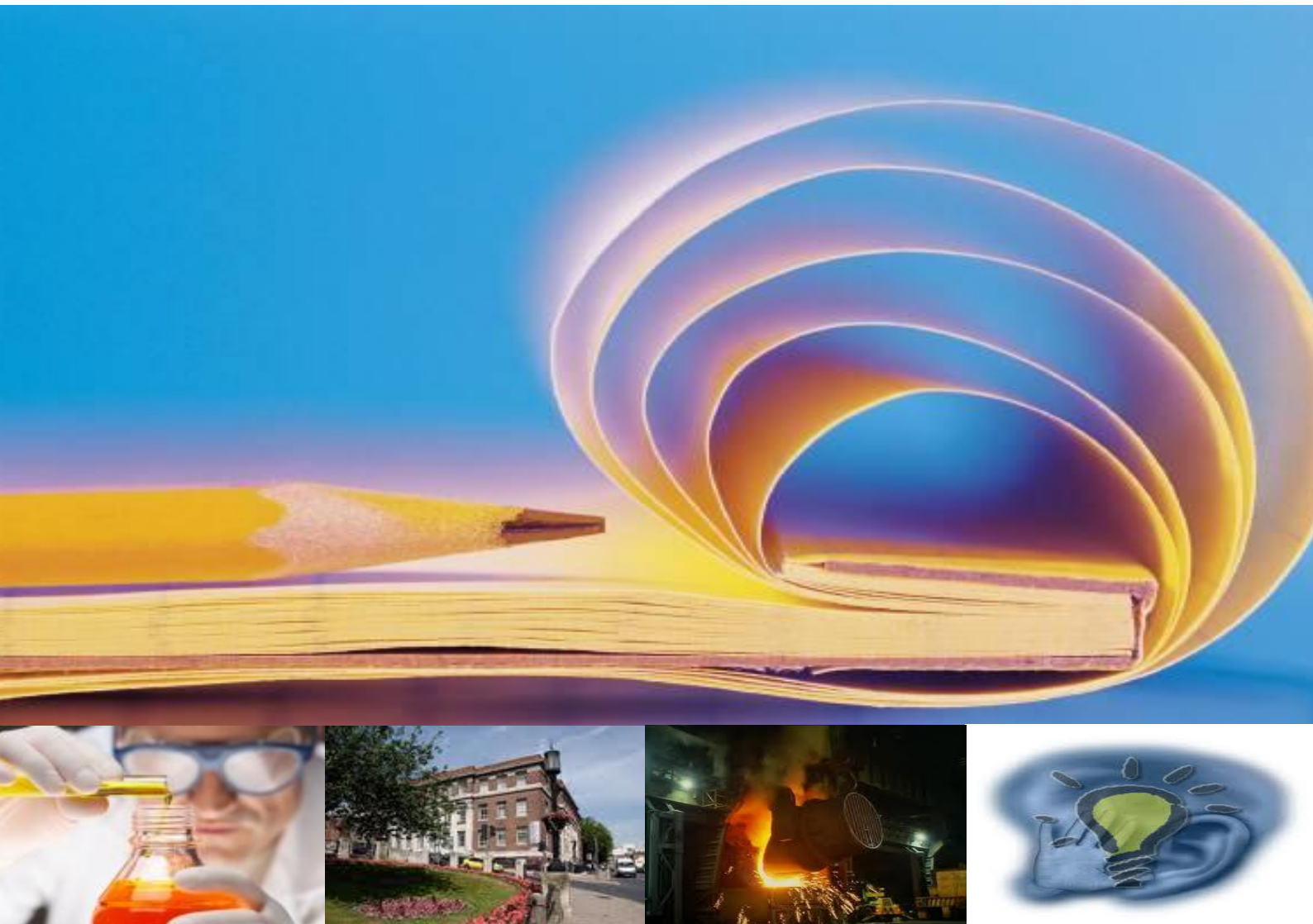


Yorkshire Forward and Economic Development

Learning Legacy Module 11:

Skills



Executive Summary:

This module reflects on some key lessons which may be of use to those who continue to support skills development, whether within Yorkshire and Humber or elsewhere. It reflects on the task and purpose of Yorkshire Forward in terms of developing the skills of the workforce and the overall outcomes and impact made. It considers both skills strategy development and learning points from the investments Yorkshire Forward made.

Throughout the document six key lessons emerge which may be of particular use to those engaged in the policy area in the future. These are:

- a) That **skills should not be artificially separated** from strategies and implementation plans for economic development.
- b) Great care is needed to **avoid displacing** those things which employers would ordinarily or willingly fund within their workforce.
- c) There is significant **value from generating a sophisticated understanding** of the labour market and investing in intelligence.
- d) That **the best programmes and projects had employers at the centre**, with less energy going into selling to employers and more focus on responding to issues articulated by employers.
- e) **Smaller investments which trail-blazed new ideas were generally more effective** particularly where there was a much more significant mainstream offer from other agencies.
- f) When investing in skills, **supply side interventions alone have limited impact** unless you clearly understand and address the economic demands for skills. It does not matter how many people improve their skills, if employers don't want and use these new skills now or in the future, they will not generate an economic return.

Throughout the module, the issues which arise from the separation of skills from economic development, or skills from business support are drawn out. The most insightful economic development strategy, and the most effective workforce development programmes were generated when there was integration.

The document presents a range of case studies of the work which Yorkshire Forward invested in. This highlights the diversity of the agenda and the array of responses to the challenges that the region's labour market presents. It further demonstrates that the best activities have been either done in partnership, supported by the mainstream agencies, or done as pilots or market testing programmes, again emphasising the importance of integration.

In the annexes following the final section, there is a short description of Yorkshire Forward's national work and where a national approach proved (and may prove in the future) to be helpful alongside a list of sources of further information, which will remain in place once Yorkshire Forward closes.

1. Task and Purpose:

From day one, Yorkshire Forward has had involvement in the skills agenda in the region. The region's performance in terms of workforce skills has been a long standing issue which could not be ignored in establishing an Economic Development Agency. The table below provides a snap short analysis of the region's skill levels versus those across England.

During the lifetime of Yorkshire Forward, large pockets of low educational attainment, low aspirations and deeply entrenched issues of worklessness have persisted. There have been high numbers of jobs in low skilled occupational areas and lower numbers of jobs in higher skilled occupational areas. Within the continuous period of economic growth in the region and prior to the recent economic downturn, we were also seeing the levels of skills shortage and hard to fill vacancies rising in the region, more markedly than in other parts of the Country. These overall characteristics of the labour market created the conditions where it was very easy to define a purpose and task around supporting skills in the region.

Table 1- Skills levels of the economically active population

NVQ	1999		2004		2009	
	England	Y&H	England	Y&H	England	Y&H
Level 4	23.5%	22.0%	29.0%	26.0%	33.6%	30.2%
Level 2	15.0%	14.5%	15.6%	16.2%	16.1%	16.9%
No Skills	12.1%	13.0%	10.7%	10.9%	7.9%	8.2%

Source- Labour Force Survey-Nomis

In addition to the underlying labour market trends, there have been a number of structural shifts in the economy which impacted significantly on the demands on the workforce. These included: the closure of many of the region's collieries in 1990s, the contraction of manufacturing employment in parts of the region, changes in the agricultural sector and a diversification of land based industries, expansion of contact (call) centres, floods, foot and mouth and more latterly the impact of the banking and financial services crisis and the economic downturn.

The national business survey conducted by the RDAs¹, indicated almost every year that significantly fewer of the region's businesses were investing in skills compared to the national rate. Some research was carried out to identify the reasons for this, but proved largely inconclusive². What was inferred was that of those businesses which were classed as "non-training" a significant proportion were micro businesses. Our region has more micro businesses than exists within the business stock nationally, which in some part explains the higher number of "non-trainers".

