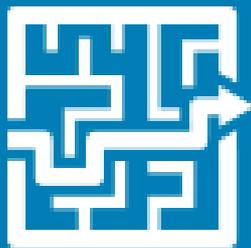
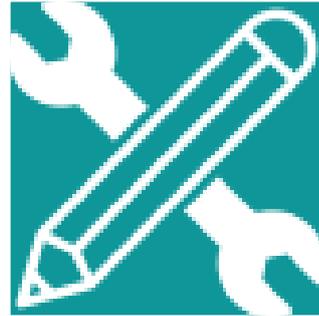




Cornwall and Isles of Scilly

Employment and Skills Strategy



Refreshed to cover
the period
2016 - 2030

the natural place to
grow great business...



**CORNWALL &
ISLES OF SCILLY**
LOCAL ENTERPRISE PARTNERSHIP



Acknowledgements

The Cornwall and Isles of Scilly Employment and Skills Board would like to thank the many individuals and organisations that have contributed to the development of this refreshed Strategy.

Foreword



In just about every respect Cornwall and Isles of Scilly is changing very quickly. Economically we are seeing the emergence and growth of exciting new industries in which Cornwall can take a lead internationally especially those which can build on our digital connectivity, our expertise in marine and increasingly in space and aerospace. The world of renewable energy will be transformed by developments with wave technology, geothermal and the

application of new smart technologies. Cornwall and Isles of Scilly continues to develop its reputation as a destination of choice for tourism, food and drink and for its creative and cultural communities and heritage.

We expect to see new exciting developments in eHealth, Agritech and in the delivery of health and social care, driven in part by the rapidly expanding higher and further education partners. All of the above will transform our economy but will only be realised if we can supply a highly trained, ambitious and flexible workforce, of all ages and continue to attract the very highest talent to live and work in our area.

This refresh of our Employment and Skills strategy describes in detail the challenges and opportunities ahead and I believe outlines the actions required by all of us to make sure we translate all the exciting new developments emerging today into a vibrant and sustainable future for us all.

Mark Duddridge, Chair of Cornwall & Isles of Scilly LEP

Prepared by:

| | |
|---|---|
|  <p>Buckman Associates Ltd</p> | <p>Emma Buckman Director Buckman Associates Ltd</p> <p>Tel: 01364 661137 emma@buckmanassociates.co.uk</p> |
|  | <p>Dr Rebekah Southern Director Southern Horizons (UK) Ltd</p> <p>Tel: 07790 849449 rebekah@southernhorizons.co.uk</p> |

Table of Contents

Contents

| | |
|--|----|
| Acknowledgements..... | 1 |
| Table of Contents..... | 2 |
| Executive Summary..... | 3 |
| Glossary..... | 5 |
| 1. Introduction..... | 8 |
| Background to the Refresh..... | 8 |
| The Review Process..... | 8 |
| Structure of the Document..... | 9 |
| Taking the Strategy Forward..... | 10 |
| 2. Where Are We Now And What Are The Future Trends?..... | 11 |
| Changes in the Policy Context..... | 11 |
| Changes in the Profile of Cornwall and the Isles of Scilly..... | 16 |
| Forward Look..... | 29 |
| 3. What Does the Local Delivery Landscape Look Like?..... | 31 |
| The Strategic Setting..... | 31 |
| Local Supply of Employment and Skills..... | 31 |
| Local Demand for Employment and Skills..... | 34 |
| 4. SWOT Analysis..... | 37 |
| 5. Where Do We Want To Be?..... | 38 |
| Vision..... | 38 |
| Mission..... | 38 |
| Core Outcomes and Targets..... | 38 |
| 6. How Do We Get There?..... | 41 |
| Values..... | 41 |
| Strategic Objectives..... | 41 |
| 7. What Actions are we Taking Forward?..... | 43 |
| Appendix One: Strategy Consultation..... | 50 |
| Appendix Two: Briefing Note on Employment and Skills Element of the Devolution Deal..... | 52 |
| Appendix Three: Potential Indicators and Sources by Strategic Objective..... | 54 |

Executive Summary

This document sets out a refreshed Employment and Skills Strategy for Cornwall and Isles of Scilly (CloS) for the period 2016 to 2030 that will be overseen by the Employment and Skills Board (ESB), reporting to the Local Enterprise Partnership (LEP). It includes an apprenticeship strategy which is embedded within the main text and it is fully aligned with Cornwall's Devolution Deal.

Our refreshed vision for 2030 is:

"For Cornwall and the Isles of Scilly to have a healthy, skilled and productive workforce with access to rewarding jobs, clear progression pathways and opportunities for all"

To achieve this, the LEP's mission will be to:

"To provide strategic leadership that synchronises supply and demand for employment and skills resulting in transformational change for current and future generations"

Our actions will be guided by the following values:

- Being proud of and ambitious for Cornwall and the Isles of Scilly;
- Establishing inclusive, engaging and empowering leadership providing clear direction;
- Behaving with honesty, respect and having trust in each other;
- Being open-minded to exploring ideas and new ways of working;
- Being outward facing, connected to each other and the world;
- Providing equality of opportunity for all our people and businesses, including those in the most remote areas; and,
- Being focused on actions and outcomes.

Activities will be co-ordinated under four Strategic Objectives, each containing particular areas of focus that reflect local priorities. Outcomes against targets will be formally reviewed and reported on by the ESB on an annual basis and an external review will be undertaken every 3-5 years. This Strategy should be seen as a living document that is reviewed and updated in response to emerging opportunities and changes within the employment and skills landscape over time.

SO1: Develop our highly skilled workforce for tomorrow. Through which we will.....



- Enable the demand and supply of skills to meet the needs of the future economy
- Retain and attract skilled individuals
- Improve availability of STEM/STEAM skills
- Develop higher and degree level apprenticeships

SO2: Drive employer and individual engagement and investment in skills. Through which we will.....



- Enable the demand and supply of skills (at all levels) to meet the needs of high employment sectors
- Improve workforce health and well-being
- Support small, micro, social and community businesses as well as those who are self-employed to engage in training
- Create an effective apprenticeship service for CloS employers

SO3: Enable people to access and progress in meaningful employment. Through which we will.....



- Build on models of good practice and find new ways of working with people who are furthest from the labour market
- Improve earnings and progression of lower paid workers
- Support those at risk of leaving the labour market
- Raise awareness of apprenticeship routes to progression for all staff

SO4: Enable people to learn about career pathways and be equipped for the world of work. Through which we will.....



- Ensure a high standard of Careers Education, Information, Advice & Guidance is available and accessible to all people
- Enable schools, colleges, employers and others to deliver sustainable employer/school engagement and experiences
- Encourage development of enterprise and work readiness skills in young people
- Promote the value of the apprenticeship and vocational pathways

Glossary

List of Acronyms Used

| | |
|-------|---|
| AEB | Adult Education Budget |
| BLF | BIG Lottery Fund |
| CAA | Cornwall Apprenticeship Agency |
| CEC | Careers and Enterprise Company |
| CEG | Cornwall Executive Group |
| CEIAG | Careers Education Information Advice and Guidance |
| CloS | Cornwall and Isles of Scilly |
| CLA | Cornwall Learning Academy |
| CLLD | Community Led Local Development |
| CTPN | Cornwall Training Provider Network |
| CUC | Combined Universities in Cornwall |
| DWP | Department for Work and Pensions |
| EAFRD | European Agricultural Fund for Rural Development |
| ERDF | European Regional Development Fund |
| ESB | Employment and Skills Board |
| ESF | European Social Fund |
| ESIF | European Structural and Investment Funds |
| GVA | Gross Value Added |
| HESA | Higher Education Statistics Agency |
| ITI | Integrated Territorial Investment |
| JC+ | Job Centre Plus |
| LEP | Local Enterprise Partnership |
| NEET | Not in Education, Employment or Training |
| NVQ | National Vocational Qualification |
| R&D | Research & Development |
| RAAS | Raising Aspiration and Achievement |
| SEND | Special Educational Needs and Disabilities |
| SEP | Strategic Economic Plan |
| SFA | Skills Funding Agency |
| STEM | Science, Technology, Engineering and Maths |
| STEAM | Science, Technology, Engineering, Arts and Maths |
| VCSE | Voluntary, Community and Social Enterprise |
| UKCES | UK Commission for Employment and Skills |

Some Definitions

Apprenticeship Combines practical training in a job with study which can take 1 to 4 years to complete depending on the level. Equivalent educational levels as follows:

| Name | Level | Equivalent educational level |
|--------------|--------------|-------------------------------------|
| Intermediate | 2 | 5 GCSE passes at grades A* to C |
| Advanced | 3 | 2 A level passes |
| Higher | 4,5,6 & 7 | Foundation degree and above |
| Degree | 6 & 7 | Bachelor's or master's degree |

Apprenticeship Levy To be introduced from April 2017 in the form of a tax for large employers who will pay the levy at a rate of 0.5% of payroll from the point where their payroll exceeds £3 million

Area Based Reviews National review of Post-16 Education and Training Institutions currently taking place across England

Devolution Agenda Part of the Government's long-term agenda for economic and social reform which affords designated areas greater powers to raise and spend money locally and to design services specifically for their areas

Economic Activity Refers to people who are either in employment or unemployed (i.e. have been looking for work within the last four weeks or are able to start work within the next 2 weeks)

Economic Inactivity Jobless people who have not been looking for work within the last 4 weeks or who are unable to start work within the next 2 weeks are classed as economically inactive. Examples of economically inactive people include people not looking for work because they are students, looking after the family or home, because of illness or disability or because they have retired

Growth Hubs Local public/private sector partnerships led by LEPs to join up national and local business support to make it easier for businesses to find the help they need

Productivity The efficiency of the UK workforce calculated as output per worker, output per job and output per hour. Labour productivity is an important factor in determining the productive potential of the economy. Countries with strong labour productivity growth tend to benefit from high rates of growth and low inflation.

| | |
|----------------------|--|
| Smart Specialisation | A strategic approach adopted by Government to ensure that proposed actions are based upon sound evidence that properly reflects the comparative advantages of the physical and human assets of particular places in the global economy. It emphasises the need to ensure that activities are fully integrated in the local economy and its supply and value chains. It helps to build connections of ideas, finance and trade with similar activities elsewhere. It promotes also the use of enabling technologies that can transfer and add value between related sectors |
| Traineeships | An education and training programme with work experience for young people aged 16 to 24 who do not yet have appropriate skills or experience, designed to prepare them for their future careers by helping them to become 'work ready' |
| Unemployed | The level and rate of UK unemployment measured by the Labour Force Survey (LFS) using a definition of unemployment specified by the International Labour Organisation. Unemployed people as those without a job who have been actively seeking work in the past 4 weeks and are available to start work in the next 2 weeks. It also includes those who are out of work but have found a job and are waiting to start it in the next 2 weeks. The unemployment rate includes those who are claiming unemployment benefits as well as those who are unemployed that are not claiming unemployment benefits |
| Universal Credit | Part of the government's attempt to simplify the welfare system and provide a greater incentive for people on benefits to work by replacing certain benefits and combining them into a single monthly payment to a household |

1. Introduction

Background to the Refresh

This document sets out a refreshed Employment and Skills Strategy for Cornwall and Isles of Scilly (CloS) for the period 2016 to 2030. It updates an original Strategy that was produced by the Employment and Skills Board (ESB), a formal sub group of the Local Enterprise Partnership (LEP), in November 2013. Much has happened both nationally and locally in the employment and skills landscape since 2013 including an increasing focus on productivity drivers at a national level and, more locally, the Cornwall Devolution Deal which will provide an opportunity to align strategies and pool resources to reshape training and learning provision.

