

Milton Keynes Council

Milton Keynes Skills Strategy - Framework Document

January 2016

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1. Introduction

Context

Why do we need a Skills Strategy for Milton Keynes?

- 1.1 Milton Keynes (MK) has experienced strong historic population and business growth and it is anticipated that this trend will continue, with a Core Strategy delivery target of 1,750 dwellings per annum to 2026. Ensuring that the resident population are suitably skilled to access local employment opportunities will facilitate economic development aspirations. The current 2011-16 Economic Development Strategy identifies six key priorities. Improving skills will contribute to each of the priorities, both directly and indirectly:
- 1) **Diverse and competitive knowledge-based economy:** create an environment that will foster business and employment growth within a diverse, more knowledge-based and competitive economy by encouraging innovation, enterprise and skills improvement.
 - 2) **Economic regeneration:** improve access to training and job opportunities, especially for those with no skills or low skill levels, to provide greater opportunities for individuals to obtain sustainable employment.
 - 3) **Skills and Learning:** improve the overall skills and qualifications profile of the resident population through education and training provision, to ensure that the skills of the resident population are able to meet the needs of employers, especially in relation to higher level skills and the development of the University Campus Milton Keynes (UCMK).
 - 4) **Business support:** Encourage business growth through focused interventions such as support for innovation, assistance for start-ups and ensuring an appropriate range of commercial space is available.
 - 5) **Articulating a compelling 'MK Offer':** Promote Milton Keynes as a premier location for inward investment and as a visitor destination.
 - 6) **Enabling infrastructure:** Create, maintain and improve the appropriate infrastructure for growth, especially in relation to transport and digital infrastructure.
- 1.2 There are a number of Economic Development Objectives that sit under these priorities which in broad terms include increasing levels of education attainment; increasing access to training; increasing the number of people in apprenticeships and work based learning; increasing the number of highly skilled workers; and working with businesses and providers to ensure skills demand is addressed.

- 1.3 A Business Survey of over 1,400 businesses located in Milton Keynes in 2014 highlighted the current challenges businesses are faced with, including the difficulties of recruiting people in Milton Keynes with the desirable skills. The MK Skills Strategy seeks to facilitate a demand-led local employment and skills approach, through which young people and adults are supported into employment through receiving skills training and qualifications appropriate to local employers' needs.

Aim of the Skills Strategy

“Skills are integral to the economic prospects of UK cities, impacting on business competitiveness as well as the employment prospects, pay and wellbeing of individuals”¹

- 1.4 The aim of the Skills Strategy is to provide an overall picture of skills in Milton Keynes, to establish a demand led local employment and skills approach and to provide a plan of action for Milton Keynes Council to lead on in partnership with key partners. This Framework Document provides a high level plan of action to guide the operational detail which will be developed in partnership in the next stage of implementation. More detailed action plans, with objectives, will be created.
- 1.5 All aspects of the progression route from school to further and higher education and training and employment are relevant to the Skills Strategy.
- 1.6 The Skills Strategy has a critical role to play in delivering the aims of the MK Core Strategy, Corporate Plan and Economic Development Strategy which affirms the commitment to support business growth and inward investment by increasing the supply of skilled residents and offering employment opportunities. The Skills Strategy is also critical to the key aim in the Core Strategy of building 1,750 new homes each year and ensuring there are 1.5 jobs for every new dwelling built.
- 1.7 This Framework Document is underpinned by a detailed Evidence Base report which establishes the rationale for intervention.

¹ 1.1 Centre for Cities, City deals and skills: How have City and Local Growth Deals supported the development of employment and skills policies that reflect local demand? Naomi Clayton & Louise McGough July 2015, p. 4

2. Strategic Framework

Vision

“By 2021 Milton Keynes will have built on its current economic success, and be a thriving city with a sustainable employment offer which provides opportunities for all. Through a successful demand-led local employment and skills approach, the skills and qualification profile of the area will meet employer needs and position Milton Keynes as the location of choice for new investment”

Cross-Cutting Themes

- 2.1 There are five principles underpinning the Strategic Framework:

Partnership and Collaboration

- 2.2 To maximise resources, the Milton Keynes Skills Strategy needs to pursue a partnership ethos. The positive attitude of stakeholders in Milton Keynes who are keen to make things happen and willing to work together provides a strong foundation for collaborative ventures to address identified skills needs. In shaping the Strategy, partners have already demonstrated their commitment, contributing their views and insight in a key issues and action planning workshop held in August 2015. The Skills Strategy will be proactive in responding to funding opportunities and will maintain a pipeline of projects ready to bid for funding when it becomes available through Government and local initiatives.

Effective Employer Engagement

- 2.3 At the heart of the Skills Strategy is the development of a demand-led local employment and skills model. To achieve this, it is essential that the skills and employment needs of employers are fully understood. Employers also have a crucial role to play in supporting progression and the development of the existing workforce; it is essential that employers understand the importance of this and can easily access information on the training and support available. Effective methods of engaging with employers and business representatives, and two-way sharing of information, will be required.

Opportunities for all

- 2.4 The Skills Strategy seeks to ensure that the benefits of economic growth are equitable in impact and that all residents have the opportunity to realise their aspirations. This theme recognises the support that residents need to increase their skills and access employment. The Skills Strategy will provide an education and training offer that is matched to the needs of the local labour market and will develop mechanisms to support local people to participate.

Strategic Alignment

- 2.5 Ensuring strategic alignment between the skills agenda in Milton Keynes and wider economic development and urban planning aspirations is key to achieving a sustainable workforce in Milton Keynes. Strategies to boost the labour supply and meet business skill needs must be tied closely to the aspirations for Plan:MK, the emerging Economic Development Strategy for 2016, and the new Regeneration Strategy, as well as wider stakeholder aspirations such as those articulated by SEMLEP.

