



WORK LOCAL

MAKING OUR VISION A REALITY



#worklocal

Contents

| | |
|--|----|
| Foreword | 3 |
| The case for change | 4 |
| Key messages from the Skills Taskforce roundtables | 8 |
| The LGA solution: A model for integrated employment and skills | 14 |
| Work Local: A focus on place and partnerships | 16 |
| LGA's Work Local Offer | 17 |
| Improving the current system | 19 |
| Acknowledgements | 21 |

Foreword

Local communities want better jobs, opportunities to improve their skills and ultimately more prosperous lives. This means that Work Local – the Local Government Association’s (LGA) ambitious but practical programme to improve employment and skills services in England through local public-private collaborations – is needed more than ever.

There are clear benefits to this approach – for the economy, residents and delivery organisations – in improving how employment and skills services respond to local needs and how they are organised and delivered locally. Across a medium-sized combined authority, for example, Work Local could result in 8,500 more people in work, additional fiscal benefits of £280 million and a benefit to the economy of £420 million each year.

While Work Local is the LGA’s own vision for change, we have also brought together 28 leading organisations and trade bodies that are key to improving skills and employment in England to find common ground and understand how we can work more collaboratively. Working with representatives of small and large employers and industries, local enterprise partnerships (LEPs), colleges, universities and other training providers, think tanks, councils and combined authorities, we have heard the ideas for change from many of England’s leading experts. Collectively we all have many new ideas to offer, and importantly we all share a common ambition to make the system more effective. We are all eager for change.

For the last two years, Whitehall has been preoccupied with the complexities of the UK’s withdrawal from the EU, leaving local government to continue delivering vital services. There has been little time for new domestic debate. The LGA believes our updated Work Local offer provides the vision to help address the unique labour market and skills challenges that each village, town and city faces across the country.

In this new report, the LGA highlights its strong appetite to test Work Local through local pathfinders and our plan for achieving it. We also highlight the strength of alliances with partners that want to work together to drive forward the Industrial Strategy and improve England’s skills and employment programmes, focusing on themes including apprenticeships, adult skills, post-16 pathways, careers advice and guidance which were discussed at our recent roundtables.

We are entering a new chapter in our country’s history and will soon start to look at a Britain beyond Brexit. We want to work with the new Prime Minister and Government to implement a new way of working and help unlock the full potential of local and national partners across the country. This is a unique opportunity to do things differently.

The Government must support us in accelerating this agenda.



Cllr Mark Hawthorne MBE
Chairman, LGA People and Places Board



Cllr Sir Richard Leese CBE
Chair, LGA City Regions Board

The case for change

Successive national governments have sought to reform the employment and skills system over the last two decades. However we still have one of the most centralised systems in the developed world.

This centralisation hasn't led to a coherent or joined-up approach. Different government departments and their agencies like Jobcentre Plus, the National Careers Service, and the Education and Skills Funding Agency, are directly responsible for employment and skills design, commissioning, delivery and oversight. None of them have a common plan on how to work together. This often results in services having different objectives, priorities, eligibility, criteria, accountabilities and ways of working. This disincentivises collaboration, both nationally and locally. Neither do these agencies have a duty to discuss with councils how services will work in local areas around service users or reflect local economic and social priorities which is a missed opportunity to target support where it is needed.

Interventions designed by a centralised system alone cannot identify and address the unique economic and social challenges and opportunities within places, and the people that live within them. Many councils and combined authorities have therefore developed their own programmes and initiatives to address local skills and labour market challenges that national initiatives have been unable to.

For example, in 2014, the Greater Manchester Combined Authority launched their 'Working Well' programme which worked with public services from across the region to give jobseekers the help they need before they re-enter the world of work. This led to 1,400 people gaining access to fast-tracked therapy sessions from Greater Manchester NHS and led to 700 long-term unemployed people finding work. Due to its successes this approach has since been expanded.

As part of the Southampton and Portsmouth City Deal agreement, the Solent Jobs Programme was also launched which aimed to provide employment related support to long-term workless adults with disabilities and health conditions across the Solent local enterprise partnership (LEP) area. Results from their report showed that for every £1 of costs, the programme provided an estimated £1.76 of benefits.

Gloucestershire County Council's 'Going the Extra Mile' (GEM) works with 70 community organisations to engage people with barriers to work to move closer to employment by offering tailored support including transport and childcare costs, or support with disabilities and mental health issues. The £3.2 million project, funded¹ by the National Lottery and European Social Fund, started in 2016 and runs until the end of 2021, following additional funding. GEM has supported 1,053 people, including 415 accessing training or education, 300 finding a job, and 202 receiving financial inclusion support. Around 50 local employers work with GEM to open up paid and work experience opportunities, many of whom are encouraging their peers to get involved.²

1 www.glosgem.org/funding.php

2 More information on the case studies is at www.local.gov.uk/worklocal

Unemployment has fallen to 1.1 million across England, however 700,000,³ or 11 per cent of 16-24 year olds are still not in education, employment or training (NEET), and half of all unemployed people do not claim an out of work benefit or receive job search assistance from Jobcentre Plus (JCP). As a country we also face a range of skills challenges. Nine million adults lack literacy and numeracy skills. Across the UK, four-fifths of manufacturers struggle to hire the staff with the right qualifications and experience,⁴ and in the last decade just one in six low-paid workers (17 per cent) permanently escaped low pay, while a quarter remain stuck,⁵ and just under four million people (or one in nine workers) are in insecure work.⁶

New research for the LGA by the Learning and Work Institute (L&W), reveals that across England in 2018, there was a considerable shortfall between the volume of work desired and the actual volume of work available, known as 'spare capacity in the labour market'.

