



EMPLOYMENT FORECASTING TOOL SFA FUNDING AGREEMENT SW/TEC2

FINAL REPORT March 2014

This is the final report for the above Contract to investigate and implement an employment forecasting tool within the Economic Development department of Cornwall Council specifically to provide information about future employment and skills demands for Cornwall and Isle of Scilly LEP Employment and Skills Board (ESB).

Stage 1 of the project was completed in August 2013. As a result of a value for money exercise an underspend was identified and a proposal for Stage 2 was agreed with the Skills Funding Agency to deliver an implementation plan to help embed the tool within the various departments ensuring a reliable and timely flow of information.

This report incorporates both parts of the project delivery and financial statement.

1. STAGE 1

1.1 Milestone 1 - Specification developed and tender issued

As part of the Employment and Skills Strategy produced by the Employment and Skills Board of the Cornwall and the Isles of Scilly LEP the need better forecast and plan future jobs and skills needs within Cornwall was identified. It was expected that more accurate forecasting, based on actual planning and development outputs, would support work with local colleges and JobCentre Plus to influence skills and recruitment needs. The LEP agreed to support the investigation to identify a suitable tool.

Initial desktop research carried out internally and via the internet identified that there was a very limited range of what was described as web based forecasting tools available and many of these relied on a simple spreadsheet formula. Information that could be provided at occupational levels was even more limited and what was described as labour forecasting tended to be much more staff management/ shift-scheduling for staff eg in a hotel environment. Local input was also very limited and some tools required information to be sent off with an analysis provided within eg one to two weeks.

Cumulative reporting was also an identified need to enable better planning and delivery decisions eg if three major developments were planned at the same time in Cornwall it may have an implication on cost if there were insufficient staff available at the right time. End user reports, post development, were also very limited and those found could not be linked directly to the main construction phase ie Council involvement in the initial planning stages of a development would ensure access to information about the scale and scope, and therefore recruitment and skills needs of a development. If this could be linked with an end user report eg construction of a retail

park then subsequent employment and training of local management, customer service and retail staff would clearly indicate added value to the area.

During the initial investigation it was also identified that the only information about current vacancies which had been provided by JobCentre Plus, was recognised as including many duplications of the same vacancy, speculative recruitment and excludes a great number of vacancies that are never advertised on the system. This had resulted in a lack of robust statistical data to analyse job vacancies within the county or region.

It was agreed to follow two separate arms of investigation into the availability of one or more web based tools that could meet the needs identified.

Extensive searches were carried out on-line and through speaking to other local authorities, LEPS and external partners. Only two currently operational tools could be identified – one to forecast employment and skills needs for the construction phase of a development together with end user forecasting and a second that would search a wide range of websites and databases and could identify current vacancies and skills requirements in a specified geographical area.

Discussions within the Council in both Economic Development and Planning raised several issues about need, accuracy and range of forecasting, internal management and implementation. It was quickly identified that without structured and senior level support from both departments any attempt at implementation and future development could fail.

Further investigation showed that a previous tool that had been implemented within economic development had not been provided with sufficient resources and failed after a very brief period of implementation. This brought the whole concept into disrepute especially with the backdrop of Council budgetary and staffing constraints.

1.2 Milestone 2 – Estimation of future employment opportunities

The need to move quickly with a small group of key individuals was proposed and rather than follow a protracted period of tendering, contracting, development and testing it was agreed to provide a detailed investigation into a web-based Labour Market Forecasting tool, initially developed in the north-east involving seven local authorities, CITB and Dundee University.

In addition it was also agreed to investigate the purchase of a Labour Insight Tool currently used by 19 customers, mainly Local Authorities, including Cumbria County Council, Oxfordshire County Council and Birmingham City Council.

Purchase of the Labour Insight Tool alongside the Employment Forecasting Tool will enable understanding of immediate market needs, plus the longer term demand – a powerful combination which will provide key information to support deployment of the Employment and Skills Strategy in Cornwall and the Isles of Scilly.

1.3 Key Aspects of the Labour Forecasting Tool

Cornwall Council was looking to purchase an off the shelf construction industry/ developer targeted electronic labour forecasting tool. The forecasting tool should identify what staff are needed on site and when and what the potential skill

requirements for each occupational area are. The tool should also include a facility for end user developments post construction.

Considering previous experience within Council ie lack of sufficient resourcing, it was important to draw up a detailed list of requirements for each department involved.

The requirements:-

- 1:1 training and ongoing support
- Licence purchase x 4
- Easy access and reporting that could be used both internally and by developers
- Identify employment and skills needs for end user site use
- Produce detailed reports and response facility – both for individual contracts and cumulatively
- Provision of forecasts for trade skills and employment needs
- Ongoing maintenance and updates included
- Multiple staff access
- Potential for further development to meet local needs

All organisations involved in the initial development were contacted ie the 7 local authority areas covered by the Tyne and Wear City Region, CITB and Dundee University. Information was provided about the development of the tool and future plans.