There have also been some exciting developments within CloS such as the Aerohub Enterprise Zone at Newquay which has now been extended to include Goonhilly, becoming the largest planning free zone in the UK, attracting new businesses and high value jobs. Two Food Enterprise Zones are in development aimed at fast-tracking the expansion of local food and farming businesses; and, within the Devolution Deal the Government's March 2016 budget announced a £15 million funding package to drive forward a Hayle, Falmouth and Tolvaddon Marine Enterprise Zone. Cornwall is also a nationally recognised Social Enterprise Zone where social enterprise is flourishing and £132m investment in Superfast broadband during the last European programme means that 95% of our premises are now connected, making CloS one of the best connected rural areas in the world.

In addition to the above, work has been commissioned to build an evidence base around the skills needs of the 'smart specialisation' and other important sectors within the economy; and there is also a growing evidence base of 'what works' across the employment and skills agenda from previous funding rounds and the projects that have been delivered.

It is important to consolidate and maximise the opportunities created by these and other developments for the benefit of businesses and the people of CloS. It has therefore been timely to review the existing Strategy and ensure that it is fit for purpose within the new landscape and that it is capable of providing a framework for activity up until 2030.

The Review Process

This refresh has been informed by a thorough review of the evidence base including:

- National and local policy documents to consider the impact of changes since the initial Strategy was developed;

- Evidence reports prepared locally such as sector skill plans and the Smart Specialisation Skills Framework as well as reports commissioned by the Raising Aspiration and Achievement Strategy (RAAS) Board;
- Intelligence gathered through national surveys such as those conducted by the UK Commission for Employment and Skills (UKCES) and CBI/Pearson's, together with wider reports from the Work Foundation;
- Key data sets, such as the Census, Annual Population Survey, Department for Education data on school age provision, Adult Education data from the Skills Funding Agency (SFA), Higher Education data from HESA, Indices of Multiple Deprivation and many more; and,
- Consultation with a broad range of stakeholders both individually and through consultation events who have been highly engaged with the Refresh and have contributed their expertise to its development (see Appendix One).

As part of this process a mapping exercise of related areas of work has also been undertaken to ensure that the refreshed Strategy focuses on the areas where it can have the most impact or add the most value rather than duplicating existing initiatives. This intelligence has helped to inform the associated action plans.

Structure of the Document

The document is structured as follows:

- **Section 2: Where are we now and what are the future trends?** - Provides an overview of the current policy context and an updated profile of the area focusing on what is happening now and what, according to the evidence base, the future might hold;
- **Section 3: What does the local delivery landscape look like?** – Considers the structural organisation of the employment and skills landscape, supply and demand, and significant strategies that are already underway;
- **Section 4: SWOT analysis** – Summarises the previous sections through an analysis of Strengths, Weaknesses, Opportunities and Threats;
- **Section 5: Where do we want to be?** – Sets out a refreshed vision and mission with a set of core outcomes and SMART targets;
- **Section 6: How do we get there?** – Frames our values, together with four Strategic Objectives and associated areas of focus to guide delivery; and,
- **Section 7: What actions are we taking forward ?** – Sets out a clear Action Plan for each Strategic Objective.

Case studies illustrating examples of local practice are used throughout the document.

This document also contains an apprenticeship strategy which is embedded within the main text, the key elements of which are highlighted in grey throughout.

Taking the Strategy Forward

This Strategy should be seen as a living document that is reviewed and updated in response to emerging opportunities and further changes within the employment and skills landscape. Outcomes against targets will be formally reviewed and reported on by the ESB on an annual basis, along with progress in relation to any indicators that are selected as part of a wider monitoring framework. An external review will also be undertaken every 3-5 years which will provide an independent analysis of progress and advice on any changes in direction or emphasis that may be required in response to changing local circumstances or national policy.

Delivery of the Strategy will be overseen by the ESB, reporting to the LEP. The apprenticeship element will be the responsibility of an Apprenticeship Steering Group reporting into the ESB. Sub-groups will also be created for each Strategic Objective with task and finish groups established for particular activities as and when required.

CASE STUDY OF THE RICK STEIN ACADEMY

The Rick Stein Academy, delivered in partnership between Truro and Penwith College, was designed to foster culinary talent across the Westcountry.

Launched in September 2015, it is an employer led initiative that works with young people through school activities, careers events and work experience to inspire and encourage them to develop a career in hospitality.



The Academy trains full time students at Truro and Penwith College as well as Stein's own apprentices, developing their knowledge and skills with supplier visits, masterclasses and placements. The partnership also supports individuals to explore employment and further training and progression opportunities both with the company and the college.

2. Where Are We Now And What Are The Future Trends?

Changes in the Policy Context

Since the original Employment and Skills Strategy was produced there has been a nationwide increase in employment levels (also reflected locally in CloS) but the UK's productivity still persistently lags behind other major economies and this is seen as a key challenge to securing economic growth and raising living standards. **The Government's Productivity Plan, 'Fixing the Foundations, Creating a more Prosperous Nation'** (HM Treasury, July 2015) sets out the framework for raising productivity which is built around two pillars:

- Encouraging long-term investment in economic capital, including infrastructure, skills and knowledge; and,
- Promoting a dynamic economy that encourages innovation and helps resources flow to their most productive use.

Having a **highly skilled workforce** is one of the high-level drivers within the skills and human capital element of the long-term investment pillar. **A higher pay, lower welfare society**; and, **more people able to work and progress** are two further high level drivers within the flexible, fair markets element of the dynamic economy pillar.

At the same time there have been some significant changes in the skills and employment landscape. The adult skills agenda has seen **a shift towards the purchasing power being placed in the hands of the learner. Individuals are able to invest in their own learning through advanced learner loans**, much the same as was seen in the Higher Education Sector in previous years where there was a move away from block grants to a system almost completely supported by student fees underpinned by student loans to be repaid upon graduation. This approach was further consolidated under the November 2015 Spending Review which announced the **extension of advanced learner loans to 19-23 year olds; and to 19+ year olds for certain qualifications from Level 3 to 6.**

Purchasing power has also been placed in the hands of employers for apprenticeships. The Government's **Vision for Apprenticeships 2020** (2015) explicitly supports the drive to increase productivity by helping to address the UK's skills shortages and stimulate economic growth. It sets out the Government's ambition to increase the quality and quantity of apprenticeships in England, reaching three million starts by 2020; and to put employers in the driving seat. Apprenticeships are moving from the existing frameworks to employer led role specific standards and funding will be channelled directly through the employers rather than training providers in the future. This may present organisational challenges, especially for smaller employers if they do not have HR departments or training teams to help them manage this process. Additionally, an **apprenticeship levy** will be introduced for large employers who will pay the levy at a rate of 0.5% of payroll from the point where their payroll exceeds £3 million. The new **Enterprise Bill** will also introduce statutory targets for public sector bodies to employ apprentices.

Outside of the changes to apprenticeship funding, the November 2015 Spending Review announced the creation of a new **Adult Education Budget (AEB)** which will bring together: Skills - previously the Adult Skills Budget; Community Learning (unaccredited learning, including Family Learning); and, Discretionary Learner Support. Within this, it is expected that **traineeships**, introduced in 2013 for young people who have left school and wish to get an apprenticeship or other employment but lack the basic skills and experience that employers are looking for, will be seen as a priority.

Against this backdrop the Government has also commissioned '**area-based reviews**' to **evaluate local services for the post-16 age group** to ensure that institutions are financially resilient and able to offer high quality education and training based on the needs of learners and employers within the local area. This is significant because the Government is expecting to move towards fewer, often larger, more resilient and efficient providers. CloS is currently scheduled for Wave Five which is likely to commence in the autumn of 2016 and preparations are underway for this.

There have also been – and continue to be – significant changes within the welfare system and employment support services. **The Welfare Reform Act (2012) introduced Universal Credit which merged several benefits and tax credits into one monthly payment** and is currently in the process of being rolled out nationwide (introduced for some claimants in Cornwall from May 2015). The Spending Review and Autumn Statement 2015 announced the continued roll-out of Universal Credit as the key plank of the Government's welfare reforms but it also signalled the replacement of its flagship welfare to work schemes, **the Work Programme and Work Choice with a new Work and Health Programme for the longer-term unemployed and those with health conditions.**

For young people, the Participation Age has been raised so that they must now stay in education or training until they are 18. The Department for Education has created a new **national Careers and Enterprise Company (CEC)**, under which CloS has piloted and rolled-out the Enterprise Advisors programme; and a **new Youth Obligation** will also be introduced from April 2017, designed to support 18-21 year olds to gain the motivation, skills and experience to move into work. This will include helping young people into sector based **work academy places, traineeships and to apply for apprenticeships**. Other future changes include the academisation of schools and the potential new National Fair Funding Formula which is currently being consulted upon by the Government and may help to achieve greater equality of opportunities and access to local specialist provision.

For older people the Department of Work and Pensions (DWP) has launched a **Fuller Working Lives Framework for Action**. The objective is to promote the benefits of **'retaining, retraining and recruiting' older workers**, emphasising the benefits for individuals and employers, as well as the economy. The Framework recognises the fact that we are all living longer and that the landscape of our workforce is changing. With the number of people in the workforce between 50 and State Pension age projected to rise to 14.0 million and the number aged 16-49 reducing by 200,000, employers will increasingly need to employ and retain the skills and experience of older workers longer to remain competitive and avoid skills and labour shortages.

Additionally, the Government has started to outline a **Life Chances Strategy to help transform the lives of the poorest in Britain** (yet to be published) with an increased investment in initiatives such as the **Troubled Families Programme** which provides intensive support for families with multiple and complex needs with a focus on supporting adults into work or a relevant programme. **Locally, this is delivered as 'Together for Families' in Cornwall**. It is expected that the new **Living Wage** of £7.45 per hour will help to provide an adequate standard of living for families in work but this will also represent a challenge for some businesses. The Government has also announced plans to make sure that **hard-working families can benefit from support with childcare**. Cornwall has been accepted as an early implementer under the Government's extended entitlement agenda which will allow eligible working parents up to 30 hours of free childcare from September 2017.

Alongside these changes the Government has progressed its **devolution agenda**, affording designated areas greater powers to raise and spend money locally and to design services specifically for their areas. This will inevitably impact on both the skills and employment landscapes, the ramifications of which are still playing out.

Cornwall's Devolution Deal, signed in July 2015, has an employment and skills element that focuses on **increasing the number of people with higher level skills, combating underemployment and supporting those who are furthest from the labour market to get the skills and experience needed to find work** (see Appendix Two).

Agreed actions include:

- Aligning and pooling strategy and resources to re-shape training and learning provision across CloS;
- Improving apprenticeship brokerage activities targeted at small and medium sized enterprises;
- Improving careers advice for younger people, building on the local Enterprise Adviser Pilot and 'Inspiration Agenda'; and,
- Helping people into employment, in particular those furthest from the labour market with better data-sharing between agencies.

The Government has also agreed to work with partners in Cornwall to transform health and social care services. This will involve NHS Kernow, Cornwall Council, the Council of the Isles of Scilly, and other local partners working with NHS England and other partners to develop a business plan to move progressively towards the integration of health and social care.

Another significant mechanism for delivering the employment and skills agenda locally is the European Social Fund (ESF), part of the European Structural and Investment Funds (ESIF) Growth Programme for England (2014-2020). **ESF is expected to deliver the Growth Programme's priorities to increase labour market participation, promote social inclusion and develop the skills of the potential and existing workforce.**

Crucially, devolved powers have been secured to make sure all strategic fit spending decisions for the next EU funding programme are made locally and the ESF allocation for CloS is circa €150 million, to be delivered through two Priority Axes. **Priority Axis 1- Inclusion Labour Markets** aims to increase participation in the labour market, improve social inclusion and social mobility and support young people into employment, education or training; and, **Priority Axis 2- Skills for Growth** aims to enhance equal access to lifelong learning and improve the labour market relevance of education and training systems.

The ESB has played a key role in shaping the ESF Programme with investments to be centred around six programmes of work, covering:

- Employability;
- Young People First;
- Inclusion;
- Social Innovation;
- Access to Skills; and,
- Skills Market Development.

