

**REPORT TO:** Executive Board

**DATE:** 1<sup>st</sup> October 2015

**REPORTING OFFICER:** Strategic Director People and Economy

**PORTFOLIO:** Economic Development

**SUBJECT:** Update on Liverpool City Region Employment and Skills Initiatives

**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to provide Members with an update on Liverpool City Region (LCR) Employment and Skills initiatives which are having a positive impact in Halton.

**2.0 RECOMMENDED: That the Board support the positive progress being made to deliver Liverpool City Region initiatives in Halton.**

**3.0 SUPPORTING INFORMATION**

3.1 The Employment and Skills Board is the Liverpool City Region's lead strategic voice for improving the employment, skills and productivity of the Liverpool City Region's residents and workforce.

3.2 Halton's Portfolio Holder for Economic Development represents the borough on the board, and the Board has been responsible for developing a number of initiatives arising out of for example, the Liverpool City Region Growth Deal, the development of the Combined Authority, as well as ongoing discussions regarding the devolution of more powers and freedoms to the area.

3.3 It is therefore, worth advising Members of four programmes where Halton is benefitting and taking a leading role on implementing these initiatives.

**3.4 YOUTH EMPLOYMENT GATEWAY**

3.5 On September 18th 2014, Executive Board Members were asked to approve Halton's involvement in the Youth Employment Gateway Programme.

3.6 The Liverpool City Region secured £5.9million of Government investment to deliver this programme to reduce youth unemployment across the City Region over the next three years.

3.7 Each Local Authority was given an allocation to deliver the scheme in respective areas. In Halton this was £143k for phase 1 and £296k to

deliver phase 2.

- 3.8 The Youth Employment Gateway (YEG) programme provides support to young people aged 18-24 who have been unemployed for 8 weeks or more.
- 3.9 Halton's allocation is being managed by the Council's Employment Learning and Skills Division.
- 3.10 It is being delivered in two stages, with Phase 1 now well underway, accepting referrals from the Job Centre onto the programme between September 2014 and September 2015.
- 3.11 Phase 2 is planned to open on 1 October 2015 and will close on 31 December 2017.
- 3.12 During Phase 1 each participant is being given access to an Individualised Budget, whereas during Phase 2 each participant will be given access to a Personalised Budget: the difference between the two is the amount of control that participants have over the funding, with participants in Phase 2 having significant control over how the funding is used.
- 3.13 It is pleasing to note that Halton's programme performance is very positive with Halton being the best performer in the Liverpool City Region for job outcomes at 37%. The outcomes to date are summarised below.

Phase 1	Halton		
Outcome	Actual to Date	Target to Date	Target Phase 1
Referrals	162	NA	NA
Starts	126	65	93
Jobs	47	33	47
Sustained Jobs 13 weeks	33	NA	NA
Sustained Jobs 26 weeks	2	1	33
Client Customised Expenditure	£9,310	£28,700	£46,500
Start to Job Outcome Rate	37%	50%	50%

### 3.14 **Liverpool City Region Apprenticeship Hub**

3.15 Halton Borough Council's Employment, Learning & Skills Division has been allocated £150,000 of devolved Skills Funding Agency grant to manage the Liverpool City Region Apprenticeship Hub and associated staffing and financial resources on behalf of the city region until the end of March 2016.

3.16 The LCR Apprenticeship Hub which is chaired by Halton's Divisional Manager for Employment Learning and Skills has received funding in the past to support the growth of apprenticeships in the city region, with the most recent funding ending on 31 July 2015.

3.17 This last allocation of funding was provided by the Skills Funding Agency's Local Response Fund. This was managed by Wirral Metropolitan Council on behalf of Merseyside Colleges' Association.

3.18 This arrangement ended when the funding ceased on 31<sup>st</sup> July 2015.

3.19 However, in recognising the valuable work of the Apprenticeship Hub, the Combined Authority agreed to allocate £150,000 of Growth Deal funding to Halton Borough Council to continue the support for apprenticeships and manage the Apprenticeship Hub and associated resources. This includes 2 FTE Apprenticeship Hub Co-ordinators.

### 3.20 **Skills for Growth Capital Fund**

3.21 This funding is part of the Liverpool City Region's £232 million Growth Deal that was secured by the Local Enterprise Partnership (LEP) last year.

