

LGA Skills Taskforce roundtable: Local coordination of a fragmented employment and skills system

Friday 7 December 13.00-15.30 (lunch from 13.00-13.30)
Beecham Room, 7th floor, LGA, 18 Smith Square, Westminster,
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This background paper covers

1. Purpose of the LGA Skills Taskforce
2. Roundtable objectives
3. Role of stakeholders / industry reps
4. Attendees
5. LGA Work Local vision

1. Purpose of the LGA Skills Taskforce

Last year, the Local Government Association (LGA) launched [Work Local](#) (July 2017) – an ambitious but practical vision for devolved and integrated employment and skills provision. This we believe is needed more than ever to offer more place based solutions to identify and address both our current and future skills and employment challenges and opportunities.

While our vision is big, there are many things we – local and national partners – can do now to make the best of provision, by collaborating more effectively.

An important next stage of our work is to start that conversation with you.

That's why we have established an LGA Skills Taskforce, comprising elected members from across our policy boards. It will convene three roundtables to bring together industry experts and sector representatives with an interest in making our skills and employment system as effective as possible, to explore how we can combine efforts nationally and locally. A final short report will draw together the findings next summer.

The remaining two roundtables will consider:

- Careers and Retraining for a changing local economy (February 2019)
- The future of work: how changing skills needs of sector-specific industries will play out in the local economy? (March 2019)

2. Objectives of today's roundtable

The first roundtable will focus on *Local coordination of a fragmented employment and skills system*. For us, this is a good starting point for discussion.

With a suite of new national policies and initiatives being launched to address our growing skills and labour market challenges, it is critical that there is more coherence between initiatives for individuals, employers and the economy. The LGA believes a far more place based and integrated approach is needed to coordinate initiatives as set out in Work Local. This is an opportunity for us to collectively explore a range of issues, including:

- *Your organisation's key skills and employment priorities for the next 12 months.*
- *How the employment and skills system works for your sector and / or members?*
- *The role of combined authorities, councils and LEPs in pulling all this together?*
- *The potential for collaboration between our organisations nationally and our sectors locally.*
- *How new policy and initiatives can be better joined up with existing provision and what can be done locally to achieve that?*
- *Will Local Industrial Strategies move us closer to a place based system?*

3. Role of stakeholders / industry reps

As an industry expert and / or sector representative with an interest in making our skills and employment system as effective as possible, your input is really important to us, so we are looking forward to hearing your views during the roundtable.

We are also interested in hearing about any existing or planned research, data, case studies or reports which you think might be relevant to the Taskforce's work. Please send this across to jasbir.jhas@local.gov.uk

4. Attendees

LGA Skills Taskforce

Elected member	Local authority
Cllr Sir Richard Leese (co-chair)	Manchester (NW)
Cllr Mark Hawthorne (co-chair)	Gloucestershire (SW)
Cllr Lucy Nethsingha	Cambridge (EofE)
Mayor Kate Allsop	Mansfield (EM)
Cllr Muhammed Butt	Brent (London)
Cllr Colin Spence	Suffolk (EofE)
Cllr Judith Blake (<i>dialling in</i>)	Leeds (Y&H)

Stakeholders

Representative	Organisation
Gerry McDonald, CEO of New City College Group	Association of Colleges
Harminder Matharu, Skills and Devolution lead	Association of Employment and Learning Providers
John Cope Head of Education and Skills	Confederation for British Industry
Anthony Impey MBE, Founder, Optimity (1-1.30 only)	Federation of Small Businesses
Chinara Rustamova Policy officer	Federation of Small Businesses
Joe Dromey Senior Research Fellow	Institute for Public Policy Research
Katie Schmuecker Head of Policy (<i>dialling in</i>)	Joseph Rowntree Foundation
Stephen Evans Chief Executive	Learning and Work Institute
Ann Limb South East Midlands LEP chair	Local Enterprise Partnership
Craig Ivison Head of Employment and Skills, Cumbria LEP	Local Enterprise Partnership
Paul Wallace Director of Employment Relations and Reward	NHS Employers
Gemma Hope Director of Policy	Shaw Trust
Katherine Mackridge Policy Officer	Trade Union Congress
Jo Attwoll Chief of staff	Universities UK

5. Overview of the LGA's Work Local vision

The challenge

Councils and combined authorities, working with local businesses and partners, want 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 skills and jobs, fostering local business growth and effective support to help people get on in life.

