

**Jobseekers and Skills
Directorate**

**Work and Skills Plans: Next Steps
Policy Statement**

DWP Department for
Work and Pensions



Executive summary

The Work and Skills Plans are one of the recommendations of Cllr Stephen Houghton's review of local partnership working to tackle worklessness and have been developed jointly by DWP and CLG.

The overarching objective of the Work and Skills Plans is to set out how local authorities, together with their partners, will develop and agree their response to the local employment and skills needs identified through their Local Economic Assessment and Worklessness Assessment.

These Plans incorporate the Government's view that there must be a consistent national spine of employment services across the country with scope for partners and providers to determine how accompanying programmes are delivered locally, and to supplement national entitlements with services that provide additional support tailored to the local need.

We will also be looking to the Plans to demonstrate that partnerships are making the best use of existing resources and whether they have the capacity and capability to go further and to ensure they are addressing the needs of the citizens in their area.

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Work and Skills Plans

Work and Skills Plans – Next Steps

The Houghton Review into Tackling Worklessness

1. In May 2008, the Government asked Councillor Stephen Houghton and his review team, Claire Dove and Iqbal Wahhab, to examine how English local authorities and their partners can do more to tackle worklessness. Specifically, we asked the review to consider what more central Government departments could do to support local partnerships, and how we could encourage and improve partnership working across the public, private and third sector. Councillor Houghton's final report was published in March 2009.
2. In May 2009 we published our response; we set out our commitment to work closely with local and sub-regional partnerships and to enable and support them to deliver improved employment outcomes and services for their residents. This policy statement, alongside the related guidance from the Improvement and Development Agency for Local Government, takes forward our commitment to provide partnerships with a strengthened framework, based on Work and Skills Plans, through which they can determine their shared strategic objectives and the individual and collective responsibilities of partners in tackling worklessness.

Summary of our response to Councillor Houghton's Tackling Worklessness Review

Through our joint response, our departments set out a commitment to introduce a strengthened framework through which local and sub-regional partnership responses to worklessness will be planned and implemented, and to do more to support partnerships through:

- direct support to partnerships through Learning Networks and a new National Worklessness Learning Forum;
- £3 million additional resources for more training and support to be delivered in partnership between our departments, the Regional Improvement and Efficiency Partnerships and the Improvement and Development Agency for Local Government;
- supporting local partnerships to access local labour market information and to continue to develop data sharing; and
- implementation of the Future Jobs Fund.

Tackling worklessness needs to be a local government priority

3. Tackling worklessness is a key theme for achieving sustainable improvement in places and delivering the Government's central aspirations for economic and employment opportunity for all. Worklessness is a central wellbeing indicator for any area; crime rates, liveability, environment, health and education indicators are generally better in areas of lower worklessness and higher economic activity and increasing worklessness can act as a trigger for areas falling into a spiral of decline.
4. It is, however, one of the most challenging themes on which to deliver change. Tackling the diverse barriers to work that some residents face requires effective coordination of a wider range of services and the provision of direct, good quality and timely local support. No one single organisation, sector or spatial scale holds all the levers and we must work collaboratively to realise the best outcomes, particularly to deliver for those who are most in need of support.

Why we need an improved framework for tackling worklessness

5. The Tackling Worklessness Review argued that the current arrangements for involving local partners in work and skills are overly complex and need simplification. It proposed that a new framework would ensure that responsibilities were clearer and would make it easier for partners to work together as well as easier for central government to devolve more responsibility with confidence.
6. We have put in place a welfare system including national programmes that provide a universal entitlement to people who are out of work and designed to give them access to a range of support and opportunities regardless of where they live. This national spine must remain consistent across the county, but there is clear scope for partners and providers to determine how accompanying programmes are delivered locally and to supplement the national entitlements with services that provide additional support tailored to local individual or place need where necessary.
7. In Building Britain's Recovery: Achieving Full Employment (CM 7751), we said local partners will have greater influence and involvement in commissioning. As a minimum, we will consult partners on all procurement exercises for employment provision and engage key local partners in the development of skills provision to ensure that we are providing training that is relevant to the labour market and local economic development planning. We will consider co-commissioning, where it is jointly agreed this could significantly improve the design and local fit of the contract.
8. Local and sub-regional partnerships have demonstrated how their local knowledge and expertise, and the range of their work, can be integrated with the national offer and can make a real difference to their residents. Through the Working Neighbourhoods Fund, for example, some partnerships have devised

and delivered a wide range of additional and complimentary services tailored to the needs of the residents and employers in the communities and areas where they live and work. We need a clear, locally-owned plan for worklessness to bring these delivery strands together - demonstrating how core services and provision provided by key service providers such as Jobcentre Plus are being used and signposted to and how additional activity supports this work and the priorities set out in the LAA. This should facilitate truly joined-up service delivery from the perspective of the customer.