For England this is composed of:

- **1.1 million unemployed people**
- **1.5 million people are economically inactive who say they want a job** (not actively searching for work but would re-join the workforce if the jobs market was stronger)
- **2 million people** are in work but want to work more hours (underemployed).

So even as headline unemployment has fallen, L&W analysis shows that spare capacity is more than three times that rate. This **equates to 14 per cent of the workforce in England – or 4.6 million people – who want a job or more hours.**⁷ Critically, as noted, the vast majority of these people receive no support at all through JCP.

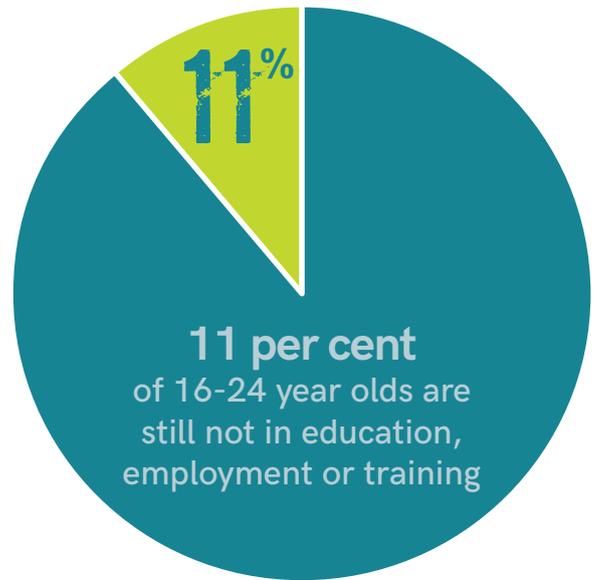
3 ONS May 2019

4 British Chambers of Commerce quarterly survey, January 2019

5 Social Mobility Commission, January 2019

6 TUC, May 2018

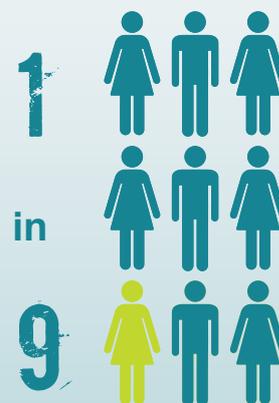
7 Source: Annual Population Survey, ONS and Learning & Work Institute Estimates



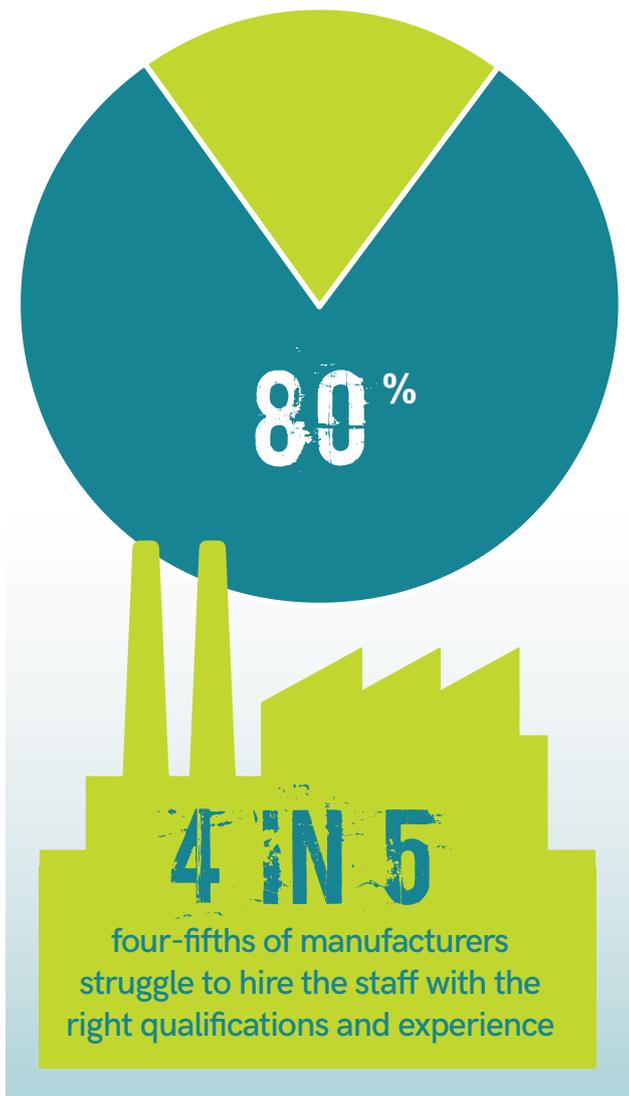
9 MILLION



nine million adults
lack literacy and numeracy skills



one in nine workers
is in insecure work



Skills gap 2024

Research for the LGA by the Learning and Work Institute for Work Local (2017) revealed that by 2024, a growing skills gap will result in a four million deficit of high skilled people to jobs available and an eight million surplus of intermediate and low skilled workers to jobs available. This indicates that England faces a potential deficit of high skills in 2024 if more is not done to increase qualifications levels in our country.

