

ITEM NO. 6

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

Subject: Employment & Skills Update
Date: 14 July 2016
Report of: Simon Nokes: MD, New Economy.

PURPOSE OF REPORT

The purpose of this report is to update GM LEP on the employment and skills related agenda.

RECOMMENDATIONS:

1. Note the GM Work & Skills Priorities.
2. Note progress of the Area Based Review and Implementation
3. Note current performance of commissioned projects and ESF under section 2.
4. Note update on Raising Participation and agree the link and joint working with the Children's Service Review.
5. Note the current performance and evaluation of Working Well pilot
6. Note the high numbers of people exiting the programme early due to poor health and support work to identify how reform programmes can continue support.
7. Note development of the Work & Health programme.
8. Note proposals for greater co-location with Jobcentre Plus and the development of a new integrated delivery model supported by workforce development.

CONTACT OFFICERS:

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1. INTRODUCTION

- 1.1 This report provides members with an update on the GM work and skills priorities that have been developed using GM's vision and ambition around creating an integrated skills and employment system, and take into account the implementation of the (various) devolution deals.
- 1.2 The report also contains information on various employment and skills activities including the Area Based Review, ESF, Work & Health Programme co-commissioning and the Working Well Expansion.

2. GM WORK & SKILLS

- 2.1 Greater Manchester has a huge opportunity, through devolution and the area based review process, to re-focus and re-organise the work and skills system to ensure it better delivers against the needs of the economy, individuals and GM's aspirations.

- 2.2 This is an extremely challenging piece of work, of significant scale and complexity. Members will remember that the Combined Authority agreed an overall vision for the Work and Skills system early in 2015. In order to ensure that we encompass all aspects of the system, and focus on areas where GM level resources will add value and maximise the impact of GM work and skills initiatives, it has been necessary to break down our vision and ambitions into ten priorities for action between 2016 and 2019. The priorities are outlined in the table below and in more detail in Annex 1.

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| <p>Priority 1: Careers Education, Information, Advice & Guidance (CEIAG) Based on up to date Labour Market Information, enhance high quality CEIAG across school, FE and Work provision to ensure young people, their parents & teachers and adults understand the range of education, skills and employment opportunities and progression pathways available in GM and as a result make informed choices.</p> |
| <p>Priority 2: Outcome Frameworks Develop outcome frameworks to ensure all work & skills provision supports positive progression pathways and ultimately sustainable employment outcomes for GM's young people and adults. Embedded in the provision should be good English and maths outcomes, digital skills, meaningful work experience and those behaviours/core competencies (enterprise skills) needed in the world of work. The outcome frameworks will underpin future GM commissioning.</p> |
| <p>Priority 3: Infrastructure Develop a GM work and skills infrastructure via the Area Based Review, JCP estate review and One Public Estate to ensure accessible local provision for education and skills to L2 /3 with specialist/ technical provision at L3/4 and above linked to GM's economic & growth needs and delivered through a discrete number of high quality centres.</p> |
| <p>Priority 4: Attainment Focused activity to support the attainment of Level 2 English, maths and STEM subjects at age 16 across GM, thereby improving Level 3 attainment at 19.</p> |
| <p>Priority 5: Employer Engagement Develop a comprehensive approach to employer engagement and investment in the work & skills system working with the LEP, employer bodies and local authorities, to ensure that: (a) employers are at the heart of the system; (b) employers recognise the value of workforce development and plan and invest in their workforce development needs; (c) the higher level skills needed for economic growth are developed and commissioned by business, recognising that most of this will be funded via FE loans and employer investment; (d) that employers develop good employment practices to support people to retain employment and help people, including via work experience to (re-) enter the labour market.</p> |
| <p>Priority 6: Apprenticeships Increase the number, quality and level of Apprenticeships in core and growth sectors in GM via better CEIAG, employer workforce development and co-ordination of public sector activity in response to the Apprenticeship Levy.</p> |
| <p>Priority 7: Higher Level Skills Develop the education and skills system in GM, including via FE/HE Loans, to support young people and adults to develop the higher level (minimum level 3) and STEM skills needed by them to compete and progress in the labour market and by employers to drive productivity.</p> |
| <p>Priority 8: Universal Support Redesign services to support workless residents ensuring early assessment and rapid response for low need 18-65 year old back into work. Create a universal support offer for all jobseekers and benefit claimants, providing a personalised offer based on their needs and delivered in an integrated, co-located way with local support services, improving the customer experience, and increasing sustainable job outcomes. This will improve the functioning of the GM labour market and ensure that as residents move into and progress in work, there is a reduction in the number of GM residents dependent on in-work benefits.</p> |
| <p>Priority 9: Specialist Support Expand the Working Well Programme and design a new offer for complex 18-65 year</p> |

olds who have experienced long periods outside of the labour market via Work & Health programme commissioning which fully utilises complementary public services and supports more GM long-term benefit claimants to secure work.

Priority 10: Commissioned Activity

Commission activity that integrates work & skills, supporting the priorities above - including ESF programmes and employment outcomes in GM health (particularly mental health) commissioned programmes.

