

Sustainable Development Select Committee		
Report Title	Work and Skills Strategy: Update on Progress and Refresh	
Key Decision	No	Item 3
Ward	All	
Contributors	Head of Strategy; Executive Director for Children and Young People; Executive Director for Resources and Regeneration	
Class	PART 1	Date: 22/10/15

1. Purpose of the Report

- 1.1 This report updates the committee on the implementation of the Work and Skills Strategy: Building Bridges to Work 2013 - 2015 and presents the draft of the updated Work and Skills Strategy: 2015-2017 for member comment.

2. Recommendation

- 2.1 That the Committee note the progress to date on the Work and Skills Strategy 2013 - 2015, and the lessons learned.
- 2.2 That the Committee are asked for input to the draft Work and Skills Strategy 2015 – 2017 due to be presented to Mayor and Cabinet in November.

3. Policy Context

- 3.1 The Mayor acknowledged his continued commitment to issues around employment in his AGM speech in March 2015:

“[Lewisham] is a place where people want to live – somewhere that offers proximity to employment in Central London or Docklands, somewhere that has good links to the transport network within the city and beyond, somewhere that offers a great quality of life with good schools, parks and public services. Lewisham isn’t an employment hub but as technology makes it possible to work differently and the success of London creates new demands we can see our residents and local businesses seizing the opportunities which are opening up. Cultural and Media businesses are growing and the presence of a successful University with a worldwide profile furthers strengthens the offer that Lewisham has.”

- 3.2 This vision ties in with *Shaping Our Future: Lewisham’s Sustainable Community Strategy*, and in particular with two priorities:

- dynamic and prosperous - where people are part of vibrant communities and town centres, well connected to London and beyond and

- ambitious and achieving - where people are inspired and supported to fulfil their potential.

4. Background

4.1 The 2013 – 2015 strategy was developed following the Work and Skills Summit Meeting held in April 2013 and agreed by Mayor and Cabinet on 8th June 2013. It was developed by officers in conjunction with partners including Jobcentre Plus, Work Programme providers, Lewisham and LeSoCo and the four main housing providers. The objectives of the strategy were:

- To enable more excluded residents to access and benefit from services;
- To enable more excluded residents into sustained employment;
- To increase opportunities for progression in employment;
- To derive greater value from existing employment-related expenditure and services.

4.2 Residents of Lewisham are now starting to see signs of the economic recovery that is being reported across London following the economic recession of 2008 with 74.8% of residents reported as in employment (i.e. those who have done some paid work in the reference week (employee or self-employed); those on government-supported training and employment programmes; and those doing unpaid family work in the period from January 2014 – December 2014. This has risen from 70.3% in the same period of 2012 and is above the current London average of 71.2%.¹

4.3 The number of residents on Job Seekers Allowance (JSA) has dropped steadily from 5% of the working age population (10,047 residents) to 2.9% (5,762 residents) over the period of this Work and Skills Strategy. However this is still above the London and national averages of 2.1 and 2% respectively.²

4.4 Lewisham continues to have higher numbers of long term JSA claimants than the London and National averages, with 1,300 residents currently falling into this category. The trajectory is down towards the London average but this remains a challenge locally especially with the impact of continuing welfare reform.³

4.5 As confidence returns and the number of job opportunities across London continues to rise, Lewisham needs an appropriately skilled labour force to compete for these opportunities. This is an area where we have seen some regression locally if we focus on the crude measure of those with qualifications equivalent to NVQ level 4 and above – this seems to have peaked at 56% of residents in 2012 and it has now dropped to 54%. Both these figures are above the London average but it should be noted that the trajectory of the London average continues to rise unlike the local figure.⁴

¹ <https://www.nomisweb.co.uk/reports/lmp/la/1946157254/report.aspx?town=lewisham>