There is strong relationship between skills and productivity. Any shortfall in the qualifications needed by employers will lead to reduced productivity and lower economic growth. Failure to address these gaps puts at risk up to four per cent of future economic growth – equivalent to a loss of £90 billion of economic output. **At an individual level, this means an average worker would be approximately £1,176 a year worse off (or around £60,000 over a working lifetime).**

Looking ahead

Our skills gap is predicted to widen in the coming years. National and local partners need to rethink how we adapt to the future jobs market and to the challenges and opportunities presented by exiting the EU, automation, rapid technological change, the gig economy and extended working lives.

Around 2.37 million non-UK EU nationals work in the UK⁸ (seven per cent of the workforce), varying widely across the country. For instance they make up seven per cent of the social care workforce, ranging from 13 per cent in London to two per cent in the North East. The Federation of Master Builders revealed a third of small/medium enterprise (SME) housebuilders employ EU workers, a figure which rises to 70 per cent in London and the South East. While we still do not know the exact terms of Brexit, our future trading relationship and future skills supply will affect businesses and communities up and down

⁸ ONS. UK and non-UK people in the labour market: August 2017

the country, with recent data already showing that EU net migration to the UK fell to a six-year low.⁹

Councils, as large local employers, and as leaders of place, have a unique insight and interest in ensuring the needs of employers, both large and small, in the wider local economy are understood. As such, they must be consulted in the development of Britain's new migration policy to ensure continuity and effectiveness of local public services and that local private and public sector employers have a steady supply of the skills they need to thrive and grow.

Digitalisation, rapid technological change and the gig economy are changing the face of our economy, forcing sectors to adapt or create different types of jobs. For instance there has been a 2.4 per cent drop (equivalent to 74,400 people) in retail employees since 2018.¹⁰ Meanwhile 119,500 creative industry jobs are forecast to be generated by 2024, the fastest growing sector in the economy, many of whom are self-employed.

A predicted 1.5 million (7.4 per cent) of jobs are at high risk of being lost to automation in England.¹¹ The three occupations with the highest probability of being automated are waiters and waitresses, shelf fillers and elementary sales occupations. The risk of automation also changes depending on where you work, driven by the types of jobs available in a particular area. Generally, the most vulnerable will be low skilled jobs, while the more jobs that require high-skilled workers in an area have a lower risk of automation overall. This highlights the importance of local areas having access to a broad range of jobs and industries rather than being solely reliant on one and underlines the urgency of increasing our skills base.

Continued failure to increase our skills levels is bad for individuals, employers and the local and national economy.

Addressing these challenges and opportunities require us to have an employment and skills system that is well co-ordinated, high performing, responsive to the needs of employers and local areas, and focused on inclusive growth with an ability to anticipate and respond to change quickly.



half of all unemployed people do not claim an out of work benefit or receive job search assistance from Jobcentre Plus

9 Guardian, 29 November 2018

10 British Retail Consortium, April 2019

11 ONS analysis, March 2019

Key messages from the Skills Taskforce roundtables

Over the last six months, the LGA brought together 28 leading organisations and trade bodies that are key to improving skills and employment in England. These discussions revealed a shared common ambition to make the system as effective as it can be for people and places. The following pages identify some of the key issues discussed, along with some of the voices of stakeholders that took part in them.

1. OUR EMPLOYMENT AND SKILLS SYSTEM MUST BE MORE JOINED-UP, COORDINATED, AND LONG-TERM.

At our last count in 2017, more than £10 billion was spent across 20 employment and skills funding streams managed by eight government departments or agencies. These disparate funding pots make the system too short-term, fragmented, and hard to join up. Often these programmes and schemes are designed by national government alone.

Local areas have little or no influence over these which is a missed opportunity to target support and make the best use of available resources. Voluntary and community sector partners also have to work hard to join things up at a local level. The Industrial Strategy should have a strong focus on inclusion and help join up the system.

‘If central government could put that funding into one skills pot, it would enable us to work together much more effectively. The 38 local enterprise partnerships (LEPs) are in a position to work at a local level with their local authority partners to tackle this.’

Dr Ann Limb CBE DL, LEP Ambassador

‘The Trust has to work hard to join things up at a local level.’

Gemma Hope, Shaw Trust

2. YOUNG PEOPLE NEED ACCESS TO A COHERENT POST-16 LOCAL OFFER.

Deciding whether to pursue an apprenticeship or A-level option at 16 can be a daunting choice. But add new technical levels to the equation and your post-16 choice becomes even more confusing. More choice between academic, vocational and technical routes is a good thing, but young people need access to an impartial, coherent and well-communicated picture of all post-16 pathways available locally and how they relate to the world of work or further learning, with signposting for further information. This is especially important for disadvantaged young people, those with special educational needs and disability (SEND) or complex needs.

While several organisations play a role in supporting young people's learning, no one is responsible for coordinating this. Councils and combined authorities can play a vital coordination role working with national and local partners. This could also support employers offering work placements or apprenticeships, and colleges and other providers delivering the training component. The current approach to policy and funding specific parts of the system is affecting how organisations work together. There is strong appetite to collaborate to develop a post-16 local offer, and we want to explore this with the Government.