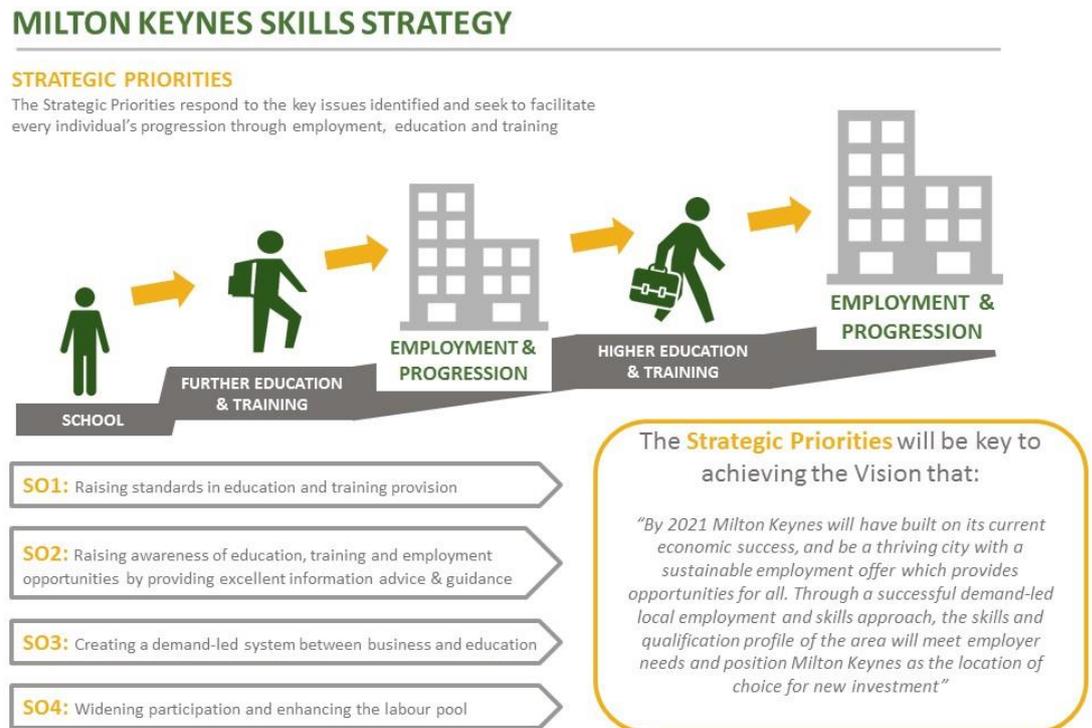
Insightful Intelligence

- 2.6 Labour Market Intelligence (LMI) has a vital role to play in the Skills Strategy and is fundamental to many of the actions identified. Ensuring up-to-date and detailed intelligence will guide the strategic decision-making of individuals, employers and providers. There needs to be a mechanism for identifying what employers want and a way of disseminating this information to guide provision planning and careers guidance. Given the focus of the Skills Strategy on creating a demand-led system, an action to this effect has been incorporated into the Labour Market Intelligence action (BE6), although it links to the baseline and measure of progress on each action.

Strategic Priorities

- 2.7 There are four Strategic Priorities within which draft priority actions are framed. These respond to the key issues identified in the Evidence Base Report and the rationale for each is outlined in turn.

Figure 2.1 Skills Strategy Infographic



Source: Regeneris Consulting

Strategic Priority 1: Raising standards in education and training provision

- 2.8 There is a need to ensure a strong foundation for economic growth in Milton Keynes through a high quality skills infrastructure. This means that the issues to be addressed will need to be prioritised, taking into account the potential impact and the availability of funding.

The Rationale for Intervention²

- Despite strong and improving performance at primary level in MK, pupil attainment at GCSE is below the average for England, with around 49% of pupils achieving A*-C grades including English and Maths compared to 53% across England in 2014.

² Sources: DfE School and College Performance Tables, 2014; Ofsted, 2015; Skills Funding Agency 2013/14; HEFCE participation in HE 2010/11

- Primary schools are well rated by Ofsted, with 85% rated as 'outstanding' or 'good' compared to 82% in England as a whole. The remainder 'require improvement'. Secondary schools perform relatively well on quality measures, with 75% of the mainstream state-funded schools in MK rated as 'outstanding' or 'good' compared to 73% across England. However there are wider challenges around raising educational performance in deprived areas.
- Around half of primary schools (7 of 13) and 100% of secondary schools (3) which were rated by Ofsted as requiring improvement are ranked amongst the 40% most deprived schools nationally.
- MKC takes a proactive stance to raising standards through Targeted Intervention Boards and all mainstream schools work with an allocated Improvement Partner. However, it is recognised that the control of MKC is limited in relation to the performance of academy schools although they do work closely with the Regional Schools Commissioners (RGC) to drive up standards.
- Additional support needs identified include language support for a high proportion of pupils with English not as a first language (24.9% at primary, 18.7% at secondary). A key target group is white British pupils from low income families who are under-performing in schools. MKC has initiated a project aimed at developing and sharing good practice to meet the needs of this target group.
- A major shortage of good teaching staff was highlighted in the consultation. This includes gaps at primary level in numeracy, literacy, deputy heads and heads; a major shortage of qualified special needs teachers and support staff; and subject gaps at secondary including English, maths, geography, science and design and technology, as well as middle leaders (i.e. heads of department). As budgetary cuts continue and impacts upon staff costs this further exacerbates the problem. Furthermore the additional capacity needs generated by population growth and the opening of new schools poses further recruitment pressure.
- Performance in MK at Key Stage 5 for academic results is below the national average, with 68% of academic students achieving 3+ A-levels at grades A*-C, 10 percentage points below the average for England (In contrast vocational results outperformed the national average).
- The average success rate for those learning starts in MK which achieved their learning aim within Further Education, community learning and workplace courses was 76% in 2013/14. The success rate was lowest amongst apprenticeship provision (59%).
- Analysis of Higher Education participation suggests a below average rate of HE participation in parts of the borough compared to the national average.

- Consultation highlighted the importance of embedding HE provision in the local and sub-regional economy and to limit young people leaving MK to access higher education elsewhere.
- Consultation with stakeholders highlighted that schools must continue to improve in MK and the relationship between schools in the area needs to be strengthened. It is noted that there are a number of networking opportunities present in MK currently including the MK Secondary Heads (MKSH), Primary Heads Strategy Group (PHSG), MK Schools Forum, and MK Schools Strategy and Education Partnership Board.
- It was also felt that there is a need for a more balanced curriculum in schools between academic and vocational to cater for all interests and abilities. It was considered that the scope for specialist provision such as University Technical Colleges (UTCs) and the potential for an Institute of Technology should be explored in line with identified sector specific needs. These need to be considered in the context of the proposed Area Based Review of Post 16 education.
- Employer representative consultation also highlighted the importance of young people being well rounded both in terms of having the academic skills and the employability skills which take into account the personal, social and transferable skills seen as relevant to all jobs.

Proposed Targets for 2021

- Maintain Key Stage 2 performance (English, Maths and writing) in line with the national average.
- Increase GCSE attainment in line with the national average by 2021.
- Improve and maintain Key Stage 5 performance in line with the national average by 2021.
- Improve standards by maintaining the proportion of primary and secondary schools rated 'outstanding' or 'good' by Ofsted above the national average by 2021.

