



Partnership for Urban South Hampshire

Employment and Skills Board

Terms of Reference

Final 24.12.03

Introduction

PUSH Stakeholders have agreed with Government to establish an Employment and Skills Board to lead a concerted effort to deliver the transformation in skills and employment services that is needed to deliver the sustained economic success the sub-region deserves. The ESB will bring public and private stakeholders together to develop and oversee implementation of the sub-regional 'Skills for Employability and Growth Strategy'. The ESB will carry out a key role in developing and delivering employability and skills aspects of the 'South Hampshire Agreement'.

Improving the employment rate and workforce skills levels are critical to achieving PUSH's headline goal which is to grow Gross Value Added from 2.7% to 3.5% per annum by 2026. To do this we need to improve the skills of the resident workforce at all levels and increase levels of economic activity, particularly in deprived areas and raise productivity and innovation in our business.

The ESB will have the following vision and remit:

“The ESB will raise skills levels and improve employment outcomes across Urban South Hampshire and will work with employers to ensure that employment and skills services meet their needs and, alongside other forms of business support, are contributing to the long term growth aspirations of the economy and the labour force. It will effectively articulate local labour market needs, scrutinise service performance and continuously drive forwards integration in service delivery to achieve improved outcomes¹.”

To achieve this, we propose that the ESB will have the following objectives

1. To deliver the Skills, Employment and Growth strategy as outlined in the recently published 'Skills for Employability and Growth²' strategy. In addition to

¹ Adapted from the recommendations of the Leitch Review in respect of ESB's 'Prosperity for all in the global economy – world class skills' HM Treasury, December 2006

² The Strategy is concerned with creating a step change in skills for employability and growth in the area. The principle vehicle for taking the actions necessary to deliver the Strategy will be the emerging Employment and Skills Board for PUSH, which will be locked into the MAA and the three Local Area Agreements of Hampshire, Portsmouth and Southampton

drive and track progress towards skills and employment outcomes contained within the South Hampshire Sub-Regional Strategy and Multi Area Agreement

2. To drive forward the integration of employment and skills services
3. To take forward the implementation of the South East Employment and Skills Accord³
4. Ensure there is accessible, client focused support to help residents into employment or self-employment, and their progression in the labour market
5. Ensure that employers can access support to identify and address the barriers they face in developing the skills within their workforce as part of a broader offer of business support in the South Hampshire sub-region.
6. To scrutinise the performance and appropriateness of employment and skills services and recommend improvements for the LSC and Jobcentre Plus to bring the requirements of employers into the heart of our service planning processes
7. Work through business affiliates to raise awareness of, and drive up the use of, employment and skills services (for example through the current 'offer' of Skills Pledge, Train to Gain, Local Employment Partnerships, Apprenticeships, New Deal)
8. Balance employers' immediate demands with the long term skills and employment needs as articulated in the South Hampshire Sub-Regional Strategy

The ESB will constitute a formal partnership between the private, public, and third sectors. It will build on, and engage with, the current structures that exist in the South Hampshire sub-region and across the wider sub-region and region, and, in particular, will consult through other existing business forums when developing its proposals.

³ The South East Employment and Skills Accord (July 2008) commits SEEDA, LSC South East, and Jobcentre Plus South East to work together in order develop an employment and skills system which is simpler, better integrated and able to deliver the skills and jobs needed to succeed in the 21st Century global economy. The architects of the Accord are committed to working in partnership with Local Authorities, the Health Service and other national, regional and local funding agencies to put this commitment into practice. PUSH is a test bed area for implementing the Accord, with a focus on 'developing an integrated approach that supports urban South Hampshire Multi-Area Agreement with the partnership approach required reflected in the creation of the sub-regional Employment & Skills Board.

The Board's initial remit will be to achieve this vision in respect of adult employment, self employment, and skills provision.

The Board's chief function will therefore be to develop and oversee implementation of the sub-regional 'Skills for Employability and Growth Strategy'⁴ for South Hampshire, requiring collaborative working across LSC funded provision, Jobcentre Plus services, DWP contracted provision, Further and Higher education provision, and local authority employment and skills services including those procured through the voluntary and private sectors.