'Apprenticeship providers could offer and deliver large-scale T-levels placements, yet this potential is not being maximised, in part because reforms are developed and funded in silo. We'd like to explore how we can work together better locally'.

Paul Warner, Association of Employment and Learning Providers (AELP)

"All young people should get high quality and reliable advice on the different options available as they go through their education. This is especially the case when it comes to vocational routes or apprenticeships which are too often overlooked. This means employers, councils, and schools need to work more closely together."

John Cope, Confederation for British Industry (CBI)

"It is vital that T-Level reforms consider learning from the pilot areas, and consider how these will work in rural areas where it may be difficult to secure sufficient placements."

Jo Maher Boston College, and representing the Association of Colleges



3. INVESTING AND IMPROVING IN ADULT SKILLS THROUGH LOCAL ACTION.

A third of all workers will be over 50 by 2020,¹² and people over 70 in work has doubled since 2009 to half a million. As working lives extend and our economy changes, adults – those in work and looking for a career change, those vulnerable to redundancy, and those wanting to return to work after ill-health or caring responsibilities – need to be retrained, upskilled and supported into local jobs. But there is a job to do both nationally and locally. With nine million adults¹³ lacking functional literacy and numeracy skills, and the numbers of adult learners in further education halving since 2005/06, we need to understand how to engage adults into further training. Adults with low skills and on low incomes are least likely to access training, despite needing it most, which the Social Mobility Commission calls ‘vicious and virtuous cycles of adult skills’.

Meanwhile funding to improve adults skills has reduced by 48 per cent since 2010.¹⁴ Access to England’s £2.5 billion European Social Fund will end as the UK leaves the EU, and will leave a gap in funding, so it is vital that the successor UK Shared Prosperity Fund (UKSPF) is localised, and training and job support is prioritised for those most in need. New approaches are needed to help adults with low skills working in industries likely to be vulnerable to technological change. Pilot work is testing how the new National Retraining Scheme may work. This includes local areas testing the importance of being able to locally identify, engage and incentivise adults into training.

Councils and combined authorities’ key community leadership role, working with partners to stimulate and meet demand through targeted engagement and a relevant flexible offer, should be built into the future policy to help adults move up the career ladder, but it needs investment.

“Just 10 years ago, colleges still had thriving evening classes. As ‘jobs for life’ no longer exist, the need to reskill will become even greater, resulting in the need for more adult education funding to achieve that. This is key to enabling social mobility and improving life chances, something which can also be achieved through effective local partnerships”.

Jo Maher, Boston College, and representing the Association of Colleges



¹² Work Local, LGA, July 2017

¹³ That is more than a quarter of 16-65 year olds. Skills Review of England, OECD 2016

¹⁴ Fragmented Funding for Growth 2016/17, LGA, 2017

4. STRATEGIC LOCAL PLANNING AND FLEXIBILITY WILL BOOST APPRENTICESHIPS.

The Government's apprenticeship reform programme has changed the way employers manage their skills and training functions but it is being held back from reaching its full potential to help learners and businesses by the way in which the programme was designed. Since the introduction of the Levy in April 2017, apprenticeship starts have declined by 26 per cent to 375,800 in 2017/2018. Add to that a drop in level 2 apprenticeships, and it risks leaving those with lower skills and from disadvantaged backgrounds behind and unable to progress.

Levy allocations paid by businesses on a monthly basis have begun to expire each month since April 2019. However, delays in some standards being operational, against which the Levy must be spent (adult care, early years and building control) have resulted in employers, including councils, losing money because of this 24 month expiry rule. Unspent Levy money will be centralised and re-directed nationally via the Education and Skills Funding Agency's (ESFA) non-Levy apprenticeship pot.

Apprenticeship funding could be used far more effectively if the system allowed for more flexibility and strategic planning so employers can collaborate more easily around transfers and pooling, by sector or place, to target support where it is most needed. The ESFA must start working with us to direct non-Levy and unspent Levy funding, to avoid any further Levy money being returned to the Treasury. This is particularly important at a time when the overall Levy budget is overspending and decisions need to be made on whether to ration it or raise more money.

In April 2019, the LGA and 23 signatories wrote an open letter¹⁵ to the Rt Hon Damian Hinds MP, Secretary of State for Education, calling for action to be taken.

"The Apprenticeship Levy needs reform if it is to ease the skills shortage that a number of sectors are facing, including construction. One way of achieving this is providing a greater degree of flexibility so we can work more easily with partners locally".

Brian Berry, Federation of Master Builders

"Small businesses find it challenging to navigate the current apprenticeship system. Funding change has made it difficult for training providers to serve the small business community. Transferring levy funds from local authorities – often the largest employers in the area – to small businesses is one way to boost social value and have a big impact on their communities."

Anthony Impey, Federation of Small Businesses (FSB)



¹⁵ www.local.gov.uk/open-letter-apprenticeship-levy

5. A LOCALLY RELEVANT AND COORDINATED ALL-AGE CAREERS SERVICE.

A clear and coherent careers advice and guidance system, which builds into it current and future local labour market intelligence, is essential to help young people and adults navigate the world of learning and work. The current system needs improvement, more coherence and should be 'locally rooted' to maximise connections. The need for 'independence' is critical, and it has to be properly resourced.