² ibid

³ ibid

⁴ ibid

- 4.6 Welfare reform continues to have a transformative and profound impact upon Lewisham residents. Universal Credit is currently due to roll out starting in December 2016 in Lewisham.
- 4.7 The Council continues to work in partnership with Jobcentre Plus and other organisations, including our skills providers and housing providers, to improve the employability of our residents.
- 4.8 Support is also on offer through the Work Programme, a model of tailored support for claimants for those in danger of becoming long-term unemployed. Delivery is commissioned to local providers, with support based on individual needs to help overcome barriers that prevent people finding and staying in work. Jobseekers' Allowance claimants are mandated to join the programme, with different conditionality requirements based upon age.
- 4.9 Lewisham has worked in partnership with Lambeth Council, Southwark Council and our local JCP to develop and test a model for supporting residents in the transition to Universal Credit. We are three London boroughs with remarkably similar residents - we have similar levels of unemployment, shared work programme providers, issues with youth employment and residents needing better skills to access employment. We all prioritise work and skills in our boroughs; we want to see more apprentices and more opportunities for the 74,000 residents across our three boroughs claiming out-of-work benefits.
- 4.10 The pilot project ran from September 2014-August 2015 was part of the DWPs testing framework, looking to identify the role local authorities in supporting vulnerable residents to transition to UC when it's introduced. A full evaluation of the pilot is being undertaken and the findings will feed into the final Universal Services Delivered Locally framework published by the DWP. The roll out for UC in Lewisham is expected to begin from early 2016.
- 4.11 The three boroughs are also collaborating on a community budgets pilot that led to the development of the Pathways to Employment project as detailed below. Phase 2 of this project is due to begin in December 2015.
- 4.12 The three councils' intention was always to explore, through the pilot, the possibilities for greater integration and joint commissioning in order to achieve savings to the public purse, better outcomes for priority residents and demonstrate to central government that devolving responsibility to local areas can achieve better results. To this end officer are in the process of proposing a section 101 committee for the three boroughs – this is due to go to Mayor and Cabinet shortly.

5. Projects developed from the 2013 – 15 Work and Skills strategy

5.1 Pathways to Employment (Lambeth, Lewisham and Southwark Partnership)

- 5.1.1 The 2013-15 Work and Skills Strategy outlines the intention to derive greater value from existing employment related expenditure/services through working in collaboration with our neighbouring boroughs in the development of a Universal Services Delivered Locally (USDL) pilot and looking at providing a new pathway for vulnerable claimants to move into work.

5.1.2 *Pathways to Employment* has been co-designed with residents and with Jobcentre Plus to test an integrated work and skills system with a single pathway for claimants with complex barriers to employment, by taking an individual from their universal credit/welfare application to employment using a key worker approach. The pilot focuses on the most complex cases, working with people who face multiple barriers to employment. It is currently being delivered across Lambeth, Lewisham and Southwark by the employment charity Tomorrow's People. As of September 2015, the pilot has registered 455 individuals and secured employment for 81 of these, with 2 months still to run. This project aims to get 27% of those engaged into sustainable work. It is projected to achieve this rate.

5.1.3 *2013 – 2015 progress*
Outcomes to date from Phase 1 (up to 8 October 2015):

- Referred: 675
- Starts on pilot: 455
- Jobs awaiting start (pipeline): 7
- Job starts: 83

5.1.4 An extended and redesigned phase of *Pathways to Employment* is currently being commissioned. This will use Transformation Challenge Award funding and European Social Fund match funding totalling £2m. To manage this and other work and skills projects over the tri-borough area, Lewisham, Lambeth and Southwark are proposing to set up a joint committee.

5.2 **Lewisham Apprenticeship Scheme**

5.2.1 *Summary of project:*

The Programme offers apprenticeship opportunities for Lewisham residents aged 16-24, a recruitment support service for employers and on-going support for apprentices and employers during the apprenticeship e.g. liaising with training providers, mentoring and pre-employment support at the end of the placement. Vacancies are advertised internally within the Council and across partner organisations including voluntary and community sector organisations. Vacancies are paid at National Minimum Wage (21 and over rate) or higher depending on employer.

5.2.2 *2013 – 2015 progress:*

The Lewisham Apprenticeship programme employed a total of 145 apprentices in the period 2013 – 2015 which is up from 117 over the previous 2 years. However there was a noticeable drop in applications for the scheme in 2014/15 that has been attributed to the improving economic situation which has benefited those under 24, and we will be reviewing the eligibility criteria in the design of our new programme that is part funded by the European Social Fund

5.3 **Lewisham Traineeship Scheme**

5.3.1 *Summary of project:*

Traineeships are for young people who want to work, but who need extra help to gain an apprenticeship or job. Traineeships last from between six weeks to a maximum of six months with the content tailored to the individual needs, including:

- Work preparation training which ensures young people are ready and have the confidence to take the first step in their career, such as an Apprenticeship;
- English and Maths support to help young people achieve the literacy and numeracy skills needed for the workplace;
- A meaningful work experience placement which provides insight and experience of the world of work.