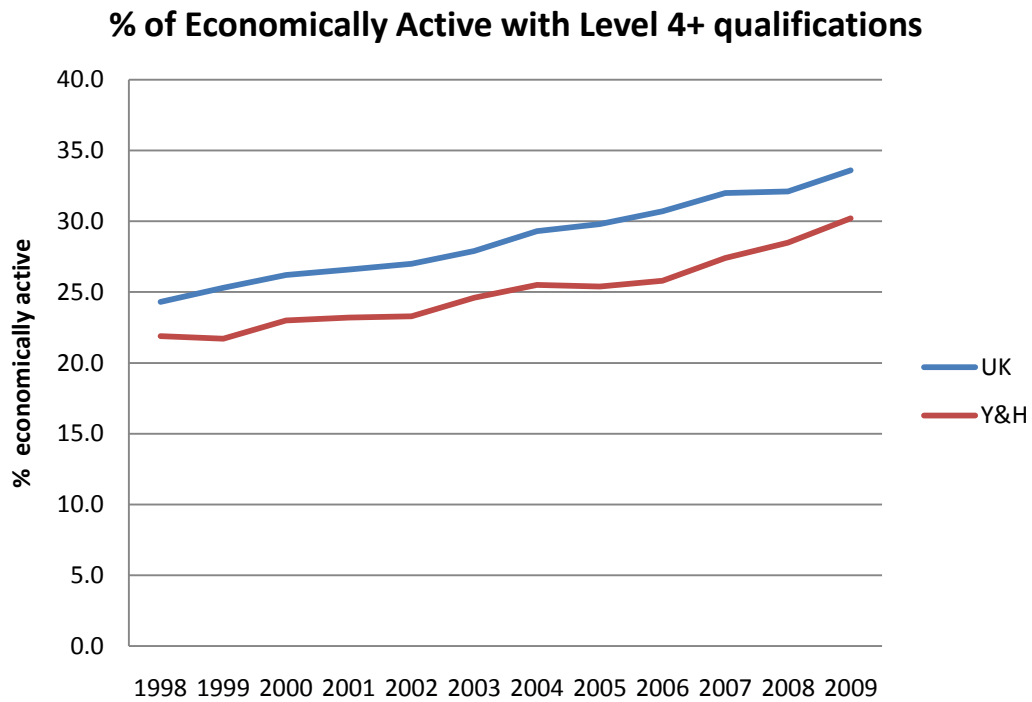
At the point of the Leitch Review of skills, Yorkshire Forward's analysis highlighted, based on the Leitch targets, that there was a requirement for an additional 960,000 people in the region to secure the level 2 standard and 550,000 to achieve a level 4 qualification. This was a massive and complicated challenge, and was to be approached by Yorkshire Forward and its partners in a range of ways.

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The National Business Survey resources can be found via Yorkshire Futures: www.yorkshirefutures.co.uk

² Training Activities of Yorkshire and Humber Employers: A Review – Leeds Met PRI. Report can be found on the archived Yorkshire Forward web site under the legacy section.

During the lifetime of Yorkshire Forward, for a considerable period there was a focus on stimulating the growth in higher level skills in the regional economy. With largely a focus on improving level 4 skills in the region, there has been some positive impact, albeit this would not be solely due to the investment programmes of Yorkshire Forward, but perhaps was generated by the actions of “Team Yorkshire” across a range of organisations. However, the differential between level 4 performance nationally and the lower numbers in the workforce with level 4 skills in Yorkshire and Humber was not closed, as is shown in the diagram which charts progress up to 2009.



Yorkshire Forward’s task and purpose at a strategic level was therefore to deliver a higher level skilled labour market and to understand and meet the labour demands of the businesses within the economy. At a delivery level, its purpose, particularly from 2005 onwards, was around driving up the skills levels in the economy, investing resources to deliver more higher level skills into the economy.

2. Approaches Adopted

Part 1: Skills Policy Framework, Structures and Strategy Development

The 12 year lifetime of Yorkshire Forward saw a range of approaches, growing in sophistication, and adapting to the fast changing world in which “skills” exists.

National policy over these 12 years has been predicated on the idea that “more and better skills are the most important lever within our control to create wealth and reduce social deprivation”³(Leitch 2006). The “sense of panic” (Keep 2009⁴) generated by benchmarking of skills levels internationally, nationally and regionally, has been exactly the experience in Yorkshire and Humber, which sadly has languished in the bottom of many league tables of skills, despite a plethora of interventions. The term “planet skills” was coined informally in recognition of the complexities and uniqueness of this policy area, with its own internal language and suit of acronyms which are perceived by some to over complicate the issues and the policy responses to them.

In the beginning, there was Skills.....



The RDA Act made provision for RDAs “to enhance the development and application of skills relevant to employment in its area”⁵. However, at the inception of Yorkshire Forward and in its formative years, investment in skills was largely a peripheral and low budget activity within the RDA. The earliest skills investments were largely reactive and tied to a response to redundancies in the region. The RDA’s main contribution outside of this was to be a source of labour market information for use in developing regional and local labour market strategies (where they existed both formally and informally).

From almost day one, skills strategy existed some distance apart from mainstream economic development and was developed to some extent separately to the regional economic strategy. Although finding a home in the first Regional Economic Strategy as one of its six objectives, the shape and structure of skills content did not flow from other economic development priorities as well as it should have. The critical relationship between people and places, while likely to be known, were undersold and lost in a tightly structured first RES. This disconnect, was to be an issue over the 12 year period.

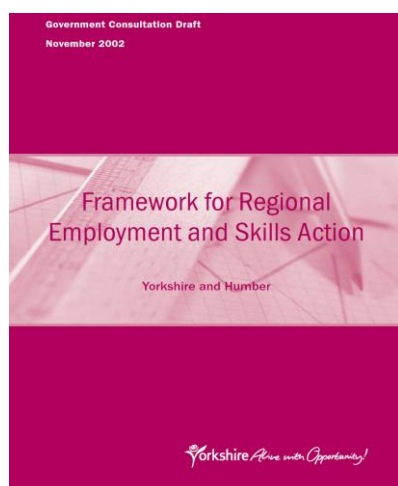
Within two years of Yorkshire Forward being established, a specific team was recruited to manage its investment in Skills. There remained a strong emphasis on labour market intelligence but a fund was established which allowed the RDA to invest in workforce and

³ Leitch 2006

⁴ The Limits of the Impossible: Shaping the learning and skills landscape through a shared policy narrative. SKOPE Research Paper No86, June 2009.

⁵ RDA Act 1998 – HM Government

skills development projects. The early Skills Development Fund was a competitive bidding round for Yorkshire Forward funding and supported around 70 projects in each round. Individual projects were subject to limited evaluation, but programme level evaluation provided the inevitable and predictable conclusion that the programme was offering too fragmented an approach, with limited impact on significant regional skills deficits. It was never aligned nor cross checked against the investment of the significant mainstream budgets and caused confusion between mainstream budget owners and Yorkshire Forward.



Around 2001/2, Skills and its importance to economic development grew in prominence. A national interagency working group was established with government departments (DTI, DWP, DfES) and the key organisations outside of Whitehall, (TUC, LSC, RDAs). The conclusion was that the skills disconnect must be fixed and skills was to become more embedded in Economic Development. The FRESA (Framework for Regional Employment and Skills Action) was born.

Whilst the intent of the FRESA was to increase the prominence and integration of Skills, its onus on the production of a separate skills strategy documents that stood apart from the regional economic strategies risked having the opposite effect. To avoid this, Yorkshire Forward took advantage of the flexibility allowed within a national framework and aligned the FRESA with its Regional Economic Strategy (see also module 1: Strategy). The RDA threw its full weight behind this process, with Board members and Executive Officers taking up roles in its development and implementation.

For the first time, there was some clarity on which organisations did which part of the ever complicated skills jigsaw. The RDA ceded delivery to the LSC, motivated by the RDA asserting its role as a strategic leader rather than a delivery body. RDA investment was channelled through the LSC where a check could be made to ensure alignment with the much more significant programmes of adult skills. However, the FRESA's traction was largely over discretionary investment only and was very much driven by planning the supply of labour and addressing deficits, rather than involving employers in a more sophisticated conversation and thinking about the future demand for skills within the economy.

During the latter days of the FRESA and in the lead up to the publication of the national skills strategy ("21st Century Skills - Realising Our Potential"), a sector-led approach to economic development was ever more popular on a national basis. The Sector Skills Development Agency (SSDA) was established along with the requirement for each region to establish a regional skills partnership (RSP).

The value of the SSDA's intelligence and strategic guidance was emerging and through their paternal relationship to the new Sector Skills Councils, regions were beginning ask the question of how a national sector led approach could work on a regional basis? However, the sector / regions/ locality issue is a conundrum which has never really been

solved and remains an issue which the new Local Enterprise Partnerships will need to continue to tackle. The RDA's attempt to solve this dilemma was through co-location of sector based organisations alongside the skills team in the RDA along with building a strong relationship with those sectors of regional importance. Most RDAs quickly learned that co-location of one or more external SSDA or SSC staff did not solve this disconnect and re-doubled their efforts to gain connections to the growing sector-based contingent.

Yorkshire Forward's greatest success in terms of sector skills council liaison has been achieved through dedicated liaison staff who can build the essential links between national and regional levels, cherry picking those sectors which are important to the Regional Economic Strategy. This is resource intensive.

Working in Partnership.....