What will the Work and Skills Plans do?

9. The overarching objective of Work and Skills Plans is to set out how local authorities, working within their partnerships, can help deliver a reduction in worklessness and promote economic inclusion.

10. The Plans are intended as the framework through which local authorities, working with their partnerships will develop and agree their response to the local needs identified through their Local Economic Assessment and Worklessness Assessment¹. They will be the delivery plans that underpin the relevant strategic priorities identified in the Sustainable Community Strategy, Local Area Agreements, Multi-Area Agreements and the Regional Strategy.

11. We envisage the Plans becoming the framework for:

- a single conversation for delivery in an area establishing shared roles and objectives for partners (which would then be reflected in the LAA and / or MAA)
- the basis through which partners can be held accountable and local scrutiny can be directed - bringing transparency as to how local resources are being used to best effect in addressing worklessness and meeting the needs of residents and employers in the area
- establishing a common basis for the local commissioning of worklessness provision within an area, identifying appropriate responses to address local need and supplementing the national spine
- demonstrating the added value of partnerships' contribution
- for local authority partnerships, as a basis to work with departments to develop their influence over and contribution to the commissioning of other contracted provision. Work and Skills Plans would form the basis of the Economic Prosperity Board negotiations and delivery planning around worklessness provision
- supporting local authority negotiations on Regional Strategies (which will incorporate Regional Skills Strategies) HCA planning and actions supported through MAAs and City Regions; and
- ensuring that customer journey mapping is undertaken and shared with partners, and that the issues identified within this process are addressed.

¹The Local Economic Assessment is required under section 69 of the Local Democracy, Economic Development and Construction Act 2009. This duty comes into force on 1 April 2010. Draft statutory guidance on this duty states that economic assessments should contain a worklessness assessment.

Who needs to do a Work and Skills Plan?

12. English local authority partnerships that have successfully bid to the Future Jobs Fund, either singularly or in partnership, have committed to produce initial Work and Skills Plans by April 2010. Local authorities in these areas are responsible for ensuring that Plans are developed and that all partners are engaged throughout the process – however we strongly encourage partnerships to work together across authority boundaries to ensure that the functional economic areas and travel to work patterns are considered in planning.
13. We expect that where local authorities and their partners are operating across local authority boundaries, for example through City Strategy Pathfinders, Multi Area Agreements or in the Leeds or Greater Manchester City Regions, they will opt to produce joint Worklessness Assessment and Work and Skills Plan at that same scale.
14. English local authorities that have *not* bid for or been awarded FJF, and Scottish and Welsh authorities, are not currently obliged to complete a Work and Skills Plan – however, they may determine to complete Plans on a voluntary basis. We will give further consideration and consult local authorities and stakeholders as to whether Work and Skills Plan should be mandatory from April 2011.

What is expected of local authority partnerships in the next 14 months?

15. We do not expect local authority partnerships to complete full Plans by this April. 2010/11 is a transitional year for partnerships to undertake their Worklessness Assessments, collect evidence and to develop their responses.
16. By April 2010 local authorities that have been awarded FJF will need to work with their local partnerships to produce an *interim* plan that addresses the following functions:

Local authorities should work with local partnerships to ensure there is an effective legacy plan for the Future Jobs Fund programme that demonstrates the longer term benefits from the investment to the local community and economy.

This will not be 'judged' by central government, but local authorities should build on the analysis provided as part of their FJF bid to satisfy themselves that the FJF investment produces long term benefits. Local authority led partnerships should be seeking to engage with other successful FJF providers in their area to make sure that employees are developing skills and qualifications relevant to local economic strategies and plans.

Provide central government departments, via the Government Office Network, with evidence to inform the future of devolved worklessness funding

This will inform the work leading up to the next Comprehensive Spending Review. In many areas it will build on work partnerships are already taking forward through the Total Place pilots or Total Place style analysis of spend. The interim plan should explore the relationship and overlap of work and skills related provision in the area and should set out evidence of more and less successful local interventions to tackle worklessness on both the demand and supply side.

We do not expect local authorities to publish these interim plans unless they want to, but they must be shared with the Government Office Network, Jobcentre Plus, the Regional Improvement and Efficiency Partnership and the National Worklessness Learning Forum Advisory Panel.²

17. Local authorities should also use the next 14 months to:

Engage with the IDeA consultation on Work and Skills Plans Guidance

To support partnerships to develop their Plans, we have commissioned the Improvement and Development Agency for Local Government (IDeA) to produce detailed guidance, developed in close conjunction with local partnerships themselves. The first draft of this guidance is published alongside this document.