5.3.2 Traineeships are an opportunity for young people who are motivated to get a job but who lack the skills and experience that employers are looking for. Potential trainees need to be:

- Unemployed and have minimal work experience;
- Motivated to work;
- Aged 16-18 inclusive and are qualified below Level 3 (A Levels) OR are aged 19-23 inclusive and are qualified below full Level 2 (GCSE's).

5.3.3 A Traineeship puts a young person in a better position to compete for an Apprenticeship or job; it provides the opportunity to build their CV and get vital experience with local and national employers; and it helps improve their English and Maths skills to boost their chances of getting a job, as well as improving their long-term prospects and earning potential over their lifetime.

5.3.4 Lewisham are running 2 models of traineeships:

Programme Led Model

The programme led model develops the NEET programme to incorporate English and Maths. The programme runs over 12 weeks covering employability, team building and includes a number of professional qualifications such as Food Hygiene, First Aid and Health and Safety. Each participant concludes with a four week work placement. This scheme has 3 cohorts of 15 learners per year.

Employer Led Model

10 young people attend the 12 week traineeship programme in English, maths and employability. The employability element is accredited at level 1 together with 200 hours of work experience offered for each learner leading to a guaranteed interview and potential job at the end of the programme. The programme is structured so the learners attend 3 days training and 2 days work experience weekly with a full week work placement during the half term week. A reward scheme is offered to aid retention through an incentive of high street vouchers.

5.3.5 *2013 – 2015 progress*

The employer led traineeship scheme was established in 2015. So far 10 participants have completed the employer led model with 50% moving into a job, an apprenticeship or into Higher Education.

5.4 Building Lives Construction Skills Centre

5.4.1 *Summary of project:*

Working in partnership with Barking & Dagenham College the Building Lives Construction Skills Centre in Bellingham focuses on trades that are desperately needed by construction companies across London. On our Careership participants get the following offer:

- Working towards a Level 2 Diploma in either Dry-lining or Painting & Decorating
- Functional skills (English & Maths)
- Regular mentoring and one2one support from Building Lives staff
- Self-employment workshops
- Full PPE
- Budget & Finance Workshops
- Work experience in your chosen trade
- CSCS training, testing and CSCS card obtainment
- The opportunity to progress onto a paid apprenticeship and completion of a Level 2 Diploma

5.4.2 *2013 – 2015 progress*

The new Careership courses started on 5th October 2015.

5.5 **Understanding the Language of Work**

5.5.1 *Summary of project:*

Understanding the Language of Work is a European Social Fund (ESF) project designed using learning from the Universal Credit Pilot and Family Budgets where difficulty communicating in English came up consistently as a key barrier to employment in the borough. The programme will work with 48 people in total, across two cohorts split between the north and south of the borough.

5.5.2 Understanding the Language of Work provides a targeted cohort with three strands of support:

- Work specific English for Speakers of Other Languages (ESOL) courses that focus on the type of English that is actually needed for work.
- Work experience placements to get the cohort used to the work environment and ready for employment.
- Crucially, 1 pathfinder allocated per cohort of 12 to provide 1-to-1 support for up to 5 months after the ESOL course to help the person into work. This support is holistic in its approach and individually adapted to the client's specific needs.

5.5.3 *2013 – 2015 progress*

Cohort One have now completed the course with 24 people recruited in April 2014 - by November 2014 21 of these had successfully completed the programme and 9 were now in full time employment and no longer claiming Job Seekers Allowance. The remaining were in voluntary roles and the pathfinders were continuing to support their transition into paid work.

5.6 **Families into Work**

5.6.1 *Summary of project:*

Creation of 25 x 6 month jobs paid at London Living Wage, specifically for members of families meeting the Troubled Families criteria.

5.6.2 *2013 – 2015 progress*

24 individuals were successfully employed by the scheme, of these 21 sustained their employment for a period of at least 6 months allowing us to submit successful Troubled Families Claims to the Department of Communities and Local Government.

5.7 Over 50s Employment Support Fund

5.7.1 Summary of project:

Officers worked with Jobcentre Plus to create an Over 50s Employment Support Fund for employers who recruit a Lewisham resident aged 50 or over who has been receiving Jobseekers' Allowance and is not on the Work Programme.

5.7.2 Employers who take on a Lewisham resident aged 50 or over may be eligible for a grant of up to £2,000 for each individual, which could be used for training and salary costs.

5.7.3 2013 – 2015 progress:

The Over 50s Employment Support Fund was to an employer who commits to taking on anyone aged 50 or over receiving JSA for 30 hours or more per week, for a period of at least 26 weeks.

