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**Subject:    Employability and Inclusion – Portfolio Update**

**Report of:   Cllr Joyce McCarty**

**Portfolio:   Employability and Inclusion**

### **Report Summary**

The purpose of this report is to provide Cabinet with an update on the progress of projects across the Employability and Inclusion portfolio. The report demonstrates considerable progress against the inclusive economy goals set out by Cabinet – including building readiness for AEB delivery; creating the means to influence employment support across the region; and creating practical interventions to support marginalised groups into work and training.

### **Recommendations**

The Cabinet is recommended to note progress in relation to the following

- Inclusive Economy Board
- NTCA DWP Employment Framework
- Good Work Pledge
- Devolved Adult Education Budget
- Working Homes test and learn project
- Carers into Work pilot
- Employability and Skills Programme Phase 1

The Cabinet is also recommended to delegate authority to the Head of Paid Service, in consultation with the Cabinet portfolio holder, to finalise the terms of reference for and appointments to the Inclusive Economy Board.

## **1. Background Information, Proposals and Timetable for Implementation**

1.1 Inclusive Economy is at the core of the North of Tyne Combined Authority (NTCA) vision. The Inclusive Economy Policy Statement positions inclusive economy at the heart of the Combined Authority, building on the inclusive growth focus of the devolution deal.

1.2 The NTCA vision is of a dynamic and more inclusive economy, one that brings together people and opportunities to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have a stake in our region's future. Developing an inclusive economy in NTCA means becoming the home of ambition and opportunity for all.

1.3 Substantial early progress has been made in translating this vision into action – primarily through programmes related to skills, training and lowering the barriers to employment for people who are marginalised or excluded. We have focused on areas where North of Tyne support and investment can make an immediate difference – for example in creating job opportunities that provide access to good work, with security, skills, progression, opportunities, a decent standard of living, and promoting health and wellbeing.

1.4 This workstream supports the NTCA pillar 'Hotbed of Talent' - "Empowering our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair wages. We want everyone to have the opportunity to thrive, with access to good employment and progression. Supporting the availability of good quality, well paid work, while providing the right support for people to access these jobs and further training, is crucial to our economic and social success".

1.5 The vision of the workstream is to become the national exemplar for showcasing the delivery of an Inclusive Economy. Successfully delivering this would ensure:

- We are focused on narrowing the gap both between the area and the national average (outside London) and within the area to reduce inequality; this includes:
- Closing the gap on average earnings: Increasing the earnings, qualifications levels and progression routes for local residents will be an important issue as an inclusive economy to ensure residents have access to new higher skilled jobs in future
- Closing the unemployment gap: Remove the barriers which make it difficult for people to take up employment and training opportunities
- Closing the skills and education gap: Through good schools and colleges, make sure our young people have the skills, experience and qualifications to take up quality training and jobs
- Closing the aspiration and ambition gap: So that local people own their own economic future and all young people to have high aspirations and confidence, with support to enable them to make good choices

### **1.6 Inclusive Economy Board**

The NTCA Devolution deal commits us to the creation of a single unified Inclusive Economy Board. The Inclusive Economy Board will bring together the organisations responsible for the most significant socially focussed interventions within the North of Tyne. It gives us a fantastic opportunity to raise the profile of our work and to make the biggest possible impact.

- 1.7 The primary role of the Inclusive Economy Board will be to advise and encourage a more integrated approach to strengthen education, skills and employment interventions, with the purpose of improving local education and employment outcomes. It will help us to embed inclusive economy outcomes across the whole NTCA agenda.
- 1.8 The Inclusive Economy Board will be independently chaired by the Right Reverend Christine Hardman, the Bishop of Newcastle. The Board will hold its first meeting at the end of March 2020 with quarterly meetings thereafter, and a programme of work that is co-designed.
- 1.9 The Board will include representation at senior level from Business professionals, Voluntary, Community and Social Enterprise Sector (VCSE), Civil Society, Statutory sector representation including Health and Education, North East Local Enterprise Partnership (NELEP), Central Government including: Department for Work and Pension (DWP); Ministry of Housing, Communities and Local Government (MHCLG); Department for Education (DfE) and Local Government (NTCA and Local Authorities). It is proposed that the Head of Paid Service, in consultation with the Cabinet portfolio holder, be authorised to finalise the terms of reference for and appointments to the Board.
- 1.10 The Inclusive Economy Board will be directly accountable to the NTCA Cabinet and will operate in an advisory capacity, monitoring and reporting progress, and making recommendations as appropriate, in a way that is consistent with the NTCA Inclusive Economy Policy Statement.