As a result of the 2003 National Skills Strategy, the Regional Skills Partnership in Yorkshire and Humber was established in line with new national guidance to ensure that the demand for skills from businesses, communities and individuals, were matched by the suppliers of skills and supported by the agencies and organisations that fund and invest in skills training. The RSP rationale was underpinned by a philosophy that the whole is more than the sum of the parts. Its successes were such that for the first time there was shared ownership of the skills challenges in the region, and a performance management framework which all players worked to.

In recognition of this sector led strategic approach to skills, Yorkshire Forward developed its own skills policy in line with this thinking. Its policy was to support only those sectors which were deemed to be of greatest economic significance. In light of the mainstream offer supporting first full qualifications at lower levels, Yorkshire Forward would only intervene at higher skill levels. The national policy was underpinned by market failure arguments. The regional approach was as much about addressing strategic weaknesses, its poor high level skills would be a weakness in a knowledge economy, stimulating growth and achieving differentiation.

The next major milestone in the strategic development of the skills agenda in Yorkshire Forward was the publication of the Leitch Review of Employment and Skills in 2006. This gave the skills agenda a fresh round of organisational shake up and new and ever more stretching targets. The final report, published at the end of 2006 recommended that the UK should urgently and dramatically raise achievements at all levels of skills and recommended that it commit to becoming a world leader in skills by 2020. The RDAs were given fresh prominence in articulating the employer demand for skills and corraling employers to support this. Leitch was in retrospect largely a policy of securing upskilling on the supply side, an attempt to flood the workforce with qualifications, although we also started to see the beginnings of a demand side emphasis in terms of employer engagement. It did not address sub national disparities, nor consider the deployment of those skills levels it was geared to driving up.

In the midst of implementing Leitch, during the latter part of 2008, the region started to feel the impact of the economic downturn, with a number of high profile job losses across manufacturing and financial and business services. In response to this, there were several changes to skills priorities, with a focus on supporting companies experiencing

difficulties, supporting those companies which could support future job creation and a withdrawal in some instances from the softer community and education based activities which were being developed or supported. The RDA witnessed and acted upon the pace at which job losses were coming through and the urgent need to support the workforce to re-skill in response to redundancies. Having the flexibility in activity and resource to adapt to such shocks is something which others should be mindful of (see module 3: responding to economic shocks).

The Enlightenment....



During 2008/9, the Government developed the concept of an Integrated Regional Strategy. This was an attempt to solve a disconnect in a number of policy areas, but importantly for the skills agenda, to develop a skills strategy which was an integral part of both a spatial strategy, a sustainable development strategy and an economic development strategy. Yorkshire Forward produced a detailed evidence base as part of the process of developing the strategy, which involved a detailed analysis of the labour market, from the supply side and the demand side, and drew on the intelligence bank which the RDA had built up over its time⁶.

Prior to the 2010 election, the Labour Government produced 'New Industry: New Jobs,' its growth strategy for recovery. This was to some extent a fresh approach to economic development but had a clear vision of a more joined up approach to skills and economic development. Regions assessed their own capabilities against the identified drivers for growth, and despite significant overlaps, regions expressed their own 'targets for growth'. This was articulated in the work which had commenced on the Integrated Regional Strategy and the skills component of this. It seemed like at this very late stage in the regional development agencies existence, there was finally a cross-departmental government acknowledgement that **skills and economic development are not only connected, but that skills development is an integral part of economic development.** Yorkshire Forward and many of its partners had, at least in principle, adopted this approach since the second Regional Economic Strategy in 2003. Skills issues cut across all of its objectives and its skills content was indistinguishable from that in the FRESA launched alongside it. However, regional strategy is one thing, national frameworks and practical delivery quite another. Lessons about achieving integration continued to be learned as the region developed its structures, frameworks and strategies and also, as this chapter goes on to identify, through its investment in programmes and projects.

The Government added to the RDAs' mandate with fresh responsibilities to lead on articulating the demands of the economy for skills. This built on Leitch's thinking and placed an ever greater emphasis on stimulating the demand for skills in the economy. In

⁶ The completed Skills chapter of the IRS evidence base can be found on the Yorkshire Futures web site.

2010, it was formally agreed that this role would sit solely with the RDAs, who would have a responsibility to guide the investment of the very significant LSC budgets based on knowledge of business needs, empirical evidence and interpretation of this. Two statements of skills priorities were produced by Yorkshire Forward and were starting to influence the mainstream funders. This was the clearest and most significant award of strategic leadership to the RDAs and mirrored the request for powers which was coming from a number of city regions through the Multi Area Agreement process. However, in reality this never came to full fruition, and the new Coalition Government's view was to repeal these powers, due to a fundamental concern over the issue of market intervention and planning by the public sector.

Yorkshire Forward was always cautious about the degree of precision that could ever be applied to workforce planning despite having possession of a rich evidence base. That caution stemmed from obvious inability to control the choices of individuals and the plethora of information signaling failures in terms of understanding of the type and number of jobs in each sector of the regional economy and therefore the value of various different skills. While Yorkshire Forward has assisted some local authorities in undertaking analysis similar to their statements of skills priorities during the closure phase, without investment in the demand side intelligence needed, producing analysis of this nature will become increasingly more difficult.

Yorkshire Forward has held a variety of roles in strategic development of the skills agenda, up to the point at which planning for closure commenced. It remains to be seen whether the more laissez-faire approach to the skills system to be adopted by the coalition Government will deliver the skills into the Yorkshire and Humber workforce which the economy demands, or whether the frustrations of employers will grow over time as they struggle to fill skills shortage vacancies.

The strategic journey of Yorkshire Forward through the space around planet skills has developed a range of experience, and brought to the fore one very significant message for new organisations to consider. That is the importance of accepting that the economy and skills (as a system and as a product), must not live in isolation from each other. Whether there is planning or no planning, people make up such a large component of the productive capacity of our businesses, that we cannot be successful at growing one, without investing in the other.

Part 2: Skills Programme Delivery Approaches

Driven by its policy and strategic thinking, Yorkshire Forward's skills project investment was significant and varied over its 12 years. Annual skills programme spend for its last 5-6 years exceeded £14 million, comprising a mixture of capital spend to build capacity within learning establishments in the region and revenue spend in support of training. It has been a rapidly changing programme, identifying gaps and either filling them, or helping others to do so. Typically, Yorkshire Forward has supported 6,000 skills interventions per year at all levels (with individuals in employment or out of employment) but latterly mainly at higher levels.

While Yorkshire Forward recognised through its strategic leadership role that developing skills is part of developing the economy, the actual contribution that skills investments have made in the region is very hard to quantify and attempts internally and externally to do this have had a range of methodological issues⁷.

In 2009, evaluation work to assess the impact of skills products found that the return on investment in skills was the lowest across all the policy areas Yorkshire Forward intervened in⁸. This was mainly due to measures only relating to impact on jobs created /safeguarded, and thus GVA. The direct and indirect benefits of skills to business competitiveness, was not part of the assessment nor was there consideration that some skills investment will reduce jobs within a business, due to efficiency and opportunities for capital deepening. While the Government felt drawn to the conclusions about the limited impact of our skills investment, the Yorkshire Forward Board and Executive noted the limitations of the methodology and they and local authority partners continued to see skills investment as a very high priority within the allocation of Single Programme.

To support its investment decisions Yorkshire Forward maintained and invested in a high quality bank of labour market intelligence, which not only drove the investment appraisal process, but also could be used by others to improve skills programmes across the region. Most notably this evidence included:

- Household survey data related to qualifications, skills and ambitions to learn;
- Econometric forecasting of sectoral employment;
- Sectoral demand for skills (at various NVQ levels);
- Sectoral forecasting of the age demographics of the workforce (to allow understanding of replacement demand);
- Business surveys, including questions about skills needs, shortages and vacancies;
- GIS mapping of travel to work data; and
- Analysis of the main national surveys and data.

It is advocated that a strong evidence base is essential to understanding what investment is required, whether that investment has been effective, and how an area is changing in terms of labour market outcomes.

⁷ See Annex B of the National Evaluation of RDA Spend - Impact of RDA spending – National report – Volume 1 – Main Report
http://www.englandsrdas.com/Admin/uploads/attachment/Reports_and_publications/Impact_evalun_national_report_1.pdf

⁸ When compared to business support, renaissance, employment support and support for innovation and technology transfer.

To explore learning from skills investment, we can group skills programmes under four broad headings (with some overlaps). These are:

- a) Piloting new ideas;
- b) Investment in workforce development;
- c) Supporting education; and
- d) Supporting key clusters.