Strategic Priority 2: Raising awareness of education, training and employment opportunities by providing excellent information, advice and guidance

- 2.9 This priority seeks to ensure that a quality information advice and guidance offer is provided as standard across Milton Keynes to meet the needs of young people and adults to make informed choices and establish a progression pathway to higher skills and higher pay. Tailored support aligned to the needs of specific target groups and sectors will facilitate the achievement of economic development and regeneration objectives.

The Rationale for Intervention³:

- Around 90% of pupils progressed into education or went to an employment/training destination after Key Stage 4 in MK, slightly below the national average (89%).
- In total around 276 students (10%) did not progress to an education/training destination after Key Stage 4. Of this figure, around 2% (55) of all pupils in MK were recorded as NEET (Not in Education, Employment or Training), and for the remaining 8% destination was 'unknown'. This 'unknown' figure is similar to comparable benchmark areas.
- In 2014 there were around 360 NEET 16-18 year olds in MK, representing about 4% of all 16-18 year olds in the area.
- Around 77% of pupils remained in education or went to an employment destination after completing Key Stage 5, compared to 71% nationally.
- Of those that remain in education after Key Stage 5 in MK, 54% go to a UK Higher Education Institution (HEI) compared to 48% nationally. In comparison, the proportion continuing into an apprenticeship destination is below average at 3% compared to 5% nationally.
- Consultation revealed a perception of inadequacies in the current careers advice offered to young people with a fragmented service as schools become the primary providers of advice and this lacks regulation.
- In particular it is noted that whilst the transition from Key Stage 4 to Key Stage 5 (between Year 11 and 12) is considered relatively smooth, there are issues around retaining students beyond Year 12.
- There is a perceived lack of support for helping school leavers find apprenticeships or vocational courses. Concern was expressed as to whether young people are being directed into appropriate pathways to meet their interests and abilities.
- Due to the scale of employment opportunities on offer in MK there is a view that young people can leave school without qualifications and

³ Source: DfE School and College Destination Tables 2014; DfE NEET and Participation 2014

walk straight into a (low skill) job. There is a need to change culture and attitude to address this. The 'work readiness' of young people was also raised as an issue, and there is a need to forge stronger links between education and business to develop this.

- It was suggested that there is an opportunity presented by 'big name' brands in MK which have appeal to young people, e.g. Coca Cola, to raise awareness of local employment opportunities to attract and retain young people.
- Ageing of the workforce and replacement demands highlight the importance of reskilling older workers to ensure they have the skills to meet expansion opportunities and the changing shape of demand. This highlights the importance of ensuring adult information advice and guidance is in place to facilitate reskilling and support for lifelong learning to help provide a more flexible workforce.

Proposed Targets for 2021

- Maintain the incidence of those individuals who are NEET below 5%.
- Increase the proportion of Key Stage 5 leavers continuing into an education, employment or training destination (77% in 2011/12) to 80% in 2021.
- Number of school-business collaborations (baseline to be established through the new Careers and Enterprise Company of which SEMLEP is a part).

Strategic Priority 3: Creating a demand-led system between business and education

- 2.10 This priority seeks to secure employer investment in training through providing a responsive demand-led approach. This will provide a strong core education and training offer supported by a network of specialist provision to meet the needs of particular sectors. A key challenge to achieving this priority is the extent to which employers value and prioritise workforce development. The time and cost constraints of participating in training is well documented, especially amongst SMEs, and there is a need to address these barriers to higher participation, and consider how businesses can be encouraged to participate. Effective communication channels to reach all types of businesses (by size and sector) are a prerequisite to achieving this objective.

Rationale for Intervention⁴:

- The UKCES Employer Skills Survey found that 8% of staff in MK had skills gaps, exceeding the UK rate of 5%. A high proportion of these are found within sales and customer service occupations (43%).
- Around 17% of the reported vacancies in MK were defined as skill shortage vacancies. A high proportion of these are within caring, leisure and other services occupations (23%).
- The Milton Keynes Business Survey (of over 1,400 businesses in 2014) reported 14% of all businesses surveyed had experienced hard-to-fill vacancies over the last year. Hard to fill vacancies are common within the accommodation and food service, and wholesale and retail trade sectors; and within the associate professional, and technical and skilled trade occupations.
- The main reason for hard to fill vacancies was a low number of applicants with the required skills. This points to a tight labour market.
- Around 23% of businesses in the Milton Keynes Business Survey identified skills gaps in their existing workforce, and only a third of businesses surveyed (34%) had a workforce development plan, which is considerably lower than the SEMLEP average of 45%.
- There is a national policy drive to increase apprenticeship starts to 3 million by 2020, however apprenticeship participation rates in MK are currently below average. MK also had a comparably low apprenticeship success rate of 59% over the 2013/14 period.
- In 2014/15 Community Learning MK (only local provider of traineeships) created 27 traineeship starts, up from 9 starts in 2013/14. It is recognised that there is considerable scope for enhancing this position, with 90 predicted starts in 2015/16.
- Recent job growth (2009 to 2014) has been greatest in administration and business support (4,800 additional jobs); finance and insurance (3,100 additional jobs); and transport and storage (2,300 additional jobs).
- The projected high rate of growth for MK (anticipated growth of circa. +33,000 jobs or +19% by 2031) highlights the imperative for providing a responsive system to ensuring that the skills needed by employers are in place. The sectors in MK that are expected to see the highest growth to 2031 are real estate, arts and entertainment, professional services, business and employment services, and construction.
- Analysis of skill forecasts for the SEMLEP area reveals the extent of demand, driven by replacement (the need to replace workers who are

⁴ Sources: ILR, 2013/14; UKCES Employer Skills Survey 2013; MK Business Survey 2014; Working Futures 2012-2022; Oxford Economics LA Forecasts, 2014 based, 2015-2031; CLMK Data; ONS Business Demography 2013

retiring from the workforce) and expansion to yield a total projected demand figure.

- Consultation highlighted the importance of understanding the detailed requirements of specific sectors to ensure provision can be tailored accordingly. It was also highlighted that many skill gaps which exist are for 'core workers' such as GPs, nurses, care workers and teachers and there is a need to understand the scale and characteristics of these needs. There are initiatives already underway to respond to these issues such as the MKC Adult Social Care Programme which offer an opportunity to be built upon through the Skills Strategy.
- Consultation highlighted the time and cost implication of participating in training activity for SMEs (it is noted that around 88% of all businesses in MK employ fewer than 10 people).
- Consultation also revealed a perception of 'weak' employer engagement which includes the challenges involved in getting employers to understand the benefits of investment in skills and to set aside the time and resources for employees to participate. A deterring factor includes a perceived lack of coordination amongst providers to provide a coherent and comprehensive offer to employers which meets their identified needs.
- Consultation pointed to confusion from employers as to the extent of training provision on offer and the benefits that participation could bring to their business. There is a need for a more coherent offer with clearly defined pathways and identification of specialist provision.