Gather Evidence

Tackling deep rooted worklessness requires holistic intervention:

- On the supply side, focused on engaging workless people in actively seeking employment and breaking down their personal barriers to work, ensuring they are equipped with the appropriate skills to enable them to compete for available opportunities;*
- On the demand side, creating and sustaining enterprise to drive demand for skills, working with public and private employers to identify their needs and to plan how to resource these within the local population, and eradicating employer discrimination against the residents of deprived areas and groups.*

An effective worklessness assessment and Work and Skills Plan needs to consider barriers to work on both the demand and supply side and look across authority boundaries to the functional economic area.

Partnerships should use the next 14 months to undertake rigorous Worklessness Assessments, as part of their Local Economic Assessment

² The National Worklessness Learning Forum, one of the recommendations of the Houghton Tackling Worklessness Review, has been established to enable partners to identify and share best practice at a national level and to identify scope for improvement. The Advisory Panel, chaired by Cllr Houghton, steers the Forum's work and reports its findings back to the Government.

duty, which will form the evidence base from which they identify local priorities and their response for the 3 years commencing April 2011³. This should build on existing work to form a more comprehensive evidence base. Partnerships should ensure that these priorities are aligned with wider planning for economic growth including the supply of land for employment and business needs.⁴ There is already guidance available on the Local Economic Assessment Duty from CLG and the IDeA, but the Work and skills Plans Consultation process will also be used to assess what more support is needed from local partnerships to develop a robust Worklessness element.

Develop full Work and Skills Plans where flexibilities or freedoms are being sought

Many partnerships have already been engaged in the IDeA consultation on Work and Skills Plans and these forerunner plans have informed the guidance published along side this document. The final section of this policy statement sets out in more detail what these early plans should include.

These Plans should articulate the partners' aims and objectives and strong local leadership around employment outcomes. Where, over the next 14 months, partnerships are negotiating employment and skills provision through the through MAA, City Region, ESB or EPBs structures Work and Skills Plans should be used to facilitate this process.

What will the April 2011 Plans look like?

18. We do not intend for the Plans to duplicate existing delivery planning or the identification of priorities or strategies, but to be the single document planning delivery of local employment and skills outcomes, and an integral part of the LAA and MAA processes. Where an MAA or other sub-regional partnership has very clear work and skills elements to its strategy and plans, these should normally serve as the Work and Skills Plan.

19. We see the Plans as the means to bring together core delivery elements of existing strategies, for example from the Sustainable Community Strategy, Local Area Agreement, Child Poverty Needs Assessment, Multi Area Agreement, City Strategy plan, Employment and Skills Plan and Regional Strategy. This will help form a single, coherent and delivery-focused Plan that identifies the roles of respective partners and what they will, individually and collectively, be responsible for undertaking.

³ CLG, Local Economic Assessments; Draft Statutory Guidance, 18 August 2009, <http://www.communities.gov.uk/publications/localgovernment/localeconomicassessments>

⁴ CLG, Planning Policy Statement 4, Planning for Sustainable Economic Growth, 29 December 2009 - <http://www.communities.gov.uk/publications/planningandbuilding/planningpolicystatement4> asks regions and local authorities to plan to achieve sustainable economic growth aimed at supporting the start up and growth of businesses, attracting inward investment and increasing employment, especially in deprived areas.

20. We appreciate, as did the Tackling Worklessness Review, that many local authority partnerships will already have a suitable delivery plan and we accept the Review's recommendation that such plans should be recognised as Work and Skills Plans. Equally, partnerships will wish to take the opportunity to build on existing plans and to consider how the Plans can strengthen existing arrangements.
21. The draft IDeA guidance, published alongside this document provides further details.

How the Work and Skills Plans Relate to the wider sub-regional architecture

22. The Regional Strategy will have to properly reflect the needs of all areas within the region. For areas that are not part of a sub-regional partnership, Regional Development Agencies will work directly with the relevant local authorities to make sure their skills needs – as expressed through the worklessness assessment and Work and Skills Plans - are accommodated in the regional strategy. Regional Strategies will be jointly produced by the RDA and Local Authority Leaders' Boards, who can make sure that the needs of their local economies are reflected.
23. Local leaders will, of course, need to ensure that Work and Skills Plans are also consistent and aligned with regional priorities outlined in existing Regional Strategies. The Plans should provide a consistent tool to inform the dialogue between the local, sub-regional and regional partnerships in the development of the Skills Strategies and in wider economic planning.
24. Local authorities may want existing Employment and Skills Boards, or the new Economic Prosperity Boards or combined authorities (established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009) to lead on the development of the Work and Skills Plan. These bodies should certainly be involved in the development of the Plans and we envisage the Work and Skills Plan providing the basis for Employment and Skills Board negotiations on freedoms and flexibilities. Any scheme for the establishment of an EPB or combined authority would need to set out its role in relation to the development of Work and Skills Plans and how it would relate to any other organisations involved in tackling worklessness.