We can draw out some interesting learning from these groups, using specific project evaluations and internal learning.

a) Piloting New Ideas

Over its time the RDA had freedom to develop innovative ideas and test them in the market place. Pilots included working across education including higher education and further education and workforce development. Approaches that were tested included new ways of working with trade unions, delivering learning in higher and further education, how to encourage participation and break down barriers to employer engagement, and new models of learning in leadership and management and in niche skill areas. There is not space here to cover all the learning from these investments, nor quantify or qualify its impact, but the following two case studies provide perhaps examples of pilot activity which were considered successful and which were continued by others or informed mainstream delivery.

Through the process, important lessons were learned which are worthy of dissemination. These two case studies highlight two main learning points:

Firstly that to meet economic development outcomes, a project cannot simply implement supply side measures, i.e. train volumes of people in particular areas, without also considering the demand from employers for these skills.

Secondly, that it is very easy to displace an employers' willingness to pay for training through programmes of grant support and in doing so, added value is lost, which can be damaging longer term to an important objective; raising skills levels in the workplace.

Case Study: Construction Training in Prisons

In 2003 Yorkshire Forward commenced support for a pilot project with HMP Lindholme in South Yorkshire. It aimed to develop the training offer for prisoners and to make this more relevant to employment opportunities following their release. Research at the time suggested having paid work could reduce the probability of re-offending by between a third and a half⁹. As a lower security regional facility, a high percentage of the released prisoners enter the labour market locally. The pilot project's evaluation highlighted a number of very positive benefits which generated national accolades, led to a number of academic policy papers¹⁰ and interest from the Government. The most positive impact was raising the probability that released prisoners would gain employment, which was secured through the involvement of employers in the scheme. Fosters' Bakery in Barnsley and Carillion were two examples of employers working with the offender community to improve employability, both offering vital work experience and the much needed opportunities for employment post release. The following testimonial was provided by a participant in the programme:

"I now have a full time job with Network Rail as a Trackman and I am doing further training on a lookout course. I look forward to completing this and hope to be able to move on and be put in charge of a gang in the future. Being in this situation has made me feel very confident and when I look back, the course has certainly not been for nothing. Work is there if you want it.... I have found that the employers have no problems with employing ex offenders and are willing to give us a chance. This has been a life changing experience for me, and it has pointed me in a different direction and certainly a better path. I am now much more financially stable and have a house and a car, and with my family support I am looking forward to a new life."

The key issue which the project resolved was how to develop a realistic training environment in a prison setting, given the daily routines for prisoners. The project developed an approach whereby there was close simulation of real work and in many cases, examples of real work through engagement with employers. This enabled those who participated to not only learn the skills they needed, but also develop the links that they would need within those industries that frequently recruit ex-offenders.

Outcomes:

The impact of the project on re-offending has not been tracked. The project was never of a scale and value which was going to impact on the full regional offender and ex offender populations. What we do know is that its legacy has been to encourage the mainstream providers of offender learning to re-think its content and focus, to ensure this is not simply about learning, but as much about employability, work-readiness and developing real life experience during the custodial time of an offender. It led on to Yorkshire Forward working with larger prisons on an economic inclusion project, as well as changes to offender learning activity commissioned by the Skills Funding Agency. **A significant area of learning was that despite the positive impact the training opportunities have, there is an imperative to work as hard in stimulating employers' willingness to employ directly from the released prisoner cohort.**

Programme Spend:	£2.45 million
Project Key Outputs:	People assisted with skills development -903
	People assisted to secure employment – 84

⁹ The Social Exclusion Unit 2002.

¹⁰ How do we make Prisons a Place of Learning – Fletcher 2010 in People, Place & Policy Online (2010):4/2, pp. 62-68. DOI: 10.3351/ppp.0004.0002.0003

Case Study: Employer Training Pilots in the Humber and North Yorkshire

The Government announced a programme of Employer Training Pilots which would be established across a number of English regions. This included West and South Yorkshire but excluded North Yorkshire and the Humber. Working with the Learning and Skills Council, Yorkshire Forward agreed to use its resources to extend the pilot of this programme to cover these two excluded areas. The concept was to provide a brokerage service to employers to support identification of training needs as well as a fully funded training offer for qualifications at NVQ level 2. It was not only a reactive service responding to enquiries from employers, but also involved cold calling to businesses who were not current customers of business support services. Two out of five of the programme's learners had not done any work related training and so the programme offered a solution to real barriers of time and cost to employers and individuals. A sector based approach was developed, based on a theory that there was a requirement for brokers to have a certain level of sector knowledge to be able to meet the needs of employers in that sector.

Outcomes:

The employer training pilots were an important part of the jigsaw which became the mainstream offer for employers. It developed important lessons for the Train to Gain launch, which in our region supported 158,000 people to improve their skills.

The programme highlighted the benefits of training and 78% of participants felt they were more likely to undertake further training following their involvement on this programme. However, the independent evaluation raised a significant concern regarding displacement effects. 53% of the surveyed sample of beneficiaries indicated that they would have engaged in the same training with or without the programmes' support and within this cohort most of the training in question was of an essential nature (i.e. required in law or by industry regulations).

There are two important messages from this project. Firstly that if additionality was to be higher and deadweight lower, the harder to reach employers needed to be reached in greater numbers. This particular outcome related to a key learning point **that is very easy to displace employers willingness to train their own employees and to pay for this to take place.**

Secondly, GIS mapping of the residential addresses of those that participated in the scheme uncovered that despite the programme delivering lower level qualifications, the geographic spread of beneficiaries far exceeded the limits of the geography the programme was aimed at supporting. **The significant distance between where people lived and worked illustrated well the mobility of the workforce even at low levels and the potential for the leakage of benefits beyond the target area.**

Programme Spend:	£6.7 million
Programme Key Outputs:	People assisted to gain level 2 qualification – 5,400 Businesses assisted - 734

In the case of most pilot programmes, the activity led on to mainstream agencies doing further activity linked to, and learning from, the initial investments made by Yorkshire Forward. However, this involved hard work and high levels of influence within the agenda area, which takes time and resources. The testing of these skills interventions went on to inform both the wider 'Train to Gain' national programme and the way in which this was delivered in Yorkshire and Humber, as well as the delivery of more vocational based offender learning.

b) Investment in Workforce Development

There have been a wide range of workforce development programmes over the last 12 years. These have included: leadership and management programmes, offers of subsidised training within sectors or geographical areas, supporting union learning, supporting cross cutting skills such as ICT, languages skills and basic skills, and supporting particular groups such as graduates. Many of these workforce development programmes were also pilots, testing out new ideas, but many became longer standing themes within Yorkshire Forward's corporate plan.

What had to be very carefully assessed with each new project was **the extent to which there was true market failure in delivery of skills into the workforce**. It was important to assess at each stage why employers would not simply invest their own funding and why public intervention was required. A 'Yorkshire effect' was frequently cited which manifested in employers' lower propensity to fund workforce training¹¹. How to measure the extent of market failure was probably never quite fully understood, but to some extent the RDA paid an ongoing price for the creation in the early days (in some instances) an employer perception that the public purse would always help them get the skills they needed.

The two following case studies draw out the main learning points from delivery of workforce development programmes. These are Graduates Yorkshire and the Regional Languages Network. One was considered successful, the other less so.

Mirroring the learning in the preceding case studies, it was found that in the case of graduate retention, there were **even greater levels of complexity linked to the economic geography of the supply side of the market**, which meant that investment was less successful if measured by number of graduates retained and / or jobs created, when targeted at individuals than when it was targeted at employers.

A further key lesson relates to employer engagement, and how this can be radically improved through ensuring that **businesses almost autonomously come together to solve a skills problem, rather than a public sector led push**, recruiting retrospectively to secure business engagement. Being unconnected to the rest of the business support system is also a major barrier. Programmes such as Electronics Yorkshire¹² were designed and created by employers rather than the public sector and by virtue have continued to respond quickly to changing employer needs. Better outcomes ensue when employer involvement is not simply tokenistic on a board, but when employers control the board.

¹¹ Training Activities of Yorkshire and Humber Employers: A Review – PRI / Leeds Metropolitan University, January 2008.

¹² See: <http://www.electronicshyorkshire.org.uk/>



Case Study: Graduates Yorkshire

Yorkshire Forward began investment in a programme to retain graduates in 2003 which was extended in 2006 and 2009. The investment in the first two phases was around working with graduates to raise their awareness of employment opportunities in the region and to support the development of work skills¹³. Most, if not all the interventions were with students resident or studying in the region. The programme secured the collaboration of all the higher education institutions in the region.

External evaluation in both rounds of investment was very positive, but despite the strength of the project in terms of preparing students for work, there persisted to be relatively low levels of retention, as measured by the student destinations survey. The evidence showed that while many students wanted to stay in the region, they were unable to do so due to a lack of opportunities.

