



## Mayor and Cabinet

### Investing in Good Jobs and Skills

**Date:** 20 September 2023

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Spike van der Vliet-Firth, Jobs and Skills Programme Lead

### Outline and recommendations

That Mayor and Cabinet approve the allocation of £1,967,944 of Section 106 monies to fund employment and training programmes, ensuring the continuation of the Lewisham Works service.

That Mayor and Cabinet approve acceptance of a UK Shared Prosperity Fund 'People and Skills' grant of £525,000 to deliver support to economically inactive residents.

### Timeline of engagement and decision-making

9<sup>th</sup> March 2022, Mayor and Cabinet: "Lewisham Works – adoption of the 'Connecting Communities' ESF grant award to provide all-age employment support to Lewisham Residents"

## 1. Summary

- 1.1. In March 2022 the Council agreed to establish 'Lewisham Works', a new service to support residents 18+ with their employment. Since then, the service has successfully launched and supported hundreds of residents in that time. Following the successful delivery of the European Social Fund (ESF) 'Connecting Communities' grant, additional funding is required to build on this success and continue to deliver high-quality Jobs and Skills services to residents.
- 1.2. This report provides a background on the economic context which has led to the delivery of Lewisham Works and wider Jobs and Skills services. It outlines our recent success in supporting residents to access 'good' employment and proposes using ringfenced Section 106 (S106) employment and skills funds in addition to Lewisham's UK Shared Prosperity Fund (UKSPF) 'People and Skills' allocation to maintain the Jobs and Skills service offer until at least March 2026. This report also highlights our planned 'mixed model' of direct delivery complimented with specialist commissioned services.

## 2. Recommendations

- That Mayor and Cabinet approve the allocation of £1,967,944 of Section 106 monies to fund employment and training programmes, ensuring the continuation of the Lewisham Works service.
- 2.1. That Mayor and Cabinet approve acceptance of a UK Shared Prosperity Fund 'People and Skills' grant of £525,000 to deliver support to economically inactive residents.

## 3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):
  - A Strong Local Economy
- 3.2. In particular, this report is closely aligned to priorities regarding employment, skills and attracting businesses to the borough. These include expanding the Mayor's Apprenticeship Programme to target growth sectors in London's economy, attracting new investment and building on the success of Lewisham Works to attract jobs and businesses to the borough.
- 3.3. This proposal provides the necessary resources to contribute to the target to support 1,000 residents to find good work and develop their skills. From April 2022 – March

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2023, the Jobs and Skills made good progress towards this target. Between the Lewisham Works offer and commissioned employment support targeted at Lewisham residents, 397 residents were supported into employment.

## 4. Background

- 4.1. The Covid-19 pandemic had a significant economic impact on Lewisham's residents and businesses. Unemployment more than doubled at the height of the pandemic, rising from around 8,000 in January 2020 to a peak of over 20,000 in early 2021. Over the last few months residents claiming unemployment support has stabilised, but is still over 12,000 now. Lewisham retains deep structural labour market challenges, including a 16-24 youth unemployment rate of 13% with a further 8% 'economically inactive'. Economic inactivity across all ages has grown significantly in recent years to around 1-in-5 working age residents. There are comparatively fewer jobs in Lewisham compared with other London boroughs, and elsewhere in the country. Lewisham's job density of 0.42 is among the lowest of all council areas in Great Britain and Lewisham has the second lowest number of jobs out of all London boroughs.
- 4.2. There are opportunities Lewisham can capitalise on to tackle the unemployment and economic inactivity challenge in the borough. Lewisham has a great number of economic assets that should enable it to thrive. We have a large number of highly skilled residents, we are located close to the huge Central London economy, and we are home to a leading UK university in Goldsmiths. Key sectors such as creative & digital, health & life sciences, zero-carbon/green businesses and professional services show great post-pandemic growth in the capital. Lewisham and its residents are well placed to secure some of this growth with effective employment and skills support complimented with a growing supply of affordable commercial workspace being created across the borough, attracting more jobs and businesses to Lewisham.
- 4.3. The Councils' Jobs and Skills service has delivered excellent progress against 'A Strong Local Economy' Corporate Priorities, securing good work for residents through Lewisham Works and the wider programme. In March 2022, Mayor and Cabinet agreed to establish Lewisham Works and approve receipt of £755,647.40 of European Social Fund (ESF) to deliver the 'Connecting Communities' programme. Lewisham Works surpassed our ESF employment targets and achieved the highest job

