

		AGENDA ITEM 6
		PSEG/02/17
Committee:	Place Services and Economic Growth Scrutiny Committee	
Date:	17 January 2017	
JOBS, WELFARE AND SKILLS SCRUTINY REPORT (Minute 7/October 2016)		
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Purpose of report

This report provides an update on this scrutiny report.

In addition Councillor Kevin Bentley, Cabinet Member for Economic Growth, Infrastructure and Partnerships, will be attending this meeting and will be available to answer those questions submitted in advance seeking clarification on his written response to the scrutiny report.

Background

At the Committee's meeting on 22 September, Councillor Bentley attended to provide an oral response to the above Scrutiny Report entitled 'We can work it out: The case for a locally determined employment, skills, careers advice and welfare for work system in Essex'. He undertook to provide a detailed written response to the sixteen recommendations, which the Committee had reached on the basis of the evidence collated by the Task and Finish Group that undertook the in depth review.

His written response was submitted to the Committee on 20 October and is set out in the original committee report that may be accessed via the following link: [October committee report](#). For ease of reference Councillor Bentley's letter and formal response is also attached at the Appendix to this report.

Councillor Bentley had indicated that he was unable to attend the October meeting due to prior engagements. However, he suggested that if the Committee had any further questions that it wished to direct to him, then it would be helpful if a set of written questions could be sent to him following the meeting and in turn he would provide a written response to those questions. Even though the Committee had welcomed his written response, it did not consider it in any detail preferring for him to attend a future meeting to provide another update and answer their oral questions.

A full copy of the Jobs Skills and Welfare Scrutiny Report may be found on the Essex County Council website www.essex.gov.uk. From the Home Page, click on 'Your Council', then on 'Meetings and Agendas', then on 'Public Documents' followed by 'Scrutiny Reports'. Finally, select the scrutiny report 'Jobs, Skills and Welfare Report Final' from the list reports that have been published. Or via the following link: [Scrutiny Report](#)

Current Situation

Since the October meeting the following action has been taken on the Committee's behalf:

- The Chairman has sent letters to the relevant Secretaries of State and Ministers to lobby the Government on the basis of a number of recommendations set out in the scrutiny report including the devolution of skills control.
- In addition the Scrutiny Report has been sent to:
 - National Local Association
 - Essex Chamber of Commerce
 - Essex Federation of Small Businesses
 - National LGA
 - Institute of Directors (Essex)
 - Federation of Essex Colleges
 - South East Local Enterprise Partnership
 - All contributors to the Scrutiny Report
- The Chairman has sent an invitation to the Essex Employment and Skills Board to attend a Committee meeting to provide a briefing on its activities as well as receive its feedback on the Scrutiny Report.

Although it had been hoped that the Board might be able to address the Committee at this meeting, it was necessary to take into consideration the work already scheduled for this meeting together with the receipt of two call ins before Christmas. Consequently it is confirmed that the Board will be attending the next meeting on 23 February instead.

- A press release was issued on 7 December 2016, and is attached at the Appendix to this report.

Updates

- **Local Government Association (LGA)**

Councillor Mark Hawthorne MBE, Chairman, LGA People and Places Board; and Councillor Sir Richard Leese CBE, Chair LGA City Regions Board have written to Councillor Finch as the Council's Leader to invite Essex County Council to be involved in a programme of work to design a model for a locally integrated service for employment and skills.

An update will be provided at the meeting.

- **Questions for the Cabinet Member**

As part of the planning for this meeting Councillor Kendall, a member of the original Task and Finish Group that undertook the in depth investigation, took the opportunity to propose the following questions that he wished the Cabinet Member to answer at the meeting:

‘Recommendation 1 - What steps is he going to take to ensure that Scrutiny Committee members get proper feedback from the Essex Employment & Skills Board on this report? Does he agree that one of the Board should come before the Committee to give their collective view on the report?

(Note The Chairman on behalf of the Committee invited the Board to a Committee meeting in line with Minute 7/ October 2016. The invitation has been accepted, and arrangements are being made for the Board to be represented at the Committee meeting on 23 February)

Recommendation 5 - Councillor Bentley is meeting with Councillor Gooding to discuss parity of vocational and academic attainment. Can we have some feedback from that meeting?

Recommendation 6 - Can Councillor Bentley ask an Essex MP to sponsor this report and push it forward at Westminster?

Recommendation 13 - What progress has been made on transport connectivity?

Recommendation 15 - A third of schools in Essex do not have employability for life. What steps are being taken to improve this situation?

Does Councillor Bentley support feasibility work being done around an ECC Traded Connexions type service?

NEET numbers are down in Essex, but what else can be done to drive them down further?

Recommendation 16 - Can all members be sent a copy of the final version of the White Paper report?’

