

Inclusive Economy

Employment Skills - Our Considerations

1. Issues and opportunities

- 1.1. Ensuring that residents have the required employment skills necessary to access employment will help widen economic opportunities in the City Region. Of relevance to employment skills is the [draft Liverpool City Region Local Industrial Strategy \(LIS\)](#) building on the approach set by the [Government's Industrial Strategy](#), identifies five foundations of productivity that require strengthening to unlock the full potential of the opportunities that exist in the City Region.
- 1.2. The LIS 'people' foundation is particularly relevant and seeks to ensure people in the City Region have the health, skills and opportunities to realise their full potential. Key priorities to address identified under this foundation include: improving skills mobility and opportunities for career progression and lifelong learning; ensuring skill sets and training evolve to reflect the changing economy and reflect business needs, and increasing the number of high quality employment opportunities in the City Region to attract and retain skilled workers.
- 1.3. The LIS highlights that a barrier which exists for some people, including graduates coming out of Liverpool's universities, is a lack of good quality jobs and opportunities within the Liverpool City Region. For others the challenge is having the right skills to access and sustain well-paid, high-quality work. For example, in order to match the national average for NVQ4+ qualifications, LCR would need a further 59,000 residents qualified to that level¹.
- 1.4. The Liverpool City Region Employer Skills Survey identified a total of 18,620 current workers lacking the necessary skills for the job, with 29% of the City Region employers unable to recruit employees with the relevant skills in comparison to 27% nationally². Furthermore, 23.7% of our working age population is inactive and as it stands, we have the fourth highest rate of economic inactivity of all LEPs in England³, with long term health problems identified as a key underlying cause by

¹ Liverpool City Region Combined Authority Local Industrial Strategy Draft, 2019.

² Liverpool City Region Combined Authority Skills Survey, 2017.

³ LCRC Evidence Research & Intelligence.

the LIS. The high levels of inactivity that persists has a relationship with those with lower levels of qualifications⁴.

1.5. There are a number of additional headline statistics of relevance to employment skills in the City Region:

- For a City Region its size, it has a relatively low number of jobs⁵.
- 37% of neighbourhoods fall in the top 10% of most employment deprived neighbourhoods nationally⁶.
- A higher than average proportion of residents have no qualifications⁷;
- A decline in apprenticeships has become more prevalent from 2016/17⁸.
- During 2018/19 there were 22,245 total enrolments, whilst 5,797 apprenticeships were achieved⁹.

1.6. As a result of COVID-19 there is likely to be a dramatic increase in unemployment and poverty. The UK economy shrank by an unprecedented 20% in April as the country went into lockdown¹⁰. According to the latest figures, there have been 3.3 million new claims for Universal Credit since March 16th¹¹, 9.3 million employees have been furloughed¹² and a further 2.4 million people have applied for the Government's Self-Employment Income Support Scheme¹³. More recently the Metro Mayor has [announced](#) support for apprentices made redundant during the COVID-19 crisis.

1.7. The measures the SDS could use to address employment skills are confined to those related to the development and use of land. This includes measures such as ensuring sufficient provision of key strategic social infrastructure like schools and directing both the amount and location of land available for specific types of businesses, matters that would be set out by other SDS policies. However, where backed by evidence, planning policies elsewhere have been used to secure employment opportunities from development proposals.

⁴ LCRCA Evidence Research & Intelligence.

⁵ ONS Business Register and Employment Survey, 2018; ONS Mid-Year Population Estimates, 2018.

⁶ MHCLG Indices of Multiple Deprivation, 2019.

⁷ Liverpool City Region Combined Authority Local Industrial Strategy Draft, 2019.

⁸ DfE Apprenticeships and Traineeships, 2014/15 – 2018/19.

⁹ DfE Apprenticeships and Traineeships data.

¹⁰ ONS (2020). GDP monthly estimate, UK: April 2020. Office for National Statistics.

¹¹ Department for Work and Pensions (2020). Universal Credit declarations (claims) and advances: management information.

¹² HM Revenue & Customs (2020). HMRC coronavirus (COVID-19) statistics.

¹³ Billard, L. and Allen, D (2020). Statistical bulletin Self-Employment Income Support Scheme (SEISS) Official Statistics Press Queries.