It was noted that there are a number of initiatives already underway in MK to strengthen education-business engagement and that this is an area for continued focus in the Skills Strategy.

Proposed Targets for 2021

- Reduce the percentage of businesses reporting skill gaps in the Business Survey (measured by Milton Keynes Business Survey) to bring this in line with the national average.
- Increase number of apprenticeship starts and completions by 5% year on year (measured by Individual Learning Record data).
- Increase year on year the number of traineeship starts (predicted 90 in 2015/16) (measured by Individual Learning Record data).
- Increase the proportion of businesses providing staff training or development (56% in 2014) by at least 2% year on year (measured by Milton Keynes and SEMLEP Business Surveys).
- Increase the number of businesses reporting links with local schools (21% in 2014) to 40% by 2021 (measured by Milton Keynes and SEMLEP Business Surveys).

Strategic Priority 4: Widening participation and enhancing the labour pool

- 2.11 This priority will target deprived communities and groups to ensure that the benefits of economic growth in Milton Keynes are equitable in impact, by seeking to ensure that all residents benefit through improved access to quality employment opportunities. This priority seeks to facilitate this through providing opportunities for residents to upskill and reskill to meet emerging opportunities. This will help to support economic growth through growing and enhancing the supply of labour to meet identified needs. There is a need to both attract and retain working age residents to boost the labour force.

Rationale for Intervention⁵:

- Analysis of the characteristics of the labour force highlights an ageing of the population (the proportion of working age residents in MK has declined by 3 percentage points in the past 10 years) and a forecast 'demographic crunch', whereby there is a lack of anticipated growth in the young working age (20-29) population. This highlights the need to create a more sustainable workforce by retaining and attracting young people to MK.
- There are pockets of relatively severe concentrations of multiple deprivation in MK. The extent of deprivation is attributed to relatively low levels of income, employment, and education and skills in these areas.
- Despite overall reasonable levels of young participation in higher education in MK, there are pockets of low participation in higher education where deprivation is concentrated.
- Low skill occupations such as elementary, process, plant and machine operatives have above average representation in MK relative to the average for England. Consultation revealed concerns about the culture of 'zero hours' contracts and temporary work, particularly within the service sector, which contributes to a lack of skills investment in the workforce and the role this plays in encouraging a low skill equilibrium characterised by low value added, low skills and low pay.
- There is concern that residents of MK are not keeping up with the growth of MK and there is a mismatch between the skills they have and those that employers need. Consultation highlighted the fundamental need to ensure education for all to Level 2.
- There is a need to encourage mobility and flexibility in the workforce, thereby enabling people to change jobs and careers in response to changing circumstances. Consultation highlighted the need for clear

⁵ Sources: ONS Mid Year population estimates; Index of Multiple Deprivation 2010; ONS Annual Population Survey 2005-15; ONS Annual Survey of Hours and Earnings 2014; MKC Regeneration Strategy 2015-2020

progression pathways to enable low skilled/low paid workers to progress to attain higher skills/higher pay.

- The success of the Neighbourhood Employment Programme (NEP) in supporting clients into employment, education and training was identified by stakeholders as an initiative that needs to be supported into the future.
- Consultation highlighted the important role played by Third Sector organisations in delivering learning provision that meets the needs of individuals and their communities. These organisations make an important contribution to learning and skills development and supporting community cohesion and sustainable community agendas. These organisations offer targeted support and are particularly effective at engaging with hard-to-reach learners. They also provide a valuable source of information on the needs of local communities and what methods work best with particular groups.

Proposed Targets for 2021

- Reduce unemployment (broader measure) to below the national average (MK and England both 5.7% in mid-2015).
- Increase participation of target groups in employment, education and training.
- Increase the proportion of residents qualified to Level 2 or above in line with the national average (73% nationally in 2014/15).
- Increase resident based median earnings in line with workplace based earnings by 2021 (currently -2.1% below).

Target Groups

2.12 The Milton Keynes Skills Strategy is aimed at all residents, however, it is recognised that there are specific groups which require targeted intervention to ensure they have the support they need to participate effectively. Stakeholder consultation proposed the following groups should be targeted through the Strategy:

- School aged children with support needs, including those from white British low income families at risk of under-performance.
- Young people, particularly those who are NEET, care leavers, and those aged 16-24.
- Low skilled adults, specifically those who do not have a Level 2 qualification, to enable them to get their first qualification in English and Maths.
- Low wage workers with aspirations to upskill.
- Unemployed (particularly those aged 20-24 and 50+) and those at risk of redundancy.
- Residents with English as a Second Language.

- Those returning to work after a leave of absence, particularly those who have left employment to have/look after children. This group needs support to be able to re-enter the world of work and be able to find jobs that are flexible to meet childcare requirements.

Delivery and Implementation

- 2.13 A key issue identified by stakeholders at the key issues and action planning workshop was the lack of a co-ordinating body or institution driving or owning the skills agenda in Milton Keynes. It was also identified that there is a need to join up initiatives across Milton Keynes and recognise the strategic role that Milton Keynes plays in the wider SEMLEP area. Concurrently, with the growing role of SEMLEP in the skills arena, in particular its role in managing funding, devolution, and intervention in key areas such as apprenticeships, showcase sectors and school business engagement, it is essential that Milton Keynes works with the LEP and takes advantage of the opportunities arising. Governance will be key to the success of the Skills Strategy.

Figure 2.2 Governance Framework



Source: Regeneris Consulting

- 2.14 The Skills and Economic Growth Board will have responsibility for overseeing the MK Economic Development Strategy and the MK Skills Strategy. A new Economic Development Strategy will be created in 2016, based on the evidence from the Local Economic Assessment 2015 and the Skills Strategy Evidence Base. The new Economic Development Strategy will align with the Skills Strategy.
- 2.15 The Board will have representation from officers from MKC including Community Learning, Regeneration, and Economic Development, in addition to representatives from the education, business, community and voluntary sectors.

