

**REPORT TO:** Employment, Learning and Skills Policy and Performance Board

**DATE:** 15<sup>th</sup> November 2010

**REPORTING OFFICER:** Strategic Director, Environment & Economy

**SUBJECT:** Comprehensive Spending Review and Employment Learning and Skills

**WARDS:** Boroughwide

## **1.0 PURPOSE OF THE REPORT**

1.1 To summarise the policy developments relating to the Employment Learning and Skills agenda and to inform the PPB's scrutiny topic "Deficit Policies and the impact of the recession".

## **2.0 RECOMMENDATIONS:**

- i. That the report is received
- ii. That consideration is given to how emerging policy developments will impact on the work of the scrutiny topic group

## **3.0 SUPPORTING INFORMATION**

- 3.1 **SINGLE PROGRAMME** - The Government has decided to end all current employability and welfare reform programmes and replace them with a new Single Programme. These will be large contracts organised on a regional basis with contracts predicted to be between £10m and £50m. They will work with individuals on a variety of benefits that have been out of work for a period of time.
- 3.2 This programme is described as 'Black Box' which means that there will be little to no prescription for how services will be designed; this will be left to the view of potential 'investors'
- 3.3 The term 'investors' is used as opposed to contractors or providers because those successful will be investing their own money at their own risk to create employability initiatives. If they help individuals get back to work and sustain them in work, they will receive payments from future benefit savings – if they do not, they will lose their investments.
- 3.4 Investors are currently developing expressions of interest to be placed on a contract framework. In the North West, 48 organisations have expressed an interest in bidding for the framework and DWP expect to invite between 3 and 8 organisations to bid for the NW framework, although the geography has not yet been confirmed.

3.5 It is expected that the successful investor will be in place in April 2011 and that the Work Programme will commence delivery in June or July 2011.

3.6 **Work Choices** - this is a new programme for disabled people that replaces the Work Step Programme, is the only contracted employment provision outside of the Work Programme framework. DWP have commissioned *Shaw Trust* to deliver *Work Choices* across Greater Merseyside and Cheshire and a number of national contracts have been awarded including *Remploy* who have expressed an interest in working in partnership with HPIJ and this is being followed up.

3.7 **The Future of Jobcentre Plus** - The establishment of the *Work Programme* will effectively take away the responsibility for JCP to find employment for customers that have been receiving benefit for 6 months or longer and will leave them focussing on the newly unemployed i.e. up to 6 months. However, JCP will continue to process benefits for all customers, although the government is committed to streamlining the benefit regime and introducing a single benefit payment.

3.8 **Get Britain Working** - DWP have announced a campaign where the focus for JCP will be to work in partnership with key partners including Local Authorities, voluntary & community service organisations and employers to develop non-contracted and nil cost employment options to encourage pre-employment training, work placements, work experience and self-employment as routes off benefit for JCP customers during the transition to the *Work Programme* and in the longer term to help new customers unemployed for less than 6 months to develop employment skills and move into work or self-employment.

3.9 DWP have launched two new options:

- **Work Clubs** as a way of encouraging people who are out of work to exchange skills and share experiences and will provide practical advice & guidance to support people back into work;
- **Work Together** as a way of developing work skills through volunteering, helping people to develop valuable work skills whilst they are looking for paid work.

3.10 DWP also propose to introduce new options in early 2011 to encourage customers to undertake training, develop appropriate employment & work skills, and consider a self-employment option.

- **Work Experience** – this initiative will help 18-21 year old unemployed people to develop the skills needed to secure a sustainable job by offering a period of work experience;
- **Service Academies** will provide training & work experience for unemployed people of all ages. The emphasis will be on local colleges, employers and Jobcentre Plus working together to offer training & work experience leading to a guaranteed interview. They will be initially focussed on the retail & hospitality sectors.
- **Work for Yourself** which will offer a weekly self-employment credit and will seek the support of employers to act as business mentors to customers coming off benefit

3.11 **LOCAL GROWTH WHITE PAPER** published on 28<sup>th</sup> October sets out the Government's role in empowering locally driven growth, encouraging business investment and promoting economic development. A more detailed briefing will be provided in due course. However, as part of the White Paper it was announced that:

- Twenty-four local enterprise partnerships proposals have been approved to allow local business and civic leaders to work together to drive sustainable economic growth and create new jobs in their communities.
- The £1.4bn Regional Growth Fund has been launched. The White Paper states that this will support the creation of private sector jobs and will particularly support communities currently dependent on the public sector, helping them make the transition to private sector led growth and prosperity.

3.12 The White Paper sets out the Government's new approach on rebalancing the economy and helping drive sustainable growth by focusing on three key themes:

- Shifting power to local communities and businesses, by creating dynamic local enterprise partnerships.
- Increasing confidence to invest.
- Focused investment, by tackling barriers to growth that the market will not address itself.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 In regard to the Single Programme, DWP will be running down existing employability contracted provision between December 2010 and March 2011. This will mean that there will be at least a gap of 3 or 4 months in funded employment provision, although it could be 6 months plus before a new programme is ready to proceed. This could be crucial in continuing to provide effective employment services for the unemployed. Several of the large potential primes have indicated that they would be prepared to consider funding existing employment infrastructure and employment provision until the *Work Programme* commences.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 The Single Programme proposes a 'high risk' to 'high reward' equation for potential investors, and, therefore, this is likely to lead to a change in the types of organisations involved in managing this work. There is concern that potential investors will only target resources on those areas that have good employment creation prospects.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

## **6.1 Children and Young People in Halton**

**6.1.1** It is anticipated that the policy developments outlined in this report will contribute to the key objective of promoting a culture where learning is valued and seen as a way of raising the aspirations of our younger residents and in turn, meeting the skills and employment needs of local employers.

## **6.2 Employment, Learning and Skills in Halton**

**6.2.1** This report highlights the fact that a number of ELS strategies, plans and policies are due to finish in the next 12 months, and that many will either not be replaced or will be subject to significant changes.

## **6.3 A Healthy Halton**

**6.3.1** The Single Work Programme proposals and changes to Welfare Reform have been announced concurrently. Emphasis is being placed on allowing people to improve their personal situation, and indeed, their health by helping them to enter the employment market, find a job and or move into better paid employment.

## **6.4 A Safer Halton**

None applicable

## **6.5 Halton's Urban Renewal**

**6.5.1** The ongoing developments at 3MG, Widnes Waterfront, The Mersey Gateway, and Daresbury, present an opportunity for potential Single Programme Investors to support and promote the employability of local people.

## **7.0 RISK ANALYSIS**

7.1 None applicable

## **8.0 EQUALITY AND DIVERSITY ISSUES**

**8.1** The report refers to initiatives aimed at providing equal opportunities for all to obtain employment. There is a concern, however, that investors will focus resources on areas where the prospects of employment are 'easier' and this could lead to more vulnerable residents not being given the same opportunities to seek and obtain employment.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

**9.1** There are no background documents under the meaning of this Act.