Brighton & Hove Fairness Commission

Brighton & Hove Fairness Commission

Fairness Commission
20 January
6.00pm
Whitehawk Library

Employment & Skills

AGENDA

	Topic	Speaker	Time
	Welcome to Whitehawk Library	**Chris El Shabba, Due East Neighbourhood Council**	5.55pm
1	**Introduction from the Chair**	**Vic Rayner**	6.00pm
2	**Overview of the business community and the employer's perspective**	**Sarah Springford** – Director, Brighton Chamber of Commerce **& Gavin Stewart,** Executive Director, Brighton & Hove Economic Partnership	6.10
3	**Designing jobs for flexible working and supporting progression**	**Sally Brett,** Senior Policy Officer, TUC and Co-Chair of Working Families	6.30
4	**How best to support entry to the job market and progression in work**	**Kirsten Trussell,** Skills Development Manager, Coast2Capital Local Enterprise Partnership	6.50
5	**Open Session**	**15 minutes -** for comments or suggested recommendations to the Commissioners from the public	7.05
	Fifteen Minute Break		7.20pm
6	**Employment Support: Lessons from Southdown Housing**	**Neil Blanchard,** Chief Executive, Southdown Housing	7.35
7	**Initial findings from the consultation for the refresh of the City Employment & Skills Plan**	**Richard Scothorne & Caroline Masundire,** Rocket Science	7.55

8	**Open Session**	**15 minutes -** for comments or suggested recommendations to the Commissioners from the public	8.15pm
9	**Chair's closing comments**	**Vic Rayner**	8.30
10	**Close of meeting**		9.00pm

Contact: **Mark Wall**
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What is the Fairness Commission?

The Fairness Commission has been set up to make sure that everyone has a share in the city's economic success and an opportunity to lead healthy and productive lives. It will find out how to make Brighton & Hove a fairer and more equal place to live and work. The Commission was set up by the council, but is an independent body.

Who are we?

The Commissioners are individuals who have been chosen because they understand some of the main problems facing the city such as child poverty, housing, transport, health and unemployment. These 12 Commissioners do not represent any organisation, group or sector.

- Vic Rayner – Chair
- Martin Harris
- Dr Rhidian Hughes
- Sally Polanski
- Dan Shelley
- Rachel Verdin
- Wednesday Croft
- Ann Hickey
- Imran Hussain
- Bill Randall
- Dr Katie Stead
- David Wolff

Where and when is the Fairness Commission meeting?

Five Commission meetings will take place in public, each starting at 6.00pm and finishing at 9.00pm:

Thursday 26th November	*Moulsecoomb Great Hall, North*
Thursday 10th December	Long Room, Sussex County Cricket Ground
Wednesday 20th January	**Whitehawk Library**
Thursday 18th February	Friends Meeting House
Wednesday 16 March	Portslade Town Hall

What are their priorities?

There are 5 main priority areas which will be explored and discussed by the Commission:

- *Strengthening Communities (November meeting)*
- Children & Young People and improving their life chances (December)
- **Employment and Skills (January 2016)**
- Housing and the Greater Brighton City Region (February)
- Older People & Wellbeing (March)

1	Evidence Pack for Fairness Commission 20 January 2016	1 - 226

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For further details and general enquiries about this meeting contact Democratic Services, 01273 2910066 or email democratic.services@brighton-hove.gov.uk

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Whitehawk Library and has facilities for people with mobility impairments including wheelchair accessible WCs.

An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra-red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the officers present on arrival.

If you need the services of British Sign Language/English Interpreters please contact Valerie Harper to arrange this by the 19th November either by email at valerie.harper@brighton-hove.gov.uk or ringing her on 01273 291543 (Monday-Wednesday) or 01273 291068 (Thursday).

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- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions; and

Do not re-enter the building until told that it is safe to do so.

Brighton & Hove Fairness Commission

Dear Commissioners,

Please find enclosed the evidence pack for **Employment & Skills** which will take place on 20th January, 6-9 pm at Whitehawk Library – 179A Whitehawk Road, Brighton, BN2 5FL.