For young people, the current system is fragmented and uncoordinated with a range of providers and initiatives delivered in any one local area – schools, colleges, councils, careers professionals, National Careers Service, Careers and Enterprise Company, and Jobcentre Plus. The National Careers Service is also critical for adults who want (or need) to progress or retrain, though awareness is low and access limited.

“One of the strongest arguments for local careers advice is joining up advice with real opportunities in local labour markets. People getting stuck in low paid jobs is a driver of in-work poverty. We need local industrial strategies that deliver more good jobs, and services – like careers advice – to help people move into them.”

Katie Schmuecker, Joseph Rowntree Foundation

6. OUR ECONOMY IS CHANGING. THE SKILLS SYSTEM NEEDS TO CATCH UP, FAST – BUT MUST BE PROPERLY RESOURCED.

Digitalisation, rapid technological change and the gig economy are creating different jobs and forcing other sectors to adapt. So as the world of work changes, so too must the way we learn, train, and refresh our skills. It will become normal for people to retrain for multiple careers during their lifetime. Access to high-quality skills training will be important not only for young people, but for all working age adults. Whatever is delivered must reflect that changing need. We must work together, given the scale of the challenge faced nationally and locally in upskilling our workforce to meet our economy's changing needs.

“The policy environment does not shift according to the skills needed, meaning the UK is constantly behind the cycle. There needs to be a strong connection between business, local enterprise partnerships (LEPs), universities and training providers, with regular dialogue on what is needed locally, and combined authorities and councils could be the facilitators.”

Tej Parikh, Institute of Directors (IoD)

7. LOCAL PARTNERSHIPS COULD BE DRIVERS FOR CHANGE.

The Institute for Fiscal Studies' Deaton Review¹⁶ shines a light on geographical inequality, and the Resolution Foundation reveals that young people are now less likely to move to areas where they could earn more money because of high rents. This all emphasises the need to bring jobs, skills and investment to every local community. National reforms and initiatives (apprenticeships, technical levels, skills advisory panels, the national retraining scheme, local industrial strategies and the UK Shared Prosperity Fund) will seek to address these challenges. While they are all positive and important in their own right, without sufficient join up or focus around 'place', they risk being stand-alone and less effective. There needs to be a better way of coordinating policy and provision, both nationally and locally.

"Talent is draining from the regions to the cities and South East, and in order to address this we need to look at other issues such as housing. Part of this is about devolving skills policy, along with economic policies, down to a regional level."

Tej Parikh, Institute of Directors (IoD)



¹⁶ Institute for Fiscal Studies, May 2019

The LGA solution: a model for integrated employment and skills

As leaders of place, councils and combined authorities want to work with local and national partners to build strong, resilient economies where residents contribute to, and benefit from inclusive growth around a shared vision for their local area. Fundamental to achieving this is a steady supply of jobs and people with the right skills, fostering local business growth and effective support to help people get on in life.

The LGA's vision is for combined authorities and groups of councils, working in partnership with local and national partners, to have the powers and funding to plan, commission and have oversight of a joined-up service bringing together advice and guidance, employment, skills, apprenticeships and business support for individuals and employers.

A new Work Local settlement is needed that is:

- **good for the economy** – improving economic activity levels, driving productivity through improved skills and delivering better outcomes, aligned to local economic needs, at lower cost
- **good for people** – with more personalised, joined-up and responsive services
- **good for employers** – by delivering a locally rooted, demand-led and integrated approach that meets current and future workforce needs.

At the heart of a reformed model will be a new, 'one stop' model, flexible and adaptable to local needs that would:

- Bring together and localise support to reduce costs, complexity and duplication, improve services, and respond to local needs.
- Make full use of facilities which host or deliver employment and skills services so services work together to provide a coordinated, locally tailored, physical presence.
- Have a clear offer for individuals and for employers. A single system of support for individuals with help to improve skills, prepare for work, find work, change careers and progress in work.
- Connect to wider services, partners and support, integrating employment and skills, with more specialist services and support.

It is recommended that ‘earned autonomy’ be deepened and broadened and Work Local implemented across all parts of the country. This can be agreed between central government and each combined authority and group of councils in collaboration with partners through a five year Local Labour Market Agreement (LLMA). Improved collaboration is needed between national and local partners that uses pathfinders to prove the concept.

“Employment is at a record high, but too many people find themselves locked out of opportunity or unable to progress from low pay. We need a higher ambition to ensure everyone gets the chance to benefit from work and build their skills. Developing pathfinders to test new ways to build integrated support and enable national and local partners to work together on a shared agenda would be a helpful and positive step.”

Stephen Evans, Learning and Work Institute (L&W)

“Following publication of the Augar Review¹⁷ now is the time for the Government to give serious consideration to Work Local pathfinders as a way of bringing national and local partners together to test how we can make more effective use of resources to address the unique labour market and skills challenges we face up and down the country.”

Dr Ann Limb CBE DL, local enterprise partnership (LEP) Ambassador



¹⁷ Augur Review of post 18 education and funding, May 2019

Work Local

a focus on place and partnerships

1. WITH CLEAR AND RESPONSIVE LOCAL LEADERSHIP.

Councils and combined authorities are best placed to take the convening and leading role, in partnership with national government, LEPs and employers in both the public and private sector and providers.