The Skills for Employability and Growth Strategy includes:

- An analysis of the employment and skills needs of businesses, and barriers faced by residents, including with respect to self-employment, in the South Hampshire sub-region
- A description and assessment of the type and availability of adult employment and training activities required to meet these needs, including proposals to improve services so that they are 'demand-led'.
- Proposals to integrate employment and skills provision to ensure a 'no wrong door' for both employers and residents
- A description of how the continuous improvement of services will be supported and how employment and skills provision will link to other forms of business support
- A set of targets and performance measures, compatible with those contained in the South Hampshire Multi Area Agreement and with any required regional and national performance management systems and indicators and, a resource plan to achieve these
- Practical steps to improve employer understanding of, and engagement with local employment and skills services.
- Recommendations for the contracting and commissioning processes to be used in order to secure the required services and how future contracting and commissioning processes can be streamlined

⁴ As defined in the recently published Skills for Employability and Growth Strategy

- A description of the consultation processes used by the board in the formulation of the strategy

The remainder of this paper sets out proposed Terms of Reference for the ESB in relation to the following issues

- Leadership, Membership and Structure
- Proposed Powers
- Support and Delivery Arrangements

Leadership, Membership and Structure

Our ESB will be a formal partnership between the private, public and third sectors.

The objective of bringing employer requirements to the heart of the employment and skills provision and the need for the ESB to benefit from business acumen, necessitates a strong level of private sector representation, whilst the participation of high level representatives from the public sector is also required in order that both their roles as service providers and as major employers are reflected on the Board.

We therefore propose that membership of the Board should be made up of

- At least 50% drawn from local private sector businesses and their representative organisations, with an emphasis given to those businesses operating in sectors of the economy which are expanding or are targeted for growth within the overarching PUSH economic strategy.
- Nominated Chief Executives or their equivalents, and members of the PUSH Joint Committee to represent Local Authorities⁵, the Learning and Skills Council,

⁵ As there are eleven local authorities in PUSH, we are proposing that a small number of local authority representatives be nominated to represent the sector as a whole

Jobcentre Plus, Business Link, the Further and Higher Education sector, and a representative from the third sector

- Regional representatives from South East England Development Agency, Government Office for the South East, and the Southern and Eastern TUC

To demonstrate commitment and credibility, all participating organisations must sign up to be champion;, signing up to the Skills Pledge, being part of a Local Employment Partnership and, where possible, hosting apprentices. We will also seek to develop mechanisms to ensure that the needs of local communities and particularly of those groups most disadvantaged in the labour market is taken into account in the decision making processes of the Board.

The Board's Relationship with the wider PUSH structure

We are conscious of the need for the ESB to be business led. As a result, we do not want to subject it to overly bureaucratic reporting requirements and we wish it to have the powers and authority to make a real difference to local employment and skills services. However, we also wish to ensure that the Board remains accountable for its actions, and has the required level of legitimacy in order to direct the use of public funds.

The diagram at Appendix Two illustrates how the Employment and Skills Board will sit within the wider PUSH governance arrangements.

The PUSH ESB will draw its authority from, and report directly to, the PUSH Joint Committee. We therefore propose that the Chair of the Board, who will be drawn from the private sector, should be appointed directly by the PUSH Joint Committee. We recommend that this appointment should be for a period of two years, although that will ultimately be a decision for the PUSH Joint Committee. As the PUSH Joint Committee is made up of elected Councillors, this provides both accountability and legitimacy to the ESB.

The ESB Chair will consult with the PUSH Business Group in nominating private sector members of the Board. Formal appointments will be made by the ESB Chair in

consultation with the Chair of the PUSH Joint Committee and the Chair of the PUSH Business Group. The work of the Board will be reported regularly to the PUSH Joint Committee and its work undertaken in close co-operation with the Local Skills and Productivity Alliance. The precise reporting arrangements need to be considered further in order to prevent these from being overly bureaucratic whilst also facilitating links to be made between the Board and other aspects of PUSH's economic development work. The precise reporting requirements will be set out in a memorandum of understanding between the PUSH Joint Committee and the ESB Chair.

The Board will need to work to increase its sphere of influence in respect of other provision over time. For example, ensuring a 'no wrong door' approach will require the Board to work in partnership with a wide range of other provision including childcare, health, housing and services targeted to specific client groups including BME populations, lone parents and offenders. The initial starting point of the Board will be to provide direction to the South Hampshire element of the Integrating Employment and Skills pilot⁶ and to develop proposals for further detailed work within the overall framework of the Skills for Employability and Growth strategy, including the development of an Adult Advancement and Careers Service.

It is also logical for the Board to develop links to the wider agenda of business support and enterprise development, so that employment and skills issues are placed in the wider context of economic development.

Proposed Powers

We propose that the MAA process and direct discussions with DWP, DIUS, and SEEDA, be used to evolve the responsibility and authority of the ESB over time. Our long term vision is for the ESB to be formally responsible for the effective co-ordination of adult employment and skills provision in the PUSH area, and empowered with the required level of authority to improve outcomes. However, we recognise that this will take time to achieve and is dependent on reaching agreement with key government departments.