### **NTCA DWP Employment Framework**

- 1.11 The North of Tyne Devolution Deal sets out a commitment that the NTCA and the Department for Work and Pensions (DWP) will jointly develop and adopt an Employment Framework to drive the better coordination of employment, skills and health services across the North of Tyne area in order to increase the number of residents moving into work.
- 1.12 The NTCA Inclusive Economy Board, on which the DWP will have member representation, will provide oversight of the Framework and be the key governance through which it is delivered. The Inclusive Economy Board will agree and oversee an action plan setting out how the shared ambitions are to be delivered in the North of Tyne area. The development of the action plan to deliver upon this framework will be prioritised by the Inclusive Economy Board.
- 1.13 The NTCA DWP Employment Framework was approved by NTCA Cabinet in October 2019 and is currently with DWP for sign off by the Secretary of State.

- 1.14 This is an ambitious initiative that – at best – will allow us to co-design an approach to employment support that works better for citizens; using the convening and enabling role of the CA and our members.
- 1.15 **Good Work Pledge**  
As detailed at the NTCA Cabinet meeting in December 2019, over the last year, NTCA has co-designed and developed a programme to understand what ‘Good Work’ should look like in the North of Tyne and how the NTCA can promote and reward employers that are offering the main elements of ‘Good Work’. This has included the development of a Good Work Pledge, which will enable employers to understand the key elements of ‘Good Work’, what they can do to achieve this for their employees and what support is available to help them get there.
- 1.16 The importance of developing a model which was accessible and suitable to all scales of business, from micro-SME’s (less than ten employed staff) to large businesses (over 1,000 staff) was highlighted by employers as was the opportunity to be able to demonstrate progress on the journey towards Good Work.
- 1.17 The NTCA Good Work Pledge also complements the existing accreditation and awards landscape, as a result of employer input into the design of the programme.
- 1.18 The NTCA Good Work Pledge is comprised of 5 pillars  
**i. Valuing and rewarding your workforce:** Covering fair pay, providing job security and job fulfilment and a clear commitment to practice that does not exploit workers’ rights.  
**ii. Promoting health and well-being:** Valuing and ensuring the health and wellbeing of employees, promoting healthy lifestyles and supporting workers with health issues and disabilities to maintain and progress their employment.  
**iii. Effective communications and representation:** Employers ensure effective communications across the entire organisation including representation from employees at all levels. They demonstrate that they listen to and value the views of employees, providing autonomy and a voice in the running of the organisation. A culture exists that promotes fairness and trust and that allows better access to work and fairness in rights and conditions for employees.  
**iv. Developing a balanced workforce:** The organisation has a balanced workforce with a clear vision, values and policies that promote equality and diversity. Employers invest in the training and development of their staff: low skilled workers in particular are encouraged to develop their skills and qualifications.  
**v. A social responsibility:** Employers demonstrate their social responsibility through a range of ways: local access to procurement and contracting opportunities, buying locally, ensuring prompt payment to suppliers, connecting to local people and giving something back to communities through engagement and action. There is a clear commitment to sustainability and the Environment.
- 1.19 Building on Cabinet’s advice from December, we will be rolling out the Pledge in two phases. Phase one will take place in the first half of 2020 and will involve developing a suite of early adopters who will help us road-test the model in practice. NTCA has

sought input from our constituent authorities to ensure early adopters of the Pledge represent an appropriate range of scales and sectors of employers. We will work with our early adopters on social media and other communications opportunities to continue to raise the profile of the Pledge and Good Work in the North of Tyne. We will also incorporate any feedback into the Pledge's development to show what Good Work looks like, how it can happen in practice and what the benefits are for employers and businesses.

- 1.20 Building on feedback from our early adopters, phase two will begin with a formal public launch in Summer 2020, in partnership with key supporters in our area. This will include continuing to build strategic links with representative bodies such as the Trades Union Congress (TUC), the Confederation of British Industry (CBI), the North East Chamber of Commerce (NECC), Federation of Small Business (FSB) and Voluntary Organisations' Network North East (VONNE), as well as continuing to share our learning with other Combined Authorities nationally.