2. THAT IS DRIVEN BY LOCAL OPPORTUNITIES AND NEEDS.

Devolution of funding and control will free up local areas to design services that meet local needs and that respond to local priorities, rather than to one-size-fits-all rules: significantly strengthening our ability to create inclusive local economies. What works for major cities is different to what is needed in suburbs, towns, rural areas and more mixed communities.

3. WITHIN A COMMON NATIONAL FRAMEWORK FOR DEVOLUTION OF STRATEGY, FINANCING AND DELIVERY OF EMPLOYMENT AND SKILLS.

Delivering this vision requires a new settlement on the political and fiscal levers for employment, skills and growth, devolving:

- **financial control** – with funding devolved through block grants to combined authorities and groups of councils, starting with the UK Shared Prosperity Fund (UKSPF)
- **strategy** – with these areas then able to set objectives, agree policy and design responses that meet local needs

- **delivery** – so that the commissioning, delivery and oversight of provision happens locally and can be integrated and aligned across services.

This national framework for devolution would also set clear common entitlements where appropriate.

4. THAT IMPROVES EXPERIENCES OF INDIVIDUALS AND EMPLOYERS.

Work Local will deliver more accessible, responsive and integrated support for individuals, employers and partners. This will make the system easier to navigate, and ensure that those using it can get the right support from the right place at the right time.

5. GOVERNED BY 'LOCAL LABOUR MARKET AGREEMENTS'.

To make these reforms possible, central government and each combined authority or group of councils will agree a long-term local labour market agreement (LLMA). This will set out the transfer of powers and the key requirements of the new, local system described above. These agreements would be governed locally by joint boards.

6. DELIVERING BETTER OUTCOMES AT A LOWER COST.

By pooling budgets, aligning objectives and removing silos, Work Local will deliver significant economies of scale; optimising choices on what services are delivered, for whom and how. It will be able to commission more intelligently and responsively, with less duplication and a clearer focus on outcomes.

The LGA's Work Local offer

We know what could be achieved with a Work Local approach.

Based on an anonymised medium sized combined authority an integrated, Work Local model could lead to additional fiscal benefits for a local area of £280 million per year, with a benefit to the economy of £420 million. This would be associated with an additional 8,500 people leaving benefits, an additional 3,600 people achieving Level 2 skills, and an additional 2,100 people achieving level 3.¹⁸ This is just one illustration of the benefits that could be felt across the country if pathfinders were used to test Work Local.

We recommend:

Central government: Lead ministers from the Ministry of Housing Communities and Local Government (MHCLG), Department for Education (DfE), Department for Business, Energy, and Industrial Strategy (BEIS) and Department for Work and Pensions (DWP) commit to meet with the LGA and local leaders to discuss how we can collectively work towards our Work Local ambitions. The timetable to make that happen includes:

In 2019/2020: Spending Review/ Queen's speech

- **Work with us to agree:** pathfinders to test 'Work Local' by 2024 at the latest; a single set of readiness criteria for future devolution; and for provision to align to Work Local footprints.
- **Agree to build in a stronger local role in current and upcoming policy** using a partnership approach to help close local skills gaps, increase apprenticeships and social mobility and create good local employment opportunities, starting immediately with the co-design of UK Shared Prosperity Fund (UKSPF). Our proposals for improving the current system are set out in the next section.

By 2021:

- **Progressive transfer of funding and powers** – including UK Shared Prosperity Fund (UKSPF) and future commissioned employment programmes. These will be funded by bringing together existing pots of national employment and skills funding.

¹⁸ Based on 2017 funding including post-16, Adult Education Budget, non-Levy apprenticeship funding, Jobcentre Plus job search and Work and Health Programme.

By 2022:

- **Trial at least one Work Local pathfinder** in each region across England and including both urban and rural areas.
- Local and national partners work together to pilot Work Local models.

By 2024 at the latest:

Trial further Work Local pathfinders across England – with ‘local labour market agreements’, ‘one stop’ services and joint oversight and governance. Many areas can run with these much sooner.

- **Parliament:** the Future of the Skills System Inquiry considers how the Work Local approach can be built into future design recommendations.
- **Councils:** groups of councils and wider Employment and Skills Board partners consider how current work could be enhanced through a Work Local approach.
- **Combined authorities:** consider how existing devolution can offer a progression route to developing a Work Local pathfinder, given further influence over skills and jobs will be a key feature of 2020 mayoral elections.
- **Stakeholders:** explore with councils and combined authorities the opportunities which could be achieved through a more place based approach.

Improving the current system

While testing Work Local through pathfinders remains our ambition, we can start making a difference today. With support from the Government, groups of councils and combined authorities must be enabled to work with local and national partners to make the current system work better for communities across the country.

