

Skills and Employment Update – Next Steps

For discussion and direction.

Summary

Following the decisions Lead Members of the City Regions and People and Places Boards took on the next stages of LGA employment and skills work, this paper sets out how we develop this. Officers to progress as directed by members.

Recommendation

Members are asked to note the update.

Action

Officers to take forward any actions as directed by members.

Contact officer: Jasbir Jhas

Position: Senior Adviser

Email: jasbir.jhas@local.gov.uk

Telephone: 020 7664 3114

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BACKGROUND

1. Members agreed that the LGA's 2016/2017 work continues to ensure the sector benefits from the devolution deal process, and makes the case for the wider employment and skills system to be localised.
2. Broadly this includes a **devolved mainstream skills system** – further education, 16-19, adult skills, apprenticeships, higher skills, learner loans and careers advice and guidance for all ages – to prepare people to enter and progress into jobs market. Alongside this, a **locally responsive re-engagement system** – commissioning Jobcentre Plus and back to work schemes – is critical to help people who require extra support to enter, get back into, or progress in work.

LOCALISING DWP'S APPROACH TO EMPLOYMENT SUPPORT

3. Members agreed that forging a new relationship with DWP was critical to achieving this.

NEW: LGA / DWP Partnership Accord

4. Renewing the LGA initiated high level partnership accord with DWP will be important. This should aim to set out the suite of issues that central and local government commit to work on together to improve operations on the ground. This should also bring on board the LEP voice.

NEW: Employment support - the Work and Health Programme

5. DWP's Work and Health Programme (WHP) for claimants with health conditions or disabilities and those unemployed for over two years will replace the Work Programme (WP) and Work Choice in 2017. The budget, £130 million per year, is a fifth of the WP size. Jobcentre Plus will support all other JSA claimants up to their eligibility on WHP.
6. DWP is working with ten devolution deal areas to co-design / co-commission WHP. Outside of these areas, a 'national offer' will apply. The LGA / DWP has developed joint work to engage the sector in the co-design of it. This includes three national consultation events during May 2016 and an Expert Working Group to develop policy recommendations which will be submitted to the DWP Employment Ministers later in June before being signed approved by both Boards (within the first two weeks of June). The intention is that this will drive WHP operations delivered across England giving local government a clear role through the design, procurement and live running. The aim is to use this joint working to influence other parts of the DWP's employability offer.

NEW: Making the case for a more local public employment service

7. Given the expiry of Job Centre Plus estate contracts in 2018, Members were keen to influence the debate on the future of the public employment service, and explore the potential role of local government. This would need to reflect the changing role of JCP which is now moving to helping people into jobs and career progression given the majority of benefit administration will move online. To support this, the LGA could commission research in two stages.
8. The first step could be to provide a scoping paper which is presented to both Boards for discussion. This could identify what the system currently does, including:
 - 8.1 Evidence of what works and how local government is involved (MyGo in Suffolk etc).
 - 8.2 The extent to which local jobs (quantity/type) are advertised in JCP.
 - 8.3 the alignment of JCP / National Careers Service in a local area.
 - 8.4 Segmenting the labour market and identifying how people find jobs.
 - 8.5 Types of customer within the workforce who do / do not present at JCP.
9. The second step would be to use the outcomes of the scoping work to set out a local government vision for a locally accountable public employment service would look like which also captures international evidence and the local business voice. This could potentially be set out as a Green Paper towards the end of 2016 to influence DWP decisions.

ENHANCING COUNCILS' INFLUENCE OVER THE SKILLS SPECTRUM

ONGOING - Area Based Reviews (ABR) and Adult Education Budget (AEB)

10. Local areas are at various stages of reviewing the Further Education colleges. Given the first wave has just concluded, the LGA could usefully play a role in sharing learning with subsequent waves. Elsewhere on the skills agenda, devolution of the AEB has been widely seen as a positive step. However with it comes new transfers of legislative responsibilities, bringing risks as well as opportunities. It will be important to ensure this progressive agenda continues proportionately and that the LGA helps part of Whitehall join up their thinking.

NEW: Joining up the skills jigsaw

11. Members agreed that officers pursue a broad ranging piece of work which could highlight the role local government could play across the entire skills system. As well as capturing their new AEB role through devolution, it could also explore a potential role in:

- 11.1 Galvanising a partnership approach to an all age local careers service bringing together the fragmented services of councils, the Careers and Enterprise Company, and the National Careers Service. This is timely given Whitehall departments are currently exploring a new blueprint for the careers service.
- 11.2 Supporting small and medium sized enterprises (SMEs) to create apprenticeship opportunities given they are currently excluded from the new Levy contributions which will commence in April 2017.
- 11.3 Maximise opportunities for extended learner loan system. This part of the skills system is underperforming yet its uptake is important for adults in low pay, low wage jobs who may be unable to self-finance their upskilling / reskilling. Identifying joint work with a LEP, college and employer will be explored.