### **Adult Education Budget devolution**

- 1.21 Devolution of the Adult Education Budget (AEB) will allow us to move from a system of numerous providers working in competition, to fewer providers more actively engaged in local collaboration, with common agreement to address local need.
- 1.22 We are creating the opportunity for providers to be able to innovate and respond to address the needs of local communities and employers, delivering better outcomes for residents and regional economies.
- 1.23 NTCA have published an AEB Strategic Skills Plan which sets out clear expectations for adult education, explicitly linked to the needs of the North of Tyne and in support of the wider North East Strategic Economic Plan.
- 1.24 NTCA will manage the devolved AEB for North of Tyne residents from 1 August 2020 which is worth £22.7million. Adult learners who do not reside at a postcode based within the North of Tyne boundary will be funded either from the Education and Skills Funding Agency (ESFA) or from another Mayoral Combined Authority (MCA) where AEB has been devolved.
- 1.25 In preparation for delivery from 1 August 2020, NTCA have entered into a discussion with a select number of providers who currently deliver significant provision to North of Tyne residents, with the intention of continuing to Grant fund their allocation. Grant funding is expected to account for 67% of the NTCA allocation. These providers are already Grant funded by the Education and Skills Funding Agency (ESFA) so continuing to Grant fund from the devolved allocation will enable stability to the skills system across the NTCA area during the transition.
- 1.26 All other providers were invited to bid for a Contract for Service. This procurement process closed in December 2019.
- 1.27 Providers were invited to bid for the following Lots with up to £6.6 million available in total:

**1. Unemployed.** This provision will be accessible to key target groups e.g. 19-24 NEETs, over 50-year olds, the long-term unemployed and the economically inactive with significant barriers to work, such as physical or mental health conditions.

Lot value up to £2million/year. Contract values between £50,000-£500,000.

**2. Employed.** In-work progression and/or Skills for NTCA Growth Sectors. This provision will provide those residents in low skilled, low paid work the necessary skills and support to progress in employment. This provision will also provide NTCA the opportunity to address the skills gaps in our growth sectors.

Lot value up to £4million/year. Contract values between £100,000-£1,000,000.

**3. Innovation.** NTCA supports the use of innovation and this Lot will enable organisations to deliver highly responsive provision that is targeted and specific to a range of residents' needs which require more flexibility and intensity than which is currently available through the core AEB provision.

Lot value up to £600,000/year. Contract values between £25,000-£150,000.

- 1.28 The appraisal process for the bids received is currently underway and all successful applicants will have their contract in place ready for delivery from August 2020.
- 1.29 All providers who receive an allocation of AEB from NTCA are required to compile a Delivery Plan, setting out their priorities for enrolment over the next 3 years.
- 1.30 Regular review of these delivery plans will allow effective management of contracts and clarity of offer to ensure North of Tyne residents are offered courses that are progressing them towards, into or through employment. This will ensure that learning within the NTCA area is purposeful and has a positive impact on the lives of our residents, and that delivery is efficient, effective and supportive of the needs of our residents and economy.

### **Working Homes test and learn project**

- 1.31 North of Tyne Working Homes was the first large scale employment support programme launched by the NTCA, building on a long track record of local authority collaboration on employment and skills initiatives in the region. It is an innovative partnership between housing providers, housing associations, learning providers and local authorities, including Bernicia Homes, Karbon Homes, Newcastle Futures, North Tyneside Housing, Northern Learning Trust, Northumberland County Council Housing Services and Your Homes Newcastle.
- 1.32 The partnership is testing a new approach to supporting social housing tenants - in particular to develop their skills and help them to move into work. We believe that social housing providers are ideally placed to engage their tenants in employment support, supported by a wider partnership that can deliver a range of support which is flexible and tailored to individual need. The breadth of the partnership means this can include formal and informal learning, skills development, job preparation, job brokerage and help to manage tenancies. Once people enter work, support from an employment coach will continue to help them stay in work and progress.
- 1.33 A key feature of Working Homes is the integration of employment support and tenancy management, embedding employment coaches and other support workers as part of housing management teams to ensure more appropriate and earlier offers

of support are made to residents. As well as help to find work, tenants can build their resilience and gain the skills to maintain successful tenancies.

1.34 Services are delivered in locations that best meet tenant need, including a range of neighbourhood-based hubs across the area providing on-site services within wider social community networks. They are familiar and easily accessible to local tenants as centres of on-site education and training and wider learning.

1.35 The project is intended to act as a catalyst for longer-term integration of tenancy management and employment support to improve economic participation of social housing tenants. The approach will be promoted to housing providers more widely once an interim evaluation of the approach is available.

1.36 Between April 2019 to March 2022 the project will support at least 1,650 North of Tyne residents. From April to December 2019, 304 residents were engaged in the programme and were receiving support. 204 of these were unemployed, and 100 economically inactive. This is on target for project performance profile. Regular performance management reviews are held with individual delivery partners, and at partnership meetings.