We can close the local skills gaps if the Government agreed to a localised approach to skills by:

- **Immediately get up and running the agreed partnership between the Department for Education, Local Government Association and local enterprise partnerships** to ensure new or existing post-16 skills policies work for non-devolution areas, to complement existing work with devolution areas.
- **Skills advisory panels** resulting in national and local partners coming together across the country, and if **Local Industrial Strategy ambitions were fulfilled with devolved powers and funding**.
- Following the devolution of **Adult Education Budget (AEB)** to mayoral combined authorities and London, Education and Skills Funding Agency (ESFA) co-design AEB with all other areas, and it should be the first of a succession of skills funding streams to be localised.
- **Devolve powers and sufficient funding so councils can fulfil their statutory duties to support all young people**, including those at risk of, or who are not in education, employment or training (NEET), care leavers, disadvantaged groups and those with special educational needs.
- **Start planning now for a local offer** so young people have a coherent picture of locally available options (A-levels, T-levels, apprenticeships) and that T-level reforms are a success.
- Hardwiring local community leadership, targeted engagement and a relevant flexible offer into the **National Retraining Scheme** for adults.

- Co-design the development of a **locally relevant careers advice offer** for young people and adults and the progressive devolution of the Careers and Enterprise Company and National Careers Service funding.
- Start co-designing now for a **localised UK Shared Prosperity Fund (UKSPF)**.

We can help increase apprenticeships and social mobility locally if the Government used the upcoming Levy review to:

- Give powers to local areas for **more strategic local planning**, paving the way for local partnerships to address supply and demand side issues, widen participation to disadvantaged groups and specific cohorts.
- Empower employers to **collaborate more easily** on transferring funds and pooling.
- **Extend the two year limit** to spend the Levy against standards which have only just been approved or are still in development, and put in place an appeals process.
- Commit **Education and Skills Funding Agency (ESFA) to co-design unspent Levy and non-Levy funding** with local areas now with a view to progressive devolution.
- Permit **more flexible use of the Levy**, including to meet the full costs of apprenticeship programmes and administration including on pre-apprenticeship training.

We can create good employment opportunities which residents can enter, retain and progress if the Government were to:

- Establish a partnership between Department for Work and Pensions (DWP) to engage **non-devolution areas** to co-design new employment initiatives to complement how it engages with devolution areas.

- Recognise the value of devolved partnership interventions and locally commission **all future employment support** Work and Health Programme successor arrangements, with contract package areas aligned to combined authority and LEP areas.
- Commit **Jobcentre Plus to co-design activity with local partners** (Flexible Support Fund).
- Ensure **Jobcentre Plus Work Coaches and the Universal Credit system are effectively integrated** – and where possible co-located – with tailored employment support for the most disadvantaged jobseekers, particularly those on ESA. This must include effective data-sharing.
- Pilot **locally-led career progression interventions** and ensure conditionality, support and incentives for in-work progression in Universal Credit are effectively integrated with locally-led employment initiatives.
- Work with councils to **co-design support, including preventative measures, to help those with the greatest health needs stay in work**, starting immediately with the “Access to Work” extension to drug and alcohol dependent people.
- Give local areas **responsibility and investment to deliver labour market and Inclusive Growth reforms** to support the 2018 Good Work Plan following the Taylor Review.¹⁹
- Social value themes, outcomes and measures²⁰ are more widely applied by the public sector to **support local employment opportunities through procurement contracts**.

¹⁹ www.gov.uk/government/publications/good-work-plan Good Work Plan, December 2018

²⁰ <http://socialvalueportal.com/national-toms/>

Acknowledgements

With thanks to those organisations involved in the Skills Taskforce roundtables and the National Retraining Scheme roundtable

[Association of Employment and Learning Providers](#)

[Association of Colleges](#)

[British Retail Consortium](#)

[Chartered Institute of Highways and Transportation](#)

[Construction Industry Training Board](#)

[Confederation for British Industry](#)

[Construction Industry Council](#)

[Dr Deirdre Hughes](#)

[Federation of Master Builders](#)

[Federation of Small Businesses](#)

[Institute of Directors](#)

[Joseph Rowntree Foundation](#)

[Learning and Work Institute](#)

[LEP Network](#)

[Localis](#)

[Recruitment & Employment Confederation](#)

[British Retail Consortium](#)

[Screen Skills](#)

[Science, Engineering, Manufacturing and Technologies Alliance](#)

[Shaw Trust](#)

[Professor Ewart Keep, Oxford University](#)

[The Society of Motor Manufacturers and Traders](#)

[NHS Employers](#)

[Skills for Care](#)

[The Work Foundation](#)

[Trade Union Congress](#)

[UK Hospitality](#)

[Universities UK](#)

Signatories to the Apprenticeships open letter (April 2019)

[Lord Porter of Spalding, Chairman, Local Government Association](#)

[Sue Percy, Chief Executive, Chartered Institution of Highways & Transportation](#)

[Graham Watts OBE, Chief Executive, Construction Industry Council](#)

[Cllr Paul Carter CBE, Chair, County Councils Network](#)

[Cllr Judith Blake, Chair, Core Cities UK](#)

[Cllr John Fuller, Chair, District Councils' Network](#)

[Brian Berry, Chief Executive, Federation of Master Builders](#)

[Jules Pipe CBE, Deputy Mayor: Planning, Regeneration and Skills, Greater London Authority](#)

[Cllr Peter Box, Chair, Key Cities](#)

[Warren Ralls, Director, LEP Network](#)

[Joe Fyans, Head of Research, Localis](#)

[Cllr Georgia Gould, Executive Member for Skills and Employment, London Councils](#)

[Norma Redfearn CBE, Interim Mayor, North of Tyne Combined](#)

Authority

[Mark Heholt, Head of Policy, ScreenSkills](#)

