

REPORT TO: CABINET MEMBER (REGENERATION)

DATE: 9th JUNE 2010

SUBJECT: LIVERPOOL CITY REGION EMPLOYMENT AND SKILLS STRATEGY AND COMMISSIONING FRAMEWORK

WARDS AFFECTED: ALL SEFTON WARDS

REPORT OF: ANDY WALLIS (PLANNING & ECONOMIC REGENERATION DIRECTOR)

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**EXEMPT/
CONFIDENTIAL:** NO

PURPOSE/SUMMARY:

- i) To inform members of the progress made on the production of the Liverpool City Region Employment and Skills Strategy and Commissioning Framework and assessment of the opportunities for Sefton afforded by this development.

REASON WHY DECISION REQUIRED:

To keep Cabinet Member updated on the progress of the City Region level strategy on employment and skills and its implications for Sefton Council and its partners.

RECOMMENDATION(S):

That Cabinet Member:

Notes the contents of this report and endorses the approaches set out in the City Region Employment and Skills Strategy and Commissioning Framework.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: Immediately following expiry of the call-in period.

ALTERNATIVE OPTIONS:

N/A

IMPLICATIONS:**Budget/Policy Framework:**

There are no direct financial implications arising from this report, as these have all been considered and taken into account in the Council's overall budget.

Financial:

	2006/ 2007 £	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £
<u>CAPITAL EXPENDITURE</u>				
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y				
How will the service be funded post expiry?				

Legal:

N/a

Risk Assessment:

N/A

Asset Management:

N/a

CONSULTATION UNDERTAKEN/VIEWS

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

1. Background

1.1 Members will be aware that a new City Region Cabinet has been established in shadow form, with all six Local Authorities represented (via chief Executives) plus the Private sector in the chair through the Mersey Partnership. The LCR Cabinet is supported by six policy boards with the following structure:

- Economic Development (led by Liverpool City Council but with the support of The Mersey Partnership)
- Employment and Skills (led by Knowsley)
- Environment and Waste (led by Wirral)
- Housing and Spatial Planning (led by St Helens)
- Transport (led by Halton)
- Safer, Healthier Communities (led by Sefton)

1.2 The LCR cabinet has some primary functions, including:

- Agreeing City Region strategy and delivery mechanisms
- Overseeing an annual work programme of key city region wide initiatives
- Ensuring effective delivery of programmes through one or more of the boards
- Overseeing the development and delivery of the LCR Multi Area Agreement
- Ensuring effective performance management of the activity.

1.3 There is no loss of sovereignty to any of the Local Authorities as a result of these new arrangements and there are no delegated powers for any of the decision making. The impetus is to produce a clear definition of the projects, programmes and initiatives identified as the responsibility of the City Region rather than any involvement in the statutory obligations of the partner organisations. The commitment is to work in partnership to pick up cross cutting initiatives where collaboration will benefit the partners of the City Region .

1.4 The employment and skills arena is felt to be one in which concentration of efforts based around the travel to work area rather than Local Authority district boundaries could yield significant benefits for the economy and disadvantaged communities.

1.4 The Multi Area Agreement

As part of the development of the MAA, City Region partners have agreed a set of “transformational actions” that are identified as the key drivers for economic growth of the City Region and inform the vision and overarching aims for the production of the Employment and Skills Strategy and Commissioning framework. These are:

- Superport
- Low Carbon Economy
- Knowledge Economy
- Visitor Economy

1.5 CES Board

The Liverpool City Region has been granted Pathfinder status as a DWP City Employment Strategy. The CES Pathfinder Board (representation from Sefton is through the Director of Planning and Economic Regeneration) has driven forward much of the work on employment and skills to date. There is currently some debate about the future role of this Board since the inception of the Employment and Skills

Board as the original intention was for the CES Board to be an interim arrangement. However, since the CES Pathfinder has been extended until March 2011, it has been proposed that the performance management role of the CES Board could be continued in order to oversee the existing City Regional work programme related to the Pathfinder Enabling Programme, European Social Fund complementary strand, European Regional Development Fund 4.2 Investment Framework, and the Future Jobs Fund.

2. The Employment and Skills Strategy and Commissioning Framework

2.1 Responsibility for the Strategy

The responsibility for overseeing and delivering the key priorities set out in the strategy will belong to the new Employment and Skills Board for the Liverpool City Region. (Sefton's Representative on the Board is Cllr Ian Maher).