2.3 In order to deliver the priorities, an action plan has been developed for each priority. The action plans detail short, medium and long term actions. Many of the priorities are being progressed in the short term via a range of deliverables that GM has already committed to pursuing to implement the November 2014 and 2015 devolution agreements along with related work. As such, good progress is being made in a wide range of areas including:

- Completion of the Area Based Review and focus now on ensuring conclusions are implemented in order to restructure post-16 provision. Analysis will be carried out on current curriculum during the implementation stage of the ABR, future skills demands of the economy, population trends and the financial position of providers to ensure a sustainable post 16 infrastructure across GM;
- Developing a GM Outcomes Framework - influencing commissioning of the 2016/17 Adult Skills Budget (ASB) leading to commissioning responsibility in 18/19. This will build on the criteria agreed by the GMCA for the ABR. This framework can also be used to shape the new Work & Health programme;
- The expansion of Working Well up to 2017;
- The recommissioning of the Work & Health programme from 2017 to include the ongoing expansion of Working Well and embed skills provision in a truly integrated commissioning process;
- The development of a GM approach to the Apprenticeship Levy – including a public sector programme to ensure GM develops the skills it needs to drive growth and reform;
- Work with JCP to review and rationalise their estate linked to One Public Estate and the development of integrated local ‘early help hubs’;
- The contracting of £45m of ESF funding to ensure GM achieves the work and skills outcomes that it requires.
- Implementation of GM Apprenticeship Grant for Employers (AGE): £5.1m of incentives paid to employers to stimulate demand and uptake of apprenticeships in key sectors and higher levels.
- The development of a Raising Participation Strategy that will include support for careers, education, advice and guidance through The Careers & Enterprise Company.
- Continued work with BIS & HMT on the further devolution of Adult Education Budget by 2018.

More detailed progress on a number of these areas is outlined below.

3. AREA BASED REVIEW (ABR)

3.1 Progress Update

3.1.1 LEP Members will recall the outline GM criteria covered the following statements:

- an offer that meets each area’s educational and economic needs;
- sufficient access to high quality and relevant education and training for all;
- providers with strong reputations and greater specialisation
- provision which reflects changes in government funding priorities and future demand.
- institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment

- 3.1.6 Although the submissions had developed significantly between the last ABR Steering Group in April - May 2016, there is still a substantial amount of work to do to ensure the effective implementation of options that will support GM's growth & reform agenda.
- 3.1.7 The Implementation will require GM involvement to ensure a comprehensive post 16 offer across all areas. Curriculum and transport are two areas that GM will look to lead following the competition of the ABR. This will ensure high quality provision at all levels in an area or where there is specialisation adequate transport links for residents.
- 3.1 Following the completion of the ABR it has been agreed by the Steering Group that GMCA will chair an Implementation & Oversight Board to ensure options are developed in line with GM Criteria.

3.2 W&S Outcome Frameworks

- 3.2.1 Following the development of the ten Work & Skills Priorities which discussed at the last meeting; GM has developed a draft Work & Skills Strategy to support the ABR process but also the wider agenda around devolution.

As part of Devolution, GM is required to develop an Outcome Framework for the transfer of AEB before 2018. This will set out the outcomes GM is expecting for this funding. However GM has agreed through the GMS refresh that there will be an overarching 'Outcome Framework' and then subsequent ones for each area including work, skill & health.

- 3.2.2 A draft Outcome Framework has been developed with a task and finish group is being set up to ensure stakeholder involvement. This will include many partners from across GM.
- 3.2.3 The Work & Skills Outcome Framework has been developed in line with the Health Outcomes Framework and the Life Chances Fund work to ensure alignment and to avoid duplication.

3.3 GM AGE

- 3.3.1 In December 2015 the SFA confirmed that GM would receive a further £5.1m for the GM AGE programme for Apprenticeship starts to the 31st December 2016. As at the 31st March 2016, 2786 grants to employers have been approved against a target of 2808 (95%) of current . The current breakdown of grants by framework is as follows:

| | |
|------------------------|-------------------|
| Intermediate (Level 2) | 73% of all grants |
| Advanced (Level 3) | 26% of all grants |
| Higher (Level 5 & 6) | 1% of all grants |

- 3.3.2 The proportion of grants for Higher Apprentices is currently behind its target of 5%, this should be addressed by the recent change in eligibility criteria introduced to allow grants for progression from Advanced to Higher Apprenticeships.

3.4 Apprenticeship Levy

- 3.4.1 Work is underway to support the GM public sector (local authorities, health trusts, police, fire and others) to ensure the Apprenticeship Levy investment is maximised with the city region. Key objectives are to:
- Ensure we get return on investment for the Levy - getting back more than is paid in for GM.
 - Create an up-skilled workforce across the GM public sector fit for GM's future
 - Provide development opportunities and career progression for our current and future public sector workforce

- Be seen as an exemplar of apprentice employment
Meet the 2.3% target contributing to the overall growth in Apprenticeship opportunities in the city region.

3.4.2 To date, work is taking place with the sector both individually and collectively (through roundtable discussions) with a focus on 2 elements:

1. Understanding the demand side - working to support and challenge workforce development plans to ensure the number and range of apprenticeship opportunities is maximised whilst mapping progression pathways and identifying gaps where new Apprenticeship Standards may be needed

2. Developing the supply side - through the creation of a GM Public Sector Apprenticeship Programme that is procured through a common framework, includes common t's & c's for all apprentices, common elements of learning such as Induction, working in GM and allows mobility of apprentices both during and after their apprenticeship through priority interviews for new progression roles.

A paper will be presented at the next LEP.

3.5 Skills for Employment

3.5.1 Skills for Employment have had 1408 referrals to date. Referrals are now coming from JCP, as they have been able to set up skills for employment as a LMS opportunity. They are now working closely with all Working Well offices and seeing a good flow of referrals both from MGC and Ingeous.

3.5.2 They have engaged 640 customer to date against a target of 130 (Mar – May 16), with some of the above referrals still in the engagement process as it can take a few weeks to go through all the assessment. All customers engaged have also started Work preparation activities.

3.5.3 They have had 24 people start work experience; most of these have been with Athena (housing provider) across GM who have had some excellent success so far finding suitable placements for the Learners.