In 2009 as a response to this, Yorkshire Forward and Graduates Yorkshire (a spun out social enterprise), developed a programme which was intended to stimulate the demand from employers for the recruitment of graduates, through support to create and recruit to internship placements, particularly in SMEs.

Three rounds of work on graduate retention identified the complexity of the mobility of the workforce - students are among the most mobile. Evaluators developed a neat classification with six categories of students depending on their home, place of study and post graduation destination. Because of the various categories, it is very hard to develop a programme of graduate support that does not result in lost expenditure and any supply side intervention in this market runs this risk. However, through focusing on the demand side, the employers in the region – it is more possible to almost set aside these complexities and retain programme spend and multiplier effects in the region.

Outcomes:

Graduates Yorkshire is one of the most successful Social Enterprises in Yorkshire, winning the University Spin Out of the year award in 2008. Its core activities have operated without public sector support for over three years and it continues to build its services. Despite the excellent performance of graduate retention projects over the years, the GVA impact appears to be relatively low. An evaluation in 2008 carried out by MTL, concludes that from the 810 graduates who found employment as a result of the project's activities between 2006 and 2008, the marginal impact on GVA of this support was just over £2.4 million. When compared to the value of the project investment, this figure would not overwhelm those that wish to see quick and high returns. However, this downplays the longer term positive impact of keeping the highly skilled within the Yorkshire and Humber economy.

Programme Spend:	£4 million	Programme Key Outputs:	People assisted to
secure employment – 4,595		Businesses Supported – 1,746	

¹³ See the HESA web site for information on graduate destinations
http://www.hesa.ac.uk/index.php?option=com_pubs&task=show_pub_detail&pubid=1714&Itemid=286



Case Study: Regional Languages Network

The Regional Economic Strategy included aimed to expand the value of international trade carried out by regional businesses as well as to attract foreign investment. Inherently this creates a demand for language skills. Most regions had a Regional Languages Network (RLN) funded by its RDA. As a special purpose vehicle operating on a specialist subject matter, the ability to network with the other part of the business support agenda was to argued to be integral to success.

The RLN in Yorkshire and Humber was established to champion the development of language and cultural awareness skills in businesses and to grow their ability to engage in international trade. The network centered on a web and signposting service, alongside workshops, seminars and elements of more intensive support.

Outcomes:

The final evaluation of this programme identified a number of issues related to how the project set about achieving its outcomes. The majority of these centered around a failure to establish a clear link between this project and the main business support services or to agree whether the service was to be a strategic body, developing a language skills strategy for the region, or simply a service provider. Through the disconnect with the major players in business support, particularly UKTI and Business Link, the opportunity to integrate language skills support into the mainstream services and thus to penetrate a greater number and variety of customers was lost. This meant that by unit output accounting techniques, this project was expensive. While supporting over 1,000 businesses, independent evaluation found that substantially fewer interventions were intensive and provided real added value to competitiveness through significant impact on the levels of international trade the region's businesses engaged in.

This is an example of the vital importance not only of strategic integration of a skills project with wider business support, but of the mistakes that can be made by **creating an artificial separation of skills issues from other business operations.**

Programme Spend:	£2.3 million
Programme Key Outputs:	Businesses Assisted 1,073
	People Assisted with Skills Development -737

c) Supporting Education

Yorkshire Forward saw that an interest in the educational performance of the region fell within its economic development remit. Part of this has been centered on the Science Technology Engineering and Maths ('STEM') agenda. It is argued that performance in STEM subjects by young people will underpin success in of most of the priority sectors articulated in the Regional Economic Strategy.

In 2002, Sir Gareth Roberts wrote an influential paper entitled "SET for Success". This clearly articulated the grave issues in terms of achievement in and take up of STEM subjects. Importantly it also called for greater strategic leadership of a range of initiatives to improve STEM attainment by young people, and the establishment of regional STEM co-ordination activity. This recognised that many organisations had their eye on the issue, but that there was a potential explosion of initiatives which would now be targeted at schools and young people as a remedy.

Until around 2007, the education programmes Yorkshire Forward supported were almost exclusively targeted at the STEM agenda. In 2008 it began to think about the wider education agenda. Around 60,000 pupils undertake GCSEs in the region each year and 50% achieve the standard of 5 A*-C GCESs including Maths and English. This is well below the English average, despite parts of the region performing exceptionally well. (most notably in North Yorkshire). To reach English average, around 2,100 pupils within the cohort need to improve performance.

Employers see the lack of basic skills within young people as a significant issue. A paper presented to the Yorkshire Forward Board, set out the nature and impact of this underperformance within pre 16 education. Arising from this, it was agreed that Yorkshire Forward did have a justification to invest in education¹⁴. This led to three educational projects: The 14-19 challenge; Transforming Learning in Barnsley; and Inspire Rotherham. In making this investment the rationale was to support local authorities through added value activity and testing concepts and ideas.

The 14-19 challenge had a number of aims which included helping more young people to achieve good results at 16 and upwards, encouraging them to stay on in education or training, reducing the number of young people not in employment, education and training, and encouraging more employers to get involved in education more often and more effectively. Yorkshire Forward played a shared leadership role with Government Office, Local Authorities and the (then) Learning and Skills Council. It always ran the risk of muddying the waters. A national challenge emerged during the early stages of the regional challenge. This gave rise to competing calls on schools and ran into concerns and anxieties from local authorities.

The following case studies highlight projects Yorkshire Forward supported from 2009 onwards. Their successes have hinged on the leadership and ownership shown by local authorities. Trying to draw conclusions about their impact on the economic indicators RDAs (or other economic agencies) are judged on also demonstrates the extent to which this is a long game, which will continue after Yorkshire Forward is closed. **There was to some extent some difficulty when matching RDA spend with mainstream budgets.** Despite significant spend on STEM by Yorkshire Forward, when considered as a share of the total resource, this was dwarfed by the mainstream spend in education. This situation was only remedied when projects were strongly backed by the Local Authority or mainstream offer.

Local Authority education budgets in 2009/10 for Yorkshire and Humber were estimated to be £4.7 billion¹⁵. Finding ways to turn an oil tanker this large is a very significant challenge. It is clear that those things that were invested in generated useful assets and important new partnerships and infrastructures. But it also raises an intellectual argument about whether Yorkshire Forward was ever sufficiently equipped with the resources to impact on the education deficit the region has, which clearly impacts on subsequent adult skills and on productivity...and whether Local Enterprise Partnerships will equally face a major challenge with the scale of this task.

¹⁴ The paper presented to the March 2007 Board meeting of Yorkshire Forward can be found at... <http://www.yorkshire-forward.com/sites/default/files/events/agendas/Board%20Papers%20-%20March%202007%20updated%202011.pdf>

¹⁵ The main sources of financial information are the Revenue Account budget returns (RAS52) and Revenue Outturn Returns (RO1)

Transforming Learning in Barnsley:

This project was initiated by Barnsley MBC, whom Yorkshire Forward agreed to work with as part of the town's Geographic Programme. The project sought approximately £9.5 million from Yorkshire Forward to invest alongside Building Schools for the Future, and PFI funding for the rebuilding of all secondary schools in the local authority area. This substantial project for the borough council had aspirations beyond the main aims of Building Schools for the Future and the novel concept of advance learning centres, offered an opportunity for schools to become not only part of children's learning, but community assets for all adult, community and family learning, extending the school day, week and year and reflecting the chronic issues the borough faced in terms of education and adult skills.

This project stretched and challenged Yorkshire Forward's Board in terms of its economic remit, its relationship to young people, communities and education. If the project could achieve the outcomes of uplifting the educational attainment of local residents it would undoubtedly impact on economic performance, but what was particularly hard, was to develop a project where the outcome was only measureable over a long time period, particularly when the economy was sliding into recession.

Outcomes:

At the point of Yorkshire Forward's closure, five of the new Advanced Learning Centres were open. They deploy state of the art education technologies including, classroom response systems to enable staff and students to vote when asked questions, electronic blackboard systems and a biometric registration pilot, which may reduce time spent registering children and reduce truancy. Barnsley has achieved some of the fastest improvements in GCSE results nationally, between 2009 and 2010, there was a 9% point uplift in pupils achieving 5 GCSEs A*-C which exceeded both regional and national improvement rates.



Programme Spend:

£9.5 million

Programme Outputs:

No core outputs assigned to the project.

Case Study: Inspire Rotherham:

Yorkshire Forward approved investment in Rotherham MBC's¹⁶ 'Inspire Rotherham' project. This built on the idea of Dolly Parton's Imagination Library in America, which encourages families to invest time in their children's reading, through book distribution and on line materials. This also led to a famous visit by Dolly to Rotherham!