- 2.16 Two task groups charged with Skills Strategy and Economic Development Strategy delivery will report to the Skills and Economic Growth Board. The Skills Strategy Priority Leads Group will include relevant MKC officers in addition to the Department for Work and Pensions (DWP), Milton Keynes College, University Campus Milton Keynes, the Skills Funding Agency (SFA), and SEMLEP. The Group will also ensure that it has strong business representation. Clear responsibilities will be allocated.
- 2.17 It is also recommended that:
- Working groups to be established as necessary to develop and implement specific actions.
 - Building on the development of Business Advisory Groups in engineering, IT & computing, creative arts, and health and social care at Milton Keynes College it is recommended that the College should be approached to consider opportunities to widen provider representation on these groups and additional groups identified and established.
 - The feasibility of developing a MK Provider Network is considered which seeks to facilitate collaboration and specialisation. The Network will focus on the alignment of the economy with the skills system, including providing networking opportunities and sharing of best practice, encourage skills and vocational pathways, and encourage employers to invest in workforce development. This would link to actions such as the drive to increase apprenticeships, traineeships, provide employee and employer 'Skills Ambassadors' etc. Opportunities to expand existing networks in place should be explored to minimise risk of duplication.
 - It is also recommended that there is greater active representation, by providers and business representatives, on cross-border forums such as those offered by SEMLEP.

Funding

- 2.18 The impact of funding cuts is anticipated to be felt strongly within the various forms of adult and community learning, adult basic literacy and numeracy programmes, and adult entitlements to learning. This illustrates the scale of the challenge in developing and implementing a Skills Strategy and indicates the difficult choices about where to spend whatever money is available. This means that the issues will need to be prioritised, taking into account the potential impact and the availability of funding.
- 2.19 Viewed in these terms, developing new models of design, delivery and funding will be essential. These should also recognise that a significant proportion of the remaining skills funding is now being channelled towards employers rather than providers. Innovations here include the sector specific Industrial Partnerships established by the Employment Ownership Pilots. There are a number of initiatives underway which offer potential funding mechanisms for the implementation of the Milton Keynes Skills Strategy.

European Funding

2.20 The European Structural & Investment Fund (ESIF) is designed to increase social and economic prosperity across Europe and reduce disparity between regions, creating a more competitive, prosperous and inclusive Union. The ESIF comprises of four funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

2.21 SEMLEP is responsible for the ESIF investment strategy in the area. A new Operational Programme for 2014-2020 is now in place with an allocation of approximately £66m⁶. Six investment priorities have been identified for EU funding:

- Priority 1: Strengthening and exploiting SEMLEP's innovation and knowledge assets.
- Priority 2: Stimulating enterprise and enhancing the competitiveness of SMEs in target sectors and markets.
- Priority 3: Developing a low carbon economy.
- Priority 4: Infrastructure for growth.
- Priority 5: Developing a skilled and adaptable workforce.
- Priority 6: Tackling social and economic exclusion.

2.22 Priority 5 is of direct relevance to the Milton Keynes Skills Strategy, and aims to:

Unlock the potential of the existing and future workforce of the South East Midlands through the provision of a targeted, demand-driven approach to skills and employment initiatives that will help address current and future labour market challenges and opportunities.

2.23 Key programme activities include:

- **High level skills for key sectors:** aims to deliver a range of high level skills interventions, with a particular focus on SMEs in order to address the current skills shortages and gaps and meeting future demands in the South East Midland's key economic sectors. This will include targeted sector based skills initiatives; high level skills provision and apprenticeships; leadership and management development; actions promoting careers opportunities; employment search support for professionals and executives, and schemes targeted at developing better links between business and educators.
- **Basic skills and employment programme:** will deliver a range of interventions such as supporting workplace training and the provision of redundancy support with close alignment to Priority 2. Emphasis will be placed on work based learning or learning with

⁶ The sterling value may change dependent on exchange rate fluctuations.

strong links to employers and sectors. Activities could include Information, Advice and Guidance (IAG) pre-entry provision, digital literacy, tackling the skills issues facing the over 40s age group, work experience and taster sessions, in work support and mentoring, support for young enterprise and community grant initiatives.

2.24 The first call for projects took place in March 2015.

Local Growth Deal

2.25 Central Government funding provides funds to LEPs for projects that benefit the local area and economy. The SEMLEP Growth Deal aims to drive growth across the area by investing in high profile strategic projects to deliver the necessary infrastructure to enable new homes to be built and new employment sites to be developed. It will provide support to new and existing businesses to enable them to grow and encourage inward investment, and ensure that young people improve their skill levels and to be better able to deliver the skills tailored to the needs of local businesses.

2.26 SEMLEP has secured £79.3 million Local Growth Deal investment in Round 1 for 2015-16 which will help to create at least 3,000 jobs and 4,000 new homes across the South East Midlands by 2021. This investment will bring forward at least £40m of additional investment from local partners and the private sector. Combined together, this will create a new investment package of £119.3m for the South East Midlands LEP.

2.27 The funding will pay for 10 transport, infrastructure and skills projects in the sub-region. In Milton Keynes, this includes the dualling of a stretch of the A421 and improvements at Bletchley train station, both of which will improve flow within the labour market. There are two specific skill projects which have SEMLEP commitments in place including:

- A purpose built campus in Daventry town centre (£8.5m) for Northampton College focused on giving students skills that meet the needs of local employers. This is set to create 70 jobs.
- Leighton Linlade Engineering Construction Skills Centre (£1.5m) which will train young people and adults to work as technicians and create new jobs.

2.28 There may be an opportunity for Milton Keynes to forge linkages between the needs of the construction sector and the development of the Skills Centre in Leighton Buzzard.

2.29 A further £46.7m has been secured as part of the Local Growth Deal Round 2 and will form part of the 2016/17 budget. The profile for spending for projects funded through Local Growth Deal expansion resources has been agreed and will be confirmed following the outcome of the Comprehensive Spending Review in November 2015. Of particular note to MK this includes a University of Buckingham project which includes a new building on the Milton Keynes hospital site to house the University medical teaching school, including research activities as well as staff accommodation.

Devolution

- 2.30 The Government's Productivity Plan, published in July 2015, outlines plans for inviting local areas to become more involved in the reshaping and recommissioning of local provision. SEMLEP, together with its local authority and private sector partners has welcomed the Government's policy direction on devolution with its emphasis on housing, infrastructure, productivity and skills, and has aspirations for future delivery. This would give the South East Midlands greater control over how public funds are spent, including for example, decision-making powers over skills which would give SEMLEP the power to reshape Further Education provision to meet labour market need and economic priorities. Milton Keynes needs to be proactive in responding to this opportunity.