3.5.4 They have also had 22 people start accredited qualifications across Greater Manchester, with many more waiting to start in next few weeks. They have had a cohort of 10 customer start pre-employment programme with Pennine Acute NHS Trust, where they will complete a level 1 BTEC in Health & social care for 5 weeks, then will complete the care certificate (which is needed to work in any care setting), followed by a 10 week placement in a choice of hospitals. They also have a number of positions available for successful candidates to move into once they have completed the programme.

3.8 City Deal

3.8.1 City Deal projects continue to deliver well and the GM Apprenticeship Conference in March 2016 provided a good opener for Apprentice Week in GM with a celebration of all City Deal Projects and an introduction to the work to develop the GM Apprenticeship Strategy.

3.8.2 200 schools have engaged in CEIAG activity through the suite of projects funded by City Deal.

3.8.3 In addition 311 Higher Apprenticeship have been delivered through the provider capacity building programme against a target of 322 to end of March 2016. The GM Apprenticeship Marketing & Communications project is raising awareness of Apprenticeship across GM and plans for summer activity include a float at Manchester Pride, a presence at City Games and other local events across GM LA areas, which will include activity around both GCSE and A Level results days. The Pathways to Productivity project which is a partnership of 9 GM Colleges and The

Skills Company working together to improve CEIAG services for young people with a focus on career entry and progression through Apprenticeship has experienced some initial delays but is now at the project implementation stage. The final stage of commissioning City Deal funds will be an Invitation to Tender, through Manchester City Council, to Stimulate employer demand for apprenticeships, it is anticipated this will go out by the end of May.

4. EUROPEAN SOCIAL FUND (ESF)

4.1 ESF Update:

GM is working through the implication of the referendum outcome and will continue to update the LEP accordingly.

4.2 ESF Calls Update

4.2.1 GM continues to work with its ESF Co-Financing Organisations - the Skills Funding Agency (SFA) and the Big Lottery Fund - to develop, agree and launch calls based on Greater Manchester's agreed priorities. To date, three calls have been launched:

- Lot C2 - £11.5m for GM Skills for Employment Pilot Programme through the SFA. Now at contract stage.
- Lot E1 - £5m for pre-employment support for marginalised groups via the Big Lottery Fund. At full application stage with 23rd May deadline and delivery expected to start in early summer: yet to contract but in last stages.
- Lot A2 - £5.7m NEET Participation & Skills Progression Programme. Launched by the SFA on 14th December. Bid submission deadline was 25th January with delivery timetabled to start in mid-April.

- Lot C1- Higher Skills support for the unemployed and graduates: currently in appraisal stage.
- Lot C3- Skills Support for the Workforce: currently in appraisal stage.

- Lot B5- Careers Advice & Guidance for young & Adults: Out to tender
- Lot C5- Support for individuals to start & grow a Business: Out to tender

5. Raising Participation Age

5.1.1 The Raising Participation Strategy draft which has been approved by WLT and heavily consulted on across GM. It outlines 4 key priorities for development and a proposed governance structure. This Strategy underpins the Work and Skills Priorities and has many opportunities for aligning and enhancing the 'employability' strand in the Children's Services work.

5.1.2 The Strategy sets out 4 potential streams of work that lend themselves well to the proposals set out in the Children's Services reform. It is important we build on established capacity and investment in the identified priorities/task groups to align and enhance both agendas.

6. Employment Update

6.1 Working Well Pilot

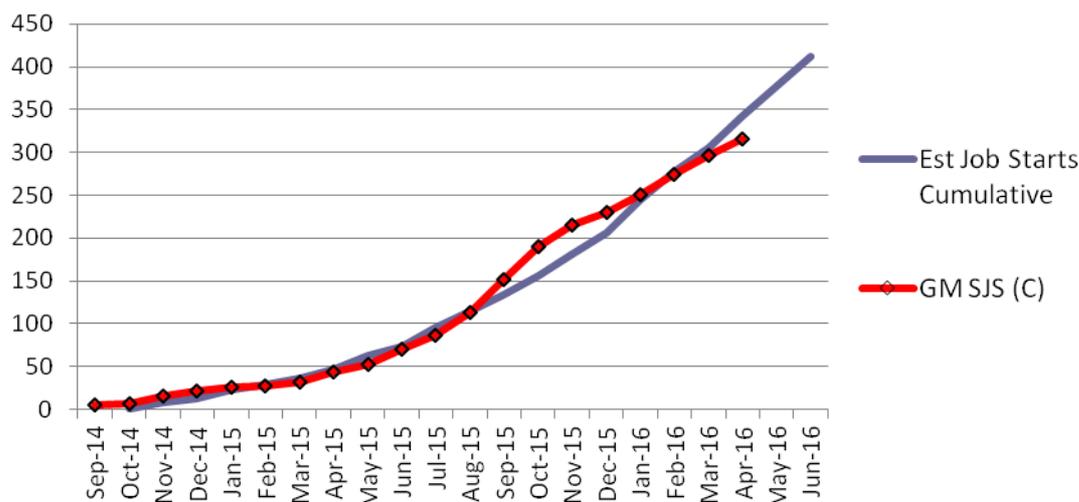
6.1.1 Between April 2014 and March 2016 there were in total 4,985 referrals to the programme, which have resulted in 4,684 successful attachments (an attachment rate of 94%). The referral window has now closed.

6.1.2 Of those attached, a significant number (579 participants) have been exited early from the programme by Jobcentre Plus due to a change in their circumstances. 370 of these have been medically re-assessed and moved into the ESA Support Group due to their poor health. Smaller numbers have also left the programme early due to

moving outside of GM or moving onto Jobseekers Allowance. This significantly impacts on the programme's ability to support 20% of people attached on the programme into work. Therefore, the Programme Office will also be monitoring the proportion of participants who complete the programme who secure and sustain employment.

