

Alliance Employment and Skills Board Evaluation

Final Report with Conclusions and

Recommendations

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Summary

This report is an evaluation of the progress and achievements of the Alliance Employment and Skills Board (AESB) covering the period April 2008-March 2009. In April 2009, new arrangements have become necessary in Derbyshire and Nottinghamshire with the demise of the AESB. This report makes recommendations for those future arrangements.

The report falls into several main parts.

The Results of the Interviews

The first part presents the findings from interviews with Board members about the achievements and shortcomings of the Board, the lessons they have drawn from their involvement in its work and those aspects of its work that they believe should be carried into the future.

Evaluation of the Delivery Plan

An evaluation of the the Delivery Plan for 2008-09 while showing that much that had been planned has been achieved also points to a need for greater emphasis on a smaller number of catalytic actions that can make a difference on the ground.

Current arrangements in Nottinghamshire and Derbyshire

This part of the report provides the local context, setting out the current employment and skills board arrangements in the two counties and how they might be affected by the demise of the AESB.

What is happening elsewhere?

This part provides the national context for employment and skills boards and also explores the structure and operations of three employment and skills boards – in London, Manchester and Sheffield – for the light they throw on future arrangements in the two counties.

Summary of our findings

This part summarises and synthesises the main findings of the report drawing on the four previous parts.

Recommendations

Finally, the report presents our recommendations for future arrangements.

Introduction

Background

This report is an evaluation of the progress of the Alliance Employment and Skills Board in the period April 2008 to March 2009. The consultants' brief included

- ensuring that learning from the experience of the Board and its legacy helps shape planning for any successor body following the changes brought about by the Sub National Review
- the production of a set of recommendations for future investment in employment and skills board arrangements for Derbyshire and Nottinghamshire
- taking account of best practice from elsewhere in the country.

Changing Context

In a short period, the context in which the Alliance ESB was set up has changed dramatically in two major respects:

- **emda** is pressing ahead with the recommendations in the Sub National Review which will mean that the Alliance SSP will cease to exist
- The new economic climate means that active labour market strategies need to be re-thought.

On the other hand, some features of the situation continue:

- The government's commitment to local labour market management through employment and skills boards and similar structures
- The value of linking jobseekers who have been made redundant or lost touch with the labour market and employers through brokerage arrangements, although this works better for some sectors such as retail than others such as banking and finance.

The context in which the Alliance Employment and Skills Board operated from 2006 changed with the implementation of the SNR. This resulted in a decision by **emda** to transfer all funding commitments for sub-regional partnerships to respective Unitary or County Authorities from April 1 2009. In the case of the area covered by the Alliance SSP, this mandate was to be transferred to Nottinghamshire, including two further years of funding for the operation of employment and skills boards through to 2011. This does not apply to Derbyshire where the arrangements between **emda** and the County Council were different.

Discussions are taking place about how the responsibilities, activities and members of the AESB will be incorporated into existing arrangements in the county and unitary authority areas. Derby and Derbyshire Economic Partnership (DDEP) remains the host for the Derbyshire ESB, while Greater Nottingham ESB is in discussion with Nottingham City Council and Nottinghamshire County Council about future arrangements in that area.

An Employment & Skills Strategy has recently been developed by Derbyshire ESB and work is in hand to broaden the employer involvement in the Board to take this forward. Partners in Greater Nottingham have also recently formally reviewed ESB partnership activity which has resulted in changes to structures and methods of working now set out in a development plan. A revised set of Terms of Reference have recently been adopted.

Alongside these changes is a major reorganisation of the planning and funding of education and training for young people and adults. The LSC will be replaced in 2010 by two new bodies – a Skills Funding Agency responsible for funding further education and a National Apprenticeship Service which will oversee and fund the expansion of apprenticeships. Local authorities will be required to work in regional and sub-regional consortia to develop strategic plans in collaboration with these new bodies and the further education sector.

Methodology

This review was conducted over short period – a matter of weeks in February and March 2009 - and against a fast changing environment. Interviewing the Board and executive about their views of progress to date and the future formed a key part of the research. We arranged a time for a telephone interview to take place and sent the schedule of questions to the interviewee to allow them time to consider the questions prior to the prearranged call.

Desk research included a review of outcomes against targets in the AESB Business Plan for 2008/9, minutes and reports. A paper and web based review was undertaken into the main developments taking place around the UK, based on interviews with key figures in London, Manchester, Sheffield and the North East and a review of public documents.

Interim recommendations based on the interviews and desk research were presented at the meeting of the AESB on 20th March 2009 and the final report was written taking into account comments at this meeting and through follow up calls to key partners to check the findings and proposals.

The authors wish to make clear that while they are very grateful for the high level of cooperation received at every stage from Board members, they alone are responsible for the conclusions.

The Results of the Interviews

These conclusions are based on responses to our interview schedule (appended). For the sake of brevity, the results are presented in summary form. We began by asking interviewees about the record of the AESB to date.

We were very impressed by the openness and thoughtfulness of the interviewees and by their evident warmth towards the AESB as a partnership forum. Two members even registered their thanks to the Board. This, in our experience of such bodies, is an unusual achievement to say the least and one to be proud of.

Aims

To understand the context of the interviews is necessary to bear in mind the aims of the Alliance Employment and Skills Board. The Board has set out to make a real difference in three key respects

- Engaging employers in economic development
- Strengthening the local economy through improved workforce skills
- Connecting jobseekers with employers

through

- Improved coordination and sharing of information and resources
- Direct delivery of new initiatives.

Achievements

- Chairing, facilitation and organisation of the Board and Executive came in for universal praise
- Also highly praised was the positive and inclusive tone set by the Chair, the partners' willingness to hear all points of view and the sense that everyone's views were valued
- 'If it didn't exist it would need to be invented': many interviewees commented that the AESB provided an indispensable forum for reviewing the employment and skills needs of the coalfields area and for enabling partners to gain a broader understanding of local needs and developments
- AESB has become well regarded: the Chair gave evidence to a House of Commons Select Committee and AESB was one of the Employment and Skills Boards reviewed in a report for four government departments. Also seen by those who attend other similar neighbouring bodies to set a benchmark for efficient management and practical impact
- The AESB was widely praised for giving employers a voice and giving prominence to the issues they identified. Significant that employer representation and attendance seen as strong even if some employers questioned the precise value added for them (see below)

- This was helped by the organisation of events such as the one on public procurement, the commissioning of research into sector skills needs and the overview of worklessness developments carried out for the Board
- This broader, evidence-based awareness should be regarded as one of the Board's achievements
- Alongside this the two achievements most frequently referred to by interviewees were the establishment of Making the Connection and CHEA (Collaborative Higher Education Alliance), two initiatives that many felt should form part of future arrangements. MtC was a model for moving jobseekers into employment or closer to employment, and CHEA a higher education consortium for the Coalfields area involving HE and FE and providing real and virtual access to degree and postgraduate programmes.
- For many employers, seeing the constraints on action on public sector bodies was a revelation in itself. (One employer wondered whether there wasn't an imbalance between the numbers sitting around the table and the numbers helped into work by their efforts.)