Much of the provision is being procured through three 'opt-in organisations,' the Department of Work and Pensions (DWP), the Big Lottery Fund (BLF) and the Skills Funding Agency (SFA) but where an opt-in mechanism is not appropriate (usually due to match funding issues) open calls are being made. There is also a commitment locally to align ESF with the European Regional Development Fund (ERDF), worth circa €450 million to CloS where possible to ensure that business support and skills development complement one another. Also of note, in order to increase local interest and engagement with EU programmes as well as to encourage both social inclusion and social innovation, a Community Led Local Development (CLLD) approach has been built into the ESIF strategy. This 'bottom up' delivery mechanism is considered to be an effective way of addressing economic challenges at local level and activity will be targeted at areas of greatest need. The Integrated Territorial Investment (ITI) Board for Cornwall and the Isles of Scilly is now responsible for overseeing operational delivery of activity supported by the Funds as well as overseeing the development of an appropriate pipeline of proposals; providing advice on investments; and scrutinising performance against targets. Irrespective of the outcome of the EU Referendum, this may be the last significant tranche of funding available for CloS from the EU and when the full implications of leaving become clear, the action plan will need to be revisited.

Other funding may also be available in support of the employment and skills agenda through the £198m Growth Deal secured from Government that aims to create 4,000 jobs and 6,000 new homes. This will see investment in a raft of projects ranging from road improvements to unlock development sites and ease congestion, to cycling and bus routes, and improvements to skills capital and infrastructure.

Summary: Whilst Government policy focuses on creating a highly skilled workforce and a higher pay, lower welfare society with more people able to work and progress as part of its Productivity Plan, the skills and welfare delivery landscapes are under-going significant changes. Smaller businesses may find it organisationally challenging to 'purchase' training in future. More broadly, introduction of the apprenticeship levy, the forthcoming area based reviews and the roll out of Universal Credit could produce both threats and opportunities for CloS and many of the implications will be played out within the coming months. The move towards devolution, whilst also still playing out, should introduce a much greater degree of local decision making and this will be an important delivery tool for the employment and skills agenda. European funding will also remain an important mechanism up until 2020 but the current Programme may be the last significant tranche of funding available for CloS from the EU. These developments form an important backdrop to the refreshed Strategy, as do the changes that have occurred within the profile of the area and projections for the future.

Changes in the Profile of Cornwall and the Isles of Scilly

This section of the Strategy summarises the key findings from the evidence base which has been produced in full as a sister document.

Overview

The Cornwall and Isles of Scilly LEP area is the most westerly LEP in England and consists of two Unitary Authorities, Cornwall Council and Council of the Isles of Scilly (although some functions are shared). Its distance from London and from other key markets is a key factor which impacts on productivity across the whole area, but the issues of peripherality and accessibility are particularly acute for the Isles of Scilly, lying 28 miles west of Land's End.

Population levels have grown by 16% since 1992, a faster rate than seen in England over the same period. The demographic profile is ageing at a faster rate than England, with implications for the availability of labour and delivery of health and social care. Analysis has shown that migration is the single greatest driver of population change and this migration is predominantly for economic and lifestyle reasons, not retirement. The expansion of Higher Education infrastructure and better employment prospects has led to reductions in the number of younger people leaving Cornwall, although the evidence shows that the area continues to experience a net outflow of students and graduates.

The Isles of Scilly population now stands at 2,300, having grown at a similar rate to that seen in Cornwall.

Key Issue: Demographic aging population will have implications for the labour market and delivery of health and social care.

Output and Productivity

The economic output of CloS in 2014 was £9,462m as measured by nominal Gross Value Added (GVA). Since 2008, output has grown by 15.2%, lower than the rate for England of 18.1%. Between 2013 and 2014, the rate slowed to -0.1%, the lowest of all the LEP areas. In 2014, GVA per head was £17,278, the second lowest for all the LEP areas and 4% lower (in real terms) than 2006. The trend over time suggests that the gap in per capita GVA between CloS and the national average is continuing to widen. However, GVA/head is not a particularly good measure of labour productivity, as it includes all the residential population, not just those in employment. Therefore GVA/hour worked is a better measure. However, even on this measure CloS' labour productivity was 80% of the UK average and the lowest of all the LEP areas in 2014.

Productivity was singled out as one of the most significant issues during the consultation exercise undertaken as part of the Refresh, reflecting a significant shift in economic emphasis (nationally and locally) from employment to productivity with improvements seen in the former. Improving productivity is of national and local significance because it is critical to increasing economic growth (output). Increasing economic growth is important for two reasons:

- Improving the economic well-being of the population (increasing wages, reducing poverty etc.); and,
- Increasing the tax base, enabling the delivery of national and local services.

Key Issue: Labour productivity is the lowest of all LEP areas and a critical issue for improving economic performance.

Enterprise

The CloS LEP area has 27,540 registered business units, an increase from 2012. Whilst this may in part be accounted for by changes in the methodology, other evidence suggests that business birth rates have been on an upward trend and death rates on a downward trend since the production of the original Strategy. This means that at the current time, **business births are exceeding deaths** and the number of enterprises is growing, although we have no way of knowing whether the growth represents highly productive businesses. Official statistics show that CloS has approximately the same number of micro businesses than the England average, but **significantly less medium and large businesses** (none on the Isles of Scilly). In addition, the area has the **highest proportion of self-employed individuals of all LEP areas**, which are not always captured in official enterprise statistics. Whilst businesses in the LEP area show better survival rates than the national average, this may reflect **a lack of churn/competition** within the market, which is recognised as a key driver of productivity. However, business

confidence is currently strong with 74% of respondents to the Chamber of Commerce Quarterly survey expecting turnover to increase over the next 12 months.

Key Issue: The area has a high proportion of small and micro businesses, in particular 'self-employed' business owners. This is a critical issue to bear in mind when considering engagement of businesses in skills and training. These businesses tend to be the ones that most need help but are often the least able to engage, as any time away from the business has a cost implication which could include lost sales, additional temp staff, etc.

In terms of sectors, CloS has markedly higher proportion of enterprises in:

- Agriculture, forestry and fishing; and,
- Accommodation and food services.

And markedly lower proportions of enterprises in:

- Professional, scientific and technical; and,
- Information and communication.

Key Issue: The LEP area has a lower proportion of businesses in sectors with high labour productivity rates and wages. Therefore it needs to increase the number of these and also focus on improving the position of the other business sectors that are present. A small change in them can make a massive difference overall.

When examining standard measures of innovation, we can see that the LEP area performs below the UK average on indicators such as R&D expenditure; persons with a tertiary education or employed in science and technology; high and medium high technology manufacturing; knowledge intensive market services; and, patents. The creation and application of new ideas is considered critical for long-term productivity growth and there is a clear link between R&D expenditure and productivity. BIS research has also found that skills and human capacity are vital ingredients for successful innovation in firms, with research finding positive correlations between the presence of STEM (Science, Technology, Engineering and Maths) graduates in the workforce and high innovation levels in firms. Similarly other research has highlighted the importance of creative/artistic skills alongside STEM skills as being critical to the skills needs of the future economy (i.e. STEAM).

Key Issue: The evidence shows that the LEP area has low levels of innovation intensity. Skills and human capacity are vital ingredients for innovation success, in particular STEM/STEAM skills.

Employment

The employment rate in CloS has risen from 67.5% in 2012 to 74.5%, in September 2014. Over this time, the employment rate has gone from below the England average to above the England average, indicating a significant improvement since the original Strategy was developed. However, whilst the overall employment rate has improved, the CloS area has the **highest proportion of self-employed individuals of all LEP areas** (15.9%, compared to 10.4%) and the lowest proportion classified as 'employed' (57.5% compared to 62.8%). This may indicate that self-employment is a necessity reflecting an absence of 'jobs' in the market, as well as a response to the sanctions regime associated with the benefits system. Similarly, the LEP area has a **lower than average proportion employed full time** and the lowest proportion of all LEP areas. The converse is true for part time employment. The LEP area also has a higher proportion than average of **'non-permanent employment'** (6.1% compared to 5.1%).

An analysis of the average numbers of hours worked by all in employment shows that a **significantly lower proportion of people work between 33 and 44 hours/week**. It has been suggested that caring responsibilities as well as systemic failures in the benefit system may be a factor in influencing the number of hours worked. Whilst part-time working often suits individual requirements, high levels within an economy will have a direct impact on output levels as well as average wages.

Key Issue: On average, the workforce in CloS is working less hours per week than the workforce in the rest of England. This will have a direct bearing on economic output and average wages in the area. High levels of part time and non-permanent employment are associated with low levels of progression, an issue highlighted by stakeholders, but difficult to measure directly.

In terms of wages, median gross annual pay for employees employed in Cornwall in 2015 was 76.3% of the England average at £17,340. This is an increase of 1.1% since the original Strategy was developed in 2012, a slower rate of increase than seen nationally where pay has increased by 4.2% over the same period – indicating that the gap is widening. A significant factor contributing to the pay gap with England is the under-representation in professional occupations, which are typically paid a higher hourly rate. Figures for earnings from self-employment whilst not directly comparable suggest that earnings from self-employment are typically lower than median pay for employees. Our analysis suggests that approximately 40% of employees resident in Cornwall earn less than the low pay threshold¹.

¹ The low pay threshold is typically defined as 60% of the full time median adult earnings, which for Great Britain was £16,639 in 2015.

Key Issue: Low pay is a significant issue for CloS both in terms of addressing **poverty and inclusion**, but also responding to the productivity challenge. Evidence suggests that low pay is strongly linked to productivity, with firms in low pay sectors deploying competitive strategies based on **low skill, low cost and low value added**. This link with productivity highlights that solutions must go beyond supporting individuals to progress, but also include policies which help businesses develop higher value added strategies.

Analysis of employment by sector highlights the importance of retail, health and social care, education, hospitality, construction, manufacturing and public administration in total employment terms. The above sectors account for 76% of the workforce.

Public sector employment accounts for 16.5% in Cornwall and 33% on the Isles of Scilly. As a comparison, the proportion for the South West of England is 18.6%. Stakeholders highlighted the important role that the public sector can play in driving improvements for workforce skills both directly and through its supply chain.

Key Issue: The area's largest sectors in terms of employment tend to be associated with lower levels of labour productivity.

CASE STUDY OF THE EXPERTS GROW PROJECT

The 'Experts Grow' project at Jamie Oliver's Fifteen Cornwall shares ways of improving the earnings and progression of low-paid workers through changes to business practice which deliver clear benefits in productivity and product quality. Led by a partnership of progressive hospitality businesses and supported by UKCES UK Futures Programme, the project developed the hospitalityskills.net Toolkit to demonstrate to small hospitality businesses how they can afford to train and progress their staff.

The project engaged 15 hospitality businesses in prototyping practical tools to enable investment in people to achieve business improvement as well as personal professional development.



Over 400 low-wage employees in partner businesses have benefitted from the project, developing clear career progression pathways and achieving lasting increases in wages. At the same time, employers report productivity gains sufficient to fully offset the cost of their investment; suggesting increased pay for staff and increased profits for businesses.

Unemployment

The unemployment rate (as measured by the annual population survey) shows a fall from 5.8% in 2012 to 4.9% in September 2015 amongst working age people. The rate has now dropped below the average for England (5.5%, Sept 2015) across all age groups. Although the largest group is 16-24 year olds representing 48% of all unemployment among working age people.

The claimant count shows a more significant drop, reflecting the introduction of sanctions in the benefit regime which may push people towards self-employment. The claimant count data also shows that unemployment is still strongly influenced by seasonality, with clear 'peaks' over the winter period. The seasonal effect is likely to be one of the reasons why the area's long-term unemployment figures are lower than average, as people 'churn' between work and benefits.

In terms of absolute numbers, the claimant count in February 2016 stood at 4,855, almost half the April 2013 figure reported in the original Employment and Skills Strategy. The claimant count for the Isles of Scilly was five individuals in March 2016.

