

Economy and Enterprise Overview and Scrutiny Committee

3 March 2025

County Durham Skills Development



Report of the Corporate Director of Regeneration, Economy and Growth

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 This report sets out the current progress in supporting skills developments across County Durham in line with the Inclusive Economic Strategy and Delivery Plan.
- 2 Specifically, the report highlights recent policy changes and reflects current funding opportunities presented by the County's UK Shared Prosperity Fund allocation in addition to work underway at a regional level as part of the devolution of the adult skills budget.

Executive summary

- 3 Skills are an essential component of economic growth and prosperity. However, there have been long standing challenges to improving skills levels of the County's working age population. The skills system remains complex with multiple policy drivers at a national level.
- 4 The Creation of the North East Combined Authority (North East CA) in May 2024, led to the devolution of the Adult Skills Budget and provided the opportunity to develop regional strategic framework incorporating skills alongside the other drivers of growth.
- 5 Critical to increasing the skills of residents are the levels of investment in workforce skills. These include the Apprenticeship Levy paid by large companies, the devolved Adult Skills Budget (including Free Courses for Jobs), skills bootcamps and at a local level flexible programmes funded through the UK Shared Prosperity Fund (UKSPF) including the Multiply programme.

- 6 The County Durham Inclusive Economic Strategy (IES) and its accompanying Delivery Plan recognise the importance of improving the skills of the County’s residents, focussing on highlighting strategic and sector priorities, directing resources and improving accessibility to appropriate skills provision.

Recommendation(s)

- 7 Economy & Enterprise Overview and Scrutiny Committee is recommended to:
- (a) Note the recent developments influencing the delivery of workforce skills.
 - (b) Note the development, commissioning and delivery of skills initiatives in line with the People theme of the Inclusive Economic Strategy.

Background

- 8 Previous reports to Economy & Enterprise Overview and Scrutiny Committee presented in December 2022 and March 2024 have set out the wide ranging policy interventions and immediate priorities which shape the skills component of the Inclusive Economic Strategy.
- 9 The skills profile of the County’s working age population continues to mirror that of the wider North East but also presents areas for improvements against the national picture as shown in table 1 below.

<i>Qualification level</i>	<i>County Durham (Numbers)</i>	<i>County Durham (%)</i>	<i>North East (%)</i>	<i>Great Britain (%)</i>
<i>RQF4 and above</i>	<i>111,200</i>	<i>35.9</i>	<i>39.6</i>	<i>47.3</i>
<i>RQF3 and above</i>	<i>188,600</i>	<i>60.9</i>	<i>62.8</i>	<i>67.8</i>
<i>RQF 2 and above</i>	<i>264,200</i>	<i>85.4</i>	<i>85.0</i>	<i>86.5</i>
<i>RQF 1 and above</i>	<i>273,900</i>	<i>88.5</i>	<i>88.1</i>	<i>89.0</i>
<i>Other Qualifications</i>	<i>9,700</i>	<i>3.1</i>	<i>3.4</i>	<i>4.6</i>
<i>No Qualifications</i>	<i>25,800</i>	<i>8.3</i>	<i>8.5</i>	<i>6.5</i>

Table 1: County Durham Qualifications (Jan-Dec 2023)

Source: ONS Annual Population Service

- 10 Skills policy and interventions remain complex with a mixture of National policy and direction supported by increasing elements of devolved skills delivery.

- 11 In May 2024, the NECA took over management of the Adult Skills Budget and related skills programs. A commissioning program was quickly put in place to make sure the budget could be used to fund skills training starting in August 2024. The Combined Authority is now working to create a unified approach to skills development that will cover various employment and skills initiatives and support broader investment goals.
- 12 The UK skills system is undergoing a period of significant change, with a focus on creating a more responsive, flexible, and employer-led system that supports lifelong learning and addresses skills shortages. The success of these reforms will be crucial for ensuring the UK's future economic competitiveness and social prosperity.