3.22 Working together, the City Region will invest the Skills Capital Investment Fund, consisting of £41.1 million across 2015/16 and 2016/17 as an integral part of the overall Growth Deal.

3.23 The funding will be used to upgrade to skills training facilities across the area, helping to meet employer demands for skills training by improving the quality of the learning experience and enhancing the job prospects of learners across the City Region.

3.24 Riverside College has bid for funding to deliver a Science Technology Engineering and Mathematics Innovation Centre at the College's existing Cronton Campus, focusing on Advanced Manufacturing. The project is supported by key large employers and if successful will include the college working with 150 additional employers and a 25% increase in employment and Apprenticeship progression for current learners.

### 3.25 **Calls for European Funding**

- 3.26 Government has made it clear that small, geographically focused, bids will not be considered. Rather government is seeking a small number of large bids which encompass a functional economy, typically based around City Regions. Government has also imposed a minimum bid threshold of £500k ERDF and £100k ESF.
- 3.27 Partners across the LCR have, therefore, been working together to form consortia of shared interest to create bids of an appropriate scale **SME/Competitiveness**; the Council's Business Improvement & Growth team has been working with colleagues across the LCR to submit a European Project that will provide businesses with the support they need to grow and prosper.
- 3.28 The project will be a bridge between start-up and more bespoke, intensive or specialist support typically provided by the private sector.
- 3.29 The project will provide participating SME's with the following:-
- An intensive Business Diagnostic
  - A Strategic Business Plan
  - A dedicated Growth Adviser
  - Informed brokerage into specialist/commercial business support
  - More intensive support, where appropriate, focusing upon the management of people, processes and resources
- 3.30 The total amount of funding that has been requested is approximately £3m of European Regional Development Funding, of which £265k of funding will be spent in Halton up to December 2018.
- 3.31 A total amount of £265k in match is required to secure the delivery of the project in Halton.
- 3.32 **Access to Employment**; The Council's Employment, Learning and Skills is supporting City Region colleagues in producing a joint ESF bid for the 'Ways to Work' Programme an integrated programme for young people & adults, designed to improve personal resilience and progress to sustainable employment.
- 3.33 Incorporating Youth Employment Gateway (YEG) principles outlined above, workless and inactive people, including those furthest from the labour market will access a suite of individually tailored products which respond to employer needs. High quality Information, Advice & Guidance, transitional employment and skills development are essential components

of the project.

- 3.34 The total amount of funding that has been requested is approximately £28m of European Social Fund and Youth Employment Initiative (YEI), of which approximately £1.7m of this comprises European Social Fund grant funding to be spent in Halton.

#### 4.0 POLICY IMPLICATIONS

- 4.1 It is likely that in the future rather than allocating resources directly to providers locally, Government will transfer resources to the City Region level. The direction of travel is that the current Growth Plan concept will be extended and that the Combined Authority and Employment and Skills Board will have more influence over how resources are allocated in the City Region. It is, therefore, important that Halton continues to maintain its Member and Officer presence at City Region events, meetings and forums. To date this input has had positive benefits for Halton.

#### 5.0 FINANCIAL IMPLICATIONS

- 5.1 A summary of indicative allocations relating to the above initiatives is set out below:

Initiative	Liverpool City Region Allocation	Halton Allocation
European Social Fund Ways to Work	£28m	£3.2m includes ESF and YEI
Apprenticeship Hub	N/A	£0.15m
Youth Employment Gateway		£0.439m
(ERDF) Business Competitiveness	£3m	£0.265m
Skills Capital	£41.1m	tbc
		<b>Total £4.054m</b>

#### 6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

##### 6.1 Children & Young People in Halton

Young people across the city region, including Halton, will have access to a range of opportunities supported by the Apprenticeship Hub, and Youth Employment Gateway

##### 6.2 Employment, Learning & Skills in Halton

The initiatives identified in this report support the Council's Employment Learning and Skills Priority. In particular, by providing training and skills development opportunities for Halton residents; bespoke training or

generic employability skills; apprenticeships advice and support.

**6.3 A Healthy Halton**

None identified.

**6.4 A Safer Halton**

None identified.

**6.5 Halton's Urban Renewal**

None identified.

**7.0 RISK ANALYSIS**

7.1 There are no major risks arising from this report.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 There are no Equality and Diversity risks arising from this report.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.