Other Initiatives

- 2.31 Nationally, there are a range of other initiatives underway which will play a role in implementing the Skills Strategy including:
- Apprenticeship reform, including Apprenticeship Trailblazers and the Apprenticeship Levy.
 - The development of the new national Careers and Enterprise Company.
 - The Catapult Network led by Innovate UK aimed at exploiting technology and making use of increased investment to capture a significant share of the value chain.
 - National Colleges and National Skill Academies and forging relevant linkages to these.
 - Activities led by the remaining Sector Skills Councils and Industrial Partnerships which relate to Milton Keynes' opportunity sectors.
- 2.32 The Skills Funding Agency funds skills training for further education in England, supporting over 1,000 colleges with more than £4 billion of funding per year. Funding streams within this Agency include:
- The Adult Skills Budget, supporting flexible and responsive provision to learners and employers in the workplace and through classroom learning.
 - The College Capital Investment Fund, aimed at supporting skills training in priority sectors.
 - 24+ Advanced Learning Loans, helping those aged over 24 to undertake Level 3 and Level 4 qualifications.
- 2.33 There are a number of funding streams available to vocational based courses. The UK Commission for Employment and Skills is a quango which provides advice and support on employment and skills. It invests in a number of employer-led skills solutions, building the capacity and capability for employers to take ownership of the skills agenda. In addition the Workplace Futures Programme has several competitive rounds of funding, for investment into a specific workforce development problem. It offers

employers the chance to receive co-investment from a share of £1million to support low-paid women and tackle gender inequality. In addition, Teach Too awards funding by the Institute of Education to 28 education-industry partnerships to develop vocational teaching and learning projects, enabling people from industry to work alongside training providers to design, develop and deliver high quality vocational training programmes.

- 2.34 Funding for Higher Education Institutions (HEIs) is available from a variety of sources. The UK Research Partnership Investment Fund has four main objectives. These are to: enhance the research facilities of HEIs undertaking world-leading research; encourage strategic partnerships between HEIs and other organisations active in research; stimulate additional investment in HE research and strengthen the contribution of the research base to economic growth. Funds are available across a broad range of sectors and disciplines. In addition, capital funding is available to HEI's from the Higher Education Funding Council for England as part of their Capital Investment Framework. This funding supports investment in high-quality buildings, equipment and information technology, which are essential to academic excellence in teaching and research. It should be noted that consultation on proposals for the reshaping of HE has recently concluded, the results of which will need to be taken into consideration.

Action Plan

- 2.35 The following section establishes priorities for action over the next 3 years.
- 2.36 However, given the ever changing nature of the skills area, new developments and the adoption of new plans within Milton Keynes, such as Plan:MK, a refresh of the Strategy will be required within this three year period.

3. Action Plan

Table 3.1 Milton Keynes Skills Strategy – Action Plan			
Objective	Action Description	Potential Partners	Performance Indicators
Strategic Priority 1: Raising Standards in Education and Training Provision			
ETP1: Continue to improve educational standards in mainstream funded provision.	<p>In addition to satisfying the requirements of Ofsted this action encourages schools to provide a balanced offer between academic and vocational provision to meet young people’s interests and abilities. It also includes the need to recognise the specific support needs of children in MK such as those pupils with English as a Second Language and those groups at risk of under-performance such as White British pupils from low income families.</p> <p>Amongst other things, the aim of driving up standards will enable more providers to meet the criteria necessary to deliver traineeships in MK.</p>	MKC Schools Team, FEIs, Schools, other provider forums, other providers, SFA, Ofsted	<ul style="list-style-type: none"> - % achieving L4+ in English, writing and maths at Key Stage 2 - % achieving 5+ A*-C grades including English and Maths - % achieving 3+ A-levels at A*-C - % achieving at least three vocational qualifications - % achieving learning aim in Further Education - % achieving ‘good’ or ‘outstanding’ by Ofsted
ETP2: Explore potential for school provision in MK aligned to sector needs	<p>Specifically this will explore the appetite for, and feasibility of, establishing a MK University Technical College (UTC) to provide specialised education to meet the needs of employers. It will explore the interest in, and potential for, an Academy aligned to MK strengths in services. It will also capitalise upon opportunities presented by the MK:Smart project such as UCMK’s enterprise and business engagement with SMEs and learning and development programme to</p>	HEIs, MKC Economic Development, employers, MK College, schools, MKC Community Learning, SEMLEP FUSE and SEMU, Sector Skills Councils	<ul style="list-style-type: none"> - No. of young people attending specialist school provision

Objective	Action Description	Potential Partners	Performance Indicators
	<p>enhance business skills to use Big Data from a Smart City.</p> <p>Providing provision tailored to the needs of MK will facilitate objectives of aligning the skill base of local residents with growth opportunities.</p>		
<p>ETP3: Establish a MK Provider Network to facilitate collaboration and specialisation</p>	<p>This network will provide an information sharing and best practice forum, with a focus on trying to ensure that MK offers a coherent education and training offer with clearly defined pathways and routes to specialist provision. The network will also provide a proactive response to the Area-Based Reviews in FE provision. The need for greater representation on wider geographic forums such as the SEMLEP skills forum should also be considered.</p>	<p>MKC Economic Development & Community Learning, MK College, UCMK, OU, schools, SEMLEP, providers, Third sector</p>	<ul style="list-style-type: none"> - Network established - No. of providers represented - MK representation on wider forums
<p>ETP4: Providing quality teaching and assessor staff</p>	<p>This action recognises the skill shortages apparent in 'core' teaching posts, including maths, science, construction and engineering and the need to address this through an action plan to attract and train an adequate supply of teachers and trainers to deliver high quality provision. Models that have worked well elsewhere, such as training employers to be assessors in high demand sectors such as construction and engineering should be explored.</p>	<p>MKC Schools Team & Community Learning, MK College, UCMK, OU, other providers, SEMLEP FUSE and SEMU, Sector Skills Councils</p>	<ul style="list-style-type: none"> - Baseline to be established on scale of skill shortage - Plan of action established

Strategic Priority 2: Raising awareness of education, training and employment opportunities through a quality information, advice and guidance offer