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conversion rate among the 12 London boroughs delivering the programme.<sup>1</sup> In the 2022/23 financial year, Jobs and Skills' first full year of delivery, we achieved:

- 190 residents securing 'good' work
- 27 Apprenticeships within the Council
- 23 external Apprenticeship opportunities
- 31 Construction Jobs for residents
- 207 job outcomes through core partners and commissioned programmes
- 375 residents supported with soft skills training
- 153 residents accessing vocational training
- 37 residents achieving a 'basic' skills outcome

4.4. The ESF grant is due to end in December 2023. Originally the grant was due to end in July 2023 but additional grant was secured due to the high levels of performance by the service. Further funding is now required to allow the Council to continue delivering this effective service, directly aligned to the Council's Corporate Priorities.

4.5. The S106 funds proposed for use to deliver employment and skills activity in the borough are ringfenced exclusively for employment and skills activity. These funds have been secured through planning obligations from developments in the borough. Using S106 funds to provide employment support and skills training ensures that local people benefit from growth in the borough.

4.6. A 'mixed-model' of direct delivery and commissioning is proposed, to provide a combination of mainstream and specialist services. The funding will be utilised for continuation of the Lewisham Works service, including a particular focus on young people's employment; the multi award-winning Mayor's Apprenticeship Programme; the Local Labour and Business Scheme which secures resident opportunities arising for development; and specialist commissioned provision for residents who require a programme tailored to their needs and circumstances. Specialist provision in development includes bespoke support for Care Leavers, Refugees, those who are in low-pay and insecure work and adults with learning disabilities. There is also scope to respond to economic uncertainty and shocks in the medium-term, given the unpredictability of the labour market.

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<sup>1</sup> Enrolling 506 residents and achieving 200 job starts represents an 'employment conversion' rate of 40%, the highest achievement rate across the Central London Forward region.

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- 4.7. UK Shared Prosperity Fund (UKSPF) is the Government's successor programme to the legacy European Structural Investment Fund (ESIF). European Social Fund (ESF) was a component of this programme. Central London Forward is set to receive £8.28 million of UKSPF under the 'People and Skills' investment priority. A proportion of this funding will be retained at a sub-regional level for the continued delivery of shared employment programmes, most notably the Work and Health programme, with the remainder devolved directly to boroughs. Based on national UKSPF funding formulas, Lewisham will receive an initial direct allocation of £525,000 for the 2024/25 financial year. Allocations for future years is not known at this time.
- 4.8. Our UKSPF activity is expected to align with the London UKSPF 'Investment Plan' produced by the Mayor of London which focusses on economically inactive residents. The fund prioritises people aged over 50, people with disabilities, women, people from an ethnic minority, young people not in education or employment and people with complex needs. These priority areas of focus directly align with current Lewisham Works activity, where our local strength has been reaching residents who are economically inactive and not currently engaging with DWP services. UKSPF targets the Council are required to deliver are achievable given the amount of funding available and our existing programme success. Targets include:
- 30 economically inactive people engaging with keyworker support services
  - 121 people supported to engage in job-searching
  - 41 people engaged in job-searching following support
  - 23 people in employment, including self-employment, following support
- 4.9 The UKSPF targets will be easy to achieve for Lewisham Works. For example, a target to support 23 people into employment is very small compared to the 190 job starts supported directly by the Jobs and Skills team in 2022/23. Every London borough receives a UKSPF allocation, and the Council has not been given any indication there will be any consequences for not delivering on these targets. We will continue to deliver a high-quality Lewisham Works offer beyond the baseline UKSPF targets. We have been given good indication on how UKSPF will be received by the Council. Funds will be paid to the Council based on actual costs (e.g. staff salaries to deliver Lewisham Works), there will be sample but not routine audit checks, and the Council will receive quarterly payments upon submission of an invoice. These elements closely mirror European Social Fund procedures, a fund Lewisham Works has successfully claimed, in full.