Timing and Frequency of Work and Skills Plans

25. It will be for local authorities working within their partnerships to keep their assessments up to date and fit for purpose. The Plans are intended to support delivery of the local strategic priorities identified in the Sustainable Community Strategy and the Local Area Agreements. Plans will need to be undertaken to a timescale that best complements and informs the cycle for the development of local priorities in Local and Multi Area Agreements, their business cycle and to influence and align with the Regional Single Strategy. It is anticipated that the first full Work and Skills Plans will be required to be in place for April 2011 and to cover the three year period to April 2014.

26. Work and Skills Plans should be the framework through which local activity in relation to worklessness is coordinated and focused within the LAA and a tool for allowing local scrutiny and improving accountability. **We will therefore require local authorities to publish the full Plans and we are considering making them the basis for which other local partners are accountable to scrutiny on this agenda.** The Audit Commission will give consideration to the full Work and Skills Plans through the Comprehensive Area Assessment.

What support will central government offer?

27. As well as the guidance we have asked the IDeA and the Regional Improvement and Efficiency Partnerships (RIEPs) to provide direct support to partnerships in developing their Plans. We will work with the IDeA, the RIEPs, Jobcentre Plus and the Government Office Network to agree the support that will be available to partnerships to help them to develop and implement their plans.

Total Place

28. The 'Total Place' concept is founded on the premise that, wherever possible, decision making should be made closer to the frontline, with agencies brought together locally to develop cost-effective solutions focused on a shared goal. Total Place pilots currently operating in a number of areas aim to demonstrate how a coordinated approach, involving shared budgets and strong local leadership can improve efficiency and customer service. The needs of customers are essential to the 'Total Place' concept and so we would encourage this approach to ensure that Work and Skills Plans are fully aligned with customer needs.

29. As we set out in *Building Britain's Recovery; Achieving Full Employment* (CM 7751), we expect Work and Skills Plans to have a major role to play in driving forward any total place-style approach to worklessness, through identifying synergies in funding streams and service delivery, and potential efficiencies through better alignment of resources.

30. The Government is keen to see how local and sub-regional areas have used the Plans to support more efficient and effective service delivery in the line with the principles of Total Place.

An evidence base on the localisation of resources, powers and responsibilities and evidence of where this delivers improved outcomes.

31. In our response to the Houghton review, we set out that the Plans should form the basis of an informed dialogue between departments and partnerships on future, progressive decentralisation of resources, responsibility and control driven by the need to maximise employment outcomes. This remains our objective where local authority partnerships are able to demonstrate effective and efficient mechanisms for delivering outcomes.

32. The initial emphasis of the Plans must be on brigading existing partners' resources and efforts effectively; ensuring that local resources are being used to best effect in supplementing and complementing the national spine, and in addressing the needs of the citizens and employers in the area. Beyond this, some partnerships may want to go further and make the case for further devolution of resources, powers and responsibilities where they can demonstrate that doing so will result in more efficient and/or effective delivery and better outcomes.
33. We see a clear role for the Plans to inform future discussions on the best balance and interface between the provision of the national spine of welfare and employment support and the additional services, resources and coordination that local and sub-regional partnerships offer.
34. We will be looking to the Plans to demonstrate that partnerships are making the best use of existing resources and whether they have the capacity and capability to go further. We expect that the Plans will increasingly become the evidence base through which future policy and design of programmes is better informed and influenced, and the mechanism through which we will work with partnerships to consider where alternative arrangements and localisation could offer demonstrable improvement.
35. Again we do not wish to be prescriptive as we are eager that the development of ideas should be open and led by the expertise and experience of partners. Equally we do not wish to create unrealistic expectations. We have previously outlined the test that we will apply when working with partnerships to consider whether devolution is appropriate and we remain committed to these principles:
- proposals must be clearly based on evidence and demonstrate either improved efficiency or effectiveness or both;
 - partnerships should demonstrate commitment through the alignment of their own funding within proposals;
 - proposals must be supported by a credible business case; and
 - appropriate performance management mechanisms must be agreed and ready to be put in place for partners to be accountable for any devolved responsibilities.