Key Issue: Unemployment is a less significant issue than it was when the original Strategy was developed.

Economic Inactivity

Whilst working age economic inactivity rates are also lower than average (21.7% compared to 22.2%, Sept 2015), in absolute terms, this proportion represents a significant number of individuals (70,200), of which 23.5% want a job. The most significant reasons for inactivity were:

- Long term sick (19,400) – 27.6% compared to 21% of the inactive population of England;
- Looking after home/family (15,500) – 22.1% compared to 26.1% for England;
- Economically inactive student (14,000) – 19.9% compared to 26.1% for England; and
- Retired (10,500) – 14.9% compared to 13.7% for England.

A breakdown by age shows that the inactivity rate rises sharply between 50 and 64 at 29% in CloS, compared to 27.8% in England, highlighting the issue of premature loss of older workers caused by illness or disability, caring for loved ones or losing a job.

Key Issue: Premature loss of older workers is damaging to the economy and as well as the health and well-being of the individual.

The census confirms that CloS has a higher proportion of people with a long term health problem or disability, than the national average. Benefits data shows that of the 40,710 receiving working age benefits, 34,610 were in receipt of at least one form of benefit in relation to disability/incapacity/caring. Employment Support Allowance data highlights that 9,795 (48%) of the 20,585 claimants were suffering from mental health conditions, and 2,915 (14%) were suffering from musculoskeletal conditions. Research has also identified a causal relationship between work and health outcomes: *“Being in good employment is protective of health. Conversely, unemployment contributes to poor health”* Marmot Review 2010.

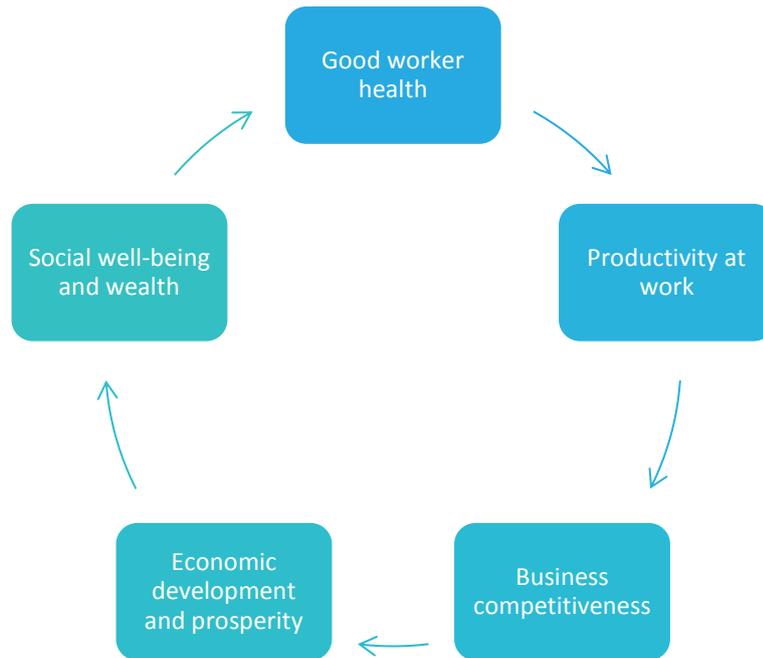
Stakeholders highlighted a perception that despite decades of European investment, inactivity levels have remained stubbornly high and therefore there is a need to learn lessons from what has gone before and formulate fresh new approaches to tackling this issue.

Key Issue: High levels of economic inactivity will have implications for the number of individuals suffering from poverty and economic inclusion and directly links to the size of the benefits bill. From an economic perspective, increasing economic activity, increases inputs into the economy, driving up economic output. Tackling health related worklessness (and associated caring needs) will be vital to addressing economic inactivity.

Workforce Health

NHS England’s Five Year Forward View, published in October 2013, highlighted that sickness absence-related costs to employers and taxpayers in the UK stood at £22bn per year. In addition, it noted that individuals collectively missed out on £4bn a year in lost earnings – highlighting the economic impact of workforce ill-health.

The World Health Organisation describes how good worker health contributes to high productivity and successful enterprises, which in turn supports economic prosperity and the social well-being and wealth of communities, as illustrated in the ‘health and work cycle’ overleaf:



Whilst there is a lack of local data on ‘absence from work due to ill-health’, health data suggests that Cornwall has higher levels of: obesity in adults, incidence of malignant melanoma, hospital stays for self-harm and alcohol related harm. Priorities in Cornwall include reducing smoking, physical inactivity, unhealthy diets, excess alcohol and lack of social connections. These five behaviours lead to five health conditions (cardiovascular disease, cancer, mental illness, lung disease and musculo-skeletal problems).

Key Issue: Improving workforce health has the potential to benefit individuals and employers.

Workforce Skills

Since 2004, there has been an increase in the proportion of the working age population holding qualifications at all levels in CloS as well as England. However, despite significant growth in the proportion holding NVQ Level 4 qualifications, CloS continues to lag behind the national average. However, at other qualifications levels, the gap is more marginal and CloS performs slightly better than the national average at NVQ Levels 1 and 2. Similarly, significant inroads have been made into the number of people with no qualifications, which is now below the national average. However, in absolute terms, 81,200 working age people are not qualified at Level 2 and this is highly correlated with low skilled, low paid and insecure employment.

Key Issue: Higher level skills are closely linked to innovation and productivity and are essential to the transformational agenda currently being pursued by the LEP.

Key Issue: Whilst improvements have been made in the number of people qualified at Level 2, there continues to be a large number of people without a Level 2 qualification and this is strongly linked to low paid, insecure employment.

National surveys of employers suggest that CloS has a higher proportion of 'Skills Shortage Vacancies' and 'Skills Gaps'. There is also evidence to support the 'low wage, low skill equilibrium' described above, with employers in CloS significantly less likely to cite that 'candidates having a particular level of achievement or qualification is either a critical or significant factor when recruiting' (33% in CloS compared to 49% in England).

Key Issue: Employers are reporting skills shortages and skills gaps.

Sector Skills Needs

The LEP's Future Economy driver aims to capitalise on CloS' strengths and unique characteristics to exploit new and emerging markets with an identified competitive advantage. Five Smart Specialisation sectors have been identified and these are shown below alongside their Standard Industrial Classification code definitions as used by Amion Consulting within their local research into these sectors. As the Amion report points out, these codes are consistent with previous research but provide narrow definitions that focus on the sub-sectors linked to the use of new technology only and do not incorporate the wider supply chain, which in the case of the broader Agri-food sector extends to approximately 24,800 (or 11%) employees within the CloS workforce.

| Smart Specialisation Sector Definitions | |
|--|---|
| Agri-tech | Support to animal/crop production; seeds and plant genetics, aquaculture, manufacture of fertilisers, pesticides, agro-chemicals, natural science research, environmental consulting |
| Digital Economy | Manufacture of computers/related electronics, telecoms, process instruments, business/leisure software development & publishing, consultancy, facilities management, other IT |
| E-Health/Well-being | Hospital activities, other human health |
| Marine Technology | Building/repair of boats and ships, manufacture of steam generators, electric motors, batteries & accumulators, engines, pumps, compressors, bearings, gears, electricity production/distribution |
| Space and Aerospace | Air/space transport, support to air transport, cargo handling, satellite telecomms, renting/leasing air transport equipment, manufacture & repair of air/spacecraft & machinery |

The ESB has invested in research to better understand the skills requirements associated with the Smart Specialisation sectors, through both sector specific studies as well as an overarching report completed by Amion. The Amion report estimated that over the period to 2022, an additional 3,300 jobs will be required to sustain the Smart Specialisation sectors and key future requirements that are common to all include:

- STEM Skills;
- Engineers at all levels, particularly technicians; and,
- Software engineers and programmers.

National research has also identified a digital skills crisis and the need to take concerted action now to avoid falling behind².

Key Issue: Higher level and technical skills provision will be vital to the growth of the Smart Specialisation sectors. There are common issues and potentially useful linkages across these sectors so it is also vital that they work together rather than in silos.

There have also been some other sector based skills reports produced locally. Some of these are covered within the Smart Specialisation Framework, whereas others sit either wholly or partially outside of that Framework. These include:

- The care sector;
- Agri-food and drink;
- Low carbon and smart energy;
- Creative and digital; and,
- Construction renewables.

It should be noted that the year of publication (and therefore currency of the data within a changing landscape) as well as the level of detail provided by these reports varies quite considerably. Common themes emerging from across these reports include:

- Challenges of recruitment and encouraging young people into the different sectors, particularly those industries with 'poor' images; and,
- The need for better co-ordination between skills supply and demand.

The 'where the work is tool' is an interactive tool which enables users to explore demand for particular entry level mid-skill roles, the potential salary benefits and likely levels of competition for these positions. Using this tool, it is possible to observe the 'level of opportunity' for each middle-skill occupation. The opportunity score combines

² House of Commons Science and Technology Committee, Digital Skills Crisis Report, June 2016.

the number of posted openings and the number of jobseekers. A high score indicates that there are few jobseekers relative to the number of job openings and therefore positions are less competitive and a lower score means that jobseekers face greater competition for open positions. Occupations with the highest opportunity score in CloS are:

- Health and associate professionals – 89/100;
- Caring and personal services – 81/100; and,
- Food preparation and hospitality trades – 67/100.

The figures above and the more detailed analysis found on the online interactive tool demonstrate the current mismatch between demand and supply of skills in some sectors.

Key Issue: Employers across many sectors are highlighting the challenges of recruitment and meeting skills gaps in the workforce. Better co-ordination and making young people aware of opportunities in less desirable sectors are seen as key ingredients to solving this problem.

Skills Supply

Achievement at KS4 (GCSE) and KS5 (A Level) is broadly comparable with national averages, although these averages mask under-performance in relation to:

- The most able children and young people;
- The most vulnerable; and,
- Boys.

There is also significant variation in performance between providers, particularly at KS5, where there are examples of outstanding practice, as well as under-performance. On the Isles of Scilly, the Five Island's school provides education to approximately 250 5-16 year olds. However, post 16, children and adults need to travel to the mainland to access education.

Of particular significance to the pursuit of the Smart Specialisation agenda is the lower than average proportion of students taking STEM related subjects at A-level (both male and female proportions are lower than the national average for all subjects except physics, where there is a higher proportion of males), although the proportion of STEM A-levels achieved, is similar to the national average. There are also examples of high quality STEM provision within the area linked to national accreditations.

In terms of destinations, we see that at both KS4 and KS5, the proportion continuing on to sustained education or employment/training is comparable with the national

averages. Similarly, at both stages, the proportion going on to apprenticeships is 5%, consistent with the national average. However, data on the proportion going on to Higher Education reveals a significant gap between CloS and England averages.

Key Issue: Young people are less likely to go on to Higher Education than their counterparts elsewhere.

HEFCE statistics³ show that despite the growth of Higher Education provision through the Combined Universities in Cornwall (CUC) initiative which brought together five universities and colleges to give more people the chance to study in CloS, there is still a net outflow of both Higher Education students (-3,930) and graduates (-4,100) from the area.

Key Issue: There remains a net outflow of students and graduates.

In terms of apprenticeship provision, both starts and achievements were on a downward trend from 2011/12 to 2013/14 (in line with the national picture, due to the removal of funding for 24+ apprenticeships for a period of time), but the latest statistics have shown a recovery, with 5,400 starts and 2,920 achievements in 2014/15 (all levels). The vast majority of apprenticeships are intermediate or advanced level, although the proportion of people starting a higher apprenticeship has increased since 2011/12, standing at 4% of all apprenticeships in 2014/15. The most popular subjects for apprenticeships are 'health, public services and social care', 'business administration and law' and 'retail and commercial enterprise'. Higher apprenticeships are not yet universally available in all framework subject areas.

Key Issue: Apprenticeship take-up needs to improve to address workforce skills issues.