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## 5. Proposal

5.1. This report proposes utilisation of £1,967,944 of S106 employment and skills funding and our £525,000 allocation of UK Shared Prosperity to deliver a mixed-model of directly delivered services and externally commissioned support. Our core offer will include:

- Lewisham Works, the Council's flagship employment programme. This service will continue to provide holistic and compassionate support for any residents seeking employment. This service will also support employers to find local employees. This could enable the service to provide support to residents who in low paid work, as well as those who are unemployed. Lewisham Works is well established to support at least 250 residents per year with employment support.
- A youth employment and training focus through our delivery space in Unit-19, Lewisham Shopping Centre. This will be delivered within the 'Lewisham Works' brand. Working closely with other service such as 'Baseline', we will continue to provide a bespoke offer which understands the needs and challenges of our young people. A particular push on youth employment is planned following A-Level results into the autumn.
- Continuing with the Mayor's Apprenticeship Programme to create at least 250 apprenticeships within the Council, the public sector and local businesses from 2022-26. This builds on the 260 apprenticeships created from 2018-22. The focus of the programme will be broadened to work with employers in the wider Central London economy, particularly those in industries which are likely to see future jobs growth such as digital and technology.
- Working with employers and partners outside of the borough to secure more opportunities in London's growing sectors for our residents while also seeking to attract employers and businesses to our borough, aiming to create 4000 new jobs in the borough by 2026.
- The Local Labour and Business Scheme. The team are responsible for monitoring and collaborating with development in the borough to secure local vacancies, apprenticeships, training opportunities and sub-contracting opportunities for Lewisham-based construction businesses.
- Working with Lambeth and Southwark through our 'Better Placed Partnership' to increase the breadth and accessibility of training and employment opportunities in

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retrofit and 'green skills,' contributing to meeting both the Council's net-zero commitments and the projected growth in employment opportunities in the coming years.

5.2. Our mixed model will also lead to the creation of specialist, commissioned employment support programmes for Lewisham residents. These programmes will compliment core Council activity with bespoke employment support for residents facing complex barriers to employment. Jobs and Skills have been working closely with wider Council colleagues in Leaving Care, Housing and Adult Social Care to provide support and expertise to achieving economic security and prosperity for all our residents. Where possible, we will work with local partners from the voluntary and community sector in Lewisham, recognising the trust and effectiveness of these organisations to support residents. This matrix of local providers will strengthen our local offer and the sector. Our plans currently include:

- Creating a care leaver employment support offer, co-located with the Leaving Care service, which helps young people into sustainable employment & training. Youth voice has been the cornerstone of this programme development. The proposed model has been co-designed with young people from the service, ensuring it aligns with their needs and aspirations.
- Delivering bespoke programmes for refugees in the borough. The 'Facework Ukraine' pilot has shown that great outcomes can be achieved through a peer-support model that trains Ukrainian refugees to deliver an employability programme which focusses on soft skills and rebuilding a career based on their previous skills and expertise. Lewisham Works, in partnership with local organisations, has supported 80 refugees since the programme commenced. We aim to build on this success with longer-term commissioning of services to support refugees.
- As part of the Council's 'cost of living support programme', Lewisham is one of the first boroughs to commission 'in-work progression' support. This programme launched in June 2023. It recognises that there are many residents in the borough earning below the London Living Wage who feel trapped in low pay, but without access to effective employment support. Should the programme prove effective, there is scope to continue providing this service to low-income residents.
- 'Leading the way' on employment for Adults with Learning Disabilities, Jobs and Skills will develop employment support specific to that cohort. With a heavy emphasis on life skills and engaging with disability confident employment, we aim to improve on low employment rates among this cohort.