6.1.3 To date 113 people have completed the programme without having secured employment. Exit plans have been developed for those who require ongoing support that could be provided via the Local Integrations Boards.

6.1.4 Of those still active on Working Well 337 have been supported into work (see graph below).



6.1.5 Of those who have found work, 82% are still in employment and the vast majority of those are still in their first job, suggesting that many are sustaining employment.

6.1.6 Clients have been in work across a range of 0-109 weeks. 59 (17.5%) have achieved 52 weeks in employment, 124 (36.8%) have achieved between 26 and 50 weeks in work and 67 (19.9.4%) have achieved between 13 and 26 weeks in work. The remaining 87 clients have been in work for 13 weeks or less.

6.1.7 For clients engaged with the programme the longest (18 months or more), we can see a number of important intermediate outcomes, including:

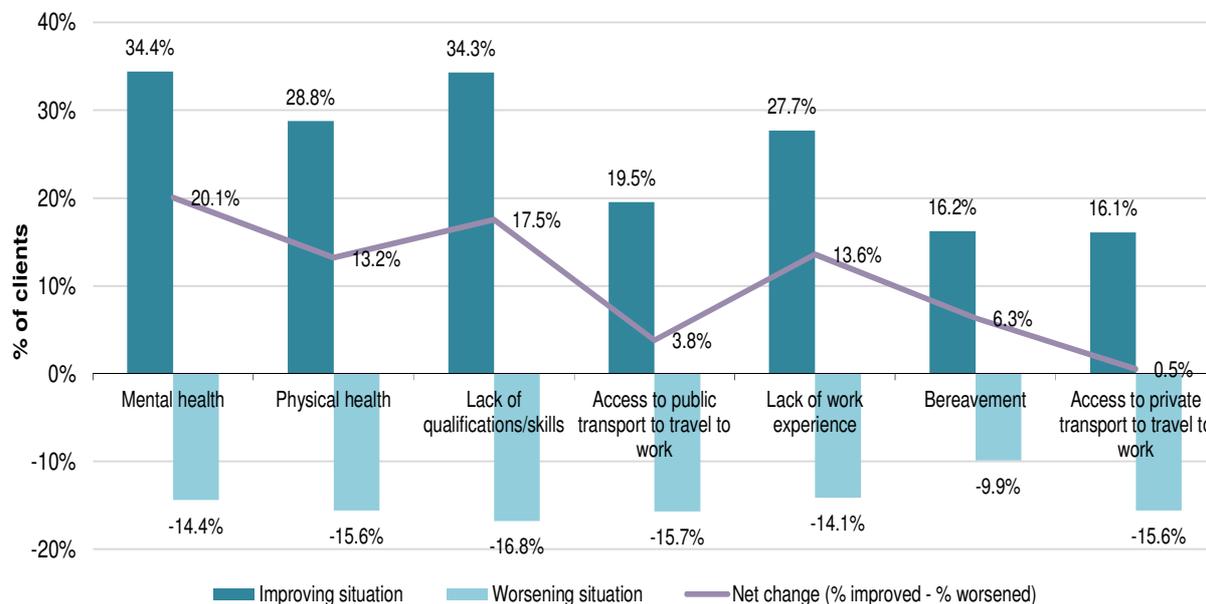
- notable improvements in their mental health and qualification/skills (34% have observed an improving situation in both instances)
- improvement to their physical health and work experience.
- across all of these categories, a larger number of clients have seen an improved situation than a worsening one.

6.1.8 A similar pattern is evident for clients who have been on the programme for less time, although the scale of improvement is lower in most categories. There appears to be a marked uplift in improving situations once a client has been on the programme for 18 months or more, by this time clients are much less likely to see mental health issues, lack of qualifications/skills and lack of work experience as barriers to work.

6.1.9 In each category, there is a proportion of clients who believe the barriers to work have worsened since joining Working Well. However, this needs to be interpreted with care – for some it can reflect a longer time period since their attachment, over which time their situation (e.g. physical health) has worsened; for others, as one

issue is addressed, another is perceived to be more of a barrier to work. Access to public and private transport is the barrier which appears to have worsened for as many clients as it has improved, resulting in little net improvement overall. This may reflect greater ambition and self-confidence that has developed in these clients and so more desire to travel, and hence awareness of difficulties of getting around.

6.1.10 The table below shows the distance travelled for the top seven presenting issues, by those attached for 18+ months



Source: SQW analysis of monitoring data

6.1.11 The second Working Well Annual Report will be published in July.

6.2 Working Well Expansion

6.2.1 Referrals to the programme commenced on 1st March, following a series of induction events with a broad range of stakeholders across GM. The response has been extremely positive with 5,063 referrals in the first three months against a profile of only 2,826.

6.2.2 Providers' mobilisation plans have been developed against the lower referral number profiles provided by DWP, so the Programme Office is working with them to mitigate the risk of poor client engagement as a result of the significantly increased referral volumes. Nevertheless, initial feedback on the referral and engagement process has been positive. Weekly meetings are being held with providers for the early stages of the programme to address swiftly any issues or concerns.

6.2.3 Four job starts have already been claimed with further numbers in the pipeline awaiting validation, but are expected to be significantly higher than expected.

6.2.4 It is already evident that there is a degree of cross-over between the Working Well expansion and Troubled Families cohorts. A task & finish group has been established from across TF co-ordinators and WW Local Leads to ensure that the two programmes come together effectively to provide a co-ordinated package of support.

6.3 Work & Health Programme

6.3.1 GM has been working closely with DWP and has used learning from Working Well to help shape the design thinking for the national Work & Health programme. Moreover,

through its co-commissioning powers GM has the ability to design a local programme that responds to local need and is able to deliver the aspirations of the Greater Manchester Strategy.

