

WORK LOCAL

Our vision for employment
and skills



THE EMPLOYMENT AND SKILLS SYSTEM NEEDS REFORM

We have one of the most centralised employment and skills systems in the developed world. Different central government departments and their agencies are directly responsible for employment and skills policy, design, funding and oversight. Local areas have little ability to influence priorities, funding or delivery. For instance:

Job Centre Plus' success is based on a standardised offer to get people off benefits rather than a sustained job outcome.

The **Careers and Enterprise Company** offers CV writing advice for young people whether they need it or not.

The **National Careers Service** is entirely separate, offering skills advice to adults.

None of these agencies have a common plan on how to work together or a duty to discuss with councils how services will operate in their local areas.

Research for the Local Government Association (LGA) reveals **17 funding streams managed by eight departments or agencies, spending more than £10 billion a year**. Despite this investment, they often fail to meet local need, address economic and social challenges, or make a decisive impact on outcomes for people or places.

This is bad for the economy, for employers and for individuals.

It has resulted in 9 million people lacking literacy and numeracy skills, 16 percent of England's workforce – or 5.5 million people – want a job or more hours, more than half of all unemployed not claiming benefits or employment support, while one in ten workers are in insecure employment. On current trends, by 2024 there will be more than 4 million too few high skilled people to meet demand for high skilled jobs; and more than 6 million too many low skilled. **Failure to address this puts at risk up to 4 per cent of future economic growth – or a loss of £90 billion economic output, while the average worker will be £1,176 a year worse off.**

Local areas need more influence and control. A new settlement is needed that is:

- **good for the economy** – by integrating services, responding to local economic needs, and delivering better outcomes at lower costs
- **good for people** – with more personalised, joined-up and responsive services
- **good for employers** – by delivering a locally rooted, demand led and integrated approach.

Councils want to build strong, resilient economies where residents contribute to, and benefit from, growth. This is why the LGA is putting forward a positive vision for an integrated and devolved employment and skills service.

9 million people lack literacy and numeracy skills

By 2024 there will be a surplus of 6 million low skilled workers

A NEW MODEL FOR INTEGRATED EMPLOYMENT AND SKILLS

Work Local: a 'one stop' service rooted in place

At the heart of a reformed model will be a new, integrated service bringing together information, advice and the delivery of employment, skills and wider support for individuals and for employers.

- **Bringing together and localising support** to reduce costs, complexity and duplication, improve services, and respond to local needs.
- **Make full use of facilities** which host or deliver employment and skills services to provide a coordinated, locally tailored, physical presence, using technology to broaden access.
- **Have a clear offer for individuals and employers.** A coherent system to help improve skills, prepare for work, find work, change careers and progress in work. Helping businesses to grow.
- **Connect to wider services, partners and support,** integrating employment and skills, with more specialist services and support.



With clear and responsive local leadership

Successful public service reform relies on effective local leadership: committed local leaders, shared objectives, and a positive approach that empowers staff to work together and overcome problems.

Councils are best placed to take this convening and leading role, in partnership with national government, local enterprise partnerships and employers in both the public and private sector, and other partners.

That is driven by local opportunities and needs

The current, top-down model cannot possibly be expected to meet the needs of areas from Blackpool to Brentford. Devolution of funding and control will free up local areas to design services that meet local needs and that respond to local priorities, rather than to one-size-fits-all rules.

Different jobs | Different people
Different economies | Different geographies

Within a common national framework for devolution of strategy, financing and delivery

Delivering this vision requires a new settlement on the political and fiscal levers for employment, skills and growth, devolving:

- **financial control** – with funding devolved through block grants to combined authorities and groups of councils
- **strategy** – areas then set objectives, agree policy and design responses that meet local needs
- **delivery** – so that the commissioning, delivery and oversight of provision happens locally and can be integrated and aligned across services.

This national framework for devolution would also set clear common entitlements that are transparent, measured and reported.

Improving the experiences of individuals and employers

Work Local will deliver more accessible, responsive and integrated support for individuals, employers and partners, making the system easier to navigate, so that those using it can get the right support from the right place at the right time. So for a young person making the transition from learning to employment, it will bring together support in a single place that is currently delivered through at least six different services.

Governed by ‘local labour market agreements’

To make these reforms possible, central government and each combined authority or group of councils will agree a long-term local labour market agreement. This will set out the transfer of powers and key requirements of the new, local system described above. These would be governed locally by joint boards.

Delivering better outcomes at a lower cost

By pooling budgets, aligning objectives and removing silos, Work Local will deliver significant economies of scale in what services are delivered, for whom and how. It will be able to commission more intelligently and responsively, with less duplication and a clearer focus on outcomes.

Using data for an anonymised combined authority, analysis estimates that an integrated, **Work Local model with current funding could lead to additional fiscal benefits for a local area of £280 million per year, with a benefit to the economy of £420 million.**

MAKING OUR VISION A REALITY

We want to hear your views on these proposals.

To find out more you can read our full proposal at: www.local.gov.uk/worklocal

Local government is ready to lead. With commitment from central government, we can start now. To make it happen, we need:

This year

- 1. Central and local government agree to:**
'Work Local' Pathfinders by 2022; a single set of readiness criteria for future devolution; and for provision to align to Work Local footprints.
- 2. A stronger local role in the current system** including:
 - **apprenticeships** – local areas co-design support funding, co-commission the Register of Approved Apprenticeship Providers and pool public Levy contributions as a minimum and use this to establish a more bespoke local offer
 - **employment support** – local areas co-commission Flexible Support Fund, Department for Work and Pensions radically increase Jobcentre Plus integration with other services and extend oversight of the Work and Health Programme to all areas
 - **Universal Credit** – joint boards oversee and integrate the 'Universal Support' offer for Universal Credit
 - **careers advice** – devolve Careers and Enterprise Company and National Careers Service funding so local areas can establish and all-age service
 - **shared prosperity fund** – agree responsibilities with a presumption of Work Local devolution building on current devolved responsibility
 - **skills** – local areas coordinate implementing technical education reforms, and the national retraining programme.

By 2020

- 3. Build the capacity and capability for devolution** through a programme of knowledge transfer between local and central government, workforce development and developing the systems and governance to support Work Local.
- 4. Begin the transfer of funding and powers** – going faster with those areas most ready to take the lead, including:
 - **apprenticeships** – devolve non-levy funding; loosen restrictions on public sector levy
 - **adult skills** – devolve the Adult Education Budget and Learner Loans, with freedom on how the funding is used, subject to meeting entitlements
 - **employment services** – devolve commissioning of employment programmes, and establish at least one integrated Jobcentre Plus and council 'one stop' pathfinder in every Work Local area
 - **shared prosperity** – kick off the commissioning of an integrated, devolved, shared prosperity fund
 - **local growth** – fully devolve growth hubs alongside new boundaries.

By 2022

- 5. Roll out the first Work Local pathfinders** – with Local Labour Market Agreements, full 'one stop' integration, and joint oversight and governance.

