



West Midlands
Combined Authority

Overview & Scrutiny Committee

Date	29 January 2024
Report title	Employment and Skills Strategy for Deeper Devolution
Portfolio Lead	Employment & Skills – Councillor George Duggins
Accountable Chief Executive	Laura Shoaf, CEO, West Midlands Combined Authority Email: laura.shoaf@wmca.org.uk
Accountable Employee	Clare Hatton, Interim Executive Director – Employment, Skills, Health, and Communities, West Midlands Combined Authority Email: clare.hatton@wmca.org.uk
Report has been considered by	Executive Board – 10 January 2024

Recommendation(s) for action or decision:

The Overview and Scrutiny Committee is recommended to:

- (1) Note the progress being made on the development of:
 - a. an Employment and Skills Strategy for WMCA area,
 - b. the development and implementation of an ESHC Benefits Realisation and Outcomes Frameworkand this initial early consultation activity with OSC on both documents.
- (2) Endorse the approach being adopted through the Strategy to ensure the integration of employment and skills across the region, and in establishing an overarching Outcomes Framework to ensure regional benefits are maximised through programme delivery activity.
- (3) Review and consider the key areas of focus set out in the Strategy (Appendix 1) and the indicative benefits set out in the attached ESHC Benefits and Outcomes Framework (Appendix 2. Benefits Register p10 &11).
- (4) Note recent implementation of an ESHC Directorate Performance Panel (section 4.4)
- (5) Endorse next steps in implementation of the Employment & Skills Strategy and the Benefits and Outcomes Frameworks (section 4).

1. Purpose

- 1.1 The purpose of this paper is to update and engage Overview & Scrutiny Committee members on the development of an Employment and Skills Strategy for WMCA area, and on the development and implementation of a new approach to ESHC Benefits Management and Realisation, including the establishment of a new Outcomes Framework.

2. Background

- 2.1 Following a review undertaken by scrutiny and presented in July 2023 ([see report here](#)), seeking to understand the impact of the devolution of the Adult Education Budget (AEB) and to identify challenges and ways in which the WMCA and its constituents could most effectively use skills development to address short and longer-term challenges in the region, further consideration has been given by the WMCA ESHC directorate to the emerging themes and considerations that were identified within the report.
- 2.2 Notwithstanding the consensus that devolution of AEB was a highly valued enabler in tackling the distinctive labour market challenges across the region for employers and residents. The directorate has been further reviewing the report findings and themes to consider and develop activity that can be implemented to improve delivery of our skills support offer.
- 2.3 This review has extended beyond AEB to mapping all ESHC directorate wide funding, enabling us to consider the full learner journey from early support and interventions through to higher level skills provision, and inclusive growth, health, and wellbeing benefits.
- 2.4 This full directorate-wide mapping has assisted us in developing a more holistic approach to our use of ESHC funding and alignment with wider WMCA activity, including the recently launched Business Growth West Midlands function. It is also informing the development of our Employment and Skills Strategy (see draft at Appendix 1) that will set the direction of our work for the coming years and act as a functional strategy for the adult skills pillar of the single settlement.
- 2.5 The decision to progress a benefits management approach was taken due to the need for us to strengthen our case to evidence the impact our programmes are having across the region at a fiscal, economic, and social level.
- 2.6 Implementing a Benefit Management/Realisation approach will enable us to bring together Single Pot Outcomes and Impacts, a new ESHC Outcomes Framework, establish a new Cost Benefit Analysis Tool and Project/Programme Performance Monitoring into one single aligned framework for the ESHC directorate. Benefits Realisation will give us the tool to assess whether our projects or programmes are delivering against our goals (benefits) and provides us with the opportunity to make changes where they are not. It creates ownership, accountability, and responsibility for the delivery of intended outcomes, not just delivery to time and budget.
- 2.7 The activity to establish an ESHC Benefits Realisation and Evaluation Strategy and an Outcomes Frameworks has also delivered against recommendations set out in the July Scrutiny report at section 5.4. This includes activity to support the following actions:

Recommendation 3: For WMCA with Constituent Authorities

1. Review and map out the range of available funding opportunities available to employers to help navigate the skills system and outline how business support is aligned with AEB investment to draw on full range of opportunities.

Recommendation 4: For WMCA with Education Providers

1. Design and integrate an employability programme that supports learning to develop transferable skills valued by employers to help secure good work, and to work with education providers to ensure effective delivery.

