

Jobs, Economy and Enterprise Scrutiny Board

2 November and 14 December, 2016

Summary of Matters Considered at the Board

Report of the Chair, Councillor S Jones

The Scrutiny Board met on 2 November and 14 December, 2016 and the following items were considered.

I have selected the main points of the discussion that I feel members of the Council will be particularly interested to know more about. For more detail, a copy of the minutes is available on the Committee Management Information System (CMIS) via the Council's website at <http://cmis.sandwell.gov.uk/cmis5/>

West Midlands Combined Authority Employment and Skills

The West Midlands Combined Authority (WMCA) Employment and Skills Programme Lead provided a report highlighting the eight joint objectives in relation to supporting economic growth and progressive public service reform. The Board considered one of the WMCA work streams relating to 'Skills for growth and employment for all: ensuring the skills needs of businesses are met and everybody can benefit from economic growth'. The Board welcomed the focus of the work stream which is on the needs and perspectives of the individual whether in education, in work or out of work.

A 'Productivity and Skills Commission' was carried out to consider the current workforce, identify the key priorities for employment and skills and the implications of a more productive economy on the labour market to join things up locally. A framework had been adopted for the Productivity & Skills Commission and an overarching strategy would be in place by April 2017.

The WMCA Devolution Agreement outlined two specific areas of devolution relating to employment and skills:-

- The Devolution of Adult Education Budget (AEB)
- Employment support for the hardest to help.

The WMCA and Department for Work and Pensions (DWP) co-designed future employment support from April 2017 which was aimed at claimants with health conditions or disabilities and those unemployed for over two years. The WMCA had an enhanced role in the co-design, procurement, and contract and performance management of the Work and Health Programme (WHP) which aims to develop a common framework using the best use of resources and to determine how support is delivered on the ground. The WMCA would bring together funding streams and support the framework to deliver locally in each area. The contract package area would go live in the autumn 2017 and covers the entire DWP Central area.

The Board considered the skills gaps in construction work and the need to be aware of timelines to prepare for future homes building in the area. The Board highlighted issues raised by the construction companies and builders contracting to local authorities across the West Midlands, in particular, that the different procurement procedures frustrated and delayed process and that the West Midlands local authorities needed one process and joined up working to benefit local companies and people.

Introduction to Skills and Employability

The DWP provided a briefing note containing key data and official labour market statistics from the Office for National Statistics (NOMIS). The Board were concerned that Sandwell's annual population survey identified that 22.2% of Sandwell residents had no qualifications compared with 13.0% across the West Midlands and 8.6% nationally. DWP are working with Sandwell MBC, businesses and other partners to lessen the gap in unemployment rates using a range of methods and working directly with individuals hardest to help into employment.

The Changing role of Job Centre Plus

The Board considered a report from DWP which highlighted the changing role of Job Centre Plus. Digital working is increasing and the challenge for Job Centre Plus is to take some of their customers forward to look for work in a digital environment. The changes would be achieved in 2017 through effective partnership working and new working arrangements.

The Board heard that there would be extended opening hours in Job Centres to reflect the new relationship with customers on Universal Credit (UC) and improved library services. UC is planned to go live in Sandwell in summer 2018. The policy intent of UC is to support claimants towards financial independence; to prepare for work in the future, enter work and remain in work and progress in work/increase earnings. UC is applied to the individual and is about being better off as an individual.

The Board requested more detail about the labour market statistics relating to age groups of people in Sandwell that the 'do not want a job' and 'people with no qualifications' categories.

DWP is working with Sandwell MBC to face challenges in Sandwell through a number of key work streams namely:

- Troubled Family programme;
- Support for Schools (S4S);
- Universal Credit & Benefit Cap;
- Care Leavers;
- DWP representation on Sandwell MBC groups;
- Labour Market information;
- Work with Local Children's Centres in supporting families back to work;
- Work in partnership with the Inland Revenue Service (IRS), the substance misuse service for Sandwell.

The Board highlighted that there was more work to do to find a way to identify early intervention requirements and opportunities, and that there were potential links for DWP to make between schools and the troubled families programme, including working with young people before they left school and earlier intervention from the troubled families team to improve the young person's chances of moving into employment.

Redundancy Update

The Board received an update relating to support for local employers with large scale redundancy support. Support has been provided to companies such as Npower, Carphone Warehouse and British Gas. The wide range of skills from British Gas employees warranted a mini job centre on site with advice from Job Centre Plus relating to benefits, CV support and specialist support to retrain and upskill people. Job fayres and employer engagement were also arranged to identify potential employment opportunities.