⁶ Due to commence February 2009 – This is a Hampshire and IOW pilot and the ESB role will be to direct the work within the pilot that covers the PUSH area

For example, in order for the ESB to undertake effective scrutiny of provision, requirements may need to be placed on funders and providers of employment and skills services to provide management and performance information to the Board to allow provision to be mapped, targets to be set, and progress to be monitored.

The ESB will also seek formal involvement in government contracting exercises for employment and skills provision as they relate to the PUSH area, in line with its objective to drive forwards the integration of relevant services. This involvement includes being consulted by DWP in respect of Flexible New Deal delivery and other national contracting that may take place, and by DWP and DIUS concerning the proposed development of an Adult Advancement and Careers Service. From the outset, the ESB should be recognised by DWP and DIUS as the vehicle to provide the local strategic overview and direction to the Integrating Employment and Skills Pilot in the PUSH area.

During the initial stages of the ESB's development, it is clear that the responsibility for contracting with providers and for delivery of services arising from the local employment and skills plan will remain with existing agencies. However, the ESB will make recommendations as to how contracting processes could be streamlined and will review progress being made towards this aim. Further powers, for example to enable the ESB itself to be able to operate as a strategic commissioner of services, will be considered in the future.

The ESB will also lead on the development of a local employer engagement accord to add value to existing Local Employment Partnership (LEP) arrangements and to the LSC's Skills Pledge to significantly increase the recruitment and skills training of target groups.

We recognise that the development of the ESB will need to be conducted in stages, with responsibilities and powers transferred to the Board on an incremental basis. Dialogue with government concerning the level of responsibility to be taken by the Board will be critical. We have set an initial timescale for the creation of the fully operational Board of 12 months, however this is flexible in recognition of the need to accommodate the outcome of discussions with key government departments and SEEDA. The table appended to this paper details the key developmental stages and milestones required .

Support and Delivery Arrangements

As the responsibilities and authority of the ESB are evolved over time there will be a need to consider how the Board will be supported in order to carry out its proposed functions. Initially, we propose that a secretariat be provided to the Shadow Board from the existing partner agencies.

However, once the Board has been formally established it will need to be supported through more rigorous arrangements in order for it to develop the first local employment and skills plan. At that stage in its development, it will therefore need to be provided with dedicated resources in order to recruit and maintain a planning team under its direct control. We propose that the capacity to support this be identified from existing resources across the partnership as well as from regional sources, including support that may be available from the Regional Improvement and Efficiency Partnerships.

In the longer term, these proposed support arrangements will need to be kept under review, particularly in the light of discussions with government departments and SEEDA concerning the extent of the ESB's responsibility and authority and the potential for the Board to evolve into a strategic commissioner of employment and skills services. Consideration may, for example, need to be given to creating a dedicated executive agency capable of undertaking the commissioning of services and the monitoring of programmes that result. In that event, it may be possible to support the costs of the Agency through the levy of a management charge on any funds for which it becomes responsible. Further discussion of these potential options has been built into the milestones for the Board's development in the table appended to this paper

Appendix 1: Developmental Stages & Milestones

Shadow Board	Initial ESB	Full ESB
<ul style="list-style-type: none"> • PUSH Chair appoints chair of shadow ESB and representatives appointed from public and private sector to shadow Board (July 2008) • Secretariat identified from existing partnership staffing resources and a virtual multi-agency team created to support the Shadow Board (July 2008) • Shadow Board consults on draft TOR and delivery proposals, including the formation of a dedicated planning team to support the proposed ESB (July 2008) • Negotiations concluded with government office concerning draft MAA proposals (July 2008) • Consultation closes, draft TOR revised, and proposals put forward to support delivery (August 2008) 	<ul style="list-style-type: none"> • Final action plan for the implementation of the Skills for Employability and Growth Strategy agreed (October - November 2008) • ESB TOR and delivery arrangements signed off by PUSH Programme Board (December 2008) • ESB Board Chair appointed (December 2008) • ESB Board private sector representatives appointed (January 2009) • Public and other representatives confirmed (January 2009) • First ESB Board meeting (January 2009) 	<ul style="list-style-type: none"> • Review of ToR and Skills, for Employability and Growth Strategy (tba) • Review progress 'devolution' discussions with DWP/DIUS (tba) • Subject to PUSH Joint Committee agreement, ESB seeks status as a specified body under S. 24A of Learning and Skills Act 2000 (tba) • Scrutiny and reporting on performance (ongoing from June 2009) • Review of remit to consider extension to all-age (tba) • Review of commissioning/ contracting arrangements (tba) • Review of ESB support and delivery arrangements and consideration of options for creation of an Executive Agency (by end 2009)

APPENDIX 2 – PUSH Governance Structure