<p>IAG1: Provide a comprehensive and high quality Careers Education Information, Advice and Guidance (CEIAG) service for young people</p>	<p>This action aims to ensure schools and colleges in MK, provide coherent and coordinated advice on the careers and opportunities available to young people and career pathways. Engagement with business will enhance CEIAG and this includes maximising the opportunity presented by participation of SEMLEP in the new Careers and Enterprise Company including a focus on 'cold spots' where school-business engagement is currently limited and in schools in areas of deprivation.</p> <p>Raising aspirations is a key aspect of this action to encourage progression into an education, training or employment destination and to raise awareness of the career options presented by local employment opportunities. Initiatives such as ambassadors, young role models and skills champions have a role to play here.</p> <p>Models of good practice from elsewhere which provide standards for schools/colleges to aspire to such as gold, silver and bronze standards in IAG should be considered.</p>	<p>MKC Community Learning and MKC Schools Team, MKC Children's Social Care and MKC Adult Social Care, SEMLEP, NCS/Prospects, South East Midlands Skills Forum, schools, colleges and HEIs, Worktree Education Business Partnership, Develop, Inspiring the Future, Sector Skills Councils and industry representative bodies</p>	<ul style="list-style-type: none"> - No. of School, College and business collaborations - Student destinations by type
<p>IAG2: Continue to reduce the incidence of NEET through preventative support</p>	<p>This action recognises the successes achieved to date through targeted intervention, but there is a need to link to preventative strategies through IAG1 thereby helping to smooth the transition at Year 11, 12 and 13. It was also identified that there is a need for more one-to-one support to help those with multiple barriers to participation,</p>	<p>MKC Community Learning, NCS/Prospects, schools, other providers, Third sector organisations, DWP and relevant support</p>	<ul style="list-style-type: none"> - % of individuals who are NEET

	and to pilot innovative approaches.	agencies	
IAG3: Provide tailored careers guidance aligned to opportunity and need	This action proposes the development of resources and capability to deliver a targeted and bespoke careers guidance package on pathways to key sectors of growth and skills need. This will raise awareness of MK opportunities as a mechanism for retaining young people and for encouraging the reskilling and upskilling of adults to meet the changing shape of demand. The 'big name brands' of MK companies have a role to play here in raising awareness amongst young people of the employment opportunities. This action links to ETP3 to provide clear education and training pathways. It also links to IAG1 and raising aspirations. It is recognised that there are relevant resources available through the remaining Sector Skills Councils and this action will build upon these and tailor them to MK opportunities.	MKC Economic Development, MK Chamber of Commerce, MK Business Leaders Partnership, employers and employer representatives, providers, MK Community Learning, Third sector organisations, HEIs, SEMLEP, NCS/Prospects, DWP, Sector Skills Councils	<ul style="list-style-type: none"> - Resources developed and disseminated - No. of providers qualified to deliver tailored careers guidance
Strategic Priority 3: Creating a demand-led system between business and education			
BE1: Investing in workforce development	<p>The starting point for this action is to put in place a communication strategy to ensure effective business engagement with the Skills Strategy, taking into account both commercial and social enterprises.</p> <p>This action recognises the need to change employer views on training given the findings from the MK Business Survey which revealed a below average proportion of businesses which have a workforce development plan in place; employ an apprentice; or have links with local</p>	MKC Economic Development, MK Chamber of Commerce, NAS, apprenticeship providers, FEIs, HEIs, SEMLEP, SEMLEP Apprenticeship Ambassador Network, sector and employer representatives/employ	<ul style="list-style-type: none"> - No./% businesses with a workforce development plan in place - No./% of businesses employing an apprentice - No./% of businesses with links to local schools - No. of businesses signing the Pledge - No. of employers contributing to the Apprenticeship Levy

<p>schools. Guidance needs to be offered to the business community to help them create/maintain workforce development plans. There is also a need to encourage businesses to prioritise Continuing Professional Development (CPD) as part of their workforce development strategy and to ensure resources are in place to implement this.</p> <p>The introduction of the Apprenticeship Levy can be used as a driver of employer interest in workforce development as it is in employers' interest to use the levy investment to their benefit by investing in the skills of the workforce.</p> <p>The revitalisation of the MK Skills Pledge as part of this action will encourage Milton Keynes employers to commit to workforce development and boost apprenticeship provision. The marketing strategy for this will need to be carefully considered to maximise the potential.</p> <p>The Skills Pledge provides a public commitment by employers to enable employees to gain the skills and competencies employers' value thereby supporting both business needs and workforce skills development. This will support corporate social responsibility aims (CSR). There is an opportunity to maximise some of the 'big name' businesses present in MK to participate to help drive this action forward. Positive publicity which recognises best practice should be encouraged.</p>	<p>ers, professional institutions</p>	
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<p>BE2: Boosting the number Of apprenticeships in Milton Keynes</p>	<p>This action seeks to drive up participation by MK businesses, particularly SMEs, to provide places alongside developing provider capacity. The action will promote the uptake of relevant trailblazer apprenticeship standards, where employers are able to tailor elements to their needs. This action will also identify where Higher Apprenticeships can play a role in workforce development, making use of appropriate government subsidies where available. It will also include a marketing campaign aimed at enhancing employer awareness of the economic benefits of employing an apprentice. This will link into activities around National Apprenticeship Week and focus on the 2016 National Apprenticeship Show to be held in MK as a means of promoting awareness. It also links to the South East Midlands Apprenticeship Ambassador Network. MKC has a role to play in leading by example through their apprenticeship programme.</p> <p>On the supply side, the strategy will define clearer progression routes through the apprenticeship framework by working with FE and HE providers. The action will also seek to develop the volume of 16-24 apprenticeship places at L3+ (Advanced). Support needs to be given to both employers and their apprentices to help boost apprenticeship success rates.</p> <p>This action also recognises the need to raise awareness and demand amongst young people and their parents. This links to activities on</p>	<p>MKC Economic Development, NAS, apprenticeship providers, MK Chamber of Commerce, FEIs, HEIs, SEMLEP, SFA, adjoining authorities, SEMLEP Apprenticeship Ambassador Network</p>	<ul style="list-style-type: none"> - Increased number of apprenticeship places - No. of 16-24 apprenticeship places and starts at L3 (Advanced) - No. of trailblazer frameworks linked to MK sectors of need and opportunity - % apprentices progressing between apprenticeship levels - No. of Apprenticeship Ambassadors - No. of businesses from MK represented on the Apprenticeship Ambassador Network - Apprenticeship success rate (%)
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	<p>careers delivered through IAG1 and also to initiatives such as the national Apprenticeship Ambassador programme.</p> <p>As part of this action, the feasibility for providing an Apprenticeship Training Agency (ATA) in MK should be explored, as a means of addressing some of the barriers to participation in apprenticeship programmes particularly by SMEs. This may require cross-border working to ensure economies of scale can be achieved.</p>		
BE3: University- employer engagement	<p>This action is aimed at enhancing education-industry linkages and facilitating graduate placement in Milton Keynes firms. A key focus of this action is to retain and attract graduates to Milton Keynes by embedding them in the local business base. This requires a collaborative effort to encourage the right conditions to attract talented graduates to stay, which will require a detailed understanding of the driving forces at work 'pushing' Milton Keynes graduates to move to destinations outside the sub-region. This links to the 'Work, Live, Play' marketing campaign developed to focus on attracting people to live and work in MK. It also links to UCMK aspirations to widen the student body to attract students from elsewhere to provide diversity and balance in the graduate skills profile.</p> <p>This action will encourage HEIs to commit to engaging employers following the recent significant investment in new facilities. This could include actions such as employer forums, firmly</p>	UCMK, Open University, MK Chamber of Commerce, sector bodies, employers, MKC Economic Development, Innovate UK	<ul style="list-style-type: none"> - No. of undergraduates participating in a placement as part of their degree - Graduate destinations