- 6.3.2 It is anticipated that GM's proportion of the national core funding available for the programme will be in the region of £20 - £25 million over its 5 year lifetime, which would enable support to be provided to 10,000 – 15,000 people in total. This is by no means sufficient to tackle GM's worklessness and low productivity challenges. As a co-commissioner GM is able to put its own funding into the Work & Health programme, draft the business specification and determine the outcomes (provided national minimum standards are met). If additional funding is made available, GM would be able to extend the scope and reach of the programme, specify additional outcomes and build additional support into the programme.
- 6.3.3 In line with GM's public service reform principles we would expect the programme to adopt an asset-based approach; support tailored and bespoke solutions and an integrated response to complex issues.
- 6.3.4 Using the learning from Working Well and other programmes dealing with *complex* need, there is a sound business case for the Work & Health programme adopting a keyworker approach to deliver. However, the evidence suggests that there would need to be a clear offer to respond to health needs (in particular mental health and musculoskeletal), low-level skills, lack of work experience and access to public transport.
- 6.3.5 This support is currently being provided in the Working Well programme in the following ways:-
- a) Transport: An agreement has been reached with Transport for Greater Manchester to offer free or subsidised travel passes for clients undertaking work experience or moving into work.
 - b) Skills & work experience: Through devolution of the Adult Education Budget (AEB) GM is able to make investment decisions to meet the skills needs of local residents, with the potential to build skills outcomes (and related funding) into the Work & Health programme. This has already been piloted through the Skills for Employment programme, which has been commissioned to support Working Well clients improve their employability skills and undertake work experience.
 - c) Health: Talking Therapies have been commissioned to support clients on the Working Well programme, and there is occupational health and physiotherapy support available through the keyworker service providers.
- 6.3.6 Devolution provides an opportunity to pilot a more integrated approach to delivering integrated employment, skills and health support, which could be used a test and learn case to inform future planning and longer-term commissioning decisions. A task & finish group has been established through the Joint Commissioning Board working group and provider reference group has also been set up. There is consensus that a keyworker approach to delivery is required and that strong links to health interventions need to be part of the delivery menu. The groups are using available evidence of best practice to determine which interventions should be incorporated and whether:-
- a) They can be delivered as part of the keyworker service
 - b) Locality plans will ensure they are available at the right scale through mainstream provision
 - c) Additional capacity is required in existing services and/or new provision needs to be made available.

This work will be completed prior to the keyworker service being commissioned and may form the basis of a bid to the Transformation Fund as a Theme 1 priority.

6.4 Work & Health programme: Commissioning Strategy

- 6.4.1 Through GM's Co-Finance Organisation status for European Social Funds, there is the ability to match locally any DWP investment. If Adult Education Budget and health funding is made available, there is the ability to increase its scale even further. The scale could potentially be expanded to 30,000 people. This would make GM the senior investor in the programme (with DWP the junior partner), providing greater leverage over its design and management.
- 6.4.2 As agreed at the June 2015 meeting of GMCA, Trafford Council, on behalf of GMCA, has submitted an outline CFO application to gain initial feedback from the ESF Managing Authority (DWP). As from January 2016 this was agreed in principle by DWP Managing Authority with a full application being submitted in June 2016.
- 6.4.3 As the timescales for Work & Health Programme as now clearer, GMCA are required to submit an application to allow support of the potential 30,000 individuals, up to the value of c.£30m ESF funding.
- 6.4.5 GM and DWP are currently in talks about who will lead the procurement of the W&H programme, and indications suggest GM will lead with support from DWP. This could also include the transfer of funding from DWP to GM. Regardless of the outcome of these discussions, the commissioning timeline will need to align and coincide with DWP's current timeline to ensure contract award happens at the same time.
- 6.4.6 This work is now culminating in the drafting of a Memorandum of Understanding (MoU) between DWP and GMCA to articulate roles, responsibilities and accountabilities for the new programme and a commissioning strategy that will see tender specifications going out to the market in August (pre-qualification questionnaire) and October (invitation to tender) of this year. The MoU is currently being drafted by DWP and has not yet been shared.
- 6.4.7 It is anticipated that there will be 11 contract package areas (CPA) nationally, with one being for Greater Manchester (still to be confirmed).

6.5 The W&H Procurement Timeline

| Date | Action |
|-------------------------|--|
| 31st July | GM funding, volumes and outcomes agreed |
| 16 th August | PQQ issued |
| October | Invitation to Tender issued |
| December | Invitation to Tender responses returned |
| March 2017 | Evaluation, awards & approvals completed |
| April – September | Implementation window |
| October | Go live – referrals commence |

6.6 Joining up the system

- 6.6.1 As GM takes greater control of the mainstream welfare to work system, there is the ability to expand referral routes into support, moving away from the current system where the locus of control rests with Jobcentre Plus. This will allow for referrals to be made based on the individual's personal circumstances rather than the benefit they happen to be claiming. However, there is an inherent risk that individuals are identified who do not meet the funding criteria for Work & Health, but if complex needs have been identified a system response would be appropriate. The Reform Board has agreed to sponsor an exercise to scope how the Work & Health Programme could be used as a catalyst to embed the Reform Framework into a consistent GM delivery model. The approach could see key workers (or system navigators) linked to people as opposed to programmes and the Life Changes Fund could provide an opportunity to test this. This should result in resources being utilised

more wisely and if appropriately 'de-layered' could help more people. In the current system there is potential for some people/families to be supported by 3 or 4 programmes, which is neither efficient nor most effective.

