies
- **Lack of clearly articulated vision of what success looks like**
- **Lack of clear ownership and accountability**
- **Governance structures need reviewing**

Themes emerging from our research.

**Employment and Skills Diagnostic for Cornwall Council**
Our diagnostic assessment identified that there are six causes that have meant that the Employment and Skills strand of the Devolution deal has failed to gain traction.
Recommendation 1. The Devolution Deal and E&S Strategy have much in common - moving forward there must be a shared vision of how and who will deliver the Devolution Deal’s E&S objectives

We recommend:

1. **Cornwall should clearly state that the principal driver for its Employment and Skills objectives within the Devolution Deal is prosperity and economic growth.**
2. **Although economic development is the principal driver, the Devolution Deal will still align to education and social inclusion strategies.**
3. **There must be a shared recognition that the E&S Devolution Deal aspirations are best delivered through the CIoS E&S Strategy.**
4. **Cornwall should clearly articulate what success would look like in the context of the Employment and Skills Devolution Deal; this needs to be communicated effectively to all stakeholders.**
A clearer vision statement for the Devolution Deal E&S Strand

Proposed Vision Statement:

“Economic growth and productivity in Cornwall will be achieved by the collaborative efforts of government, business and education, delivering Cornish economic priorities through responsive Cornish skills provision.”

This will be achieved by:
1. Changing how education and training is funded and commissioned, with greater control given to Cornwall.
2. Promoting apprenticeship provision and opportunities.
3. Implementing the Cornwall Careers Offer to ensure all young people receive high quality careers advice.
4. Working with key partners to develop and deliver initiatives which support people into, and maintain them in, employment.

Employment and Skills Diagnostic for Cornwall Council
Recommendation 2. There is no clear ownership and accountability and this needs to be put in place at the political, business and executive levels

We recommend:
1. The appointment of the Cornwall Council Corporate Director for Economic Growth & Development as Senior Responsible Officer for the E&S Devolution Deal strand. This individual would be accountable for an overarching employment and skills budget as well as for facilitating strong links to the Education Strategy.
3. Reinforcing the ESB’s role as the owner of business interests in the Devolution Deal.
4. Establishing a dedicated core team accountable for E&S which:
   • Is co-located and co-ordinated, drawing members from the LEP and Council.
   • Has clear executive (SRO), political (Cabinet member) and business (LEP) ownership.
   • Is able to leverage the capacity and capabilities of wider stakeholders.
   • Has mechanisms to unblock issues, through the ESB.
Recommendation 3. There needs to be a re-set of governance to reflect its critical role in the Devolution Deal and Cornwall’s economic future.

We recommend that the CIoS LEP ESB should provide the core governance for the Devolution Deal and:
1. Comprise key agents, rather than all stakeholders.
2. Be agile and responsive, with no more than 20 members.
3. Consider involvement of the Cabinet Portfolio Holder in ESB leadership.
4. Should operate a sub-group model for particular functions, such as commissioning.
5. Ensure expert insight and challenge can be provided across key areas.

Proposed ESB Membership

<table>
<thead>
<tr>
<th>Business</th>
<th>Cornwall Council</th>
<th>Providers</th>
<th>Expert insight</th>
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<tbody>
<tr>
<td>5 private sector employers</td>
<td>Corporate Director for Economic Growth &amp; Development</td>
<td>Truro &amp; Penwith College</td>
<td>Education &amp; training</td>
</tr>
<tr>
<td>2 public sector employers</td>
<td>Cabinet Portfolio Holder for Economy, Employment &amp; Skills</td>
<td>Cornwall College</td>
<td>Business and industry</td>
</tr>
<tr>
<td>1 third sector employer</td>
<td>Service Director, Education &amp; Early Years</td>
<td>Falmouth University</td>
<td>Policy context</td>
</tr>
<tr>
<td>Employer representative body</td>
<td></td>
<td>Exeter University</td>
<td>Devolution in other areas</td>
</tr>
<tr>
<td>1 LEP Board Member</td>
<td></td>
<td>1 representative of ITPs</td>
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<tr>
<td></td>
<td></td>
<td>Cornwall Adult Education</td>
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The Terms of Reference for the ESB need to be revised to reflect a refreshed focus, as suggested by this assessment and as already acknowledged by key stakeholders.

Proposed ToR

The ESB supports the CloS LEP to deliver economic growth and productivity, recognising the significant influence of skills to individual, business and regional prosperity.