This month's evidence pack contains:

- B&H CESP - **Consultation briefing note** used for 2015 Economic Partnership event
- B&H CESP **- Consultation on a new City Employment and Skills Plan**
- B&H CESP **- Early consultation findings**
- B&H CESP **- Examples of Employer Engagement Models**
- B&H CESP **- Apprenticeship Options in City Regions**
- Letter from the Department for Business, Innovation & Skills – **Skills Funding Agency priorities and funding for 2016-17 financial year**
- Department for Business, Innovation & Skills Report **– English Apprenticeships: Our 2020 Vision Executive Summary**
- **Greater Brighton Economic Board Annual Report 2014/15**
- Coast to Capital LEP – **Labour Market Intelligence Report**
- **AMAZE Analysis of Parent Carer Questionnaires** Received from 1st April – 9th Dec 2015
- **Free childcare for two year olds -** Eligibility criteria
- **Impetus -** Evidence submission on needs of people with learning difficulties and Autistic Spectrum Disorder
- Early Intervention Foundation – **Spending on Late Intervention Report: How we can do better for less**
- The Careers & Enterprise Company – **Enterprise Adviser Programme**
- Brighton & Hove LEP - **Apprenticeship starts and achievements 2010/15**
- **Working Families -** Introduction to the business benefits of flexible working
- **Brighton Aldridge Community Academy** - Young People's Response to Brighton and Hove Fairness Commission
-

I look forward to meeting with you all next week.

Kind regards

Julia Reddaway
Policy Team

Briefing Note

Brighton & Hove Economic Partnership Event, 1st December 2015

This meeting of the Brighton & Hove Economic Partnership will largely comprise a consultation of partners on the City Employment and Skills Plan (CESP). The process will be facilitated by consultants (Rocket Science) who have been engaged by the Council to support the development of a new Plan.

The CESP brings together the aims, objectives and activities of those agencies concerned with creating a healthy labour market in Brighton & Hove. It supports the delivery of both the *Economy & Jobs* and the *Children & Young People* priorities of the City Council's Corporate Plan 2015-19. It will also complement related initiatives such as the work of the Employer Skills Taskforce, the Fairness Commission as well as our Greater Brighton & Hove City Region partners which focuses on creating sustainable growth and investment, increasing local economic resilience and generating more higher-paid jobs.

The last version of the CESP (2011-2014) was written during the recession. A new plan is needed for the period through to 2020 which reflects both an improving economic situation and the significant ongoing changes to the delivery arrangements for employment services, business support and skills interventions. The priorities will include:

1. Ensuring "no-one is left behind" - supporting those marginalised from the labour market to access employability support and skills training;
2. Supporting young people in their transition from earning to learning – including new delivery models for boosting the number of apprenticeship opportunities across the city and wider region;
3. Harnessing the employment opportunities from the growth of key sectors in the Greater Brighton economy, including measures to tackle skills gaps.

The consultation event will be shaped around these three priorities. Working in clearly defined groups, you will have the opportunity to reflect on the current position, as well as what the CESP needs to set out for partners to achieve in order to underpin Greater Brighton's success over the next 5 years. Some of the headlines which relate to the three priorities include:

- Over 13,000 are in receipt of Employment Support Allowance (ESA) (6.5% in the city compared with 4.4% in the South East) compared with around 2800 on Jobseekers Allowance;
- There is evidence of pockets of BME unemployment and stark differences in the employment rates of some non-white groups;
- Too many young people and adults are considered not ready for employment;
- The numbers of those NEET (Not in Education Employment or Training) are falling but are still too high (4.8%, Apr 15 compared with 6.7%, Apr 14);
- The number of apprenticeship starts in Brighton is well below cities of comparable size;
- There are significant levels of college early leavers;

- Graduate under-employment makes it harder for less well qualified residents to access entry-level jobs;
- There is a skills mismatch between demand and supply, with Brighton & Hove employers among the most vocal in the country on the extent of local skills gaps.

The new City Employment and Skills Plan will include a five-year action plan of transformative projects and interventions designed and costed to improve employment and skills across the city. The event on 1st December provides partners with an opportunity to identify the required inputs to help overcome local challenges and move the city towards it stated ambitions.

Brighton & Hove in numbers – Our Employment & Skills[1]

Between 2003 and 2013 the total population of the city grew by 28,300 to reach 278,100. The working age population grew by 26,200 in the period 2003 – 2013. 92.5% of all population growth in the 10 years to 2013 was from the working age cohort. The population is projected to grow to 289,900 by 2021.

The number of new employee jobs rose by 8.1% between 2010 and 2013 (by 9,464 to 126,329). The percentile increase was even higher in the private sector (10.5%). Insurance, finance, retail, culture, performing arts, digital and IT sectors helped boost job creation. Between 2010 and 2013 our labour market has grown to overtake Croydon as the largest concentration of jobs in the Coast to Capital area.