Value added for your organisation

This part of the review was concerned with identifying the benefits to the organisations of the members of the AESB. Several interviewees referred to developments that had arisen from the work of the Board including

- An innovative project hatched between the small business and the training provider representatives on AESB that used public funding to subsidise the wages of workers at risk of redundancy so that part of their time could be used to enhance their basic skills
- Closer working between JCP and LSC on Skills for Jobs.
- Encouraging several organisations to sign up to the Skills Pledge.

Several members who reported back the business of the Board to their own organisations commented that it gave them a lever for getting their organisation to think more widely about employment and skills needs.

Local authority and other representatives noted that without the AESB there was a real risk that the needs of the small towns and rural areas that characterise the coalfields area would be overshadowed by the cities.

Shortcomings

Interviewees pointed to several main areas where they felt the Board had fallen short of its objectives, often for reasons beyond its control:

- It did not always manage to turn discussions into concrete outcomes – an example of this referred to more than once was the failure to turn the tourism sector research to practical use

- Representation was sometimes patchy or at an insufficiently senior level. People who attended were not always well placed to sign their organisation up to action. Some members felt that geographical representation was lopsided and would have welcomed stronger representation from Derbyshire
- On the other hand, there was a widespread recognition that the AESB competed with other similar bodies for the time of a handful of senior people eg East Midlands Business struggled to attend meetings across the region
- Resource optimisation was weak, often because agencies' room for manoeuvre was limited by head office dictates. This meant, in the eyes of some members, that the Board was used to relay information rather than to engage in practical collaboration
- Several members, in its defence, pointed out that the AESB was a fledgling body, that effective partnership takes time to get into its stride, that organisational boundaries sometimes muddied the water and that it had to contend with the short-termism of the policy context and the apparent indifference of government.
- Whilst appreciating the level of collaboration between partners, one member wondered if there could have been a sharper edge to debates and a clearer focus on the sub-region's strategic priorities, with stronger involvement from the employers.

What would you change?

Several potential improvements were mentioned by the people we interviewed:

- One suggestion made by several members was that the Board should have focused its efforts on a smaller number of priority issues where it could make a difference and should have set itself more rigorous targets in relation to them.
- The focus on targets could be linked to a stronger focus on local area agreements (LAAs).
- The Delivery Plan should be written so that it is more sharply outcomes orientated.
- The Board should make more effective use of task and finish groups.
- A key issue for one member was that the ESB needed to become an accountable body in both senses – of being accountable for achieving targets and being competent to manage and disburse funds.
- For some members what was needed was a stronger focus on employers' skill needs; for others the issue was about getting the right balance between those closest to and furthest from employment.
- Membership should reflect the public sector as an employer in its own right, probably through HR representatives.
- The Board would benefit if its members ensured that they acted as a two way channel of communication with their own organisation.

- Members should be sufficiently senior to be able to mobilise their own organisations where necessary as part of a partnership effort.

Lessons

Members pointed to a wide range of lessons that ought to be taken into account in the design of future employment and skills arrangements. Taking into account what we have seen of effective practice in other areas of the UK, we have chosen to focus on a smaller number of strategic issues.

- It was essential to clarify the accountability of the Board or its successor(s). It should sit within a family of partnerships headed by a strategic body like similar bodies in the emerging City Regions and City Strategy Pathfinder areas such as Tyne and Wear and Manchester.
- There should be a constant focus on the area's strategic priorities and how to advance them.
- There should be stronger links with the 14-19 agenda, especially in the light of the forthcoming demise of the LSC, and with Sector Skills Councils where feasible.
- It should be geared up to respond quickly and effectively to emerging issues and crises. It should be structured to reflect local as well as county issues.
- Although accountable body status can be a constraint, it is probably essential if the Board is going to make an impact.
- The partners who make up accountable bodies can and should hold each other to account for their actions – that way, they are more likely to optimise the use of resources.
- It is vital to clarify the relationship between the ESB and related bodies such as the LSPs, the Nottinghamshire Worklessness Forum and the **esp**, the regional employment and skills partnership.
- The Board or its successors should be employer led, preferably with a better balance of small and large employers.
- The Board should ensure that public sector employers are properly represented in their own right and that public procurement issues such as apprenticeship programmes in local government and the NHS are high on the agenda.
- Employers are busy people and often unfamiliar with the language of public agencies: Board documentation therefore needs to be succinct translated into plain English if possible and the purpose of each item made clear.
- The Board should organise its work through task and finish groups with a focus on clear outcomes.

The Future

Implications of the Recession

There was unanimity that the recession strengthened the need for a forum for planning effective labour market action such as dealing with redundancies or helping to create apprenticeship programmes. It is important to anticipate and plan for new needs and also to prepare for a less carbon dependent economic upturn. An important aspect of this advance preparation is to take a view of the strategic priorities for future rounds of ESF and WNF commissioning across the sub-region.

Future Arrangements

In this section we synthesise the views of Board and Executive members, the process to be adopted for setting up new structures, the priorities and the nature of those structures.

- Everyone we interviewed acknowledged – as the Sub National Review requires- that future arrangements will be aligned with county jurisdictions.
- Those interviewed were keen to ensure that the experience and goodwill of the Alliance Employment and Skills Board is integrated into new arrangements for Derbyshire and Nottinghamshire, especially
 - the strength of employer engagement
 - the openness of partnership relations
 - the effectiveness of its leadership and management
 - Making the Connection as a labour market brokerage operation
 - CHEA
 - continuing good relations cross border (between the counties, and north to Sheffield).

Other recommendations for the future included

- The Board should have a focus on outcomes, and be responsible for LAA targets for skills and employment to a strategic county partnership body.
- The Board should focus on upskilling the existing workforce and on moving those out of work closer to or into employment through suitable preparation, working closely with employers to articulate skills needs and with voluntary and community organisations to address the needs of those furthest from the labour market.
- Its remit should also include 14-19 provision and the development of pathways for young people from 14+ through FE/HE, apprenticeships and employment and training. It should also consider the needs of NEETs and young people in or leaving care.
- The Board should be employer led with representation from public sector employers in their own right. It should be the strategic centre for employer representation for the county, able to make sense of the key policy issues affecting employers and to reflect their voice.