However our employment and skills system is designed and commissioned by a range of Whitehall departments and agencies in a way that disincentivises collaboration. For instance none of them have a plan on how to coordinate activity, nor a duty to discuss with councils or combined authorities how provision will land in local areas around service users and reflect local economic and social priorities.

Research for the LGA showed that in 2016/2017, the Government spent £10.5 billion across twenty different national skills and employment policies and schemes. 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.

Despite best intentions, a centralised system simply cannot identify and address the unique economic and social challenges and opportunities within and between places, and the people that live within them. It is staggering that nine million people lack basic skills, more than half of all unemployed people do not claim benefits or receive national employment, 5.5 million people want a job or more hours, and one in ten are in insecure work. This affects places differently. For instance, the proportion of residents with low qualifications ranges from 1/3 in parts of the West Midlands to 1/17 in parts of London.

And there are more acute challenges ahead. Research for the LGA suggests that by 2024, a growing skills gap will result in 4 million too few high skilled people to fill demand and 8 million too many intermediate and low skilled than there are jobs. Failure to increase our skills levels is bad for individuals, employers and the local and national economy.

Brexit and the ongoing productivity gap are presenting growing skills challenges both nationally and locally. New national reforms and initiatives including apprenticeships, technical levels, skills advisory panels, the national retraining scheme, local industrial strategies and a future 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.

The solution

The LGA believes a far more place based and integrated approach to policy and funding is needed to coordinate the myriad of initiatives. That's because what works for major cities will be different to what is needed in suburbs, towns, rural areas and more mixed communities.

Work Local is the LGA's positive proposal for change. Led by combined authorities and groups of councils, in partnership with local and national stakeholders, local areas should have the powers and funding to plan, commission and have oversight of a joined-up service bringing together advice and guidance, employment, skills, apprenticeship and business support for individuals and employers.

This requires the various parts of Whitehall to coordinate activity, and would be achieved through the establishment of Local Labour Market Agreements (LLMAs) which would be negotiated between local areas and national Government. Across a medium sized combined authority, *Work Local* could each year result in 8,500 people off out of work benefits, a fiscal boost of £280 million, and contribute £420 million to the economy.

We believe our Work Local approach is now critical as combined authorities, councils and local partners plan how their areas will respond to the challenges and opportunities. While our Work Local vision is big, there are many things we can do now to make the best of provision.

Our campaign objectives include:

1. To help councils and combined authorities can close their skills gaps in their local areas, the Government should:

- Enable local areas to coordinate a **localised approach to skills**. This includes loosening Apprenticeship Levy restrictions, ensuring skills advisory panels bring national and local partners together, that Technical levels are designed as part of coherently planned local post 16 offer, and that the national retraining scheme is tailored to the needs of local communities.
- **Create a localised / devolved Shared Prosperity Fund** within a radically different post 2020 funding landscape.
- Enable local areas to co-commission the development of a **locally relevant careers advice offer to young people and adults**.
- ensure **Local Industrial Strategy ambitions are fulfilled with devolved powers and funding**, and Work Local a framework for their development
- ensure Adult Education Budget is successfully devolved to combined authorities and progressively localised to all other areas, and that it is the first of a succession of skills funding streams to be localised

2. **To ensure councils and combined authorities can make apprenticeships work for the local economy, the Government should go further and faster by:**
 - **Using the upcoming Levy review to enable local areas to pool Levy contributions** across local economies, so that employers can plan provision together more strategically for the good of the local area and residents.
 - **Extending the two year limit (from April 2017) to spend the Levy** against key standards for local authority workforces, some of which have only just been approved or are still in development.
 - Giving local areas the power to **use the Levy more flexibly to recognise the full costs of apprenticeship programmes and administration** including on pre-apprenticeship training, so long as there is a final apprenticeship outcome.
 - Making transparent how much Levy underspend there is and that **local areas retain the Levy underspend rather than handing it over to Whitehall.**

3. **To create good employment opportunities across places which residents can enter, retain and progress in, the Government should commit to a partnership with councils and combined authorities by:**
 - **co-designing with local areas an employment support offer** to include local commissioning of the Work and Health Programme successor arrangements, and Jobcentre Plus' Flexible Support Fund
 - develop a partnership with local government to understand local skills challenges potentially stemming from our exit from the European Union.

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