5.7.4 The Fund provides grants of up to £2,000 per individual to employing organisations. Employers are able to claim the grant after a period of 26 weeks employment has elapsed. Small businesses, with 50 or fewer employees, are able to claim partial payment 8 weeks after the employee commences work.

5.7.5 The fund was used to contribute to the costs for employing the individual, and included training and salary costs. The Fund was primarily available to social enterprise employers, as well as private, voluntary and community sector organisations. Jobcentre Plus coordinated the Fund and provided further information and advice on the eligibility conditions and support organisations to identify the right person, as well as introducing specialist over 50s advisors to provide targeted support to claimants in that age group.

5.7.6 The Fund supported 11 people for the full 26 weeks over the course of 2 years.

5.8 European Social Fund Families with Multiple Disadvantage

5.8.1 Summary of project:

The ESF Families programme launched in December 2011 ran until March 2015. It was designed to support disadvantaged families, facing multiple barriers to work, to move closer towards and into sustainable employment. In London Reed in Partnership delivered the programme in the East London contract package areas. It was a voluntary programme, with referrals coming from local authorities or Reed.

5.8.2 Provision was open to any member of a family where one member of that family (not necessarily the programme participant) was on a working age benefit. The family of which they are a member must also be regarded as facing multiple problems (i.e. eligible for the Troubled Families Programme).

The ESF Families programme operates on a Payment by Results basis, with payment triggers falling into two main categories:

5.8.3 Progress was measured against a participant completing a specific, agreed activity to assist the individual or family to resolve or overcome particular problems (often relating to housing, managing money and debt, family communications and skills for work). Full job outcomes were due to be paid after 26 weeks' work (for a JSA claimant) or 13 weeks (for other benefit claimants).

5.8.4 *2013 – 2015 progress*

There were a number of problems with the Reed contract and subcontracts that resulted in this provision not getting started in this area despite the efforts of Officers. The employment support through the Government's Troubled Families programme was delivered by a Troubled Families Employment Advisor seconded from Job Centre Plus.

6. Work and Skills Strategy 2013 – 2015 – Outcomes

Overall Performance Measure

6.1 The Work and Skills Strategy 2013 – 2015 set out how the Council and the Department for Work and Pensions (DWP) would work with partners to reduce the overall claimant count in Lewisham by 5 per cent from 9945 in April 2013 to 9476 in March 2014. This target was exceeded in 2014 (the number dropped to 7,390 a decrease of 26%) and the number stood at 5,560 (a decrease of 44%) in April 2015.

6.2 There is a similar trend with those who have been claiming for over 12 months with the figure dropping from 3,075 claimants in April 2013 to 2,245 in March 2015 and then further to 1,460 by April 2015. This represents a drop of 53% over a 2 year period however this figure is still above the London and national average and these residents represent some of our most vulnerable locally.

7. Key learning from the 2013 – 2015 Work and Skills Strategy

7.1 The implementation of the 2013 – 2015 Work and Skills strategy has resulted in some key learning points that have been used in the development of the 2015 – 2017 strategy.

7.2 *Changing Environment*

The number of unemployed residents has fallen sharply as London's economy has started to recover. This recovery has not benefited all residents and there are still a cohort of residents with complex needs that require help and support. The updated strategy does not focus on any particular groups of residents but we want to provide a flexible support service to all residents who have complex needs.

7.3 The evidence presented in the updated strategy also shows a labour market that has continued to hollow out with a drop off in intermediate skilled jobs and a growth in high and low skilled roles. This presents a challenge to across the partnership and especially to local training providers who currently provide a large quantity of level 1 and level 2 training courses.