1.37 **Carers into Work pilot**

Many people who take a break from the labour market to fulfil caring responsibilities have difficulty re-entering work. Time away from work can adversely impact skills, confidence, and work history. The Government Equalities Office identified returning from career breaks to care as a priority, and this was reflected in the North of Tyne Devolution Deal where there is a specific commitment that 'Government and the NTCA will explore ways to support those returning to the labour market after time out of paid employment to care for children or other family members.'

1.38 This pilot project will offer those looking to return to work with real opportunities in the workplace and will also support a more in-depth understanding of the barriers to work faced by potential returners in the North of Tyne area. The focus of the project will be those with caring responsibilities who are not in employment and want to work, including:

-Young carers;

-People who want to balance caring responsibilities with work;

-People whose caring responsibilities have recently come to an end, or will soon come to an end, and who want to work.

1.39 The project will be employer-led, so that it provides a route to genuine vacancies and helps to meet employers' recruitment needs. Work is underway with several employers across the North of Tyne area to develop these routeways into employment, such as work experience, traineeships, training programmes and flexible conditions. These opportunities for carer placements will be available from April 2020 onwards.

1.40 NTCA have appointed a Project Manager and Programme Officer to oversee the project and they will work in partnership with the three main carer support organisations in the North of Tyne area, which are Carers Northumberland, North

Tyneside Carers Centre and Newcastle Carers. Between them they are actively supporting approximately 9,000 working age carers. Over a 3-year period the project aims to support 450 residents and to support the delivery of the project each delivery partner is currently in the process of recruiting a Carers into Work Advisor to engage, support and match carers with routeway opportunities.

- 1.41 NTCA, in partnership with Carers Northumberland, North Tyneside Carers Centre and Newcastle Carers will be actively engaged in Carers Week in June 2020. Carers Week is an annual campaign to raise awareness of caring, highlight the challenges carers face and recognise the contribution they make to families and communities throughout the UK.

### **Employability and Skills Programme Phase 1**

- 1.42 £3million of the Inclusive Economy Innovation Fund has been made available to provide a much-needed source of match funding for the current calls for European Social Fund (ESF) projects.
- 1.43 The aim of this Programme is to unlock some of the remaining ESF funds available to the region for the benefit of North of Tyne residents and in support of an inclusive economy in the North of Tyne area.
- 1.44 It is expected this investment will provide potentially life changing support for up to 3500 North of Tyne residents, across all 3 Local Authority areas in North of Tyne.
- 1.45 All of the money has been allocated to in-principle agreements following an open call for projects which closed on the 10<sup>th</sup> October 2019. Applicants successful in gaining an in-principle offer of funding are now awaiting the outcome of their application for ESF funding submitted to DWP in December 2019.

## **2. Potential Impact on Objectives**

- 2.1 The activity detailed in this paper directly contributes to the Hotbed of Talent pillar of ambition set out in the North of Tyne Economic Vision. This pillar focusses on empowering our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair wages. We want everyone to have the opportunity to thrive, with access to good employment and progression. Supporting the availability of good quality, well paid work, while providing the right support for people to access these jobs and further training, is crucial to our economic and social success.
- 2.2 The Employability and Inclusion portfolio of activity is directly aligned to the NTCA Inclusive Economy Policy Statement.

## **3. Key Risks**

- 3.1 Risks are recorded, monitored and mitigated per project.



#### **4. Financial and Other Resources Implications**

4.1 There are no direct financial implications arising directly from this report. Projects that are in progress have previously been approved by cabinet. Future proposals to deliver the proposed priorities will come back to cabinet for approval following the usual project assurance process and will be reflected in future financial management reports and financial plans.

#### **5. Legal Implications**

5.1 The comments of the Monitoring Officer have been included in this report.

#### **6. Consultation/Engagement**

6.1 All relevant stakeholders have been consulted and engaged per project.

#### **7. Appendices**

7.1 None

#### **8. Background Papers**

8.1 None

#### **9. Contact Officers**

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#### **10. Glossary**

10.1

Adult Education Budget	AEB
Confederation of British Industry	CBI
Department for Work and Pensions	DWP
Education and Skills Funding Agency	ESFA
European Social Fund	ESF
Federation of Small Business	FSB
North East Chamber of Commerce	NECC
North of Tyne Combined Authority	NTCA
Trades Union Congress	TUC
Voluntary Organisations' Network North East	VONNE