3. Current Position

- 3.1 Appendix 1 provides the current draft of the Employment and Skills Strategy for the WMCA that will set the direction of our work for the coming years and act as a functional strategy for the adult skills pillar of the single settlement. We are now consulting on this document with a wide range of stakeholders, before seeking final approval from WMCA Board in February 2024.
- 3.2 Appendix 2 provides the current draft ESHC directorate Benefits Realisation and Outcomes Framework. The fundamental underpinning aspect of this framework is the establishment of **4 overarching themes** for all directorate wide programmes, these are:
 1. Provide a good basic education up to level 2 for those who need it.
 2. Moving residents into good jobs
 3. Higher skills: Upskilling and reskilling to respond to the regional economy e.g. plan for growth, net zero
 4. Support our communities to be stronger and benefit from inclusive growth
- 3.2 Extensive work has been progressed across the directorate to develop project level logic models for every programme in delivery or development. This task has enabled us to identify cross cutting priorities and activities that fall within one of the 4 themes set out above and develop overarching logic models aligned to the 4 themes, which are included in Appendix 1 pages 6 to 9.
- 3.4 The current draft version of the logic models and benefits register includes some highlighted sections which are still to be completed, a number of these measure need to be sought from previous, current, and forthcoming programme delivery activity, this data is currently being sourced.
- 3.5 A summary of the benefits we have identified through the mapping exercise is provided at pages 10 and 11 of Appendix 1. As noted above some further work is required to fully finalise the target and baseline data.

4. Next Steps

- 4.1 The draft Employment and Skills Strategy is being shared for consultation with a wide range of stakeholders, with a view to seeking WMCA Board approval in February 2024.
- 4.2 In relation to the Benefits Realisation and Outcomes Framework, a total number of 19 ESHC directorate wide benefits have been identified to date. Activity is now progressing to socialise these with internal/external partners. A critical aspect of the benefits will be the targets and metrics used to monitor progress, ensuring these are readily available, robust and provide us with data to enable us to articulate our benefits through monetary, economic, or social measures.
- 4.3 Following agreement to the high-level benefit register set out in Appendix 1. P10-11, activity will then progress to rank/prioritise the benefits and develop more detailed individual benefit registers for each agreed final benefit. The registers will provide more detailed information on programme deliverables, funding, timescales, and risk. They will include sections where delivery progress can be updated and reported enabling us to monitor progress of delivery of the benefit through project/programme delivery activity.
- 4.4 The Directorate has recently established an ESHC Performance Panel, the panel meet on a quarterly basis and review performance and financial delivery including forecasting data and analysis of all directorate wide programmes (these correlate with those set out in the appendix 1 programmes). Following finalisation of the Benefits Realisation Framework the Benefit Registers will form part of the reports that are taken to the panel for review and consideration. This will enable the panel to review individual project data in more detail through respective project/programme level performance reports.
- 4.5 The output and outcomes set out in the logic models will form the basis of the directorate Outcomes Framework, this will be used to support the commissioning of new programmes going forward, ensuring clear alignment and delivery of the targets set out as part of delivery activity.
- 4.6 The ESHC cost benefit analysis tool will also be developed, this will build on work already progressed by Greater Manchester and provide us with a tool to effectively capture and monitor the monetary value of the final agreed benefits. It is envisaged going forward, this will enable us to strengthen our business cases with government and secure additional funding going forward.

5. Financial Implications

There are not direct financial implications from the proposals set out within this report. The funding streams identified are all subject to full WMCA SAF/governance processes.

6. Legal Implications

There are no direct legal implications from the proposals set out within this report. As activity develops legal colleagues in the WMCA will be engaged to ensure alignment with contracts developed/issued.

7. Equalities Implications

7.1 The proposals within this paper seek to support delivery of WMCA equalities implications, whilst it is recognised that ESHC programmes have a positive equality impact, the delivery measures aligned to this have not always been clear or robust. Through a benefits management and realisation approach we will be able to clearly identify and articulate the positive equality impact achieved through ESHC funded programme delivery activity.

8. Inclusive Growth Implications

8.1 As set out in equalities implications, the proposals in this paper seek to improve the measures put in place from early-stage commissioning through to longer term impacts, with specific measures and benefits identified to support our regional inclusive growth aspirations. We will be engaging colleagues in the Inclusive Growth and equalities team as part of our socialisation of the benefits set out in appendix 1 to enable to them to consider and input.

9. Geographical Area of Report's Implications

9.1 Full WMCA region, and potential for impacts and benefits to support wider WM area.

10. Other Implications

10.1 None

11. Schedule of Background Papers

Appendix 1. Employment and Skills Strategy

Appendix 2. O&S ESHC Benefits and Outcomes Framework