The Board met for the first time in 26th April 2010. It received a presentation on the City Region Employment and Skills Strategy as part of a broad and wide-ranging consultation process. The Board was invited to consider:

- key facts about the employment and skills system;
- the need to significantly improve productivity in the City Region, in particular by providing a greater range of high tech, higher-skilled job opportunities, but also retaining the focus on tackling supporting people into sustainable work;
- the aim to make the City Region an attractive area in terms of jobs and housing so that people chose to live there;
- opportunities arising from significant economic transformations such as the culture and visitor economy, the Superport, the knowledge economy and the low carbon economy;
- the City Region's new governance arrangements and the position of the Employment and Skills Board in the governance structure;
- the complexity of current funding and strategy routes, and the opportunity for the Board to have a positive impact, simplifying the process and making it more efficient;
- benefits arising from how the Board was achieving its objectives: for example, seeking statutory status from central government which could result in local autonomy to determine how resources should be targeted within the City Region.

As a result, the LCR Cabinet agreed to formally endorse the Liverpool City Region Employment and Skills Strategy and Commissioning Plan as the primary documents for setting out the vision for how employment and skills services are to be integrated locally within the City Region and the strategic priorities for investment and delivery.

3. The scope and Vision of the Documents.

3.1 Strategic Aims

The Strategy flows from the vision and aims described in the Multi Area Agreement which partners are committed to met by 2030. These two aims are:

- To accelerate the growth and substantially close the productivity gap between LCR and the rest of the UK
- To reduce worklessness across Liverpool City region, providing routes for people to move into work and progress in their jobs.

3.2 Step Change Aspirations

In turn, the document is framed by three step change aspirations: These are:

- LCR becomes England's top performing City Region in terms of learning, employment and skills outcomes for 14-24 year olds.
- LCR will reduce by half the number of its deprived wards in England's worst performing 10%.
- LCR becomes a leading City Region outside of the South East in terms of the proportion of graduates and Level 4 qualifications in its workforce.

3.3 Strategic Objectives

There are six strategic objectives to help focus the efforts of partners and which are planned to be delivered by 2015:

- Work more closely with employers to focus investment on their skills needs.
- Empower employers to drive improvements in skills and productivity within their workplaces, sectors, and business networks.
- Engage and empower local people to make informed choices about their learning, jobs and careers.
- Build clear and effective career pathways for 14-24 year olds.
- Transform the performance of services impacting on employment rates for disadvantaged groups and areas.
- Simplify the employment and skills system to help individuals and employers engage with and navigate services more effectively.

3.4 Design Principles

The Key Design Principles underpinning the Commissioning Framework are to:

- Streamline and simplify delivery
- Build on the Mainstream
- Create a Performance Management System
- Promote More Coherent Management Information Systems
- Develop Clear Review Processes

3.5 Commissioning Process

The Process of LCR commissioning and influencing involves the following:

- Building on shared understanding of needs and priorities
- Working with Total Place principles to understand collective investment in key service areas and how these might be better deployed
- Delivering services through a mixed economy approach
- Establishing a core team to support the Employment and Skills Board to develop and manage the commissioning framework.

(A copy of the Executive Summary of the document is given for information as Appendix One.)

4. Issues and Opportunities for Sefton

4.1 Travel to Work area

The highest density of jobs in the sub region is located within the City of Liverpool. Sefton's position in relation to this concentration of employment opportunity is a fortunate one, as transport links from across the residential areas of Sefton through to the city centre are a key asset in enabling Sefton residents to access city centre jobs. Although more work is needed in some of our more deprived communities to expand horizons and develop realistic expectations in relation to the travel to work area, the indications are that many people who live in Bootle, for example, are disposed to travel to Liverpool for work and this is a well established working pattern for many people.

The pattern of work and residency is somewhat different for Southport, which displays the most self-contained travel to work patterns in the sub region.

Transport links from Sefton to other parts of the sub-region are less satisfactory and could account for the comparatively low level of cross-river and east-west travel to work patterns of Sefton residents.

As a result, the concept of cross-boundary working with Liverpool City, as a hub for jobs, offers strong opportunities for Sefton and has already led to a number of formal collaborations such as through LSC Routeways programme, the Working for Yourself project under StepClever, and harmonised management information systems to allow for the sharing of vacancies.

4.2 Sefton's Position in Relation to the Sub Region

The key indicators which underpin the LCR employment and skills strategy and commissioning framework demonstrate that Sefton has the highest overall employment rate (73.6%), the lowest rate of 16 – 18 NEETs, the second highest (after Wirral) proportion of residents with Level 4 qualifications (29.7%) and the lowest number of super output areas (18) in the 10% most deprived index.

These Borough-wide statistics do not highlight the spatial inequalities facing Sefton which have been persistent and inter-generational in some of our neighbourhoods. The implications for Sefton in the context of reduced public spending on worklessness services could be serious if sub regional investment priorities are wholly based on these indicators, as our workless communities are more geographically dispersed and therefore potentially more difficult and expensive to engage than those of other districts.

