

		AGENDA ITEM 5
		PSEG/23/15
Committee:	Place Services and Economic Growth Scrutiny Committee	
Date:	26 November 2015	
<div>JOBS, WELFARE AND SKILLS SCRUTINY REVIEW</div> <div>(Minute 9/ July 2015)</div>		
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The Jobs, Welfare and Skills Task and Finish Group will be submitting a scrutiny report to the Committee in January 2016 for its formal endorsement. The scrutiny report will set out the conclusions and recommendations the Group has reached from the evidence it has obtained through its investigations. Councillors Henderson, Kendall, and Walsh comprise the Group.

At today's Committee meeting the Group has organised a presentation to provide Members with a fuller understanding of the issues investigated as part of the scrutiny review on jobs, welfare and skills before the final report is completed. It will also ensure Members have an opportunity to ask questions on the scrutiny review where they may feel that further clarification would be helpful.

The terms of reference for the review read as follows:

'To consider the extent, if any, of local involvement in shaping the design and assisting in the delivery of national programmes which are linked to improving employment, welfare and skills in Essex.

To consider how the Council and its key partners can be more effectively engaged with the development and delivery of national programmes, with the aim of improving outcomes for the residents of Essex.

To consider how increased local involvement in the design and delivery of the national programmes would improve outcomes in Essex.'

A briefing paper is attached at the Appendix to this report.

Action required by the Committee at this meeting:

To consider the content of the presentation, and to clarify any particular issues arising from the scrutiny investigation prior to the Task and Finish Group's consideration of the final scrutiny report.

Appendix

Briefing paper prepared on behalf of the Jobs, Welfare and Skills Task and Finish Group for the Place Services and Economic Growth Scrutiny Committee meeting held on 26 November 2015

Better placed: Locality-based employment and skills for Essex

Purpose and terms of reference

The Task and Finish Group has set out to understand the challenges and opportunities for improving welfare to work and skills to improve local residents' access to employment. The Group has taken time to explore the current landscape of provision, its strengths and weaknesses, and is considering how Essex County Council and other local authorities in Essex could most effectively contribute to improving outcomes. In examining employment, skills and welfare locally, the Group has considered the extent, if any, of local involvement in shaping the design and assisting in the delivery of national programmes and how the Council and its key partners can be more effectively engaged to improve outcomes for Essex residents. The lessons learnt are applicable across Greater Essex and potentially beyond.

In practice, our investigation, while underlining the benefits of a locality-based approach, has highlighted the complexity of many of these issues, at a time when the welfare-to-work landscape is evolving rapidly, and new approaches are being tested as part of wider devolution deals (notably in Manchester). We highlight what we believe are the key issues for further investigation and development and set out a broad direction of travel towards having greater local determination over provision at the Greater Essex level.

Fieldwork

Our investigation began in June 2014, and has produced a series of briefing notes on key topics. We heard evidence from ECC Cabinet members, lead ECC officers and other key partners (including senior staff from Seetec and Ingeus, who are the two Work Programme 'prime providers' in Greater Essex). We undertook a series of site visits¹ where we had the opportunity to talk with young people in training, and engage in group work with the Essex Youth Assembly and welfare to work clients. We are grateful to all the contributors who participated in the review, and appreciated the energy, skill and commitment of those delivering services on the ground locally.

¹ Site visits were to: Braintree Job Centre (30.10.2014); Seetec offices at Chelmsford (04.12.2015); Ingeus Offices at Chelmsford (16.12.2014); Brentford Community Print (14.01.2015); Fitness in Mind at Brentwood (14.01.2015); Harwich Mayflower Project (05.02.2015); Energy Skills Centre at Harwich; Harwich Jobcentre Plus and Teen Talk Harwich (all 05.02.2015); ECC's NEET Team in Basildon (28.08.2015)

The problem

An appropriately skilled workforce is critical for sustainable economic growth and to drive the increase in UK productivity called for in the July budget. However, local businesses in Greater Essex continue to face skills shortages, which hold back their growth, while at the same time some of our young people face challenges in getting on the career ladder, and too many of our most vulnerable residents are excluded from work.

The challenge of developing a comprehensive strategy is complicated by these complementary areas being steered by at least three central government departments, yet implemented by a wide range of partners. The pathways to work and more importantly to sustained and gainful employment build on careers advice in our schools, skills provision, and welfare to work programmes. This provision is rarely adapted to the local labour market and often fails to respond to local business needs. Hence, outcomes may be suboptimal.

Essex County Council has made a substantial contribution to addressing this locally, notably in its £multi-million Skills Programme, Family Solutions and other wraparound services that help to enable people to live and work independently. Increasingly, the links between health and social care, skills provision and employment support are being exploited by areas such as Greater Manchester in its *Working Well project* to deliver a more locally responsive system that improves outcomes for disadvantaged and vulnerable people. There may be lessons here for the development of initiatives under Greater Essex's devolution deal.

The employment, skills and welfare to work systems, generated by central government departments, are siloed and hence do not complement each other. Local partners are left to negotiate the maze of provision, which too often they have no involvement in designing, commissioning, delivering or scrutinising. To make the systems work, local partners have to tie loose threads together at the fringes of these provisions. Business and local people are all too often left with Hobson's choice, even if their current and future needs are not fully served.

Key findings to date

Welfare to work – The Work Programme, conceived centrally and delivered independently of local partners, took years to reach target outcome levels. In the meantime, over three quarters of participants did not find work. Even though Greater Essex providers are among the best in the country, and despite significant incentives under payment by results, providers have not been able to provide the support needed to help more vulnerable people to make the transition from welfare to work.

Careers advice in schools – Young people are left unable to make informed choices in their learning and careers. They remain unaware of the opportunities available in the local labour market. Young people told us that careers advice in schools is patchy and ranges from a permanent careers teacher to a one off interview. The information shared focuses on academic progressions and offers little recognition to non-academic routes, which may be more appropriate to many young people (2/5 of 16 year olds do not gain 5 GCSEs A*-C).

Skills provision – Simplifying the system, the majority of young people aged 16-18 in Essex, for example, go into sixth form (c. 20,000) which offers predominantly academic study; c. 12,000 go into further education which offers predominantly vocational provision; and only c. 5,000 start apprenticeships, which offer the clearest link to meeting local employer skills needs. Outside of apprenticeships there are limited incentives to meet the needs of local employers. Indeed the system is often described as learner led, although it is constrained by what providers choose to deliver. This leads to a mismatch between provision and local needs.

These gaps offer potential opportunities for local partners to make the case to government for greater local determination.

The case for locality based provision

Our key message is that the role of local government in Greater Essex in careers advice, skills training and welfare to work programmes can and should be significantly enhanced. We found that current provision in Greater Essex is too detached from the local context, and believe that outcomes would improve considerably with devolved funding, accountability and responsibility at the Greater Essex level. This is particularly relevant with top-tier local authorities' strategic responsibilities for both education and economic development.

The direction of travel must be to ground systems and services in the local context. This can deliver:

- Improved integration of education and industry, including for school careers services;
- Better communication between education and skills providers and business to identify skills for economic growth;
- Increased involvement of local employers in skills development programmes;
- Greater accountability at local government level for delivery of employment, skills and welfare outcomes.
- Support for vulnerable residents who are presently excluded from the opportunity to work.

The establishment of the pan-[Essex Employment and Skills Board](#) provides an important first step to improving the responsiveness of local systems, but this should not be the limit of our ambition.

Next steps

- Group to complete the final scrutiny report for submission to the Committee in January 2016 for its formal endorsement and publication.