Brighton & Hove's employment rate is lower than the national average and lower than the South East rate. According to the latest NOMIS figures, Brighton & Hove's employment rate is 71.9% compared with 75.1% in December 2004. The national employment rate is 73.1% and the South East rate is 76.4%.

Brighton & Hove's unemployment rate is broadly in line with the Great Britain average although higher than the South East rate. For the period January to December 2014, our unemployment rate, that is, the percentage of the working age population who were not able to get a job but who would like to be in full time employment was 5.8 per cent (10,000 people), compared to the Great Britain rate of 5.7 per cent and a South East rate of 4.4 per cent.

Brighton & Hove's unemployment rate is considerably above the national average in the 16-19 age group. The latest figures show an unemployment rate of 45% for those aged 16-19 in Brighton & Hove compared with 25.3% in Great Britain. For those aged 20-24 years the rate is 16.5% in Brighton & Hove and 13.6% in Great Britain. Among the 25-34 age group the rate is 5.6% % in Brighton & Hove, 6.0% in Great Britain).

Overall worklessness, defined as the number of people unemployed (aged 16 or over) plus the number of people 'economically inactive' (aged 16 to 64) increased by 3800 to 54,600 people between 2014 and 2015. This represents 29.3% per cent of the working age population in Brighton & Hove, which is lower than the Great Britain rate of worklessness

[1] This data is taken from the Project Initiation Document for the CESP 2016-20 (July 2015). An updated Labour Market Assessment will be a key output from the work on the new CESP.

28.2%, although higher than the rate in the South East (24.3 per cent). Economic inactivity is the larger component of worklessness relative to unemployment.

There is a considerable variation between ethnic groups in terms of economic activity. 66% of the White UK/British population and 67% of the BME (Black & Minority Ethnic) are economically active (either in employment or actively seeking employment). However there are significantly lower levels of economic activity among the Arab population (47%, totalling 794 individuals) and Chinese population (39%, totalling 1,061 individuals). The 2011 Census shows that 20% of Brighton & Hove residents (53,351 people) are from a BME background.

We had a slightly lower rate of people claiming key out of work benefits than the national rate but a higher rate than the region. In June 2015, 9 per cent of residents aged 16 to 64 (17,780 people) were claiming key out of work benefits compared to 9.4% per cent in Great Britain and 6.6 per cent in the South East.

Employment sectors - public administration, education and health (46,100 / 24%), Banking, finance and insurance (28,200 / 14%) and Distributions Hotels and Restaurants (21,800 / 11%) are the industry sectors employing the most people in the city. 49% of people employed in the city work in one of these three sectors.

We have a large self-employed population. In 2014 our self-employment rate among 16 to 64 year olds in employment was 13.5% per cent compared to 11.4% per cent in the South East and 10 per cent in Great Britain. Self-employment is highest among those working in construction (55 per cent) and those in professional, scientific and technical activities (36 per cent) according to the 2011 Census.

We have a large part time working population. In 2014 well over a third of our working population aged over 16 was working part time (37.8 per cent) compared to 33.5 per cent in both the South East and 32.3 per cent in Great Britain. This rises to more than two in five working women (46 per cent) compared to only one in six working men (16.1 per cent).

Brighton & Hove residents are well educated compared to the South East and England. The city has a well-qualified workforce (aged 16-64) with 50% qualified to NVQ Level 4 or above (compared with 39.1% in the South East and 36% in Great Britain). The Greater Brighton & West Sussex Business Survey 2014 shows there is significant evidence of graduate underemployment locally. In the Greater Brighton City Region 55% of local businesses employ graduates (rising to 63% in Brighton & Hove) but 31% say that none of the jobs they are doing require degrees.

Residents' wage levels are not as high as in the South East but are higher than in Great Britain. In 2015, the median weekly pre-tax pay for a full time working resident was £546.60 per week, £28.30 a week less than the South East median of £574.90 but £17.00 more than the Great Britain median of £529.60 .

The median wage of Brighton & Hove residents is higher than the median wage of people working in the city. In 2013 while the median weekly gross pay of a city resident was £543.30 the median weekly gross pay of an employee working in Brighton & Hove was £42.40 lower at £500.90.