4.3 Reliance on the Public sector as an employment provider

Across the sub region, the reliance on the public sector as an employment provider presents risks if dis-investment in public services leads to significant job losses. In Sefton, this reliance is particularly high, since public sector employment in the field of public administration, education and health accounts for 39.4% of all jobs. Therefore the focus on the four transformational actions in the Multi Area Agreement is to be welcomed since it should assist with occupational and industrial diversification of the workforce.

4.4 Employer Engagement Framework

Through [Sefton@work](#), a model of good practice in relation to employer engagement has been established for five years and has underpinned many of the results we have been able to achieve with partners. For many years, rigorous competition

between providers has exacerbated the confusion expressed by many employers. However, vacancy sharing with providers has been a strong feature of the model developed through Sefton MBC's [Sefton@work](#) and the perception of the Local Authority in this regard as an "honest broker" has greatly assisted the development of trust between private and public sector welfare to work service providers.

However, experience of working in this way is not embedded coherently across the sub region and other LA partners have only recently approached this strand of activity as a result of the availability of ERDF 4.2 since January 2010. The sub regional account management model which forms a key part of the Strategic Objectives of the Commissioning Framework will be led by the Local Authority sector and we expect that Sefton's strong track record will place us in the forefront of this work.

4.5 Sefton's Sustainable Economic Development Strategy

Sefton will be bringing forward a Sustainable Economic Development Strategy by the end of 2010. This will be informed by the outcomes of the Local Economic Assessment, and the Worklessness Assessment we are required to produce, along with other key documents including the Child Poverty Needs Assessment and Strategy, and the Childcare Sufficiency Assessment.

The foundation of our strategy will be based on shared intelligence and response protocols to mobilise resources to maximise the impact of growth and change for the benefit of Sefton residents. This will include triggers related to business growth, inward investment, recruitment or redundancy. This will allow our focus on business support to SME and start-ups through Invest Sefton, Stepclever the SME shared service pilot to be closely aligned with the employment and skills and workforce development offer to make Sefton a better place to do business in and target jobs for local people.

We firmly believe that this is a necessary step to ensure that we continue to impact on worklessness in future years and one which should be deliverable in the context of the reformed Borough Partnership. The Employment and Skills Strategy will form a key pillar of this new methodology.

4.6 Total Place and Worklessness

We are well placed to provide examples of good practice in tackling worklessness in a way that reflects Total Place concepts through our Local Authority Innovation Pilot for child poverty - Promoting Parents. Of the 10 such pilots in the country, Sefton's is the only one led by a Regeneration Department and concentrating on parental employment and families in low paid employment. Whole family approaches, preventative actions, engagement with employers on family friendly working, and an holistic approach with complementary services such as housing, debt management, health and childrens' services have all been developed through the Pilot. Plans are taking shape to extend these practices to the South of the Borough. We need to advocate for Sefton's innovation and good practice to ensure this is adequately reflected in sub regional delivery.

4.7 Devolution and Accountability

Clarity from government on the steps LCR needs to take to be granted greater devolution by DWP on employment and skills would be welcomed. Although the potential for complete devolution and control of all relevant funds has been raised by

the previous government, no city region has yet achieved this to its fullest extent. As a result, the current strategy and commissioning framework encompasses the ambition of full devolution to control funds for employment and skills and accountability for service delivery but also recognises its current stage on this journey which relates to influencing the contracting and commissioning cycles of government departments such as DWP to reflect local needs and priorities. Delegated powers to direct local funds such as Area Based Grant which are the remit of Local Authorities have not been granted to sub regional bodies at this stage. Yet presumably this would need to be considered to enable a sub-regional entity such as the Employment and Skills Board to deliver its aspirations. Much of this will be driven by the stance of the new government in relation to city regions and the potential role of an elected mayor in the major cities (including Liverpool) in relation to employment and skills.

4.8 The 14 – 24 Cohort

One of the key strategic objectives of the strategy is to bring together career pathways for young people aged between 14 and 24, a work stream to be led by the local authority Directors of Childrens' Services. For Sefton, this clearly requires greater synergy between the 14 – 19 Partnership and the Employment and Skills sub group of the Sefton borough Partnership. The latter takes responsibility for the Local Employment Programme for adults and the achievement of the basket of LAA targets related to employment, child poverty (parental employment) and skills.

The 14-19 cohort cuts across generally accepted approaches to services for young people and adults.

From the point of view of the Local Employment Programme run by PEDD, our involvement with Future Jobs (part of the Backing Young Britain campaign) and potential service extensions to other aspects of the Young Persons Guarantee, our incentivising Apprenticeships for young people in WNF neighbourhoods, our working relationships with the Leaving Care team and the emerging universal all-age careers service, all demonstrate the extent to which attempts have already been made to bring these agendas together. Discussions at officer level have already commenced and this closer collaboration is to be welcomed, particularly if better quality outcomes can be achieved through working with both parents and young people.