National Skills Priorities

- 13 The UK skills system has seen wide ranging policy changes and drivers over the last 12 months, with a strong focus on addressing skills shortages, boosting economic growth, and ensuring lifelong learning opportunities, linked back to the new government's mission statements. Key developments include:

Skills England

- 14 A new public body, Skills England, launched in July 2024, incorporating the former Unit for Future Skills. Its objectives include:
 - Developing a comprehensive national overview of skills gaps and strategies to address them, working closely with the Industrial Strategy Council and the Migration Advisory Committee.
 - Unifying the skills landscape to ensure the workforce possesses the skills needed for economic growth. This involves collaboration with Mayoral Combined Authorities, local partners, businesses of all sizes, training providers, and unions.
 - Shaping technical education to meet skills needs, including identifying training available through the Growth and Skills Levy.
 - Advising on the highly skilled workforce required to support a clear, long-term economic plan.
- 15 In its initial report, Skills England announced its intention to consult with employers and other key stakeholders to advise the Department for Education (DfE) on priority training areas for the Growth and Skills Levy.
- 16 This new levy will replace the existing Apprenticeship Levy and introduce new foundation apprenticeships. These apprenticeships will

provide young people with entry routes into careers in critical sectors, enabling them to earn while developing essential skills. The new levy will also fund shorter apprenticeships, offering learners and employers greater flexibility than the current system, which requires apprenticeships to last at least 12 months.

- 17 Skills England conducted an engagement exercise in November and December 2024 to inform the DfE's development of the Growth and Skills offer. This initial engagement prioritized 10 sectors: the eight growth-driving sectors identified in the Industrial Strategy, and construction and health and social care, deemed essential to the government's missions.
- 18 Skills England plans to publish its engagement findings in early 2025. This publication will expand upon the skills needs assessments in the first Skills England report by providing assessments for each of the 10 priority sectors and contribute to the ongoing Industrial Strategy planning process.
- 19 In February 2025 Skills England announced that they will introduce shorter and flexible apprenticeships as well as new English and maths requirements to boost skills and support employers. Businesses will now be able to decide whether adult learners over the age of 19 when they start their apprenticeship course will need to complete a level 2 English and maths qualification (equivalent to GCSE) in order to pass it. This means up to 10,000 more apprentices may be able to qualify per year as the government cuts red tape to boost economic growth by giving employers more flexibility over maths and English requirements.
- 20 The minimum duration of an apprenticeship will be reduced to eight months, down from the current minimum of 12 months. Changes to the minimum length of an apprenticeship will be introduced from August 2025 subject to the legislative timetable, with changes to English and maths requirements coming into effect immediately.
- 21 In February, Skills England announced its senior leadership appointments. Phil Smith, former chair of semiconductor materials supplier IQE plc and previously chair of TechSkills.org, Innovate UK, and Cisco, will serve as Chair. Sir David Bell, former Ofsted chief inspector and DfE permanent secretary, will be Vice Chair. Tessa Griffiths and Sarah Maclean, current directors for post-16 skills and strategy at the DfE, will be joint Chief Executives.

The Industrial Strategy

- 22 In October 2024, the government released "Invest 2035: The UK's Modern Industrial Strategy" for public consultation. This strategy

outlines a 10-year roadmap focused on driving economic growth, fostering innovation, and enhancing global competitiveness with a focus on eight key growth sectors set out at appendix 2.

23 Skills are a central component of this Industrial Strategy, recognized as a crucial driver of economic growth and prosperity. The strategy aims to equip individuals with the skills necessary to thrive in the modern economy and ensure businesses have access to a highly skilled workforce. Its skills-focused ambitions include:

- Developing a world-class technical education system: The strategy aims to create a technical education system comparable to the best globally, mirroring the UK's renowned higher education system. This involves strengthening apprenticeships, T-levels, and other vocational qualifications to provide individuals with practical, industry-relevant skills and knowledge.
- Investing in STEM skills: Recognizing the importance of science, technology, engineering, and mathematics (STEM) skills for the future economy, the strategy prioritizes investment in these areas. This includes initiatives to enhance STEM education in schools, encourage students to pursue STEM careers, and support upskilling and reskilling in STEM fields.
- Creating a National Retraining Scheme: The strategy proposes a National Retraining Scheme to help individuals retrain and upskill, particularly in sectors experiencing skills shortages. This will enable people to adapt to evolving labour market demands and acquire the skills needed for future employment.
- Promoting lifelong learning: The strategy acknowledges the need for continuous skills and knowledge development throughout working lives. It aims to promote lifelong learning opportunities and encourage participation in upskilling and reskilling activities.
- Strengthening employer engagement: The strategy emphasises strong collaboration between employers and education providers to ensure training aligns with industry needs. It encourages employers to actively shape skills development and provide apprenticeships and work experience opportunities.

Get Britain Working White Paper

24 The "Get Britain Working" White Paper outlines a comprehensive strategy to address economic inactivity and equip individuals with the skills and support needed to enter and succeed in the workforce. Its key focus areas and priorities include:

Early Intervention and Prevention:

- 25 Youth Guarantee: A core commitment is the Youth Guarantee, ensuring all 18-21 year-olds have access to education, training, or assistance in finding employment or apprenticeships. This aims to prevent young people from becoming NEET (Not in Education, Employment, or Training) and establish a foundation for long-term career success.
- 26 Strengthened Careers Advice: The white paper prioritizes improved careers guidance in schools and smoother transitions from education to employment. This includes expanding work experience opportunities and addressing school attendance issues to prevent disengagement from learning.

Integrating Skills and Employment Support:

- 27 New Jobs and Careers Service: A new digital platform will provide personalized support to help individuals find work, develop skills, and advance in their careers. This will be coupled with a clear expectation of active job seeking.
- 28 Improved Jobcentre Plus: Jobcentre Plus will undergo reforms to better integrate with local partners and combine employment support and careers advice for a more holistic and effective service.

Focus on Progression and "Good Work":

- 29 The white paper emphasizes not just employment, but progression to "good work" characterised by better pay, security, and development opportunities. This includes addressing job insecurity and promoting flexible work arrangements.

Addressing Skills Gaps and Employer Needs:

- 30 Apprenticeship Levy Reform: The Apprenticeship Levy will be transformed into a more flexible Growth and Skills Levy, supporting a broader range of training and skills development aligned with employer needs and providing individuals with necessary skills.
- 31 Employer Engagement: The white paper highlights the importance of strong employer involvement in skills development, encouraging active participation in shaping training and providing work experience and apprenticeship opportunities.

Supporting People with Health Conditions:

- 32 Integrated Work and Health Support: The white paper recognizes the need to support individuals with health conditions in entering and remaining in employment. This includes closer collaboration between

health services and employment support, and initiatives to improve workplace health and wellbeing.

Local and Regional Focus:

- 33 Local Get Britain Working Plans: Local areas will receive support to develop tailored "Get Britain Working" plans to address specific needs and challenges, ensuring skills and employment support are responsive to local labour market conditions.

Devolution White Paper

- 34 In December 2024, the government published the Devolution White Paper, "Levelling Up the United Kingdom," outlining its devolution ambitions across various policy areas, including significant implications for skills development, particularly in England. Key aspects include:

Greater Local Control over Skills:

- 35 Joint Ownership of LSIPs: Local Skills Improvement Plans (LSIPs), which identify local skills needs and guide training provision, will be jointly managed by Strategic Authorities (often combined authorities) and employer representative bodies, giving local leaders greater influence over skills development in their areas.
- 36 Devolved Funding: The government plans to devolve more adult skills funding to Strategic Authorities, consolidating various funding streams into a single pot for greater local flexibility in resource allocation.
- 37 Influence over Employment Support: Strategic Authorities will have increased influence over employment support services, including the National Jobs and Careers Service, to better integrate skills training with job opportunities and facilitate employment.