Careers Education Information Advice and Guidance (CEIAG)

The 2015 CBI/Pearson's Education and Skills Survey showed that more than three quarters of businesses across the UK feel the quality of careers advice needs improvement in order to help young people make informed decisions about future career options⁴. The report 'Nothing in Common'⁵ highlights the significant information gap between what young people know about the careers and opportunities open to them and the actual jobs that exist. It showed, for instance, that a third of today's 15-16 year olds are interested in just 10 occupations and too many young people are aiming for careers where jobs are in short supply. The report presented evidence that this mismatch can result in young people becoming 'Not in Education, Employment or Training' (NEET) as young people adjust to their situation. The report also highlighted the value of work experience. It presented research which shows that young adults who

³ <http://www.hefce.ac.uk/analysis/maps/student/>

⁴ <http://news.cbi.org.uk/news/careers-advice-in-schools-not-good-enough-says-firms/>

⁵ Nothing in Common: The careers aspirations of young Britons mapped against projected labour market demand (2010-2020). UKCES March 2013.

had four or more employer contacts received wage premiums of 18% more than those who did not have those contacts.

Data captured by Cornwall Education Business Partnerships showed that a total of 5,183 Year 10 students undertook work experience placement in the 2013/14 academic year, equating to 91% of the year 10 cohort. The 16-19 review of outcomes for young people in Cornwall found that most schools have well developed careers education, guidance and advice programmes, but the quality and consistency of advice, to enable students to make informed decision on the full range of options available to them, is unacceptably low.

This is an area where the Employment and Skills Board and the Raising Aspirations and Achievement Strategy Board have undertaken considerable activity and a 'Cornwall Career's Offer' is being developed, which aims to transform the landscape of CEIAG activity across the county. This is also a key focus of the Cornwall Devolution Deal.

Key Issue: Evidence suggests that good quality CEIAG can reduce the risk of unemployment and improve wage prospects as well as raising aspirations. It can also help to align skills supply with demand.

Inclusion

The Index of Multiple Deprivation 2015 shows that seventeen of Cornwall's neighbourhoods are in the most deprived (worst 10%) in England. This places Cornwall 143 out of 326 local authorities in England (1 being the most deprived). 44 of Cornwall's neighbourhoods are in the 20% most deprived in England. The Isles of Scilly falls into the 70th percentile.

The child poverty basket of local indicators⁶ shows that 16.3% of children in Cornwall live in low income families. Whilst this is below the national average (18.6%), there are some neighbourhoods in Cornwall that are more than double the national average.

In 2014, 760 or (4.2%) of 16-18 year olds in Cornwall were identified as NEET⁷, less than the average for the South West of 4.5% and for England at 7.3%⁸. However, it should be noted that the differences between local and national figures can often reflect different methodological approaches. Nationally, the number of NEETS has fallen primarily as a result of legislation to 'raise the participation age.' NEET is a significant issue, as being NEET is often a predictor for economic exclusion later in life.

⁶ <http://www.gov.uk/government/publications/child-poverty-basket-of-local-indicators>

⁷ <https://www.gov.uk/government/publications/neet-data-by-local-authority-2012-16-to-18-year-olds-not-in-education-employment-or-training>

⁸ <https://www.gov.uk/government/collections/statistics-neet>

Key Issue: It is well known that the causes of exclusion are often complex and interconnected and affect an individual's ability to participate fully in the labour market.

CASE STUDY OF TOGETHER FOR FAMILIES

Evaluation has been undertaken to understand 'what works' in the Troubled Families Programme, known in Cornwall as Together for Families. Evidence suggests that whole family interventions have much better outcomes because they focus on the underlying problems that cause dysfunctional behaviours rather than the behaviours themselves. A positive payment by results (PBR) outcome is attained if at least one adult in the family moves off out-of-work benefits into continuous employment in the previous six months or if they do not enter work, they can evidence achievement of 'progress to work.'



Together for Families claimed positive PBR outcomes for 75% (1,088 families) in Phase One. Phase Two will involve a broadening of the eligibility criteria and Cornwall will be expected to identify, engage and achieve positive outcomes for approximately 4,000 families between April 2015 and March 2020.

Forward Look

The previous analysis has concentrated on the changes seen on the ground since the original Strategy was produced. However, it is also important to consider potential future trends. Whilst no-one has a crystal ball, it is possible through modelling processes to consider factors such as macro-economics, occupational trends and replacement demands to make robust estimates of future scenarios. Cornwall Council has utilised models from both Experian and Cambridge Econometrics which have produced similar estimates of growth and identify the following shared projections:

- The diminishing role of public sector employment in terms of overall employment growth;
- Significant employment growth in the health and social care sector, highlighting the influence of demographic changes such as ageing on service requirements;
- Manufacturing employment to fall, although GVA will grow relatively healthily, demonstrating the impact of productivity improvements at a sector level; and,
- Increasing contribution to employment growth from accommodation and food services.

Cornwall Council also commissioned independent research to provide an objective assessment of the potential growth scenarios to inform its Local Plan. This research

concluded that 25,000 to 46,000 new jobs should be considered as a planning assumption, from 2015 to 2030, within the Local Plan period.

The UK Working Futures model, whilst a little older (2012), does also provides some insight into projected occupational changes from 2012-2022 and indicated that:

- Job growth will be concentrated in higher level roles, as well as lower level roles, reflecting an increasing polarisation effect seen nationwide;
- There will be 15,000 additional higher level jobs (for managers, professionals and associate professionals), with almost half of these in professional roles. Higher skilled jobs are expected to grow at a similar rate in the UK as a whole (16% in CloS compared to 17% in the UK over the course of the decade);
- There will be 6,000 fewer jobs in middle ranking administrative, secretarial and skilled trade occupations. Nevertheless, these areas of decline are expected to remain significant sources of employment by the end of the decade. For example, there are still expected to be around 22,000 administrative and secretarial job in 2022 in the LEP area, despite the loss of around 4,000 jobs in the previous decade; and,
- There will be around 6,000 additional jobs in caring or leisure roles.

In terms of replacement demand (jobs created by people leaving the labour force temporarily or permanently), it is estimated that this will contribute around eight times as many job openings as net job growth over the next decade: 96,000 openings compared with 12,000. Replacement demand means that there will be a need to recruit suitable skilled people across all broad occupational groups, including those projected to decline.

Key Issue: Whilst there is expected to be increasing polarisation of occupations, and growth in higher level occupations, replacement demand will be a significant factor driving demand for skills across all occupational groups.

3. What Does the Local Delivery Landscape Look Like?

The Strategic Setting

The ESB is a formal sub-group of the LEP and supports delivery of the LEP's vision and mission:

THE VISION is for Cornwall and the Isles of Scilly to flourish as the natural place to grow great business; and its,

MISSION is to exceed predicted Gross Value Added (GVA) growth by an additional £338m (5% stretch) by 2020 and an additional £574m (10% stretch) by 2030.

The overarching strategy defining the activities of the LEP is the Cornwall and Isles of Scilly Strategic Economic Plan (SEP) which will be refreshed later in 2016 and will also support delivery of the 'Island Futures' Plan. Interventions are largely co-ordinated through three Drivers:

- **Future Economy**, focusing on new/emerging markets and the smart specialisation agenda as well as Enterprise Zones including the Aerohub;
- **Growth for Business**, focusing on productivity and competitiveness in the region's businesses, with responsibility for the Growth Hub; and,
- **Conditions for Growth**, which forms the foundation for the Future Economy and Growth for Business themes, focusing on the connectivity and infrastructure needed to enable the other drivers and with particular emphasis on employment and skills.

The Driver Boards for each of these themes work in partnership with a wide range of other organisations to achieve the vision and mission. Within the context of the employment and skills agenda, this encompasses both supply and demand.

Local Supply of Employment and Skills

There are some areas of very good practice within the supply of local employment and skills (see case studies throughout the document for examples) but the overall picture is somewhat confusing and currently lacks co-ordination. Key local organisations include:

- **The statutory partners** – such as Local Authorities (specifically including the Economic Development teams and the Learning & Achievement team on the mainland/Lifelong Learning team on the Islands) as well as the DWP. These agencies have strategic oversight of related areas as well as delivery functions. The Cornwall

Executive Group is a key forum for co-ordinating partner activities and committing shared resource.

- **Multi-agency partnerships** which focus on particular areas of work. This includes the Health and Well-being Board which has an explicit focus on the links between housing, income, education, community interaction and lifestyle choices as components of health and wellbeing; and Inclusion Cornwall which focuses on both individual and community resilience. Its economic arm, Cornwall Works, was established to co-ordinate the wide range of activity taking place in CloS to reduce worklessness and raise employment rates. This includes trialling new services and new ways of delivering them to help more people to start, stay and progress in work. Reporting to the Children’s Trust, the Raising Aspiration and Achievement (RAAS) Board also has a significant role to play, particularly in the CEIAG arena.
- **Skills suppliers.** This includes the Further and Higher Education training providers under the Combined Universities in Cornwall umbrella which have just signed a Memorandum of understanding with the LEP and includes some nationally recognised beacons of excellence; Cornwall’s Training Provider Network which focuses largely on apprenticeships and traineeships; as well as specialist skills deliverers.
- **Voluntary, Community and Social Enterprise (VCSE) Sector delivery bodies** who may cover skills, employment services and/or or careers advice. There are a large number of organisations offering both generic and specialist services. There is an informal VCSE commissioning group in place and Cornwall has also received Transformational Challenge Award funding to help improve how the Council and its VCSE partners work together on commissioning, managing and delivering services but it is nevertheless a fragmented landscape. Many of these organisations have delivered projects under previous European funding rounds and will be bidding again under the ESF open calls as they are announced, which could add an additional layer of complexity if not carefully managed.
- **Wider business support agencies** which have a skills component, for example, start-up support provided by organisations such as Outset and the Schools for Social Entrepreneurs as well as Unlocking Potential which helps businesses to develop and has been matching enthusiastic graduates with innovative companies in Cornwall for over ten years.
- **Enabling interventions** such as the early implementer childcare project which will help parents to enter in to, or return to the workplace.

Several co-ordination mechanisms are now emerging. The Growth Hub aims to simplify the business support landscape, in addition to which there will shortly be an ESF funded Skills Access Hub for employers (currently in procurement). Plans are also underway to create a Health and Well-being Hub in conjunction with DWP.

Another significant and well developed strategy aimed at joining things up is the Cornwall Careers Offer Plan, developed through the 'Pathways to Employment' sub-group of the RAAS Board. The aim of this Plan is to build on the excellent practice already being delivered locally but to better co-ordinate what has become a congested and confusing CEIAG landscape and to provide a consistent offer for all young people in Cornwall with a central portal.



Source: Cornwall Careers Offer Plan

The Plan sets out ten key strands of activity to be taken forward, all underpinned by a desire to: move from complexity to simplicity; facilitate shared ownership and responsibility to drive improvement; and develop an explicit Careers Offer that every young person in Cornwall should be entitled to experience during their school and/ or college years.

Within this context there are also moves to create a local STEM Plan/Strategy, given the growing emphasis on STEM subjects.

There is also some infrastructure in place to help drive forward the apprenticeship agenda. Cornwall Apprenticeship Campaign was funded through the previous European programme to act as a gateway to apprenticeships for employers, young people and parents to access apprenticeship training delivered by Cornwall Training Provider Network (CTPN). The website 'cornwallapprenticeships.com' remains in place and through further investment from ESF funding, the ESB and partners in the Cornwall Apprenticeships Campaign are looking to increase engagement and support for participation in education and apprenticeships. It is expected that this will be one of the focal points for delivering apprenticeship objectives within the Devolution Deal.

The Cornwall Apprenticeships Agency (CAA) model, previously funded through UKCES helped to fill identified gaps in recruitment and matching processes, particularly for SMEs and micro-businesses, as well as providing brokerage services. The Agency was able to employ the apprentice where necessary, in order to de-risk the process where there were barriers for businesses in employing an apprentice themselves. This model will be another focal point for delivering the apprenticeship objectives within the Devolution Deal.