- 7.4 *Over 50s*
The over 50s cohort has proved very difficult and it has not been a priority for Job Centre Plus through the life of this strategy. Experience has shown that high numbers of this cohort have skill levels that are either too low or too high for the jobs on offer and there are particular issues around digital skills. It is likely that we will have more success with this cohort in the next two years as our local JCP has now identified over 50s as a priority group and we will continue to work with the over 50s through projects such as the Troubled Families Programme and Pathways to Employment.
- 7.5 *Welfare Reform*
The welfare system is in a state of perpetual flux and this is likely to remain the case. Recent changes include the abolition of tax credits and a further reduction in the benefit cap. This presents a challenge to local employment and skills support providers and residents who need to aim for longer working hours and higher skilled roles. It also means that Housing Associations in particular have to look at in work progression to ensure their residents are able to earn enough to cover their rent.
- 7.6 *Further Education (FE)*
This strategy is being published just before an area based review of Further Education Provision is carried out. The key aim of this review is to ensure that all providers in the local area are driving in the same direction, sharing data and systematically sharing best practice. Given the challenges presented by the raised participation age and the need to achieve higher skill levels to succeed in the changing jobs market FE providers are going to be very important in implementing this updated strategy and we will need to continue to do more to engage with partners in this area.
- 7.7 *Regeneration*
Provision has been made for 17,100 new homes and at least 66,000 m² of additional retail and leisure space. This will see economic growth that will provide opportunities for local residents and population growth that will increase the competitiveness of the local jobs market. This work and skills strategy needs to continue to focus on how Lewisham and our partners can work together to enable our residents to take advantage of the opportunities that come with this growth. Construction jobs will be a clear focus in the next strategy.
- 7.8 *Under 24s*
The recruitment issues being experienced by the apprenticeship programme are a reflection of the improving jobs market. Very small number of under 24s are on the unemployment register, and those that are have particular complex needs. We are currently reviewing the Apprenticeship programme to deal with the needs of the under 24s remaining on the register, and explore apprenticeships for over 24s.
- 8. Work and Skills Strategy 2015 – 2017**
- 8.1 A draft work and skills strategy for 2015 – 2017 has been attached to this report as appendix A.

- 8.2 The updated strategy includes an update of the evidence provided in the 2013 – 15 strategy and a number of actions under the following 6 headings:
- Develop strong partnerships across all sectors
 - Develop improved labour market intelligence
 - Maximise social value opportunities with employers and enterprise
 - Improving local skills training to equip adults for work opportunities
 - Deliver employment support for those with the most complex needs
 - Encourage residents in employment to progress
- 8.3 These actions will help build on the progress achieved through the 2013 – 15 Strategy while seeking to build on the opportunities provided by local growth and development. This strategy seeks to ensure that all our residents are equipped to take advantage of these opportunities.

9. Legal Implications

- 9.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.
- 9.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 9.4 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 9.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

9.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

9.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

10. Financial Implications

10.1 The projects outlined in section 6 of this report are being funded from the existing Revenue Budget or by the named partners. It is intended that the 2015-17 Work and Skills Strategy will also be funded in this way.

10.2 Where appropriate and possible, additional funding will be sought from the European Social Fund, the Job Centre's Flexible Support Fund or other grant funding sources to implement the aims of the strategy.

11. Crime and Disorder Implications

11.1 There are no direct crime and disorder implications arising from this report.

12. Environmental Implications

12.1 There are no immediate environmental implications arising from this report.

13. Equalities Implications

13.1 Our vision and ambition for our borough is that:

“Together we will make Lewisham the best place in London to live work and learn.”

This is underpinned by hard-edged principles for:

- **reducing inequality** – narrowing the gap in outcomes for citizens
- **delivering together efficiently, effectively and equitably** - ensuring that all citizens have appropriate access to and choice of high quality local services

13.2 The Council's Comprehensive Equality Scheme (CES) for 2012-16 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.

13.3 The Council equality objectives through the CES include:

- **improve** access to services;
Take reasonable steps to ensure that services are inclusive; responsive to risk; physically accessible and provided through the most efficient and effective channels available.
- **close** the gap in outcomes for citizens;
Take reasonable steps to improve life chances for citizens by reducing outcome gaps that may exist within the borough as well as those that may exist between the borough and elsewhere.
- **increase** participation and engagement.
Take reasonable steps to remove barriers that may exist to engagement and help residents (especially those who are under-represented) to participate in local decision making and influence local decisions.

13.4 The strategy addresses the Council's equality objectives as it includes measures to improve access to services for our most vulnerable residents particularly through the implementation of the Local Services Support Framework. The core aim of the strategy is to provide a framework for DWP/the Council and other partners to work to reduce the number of residents on the JSA register, this supports our equality objectives as increased number of residents will participating in work related activity.

14. Background Papers

Short Title of Document	Date	File Location	Contact Officer
Mayor's Annual Report, 2013	20 th March 2013	Online at: http://councilmeetings.lewisham.gov.uk/documents/s23617/Work%20and%20Skills%20Strategy%20Appendix.pdf	Fenella Beckman

14.1 If you would like further information on this report please contact Robyn Fairman, Head of Strategy, on 020 314 6635.

Appendix A – Draft Work and Skills Strategy 2015 - 2017