Inspire Rotherham aims to ensure that no child leaves primary education without the necessary levels of literacy and competency in the use of English language to enable further learning. Specifically the project's aims were to:

- Raise the aspirations of families to support young people to develop literacy skills
- Inspire children as communicators
- Improve communication through a wide network of children and adult mentors
- Establish a research community to learn and apply successful measures.

The relatively small investment by Yorkshire Forward has not only delivered in Rotherham, but has been spread across the region. Inspire Rotherham is now a community interest company, and the Council has worked with other local authorities to cascade it to their areas to improve literacy.



Outcomes:

Whilst the project has been a success in its own terms, the Key Stage 2 (age 11) results for Rotherham in 2010 don't yet reveal a significant improvement in English literacy. However, between 2006 and 2009 the percentage of pupils who progressed two levels between KS1 and KS2 improved by 5% points, compared to an English average of 3% points. Such measures of the comparative scale and direction of change need to be long term and considered alongside absolute change.

Programme Spend: £1.2 million

Programme Outputs: No core outputs as the beneficiaries were young children.

¹⁶ For more information on the project see: <http://www.inspirerotherham.org.uk/About-Inspire-Rotherham.aspx>

Case Study: Science, Technology, English and Maths (STEM):

Yorkshire Forward invested around £45 million to improve STEM skills in young people over approximately 9 years. This commenced through the early Strategic Development Fund, SRB, then Single Programme. Early investment involved: establishing a number of STEM centres, improved infrastructure, and investment in a select number of schools to improve the teaching and take up of STEM subjects. This included investments in local co-ordination of activity, teacher training and addressing under-representation in STEM subjects (particularly females).

Evaluation of this activity indicated that there were too few schools who felt willing and able to participate, which would always work against real success across the board. It was also felt that the national curriculum limited a more innovating and engaging approach to teaching science, which an RDA would never be able to influence to any great extent¹⁷. For these reasons, the second major round of investment worked to target activity outside of the main curriculum delivery and in the main, to a young cohort, through out of school clubs and family learning. This round achieved positive evaluation results and indicated that there had been some (albeit modest) uplift in STEM attainment.

The second round was much more directly targeted at primary school pupils, where it is argued it is easier to influence perceptions and attitude. Pre and post intervention surveys indicated greater perceptual change in young participants compared to older participants. Projects were delivered both regionally and locally, and involved a range of partnerships to enable smaller and more innovative ideas to be delivered on a larger scale¹⁸. The possibilities for sustaining the this package of activity initially looked positive, but the realities of budget cuts, has limited this.

Outcomes:

STEM improvements have genuinely taken place that can be attributed to the actions of Yorkshire Forward and its partners. In comparison to the England LEA maintained average, most Yorkshire and Humber STEM subject attainment falls a few percentage points below the England average, typically ranked between 8th and 10th¹⁹ of the English regions. However, since 2002/03 the gap between attainment in Yorkshire and Humber and attainment in England has decreased consistently across all STEM subjects. And in some STEM areas (e.g. single science and design and technology), Yorkshire and Humber has risen to second place in the rankings.

The region now has a reputation nationally for innovative and exciting projects arising out of its STEM programmes. In 2011 Bradford will host the BA festival for Science, Yorkshire and Humber is at the forefront of collaborative work between schools and the European Space Agency, and within York University we have the national science learning centre, driving the teaching of STEM subjects nationally.

Programme Spend:	£12.5 million
Programme Key Outputs:	People assisted with skills development -approx 27,000

In other low cost education activity, Yorkshire Forward and Yorkshire Futures worked together with educational partners to research factors behind the region's relatively low (if improving) educational attainment. One research study²⁰ concluded that within schools, the greatest correlation to overall GCSEs attainment was with English Language skills at age 11 – suggesting a focus on English as well as STEM is important. It further found that aspirations, culture and the social mix in schools played a major role in influencing attainment. In response, Yorkshire Futures commissioned further work on

¹⁷ For the first formal evaluation of STEM activities funded by Single Programme, see http://www.yorkshirefutures.com/system/files/ww_docs/DAB02%20STEM%20Evaluation.pdf

¹⁸ For the last evaluation of STEM activities managed by Yorkshire Forward see:

¹⁹ The ten ranks include all 9 RDA areas with London split into outer and inner London.

²⁰ Learning to Succeed: understanding and addressing Key Stage 4 (GCSE) underachievement in Yorkshire and Humber, Hoshin and Yorkshire Futures, 2007

teaching recruitment and retention issues²¹ and invested in adding an action research and evaluation component to an innovative Yorkshire Forward pilot project. This trialed the application of thinking developed by Stephen Covey and a 'seven habits of highly effective teenagers' programme in two schools in Castleford and Rotherham. It sought to enhance pupils self confidence, thinking skills and aspirations and to assess any knock on impact on attainment. Evaluation results suggest that relatively short interventions the project has helped to improve outcomes including GCSE performance²².

d) Supporting Key Clusters

From 2003 the Regional Economic Strategy emphasised a sector based approach to economic development, following the influential work of Michael Porter. In support of Yorkshire Forward's Cluster programme, there was the development of a 'skills for key clusters' approach from 2003 onwards. Importantly, this involved in effect a de-prioritisation of support in non priority skills areas, in favour of supporting those sectors which Yorkshire Forward, working with its partners, had articulated in the Regional Economic Strategy (see also module 9: sector and cluster development). This took Yorkshire Forward from the historical SRB style approach of small local projects, to larger sector based investments, initially contracted through the LSC.

There were two issues with such an approach. Firstly, despite the skills required in these priority cluster areas being largely specific to that cluster, there were a range of generic skills issues which continued to be the top of employers list in terms of deficits and shortages, such as leadership and management, initiative, selling skills, marketing and commercialisation of ideas. The case for investing in such generic skills was in some ways easier to make compared to more specific skills requirements where the argument for employers to invest themselves becomes stronger, as the skills becomes less transferable and public investment becomes potentially anti-competitive. However, it is harder to measure improvement of generic skills in qualification terms and their impact on business performance is less direct. Secondly, there were issues in terms of the movement of sectors into and out of the priority list, for example, financial and business services, low carbon skills, healthcare technologies. The skills team spent a lot of time debating with local authorities the way in which a regional prioritisation of sectors had been made.

Evaluation evidence suggests that **where the projects had direct links into the relevant clusters businesses, then the provision which was invested in, tended to be better driven by the needs of those businesses.** This is compared to the experience of less well connected projects which were driven by more supply side targets (i.e. getting someone a qualification, a set and un-flexible curriculum, use of out of date technologies). Projects which were developed with industry involvement and generated new and accredited higher level qualifications have left durable legacy with strong credentials and importantly, leveraged employers' own investment.

²¹, Teacher Recruitment and Retention in Yorkshire and Humber, Centre for Education and Inclusion Research, Sheffield Hallam University and Yorkshire Futures, 2009

²² Evaluation of 'The 7 Habits of Highly Effective Teenagers' pilot- Skills Strategy Research, March 2011.



Case Study: Manufacturing Masters

This was a workforce development, knowledge and skills programme for employees in the manufacturing sector, aimed at improving business performance and to support change in companies. The majority of Yorkshire Forward spend was targeted at the development of a curriculum package which offered something unique and bespoke to the participants of the programme, to differentiate from more generic higher education provision.

Unlike other workforce development programmes, the course was designed in structure and content to have immediate and tangible business benefits such as improving scrap rates, stock turn and supporting process re-design. The delivery body built up a bank of evidence from participants, which was used in promoting the offer, and which demonstrated these real and quantifiable impacts. This supported good rates of recruitment, even during the recessionary period. Its main successes also stemmed from its very close integration with the Manufacturing Advisory Service, a mainstream business support product being delivered nationally and generally well regarded within the sector. The possibility and occurrence of cross referrals meant that MAS projects were supported by the Masters programme and the Masters programme supported MAS projects being undertaken in companies. An example of this real impact was provided by a participant:

“Hastened by exposing the learning from this course to the business and the shop floor, [we have] secured real impacts on the shop floor in terms of culture, responsiveness and understanding. Cost per tonne of manufacture has reduced to £75 from £110, some of which is due to the efficiencies and systems resulting from the course”

Outcomes:

Evaluation evidence suggests very limited deadweight effects from this programme. It was understood that this was a very innovative programme, the like of which did not exist prior to the Yorkshire Forward investment, and unlike other areas of workforce development the investment is not likely to have crowded out other non public activity. What proved to be difficult in the evaluation was to understand the GVA impact of such an investment. Logic would suggest that higher skilled manufacturing workers would create a gross value added uplift, which would in turn be quantifiable through their wage returns, but this is contingent also on labour market practice, which at the time of evaluation was such that pay freezes were in place across much of the manufacturing workforce.