Finally, within the public sector there is some interest in re-igniting the Cornwall Learning Academy which previously brought together key statutory agencies with training providers to design and produce locally required apprenticeship frameworks. This will be developed within the context of the Apprenticeship Levy for the public sector.

Local Demand for Employment and Skills

Employment and skills demand comes from individuals as well as from employers. This includes both businesses and the public sector organisations which make up a significant proportion of employment locally. There are a range of business networks/sector groups that have been set up across CloS to represent their members' requirements for jobs and skills, with examples shown overleaf.

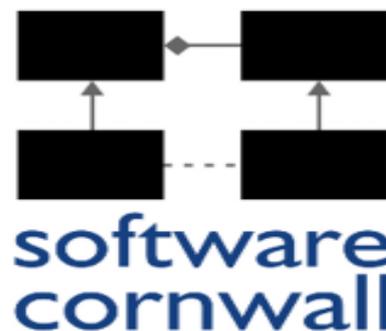
| Business Groups and Sector/Cluster Networks | | | |
|---|--|------------------------------|---------------------------------------|
| Cornwall Chamber | Cornwall Marine Network & Marine Offshore Renewables (MOR) Group | Cornwall Manufacturing Group | Cornwall Agri-food Council |
| Federation of Small Businesses | Creative Kernow | Software Cornwall | BIDs Cluster Group (retail & tourism) |
| Enterprising Women | Cornwall Food & Drink | Digital Peninsula Network | Cornwall Sustainable Building Trust |
| Islands Partnership | Construction Sector Steering Group | Visit Cornwall & Springboard | Unlocking Potential |

Some of these groups have developed their own strategies and have engaged with providers to help meet the needs of their members and there are some excellent models of practice that could potentially be built upon within a co-ordinated approach. However, many businesses sit outside of these models. Some of the service sectors, particularly health and social care do not currently have any mechanisms in place to engage with providers. Similarly there is not at present a consistent approach to articulating the needs of the public sector within a co-ordinated framework but this will be taken forward through the Cornwall Executive Group.

CASE STUDY OF SOFTWARE CORNWALL

Software Cornwall is a not-for-profit company, formed because there is a well-established and rapidly growing software cluster in Cornwall in which businesses have experienced high growth in recent years that they anticipate will continue.

Future growth will require increased numbers of highly skilled and talented individuals to enter and progress within the workforce but there has been a lack of appropriate accredited training programmes locally to enable this to happen.



Software Cornwall has worked with Cornwall College to research these issues and is now pro-actively engaging with the providers on behalf of their members to develop suitable packages of training. A key priority is to fill the careers pipeline: inspiring people into careers in software and digital technology.

Summary: There are some areas of very good practice within the local supply of employment and skills but the overall picture is fragmented and in places congested, lacking co-ordination. Demand for employment and skills provision comes from individuals and employers, including businesses and public sector organisations, the latter collectively making up a significant proportion of employment locally. CloS at present lacks any sort of co-ordinated framework for bringing together demand with supply. Whilst some networks/sector groups have started to develop their own strategies to engage with providers to help meet the needs of their members, many businesses sit outside of these models and there is not at present a consistent approach to articulating the needs of the public sector.

4. SWOT Analysis

| | |
|---|---|
| <p>Strengths</p> <ul style="list-style-type: none"> • Clearly defined geographic area with two Unitary Authorities • Commitment of key partners to the skills and employment agenda • Enterprising culture • Nationally recognised Social Enterprise Zone • Strong business confidence • Above average employment rate and significant falls in unemployment, including long term unemployment • Strong lower level skills • Improved FE/HE infrastructure through CUC and national beacons • In-roads made into understanding future skill requirements – building the evidence base • Some well-developed sector networks in place • Knowledge and understanding built up from previous programmes around ‘what works’ • Interim Growth Hub in place, full service to launch shortly • Superfast broadband infrastructure | <p>Weaknesses</p> <ul style="list-style-type: none"> • Low economic output and labour productivity • Low levels of innovation • Lower than average higher level skills • Under-utilisation of skills • High levels of part-time working and less hours worked • Lower than average wages (including those who are self-employed) • High levels of ‘non-permanent’ employment • 70,200 economically inactive working age people • Premature exit from the labour market • Elevated levels of health/disability occurrence relating to inactivity, poverty and economic exclusion • Lack of co-ordination between skills supply and demand • Some sectors without representation • Congested and fragmented delivery landscape • Access for the Isles of Scilly and other remote areas |
| <p>Opportunities</p> <ul style="list-style-type: none"> • Enterprise Zones • Smart Specialisation sectors with significant STEM requirements • Future demand for higher level skills and high value occupations • Devolution Deal • European funding and potentially Growth Deal • Community Led Local Development • Skills Access Hub and Health & Well-being Hubs in development • Cornwall Careers Offer Plan • Potential opportunities through apprenticeship levy/area based reviews/welfare reform | <p>Threats</p> <ul style="list-style-type: none"> • High levels of employment within the public sector with cuts expected • Ageing workforce and replacement demand • Capacity of small business to ‘purchase’ training • Employers less likely to value qualifications • Employers less likely to be actively involved in training • Lower than average take up of STEM subjects at A-level • Net outflow of both students and graduates • Funding dependency • Continued significant policy change and political instability • Concentration on ‘new’ high skill jobs, distracts from needs of lower skilled bedrock industries • Potential threats through apprenticeship levy/area based reviews/welfare reform |

5. Where Do We Want To Be?

Vision

Our vision for 2030 is:

For Cornwall and the Isles of Scilly to have a healthy, skilled and productive workforce with access to rewarding jobs, clear progression pathways and opportunities for all.

Mission

The mission for the LEP is:

To provide strategic leadership that synchronises supply and demand for employment and skills resulting in transformational change for current and future generations.

Core Outcomes and Targets

This Strategy aims to make a contribution to nine core outcomes and seven apprenticeship specific outcomes which are fundamental to the economic growth of the area. Please note that whilst having a healthy workforce and clear progression routes are key parts of the vision, specific outcomes have not been set for these aims because there is an absence of easily accessible baseline data that is sufficiently robust at a local level from which to measure progress. Similarly work will need to be undertaken to source data in relation to unfilled apprenticeship vacancies and proportion of existing staff taking an apprenticeship. Bespoke local data will need to be gathered for these aims to establish a baseline position and evidence progress over the lifetime of the Strategy.

Targets for 2020 and 2030 are shown in figures 1 and 2 overleaf.

Figure 1: Outcome Targets for 2020 and 2030 (excluding apprenticeships)



| Core Outcome | Baseline Position | By 2020 | By 2030 |
|--|--|---|---|
| Increase labour productivity⁹ | GVA/hour 80% of UK average – Ranking 39 of 39 LEPs | GVA/hour target TBC* | GVA/hour target TBC* |
| Increase median earnings¹⁰ | Median gross annual pay 76.3% of England average | Median gross annual pay 80% of England average | Median gross annual pay 85% of England average |
| Increase full time employment¹¹ | 69.9% 16-64 year olds working full-time. Ranking 39 of 39 LEPs | Full time employment levels fall into top 35 LEPs | Full time employment levels fall into top 30 LEPs |
| Increase economic activity¹⁰ | 78.3% 16-64 year olds active. Ranking 17 of 39 LEPs | Economic activity levels fall into top 12 LEPs | Economic activity levels fall into top 10 LEPs |
| Increase NVQ Level 2+ (L2+) skills¹⁰ | 75.1% of 16-64 qualified to NVQ L2+. Ranking 16 of 39 LEPs | % qualified to NVQ L2+ falls into top 12 LEPs | % qualified to NVQ L2+ falls into top 8 LEPs |
| Increase NVQ Level 4+ (L4+) skills¹⁰ | 32.6% of 16-64 qualified to NVQ L4+ (compared to 35.7% England) | % qualified to NVQ L4+ converges with the national average | % qualified to NVQ L4+ exceeds national average |
| Increase the number of students that find employment upon graduation in the LEP¹² | 2,595 students found employment in the LEP over the 2 year period 2012/13-13/14. | 3,000 students find employment in the LEP over the period 2018/19-19/20 | 4,000 students find employment in the LEP over the period 2028/29-29/30 |
| Increase number of STEM students that find employment upon graduation in the LEP¹¹ | 1,480 STEM students found employment in the LEP ¹³ | 2,000 STEM students find employment in the LEP | 3,000 STEM students find employment in the LEP |
| Reduce number of young people that are NEET¹⁴ | 4.2% of 16-18 year olds identified as NEET | 3% of 16-18 year olds identified as NEET | 2% of 16-18 year olds identified as NEET |

*To be confirmed as part of the SEP refresh

⁹ Source: ONS, Sub-Regional Productivity

¹⁰ Source: Annual Survey of Hours and Earnings, workplace based

¹¹ Source: Annual Population Survey

¹² Source: HEFCE, Student Mobility Data

¹³ HEFCE subject data is collected over a 6 year period from 2008/09 to 13/14, therefore it is not possible to compare with the overall outcome measure above, which is collected over a 2 year period. It is only possible to report on STEM – STEAM is not a HEFCE classification

¹⁴ Source: <https://www.gov.uk/government/publications/neet-data-by-local-authority-2012-16-to-18-year-olds-not-in-education-employment-or-training>

Figure 2: Apprenticeship Outcomes and Targets for 2020 and 2030



| Core Outcome | Baseline Position | By 2020 | By 2030 |
|---|--|--|--|
| Increase the number of apprenticeship starts ¹⁵ | 5,400 apprenticeship starts in 2014/15 | 7,400 apprenticeship starts in 2020/21 ¹⁶ | 12,000 apprenticeship starts in 2030/31 |
| Increase the % of KS4 going on to an apprenticeship ¹⁷ | 5% of KS4 going on to an apprenticeship in 2014/15 in line with national average | 7% of KS4 going on to an apprenticeship in 2020/21 | 11% of KS4 going on to an apprenticeship in 2030/31 |
| Increase the % of KS5 going on to an apprenticeship ¹⁵ | 5% of KS5 going on to an apprenticeship in 2014/15 in line with national average | 7% of KS5 going on to an apprenticeship in 2020/21 | 11% of KS5 going on to an apprenticeship in 2030/31 |
| Increase the number of higher level & degree apprenticeship starts ¹⁸ | 240 higher level & degree apprenticeship starts in 2014/15 | 330 higher level & degree level apprenticeship starts in 2020/21 | 530 higher level & degree level apprenticeship starts in 2020/21 |
| Increase the number of people over the age of 25 starting an apprenticeship ¹⁹ | 2,130 people over the age of 25 starting an apprenticeship in 2014/2015 | 2,900 people over the age of 25 starting an apprenticeship in 2020/21 | 4,700 people over the age of 25 starting an apprenticeship in 2030/31 |
| Increase the % of employers offering a formal apprenticeship ²⁰ | 12% of employers in CloS offered a formal apprenticeship in 2014, compared to 15% in England | Proportion of employers offering formal apprenticeship converges with the national average | Proportion of employers offering formal apprenticeships exceeds national average |
| Increase the proportion of apprentices going on to employment or continuing education ²¹ | 92% of apprentices went on to employment or continued education in 2014/15 | 94% of apprenticeships go on to employment or continued education in 2020/21 | 96% of apprenticeships go on to employment or continued education in 2030/31 |

¹⁵ Source: SFA Learner Data Cube

¹⁶ Assumes apprenticeships starts will grow at 5.3%/year, which is the required rate of growth for CloS to achieve 6,540 additional apprenticeship starts over the period of the current parliament. This represents CloS's share of the England wide target to achieve 3m apprenticeship starts over this parliament, compared to 2.4m in the previous parliament.