Focus on Local Needs:

- 38 Tailored Solutions: Devolution aims to create more responsive skills systems, adapting training provision to the specific needs of businesses and individuals in each local labour market.
- 39 Collaboration: The white paper emphasizes collaboration between local authorities, employers, and education providers to ensure skills training meets local economic demands.

Potential Benefits:

- 40 Improved Skills Alignment: Increased local control over skills aims to improve the alignment of training with employer needs, reducing skills gaps and boosting productivity.

41 Increased Responsiveness: Devolution can make the skills system more responsive to local economic changes, enabling quick adaptation to new challenges and opportunities.

42 Greater Efficiency: Funding consolidation and improved coordination can potentially lead to a more efficient and effective skills system.

Potential Challenges:

43 Capacity and Expertise: Local authorities must possess the necessary capacity and expertise to effectively manage devolved skills funding and make strategic decisions about skills development.

44 Coordination: Effective coordination between local areas and with national skills bodies will be crucial to avoid fragmentation and duplication of effort.

45 Accountability: Clear accountability mechanisms are needed to ensure devolved skills funding is used effectively and local areas achieve their skills objectives.

Regional Skills Priorities

46 Bringing together initially separate strategies, **North East CAs Employment and Skills Strategy** has been developed to establish clear strategic priorities to tackle unemployment and inactivity in the North East whilst also providing a framework to focus and prioritise the planning, funding and delivery of services aligned to resident and employer needs both current and future.

47 Following extensive engagement six key strategic objectives have emerged;

- Grow the economy through a bigger and more productive workforce.
- Reduce labour market exclusion among residents with health conditions, disabilities and other barriers to employment.
- Boost employment, skills and prosperity in local places.
- Tackle in-work poverty and insecurity and create rewarding work for all.
- Create a simpler, efficient, stable employment and skills system.
- Build a strategic regional partnership focussed on achieving shared employment and skills goals.

- 48 The strategy is currently being finalised before a series of stakeholder feedback sessions which will be delivered in advance of the strategy being considered by the North East CAs Cabinet.
- 49 **Devolved Adult Skills Funding.** The North East CA;s Devolution Deal includes a fully devolved Adult Skills Fund (ASF) of circa £68m which includes a ringfenced allocation for the delivery of a Level 3 Adult Skills offer 'Free Courses for Jobs' (FCFJ). With Cabinet approval the devolved ASF has been allocated to 45 further education providers across 20 Grant Funding Agreements and 25 procured Contract for Services.
- 50 Delivery of the devolved ASF has been underway since 1 August 2024, with over 49,900 starts on programmes to date. The ASF investment is reaching residents most disadvantaged in terms of poverty and skills with 35% of learning opportunities being undertaken by residents living in the North East CAs top 20% deprived areas. 22718 (51%) of enrolments are in the top 10% deprived wards across the region. Providers have also established a wide range of provision to support unemployed residents, 80% of learning opportunities are being undertaken by residents who are unemployed, with 54% of these residents unemployed and actively looking for work.
- 51 For the financial year (FY) 2024-25 the North East CA successfully secured a grant funding agreement of £17.9m from the Department of Education (DfE) for the delivery of Wave 5 Skills Bootcamps across the region, this funding has successfully been deployed to 23 organisations. Delivery of the provision commenced on 1 June 2024 with support from over 200 employers, providing residents with access to in-demand skills training, guaranteed interviews as well as more sustainable higher skilled jobs. which will result in higher wages over time.
- 52 Over 2200 residents have undertaken training to date in a range of sectors which include industry specific skills in areas such as Offshore Wind and Offshore Cables as well as E.V battery manufacture and energy storage. Provision is also taking place in the foundational economy in areas such as Early Years, Adult Care and Hospitality.
- 53 Devolution of the ASF has enabled the North East CA to strengthen the strategic focus of skills provision across the region. It continues to build on an approach of creating close collaborations, bringing together employers, colleges, training providers, local commissioners and the VSCE sector to construct an adult skills offer which focuses on achieving outcomes directly linked to local labour market needs.
- 54 Development of skills provision to address skills shortages in our region's key growth areas and opportunity sectors continues to be a

priority. The North East CA funded providers have responded well and developed routes into sectors such as Construction, Civil Engineering including Rail Track Maintenance, Transportation and Warehousing, Welding and Engineering and Manufacturing Technology. A wider offer is also available in the Digital and Technology sector with new course additions such as Cyber Security and Coding.