- The needs of various types of employers and how best to engage them should be taken into account.
- The Board might need to set up issue-focused task and finish groups to identify needs and implement solutions in priority sectors, areas or groups.
- The Board might consider setting up as an accountable body so that it can draw together funding streams, and is able to (co-) commission activities.
- Appropriate resourcing is needed so that it can implement its delivery plan and also be capable of responding rapidly and flexibly to emerging issues.
- Members of the Board representing organisations should be at a senior level so that they can be held accountable by partners for their contribution to the delivery plan.

Evaluation of AESB Delivery Plan 2008-09

The Delivery Plan for 2008-09 has nine headings. The table below records progress on each activity, based on a report to the Board at the end of 2008. (Paper 031208) We have classified the 36 activities listed in one of four ways (and colour coded them):

Classification	Colour code	Number of Activities in this Classification
Liaison with other bodies	Yellow	3 (8.3%)
Developing activity	Green	19 (52.7%)
Completed activity	Red	12 (33.3)
On hold	Blue	4 (11.1%)

The classification entirely reflects the views of the authors.

The Strategy and the Delivery Plan

This analysis throws some light on the sense conveyed by some members that there needed to be more emphasis on issues and outcomes. Reviewing activities by category, it is not surprising that Board and Partnership Development show a preponderance of green, yellow and blue, because by their very nature these are about liaison, coordination and development. The issue and programme driven categories - Planning and Commissioning, Responding to Key Economic Sectors, Tackling Worklessness, Skills Development and Communication - show a different pattern, with 55% (10 out of 18) of completed activities and 44.4% (8 out of 18) developing.

This poses questions about the overall mix of activities:

- Should there be greater emphasis on issue and programme driven activities at the expense of liaison, coordination and development?
- Would this be consistent with the ESB's strategy and if not, does that need to change to make it more action-orientated?

These are questions that need to be considered in devising new ESB structures and strategies for both counties.

The Delivery Plan: Analysis of Activities

1. Monitor and review the Employment and Skills Board Delivery Plan

2008/09 Plan agreed by Board in March 2008 and performance updates provided to each Board meeting	Plan agreed by Board
Align work with LAA targets, LSP employment plans and neighbouring city strategies in Nottingham, Derby and Sheffield.	Working with Notts and Derbys LAA planning processes, including both Worklessness Groups; Working with LSP's particularly those in receipt of WNF and adjoining city strategies where

	appropriate.
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2. Board Development

Establish working relationship with Derbys/Notts Chamber of Commerce and Industry and feed through to Board	Contact with Chamber policy function and feedback used for IUSS Select Committee.
Review Board membership in light of SNR developments	Board membership to be reviewed once outcome of SNR known
Recruit further private sector Board members	Further private sector Board members to be recruited once outcome of SNR known.

3. Partnership Development

Support further developments from the Leitch implementation plan at a sub regional level	Provided national policy input to DIUS Select Committee Panel via Chair
Provide a local focus for the esp, including providing quarterly activity updates	Liaison with esp ongoing
Work with Employment and Skills partnership structures in Derby and Derbyshire, Greater Nottingham and Sheffield City Region to ensure maximum synergy	Member of Derbys ESB and Sheffield City Region Skills Task Group. Ongoing work with GNESB
Establish working relationship Skills for Business/relevant Sector Skills Councils	Working with Skills for Logistics, Construction Skills and Skills for Health/Care
Work with the CHEA Partnership to support the higher level skills agenda in the sub region	Working with CHEA to support A2CHEA
Work with Nottinghamshire 14–19 and Derbyshire 11–19 Partnerships to ensure planning for vocational curriculum links, particularly forthcoming Diplomas	NEED FOR CLOSER WORK ON 14 -19 DIPLOMA DEVELOPMENTS (original emphases)
Liaise with Public Sector Compacts and receive updates relating to skills and recruitment issues facing the public sector	Work underway involving MtC, Notts PCT, Brunts School and Mansfield Learning Partnership to recruit apprentices. NEED FOR CLOSER WORK WITH PUBLIC SECTOR COMPACTS
Liaise with LSP's in the sub region to support their work on employment and skills	Working with LSP's , particularly those in Alliance for Enterprise/ WNF designated area
Support the role of the Voluntary and Community Sector in locally engaging and progressing those groups furthest from the labour market	Working with VCS on Making the Connection (MTC) and championing involvement in Flexible Routeways

4. Planning and Commissioning

Support partner budget holders to ensure funds add maximum value to delivery of the employment and skills in the sub-region and that commissioning processes are aligned where possible	Ongoing work required to align funding and commissioning processes – some success via MTC
Provide sub-regional employment & skills intelligence and data to monitor progress of partner initiatives	Improved provision of intelligence and data supported by appointment of AESB Co-ordinator
Maintain the sub-regional database of employment and skills provision, adding updates to reflect ESF funded provision.	Database requires update – SNR implications. Agreed that Derbys ESB to update Derbyshire worklessness info

5. Responding to Key Economic Sectors

Develop priority sector employment and skills analyses building on the framework developed for Logistics in 2007/08. Priority sectors are Health and Social Care; Construction; Hospitality and Tourism	Logistics sector review completed July 08. West Notts College successful with its bid to host the Regional Skills Academy for Skills for Logistics. Work underway to ensure maximum benefit for the sub-region.
<ul style="list-style-type: none"> Logistics - June Health and Social Care – Sept Construction - Dec Hospitality and Tourism – March 2009 	<ul style="list-style-type: none"> Hospitality Sector review underway. ITT's prepared for Health and Social Care and Construction. Under review.
	NEED TO REVIEW actions in light of recession

6. Tackling Worklessness

Monitor the Making the Connection model against its delivery plan to support local people into jobs.	MTC monitored on a quarterly basis by Executive Group. Evaluation carried out by MYA in Sept.
Champion Making the Connection with partners, including new private sector partners delivering Pathways to Work and Skills for Jobs, and maximise opportunities for raising awareness and communicating good practice where applicable.	MTC promoted to all relevant partner events such as Notts and Derbys Worklessness Forums
Promote and monitor the use of public procurement to integrate opportunities for local skills development and jobs	Public Procurement event took place on 12.11.08, with over 50 delegates and national good practice demonstrated.
Providing a local focus for the esp Task and Finish Group on worklessness and support implementation of recommendations	Response to esp group from Sept meeting
Champion Local Employment Partnerships as a mechanism for helping those out of work in priority groups and employers seeking to address vacancies	Regular provision of LEP's info by JCP and promotion via MTC

