

LGA policy update – employment and skills

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WORK LOCAL

Our vision for employment
and skills



Current system not fit for purpose

- More than half of unemployed don't claim benefits or get help
- Fails the most disadvantaged
- 16% of the workforce either want a job or more hours
- 9 million adults lack basic literacy and numeracy
- 13 m lack basic digital skills,
- 97% of apprentices already qualified to that level
- Low pay and insecure work is rising – 1/5 low paid, 1/10 insecure
- With wide variation between areas – in demographics, labour markets, economies, needs and priorities

£10.5 billion...

INCREASING EMPLOYMENT

- YOUTH ENGAGEMENT FUND (14-17)
- YOUTH EMPLOYMENT INITIATIVE (15-24)
- JOBCENTRE PLUS WORK COACH SUPPORT (18+)
- DISABILITY EMPLOYMENT ADVISER SUPPORT (18+)
- FLEXIBLE SUPPORT FUND (18+)
- WORK AND HEALTH UNIT TRIALS (18+)
- EMPLOYMENT SUPPORT FOR EX-OFFENDERS (18+)
- YOUTH OBLIGATION (18-21)
- WORK AND HEALTH PROGRAMME (21+)
- COUNCIL EMPLOYMENT INITIATIVES (18+)
- NHS-FUNDED EMPLOYMENT SUPPORT (18+)
- IAPT MENTAL HEALTH EMPLOYMENT SUPPORT (18+)

IMPROVING SKILLS

- WORK EXPERIENCE (18-24)
- TRAINEESHIPS (16-24)
- POST-16 COLLEGES
- SIXTH FORM COLLEGES
- FREE/STUDIO/UTCS
- TECHNICAL LEVELS (16-19)
- LEVY & NON LEVY APPRENTICESHIPS (16+)
- ADULT EDUCATION BUDGET (19+)
- HIGHER EDUCATION (18+)
- ADVANCED LEARNER LOANS (19+)
- SECTOR BASED WORK ACADEMIES (18+)
- COUNCIL SKILLS INITIATIVES (18+)
- CAREERS ADVICE AND GUIDANCE (12+)

FRAGMENTED EMPLOYMENT AND SKILLS SERVICES

for young people and adults

NARROWING GAPS

- BUILDING BETTER OPPORTUNITIES (16+)
- NATIONAL CITIZENSHIP SERVICE (16-17)
- TROUBLED FAMILIES
- INNOVATION FUND (14+)
- FAIR CHANCE FUND (18-24)
- TARGETED SUPPORT FOR YOUNG CARELEAVERS, SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) AND YOUNG OFFENDERS
- PREVENTION AND SUPPORT FOR YOUNG PEOPLE NOT IN EDUCATION, EMPLOYMENT TRAINING (NEET)
- HIGHER EDUCATION ACCESS (18+)

DELIVERED BY

COMMISSIONED BY

ACCOUNTABLE TO

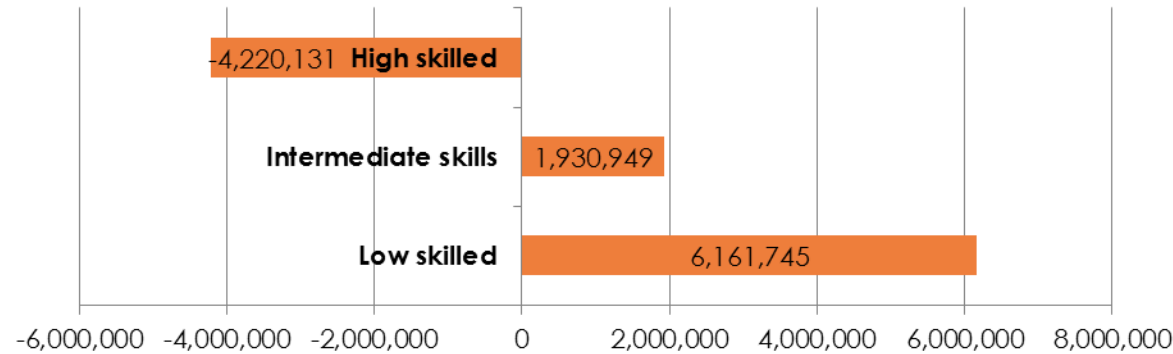
Skills providers	Councils
Employment providers	JCP
Careers and Enterprise Company	Schools
Education Business Partnerships	
National Careers Service	Colleges

DH	Councils	DfE
DWP	DCLG	Cabinet Office
Employers		

Employers / LEPs	JCP/DWP	DCLG
Councils	CCGs	Cabinet Office
DfE/Education and Skills Funding Agency		
National Offender Management Service		
Big Lottery	National Apprenticeship Service	
Careers and Enterprise Company		



...And its not fit for the future - 2024 skills gap



- 9.2 m low skilled people chasing 3.1 m low skilled jobs = surplus of 6.2 m
- 12.6 m people with intermediate skills chasing 10.7 m jobs = surplus of 1.9 m
- 16.1 m high skilled jobs with only 11.9 m high skilled workers = deficit of 4.2 m
- Puts at risk up to 4% of economic growth (£90 billion)
 - At individual level, £1,176 a year worse off (£60,000 over a working lifetime)
- Brexit could it worse – 1.2 million EEA workers qualified to degree level or higher; and 740,000 working in high skilled jobs
- Need for local areas to drive local growth, employment and skills

An integrated and devolved service

- A 'one stop' service that is rooted in place
- Clear and responsive local leadership
- Driven by local opportunities and needs
- A common national framework for devolution
- Improved offer for individuals and employers
- Combined Authorities / groups of councils – negotiated LLMAs
- Better outcomes – 8500 more people in work, fiscal £290m pa, economic £460m pa,

Making our vision a reality

This year

- **Central and local government agree to:** ‘Work Local’ Pathfinders by 2022; a single set of readiness criteria for future devolution.
- **A stronger local role in the current system** including: apprenticeships, employment support, careers advice, skills

By 2020

- **Build the capacity and capability for devolution** to support Work Local
- **Begin the transfer of funding and powers** – apprenticeships, adult skills, employment services, shared prosperity fund, growth hubs

By 2022

- **Roll out the first Work Local pathfinders** – with Local Labour Market Agreements, full ‘one stop’ integration, and joint oversight

Practically this means lobbying to...

- Ensure Local Industrial Strategies (2019) come with devolved powers
- Enable local areas to develop and all age careers service
- Devolve the Shared Prosperity Fund (successor to EU funding)
- Local coordination of the skills system (adult education budget, technical levels, national retraining scheme, skills advisory panels, apprenticeships)
- Locally commission contracted out employment support and JCP funds
- Integrate Jobcentre Plus and council 'one stop' pathfinder in every area
- Devolve Growth Hubs to Work Local areas

Our 'asks' on apprenticeships...

- Apprenticeship Levy review should enable local areas to pool Levy contributions, loosen Levy restrictions including its use
- All Levy underspend goes back to local areas where it is raised rather than directed from Whitehall
- Fully devolve the apprenticeships system to combined authorities and devolve all non-Levy funding to local areas.