- 55 As a result of the above there are increasing enrolments in: Engineering and Manufacturing Technologies, Construction, Planning and the Built Environment: Information, Communication Technology as well as Retail and Commercial Enterprise, this sector encompasses provision in warehousing and logistics.
- 56 17 % of the overall ASF enrolment opportunities are undertaken by County Durham residents, with 55% of these opportunities undertaken by residents living in County Durham's top 20% deprived areas. 2060 (22%) of enrolments are in the top 10% deprived wards across the local authority. Providers have established a wide range of provision to support unemployed residents, 62% of learning opportunities are being undertaken by residents who are unemployed, with 42% of these residents unemployed and actively looking for work.
- 57 Providers in County Durham have utilised flexibilities available through the devolved ASF and developed new innovative provision to support skills demand in sectors such as social care, construction, and the visitor economy. engineering and manufacturing, creative industries, hospitality, and catering. Provision continues to support the health & social care sector with 24% of enrolment opportunities offered in this area
- 58 The ASF continues to provide fully funded statutory entitlements which include basic, maths, English, and English for Speakers of other Languages (ESOL) – an area of increasing demand. Table 2 below illustrates statutory entitlement enrolments by Local Authority to 6 Feb 2025.

Local Authority District	English	Maths	ESOL	Digital Entitlement	Full Level 2 Entitlement	Full Level 3 Entitlement	Level 3 Free Courses for Jobs
County Durham	376	429	858	8	131	144	296
Gateshead	225	299	1659	15	79	56	89
Newcastle	310	268	4169	204	109	101	180
North Tyneside	111	124	1014	23	64	58	118
Northumberland	91	118	699	5	56	39	165
South Tyneside	127	184	1174	10	44	41	77
Sunderland	115	224	675	10	63	126	165
Total	1355	1646	10248	275	546	565	1090

Table 2: Statutory Entitlements by Constituent Local Authority

- 59 First Full Level 2 and Level 3 qualifications for young people aged between 19 and 24 are also part of the statutory entitlement. The qualifications in this entitlement provide skills in key sectors.
- 60 The ASF includes additional funding for Free Courses for Jobs, this targeted Level 3 provision has been developed to support adults without an existing full Level 3 qualification and has recently been extended to include a second Level 3 qualification. It introduces free fully funded Level 3 qualifications for learners aged 24 years and over. Over 1000 residents have engaged in this provision since the start of the academic year, undertaking full level 3 qualifications in subjects such as Adult Care, Engineering, Electrical installation and E.V. maintenance.
- 61 Skills Bootcamps aim to secure benefits for unemployed adults by giving them access to in-demand skills training and a guaranteed interview, and for in work adults a more sustainable, higher skilled job and higher wages over time. The benefits for employers include helping them to fill specific skills shortage vacancies, enabling them to become more productive, more quickly.
- 62 Wave 5 (FY 2024-25) Skills Bootcamp provision commenced in June 2024 and is delivered in a range of sector areas which includes digital, logistics, technical and engineering, construction, green skills, and the culture and creative sector. Provision is also taking place in the foundational economy in areas such as Early Years, Adult Care and Hospitality.
- 63 Employer engagement is a fundamental element of Skills Bootcamp delivery, to date over 200 employers are engaged in Skills Bootcamps across the region either designing or co-delivering courses, offering job vacancies or co-funding existing employees. To date, 700 learners have received positive outcomes through our Skills Bootcamps. 386 learners have been successful at interview and are now in employment; 224 learners have received new roles or responsibilities with their current employer; and 90 self-employed learners have secured new work or contracts following completion of their bootcamp.
- 64 **The Local Skills Improvement Plan (LSIP)** covering County Durham was developed through 2023 and is specifically focussed on five high impact sectors which closely align with IES priority sectors: Digital; Advance Manufacturing; Construction, Health and Health Science; and Transport and Logistics. The North East LSIP report was submitted to government in May 2023 and approved in September.
- 65 Since then, the North East Automotive Alliance (NEAA), the Employer Related Body (ERB) responsible for the delivery of the LSIP has been