7. Skills Development

Champion the Skills Pledge within the sub-region and Train to Gain	Majority of Board members have now signed the Skills Pledge and are influencing others to do so
Promote Apprenticeships to raise skills levels	FURTHER WORK TO BE DONE TO PROMOTE APPRENTICESHIPS MEMBERS TO CONSIDER AS PART OF THEIR OWN RECRUITMENT STRATEGY.
Maintain a watching brief on the takeup of Train to Gain in the sub region.	Six monthly performance reports received on T2G

8. Communications

Maintain the web site www.esballiance.co.uk	Website maintained
Provide bi monthly e newsletters to partners	Bi monthly e News produced and distributed to stakeholders
Support key events to promote employment and skills development in the sub region	Public Procurement summit took place in Nov.
Facilitate Employment & Skills Summits for partners	Further early Spring summit at planning stages – focus likely to be on mental health and worklessness.
Assist the esp with a regional good practice sharing event	Meeting with esp to discuss regional good practice sharing.

9. Evaluation and Forward Planning

Carry out evaluation of 2008/09 delivery plan and review in the light of strategic developments	To be commissioned in early 2009 reflecting SNR implications.
Revisit work plan to meet 2009/10 priorities	

ESB Arrangements in Derbyshire and Nottinghamshire from April 2009

With the demise of the Alliance Strategic Sub Regional Partnership and Employment and Skills Board, the six district council areas formerly covered by the Alliance for Single Programme funding will pass across to Nottinghamshire County Council and DDEP: Bolsover, Chesterfield and North East Derbyshire to DDEP ; and Ashfield, Bassetlaw, Mansfield and Newark to Nottinghamshire County Council. This will entail an adjustment of the ESB arrangements in both counties.

Two features of current arrangements in Derbyshire and Nottinghamshire stand out:

- The shared focus on NEETs through National Indicator 117 and to a lesser extent on reducing the percentage of people of working age on out of work benefits (see table below)
- The low status of ESBs in the partnership families in both cities and both counties. Typically, ESBs – or the Worklessness Forum in Nottinghamshire - are one of several sub-groups of a sub-group below the main LSP board. It remains to be seen whether the four county or city LSPs will review the priority they attach to employment and skills.

Table 1: LAA National Indicators for Worklessness

	Derby City	Derbyshire	Greater Nottingham	Nottinghamshire
NI 117 16 to 18 year olds who are not in education, training or employment (NEET)	yes	yes	Yes	yes
NI 151 Overall employment rate			Yes	yes
NI 152 Working age people on out of work benefits	yes		Yes	yes
NI 153 Working age people claiming out of work benefits in the worst performing neighbourhoods		yes		

Derbyshire

Across Derbyshire, the Derbyshire Partnership Forum (DPF) has ultimate accountability for the LAA and a 3 year plan (2008 – 2011) has been agreed. The Employment and Skills Board is one of the sub-groups of the Sustainable Communities Group, one of six such bodies below the main board. In the City of Derby, partners have signed up to a separate citywide LAA. There, too, a sub-group of a sub-group of the LSP deals with Jobs and Skills. Theoretically, the County ESB has an overarching role but in practice the City group functions as a separate group. Coverage of the former Alliance districts in terms of employment and skills will be absorbed into the Derbyshire ESB.

Derbyshire Employment and Skills Board (DESB)

Proposals to the Derbyshire Partnership Board in June 2007 started the process of setting up an employment and skills board. This new body, which relates to the DPF and is hosted by Derby and Derbyshire Enterprise Partnership (DDEP), replaced the long-standing Derbyshire Learning Partnership, taking over two staff members and a number of theme groups which continue to meet to varying degrees. These are:

- Adult Learning
- Skills for Life and Work
- Welfare to Work
- Information, Advice and Guidance
- Public Sector Compact.

The original membership was

- Three employers (one of which to Chair, nominated by the Employers' Coalition)
- Jobcentre Plus
- Learning and Skills Council
- North Derbyshire and North Nottinghamshire Alliance (Alliance ESB)
- Derbyshire County Council (Skills and Regeneration representation)
- Derby and Derbyshire Economic Partnership.

To this was later added UNITE and Derbyshire & Nottinghamshire Chamber of Commerce. A report by consultancy Chimera for the Board commented

*It is fair to say that the existing arrangements in place are heavily geared towards the service providers and strategic partners, and have not been fashioned to be predominately business led or have agendas that have a focus upon commercial needs.*¹

DESB, however, is in the process of recruiting additional employer members and current Derbyshire-based employer and public sector members of the Alliance ESB are likely to transfer across.

Derby and Derbyshire Enterprise Partnership (DDEP)

DDEP was set up in 2002, one of a number of sub-regional strategic partnerships (SSP) in the East Midlands. . Covering the area of Derby and five of the eight Derbyshire districts, it continues to exist for another 12 months beyond March 2009, unlike the Alliance SSP whose funding for 2009-11 is transferred to Nottinghamshire County Council.²

Nottinghamshire

In Nottinghamshire, there has been a two way partnership split, with the Alliance SSP taking the lead in the north of the county, and the remainder being covered by Greater Nottingham Partnership working closely with the City LSP, One Nottingham. As from April 2009, when the Alliance SSP ceases to exist, there will continue to be two partnerships with responsibility for LAAs: the Greater

¹ Skills Strategy and ESB Development (2008), Paper for DESB, Chimera Consulting, p4.

² Amber Valley, Derbyshire Dales, Erewash, High Peak and South Derbyshire. The others – Bolsover, Chesterfield and North East Derbyshire - fall within the Alliance SSP, until this ceases to exist at the end of March 2009.

Nottingham Partnership and Nottinghamshire Partnership. These bodies have conferred and agreed on the same set of Worklessness National Indicators (see table above). They have yet to decide how to absorb the former Alliance districts and how to relate to each other as a result.

Greater Nottingham Employment and Skills Board (set up 2004), is the lead body for Nottingham City Strategy Pathfinder and has recently reviewed its terms of reference and its membership. The Skills Board works alongside the 14-19 Strategy Group which is the strategic lead for education and training of young people.

Nottinghamshire Partnership, like GNP, has made worklessness and skills a high priority. In order to focus activity in this area, a Worklessness Forum has been created. It is one of five sub-groups of the Economy group, which is itself one of six groups reporting to the LSP Board.