2. Why does the Spatial Development Strategy need to address this?

- 2.1. The [National Planning Policy Framework](#) (NPPF) sets out that planning policies should help create the conditions in which businesses can invest, expand and adapt. It goes on to say that significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The NPPF explains that the approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.
- 2.2. The NPPF also states that planning policies should have regard to Local Industrial Strategies when setting out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth. [Planning Practice Guidance](#) sets out that in gathering evidence to plan for business uses, strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy to understand their current and potential future requirements.

3. What is being done by the Combined Authority?

- 3.1. The Metro Mayor's Manifesto places a strong emphasis on the role skills will have in achieving his economic ambitions for the City Region, which of relevance aims to:
 - Create a high-skill, high-value economy.
 - Align skill and training investment with identified skill deficits.
 - Improve education standards, career advice, and develop links between education and businesses.
 - Increase opportunities to study and train later in life.
 - Radically improving the quality and scope of apprenticeship provision.
 - Remove barriers and expand opportunities for all, including sectors under represented by women and extending access for BAME groups to every employment sector.
- 3.2. The Liverpool City Region Combined Authority (LCRCA) has a number of strategies to help improve employment skills in the City Region, which include:

- The [LCRCA Skills Strategy 2018-23](#), which building on eight years of successful partnership working that has contributed to rising skills levels among young people and adults, sets out a vision for an improved skills system, to ensure residents are equipped to respond to changing global and local conditions.
- The [LCRCA Employability Skills for Growth Action Plan 2018-20](#), which draws on evidence and primary research with key stakeholders to identify actions to address employability skills gaps and potential future employer demands.
- The [LCRCA Apprenticeship Growth Plan 2018-20](#), sets a vision to ‘increase the volume, breadth & relevance of apprenticeships across the Liverpool City Region enabling more employers and learners to access and benefit from apprenticeships’ and an aspiration to deliver 20,000 apprenticeships per annum by 2020.
- The [LCRCA Construction Skills Growth Action Plan 2018-20](#), which sets out an ambitious programme of work to help people into construction, to ensure they realise their potential and to ensure that businesses can access the construction skills they need now and in the future. It notes that there are 47,000 people working in construction in the Liverpool City Region. Based on an appraisal of anticipated construction, the document highlights that the City Region’s construction workforce will not meet demand.
- The [LCRCA Build Back Better Economic Recovery Plan](#), which includes a number of skill related programmes including fully funded offers for school leavers, a young person’s guarantee, and increased numbers of apprenticeships.

4. What you told us

4.1. Of relevance to employment skills, responses to our previous SDS public engagement highlighted:

- A lack of accessible high quality employment opportunities for locals and graduates.
- A lack of investment in training, education and apprenticeships in certain areas across the City Region.
- The need for better access to public transport, and that new employment should be focussed around transport hubs.
- That alongside reducing barriers to employment, inequalities require addressing.

5. How we could respond?

5.1. Individual development proposals could play an additional role in enhancing employment skills across the City Region, particularly larger scale development. However, mechanisms to secure obligations from development (such as section 106 agreements) have to satisfy a number of tests, namely to be necessary to make the development acceptable, directly related to the development proposed, alongside being fairly and reasonably related in scale and kind. In addition, the Government's planning system reform white paper [Planning for the Future](#) envisages a move towards a map based and clear rule approach rather than general policies for development. These factors, alongside a robust evidence base, is the context in which any employment skills policy requirement would be formed in.

5.2. In this light, a suggested SDS employment skills policy is set out below:

Major development proposals would be required to support a proportion of apprenticeships in construction, with a preference towards apprenticeships for City Region residents to secure sustainable employment.

5.3. We would need to consider how we define 'major development' and arrive at a justified figure to quantify the proportion of construction apprenticeships required. However, at this early stage we are seeking feedback on the principle of this policy approach, which we consider could help address employment skills gaps across the City Region whilst satisfying the tests and context set out above. Alongside the LCRCAs identified above, this suggested policy area would form part of a wider strategic approach to employment skills in the City Region.

6. Which Objectives will this approach help to achieve?

6.1. The suggested policy approach will help achieve the following SDS objectives:



Addressing health inequalities and creating a healthier City Region



Delivering an Inclusive Economy



Embedding Social Value in all aspects of development

7. How can we make sure this approach would work?

7.1. To ensure this suggested policy approach is successful, we could monitor policy performance around the following areas:

- Unemployment rates;
- Number of apprenticeships enrolments for construction;
- Number of apprenticeships awarded for construction;
- The number of planning permissions granted in accordance with or contrary to the suggest policy approach.