¹⁷ Source: Department for Education, Destination of School Leavers

¹⁸ Source: SFA Learner Data Cube

¹⁹ Source: SFA Learner Data Cube

²⁰ Source: UKCES, Employer Perspectives Survey (Bi-annual)

²¹ Source: SFA Learner Data Cube

6. How Do We Get There?

Values

Our actions will be guided by the following values:

- Being proud of and ambitious for Cornwall and the Isles of Scilly;
- Establishing inclusive, engaging and empowering leadership providing clear direction;
- Behaving with honesty, respect and having trust in each other;
- Being open-minded to exploring ideas and new ways of working;
- Being outward facing, connected to each other and to the world;
- Providing equality of opportunity for all our people and businesses, including those in the most remote areas; and,
- Being focused on actions and outcomes.

Strategic Objectives

Our vision and mission will be underpinned by four strategic objectives, with defined areas of focus sitting beneath each, highlighted overleaf. Specific objectives relating to the development of apprenticeships are highlighted in grey within the diagram. When we refer to businesses and employers we are referring to all types of business and employer including social sector and public sector where relevant.

Appendix Three contains some possible indicators against each Strategic Objective that could be developed as part of a monitoring framework.

Figure 3: Refreshed Strategic Objectives



7. What Actions are we Taking Forward?

This section of the Strategy presents a series of cross-cutting actions that will support the general delivery of outcomes, together with an initial plan of action that is specific to each of the Strategic Objectives. These actions were developed as a result of a series of action planning workshops held on the 7th of June in St Austell. When the full implications of leaving the EU are understood, the action plans will need to be revisited.

| Cross-cutting Actions | Lead | Partners | Funding/levers | Timing |
|--|--|---|---|-------------|
| Expedite the delivery of planned ESIF activities to achieve spending on the ground | ITI Board | Cornwall Council; Council of the Isles of Scilly; LEP & Managing Authorities | ESF, ERDF and EAFRD | Summer 2016 |
| Review the Growth Programme Implementation Plan to ensure that spend/priorities (across all 3 funds) support the refreshed Employment and Skills Strategy and develop processes to ensure complementarity between budgets for aligned calls | ITI Board | ESB | ESF, ERDF and EAFRD | On-going |
| Maximise the opportunity presented by the ITI through integrated programme development and delivery across all three funds to deliver our strategic ambition | ITI Board | ESB | ESF, ERDF and EAFRD | On-going |
| Harness mainstream investment including the local commissioning of the Adult Education budget to deliver the refreshed employment and skills Strategy | LEP/ESB | FE providers; Cornwall Council; Council of the Isles of Scilly; BIS | Adult Education Budget through Devolution | By 2017 |
| Use Devolution Deal Process to develop a system of data-sharing between employment and skills agencies to allow a clearer understanding of individuals' needs | LEP/ Cornwall Council Devoluti on Team | DWP; SFA; Cornwall Council; other relevant agencies | Devolution process | End of 2016 |
| Ensure effective communication between new and emerging hubs to help simplify and co-ordinate the support landscape so that employers and individuals can find the advice they need; and ensure effective engagement with industry | LEP/ESB | Delivery partners | n/a | On-going |
| Ensure the Sustainability and Transformation Plan (STP) contributes to and benefits from the objectives in the Employment and Skills strategy to improve productivity of the health and care workforce and stimulated innovation and job creation in the sector | Health & Well-being Board/ ESB | Isles of Scilly Health & Well-being Board; NHS Kernow; Cornwall Council; health and care providers; DWP | ESF, ERDF, Lottery, DWP | On-going |

Table 1: SO1 Actions: Develop our Highly Skilled Workforce

| Area of Focus | Key Actions | Lead | Partners | Funding/ Levers | Timing |
|--|--|---|--|----------------------------------|------------------------------|
| Enable the demand and supply of skills to meet the needs of the future economy | Provide dedicated resource to engage with future economy and other key sectors to aggregate sector based demand for skills and understand the future skills pipeline through the Skills Access Hub and other procurements | ESB working with the ITI Board | Future Economy Board; Key Sector Groups; TUC Union Learn; ESF delivery partners | ESF | On-going |
| | Ensure ERDF and ESF investment planning is aligned to support higher level skills, using integrated interventions to achieve maximum outputs and impact from programme level investments | ITI Board | ESB; LEP; Future Economy Board; CUC | ERDF / ESF | Duration of Growth Programme |
| | Work with the ITI board to develop a 'skills exchange' project between larger and smaller companies to develop leadership and management and board level skills | ESB | ITI Board; Cornwall Chamber members and action groups; FSB; Key Sector Groups; Council of the Isles of Scilly | ESF/ERDF | By 2017 |
| Retain and attract skilled individuals | Ensure that ESIF investment for graduate placements/internship schemes complements and adds value to the Unlocking Potential (UP) Programme. Explore ways to incorporate a mechanism for communicating with CloS student 'alumni' to make them aware of exciting opportunities in the area | ITI board / ESB / Growth for Business Board | Cornwall College (UP); ESF delivery partners; CUC partners, Growth & Skills Hubs; Council of the Isles of Scilly | ESF/ERDF | By end of 2017 |
| | Support Future Economy sector businesses to host high profile, unique skills development events, attracting experts in their field to come to C&IOS for training | ESB & Future Economy Driver Board | Future Economy & Sector groups | Private Sector | On-going |
| Improve availability of STEM/STEAM skills | Develop a STEM/STEAM strategy for CloS | ESB / Cornwall Council | Future Economy Driver Board; LEP Board | TBC | By end of 2017 |
| | Develop projects which use innovation assets to inspire engagement with STEM/STEAM skills encouraging use of private sector budgets (including Corporate Social Responsibility) (link to SO4) | ESB & Future Economy Driver Board | Enterprise Zones; Key Sector groups; Cornwall Council; Council of the Isles of Scilly; Training Providers | Various including Private Sector | On-going |
| | Scope a project that considers how older workers could be supported to improve their STEM/STEAM skills | ESB or task and finish group (TBC) | DWP (Fuller Working Lives Unit) | TBC | Early 2017 |

Table 2: SO2: Drive Employer and Individual Engagement and Investment in Skills

| Area of Focus | Key Actions | Lead | Partners | Funding/ Levers | Timing |
|--|--|---|---|-----------------------------|----------------|
| Enable the demand and supply of skills (at all levels) to meet the needs of high employment sectors | Provide dedicated resource to engage with high employment sectors (including public sector) to aggregate sector based demand for skills and understand the future skills pipeline through the Skills Access Hub and other procurements | ESB | Sector based employer representatives (including public sector); TUC Union Learn; DWP | ESF | On-going |
| | Ensure that the CEIAG needs of adults who are in employment are covered within new calls (also see SO4) | ITI board | ESB; Skills Access Hub provider | ESF | By end of 2017 |
| | Develop a strategic response to the challenge of recruitment in the health and social care sector within the context of the Devolution Deal and Strategic Transformation Plan (STP) | Cornwall Council | Employers; CEG; Council of the Isles of Scilly; Clinical Commissioning Group; DWP | Devolution Process and STP | By end of 2017 |
| Improve workforce health and well being | Coordinate a programme of activities to improve workforce health and well-being within the context of the devolution deal for health and social care | Health and well-being Hub (TBC) | Devolution team; ESB; Health and well-being Board | DWP | On-going |
| | Work with the ITI Board to bring forward calls for workplace and out-of-work health promotion projects, securing engagement from a large number of employers | Cornwall Council Public Health; Council of the Isles of Scilly; ESB | ITI Board; Cornwall Chamber; FSB; Health and well-being Board; Key Sector groups | ESF | By end of 2016 |
| | Develop a strategic approach to community/family learning, recognising its potential for outcomes within the workforce and ensure linkages with other ESF funded projects | ESB | Cornwall Council; Council of the Isles of Scilly; VCSE; Health and well-being Board; Training Providers | AEB Devolution Process /ESF | By end of 2017 |
| Support small, micro, social and community businesses as well as those who are self-employed to engage with training | Work with the ITI board to develop a call to provide intensive support/brokerage to very small and micro businesses including those in the social sector (linked to the Skills Access Hub) | ESB; Growth for Business Board | ITI Board; Chamber, FSB; Skills Access Hub; Key Sector groups | ESF/ERDF | By end of 2017 |
| | Work with the ITI Board to develop a small and micro business mentoring call (linked to ERDF existing / future projects) | ESB / Growth for Business Board | ITI Board; Cornwall Chamber; FSB; Key Sector groups | ESF/ERDF | By end of 2017 |

Table 3: SO3 Actions: Enable People to Access and Progress in Meaningful Employment

| Area of Focus | Key Actions | Lead | Partners | Funding/ Levers | Timing |
|---|--|---|--|------------------------|--------------------|
| Build on models of good practice and find new ways of working with people who are furthest from the labour market | Implement the Together for Families Model (phase 2) and consider how ESF can add value to this work. Explore other complementary models | Cornwall Council; Council of the Isles of Scilly; DWP | Strategic delivery partners | DCLG | On-going |
| | Help businesses to access support to employ those furthest from the labour market through the Growth Hub and Skills Access Hubs | LEP | Hub providers; DWP | n/a | On-going |
| | Develop a series of place based interventions targeting those areas with the highest levels of worklessness (without ghettoising), building on good practice | ESB | Cornwall Council; Council of the Isles of Scilly; Inclusion Cornwall; DWP; Local Action Groups | CLLD | By the end of 2017 |
| Improving earnings and progression of lower paid staff | Work with ITI Board to consider the flexibility of developing a future call relating to progression of lower paid workers and those who are under-employed, building on pilots such as the UKCES experts grow project , and linking with the extended childcare entitlement implementation | ESB | ITI Board; Employer Groups; Key Sector groups; DWP | ESF | By the end of 2017 |
| | Explore the possibility of utilising adult education funding for workforce progression within the Devolution Deal | LEP | BIS; Devolution team; FE providers; Cornwall Council; DWP | Adult Education Budget | 2017/18 |
| Support those at risk of leaving of the labour market | Develop a strategic response to the challenge of helping older workers remain in work | ESB | DWP Fuller Working Lives | TBC | By the end of 2017 |
| | Deliver key activities targeted at preventing young people from becoming NEET as identified within the Cornwall Careers Offer | Cornwall Council & RAAS Board; Council of the Isles of Scilly | Schools; Post 16 providers; DWP | Various including ESF | On-going |

Table 4: SO4 Actions: Enable People to Learn about Career Pathways & be Equipped for the World of Work

| Area of Focus | Key Actions | Lead | Partners | Funding/Levers | Timing |
|--|--|--|---|----------------|----------------|
| Ensure a high standard of Careers Education Information Advice and Guidance (CEIAG) is available and accessible to all | Implement the Cornwall Careers Offer for Young People, exploring models of good practice | Cornwall Council; Council of the Isles of Scilly | Schools; Colleges; Employers; ESB; DWP | Various | On-going |
| | Ensure that the CEIAG needs of adults who are in employment are covered within new calls (also see SO2) | ITI board | ESB; Hub Provider; Cornwall Council; Council of the Isles of Scilly | ESF | By end of 2017 |
| | Ensure join up of the above with the new JC+ careers support | ESB | DWP | n/a | On-going |
| Enable schools, colleges, employers and others to deliver sustainable employer/school engagement and experiences | Work with partners to develop the Cornwall Careers Offer through business and school/college engagement projects, maximising the benefits of a range of interventions | Cornwall Council | Schools; Colleges; Employers; ESB; Council of the Isles of Scilly | Various | On-going |
| Encourage development of enterprise and work readiness skills in young people | Delivery of the Enterpriser Adviser Programme and Implement the Cornwall Careers Offer for Young People, ensuring linkages with programmes funded through the Careers and Enterprise Company (CEC) and other complimentary activities, especially those that offer innovation and new approaches | Cornwall Council; Careers; LEP; CEC | Schools; Colleges; Employers; ESB; ESF providers; DWP; Council of the Isles of Scilly | Various | On-going |