At the meeting in October 2016 (Minute 7) Councillor Kendall had also sought reassurance that on an officer level a person would be identified as accountable for taking the delivery of the recommendations of the Scrutiny Report forward, and maximise the benefits that could accrue from the Scrutiny Committee’s in depth investigation.

Action required by the Committee at this meeting:

To seek clarification on any outstanding points in relation to the Cabinet Member’s written response to the Jobs, Welfare and Skills Scrutiny Report, and note feedback received.

Response from Councillor Bentley dated 3 October 2016

Dear Derrick

Many thanks for inviting me to the recent Place Services Scrutiny Committee to discuss the Jobs, Skills and Welfare Report. As I made clear at the meeting, I very much welcome the findings of the report and am grateful for the depth of work that has gone into this. ECC has been lobbying on an ongoing basis for greater devolution of skills funding and responsibility from central government for some time now – whether it be through ministerial contact, meetings with senior Civil Servants, the ongoing Essex devolution discussions, or contributions to policy and lobbying of membership organisations such as the LGA. We have also shown a great commitment to ensuring that skills provision is shaped by economic need by establishing an Employment and Skills Board. I'm also pleased to report that this has been recognised by other Councils who are looking to implement this approach in their own areas.

Time has moved on since the report was first put together and the points regarding the need for a place based approach I'm hopeful will be resolved as part of the upcoming Essex Area Review. We have a good opportunity to make the case for more localised control and more business-led approach. Alongside any future discussions with government around devolution more generally I feel that this is the best way to target our approach. I would also support the committee should it wish to make its own representations to Government regarding the importance of local determination in setting the skills agenda.

In terms of the recommendations that you have made for ECC to act upon, I am more than happy to work with partners to look into each one of these suggestions and I have set out below my response to each individual recommendation as you requested me to do so below.

Please also let me know if you feel there is anything I can do to support you with the public affairs piece.

Best wishes
Cllr Kevin Bentley

A. That the Cabinet be recommended to lobby Central Government in the following matters:

- 1. To work more effectively with ECC and the employer-led Essex Employment and Skills Board to shape local provision for jobs, skills and welfare across the county to meet local needs.** Agreed, this has been at the heart of our ongoing calls for devolution of employment support, careers advice and skills.
- 2. To transfer responsibility for employment, skills, careers advice and welfare to work to ECC, so that it may determine multi-annual, area based budgets that deliver a more effective and responsive skills system, with the ability for**

capacity and provision to be adjusted to reflect changing local needs. We have made this case to Government previously and through our ongoing devolution discussions, we have made the case for accountability for these areas to be transferred to a new combined authority, with the strategic responsibility for overseeing delivery and decision making resting with an Essex Employment & Skills Commissioning Board, this being a strengthened version of the existing Essex Employment and Skills Board (ESB).

3. To create a statutory duty that requires all education, employment, skills and welfare to work providers delivering in Essex to be accountable to ECC.

Wider reference to Education would pick up schools and would be in direct conflict with Government policy on academies. Our skills devolution asks would transfer all relevant post-16 budgets to a new combined authority thus making providers accountable to it through contractual arrangements and payment by results models.

4. To implement a single overarching strategy framework across the DWP, BIS, DfE and other relevant Departments to support systemic change that gives autonomy to local areas to design, commission and deliver local provision that meet local needs. I agree and devolution of skills as I've set out would provide this.

5. To introduce national indicators and incentives for schools, which recognise the parity of vocational and academic attainment, and measure employability as well as employment outcomes. I will meet to discuss this point specifically with Cllr Gooding as this falls within the Education and Lifelong Learning Portfolio and report back accordingly.

6. To remove existing barriers to data sharing between Government departments and local partners:

a) To enable more effective multi-agency working with those individuals with the most complex needs; and

b) To track the success of interventions and individuals more effectively in order to evaluate the medium term economic and social impacts (costs and benefits) of employment, education, skills, careers advice and welfare interventions locally. Based on this evaluation, the best interventions to meet local needs long term can be determined.

I agree and this has been a continual ask of Government departments through both Community Budgets and Devolution processes.

7. To delegate greater autonomy to Jobcentre Plus district managers through the place based budgets so that where appropriate budgets can be pooled with local partnerships to deliver better outcomes for local communities. I agree and this would be a natural outcome of skills devolution as I've set out.

8. To enable greater local determination of national funding streams for more effective support of local projects, which deliver sustainable job outcomes in key growth sectors; and extend multi-agency and key worker approaches to vulnerable people (e.g. through ECC's Family Solutions) to enable them to move from unemployment and dependency to employment and independence. See responses to recommendations 1-4.

9. To work with ECC to develop a locally bespoke Work and Health Programme, based on appropriate unit costs, to improve the employment

prospects for the long term unemployed and for those with health problems.