Internally it was established that the Procurement Team at the Council, responsible for large scale developments and management of the supplier framework (approved developers who operate through a network of local subcontractors), were also interested in the Tool and the scope it could afford them to agree more stretching construction phase targets for recruitment and skills. The tool could also provide required information to support developers applying for government or European funding.

A demonstration of the Tool was arranged and purchase was unanimously supported by representatives from Planning and Economic Development and the LEP.

The Leaflet (Annex 1), Input Form (Annex 2) and Example Report (Annex 3) are attached as part of this report.

NB. The Labour Forecasting Tool has been renamed Employment Forecasting Tool and will be referred to as such throughout this report

1.4 Key Aspects of the Labour Insight Tool

It was identified, in conjunction with the plans to introduce the Employment Forecasting Tool, that the additional Labour Insight Tool would need to

- Provide early indication of what is happening in the labour market.
- Be able to raise issues on emerging skills needs, skills gaps and shortages to support the alignment of skills demand and supply.
- Work alongside an employment forecasting tool, enable forecasting of projected skills needs to support curriculum development planning and targeted delivery.

- Assist partners (e.g. Jobcentre Plus, local project partners) in identifying employers where, via liaison, apprenticeship positions, traineeships or work placements may be suitable/alternative options.

An on-line linked demonstration was provided and purchase was unanimously agreed to include:-

- Licence purchase x 3 (for two years)
- 1:1 training and ongoing support
- Ongoing maintenance and updates included
- Potential for further development to meet local needs

Labour Insight Tool information sheet attached as Annex 4.

1.5 Milestone 3 – Contract issued and procurement of the Employment Forecasting Tool and the Labour Insight Tool

This has been completed and training dates for the Tools were carried out in 2013.

1.6 Implementation and Longevity

One of the key aspects that emerged through interdepartmental discussions was that agreement in terms of user and operational implementation of the Tools would be key to their success. As a result an Implementation Group comprising Planning, Economic Development and Procurement has been established. This group will continue to meet throughout the licensing period and will inform future plans and forecasting providing added value to a wider range of Council services.

1.7 Project Delivery

The project had an extremely tight timescale and initially time was spent agreeing a tender outline that would meet procurement criteria. Commitment to go ahead was also obtained from the ESB at their meeting in April. At the same time web searches and calls to other local authorities began. It was quickly established that in fact a tool already existed, was in use by other local authorities and was also being developed to encompass end user developments.

It was decided not to continue with a tendering process but to investigate further the possible purchase of the CITB Employment Forecasting Tool together with a Labour Insight Tool that would complement the Forecasting Tool as identified previously.

There were a number of reasons for this:-

- we identified two off the shelf tools that were already tried and tested and could meet our needs having been developed with Local Authority input
- it was not viable to carry out a full tendering process and this could not have been delivered within the timescales
- the short project timescales did not allow for any change in priorities eg LEP Post-2013 planning, Council elections
- gaining commitment from key personnel across Council departments was more cumbersome than anticipated
- the cost of licences included training, support, all travel by key personnel, updates and also gave Local Authorities discounts

- the value for money being offered by purchasing two off the shelf products with further development opportunities being provided free of charge over a two-year period could not be bettered

1.8 Underspend Proposal

The introduction of two different tools and the resultant engagement of a number of different departments and organisational structures over a range of sites in Cornwall and the Isles of Scilly necessitates effective implementation to ensure long term commitment.

There is, at present, insufficient spare capacity within Council and, with the agreement of the Skills Funding Agency, the LEP proposed to go to Tender for a consultant to agree protocols and help bed in the tools.

The role included responsibility for:-

- Agreeing where will the tool sit ie who will input and who will access the information
- Setting up and managing an implementation group
- Report regularly to the ESB and LEP
- Identifying who will provide information eg Procurement/ Planning – several sections already gather a range of information/ Developers/ Funders
- Writing and agreeing protocols to include who provides information, at what stage of the planning process, how, how often, at what stage of the development process etc
- Developing how reports will be provided/circulated/ who to/ when/ if they are single development reports/ cumulative etc
- Investigate, with Council legal department, implications of reporting future skills needs to eg Colleges when developments may not go through to completion
- Ensure sufficient flexibilities are agreed to meet the needs of a changing Council delivery mechanism
- Identify and test a number of options about how we select developments to be input ie do we put a size limit on developments for this purpose as Procurement do for the apprenticeship/work placement requirements
- Identify how developments for non-Council routes can be included ie redeveloping existing buildings/change of use to commercial properties
- Provide a full, detailed, implementation report and Handbook that can be taken forward
- Ensure all systems and process are fully tested and bedded in

The report for Stage 1 of this project and proposals for use of the underspend were sent to the Skills Funding Agency who agreed the expenditure and extended timescale until March 2014. Details have been provided in Stage 2.