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- Scope is also provided to explore new commissioning opportunities, based on emerging challenges and opportunities in the labour market. Given economic turbulence since 2020, this proposal will allow us to respond rapidly and flexibly to any emerging needs in the labour market.
- 5.3. The S106 allocation of £1,967,944 has been identified. This funding is ringfenced exclusively for the purpose of employment and skills support. The S106 drawdown consists of forty-seven funding pots, with each pot having an agreement. Officers in the Council's planning department have confirmed that all pots can be used for the purposes outlined in this report. This was confirmed by the Council's Regeneration and Programme Delivery Board in August 2023 and signed by Katherine Nidd, Director of Finance. The Project Initiation Document, "A Strong Local Economy", approved by Regeneration and Programme Delivery Board is provided in Appendix A. This will cover the delivery period up to at least March 2026 and a combination of Lewisham Council staff salaries, commissioned programmes delivered by external providers, marketing, events and discretionary support to residents who require it.
- 5.4. UKSPF will also be utilised for our 'mixed-model' of delivery, allocated to a combination of direct delivery and commissioned providers delivering more specialist programmes. This will maximise the impact of this funds and ensure we meet our UKSPF targets. The Council is expected to receive UKSPF 'People and Skills' allocations beyond 2024/25 but these have not yet been announced by the Government.

## **6. Financial implications**

- 6.1. This report is seeking approval to utilise £1,967,944 of S106 employment and skills funding and a £525,000 allocation of UK Shared Prosperity Fund to deliver a mixed-model of directly delivered services and externally commissioned support.
- 6.2. The S106 funding is ringfenced exclusively for the purpose of employment and skills support. The use of this funding has been approved by the Council's Regeneration and Capital Programme Delivery Board.
- 6.3. Central London Forward has received verbal confirmation of the level of Lewisham's allocation of the UK Shared Prosperity Fund from the GLA. The allocation is based on national UKSPF funding formulas, Lewisham will receive an initial direct allocation of £525,000 for the 2024/25 financial year. No further future funding has been confirmed.
- 6.4. No other council funding is required.

## **7. Legal implications**

- 7.1. The Council is legally required to apply the money received pursuant to the provisions

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of a Section 106 Agreement for the purposes for which it was received and within any time frames required by the specific Section 106 Agreement. Failure to do so may mean that the money has to be repaid and could result in enforcement action being brought against the Council for breach of the requirements of the Section 106.

Members will therefore need to be satisfied that the money from each of the S106 Agreements is being used for the purpose specified in each of those agreements.

## **8. Equalities implications**

- 8.1. The principle and delivery of the Jobs and Skills service is embedded in equalities and support for residents to overcome labour market inequalities, whether this is individual disadvantage or structural labour market inequalities – such as racism or ageism.
  
- 8.2. Our services, particularly Lewisham Works, will continue to support Black, Asian and Minority Ethnic residents to overcome labour market inequalities. 62 percent of Lewisham Works participants in 2022/23 were from a minority ethnic group. However, Black, Asian and Minority Ethnic residents made up 56.5 percent of outcomes. Some of this disparity can be explained by the number of Ukrainian refugees who were rapidly and successfully supported into employment by Lewisham Works, but the team remain focussed on providing an employment service which is informed by the unequal experience of minority ethnic residents in the labour market. Experience of racism commonly affects self-esteem and confidence, which we will support residents to overcome.
  
- 8.3. The Jobs and Skills programme also recognise that the challenge of under-employment is experienced more by women and particularly women from a Black, Asian and Minority Ethnic background. Lewisham Council previously ran a pilot ‘in-work progression’ service in 2018 and 2019 called “Routeways”, which supported residents earning below the London Living Wage to progress into better paid and/or more stable employment. This programme supported 45 percent of participants to increase and/or stabilise their income. Participants in Routeways were 61 percent female and 89 percent were from a Black, Asian or Minority Ethnic background. These numbers reflect the disproportionately high representation of these residents in low-paid and poor-quality work. The pilot demonstrated that confidence was a bigger barrier than qualification level, and with effective coaching participants were able to understand their transferrable skills to gain a better paid, more stable job. Recognising the disproportionate impact on Black, Asian and Minority Ethnic residents, Lewisham Council recently re-launched a similar in-work progression service as part of the

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Council's wider Cost-of-Living response.