Employment and Skills Boards: What's Happening Elsewhere

Employment and Skills Boards (ESBs) are a vital component in a strategic response to the current recession and preparation for the eventual upturn. They are also closely linked to the development of multi area agreements (MAAs) and DWP City Strategies which theoretically bring with them additional powers and flexibilities. This paper summarises some of the main developments taking place around the UK, based on interviews with key figures in London, Manchester, Sheffield and the North East and a review of public documents.

ESB developments

There are ESBs of one kind or another across the nine English regions, many set up in response to the recommendation in the Leitch report and the stimulus of DWP City Strategy Pathfinders and City Region-MAA developments.³ Other significant context setters are the Sub-National Review of Economic Development and Regeneration, which lays down a new and hopefully more coherent structure in which local authorities emerge as more equal partners of RDAs in setting the framework for economic development. A similar theme emerges from the machinery of government changes following on the demise of the LSC, which assign local authorities a key role in commissioning 14-19 education and skills provision.

Still to be clarified are the respective roles of RDAs, local authorities, LSPs, ESBs and a new creature-Sub-Regional Groups (SRGs) – set up to focus 14-19 planning and commissioning by local authorities. Without careful handling, there is a risk of partnership collision as well as fracture within local authorities as schools-focused officers relate to the SRG whilst economic development leads relate to the ESB, LSP and Regional Economic Strategy.

An independent national review of ESBs carried out on behalf of four government departments - DWP, BERR, DIUS and CLG – showed that arrangements can be categorised into one of five 'types' of demand-led models: Employment and Skills Boards, Employer Coalitions (including Fair Cities Board), City Growth, Skills and Productivity Alliances, and the Local Strategic Partnership (LSP) employment and skills sub-groups.⁴

The review identified a number of factors which made for effective operation of ESBs. It was important to streamline local and sub-regional partnership arrangements to reduce complexity, confusion and duplication and to agree clear lines of responsibility between ESBs, other partnerships, agencies and local authorities. Second,

Most ESB and similar partnerships members (both public and private sector) felt that having influence over funding directed to their area, and being able to 'bend the spend' was more important than securing a separate funding pot for the ESB to deliver against. However, some called for a small allocation of funds to secure long-term commitment for the partnership manager's post, payment of expenses to the Chair and possibly other private sector members. A discretionary funding pot had enabled some partnerships to gain some 'quick wins', encouraging the support of its members by

³ *Leitch Review of Skills, Prosperity for all in the Global Economy* (March 2007) HM Treasury: London

⁴ Nicola Croden and Lynn Simmonds (2008) *Employment and Skills Boards: Current and Potential Role*, CFE, p5.

*achieving direct action on the ground. This suggests a role for the regions in allocating funds where ESBs (or similar) are adding value to the employment and skills agenda.*⁵

Another factor in effectiveness was a balance between strategy and delivery 'with employer forums to take forward specific delivery issues to promote private and public sector buy-in'. Clear terms of reference for the partnership, with defined roles for its members, were also helpful. Finally, the report suggested that involving Regional Ministers in raising the profile of the ESBs could help to ensure public and private sector buy in.

City Strategy Pathfinders

Many ESBs can be found in areas where there are City Strategy Pathfinders and/or moves towards MAAs and City Region status.

There are 16 City Strategy Pathfinders in England, Wales and Scotland: Birmingham, Black Country and Coventry; Blackburn with Darwen; Dundee; East London; Edinburgh; Glasgow; Greater Manchester; Heads of the Valleys; Leicester; Liverpool; Nottingham; Rhyl; South Yorkshire; Tyne and Wear; West London.

MAAs

The first tranche of Multi Area Agreements were signed in July 2008 by Tees Valley; Greater Manchester; South Yorkshire; Leeds City Region; Partnership for Urban South Hampshire (PUSH); Bournemouth, Dorset and Poole; and Tyne and Wear. The second tranche comprised Liverpool City Region, Leicester-Leicestershire and Pennine Lancashire. The third tranche will be West of England; Olympic Legacy; North Kent; Birmingham; Hull; Fylde Coast; Milton Keynes South Midlands.

Many City Strategy areas are also MAA areas. They cover the most disadvantaged parts of England, Wales and Scotland since DWP has a UK remit, whilst the MAAs are an English initiative. Uniquely, the London Skills and Employment Board's voice in the use of LSC adult skills funds is underpinned by the Act creating the Mayor. According to CLG, LAAs and MAAs have strong coverage of economic issues – much stronger than previous rounds. LAAs are stronger on economic inclusion than economic growth.⁶

Economic Prosperity Boards

For those local authorities that want to develop existing cooperation on economic development, perhaps linked to an integrated transport authority (ITA), as the basis for further devolution of powers from government and regional government, another option is an Economic Prosperity Board (EPB). EPBs are designed to provide long-term, stable governance mechanisms for areas that are committed to joint working.⁷ The government sees EPB as a vehicle for governing city regions. Participation is voluntary except that where a county council decided to create an EPB, it may do so even if a District Council objects. (paragraph 45) However, such district councils are not required to form part of the scheme or contribute to its costs. Although this is not made explicit, it seems clear

⁵ Croden and Simmonds, p7.

⁶ James Blake (2008) LAAs and the Credit Crunch, CLG powerpoint presentation at <http://www.lga.gov.uk/lga/aio/1213185>

⁷ CLG (2009) *Policy document on options for Sub-Regional Cooperation in the Local Democracy, Economic Development and Construction Bill*

that ESBs would sit below EPBs since these are designed to be top partnership bodies with representation of senior elected local politicians.

Worklessness Report

The Tackling Worklessness Review (aka Houghton Report) makes a number of proposals about the future role and structure of ESBs which may be reflected in the shortly to be published proposals from DIUS about criteria for government recognition. Worklessness is not the only aspect of the work of ESBs but currently it has a high political priority. The Review's authors, appointed by the Secretary of State for Communities and Local Government, make four main recommendations about tackling worklessness

- Every local authority should carry out a *Worklessness Assessment* as part of its economic assessment duty (coming out of the Sub National Review)
- Authorities and partnerships that want to align budgets and co-commission services should create a *Work and Skills Plan* – especially if they receive WNF
- Where there are robust partnerships and it is feasible for central and local government to pool and align budgets and co-commission a 'substantial' portion of relevant funds, *Work and Skills Integrated Budgets* should be set up
- Local authorities and their partners should consider and extend the scope for public procurement and employment.