2. STAGE 2

2.1 Implementation Overview

As a business-led partnership the Cornwall & Isles of Scilly Local Enterprise Partnership (LEP) recognises the importance of a skilled, flexible and effective workforce. Robust informative labour market intelligence is critical to understanding

the challenges of balancing the supply and demand of labour and identifying employment and training opportunities for the workforce. The Employment Forecasting Tool (EFT) will produce informative data which will be used to support key decisions regarding employment and skills. The Labour Insight Tool will be utilised to identify current recruitment requirements across Cornwall and the Isles of Scilly and will also provide information about current training requirements expected by employers. These directly relate to the five strategic objectives identified by the Employment and Skills Board of the LEP in their Employment and Skills Strategy 2012-2020. These are:

- Create an aspirational and innovative enterprise culture
- Improve skills and boost employment in growing global markets
- Enable those out of work to compete in the labour market
- Increase employer and individual investment in skills
- Improve the quantity of and access to information for learners

The implementation of the EFT will enable the LEP to demonstrate a consistency across decision making, underpinned by a tried and tested tool and in a manner that demonstrates transparency and evidence of good practice.

Ensuring a consistent approach to the implementation of the Employment Forecasting Tool is a huge opportunity to provide hard evidence to support the delivery of the Employment and Skills Strategy for the LEP. The information it will generate will enable partners to work across the LEP and the Council and with other agencies, employers and educational providers to ensure maximum employment and training opportunities for local residents. The implementation of the Employment Forecasting Tool should also enable the LEP to ensure that there are adequate and effective programmes of skills development and employment interventions that meet demand both during the construction phase of projects and post completion, and forecast the employment and skills requirements from a pipeline of work.

2.2 Tendering

A Tendering document, following Local Authority and LEP Procurement procedures, was circulated and agreed with the Implementation Group and the Employment and Skills Manager who reports directly to the Cornwall and Isles of Scilly LEP ESB. An open tendering procedure was carried out, scored and a consultant appointed.

The successful tenderer was WLC Ltd, one of the developers of the Employment Forecasting Tool

2.3 Outputs

The overall aim of this project is to successfully integrate the use of the Employment Forecasting Tool across a range of departments in the Cornwall and Isles of Scilly LEP and Cornwall Council. Outputs consist of a Final Report (Annex 4) that will track the process and identify and resolve any issues and an Operational Handbook (Annex 5) that will define the process to follow and templates to use where appropriate.

A range of methods were utilised to gather information including face to face interviews with stakeholders, desk and face to face research with other users ie other local authorities, telephone interviews with staff, reports and a workshop with the Implementation Group.

2.3.1 The Final Report provides an analysis of how the Tool is to be used, by whom and when, together with the accompanying Handbook, detailing the processes, policies and procedures that will be necessary for the effective implementation of the Tool. Relevant staff will be trained in the implementation procedures, so that on completion of the project, the LEP and the Council have the expertise to use the Tool confidently and effectively. The Helpdesk service included in the licence for the EFT already held by Cornwall Council will provide support to users of the Tool once it has been implemented.

2.3.2 The definitions for major developments were considered to provide the initial basis for reporting and this was discussed specifically with representatives from planning from the Council of the Isles of Scilly.

It was important to ensure that the Isles of Scilly were also included in the scope of this report as they are already involved through membership of the LEP itself and the ESB.

At present we have agreed that we will utilise the EFT for key developments utilising the definitions for major developments as identified below – size and scale-wise. We recognised of course that this may not be immediately relevant to developments on the Scillies which tend to be much smaller and, over the past 6 months no developments would have been included using this scale. This may change especially with future funding and local plans; also we would like to have an opportunity to work with the Tool and ensure it is fully bedded in on the mainland before considering use for smaller developments. We have agreed, with a representative from the Isles of Scilly Council, to revisit this later in the year and, as with other aspects of the LEP EU SIF delivery plan, to consider a ring-fenced service delivered via Economic Development.

Definitions for major developments

Dwellings		All Other Users	
Smallscale Major	Largescale Major	Smallscale Major	Largescale Major
10-199	200 or more	1,000 sq metres and 9,999 sq metres	More than 10,000 sq metres
0.5ha and less than 4ha	4ha or more	1ha and less than 2ha	More than 2ha

2.3.3 Recommendations and future actions have been provided as part of the Report. These include ongoing support for use of the EFT, follow-up questionnaires to be used at 3 and 6 month periods, and options to amend the Handbook accordingly.

3. EXPENDITURE

Stage 1 included the purchase of the 2-yr Employment Forecasting Tool Licence, the 2-year Labour Insight Tool and Installation Costs for the latter. Purchasing off-the-shelf packages that were fit for purpose were as a result of a value for money exercise and a report, identifying this, and the resultant underspend, was sent to the Skills

Funding Agency in August 2013. Also included in this report were proposals for how we planned to utilise the underspend to add further value to the initial purchases.

Actual	Cost	VAT	Total
Employment Forecasting Tool 2-yr licence	£3,900	£780	£4,680
Labour Insight Tool 2-yr licence	£16,000	£3,200	£19,200
Installation Cost (IS), Workshop and Printing	£308	n/a	£308
Implementation Report and Handbook	£21,510	£4,302	£25,812
Total			£50,000

4. ATTACHMENTS

Annex 1	Labour Forecasting Tool (EFT)
Annex 2	EFT Input Form
Annex 3	EFT Example Report
Annex 4	Labour Insight Tool
Annex 5	Final Report
Annex 6	Operational Handbook