working with businesses, along with education and training providers to implement the findings of the report and ensure regional skills needs are addressed. Additional resources have been provided to help drive implementation with East Durham College selected as the lead provider in the delivery of the Local Skills Improvement Fund (LSIF), which will implement the recommendations of the NELSIP final report.

66 Developed in advance of the formation of the North East CA a parallel LSIP was prepared by the NE Chamber of Commerce to cover the former North of Tyne Area. The two Employer Related Bodies responsible for the delivery of the LSIPs in the North East continue to update their plans while working towards convergence with a single LSIP covering the North East CA expected to be in place during 2026.

67 A new English Devolution Bill is expected in 2025 along with a n agreed approach to Developing **Local Growth Plans** for Mayoral Combined Authorities

68 The Intentions of Local Growth Plans are to:

- Set out each MCAs growth and delivery priorities over a 10 year Horizon.
- Set out areas of Investment opportunity.
- Be a platform for Mayors and MCAs to communicate with government, focussing on opportunities to unlock funding and delivery.
- Guide the implementation of multi-year funding settlements.
- Be a vehicle to connect local and national industrial strategies.

Local Skills Priorities

UKSPF Funded Commissions

69 Skills Support in County Durham is in its penultimate month of delivery and the three component projects have formed part of a co-ordinated approach to improve skills across the county, to contribute towards higher levels of economic inclusion, productivity, and economic growth. Contract management and liaison with senior figures at the colleges and within the council has ensured they complement existing activity and focus on priorities for the county:

- 70 UKSPF Communicate Programme, aimed at Supporting people furthest from the labour market through access to basic skills is making good progress against output and outcome targets to date with all outputs ahead of profile at the end of December.
- 71 Exceeding targets for engagement through a partner focussed engagement strategy working with a wide range of organisations from housing associations to community centres, charities, the NHS and schools over 50 schools.
- 72 The programme works with primary schools across the county through the support of Headteachers, Curriculum Leads and Parents Liaisons and has seen the engagement of hundreds of parents/carers and children in workshops and courses to help them build their confidence and understanding of how to support their children with their English curriculum, online safety and healthy living.
- 73 Provision has been tailored to the needs of partners and service users, for example, Little Chefs Big Chefs charity organisation requested bespoke courses for specific learner groups ; ARFID (Avoidant/Restrictive Food Intake Disorder).
- 74 The approach to delivery has opened up more opportunities to work with disadvantaged groups that we would not have perhaps been able to and has created an informed and rich curriculum offer.
- 75 **The Durham Upskilling Opportunities (DUO)** program provides specialized support to employed individuals who lack access to mainstream education and training resources, helping them overcome barriers to further learning.
- 76 The program was divided into four geographic regions. In North and mid-Durham, services were delivered by a partnership led by New College Durham, while in East and South West Durham, the program was managed by East Durham College and its subcontractors.
- 77 DUO prioritized small and medium-sized enterprises (SMEs), which often preferred shorter, more focused qualifications due to time constraints and the availability of longer programs through mainstream funding.
- 78 Employers seek qualifications that enhance employees' current roles and potentially lead to increased responsibilities, demonstrating short-to-medium-term benefits. Participating companies represent diverse sectors and sizes, with a focus on priority sectors within each region.
- 79 The program supports a range of qualifications, including technical certifications (e.g., CSCS, SSSTS, Plant Operations), legislative

qualifications (e.g., First Aid, Health and Safety), and modular programs (e.g., lean management).