- 6.6.2 As part of the memorandum of understanding with the Centre for Ageing Better (CfAB), a proposal has been drafted to test new ways of engaging and supporting disadvantaged older residents in GM to re-engage with the labour market. A full day planning session has been held with a wide range of stakeholders and the outputs of the day are now being used to define a project. There is a focus on groups who currently fare poorly in the labour market, such as Bangladeshi women, and current thinking is to test a number of small-scale approaches in discrete localities. This work will be progressed through the GM Ageing Hub and the Employment and Skills Executive.
- 6.6.3 In a similar vein to discussions with CfAB, there have been a number of productive meetings with Sport England, who have shown interest in how sport and physical activity could be utilised as tools to support people into and then sustain employment. This coincides with the launch of Sport England's new five-year strategy *Towards an Active Nation*. A proposal has been drafted, using the rich learning from Working Well, that demonstrates how the two agendas can work in collaboration and that the commissioning of the Work & Health Programme provides an opportunity for joint investment to deliver our shared outcomes. This work will be progressed through the newly formed Sport England/GMCA strategic group and the Employment and Skills Executive.

6.7 Universal Support: Greater Manchester

- 6.7.1 The current JCP estate consists of 29 jobcentres and employs in the region of 1,000 staff. The jobcentres vary significantly in size from the largest in Bolton, Oldham and Stockport with around 100 staff each to much smaller satellite offices such as Chorlton and Heywood with around a dozen staff. Two jobcentres in Salford (Irlam & Pendleton) are already co-located with local authority services.
- 6.7.2 To date, there have been a number of productive meetings between JCP and local authorities (primarily economic development and estates leads) to scope out options for service integration and identify potential sites for co-location. These discussions were used to form the basis of an initial options proposal, which was required by DWP for 15th January. Each JCP district in the country was required to submit estates rationalisation options to DWP in January, as part of their efficiency planning process.
- 6.7.3 The initial options analysis has been shared with DWP and is being assessed by the department's national estates team. This is a confidential process, and no information is being shared with Local Authorities at this point. However, there is an expectation that the initial plans will be developed further with local areas, with a fuller options appraisal concluded by September 2016. Final options will be agreed with JCP by March 2017.
- 6.7.4 Although GM is not sighted on the local proposal that was submitted by JCP in January, the options that were discussed and positively received by JCP locally included:-
- 14 locations where JCP could locate with local services
 - 3 additional pipeline co-location opportunities
 - 5 locations where local services could co-locate with the jobcentre
- 6.7.5 Despite the fact that DWP's national estates team has not yet provided feedback on the submitted options, JCP is keen to make progress on inward co-location opportunities. In addition to the potential co-location of large scale JCP functions, GM is also exploring opportunities for co-located outreach delivery in community settings.

Annex 1.

GM WORK/SKILLS STRATEGY AND PRIORITIES

Introduction

1. Greater Manchester has a massive opportunity, through devolution, to re-focus and re-organise the Work and Skills system to ensure the system better delivers against the needs of the economy, the needs of individuals and GM's aspirations. This is an extremely challenging piece of work, of significant scale and complexity. This paper outlines GM's objectives in this area (as agreed by Leaders), the current and changing nature of the work and skills system, and therefore breaks down the work that needs to be done into 10 priorities for action. For each an action plan has been developed, and the paper outlines these action plans, along with the way in which the current staff resources deployed in this area need to be re-organised in order to deliver against these action plans.

Greater Manchester Work and Skills System – Vision and Objectives

2. GM's vision is that, by 2035, the Manchester city region will be one of the world's leading regions, driving sustainable growth across a thriving North of England. It will be ever more productive, innovative, creative, known for the excellent quality of life enjoyed by our residents who are able to contribute to and benefit from the prosperity that growth brings.
3. T
To deliver the above vision, it is imperative that all the residents of GM contribute to and are to benefit from the growth and investment that will take place over the next decade. This requires an integrated education, skills and welfare to work system that enables GM residents to compete effectively in the labour market and access better quality and more highly skilled employment opportunities. The ability to grow, attract and retain skilled labour, build resilience and adaptability in the current and future work force is a prerequisite for future economic growth. As such, employers will play an ever more important role in investing in and co-commissioning the skills required for their current and future workforce. As a result Greater Manchester's GVA will increase by driving higher productivity and attracting new employers to our region. The Greater Manchester Work & Skills Strategy will be part of a suite of documents that sit within the GM Strategy and GM Spatial Framework.
4. Greater Manchester Leaders have agreed the following broad objectives for the future Work and Skills system in GM;
 - a) GM employers will be able to grow, have access to, and invest in the skills they require from their workforce both now and in the future utilising the skills of their employees to increase productivity
 - b) GM residents will have the right support to make the best choices about their employment and skills option; and once they are in-work have career and wage progression opportunities
 - c) GM schools will ensure all individuals are prepared for the labour market, including higher levels of education attainment and first class CEIAG
 - d) FE Providers will progress more individuals to Level 3+ qualifications in a vocational or technical area closely linked to GM's economy's core and growth sectors;
 - e) Our GM employment and skills initiatives will be developed and commissioned at a local level, providing unemployed residents and those furthest from the labour market, the right integrated support required to move them closer to work;
 - f) Initiatives will integrate health commissioning and help realise a health system which understands that 'good work, is good for your health'.