Our preference would be to see this funding devolved as above, however, any devolution settlement would not be secured ahead of DWP's arrangements for its forthcoming Work & Health Programme. ECC officers have been part of an LGA working group that has attempted to reach agreement with DWP on a more localised programme that is better reflective of local needs and integrated with local services. At the time of writing this has not been successful and we await DWP's response following a meeting between the Minister for Disabled People, Health and Work and LGA board chairs.

10. To co-invest with ECC, using health and welfare funding, in employment and skills provision with a view to reducing more costly demand pressures for the NHS and DWP in the future. See response to recommendation 9. There would appear to be little appetite from DWP for this as the Work & Health Programme has provided a genuine opportunity for such co-investment, both from local authorities and through remaining European Social Fund. We will continue to work collectively through the LGA to lobby on this issue and pursue this through our devolution asks when we are clearer as to how devolution mechanisms might evolve.

B. That the Cabinet be recommended for ECC to act:

11. To work in partnership with local schools and employers to deliver clearer vocational pathways for young people aged 14 and over, improving careers advice and expanding the successful local education and industry programme to all schools to improve advocacy and signposting to young people by the end of March 2018. The ESB commissions annually the Skills Evidence Base, which identifies those parts of the economy most vital to our growth ambitions and where industry is experiencing and/or foreseeing skills shortages, high vacancies and difficulties in recruiting and retaining a skilled workforce. It has identified seven key sectors where we need to increase the pipeline of new talent entering employment, particularly from education.

With this as the backdrop the ESB, in partnership with ECC, oversees the "The Essex Education and Industry STEM Programme", currently working with 30 secondary schools across the county to improve their links to these key industry sectors, highlight the breadth of career opportunities and build links between students and employers, potentially culminating in Apprenticeships. As an example of how this programme has helped to develop clear pathways for students, the programme delivered a successful 'Construction Taster Day' in 2015/16, for 150 year 9 students, supported by the likes of Morgan Sindall, Kier, Lakehouse, Barnes Construction and Ingleton Wood. Now those students have moved to year 10, and to further develop their interest in the sector, we are working to secure a range of relevant industry visits and work experience placements over the coming months. When these same students move to year 11, we will refer those interested in Apprenticeships to our Apprenticeship Promotion and Brokerage team, to be matched to Apprenticeship opportunities.

This will be expanded in 2016/17 through funding we have secured from central Government's Careers Enterprise Company where we will establish formal links between companies in our key sectors and senior leadership teams in every one of the secondary schools in the county, in order to help schools better prepare their students for the world of work.

In addition, the ESB has produced new look key sector factsheets that will be made available to all school age students across Essex that will serve to promote future opportunities in each sector.

12. To develop a work experience programme involving public, private and voluntary sector organisations to support Essex pupils to be more work-ready, offering more opportunities for placements within ECC by the end of March 2018. See recommendation 11 above. The focus for internal ECC opportunities needs to be on possible Apprenticeships linked to the forthcoming Apprenticeship Levy and Apprenticeship targets that will be set for public sector organisations including ECC.

13. To work closely with skills, welfare to work and transport providers to identify ways of improving the transport connectivity that enable local people to access employment and skills opportunities. I will look into this but this will be challenging due to the viability of routes and budgets.

14. To collaborate with local CCGs and other Health partners to support those with physical and mental health issues into employment. Some of this is already being done. We are exploring how this might be more significant but instrumental to this is the need for local influence/tailoring of the Government's forthcoming Work & Health Programme, designed to support those furthest away from the job market back to work, particularly those out of work due to health reasons. See response to recommendation 9.

15. To consider the feasibility and delivery of the following pilot projects by March 2018:

(a) To create a clearer vocational route for individuals from age 14, working with schools and skills providers; See response to recommendation 11. Building upon the work with employers and schools, we are in parallel working closely with our skills providers to ensure that there are increased opportunities for individuals to undertake vocational routes in priority sectors. Through the ESB we are:

- ensuring that our provider base is responding to industry and offering industry relevant qualifications. An example of this is the work that we have been doing with Colchester Institute to help them to begin delivery of new IT and digital related apprenticeship standards developed through the Government's Apprenticeship trailblazer initiative. Some of these qualifications will begin delivery in September 2016 with more to follow from May 2017.
- ensuring that colleges have sufficiently qualified teaching staff with appropriate industry experience through the establishment of a Tutor Golden Hello and Training Grant Programme. This programme is a direct response to feedback received from providers that they are unable to offer employer led qualifications due to either not being able to offer competitive salaries to attract staff from industry or not having sufficient funding to upskill existing staff. This programme will run through the 2016/17 financial year and has the ambition to upskill or recruit a minimum of 30 tutors therefore positively impacting on the vocational training of hundreds of young people throughout Essex.
- developing a Tutor CPD programme which has so far provided opportunities for more than 30 engineering and manufacturing tutors to

gain a better insight into local industries and businesses, the technology and processes they use, the roles that they have available and the skills challenges these employers face. These insights have directly helped providers with curriculum development, lesson planning and have enabled them to provide enhanced information, advice and guidance to their students. We will be exploring how to roll this activity out to all of the ESB priority sectors in 2016/17 and beyond.