The Local Enterprise Partnership (LEP) also set up a task force steering group of relevant stakeholders to support the activities including seeking further funding and strategically identifying opportunities in the local labour market.

Apprenticeship Levy Update

The Board has maintained an overview of the Apprenticeship Levy due to be introduced in April 2017. The Government target of three million apprentices by 2020 will have an impact on Sandwell MBC as a major employer in the area.

When the Apprenticeship Levy is rolled out, employers will be allocated a digital account and a dashboard to assist the employer to find a provider. The Apprenticeship Levy must be used for training costs only and cannot be used on associated costs. The provider will deliver the qualification and be paid a monthly amount; the money will sit with the employee and will have to be used within two years. There will be a cost to employers as they will pay more towards the apprenticeships and the training provider would be subsidised. The benefits for employees will include national minimum wage and increasing the skills of the existing workforce. The new apprenticeship framework would be wider and less specific, people would be able to do an apprenticeship in almost anything and this would open up thousands of jobs.

Public Sector organisations have an additional target of 2.3% of the workforce to be apprentices; this can be new starters to the organisation or existing workforce completing qualifications which would be deemed as progression. The Board found that Sandwell MBC had a very good apprenticeship offer with 80-100 apprenticeships a year. The new target would be 214 apprenticeships per year, in the Council and Schools. The Council's aim was to allocate 50% to 16-24 year age group and 50% to workforce training.

Black Country/Sandwell Business Support Ecosystem

The Board received a report to consider the Business Support Ecosystem which consists of the Black Country Growth Hub, Sandwell's strategic business engagement and the Sandwell Ambassadors Programme. The Growth Hub covered all four Black Country Authorities and provided a single access point for businesses to access advice, have a discussion and to broker appropriate support.

The 'Think Sandwell' team focus was on how to support circa 150 strategic businesses with dedicated account managers that visit businesses every six months to support their continued presence and growth aspirations. The 150 businesses were primarily identified on a financial (turnover) and headcount basis and these businesses had the greatest propensity for growth and thus remain the focus for the Think Sandwell team. All businesses had access to appropriate advice and support in Sandwell.

The Sandwell Ambassadors programme was launched in March 2016 as part of the Think Sandwell Strategy to promote Sandwell as a location for inward investment. Currently 14 high level business representatives from influential and strategic companies across the borough are developing a marketing and communications strategy and an initial six month social media campaign to showcase the borough's manufacturing strengths under the strapline '#madeinsandwell'. 46% of business enquiries in Sandwell are from the manufacturing sector and Sandwell is prioritising the high value manufacturing sector. Six Local Enterprise Partnership (LEP) priorities are being adhered to including a focus on automotive and aerospace industries and supply chains.

The Board considered the availability of trained workforce and infrastructure that needed to be in place to support inward investment and business growth, including the highways and housing offer. The Board recognised that Sandwell was not going to deliver the skills match for all jobs and that this made the infrastructure more important to enable people to get to places of employment and stay or move nearer the workplace.

The Board was advised that Government had withdrawn funding for start-up grants with a preference for loan financing and that any regional investment aid growth funding depended on business category (small - less than 50 employees (25% funding pot), medium 50 – 250 employees (20%) and large over 250 (10%). The growth funding had to be incentivised and audited.

Black Country Local Enterprise Partnership (BC LEP) Funding Update

The Board received a report detailing funding updates relating to the Black Country Growth Deal, the Black Country Investment funding and European Structural Investment funding 2014-2021.

13 projects had received funding in 2015-16, of which Sandwell had received funding for one project, the Woods Lane housing scheme in Cradley Heath. As part of the Growth Deal, a £6.5 million capital grants programme has been established and is being managed by the Think Sandwell team on behalf of the Black Country Local Enterprise Partnership (BC LEP). Sandwell based projects are receiving local growth deal funding to date total £7.45 million, with more in the pipeline undergoing full business case development prior to submission.

EU funding will be maintained for strategically important, regional projects that fall within certain criteria, however, some of the European funding projects have been impacted by the EU referendum leave vote. The Board was advised that Black Country is in a very good position to develop land with the land reclamation funding secured by the West Midlands Combined Authority and that there is a need to move forward development to prepare for projects planned in two to three years' time. The Board voiced concern about the detrimental impact of road works on the M5 and M6 and disruption to the transport links on the local economy.

In relation to developing training facilities in Sandwell, the Board welcomed the development of the elite centre for training for manufacturing at the Springfield Brewery site in Wolverhampton. The hub and spoke model will provide a centre in Wolverhampton and spokes around the Black Country, including a specialist centre in Tipton as a national metal casting centre.

Councillor S Jones
Chair of the Jobs, Economy and Enterprise Scrutiny Board

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