Current Position in GM (2015)

5. The GM education, skills and work system is currently characterised by:
 - 40% of children entering school who are not 'school ready'
 - 47% of young people leaving school without English and Maths GCSEs
 - CEIAG provision is fragmented and often of poor quality
 - Reducing numbers of NEET young people but increasing numbers of 'Not Known'
 - Over 50% of Adult Skills Budget (ASB - post 19) is spent on English and Maths 'second chances' but levels of attainment are low and represent poor value for public investment;
 - Over 70% of Adult Skills Budget (post 19) is spent on Level 2 qualifications, although over 50% of the jobs being created in GM require skill level 3 and above;
 - A high volume of low skills and low volume of high skills – a reverse of what is needed in the economy and not always offering a return on public investment;
 - An 'into work' system which is broadly separate from the skills system, and a 'work and skills' system that does not integrate well with other public services;
 - An 'into work' system which is based on individuals eligibility criteria, rather than their individual characteristics or complexity of need;
 - A work and skills system that does not always incentivise the correct activities e.g. paying for progression towards the labour market in a poorly defined way rather than a short-term work focused intervention that results in a job outcome;
 - Around a quarter of a million residents claiming out of work benefits, with significant numbers of adults of working age who have been economically inactive over a long period of time. This number has remained static during periods of labour market expansion;
 - Over £1bn spent on In Work Tax credits, indicating a low pay economy and poor career progression for many of GM's residents;
 - Low levels of productivity and innovation;
 - Employers repeatedly stating that they cannot access the basic 'employability skills' they expect of people or the higher level skills they need to grow, with unfilled vacancies in key growth sectors.

The 'system' is changing – nationally and locally

6. Nationally there are significant changes to the work and skills system, which GM needs to respond to and capitalise on, to help deliver Greater Manchester's priorities and Devolution ambitions for work and skills.
 - a) *Raising the Participation Age*: In GM we need to use the additional 2 years that young people spend in education or a job with training to raise attainment levels including for English and Maths and ensure that all of GM's young people have access to high quality CEIAG pre-16 so that they make informed choices about all potential routes that lead to positive education and employment outcomes. Increased links between business and education and meaningful experience of the world of work will equip more of our young people with the skills and attributes needed to succeed in the labour market.
 - b) *Devolution*: Through Devolution GM has an unprecedented opportunity to get much greater alignment between the work & skills system and the needs of businesses and residents in the conurbation. Phase one of Devolution gives GM devolved powers to reshape Adult Skills provision (including a new funding regime); expand our Working Well programme and co-commission the next phase of the Work Programme with DWP. This is complemented by the national move to 'outcome frameworks' for future funding. Using our devolved powers in GM, we need to drive a skills system that is more focused on progression, high level skills and job outcomes, rather than paying for qualifications that have limited value in the labour market. This will mean shorter work focused delivery with stronger employer engagement for high volume /entry level employment and greater specialisation and centres of excellence to deliver high level skills linked to growth sectors. Learning from the Working Well Pilot, the

expanded Working Well programme and the next phase of the Work Programme should be based on an early assessment of a person's need, key worker approach for those with complex needs with wider public services wrapped around the welfare to work provision to reduce the length of time taken to get people back to work.

- c) *Cuts to the Adult Skills Budget (ASB)*: In 2015, the Adult Skills Budget has seen a significant reduction. Although the spending review announced that the participation budget in relation to Adult Skills would be held constant in cash terms, this implies a further cut in real terms, as well as cuts to non-participation budgets – the details of which are currently emerging. Working these through, along with demographic changes, GM could be in a position that there will only be public funding for 'entitlement' provision (second chance English/Maths and a first Level 2 qualification). In GM we need to prioritise GM funding to support progression (into work and within work) and to provide the employability, enterprise and higher level skills the economy needs. Future L3+ provision is unlikely to be funded by the public purse, but via Apprenticeships, FE Loans and employer investment, and we need to communicate this to both individuals and employers. We need to work in a different way with employers, as co-commissioners and investors in the skills system. We need to change the criteria for FE loans to better support individuals to meet the needs of employers and ensure they are aligned with GM priorities.
- d) *Apprenticeships* – the spending review gave details of the Apprenticeship Levy for larger companies to pay for apprenticeships and a system of apprenticeship vouchers for all companies, putting the purchasing power in the hands of employers rather than providers. In response, Greater Manchester needs to facilitate ongoing and meaningful dialogue between FE and training providers and employers to ensure that their current and future workforce development needs are met and that workforce development is an integral part of business growth & support services commissioned by GM. More high quality apprenticeship opportunities and timely and well informed Careers Education Information and Advice will encourage more young people and adults to consider an apprenticeship as a credible route to acquiring the skills and qualifications needed to succeed in the labour market. We also need to work with employers to prepare them for the Levy and exploit the opportunities it provides to drive productivity/skills both for them and in their supply chains. The further devolution deal to GM in November 2015 explicitly committed Government and GMCA to working together to maximise the opportunities presented by the introduction of the apprenticeship reforms (including the levy) as well as discussing how public sector partners (including health partners) in Greater Manchester could collaborate across their joint levy funding to support new ways of working in the public sector and development of the workforce skills needed.
- e) *Area Based Review*: this national review of Post 16 sixth form and FE colleges is a once in a decade opportunity to reshape FE and develop an agile FE system to meet the needs of the economy. It is critical that the outcome of the Area Review reflects and can deliver to GM work and skills priorities. The review provides an opportunity to develop new models of delivery that are better aligned with employers needs in key growth sectors and that are capable of delivering flexibly, making the best use of technology to meet changing labour market requirements, rather than focusing on buildings. There is a need for a differentiated offer between academic 6th form colleges, general FE provision and higher level skill provision, with a local offer for the first two accessible by all GM communities. The local offer should be linked to the higher level provision in centres of excellence, which are closely aligned with employers and with good transport infrastructure to enable access for all GM residents and good progression routes. Rather than being institutionally focused and tied to large capital buildings, organisations need to collaborate and where appropriate specialise so that the system as a whole delivers Greater Manchester priorities and is resilient and equipped to shape and respond to future labour market changes. The review also provides an opportunity to better integrate the work and skills system and to co-locate community based provision with other public services

including Jobcentre Plus and local authorities so that those who need it can access a comprehensive offer.