Without specifying precisely how ESBs should be set up and which functions they should perform, except that they should be authentically employer-led, the Report makes clear that ESBs should play a central role in relation to all four recommendations. They should also ensure that they are taking account of the changes following the demise of the LSC, and working with the Skills Funding Agency, the National Apprenticeship Service and the local authority regional groupings responsible for commissioning provision for young people. And, we would add, given that there are doubts about how effectively Train to Gain and Skills Accounts will drive demand for learning, ESBs will also need to consider what more can be done in this area.

Evidence from other ESBs

Several common themes emerge from the recent experience of ESBs

Coherence and Salience

ESBs often have to contend with tensions and conflicts typically arising from the mix of local authorities and agencies involved. Tyne and Wear suffers from the historic rivalry between Newcastle and Gateshead. London, on the other hand, benefits from the political legitimacy of the Mayor and Greater Manchester from the unusual degree of unity between local authority leaders and chief executives and the trust between the private and public sectors. These two ESBs enjoy other benefits: they rank as second tier bodies and they are legally qualified to receive and spend money.

Collaborative relationships cannot be manufactured but unified political leadership and a shared vision have proved firm foundations for Greater Manchester which is well on route to becoming one of the first city regions with a pilot integrated economic strategy. Ten council leaders sit alongside private sector representatives on the executive board which oversees the work of seven commissions including one for employment and skills which incorporates the MAA and City Strategy. The Commission for Economic Development, Employment and Skills (CEDES) is led by a board of

councillors and business representatives. It acts as a strategy, planning and commissioning body, with delivery outsourced to other agencies. Its website refers to advising ‘on the best ways to use investments to improve the wealth and well-being of Greater Manchester to benefit businesses and the people who live and work here and support Manchester in realising its vision to be a ‘world-class city at the heart of a thriving North’.

Three priorities for the Commission are

- To create a joint investment framework, drawing together available discretionary funds
- To link up supply and demand by focusing on key and growth sectors (underpinned by a major research programme to identify economic and employment trends)
- To ensure close linkages between young people’s and adult provision.

CEDES also is also ambitious to take powers under section 4 of the new act setting up post-LSC agencies giving it more say over the allocations of the Skills Funding Agency.

Strong political commitment is also apparent in Glasgow where the Council has committed itself to a minimum wage above the legal minimum, as Boris Johnson has done in London, and to a major apprenticeship programme.

The arrangements in London are unique in the UK because of the powers vested in the Mayor. The LSC has a duty to comply with London Skills and Employment Board (LSEB) strategy, and there is scope for alignment of resources with other bodies through the Mayor’s London Development Agency and co-commissioning for ESF. A complicating factor between London’s regional and sub-regional arrangements is the likely creation of MAAs within London, including one for the five Olympic Boroughs but the political legitimacy enjoyed by the Mayor of London may help to overcome any overlap in functions.

The terms of reference of the London Board are to

- formulate and publish a strategy and annual plan for adult (post 19) skills training and employment in London
- regularly review the strategy
- produce an annual report setting out progress on implementation Contribute to the allocation of European Social Fund (ESF) monies in London
- make recommendations to the Mayor, Secretary of State, the Learning and Skills Council, London Development Agency and other relevant bodies and organisations on issues related to its responsibilities

LSEB is a strategy and planning body but it does not engage in delivery. So it relies on the efforts of partners to achieve the goals and targets set out in the Board’s Plan for London. Similarly, Sheffield ESB – the City Council is a major FE provider - is keen to use the new post-LSC arrangements to hive off delivery to a separate agency.

Structures and Employer Engagement

Each ESB has had to develop structures to meet local conditions but there are underlying similarities.

Manchester ESB is one of seven commissions set up to serve the Greater Manchester partnership and is responsible for achieving key shared outcomes through the efforts of partner agencies such as JCP. London ESB is responsible to the Mayor and is hosted by the London Development Agency, which is accountable to the Mayor and the Greater London Assembly. Arrangements in Sheffield are

evolving with three interlocking arrangements for overseeing employment and skills: for Sheffield, for the four South Yorkshire authority areas and for the City Region which extends into North Nottinghamshire and Derbyshire. In all three cases – Sheffield, Manchester and London – the ESB is a second tier body with political and business representatives. This structural position reflects the framing of the ESB’s role as central to development.

Employer engagement with ESBs in some areas seems to reflect long-standing traditions such as the existence of an Employer Coalition, perhaps stretching back to the creation of New Deal in 1997, as well as the local economic structure. Big cities in general are able to call on big employers as are manufacturing areas. In small towns and rural areas, employers may be as willing to take part in ESBs but they may be small and struggle to dedicate the time. In most places, ESB directors regret the lack of involvement of public sector employers as employers, although Sheffield City Council’s HR Director is one of the members of an employer panel which sits alongside the ESB rather than on it.

ESB relations with RDAs lie on a spectrum, from close working relationships in the North East, where the Regional Employability Framework is a key planning tool, through to a gradual disengagement in the East Midlands where JCP has seized the regional initiative. Yorkshire Forward is an activist RDA at a time when many are re-focusing on business support, investing significantly in sector routeways to improve employability and to improve links between jobseekers and employers in specific sectors (akin to Making the Connection’s Pathways).

Accountability, Co-Commissioning and Joint Investment Plans

Partnership jurisdictions are rarely straightforward, and the directors of the ESBs have to contend with overlapping boundaries and accountability friction. Delivery agencies, typically, are responsible for their own targets and thereby contribute towards ESB targets. The key thing, we were told by more than one ESB director, is to develop ways of holding partners to account, ideally by having several hands on the budgets or by agreeing co-commissioning plans or through a joint investment plan.

Although the CfE report (see above) argues that a foot in both camps – strategy and delivery – is advantageous, ESB directors in our experience were more likely to stress the importance of being able to pull the spending lever.

City Strategy Pathfinders are supposed to open the way to a say in JCP-LSC co-commissioning but local authorities and voluntary and community sector organisations have struggled to get a hearing in prioritisation or the contracting arrangements. The result in the East Midlands has been the tussle over JobMAETs between the contractors and the third sector. Sheffield has managed to agree a practical procedure for consultation with DWP which is a step forward.

Flexibilities

This arrangement in Sheffield – and new data sharing arrangements in Glasgow – are among the few concrete examples of the much vaunted flexibilities that come with MAA and Pathfinder status. There are some examples of a loosening of the benefits regime – such as job grants (Leicester and Leicestershire MAA) to cover costs for people coming off welfare until the first month’s pay cheque comes in. But no sign of the recycling of benefits funds to promote employment and training proposed by Freud, or an easing of the 16-hour rule.

Other Learning Points

Our review of several ESBs⁸ points to other useful learning points.