- 80 DUO complements provision funded by the Education and Skills Funding Agency (ESFA) and aligns with the colleges' broader skills offerings, effectively addressing a skills gap.
- 81 East Durham College collaborated with GSK to develop customized training through the North East's Local Skills Improvement Fund (LSIF) and the Strategic Development Fund (SDF), which East Durham College led. This initiative aimed to help further education providers meet skills training needs in the healthcare and health science sectors. While the bespoke training is not yet accredited and thus ineligible for mainstream funding, it was supported through this contract.
- 82 Since the contract bidding process, the mainstream skills landscape has evolved, notably with increased flexibility from the North East CA. Consequently, some qualifications initially planned for delivery under this contract are now eligible for local funding through the North East CA's Adult Skills Fund.
- 83 Colleges report that a key achievement of this funding has been increased engagement with businesses across the county. For example, East Durham College has engaged with 50 existing clients and 100 new ones.
- 84 The **Pathways to Success program** funds local skills development by supporting technical and vocational qualifications and courses up to Level 2. It also funds training for vocational licenses relevant to local needs, and high-value qualifications where skills gaps exist and are not addressed by other programs. New College Durham holds the contract, but delivery is handled through a partnership of independent private providers and other further education colleges.
- 85 While the contract was designed to serve economically active individuals in insecure or limited-hour employment, nearly all participants at registration have been unemployed. Key achievements of the program so far include:
- 408 of the 493 registered participants have earned a qualification.
 - 213 participants have secured employment, with the potential for additional job placement outcomes still being recorded.
 - Two participants have transitioned to further education, one of whom has progressed to higher education within the region.

- 86 The IES delivery plan highlighted the aspiration of developing an all age careers framework for County Durham which should identify the breadth of careers delivery in place and highlight good practice, gaps in delivery and explore opportunities for developing shared materials which can be made available to careers professionals, learners and parents / carers.
- 87 An extensive programme of engagement with learners, delivery organisations, businesses and key stakeholders has been undertaken throughout to inform the framework with the results set to be presented to the County Durham Economic Partnership in Spring 2025.
- 88 The All-Age Careers Framework Report calls for a culture change across the County to harness the significant Careers, Information, Advice & Guidance (CIAG) expertise, experiences and resources that currently exist, alongside opportunities for new hybrid approach where human-centred services remain a priority, complemented by digital advancements. This will involve:
- A shift from ‘silos’ to ‘simplicity’
 - A mechanism(s) for smoothing transitions
 - An explicit well-publicised County Durham careers and employability offer for everyone
 - Improve employer engagement in CIAG activities.
- 89 A strengthened County Durham CIAG eco-system, through a more co-ordinated and collaborative multi-agency partnership approach, will draw together significant experience and expertise from across the whole system to maximise the impact of its collective resources to develop and deliver an impactful local delivery model.
- 90 The proposed vision for County Durham will involve,
- “ Careers information, advice and guidance (CIAG) will be a vital, embedded element of personal development, enhancing wellbeing and providing more equitable career and employability support opportunities for all residents in every community, across all stages of life.”

UKSPF Transitional Funding

- 91 The initial UKSPF allocations have been delivered as part of the 2022/5 UKSPF Investment Plan which aligns closely to the IES delivery plan. The Budget on 30 October 2024 confirmed a UKSPF allocation for a ‘Transition Year’ in 2025/26 of £900m, this is approximately 54% of current year three (2024/25 FY) funding. A breakdown of the funding to local areas was provided by Government in mid-December 2024, and it

was also confirmed that the North East CA would become the lead local body for UKSPF next year.