[Jacqui Oughton, Managing Director for Learning and Skills, Shaw Trust](#)

[Andy Tilden, Interim Chief Executive, Skills for Care](#)

[Cllr Philip White, Cabinet Member for Learning and Employability, Staffordshire County Council](#)

[Joanna Killian, Economic Prosperity and Housing spokesperson, Society of Local Authority Chief Executives and Senior Managers and Chief Executive, Surrey County Council](#)

[David Sheen, Public Affairs Director, UKHospitality](#)

[Professor Quintin McKeller, Chair of the Innovation and Growth Policy Network, Universities UK and Vice-Chancellor, University of Hertfordshire](#)

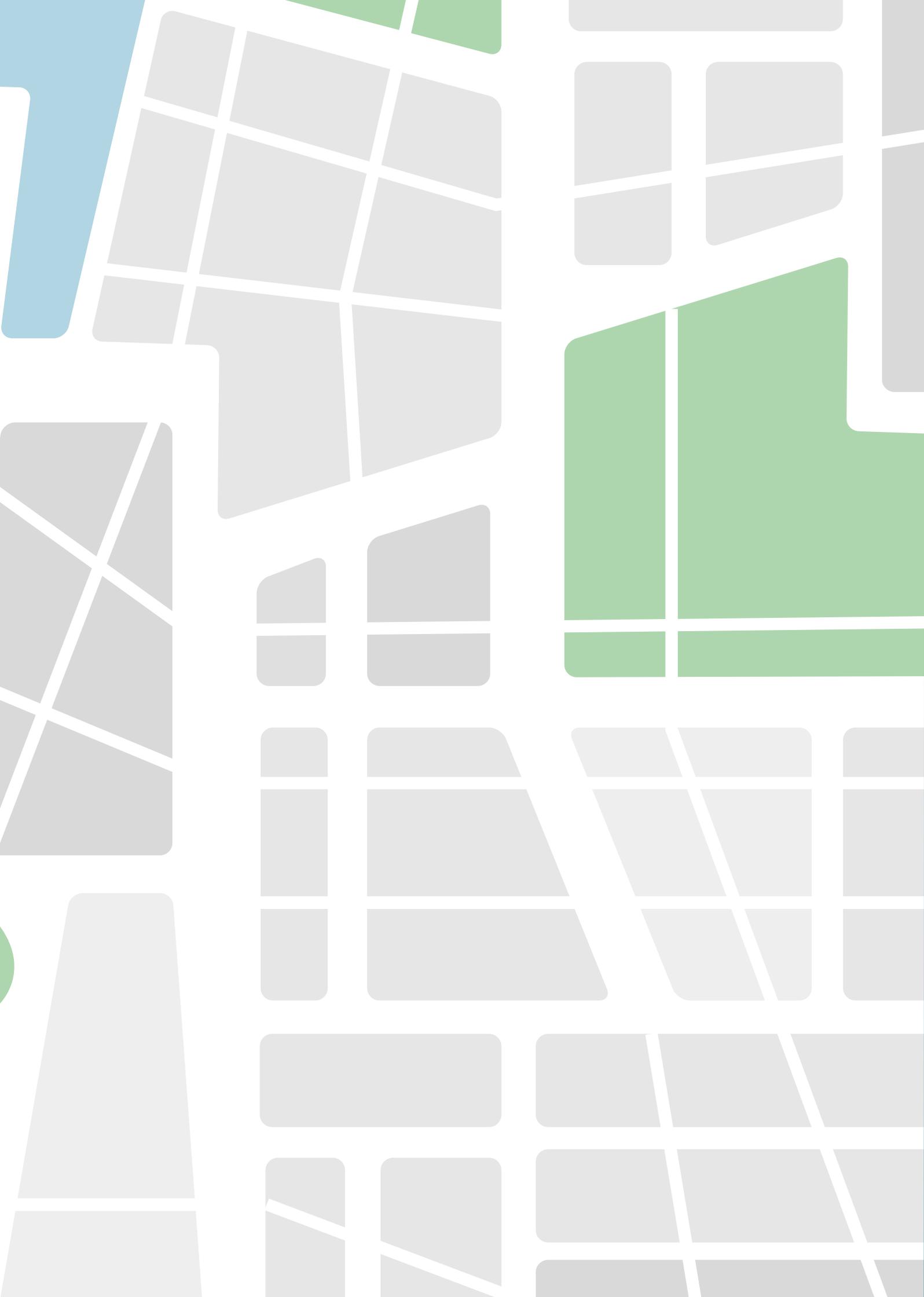
[Cllr Susan Hinchcliffe, Chair, West Yorkshire Combined Authority](#)

[Eamonn Boylan, Chief Executive, Greater Manchester Combined Authority](#)

[Dan Jarvis MP, Mayor, Sheffield City Region](#)

[Professor Steven West CBE DL, Chairman, West of England Local Enterprise Partnership](#)

Involvement in these events does not amount to endorsement of recommendations.





Local Government Association

18 Smith Square
London SW1P 3HZ

Telephone 020 7664 3000

Email info@local.gov.uk

www.local.gov.uk

© Local Government Association, June 2019

For a copy in Braille, larger print or audio,
please contact us on 020 7664 3000.
We consider requests on an individual basis.

REF 5.58