- 8.4. The Jobs and Skills programme will support challenges faced by disabled residents recognising the social model of disability, that it is employers and the labour market which must adapt to be more inclusive of disabled residents. In addition to working regionally on disability-specific commissioned employment programmes, we will continue to work with Adult Social Care and SEND colleagues to develop a 25+ employment offer for adults with learning disabilities while support the advancement of Supported Internships for younger residents with additional learning needs. Lewisham Works will continue to provide effective support for residents with mild to moderate learning disabilities autistic spectrum disorder. We will continue to engage with disability confident employers, growing this employer base locally.
- 8.5. Jobs and Skills recognise the particular challenges facing younger people yet to secure their first productive steps towards their ideal career, and why we continue to provide a bespoke 18-25 offer with advisors specialised in working with young people. Recognising the challenge faced by care-experienced young people, Jobs and Skills are working closely with Leaving Care to launch a care-leaver specific employment support offer in early 2024. The pandemic has also seen significant increases in economic activity in over-50s. Lewisham Works remains a leading service to support older residents back into the labour market. These groups often are not benefit claimants, therefore unable to access DWP support. Lewisham Works will continue to serve these residents effectively.

## **9. Climate change and environmental implications**

- 9.1. There are no direct climate or environmental implications arising from this funding proposal. Jobs and Skills will continue to work closely with our 'Better Placed' partners of Lambeth and Southwark Councils to develop the careers and training opportunities linked to net-zero careers.
- 9.2. This funding proposal will allow us to continue our partnership work. This has supported the successful launch of the LBSU 'Green Skills Hub', increased local training opportunities, enhanced FE teaching facilities for net-zero occupations (as with the DfE Strategic Development Fund success) and working with the local construction and retrofit sector on this priority.

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## 10. Crime and disorder implications

- 10.1. Continuing to offer a single front door employment service will enable the improved support of ex-offenders to rehabilitate back into society after a custodial sentence. We also understand the relationship between vocation, opportunity & likelihood to commit a criminal offence. Our services aim to complement the existing support already convened by the council in partnership with other agencies.

## 11. Health and wellbeing implications

- 11.1. Continued funding of Lewisham Works and our wider Jobs and Skills programme will continue our activity addressing the link between work, income and poor health. Employment is widely considered a primary 'social determinant' of health. We will continue to extract maximum local value from health-focussed employment programmes commissioned on a sub-regional basis. We will continue to work with health partners on emerging employment support in primary care. The Council has supported Jobs and Skills to launch a bespoke programme for residents in low-pay and insecure work, and our medium-term commissioning will expand support for adult residents with learning disabilities to access employment.

## 12. Background papers

- 12.1. There are no background papers to this report.

## 13. Glossary

Term	Definition
Economic inactivity	Someone who is out of work but not actively seeking employment
Job Density	The number of jobs within a locality compared to the number of residents aged 16-64 (working age). Lewisham's 0.42 job density represents 42 jobs per 100 working age residents.
Complex needs	In employment terms, this refers to a clearly identified barrier preventing someone from entering employment. For example, a long-term health condition is considered a complex need if it prevents someone taking up employment.
NEET	'Not in Employment, Education or Training', a definition specific to young people aged 16-24.
Soft Skills	Also known as 'people skills' – soft skills relate to skills such as communication, interpersonal skills, leadership and

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Term	Definition
	teamwork
Basic skills	The skills considered essential to everyone – reading, writing, numeracy, and computer skills. Also known as ‘skills for life’.

## 14. Report author(s) and contact

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- 14.3. Comments for and on behalf of the Executive Director for Corporate Resources
- 14.4. Shola Ojo, Strategic Business Partner
- 14.5. Comments for and on behalf of the Director of Law and Corporate Governance
- 14.6. Paula Young, Senior Planning Lawyer

## 15. Appendices

- 15.1. Appendix A – ‘A Strong Local Economy – Project Initiation Document’

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