- f) *Changes to Department Work and Pension (DWP) commissioned provision:* DWP's Work Programme and Work Choice contracts expire in 2017 and further reductions in public funding, will significantly reduce the amount of funding available to future programmes, potentially by limiting access to provision or by extending the lead in time before support is made available. GM has an opportunity to shape future provision through its devolution agreement and integrate employment and skills support for those with the most complex needs into a new public service 'eco-system', to ensure that those with complex needs are getting the right support at the right time to get them back into sustainable work.
- g) *Changes to Jobcentre Plus and its estate:* Greater Manchester is currently split between 2 Jobcentre Plus districts and better spatial alignment between JCP direct delivery and DWP commissioned programmes with GM commissioned programmes would deliver better outcomes. DWP's current estate contract expires in 2018, providing an opportunity to build Jobcentre Plus provision into the new GM public service eco-system through a single public estate strategy (including FE Estate). This could enable a truly joined up universal delivery system to support jobseekers and other benefit claimants, with complementary services co-located into local hub, while increasing efficiency and reducing cost. There is also the opportunity to consolidate and improve the effectiveness of GM's employer engagement offer, reducing duplication, creating a more coherent system for business and supporting more residents into local employment opportunities.
- h) *Maximising other funding resources:* with reducing Government funding for welfare to work and skills programmes, GM needs to maximise the impact of our ESIF programme and drive innovation in work/skills provision. We will use ESF funding to create a more integrated work & skills system that effectively moves more GM residents into work and supports their in-work progression. Where we invest significant amounts of ERDF funding we need to ensure that the local benefit is maximised with more GM residents benefitting from any employment opportunities created. There are some additional funding pots that are managed at a GM level, including City Deal, GM Commitment, the Apprenticeship Hub and Local Growth Fund, which need to be focused on delivering GM work and skills priorities and where they can add value and achieve greatest impact.

GM Work & Skills Priorities 2016 - 2019

- 7. In Greater Manchester we need to be ambitious about the future of our work and skills system if we are to seize the opportunities that Devolution provides, capitalise on national changes and minimise the risk from reduced levels of Government investment. We also need to be realistic about the challenges we face and our baseline position. The opportunities and challenges are not uniform across GM and we recognise that there is a lot of good work at local authority level upon which we can build. Therefore we need to be focused on where we concentrate GM level resources to add value and maximise the impact of GM work and skills initiatives. The initial work programme focuses on the key priorities and levers that will drive delivery of the GM Work & Skills Strategy. The 10 priorities are:
 - 1. **Careers Education Information Advice & Guidance (CEIAG):** Based on up to date Labour Market Information, enhance high quality CEIAG across school, FE and Work provision to ensure young people, their parents & teachers and adults understand the range of education, skills and employment opportunities and progression pathways available in GM and as a result make informed choices.
 - 2. **Outcome Frameworks:** Develop outcome frameworks to ensure all work & skills provision supports positive progression pathways and ultimately sustainable

employment outcomes for Greater Manchester's young people and adults. Embedded in the provision should be good English and Maths outcomes, digital skills, meaningful work experience and those behaviours/core competencies (enterprise skills) needed in the world of work. The outcome frameworks will underpin future GM commissioning.

3. **Infrastructure:** Develop a GM work and skills infrastructure via the Area Based Review, JCP estate review and One Public Estate to ensure accessible local provision for education and skills to Level 2 /3 with specialist/ technical provision at Level 3/4 and above linked to GM's economic & growth needs and delivered through a discrete number of high quality centres
4. **Attainment:** Focused activity to support the attainment of Level 2 English, Maths and STEM subjects at age 16 across GM, thereby improving Level 3 attainment at 19.
5. **Employer Engagement:** Develop a comprehensive approach to employer engagement and investment in the work & skills system working with the LEP, employer bodies and local authorities, to ensure that: (a) employers are at the heart of the system; (b) employers recognise the value of workforce development and plan and invest in their workforce development needs; (c) the higher level skills needed for economic growth are developed and commissioned by business, recognising that most of this will be funded via FE loans and employer investment; (d) that employers develop good employment practices to support people to retain employment and help people, including via work experience to (re-) enter the labour market
6. **Apprenticeships:** Increase the number, quality and level of Apprenticeships in core and growth sectors in GM via better CEIAG, employer workforce development and co-ordination of public sector activity in response to the Apprenticeship Levy. Apprenticeships also offer opportunities for re-skilling and up-skilling the existing workforce as they move into new roles to support in work progression.
7. **Higher Level Skills:** develop the education and skills system in GM, including via FE/HE Loans, to support young people and adults to develop the higher level (minimum level 3) and STEM skills needed by them to compete and progress in the labour market and by employers to drive productivity. Graduate retention in Greater Manchester is good but there is more to do to enable access to HE and move graduates into SMEs.
8. **Universal Support:** Redesign services to support workless residents ensuring early assessment and rapid response for low need 18-65 year old back into work. Create a universal support offer for all jobseekers and benefit claimants, providing a personalised offer based on their needs and delivered in an integrated, co-located way with local support services, improving the customer experience, and increasing sustainable job outcomes. This will improve the functioning of the GM labour market and ensure that as residents move into and progress in work, there is a reduction in the number of GM residents dependent on in-work benefits.
9. **Specialist Support:** Expand the Working Well Programme and design a new offer for complex 18-65 year olds who have experienced long periods outside of the labour market via Work & Health programme commissioning which fully utilises complementary public services and supports more GM long-term benefit claimants to secure work.
10. **Commissioned Activity:** commission activity that integrates work & skills, supporting the priorities above - including ESF programmes and employment outcomes in GM health (particularly mental health) commissioned programmes