	<p>embedding placement in course content, targeted careers advice, and graduate placements with SMEs. It should also encourage teaching methods with a greater focus on project work in 'real' industry challenges. These actions will play a role in facilitating aspirations to retain graduates through embedding graduates in local industry. The action will build upon the OU's Knowledge Transfer Partnership Scheme and UCMK plans to deliver undergraduate courses with integrated placements, with a focus on SMEs, launching in 2016. Integrated placements are also an important aspect of the MK: Smart initiative introduced in Autumn 2015.</p> <p>The action links to the Knowledge Transfer Partnership Scheme (KTP) which the University of Bedfordshire (of which UCMK is a part) is involved in.</p>		
BE4: Identify opportunity and skill shortage sectors	<p>This action aims to identify opportunity and skill shortage sectors which would benefit from a detailed skills needs assessment and action plan to facilitate supply and demand interaction. For example, these could include teaching and care sectors which are acknowledged as being growing demand areas. Opportunities such as the MK bid for the European Capital of Culture 2023 should be exploited to maximise the potential for growth by ensuring the skills are in place to meet the needs of the cultural and creative sector. Opportunity and skill shortage sectors should be selected in consultation with key stakeholders with consideration of growth prospects,</p>	<p>MKC Economic Development, MK College, UCMK, OU, Invest MK, other providers, MK Chamber of Commerce, Sector Bodies and representative organisations, employers, SEMLEP Skills Forum, Velocity Growth Hub, JCP</p>	<p>- No. of sector skills action plans developed</p>

	<p>contribution to productivity, strategic influence, and meeting core (population) needs. It is recommended that provider-led business engagement teams should be established (linked to ETP3) to drive forward a responsive system with clear pathways to core and specialist provision. The identification of target sectors for the Skills Strategy will inform the development of skills specialisms amongst providers (linked to Area-based Reviews), boost apprenticeship and traineeship activity in these areas, and focus education-industry activity.</p>		
BE5: Skills Brokerage Service	<p>It is recognised that there is a need for an independent and 'neutral' voice to guide employers to the appropriate provider to meet their skill needs. It is recognised that organisations such as MK Chamber of Commerce already provide this role and this action seeks to build upon this. Models from elsewhere such as the Greater Manchester Skills Gateway should be considered to ascertain good practice and lessons learnt. This action links to ETP3 aimed at encouraging providers to collaborate and specialise. This action also links to the work undertaken by Velocity Growth Hub and other business support agencies and providing training needs assessments.</p>	<p>MK Chamber of Commerce, MKC Economic Development, providers, employers, sector bodies, Velocity Growth Hub, BIS, SEMLEP</p>	<ul style="list-style-type: none"> - Creation of an independent 'honest broker' charged with signposting employers to relevant provision - No. of businesses completing a Skills Needs Assessment - No. of employers provided with information, advice and guidance on skills and training provision
BE6: Labour Market Intelligence (LMI)	<p>This action recommends the continued investment and enhancement of the MKi Observatory to reflect the areas of focus and data requirements of the Skills Strategy. This includes</p>	<p>MKC Economic Development, SEMLEP, providers, employers</p>	<ul style="list-style-type: none"> - LMI database enhanced and updated

	incorporating additional data as drawn upon by the MK Skills Strategy Evidence Base, and making use of both absolute and relative measures to enable comparison with benchmarks. The detailed understanding of sector skill needs would be useful in guiding provision planning.		
Strategic Priority 4: Widening participation and enhancing the labour pool			
WP1: Maximising employment and skills opportunities through the use of planning and procurement interventions	There is an opportunity to drive education and training investment through public procurement programmes and planning obligations where possible, for example, building upon the experiences of the school build programme partnership which played an important role in linking construction opportunities to the local labour force, building on social value links. This could be applied to the social housing investment programme MKC are embarking on through a joint venture with a commercial partner.	MKC Economic Development & Planning, SEMLEP, employers, Community Learning MK	<ul style="list-style-type: none"> - No. of planning applications and contracts including employment and skills obligations - No. of employment opportunities, apprenticeships and training weeks delivered
WP2: Continued Support for the Neighbourhood Employment Programme	This action recognises that there are barriers to learning and employment and that support is required to address these. The NEP has been very successful at supporting people into employment. The programme offers intensive and individual socio-economic support to target groups such as JSA claimants with complex/multiple needs, ESA claimants, lone parents, homeless people, 18-24 year olds, those with mild-moderate mental health issues, and over 50s. It includes elements of financial advice and welfare support in recognition of additional	MKC Regeneration, DWP, JCP, MKC Economic Development and Inward Investment teams, providers including MK College, training and support providers	<ul style="list-style-type: none"> - No. of adults and 18-24 year olds securing employment - No. of individuals improving their employability skills through their engagement in a progression pathway - Improve the qualifications profile of residents, and reduce the numbers with no/low level qualifications - £ funding secured

	<p>barriers to employment. One-to-One Information, Advice and Guidance is provided via community based job clubs by commissioned education providers. The strategy includes employer engagement conducted through the Inward Investment team/Economic Development and DWP/JCP offering support with their recruitment needs, Corporate Social Responsibility and Social Value policies.</p> <p>This action seeks to support the evolution of the NEP in meeting resident needs through building upon good practice and lessons learnt and consider incorporating additional areas of support for target groups as identified by the Skills Strategy into the programme. Opportunities for accessing and maximising external funding opportunities to help meet the needs of identified target groups should also be considered.</p>		
WP3: Continued support for Community Learning provision	Continued support should particularly be around the support offered to low skilled adults to enable them to get their first qualification in English and Maths. Opportunities for community learning provision to be tailored and enhanced to meet the priorities of the Skills Strategy should be explored.	MKC Community Learning, training providers	<ul style="list-style-type: none"> - No. of individuals achieving L2 through participation in community learning provision - Increase % of workforce qualified to L2
Delivery and Implementation			
DI1: Developing governance structures	This action acknowledges the importance of ensuring the appropriate structures are in place to enable effective implementation. This action will establish the Skills and Economic Growth Board	MKC, DWP, SFA, education, business, community and voluntary sector	<ul style="list-style-type: none"> - Skills and Economic Growth Board established - Skills Strategy Priority Lead Group is in place

	and the Skills Strategy Priority Lead Group is in place with appropriate representation and clear roles and responsibilities.	representatives	
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