The purpose of the E&S Board is:

- To provide strategic leadership and oversight of the delivery of the Employment & Skills Strategy it has developed
- To monitor and evaluate performance and effectiveness against this Strategy; ensuring that both appropriate implementation plans and monitoring systems are in place
- To make recommendations to enable the effective delivery of the strategy’s objectives and monitor the implementation of these
- To support the efficient and effective working of a demand-led training and skills system across Cornwall, by working in partnership to identify and respond to current and future growth, employment and skills needs.
Recommendation 4. Cornwall Council & the CloS LEP must commit sufficient capacity to create an effective Core Team

We recommend:
Numbers: A core team of five full-time people (compared to the current 2 FTEs distributed over multiple staff) drawn from both the Council and the CloS LEP. One of these people should have overall day-to-day management responsibility.
Responsibilities: The core team will take responsible for day-to-day delivery.
Reporting: Clear reporting lines need to be established to the SRO, and from the SRO to Council CEO, ESB Chair and Cabinet Portfolio Holder. The SRO to ensure that staff resources are able/directed to focus on implementation.
Budgets: The Council & CloS LEP need to establish defined budgets to support implementation and delivery.
Location: The core team should be co-located.
Ecosystem: The core team leader needs to develop an effective mechanism to leverage the capacity and capability of different stakeholders.

One to take a look at
Sheffield City Region provides an effective example of a resourcing model structured around a central team jointly accountable to both the Combined Authority and the LEP. The team includes 5 permanent members of staff and 6 secondees with a designated lead for each strand of the Sheffield City Region Devolution Deal.
The core team needs key knowledge and experience to fulfil its required role

- Technical & Professional Education
- Pre-16 education
- Business & industry
- Network leadership
- Managing funding streams & pooling budgets
- Commissioning
- Research & data analysis
- Project planning & implementation
There are a wide range of stakeholders that will need to be leveraged in order to ensure the successful delivery of devolved skills.

It is therefore critical that the core team has effective capability in networking and partnership working, together with the ability to leverage the skills and expertise of others.
Resources: The roles of core team members need to be clearly defined

Roles could be cross-cutting in line with key functions, such as LMI/Market Analysis and Financial Modelling, or in line with key areas of activity, i.e. apprenticeships and careers IAG

Our recommendation is that 3 roles take responsibility for key strands of activity, supported by 2 cross-cutting roles, i.e:

- 1 lead for ‘re-shaping provision’
- 1 lead for apprenticeships
- 1 lead for careers IAG (linking with pre-16 education) and supporting the unemployed/underemployed into work
- 1 lead for LMI and Market Analysis, working across all 4 strands
- 1 other cross-cutting lead (to be defined)
Recommendation 5. Effective external and internal communications need to be put in place to articulate why skills are at the heart of Cornwall’s economic development

The Northern Ireland skill system underwent an overhaul in 2004 with the publication of a new strategy “FE Means Business”. The publication of the strategy was preceded by an inquiry carried out by the then Committee for Employment and Learning. The success of the strategy can partly be attributed to the detailed communication and engagement process that the government conducted. The process remained transparent, detailed and far reaching and set the groundwork for the later incorporation of the FE and skills agenda into the Department for the Economy.

Closer to home:
• Effective and clear articulation of the ambitions and goals of other elements of the Devolution Deal already exist.
• Many Cornish organisations are already articulating how they will play their part including Cornwall Marine Network, Falmouth University and Cornwall College.

We recommend:
1. A clear, simple but compelling vision of the importance of skills to the success of devolution, economic development, industry and educational institutions is needed to bring the skills agenda back to the heart of the Devolution Deal.
2. This vision needs to be effectively communicated to all stakeholders, including through effective public statements about E&S priorities.
3. The multiple Boards and Strategies across the Council need to be reviewed and if possible rationalised. As a minimum, the linkages between Boards and Strategies need to be examined, to ensure effective strategic (rather than ad-hoc) links are in place.
4. The budgets aligned to relevant strategies need to be accessible by the core team.
Recommendation 6. Resolving the issues of ownership, governance & resourcing will deliver a clear line of sight on implementation

We recommend:
1. Detailed supporting plans for each area should be developed, identifying actions, clear owners, timeframes and measurable outcomes alongside clear processes for assessing and reporting activity and outcomes.
2. Effective and on-going market analysis by the core team needs to drive clear evidence-based approaches to core and future sectors of the Cornish economy and economic areas such as Plymouth.
3. An effective process for pooling budgets needs to be defined, together with clearly articulated steps for achieving local commissioning of AEB as a precursor to further devolution of skills budgets.
4. Need to ensure effective engagement with stakeholders, inside and outside of Cornwall, notably those with an economic and technical education stake in the success of the Devolution Deal.

One to take a look at

Greater Manchester Combined Authority utilises monthly implementation plans to monitor all strands of the Devolution Deal. A monthly plan is produced for the skills strand and has both a portfolio lead and a designated Chief Executive Lead. The plans set clear timescales for the implementation of actions allowing activity to be monitored and potential risks flagged on a regular basis.

Budgets do not have to be physically pooled as long as the relevant strategies are aligned. If this strategic overlap exists it is possible to target allocations from separate budgets to joint programmes and projects.