Programme Spend: - £1 million
People Assisted with Skills Development (higher level) – 300

3. Resources, Results and Outcomes

The following table shows the total resources and skills interventions delivered by Yorkshire Forward, compared to the national experience. It is drawn from the national research carried out to measure the impact of the RDAs. The methodology for calculating returns to investment in the skills area is an imperfect science but is informative in terms of providing benchmarking figures.

What we can see is that relative to the other RDAs, Yorkshire Forward dedicated more of its Single Programme and pre-single programme resources (up to 200/07) to 'people based activities', and in delivering skills based interventions achieved about the same value for money as all other RDAs.

	Estimate Spend 1999-2006 (People based activities)	Net Estimated Skills Assisted	Estimated Cost per Net Skills Assist Output
Yorkshire and Humber	£265m	74,375	£3,581
National	£900m	250,000	£3,600

Source- PWC Evaluation of RDAs. Volumes 1 and 2 (Regional Annexes)

The evaluation of Yorkshire Forward's policy product ranges²³ included an assessment of its work in the skills agenda at a policy level. This perhaps adds more detail than the national PWC impact assessment work. While Yorkshire Forward dedicated a significant proportion of its budget to improving skills and work outcomes this was latterly against a growing opinion that there was ultimately a low GVA impact from skills interventions. What Regeneris showed, which did not come out in PWC, is that the payback period for skills interventions is longer and Regeneris was more appreciative of this time dimension. Also, because much of what Yorkshire Forward did was to test and develop new approaches, what any policy level evaluation of skill omits, is both the positive impact of the roll out of programmes, and attempts to measure the lifelong earnings of those that have improved their skills in the short term.

We have known that within the investments Yorkshire Forward made, there are deadweight effects which must be considered. A number of evaluation activities provide a gross to net calculation which can be adopted to convert the above gross outputs into a figure which more realistically provides the net additional skills interventions which occurred. The evaluation of the Enhancement Fund programme²⁴, supported from 2008 by Yorkshire Forward, provides perhaps the biggest sample of businesses who had participated in an evaluation survey. This provided good information to inform a gross to net impact calculation. Within this, there is an estimate that a maximum of 44% of the outputs delivered represented some form of deadweight, but at its lowest over the lifetime was estimated to be 33%. Within the Employer Training pilots, the conversion factor from gross to net outputs was significantly higher, with up to 55% accounting for some form of deadweight.

²³ YF Policy Product Range Evaluation – Estimating Potential GVA, Regeneris, September 2010

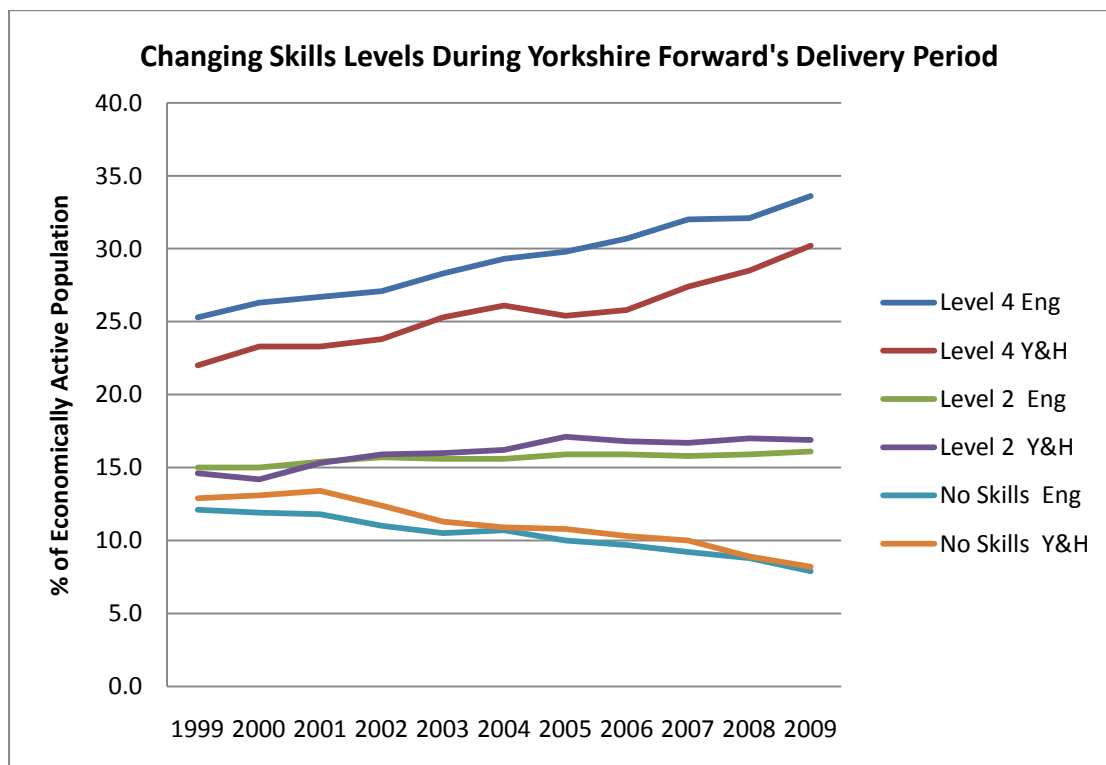
²⁴ This evaluation was carried out by EKOSGEN Consulting over the lifetime of the project (2008-2011) and can be found with the project records for the project (YF reference -904318) or can be accessed from Yorkshire Futures' What Works Database. .

Changing Skills Levels

Over the lifetime of Yorkshire Forward there has been a positive change in the skills levels of the economically active population. Within the region there has been a significant reduction in the numbers who have no skills and a positive improvement in the numbers with all skills levels, including higher level skills.

There is however a limited convergence with the skills levels of the English population as a whole and the region remains in a catch up position. With this limited convergence in mind, there have been periods where the region has more quickly improved skills outcomes at both the lower and higher levels. In 2006/07 particularly, the region witnessed a very strong performance in improving level 4 skills. It is hard to draw clear conclusions about the reasons for this, but at that time there were a large number of FE colleges expanding into HE delivery in the region (some directly supported with Single Programme, e.g. a new Barnsley campus of Huddersfield University). There were strong Aim Higher projects, a range of vocational pathway initiatives and a strong emphasis on higher level skills within Yorkshire Forward's policy of the Yorkshire Forward.

In terms of basic skills, from around 2004, we found that Yorkshire and Humber had no greater a proportion that nationally of people with no skills within the economically active population. However, sub regional and local variations will indicate particular deficits remaining in the non skilled cohort.



Source: Annual Population Survey (from 2004), Labour Force Survey (1999 -2003)

Additionally, it is important to see Yorkshire Forward's impact on skills within the context of both national policy and other agencies investing in skills. Both DfES policy and LSC investment in skills over the period were heavily weighted to NVQ Level 2 qualifications. That dwarfed RDA investment, and as we have already discussed, how an economic development agency with an interest in skills can complement other skills infrastructure and investment will be an ongoing issue.

4. Insights and Lessons Learnt

Yorkshire Forward's 12 year role in skills, workforce development and to some extent improving educational outcomes, has generated important insights from both its strategy role and its role as an investor. Throughout the preceding sections of this module, these key messages have been drawn out.

One important matter which Yorkshire Forward needed to overcome, but perhaps did not quite achieve until near its end, was to steady its relationships with the other key players in this agenda. Partnership relationships in the skills arena proved to be some of the hardest to maintain, perhaps due to the overlap of mandate around the strategic leadership of skills in the region. There is perhaps some justification in a view that at times Yorkshire Forward emanated an air of organisational arrogance, which within the skills agenda, prevented it from seeing the real value in co-operation and partnership action. For those that take on the future leadership role for local economic development, maintaining awareness of organisational complexities and sensitivities is time consuming but useful.