The voluntary and community sector is rarely well represented on sub-regional ESBs and has struggled with DWP contracting arrangements. In the North East, the Acumen Trust plays a key role as a third sector integrator, acting as an umbrella body for smaller voluntary and community sector organisations, much as Enable does for the third sector's training providers in Nottinghamshire.

Resourcing of ESB staff is rarely generous. Both London – and Sheffield - are run by a team of four although in the case of London they are able to call on the policy, research and communications of the London Development Agency. Manchester similarly can call on the greater resources of the 40 strong team that supports the work of the Commissions. The costs of the Economic Commission (2007-08) were £2.2m. Funding came mainly from ERDF, the North West Development Agency and the Greater Manchester Authorities.

Relations with the LSC are generally easier than with JCP, perhaps because the LSC does not perceive ESBs as a competitor as the JCP does in some areas. Yet in Glasgow and South Wales, JCP is renowned for its commitment to collaboration. In Sheffield, having a JCP secondee on board was helpful in persuading the JCP that the ESB could contribute a wrap around service to the mainstream offer.

⁸ Through documents, websites and phone interviews with the directors of the ESBs for London (Judith Rutherford), Manchester (John Holden), Sheffield (Tony Tweedy) plus Alistair Grimes of Rocket Science, the consultancy that supports the learning network for City Strategy Pathfinders, and Kate Welch, Chief Executive of Acumen Trust, a voluntary organisation that provides third sector services to ESBs in the North East. Needless to say, the views expressed here are ours alone.

Our findings

In this section we summarise the key points that have a bearing on future ESB arrangements in Derbyshire and Nottinghamshire drawing on and synthesising:

- Interviews with AESB Board and Executive members
- Our review of the AESB Delivery Plan 2008-09
- Our review of developments amongst ESBs elsewhere in the UK.
- The emerging policy context for ESBs including the Houghton Report

What Kind of ESB

Strategic, influential, coherent, collaborative, effective, responsive, consistent – this sums up the characteristics AESB members prize. They would expect an ESB to be strongly evidence and outcomes-driven. A small number of catalytic actions should form the core of the delivery plan.

Strategic, influential and effective in the sense that it aims to shape the employment and skills landscape as part of a programme for economic development. Coherent in the sense that the strategy links to an overall plan for sustainable development and is driven by a unified leadership of politicians, employers and senior figures in key agencies. Responsive in the sense that it can respond quickly to new developments but consistent in following through existing plans.

Its Role

Planning, anticipating, and strategic; overseeing delivery of LAA/MAA targets– these are the functions it should perform.

Employment, skills, worklessness, 14-19/apprenticeships – these are the areas of activity the ESB should encompass. Possibly also leading on economic strategy like Manchester.

- The Board should focus on upskilling the existing workforce and on moving those out of work closer to or into employment through suitable preparation, working closely with employers to articulate skills needs and with voluntary and community organisations to address the needs of those furthest from the labour market.
- Its remit should also include 14-19 provision and the development of pathways for young people from 14+ through FE/HE, apprenticeships and employment and training. It should also consider the needs of NEETs and young people in or leaving care.

Where it fits

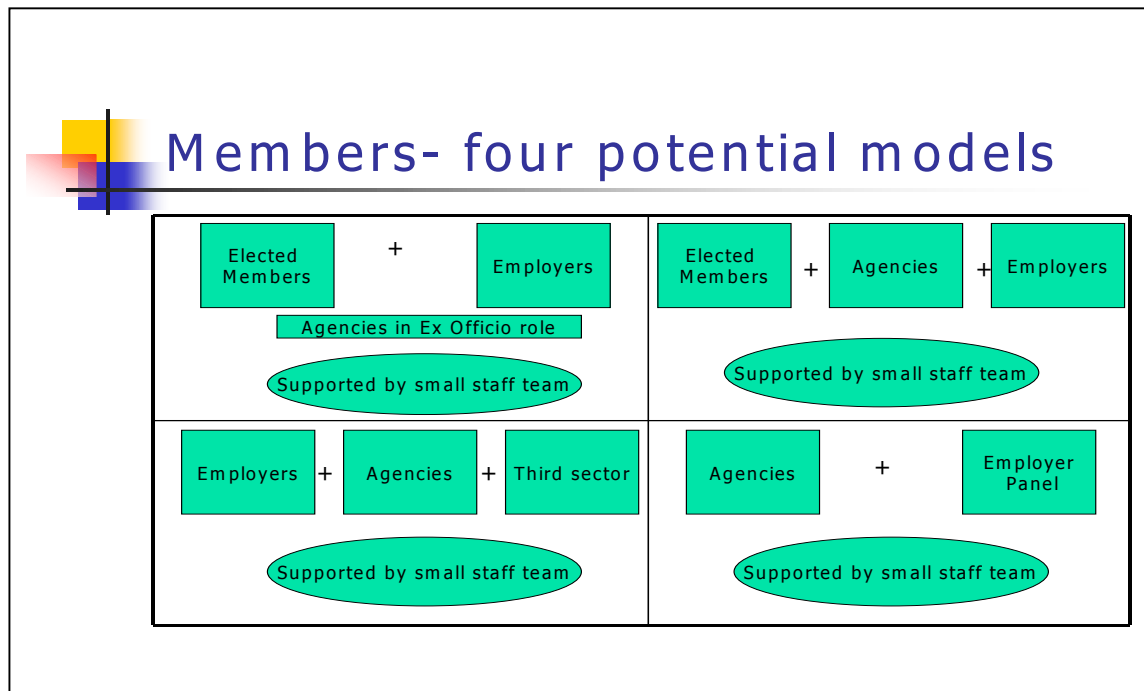
Close to the top tier – second tier like Manchester and London but no lower if it is to be strategic and influential – and alongside economy strategy and sustainable development. Reporting to top strategic tier setting overall LAA/MAA targets and economic strategy, a Local Strategic Partnership or perhaps an Economic Prosperity Board. Making links cross-border with neighbouring ESBs and other bodies, through small liaison groups or task and finish groups (eg for aligning LAA/MAA targets).

What it does

Acts as an accountable body so it can commission or co-commission activity. Draws in and pools resources to create a Joint Investment Strategy. Delivers or initiates key programmes or activities (eg MtC) itself or oversees efforts of partner agencies.