Table 5: Apprenticeship Action Plan

| Area of Focus | Key Actions | Lead | Partners | Funding/ Levers | Timing |
|---|---|-------------------------------|---|-----------------|-------------|
| Develop higher and degree level apprenticeships | Create a Cornwall Learning Academy (CLA) style Steering Group to shape and drive public sector provision. Ensure that the terms of reference focus on the future economy and other key sectors identified within the Employment and Skills Strategy | Cornwall Executive Group | Apprenticeship Ambassadors Group; ESB; Future Economy Driver Board; Training providers; Council of the Isles of Scilly; DWP | N/A | Autumn 2016 |
| | Link the CLA style group with a) a group that represents levy paying businesses and b) a group that represents smaller niche businesses that are important to the future economy and other key sectors identified within the Employment and Skills Strategy | Cornwall Executive Group | Apprenticeship Ambassadors Group; ESB; Future Economy Driver Board; Training providers; new representative groups (TBC); Council of the Isles of Scilly | N/A | Autumn 2017 |
| Create an effective apprenticeship service for CloS employers | Provide co-ordination to the C&IOS Apprenticeship Offer, specifically for employers | Skills Access Hub | Apprenticeships Ambassadors Group; All providers; ESB; Council of the Isles of Scilly; DWP | ESF | March 2017 |
| | Build on and develop the existing cornwallapprenticeship.com website to create a sustainable web based portal for the Apprenticeship Offer, linking to other relevant websites | Apprenticeship Steering Group | Skills Access Hub; Council of the Isles of Scilly; Apprenticeship Ambassadors Group; Training providers; ESB | ESF | March 2017 |
| | Develop and extend an Apprenticeship Training Agency (ATA) type Model to support micro businesses and SMEs and plug the gap in recruitment and matching services | Apprenticeship Steering Group | ATA; Apprenticeship Ambassadors Group; ESB | ESF | March 2017 |

| | | | | | |
|--|--|-------------------------------|---|---------|----------------|
| | Evaluate the impact of funding changes on SME engagement and develop support mechanisms for the transition to the new funding models and new standards | Apprenticeship Steering Group | Skills Access Hub; Council of the Isles of Scilly; Training Providers; Key Sector groups | N/A | Autumn 2016 |
| | Identify the priority apprentice standards/frameworks for further development to best meet the economic growth needs of CloS | Apprenticeship Steering Group | ESB; Training Providers; Key Sector groups; Cornwall Chamber; FSB | N/A | March 2017 |
| Raise awareness of apprenticeships as route to progression for all workers | Explore the possibility of using ESF to fund people who already hold a L4 + qualification to re-train through the apprenticeship route and scope a call if permissible | ESB and ITI Board | DCLG | ESF | By end of 2016 |
| | Scope a project to increase awareness of and break down any negative perceptions about apprenticeship training for existing staff (focusing on those people who are over 25) | Apprenticeship Steering Group | Apprenticeship Ambassadors Group; Council of the Isles of Scilly | TBC | TBC |
| Promote the value of apprenticeships and vocational routeways | Implement the Cornwall Careers Offer to include apprenticeship options within CEIAG | Cornwall Council | Apprenticeship Steering Group; ESB; RAAS Board; Pathways to Employment Group; Enterprise Advisors Programme; Council of the Isles of Scilly | Various | On-going |
| | Develop an events calendar and campaign for parents using the cornwallapprenticeship.com website as a platform and ensuring cross-promotion across agencies hosting events | Apprenticeship Steering Group | All providers; Council of the Isles of Scilly | ESF | On-going |

Appendix One: Strategy Consultation

Consultation around the Core Strategy and Action Plans has included input from a wide range of stakeholders representing:

- Avanti Communications
- Cornwall Association of Head Teachers (CASH)
- Cornwall Chamber of Commerce and Industry
- Cornwall College
- Cornwall Council
- Cornwall Development Company
- Cornwall Executive Group
- Cornwall and Isles of Scilly LEP (Board and Executive)
- Cornwall Marine Network
- Cornwall Manufacturers Group
- Cornwall Neighbourhoods for Change
- Cornwall Training Provider Network
- Council of the Isles of Scilly
- Department of Work and Pensions/Job Centre Plus
- Employment and Skills Board
- Exeter University, representing the Combined Universities in Cornwall
- Federation of Small Businesses
- Fifteen Cornwall
- Future Economy Board
- Growth for Business Board
- Health and Well-being Board
- Inclusion Cornwall

- Islands Partnership
- Local Nature Partnership
- Newquay Aerohub
- Pathways to Employment Group
- Software Cornwall
- The Seafood Restaurant (Rick Stein)
- Truro and Penwith College

Appendix Two: Briefing Note on Employment and Skills Element of the Devolution Deal

Employment and Skills element of the Devolution Deal

Employment and Skills

1. Cornwall's geography, dispersed population and lack of a significant industry base have held back its economy for too long. The area's Gross Domestic Product is less than 70% of the national average, with a significant proportion of employment being low paid and seasonal. In addition, Cornwall's economy is held back by underemployment and higher than average economic inactivity.
2. This Devolution Deal focuses on increasing the number of people with higher level skills, combating underemployment; and supporting those who are 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 Cornwall and Isles of Scilly Local Enterprise Partnership's Employment and Skills Board. This would be underpinned by the Cornwall and Isles of Scilly Employment and Skills Strategy.
3. In order to enhance skills and training Cornwall Council, Cornwall and the Isles of Scilly Local Enterprise Partnership and Central Government agree to the following:
 - Working through the Cornwall & Isles of Scilly Local Enterprise Partnership's Employment and Skills Board local partners will align and pool strategy and resources to re-shape training and learning provision across Cornwall and the Isles of Scilly. Development work to deliver this alignment and pooling will commence in 2015, enabling implementation to commence by 2017. Specific areas of work will include:
 - Cornwall and Isles of Scilly Local Enterprise Partnership will work with Government and local Further Education and training providers to re-shape training provision within Cornwall. This will improve skills levels, better address the skills needs of the economy
 - Developing proposals to utilise the Government's Adult Skills Budget alongside local resources
 - Aligning local budgets such as the Adult Community Learning budget.
 - Aligning, where possible, all European Union Funding that relates to delivery of skills provision.
 - Cornwall and Isles of Scilly Local Enterprise Partnership establishing a dedicated resource to manage this programme on behalf of their Employment and Skills Board.
4. In order to improve apprenticeship brokerage activities targeted at small and medium sized enterprises Cornwall Council, Cornwall and the Isles of Scilly Local Enterprise Partnership and Central Government agree to the following:
 - Working through the Cornwall and Isles of Scilly Local Enterprise Partnership's Employment and Skills Board, the Local Enterprise Partnership (and local partners) will facilitate and resource a Skills Bank initiative which seeks to further strengthen the delivery of apprenticeships. This Skills Bank will focus on the micro, small and medium size business community across Cornwall and the Isles of Scilly. This will build on the existing Cornwall Apprenticeship Scheme.
 - Government will work with Cornwall and Isles of Scilly to jointly identify and develop new apprenticeship opportunities.
 - Cornwall and the Isles of Scilly Local Enterprise Partnership will work with the business community to secure direct private investment into this initiative. The Local Enterprise Partnership will also work with the European Union Managing Authorities and local partners to align European Union Programmes with this initiative.
 - The Programme is anticipated to go live in 2016.

5. In order to improve careers advice for younger people Cornwall Council, Cornwall and the Isles of Scilly Local Enterprise Partnership and Central Government agree to the following:
 - Building on the existing local Enterprise Adviser Pilot, Cornwall and the Isles of Scilly Local Enterprise Partnership and other local partners will work jointly with the new Careers and Enterprise Company to coordinate employer-education activity more effectively.
 - Cornwall and the Isles of Scilly Local Enterprise Partnership will work with the National Careers Service to influence and deliver the “Inspiration Agenda”. This will complement both the Enterprise Adviser pilot and wider careers initiatives.
 - Cornwall and the Isles of Scilly Local Enterprise Partnership will target schools and employers engaged in STEM activity. This will build on the existing partnership between the Aerohub Enterprise Zone and the STEM ambassador school in Cornwall.
 - Cornwall and the Isles of Scilly Local Enterprise Partnership and Cornwall Council partners will commit to increasing the number, quality and consistency of employer engagement with schools across the local area. This will form part of a comprehensive approach to careers education, advice and guidance.
 - Ofsted agrees to an annual dialogue with Cornwall and the Isles of Scilly Local Enterprise Partnership to inform its schedule of institutional and thematic inspections in the local area. This annual dialogue will gather the Local Enterprise Partnership’s knowledge of local economic conditions.

6. To help people into employment, in particular those furthest from the labour market, Cornwall Council, Cornwall and the Isles of Scilly Local Enterprise Partnership and Central Government agree to the following:
 - The Government will enter into discussions with local partners (bringing together Job Centre Plus, Cornwall Council, Council of the Isles of Scilly and other bodies) to improve outcomes for Employment and Support Allowance claimants.
 - Cornwall and the Isles of Scilly will work with the Job Centre Plus and the Skills Funding Agency to facilitate protocols for data sharing between agencies.
 - Cornwall and Isles of Scilly Local Enterprise Partnership will ensure that local resources, including (non-‘opt-in’) European Social Fund Programmes, align with jointly commissioned activity.

7. As a result of this Devolution Deal, Cornwall Council and Cornwall and the Isles of Scilly Local Enterprise Partnership will commit to:
 - Raising the skills levels of the existing workforce and those entering the labour market, with a particular emphasis on young people.
 - Reducing levels of unemployment, particularly amongst the hardest to help and the pressure on the public purse associated with this unemployment.
 - Improving the attainment and job-readiness of the workforce of the future.
 - Aligning local resources and programmes.

Developing further inclusive and formal partnership arrangements with the business community, Higher Education, Further Education, other training providers and schools.

Appendix Three: Potential Indicators and Sources by Strategic Objective

The table below sets out a number of potential indicators which could be used as part of a wider monitoring framework for each Strategic Objective.

| Strategic Objective | What are we trying to measure | What are the available indicators | Source |
|---|---|--|---|
| SO1: Develop our highly skilled workforce for tomorrow | Higher level skills in the workforce | % of working age population qualified to NVQ level 4+ | Labour Force Survey |
| | Availability of STEM skills in the workforce | Number of STEM graduates that found employment in the LEP (regardless of where they studied). | HEFCE |
| | Growth of higher level apprenticeships | Number of higher level apprenticeship starts Number of degree apprenticeships | SFA |
| SO2: Drive employer and individual engagement and investment in skills | Synchronisation of supply and demand of skills | Number of occupations where the employment opportunity is calculated to be high/very high on the 'where the work is' online tool | http://wheretheworkis.org |
| | Engagement of small, micro and community businesses and self-employed in skills | % all who received job rel. train in last 4 wks -employees & self emp. aged 16-64 | Labour Force Survey |
| | An effective apprenticeship service | Number of apprenticeship starts | SFA |
| SO3: Enable people to access and progress to meaningful employment | Unemployment | % of working age population unemployed | Labour Force Survey |
| | Inactivity | % of working age population inactive | Labour Force Survey |

| | | | |
|--|--|---|--|
| | Low pay | Median earnings | Annual Survey of Hours and Earnings |
| | | % of working age population working part-time | Labour Force Survey |
| | Preventing NEETs | Number of young people at risk of becoming NEET | Cornwall Council |
| | Apprenticeships for existing staff and older workers | Number of people over 25 starting an apprenticeship | SFA |
| SO4: Enable people to learn about career pathways and be equipped for the world of work | Standards of CEIAG | % of schools with a published careers policy/plan | Through enterprise advisor programme. |
| | | Increase in % of young people who are satisfied they received timely and high quality information about their post 16 pathways and career opportunities | To be developed a part of 'sheu' survey. |
| | Employer engagement with young people/schools | % of employers providing work experience | UKCES |
| | | % of young people achieving 100 hours of work related learning by the age of 16. | To be developed |
| | Value of apprenticeship routeway | % of KS4 and KS5 going into an apprenticeship | DfE destinations data |