Six key insights and lessons are drawn from the preceding sections and are as follows:

- a) **The economy, and the skills of the people within it, must not live in isolation from each other.** Yorkshire Forward's most effective approach to skills was when the system was connected, that is both connected to other parts of the Yorkshire Forward agenda and connected to other skills agencies and business support activities in the region.
- b) **To meet economic development outcomes, a programme cannot simply implement supply side measures.** That is to say, where there were programmes and plans developed to simply create a stock of skills in the economy, without the other parts of the jigsaw in place (i.e. the demand from employers) while socially advantageous, tangible economic impact was limited.
- c) Through Yorkshire Forward's investment in workforce development, in retrospect, it was found that **it was very easy, despite best intentions, to displace employers' willingness to pay for training and skills development.** In many instances, project design led to a correct assessment of the market failure. But in others, where perhaps there was a national policy to create a big supply side push at a particular skill level or sectoral area, at times investment failed to secure best value through programmes with unacceptably high levels of displacement.
- d) **Generating a sophisticated understanding of the labour market is important.** Yorkshire Forward invested considerable resources in understanding the economics of the labour market and its characteristics and future development. This investment was used extensively and its ability to improve planning and strategy should not be undersold. Economic Development as a discipline works well when clear geographical target areas can be defined and strategies developed on a spatial basis. Labour markets don't have a fixed geography, people and their movements are complicated and employment laws mean recruitment geography has limited regard to lines on maps.
- e) It was also found that the **best and most effective programmes were born of business, not done to business.** When businesses came together almost autonomously, to solve a skills problem, the best results ensued.

- f) Finally, it was found that often, and in many case examples, **a little bit of money to test an idea was better than a lot of money, which muddied the waters.** Where Yorkshire Forward spent significant resources, particularly in education, it remained dwarfed by the scale of the mainstream budgets and in some sense, powerless to influence change. In contrast, small taster or pilot projects were able to quickly test a concept, and if backed by the mainstream delivery bodies, went on to make significant impact.

This module is therefore a reflection of the 12 years that Yorkshire Forward was involved in the Skills agenda. Unlike some areas of Yorkshire Forward's remit, it does not reflect chiefly on the RDA's own interventions. The region's labour market and its constituent economic geographies remain in a deficit position compared to other parts of the Country. A need for agencies to have a role and resources that are focused on reducing this deficit exists more than ever as knowledge increasingly is at the heart of competitiveness. Future prosperity and social cohesion remain intrinsically linked to connecting people to new opportunities.

It is hoped that this overview and evaluation of this period provides important lessons, particularly for the Local Enterprise Partnerships, local authorities, newly emerging business support organisations and those governmental bodies which will continue to develop policy and programmes to drive up skills levels within the economy.

Annex A: National Skills Experience:

All nine Regional Development Agencies had a strong role in skills. There was however a very different approach taken between the different organisations, even when a common tasking framework was in place and a common framework. This reflected the differential thinking of the Boards of the RDAs, the different prioritisation of Skills in regional Economic Strategies and ultimately driven by the different regional characteristics of the labour market between regions.

There is commonality in the approach taken to skills, in those regional areas where there are lower skill levels within the workforce. In these regions there was a higher proportion of the total RDA spend being directed towards skills (NE, NW, WM and Y&H) and a stronger desire to drive higher level skills, to narrow the skills gap with the higher performing regions in the Country.

All regional development agencies valued and committed resources to high quality labour market research. A practitioner group was useful in sharing experience of research, using national datasets and development of regional survey, forecasting and analysis tools. Again, each region's evidence base around skills is variable, some preferring to rely more heavily on national datasets which with lower costs provided national transparency and comparability. Others developed a richer analysis of their regional labour markets through their own survey and use of forecasting data and techniques, but lost some of the ability to compare between regions. In the South West for example a specific unit was established as a module of their observatory. The Skills Learning Intelligence Module SLIM, perhaps could be noted for the high quality of their labour market evidence base. The unit was part of the University of Exeter and funded by the South West Regional Development Agency.

The National Network had a strong role in trying to ensure that the Skills leads in each RDA were able to share good practice and lobby nationally in areas where we believed a national policy would have a negative impact on regional issues. The RDA Network group for Skills ceased to convene in Feb 2011. Areas where national action was considered particularly important are provided below and may be transferable to any organisation representing Local Enterprise Partnerships on a national basis:

1. Developing a sensible relationship between the Sector Skills Council network, the SSDA (now Commission for Employment and Skills) and departmental Skills leads in the Civil Service.
2. Implementing new national initiatives which had a regional delivery basis (i.e. Train to Gain, Employer Training Pilots, Skills Brokerage, Management and Leadership Brokerage, High Growth Coaching, Science Learning Centres).
3. The setting of skills PSA targets, departmental targets and the RDA tasking framework
4. Liaison with national bodies such as HEFCE.
5. Commentary on delivery of European skills programmes
6. Establishment of Regional Skills Partnerships, the FRESA (see previous) and Regional Skills Strategy requirements.
7. Feeding back regional consultation comments on national skills strategy, education papers and skills system reviews.

Annex B Further Information:

General Information:

- Information on Leitch Review of Skills – see www.ukces.org.uk. The specific link to the final report can be found at: http://www.ukces.org.uk/upload/pdf/2006-12%20LeitchReview1_2.pdf
- Regional Skills Partnership: <http://www.yhrsp.com/>. This site formed part of the Yorkshire Futures web site and can also be accessed from the Yorkshire Futures pages: www.yorkshirefutures.org.uk
- The Skills evidence base which was developed as preparatory work for the Integrated Regional Strategy is available at: <http://www.yorkshirefutures.com/news/irs-evidence-base> and by selecting Skills from the menu of chapters.
- SKOPE research papers are a good source of academic analysis of labour market, examining the links between the acquisition and use of skills and knowledge, product market strategies and performance: <http://www.cardiff.ac.uk/socsi/research/researchcentres/skope/about/index.html>
- The new Local Enterprise Partnerships will be the successor body for some of the strategic planning which was undertaken by the RDAs in terms of Skills. The Leeds City Region has a well developed Work and Skills Board and their details can be found at: <http://www.leedscityregion.gov.uk/esb.htm>
- The Sheffield City Region is also developing its approach to skills, its web site can be found at: http://www.sheffieldcityregionlep.com/sections/the_roles
- York and North Yorkshire have an established employment and skills panel which has been in existence for over 12 months. Its information can be found at: <http://www.ynypu.org.uk/category.aspx?category=7>
- Labour Market Indicators can be found through the National Annual Population Survey (APS) which can be viewed through the data portal NOMIS. <https://www.nomisweb.co.uk/Default.asp>

Evaluation Information:

- National Evaluation of Regional Development Agencies can be found at:
- <http://webarchive.nationalarchives.gov.uk/+http://www.berr.gov.uk/whatwedo/regional/regional-dev-agencies/Regional%20Development%20Agency%20Impact%20Evaluation/page50725.html> Annex E and Page 128 of the first report contains the findings across the skills theme.
- Copies of the Evaluations of Skills Projects detailed in this report can be found at www.yorkshirefutures.org.uk/whatworks.
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This paper is part of a suite of 'Learning Legacy' reports produced by Yorkshire Forward in 2011. The series is intended, as far as we can, to capture knowledge, achievements and lessons learned from regional economic development. It seeks to pass knowledge on to other bodies who may be able to apply it now or in the future.

We are grateful to all the many partner organisations, businesses and individuals who have contributed to this work over Yorkshire Forward's lifetime.

In addition to an Overview, the full range of modules in the series covers:

- 1: Economic Strategy
- 2: Research, Intelligence and Evaluation
- 3: Responding to Economic Shocks
- 4: Low Carbon Economy
- 5: Enterprise - Helping New Businesses to Start and Survive
- 6: Supporting Existing Businesses
- 7: Access to Finance
- 8: International Trade and Investment
- 9: Sectors and Clusters
- 10: Innovation
- 11: Skills
- 12: Urban Renaissance and Physical Regeneration
- 13: Social Regeneration and Inclusion
- 14: Transport
- 15: Rural Renaissance
- 16: Tourism and Major Events

Useful web links and access points for modules from this series will include:

Leeds City Region LEP <http://www.leedscityregion.gov.uk/LEP.htm>

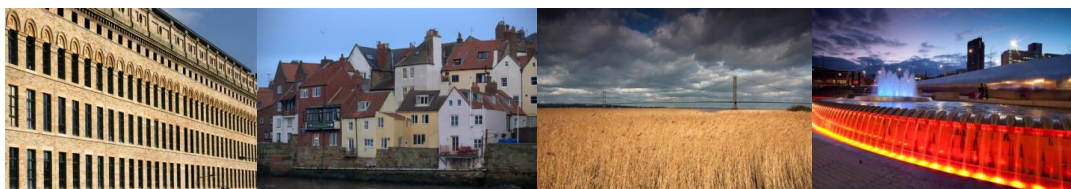
Sheffield City Region LEP www.sheffieldcityregion.org.uk/local-enterprise-partnership

York and North Yorkshire LEP <http://www.ynylep.co.uk/>

Humber LEP (web address to be confirmed)

BIS Local <http://www.bis.gov.uk/policies/economic-development/bis-local-offices>

Yorkshire Forward www.yorkshire-forward.com



The Region's
Development Agency