- 92 It has been agreed (in principle) with North East CA, that each constituent local authority will continue to act as if they were a Lead Local Authority and they will be responsible for deciding how to allocate the resources in their area for 2025/26, to continue to contract with and monitor projects and to report to North East CA on spend and achievement of outputs and outcomes so that north east performance can be aggregated and reported to Government. This arrangement will be managed through a Service Level Agreement.
- 93 Initial proposals for the transitional UKSPF programme in County Durham include proposals to continue Skills Support in County Durham with precise proposals and delivery mechanisms currently under development.

Conclusion

- 94 As an essential component of economic growth, a number of policy announcements by the new government have sought to refocus skills delivery and provide a more holistic view of needs and delivery.
- 95 However, the skills system remains complex with a mix of national policy, regional strategy and local priorities, which the IES delivery plan seeks to summarise into key actions with the overall aim of improving the skills profile of the County's working age population.
- 96 Significant resources are currently deployed in support of skills programmes including the devolved Adult Skills funding which commenced in August 2024. Public funding pressures highlighted in the October 2024 budget mean resources going forward may be reduced placing more importance on effective prioritisation and co-ordination of skills initiatives.

Background papers

- None

Other useful documents

- [County Durham Skills Development](#) report to Economy & Enterprise Overview and Scrutiny Committee March 2024
- [Invest 2023 the UK's Modern Industrial Strategy](#) HM Government 2024
- [Get Britain Working White Paper](#) HM Government 2024
- [English Devolution White Paper](#) MHCLG 2024

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Appendix 1: Implications

Legal Implications

The Skills and Post 16 Education Act places a duty for all skills providers - including the Council, to co-operate with Employer Related Bodies in the development and review of Local Skills Improvement Plans.

Finance

The delivery of Skills interventions across County Durham involves a complex mix of funding inputs including National funding programmes, Devolved Skills funding and through to March 2026, Business funding through Apprenticeship Levy contributions and locally identified priorities supported through the UK Shared Prosperity Fund.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

County Durham UKSPF Skills programmes have been brought forward following an open procurement exercise in December 2023.

A further regional procurement event has also been undertaken for devolved skills delivery through contacts for service covering Adult Education, Skills Bootcamps and Free Course For Jobs programmes.

Appendix 2: UK Industrial Strategy Growth Sectors

The eight Growth Sectors are:

1. **Advanced Manufacturing:** This sector encompasses high-value manufacturing activities that leverage innovation, technology, and skilled labour. It includes areas like aerospace, automotive, pharmaceuticals, and advanced materials.
2. **Clean Energy Industries:** With the UK's commitment to net zero, this sector is vital. It focuses on developing and deploying renewable energy technologies, including wind, solar, hydrogen, and nuclear power, as well as energy efficiency solutions.
3. **Creative Industries:** This vibrant sector encompasses a wide range of activities, including film, television, music, gaming, design, and fashion. It's recognized for its significant contribution to the economy and its role in shaping the UK's cultural identity.
4. **Defence:** The defence sector plays a crucial role in national security and contributes to technological advancements. It involves the development and manufacturing of military equipment, as well as related services and technologies.
5. **Digital and Technologies:** This sector is at the forefront of innovation and drives transformation across all industries. It includes areas like artificial intelligence, software development, cybersecurity, and telecommunications.
6. **Financial Services:** The UK has a world-leading financial services sector, which plays a vital role in the economy. It encompasses banking, insurance, investment management, and fintech, and is crucial for supporting businesses and driving investment.
7. **Life Sciences:** This sector focuses on developing and commercializing innovative healthcare solutions, including pharmaceuticals, medical devices, and biotechnology. It's crucial for improving health outcomes and driving economic growth.
8. **Professional and Business Services:** This sector provides essential support to businesses across various industries. It includes areas like legal services, accounting, consulting, and recruitment, and plays a key role in enhancing productivity and competitiveness.

These eight sectors are not mutually exclusive and often have strong interconnections.

The industrial strategy aims to foster collaboration and knowledge sharing between these sectors to maximize their collective impact on the UK economy.

Source Invest 2035: The UK's Modern Industrial Strategy