- co-investing ECC capital funding in technical facilities in our colleges that enable students to be taught the advanced and higher level technical skills in industry standard conditions and technology. A number of skills capital projects have already been completed or are underway, focusing on the ESB's priority sectors. These include the;
 - construction of an Advanced Manufacturing and Engineering Centre in Harlow, funded by Harlow College with match funding from SELEP and ECC. The Centre is scheduled to open in December 2016.
 - creation of a STEM Innovation Centre, Braintree, funded by Colchester Institute with match funding from SELEP and ECC. The Centre is scheduled to open in Spring 2017.
 - purchase of specialist training equipment to support enhanced curriculum delivery in advanced manufacturing and engineering, care, construction, health, IT and digital.
 - Support to Single Local Growth Fund capital bids for new technical facilities at Stansted Airport, in Colchester, in Basildon and in Braintree, the results of which we should know at the Autumn Statement.

(b) To expand multi-agency and key worker approaches, employed by ECC's Family Solutions Service, to wider cohorts of disadvantaged and vulnerable residents in Essex. See response to recommendation 14. This is part of a wider issue of how to support those who are a distance from the job market.

(c) To develop industry focused careers information for schools, supporting RoQA accreditation and extending the education and industry programme and Employability for Life resources to all Essex schools. See recommendation 11. ROQA is well supported and about 2/3 of our schools either have the award, are refreshing their award or are in the process of working towards it. Arrangements for the Employability for Life Charter to be accessed on-line by schools are in process.

(d) To develop invest to save initiatives through early intervention and prevention, and to reduce welfare dependency and costs to health services in the future. See response to recommendation 14.

(e) To investigate the feasibility of an ECC traded Connexions type service. We can do some feasibility work around this though there would be existing competition from Southend and Thurrock's Connexions services and other private concerns. We believe Southend's continues to be subsidised by the unitary authority. We should recognise that the numbers of 16-19 year olds who are NEET (not in employment, education or training) have been at record low levels in Essex over recent years, thanks to new arrangements in place and without an ECC Connexion service.

16. With particular reference to the forthcoming Work and Health White Paper, the Committee wishes to be afforded an opportunity to input into the County Council's consultation response to the Government and Select Committees, and for the conclusions reached in this scrutiny report to be reflected in that response. This White Paper is due out for consultation at the end of October. I would be very happy to share with you the final version of the report. Some of the conclusions in it will I'm sure be reflective of some of the recommendations within this paper.

PressRelease

Communications PO Box 11, Chelmsford CM1 1LX

07 December 2016

PR 5980

Key role for Essex County Council in developing employment and skills

Narrowing the skills gap in the county is vital to maintain the county's position as a major engine for UK growth and Essex County Council has a key role to play in this, according to Cllr Derrick Louis, Chairman of the Place Services and Economic Growth Scrutiny Committee.

Following an investigation by that Committee, which examined employment, skills, careers advice and welfare to work in Essex, the Council is writing to Government Ministers asking for greater powers to deliver schemes locally.

The Scrutiny Committee's report 'We can work it out', concludes that Essex County Council is better placed to take the lead in providing employment and skills.

Essex County Council is at the heart of skills programmes in the county, working more closely with schools, businesses and employment services locally. The Council is lobbying the Government for greater independence to deliver more effective co-ordination and provision of employment, skills, careers advice, and welfare to work to deliver better outcomes for local residents and businesses.

Councillor Derrick Louis, Chairman of the Place Services and Economic Growth Scrutiny Committee, said: "Essex is a key engine for the UK's economic growth as a number of innovative and forward thinking businesses invest in the county. We want to make sure that we have the skills these businesses need to continue to grow and prosper and that the people of Essex can play a role in and benefit from this growth. "We want the people of Essex to share in the county's growing economy and we want companies to be able to expand in Essex, safe in the knowledge that there is a skilled and enthusiastic workforce right on their doorstep. Having made our report to Cllr Kevin Bentley, Deputy Leader of ECC and Cabinet Member for Economic Growth, Infrastructure and Partnerships, he has welcomed our report and agreed to take forward the relevant recommendations including supporting the Committee as it lobbies government."

The full report ['We can work it out: The case for a locally determined employment, skills, careers advice and welfare to work system in Essex'](#) is available online.