Membership Models

In the diagram below we outline four alternative models for the make up of an Employment and Skills Board:



Each model has a different membership make up, as defined below:

1. jointly led by elected members and employers (all sectors), supported by small staffing team (Manchester) with key agencies ex officio advisors
2. elected members, employers and key agencies supported by small staffing team (London) -
3. private, public and third sectors with small staffing team in support (similar to AESB)
4. key agencies supported by small staffing team, drawing on expertise and perspectives of employers through employer panel sitting alongside ESB (similar to Sheffield).

An ESB should set clear roles and responsibilities for members, expect them to act as a bridge with their organisation, and to account for its contribution to the overall strategy of the ESB. Members should be sufficiently senior to carry out their role effectively. Members should be selected on the basis of a role specification and through approved public processes.

Employer engagement

The Board should seek to engage employers usefully, on matters where the ESB has the power to make a difference, and where employer needs and perspectives are central, with a streamlined agenda and a clear indication of what they are expected to do. It should become the strategic centre for the employer voice in the county.

The ESB should set out to engage

- Large and small employers, to reflect their different needs and perspectives
- Employers from private, public and third sectors
- Employers as providers of jobs, including potentially jobs for workless people
- Employers as responsible for workforce development and upskilling

How it functions

ESB should promote a collaborative and inclusive working environment. It should be expertly chaired, facilitated and administered; open in all its dealings. Overall direction and management of work should be delegated to a compact executive. Work between meetings could be delegated to task and finish groups. Informal events could be organised to promote creative problem solving alongside formal board meetings. A well resourced up to date website is an essential tool of two way communication, acting as an intranet for debate, pinpointing effective practice, information sharing and an aid to transparency.

How it is resourced

A small staff team should be created with a budget for research and communications.

Recommendations

The demise of the AESB should be seen as an opportunity to rethink arrangements in both counties. New arrangements should be designed to develop

- A strategic response to immediate crisis
- A plan for the eventual upturn

In the meantime, it is essential to maintain the momentum and not to overlook the achievements of the AESB:

- Strong leadership and management
- Strong partnership
- Enduring employer commitment
- MtC and CHEA

Aims

The aims for the new ESBs should be to

- Integrate/embed AESB approach, members and activities in both counties
- More strategic, coherent and capable ESBs in both counties
- Address immediate crisis, start re-building for the upturn

Process for integration – both counties

The process for integrating the legacy of the AESB in both counties should entail

- Identifying a working group for each county – members of ex-AESB and existing ESBs
- Timetable for talks
- Resources to see the process through with active facilitation
- Phased approach

Two County Arrangements

In both counties it will be necessary to

- Create unified city and county ESB with area executives and area employer panels (perhaps on a TTWA basis)
- Lines of accountability so that the ESBs report direct to top tier LSPs
- Integrate ex-AESB and district councils

- Agree a strategic plan for tackling employment and skills crisis.

Priorities

The priority areas for the ESBs should be

- Small number of actions that make a difference and achieve LAA targets
- Workforce skills, long term unemployed, NEETs, redundancies, apprenticeships, 14-19
- Drawing in and pooling resources through a Joint Investment Strategy (this will entail accountable body status for commissioning and co-commissioning)
- Developing a 2 County wrap around service for employability integrating JobMAETSS, Pathways and Making the Connection

Structures

We recommend the following arrangements:

- ESB reporting direct to top tier
- Board chaired by employer
- Executive chaired by council leader
- Area panels maintain local focus
- The ESB becomes the main point for employer voice and representation
- Task and finish groups for issues and sectors

Linkages

Linkages should be developed with the following bodies

- 3 way cross-border liaison group: 2 counties + South Yorkshire
- 14-19 Consortia and Sub-Regional Groups (local authority commissioning bodies for FE); EBPs
- FE/HE and CHEA
- East Midlands Business
- Sector Skills Councils

Resources

- Website for transparency, engagement and easy exchange of good practice and information
- Small staff teams in both counties located with city and county LSPs

Telephone interviews Completed⁹

Kay Adkins	KAM Ltd
Janet Charlton	General Manager / Nottinghamshire Training Network
<i>Heather Downey</i>	Retained Consultant -Alliance Employment and Skills Board
Rosie Duncan	Managing Director / EMQC
John Endersby	Operations Director / Connexions - Nottinghamshire
<i>Geoff George</i>	Manager Economic Regeneration / Nottinghamshire County Council
Richard Gill	Operations Director / East Midlands Business Ltd
<i>Stuart Hackett</i>	Nottinghamshire LSC
<i>Don Hayes</i>	Chief Executive / Enable
<i>Sue Hepworth</i>	Nottinghamshire County Teaching PCT/ Community Care Workforce Team
Karen Heywood	Skills Development Manager / East Midlands Development Agency
<i>Nigel Jackson</i>	Director of Economic Development / Nottinghamshire LSC
<i>Nawaz Khan</i>	Regeneration Co-ordination Manager / Derbyshire County Council
<i>Frank Lord</i>	Chief Executive / LCA Ltd
<i>Andrew Marsh</i>	Economic Development Manager / Derbyshire LSC
<i>Andrew Pidluznjy</i>	Derbyshire Jobcentre Plus
John Sherwood	Easybags Ltd
<i>Jan Stanley</i>	Regional Organiser / FSB
<i>Tom Stockwell</i>	District Manager Nottinghamshire / Job Centre Plus
<i>Andrew Street</i>	Chief Executive / Alliance SSP
<i>Stefanie Stubbs</i>	Strategic Partnership Manager / Alliance SSP
<i>Freda Tallantyre</i>	CHEA Director / CHEA
<i>Stuart Tomlinson</i>	Director of Strategy / Bolsover District Council

Interviews to be completed week beginning 9.3.09

Christine Southwell	Area Manager Nottingham and Nottinghamshire Locality Management Team/ Government Office of the East Midlands
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⁹ Names in italics to be reinterviewed.

Questionnaire: Themes

Part 1 The Past

1. What in your view have been the achievements of the ESB?
2. From the point of view of your organisation, what value has been added by the ESB?
3. Where has the ESB fallen short of its objectives?
4. If you could relive the recent period, what would you change about the ESB
 - Its objectives
 - Its focus
 - Its way of working?
5. What are the lessons from the work of the ESB for any future labour market management structures for
 - objective setting
 - joint planning
 - pooling of resources
 - joint delivery
 - linkages with other programmes
 - evaluation
 - employer engagement
 - resourcing and staffing
 - other?

Part 2 The Future

6. From the point of view of your organisation, how does the current economic crisis affect the kind of partnership work carried out by the ESB
 - Does it render it less useful
 - Does it render it more difficult
 - Does it render it more urgent?
7. How would you like to see the work of the ESB carried forward

- Through the Counties
- Through a partnership board
- Some other way?