Brighton & Hove Economic Partnership

Consultation on a new City Employment and Skills Plan

1 December 2015

Brighton & Hove City Council

Geoff Raw

Chief Executive Brighton & Hove City Council

1 December 2015

Understanding the Brighton story

A City Employment & Skills Plan for 2016-20

- Building on Brighton & Hove's economic strengths
- Putting employers at the heart of the Plan
- Agreeing and tackling what's not working
- Complementing other related initiatives
- Identifying Brighton & Hove's contribution to the wider economy
- Making public resources go further in support of the Plan
- Exploiting opportunities of devolution from central government
- Being realistic about what's achievable

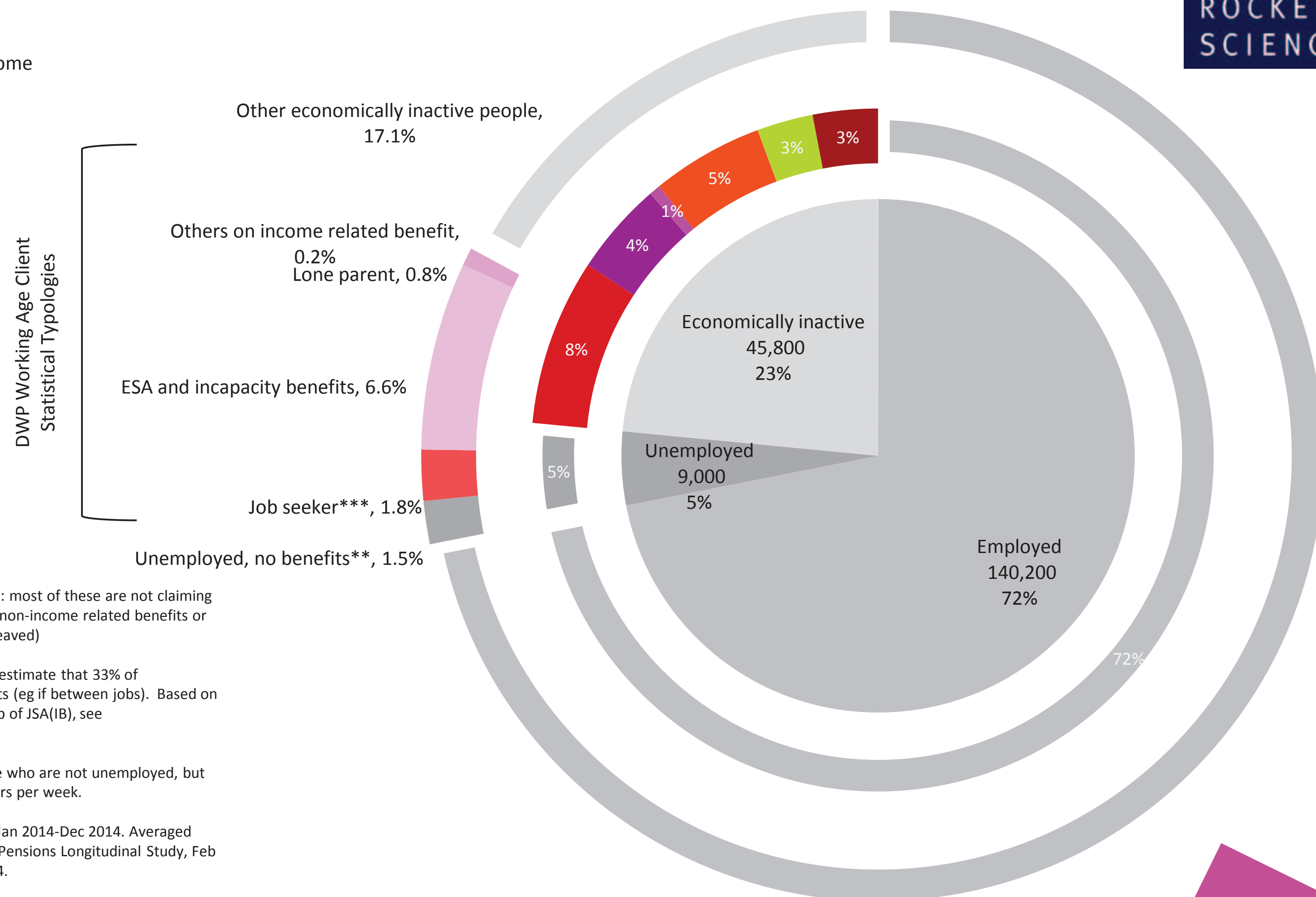
Brighton & Hove City Council

Brighton and Hove

Economic activity and out of work benefits among working age (16 - 64) residents

Reasons for Economic Inactivity:

- Student
- Looking after family / home
- Temporary sick
- Long term sick
- Retired
- Other *



*Other economically inactive people: most of these are not claiming benefits but includes some claiming non-income related benefits or other benefits (carers, disabled, bereaved)

** This figure is based on a UK wide estimate that 33% of unemployed are not claiming benefits (eg if between jobs). Based on 2009/10 national estimate of take-up of JSA(IB), see https://goo.gl/e6dj2t

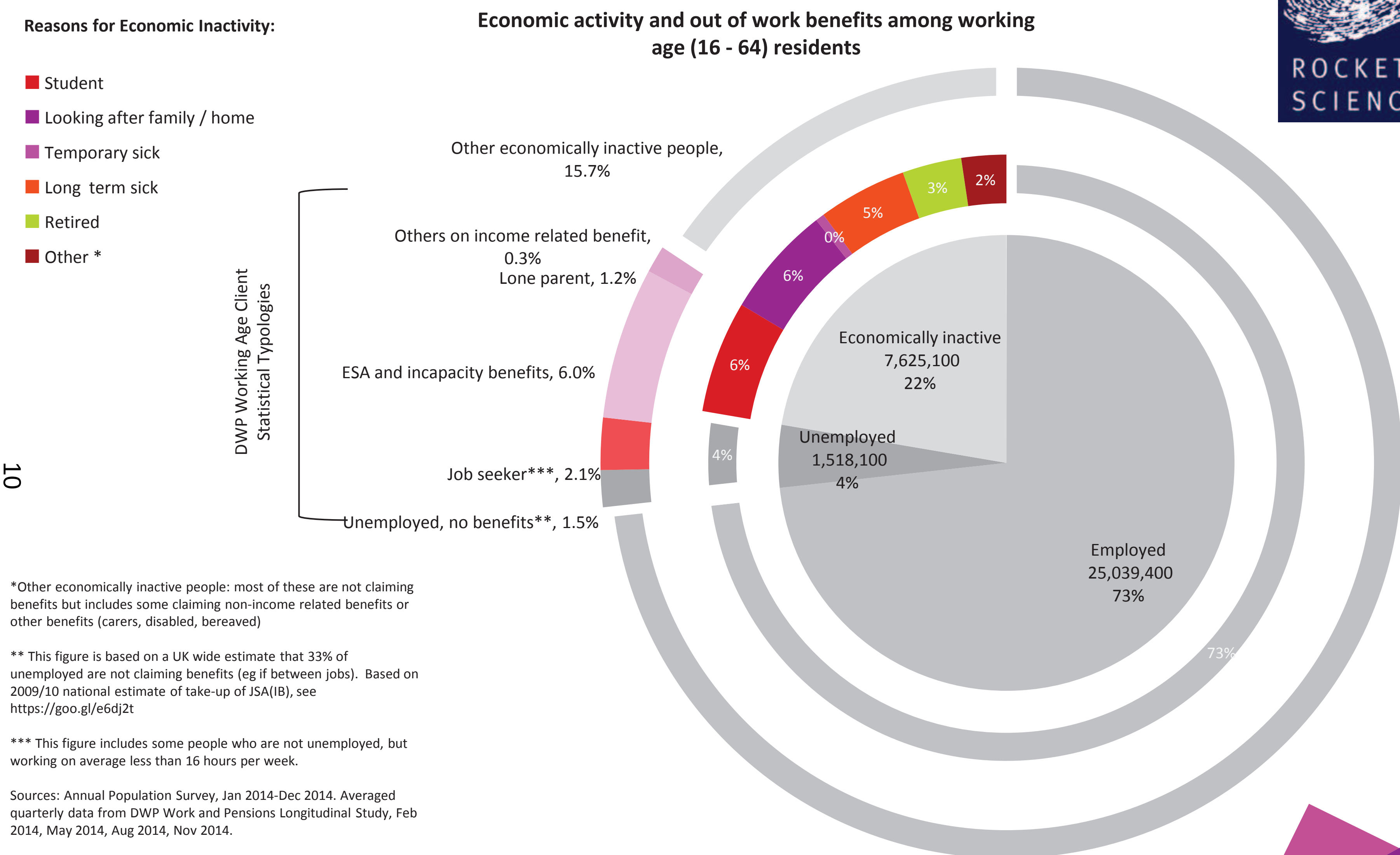
*** This figure includes some people who are not unemployed, but working on average less than 16 hours per week.

Sources: Annual Population Survey, Jan 2014-Dec 2014. Averaged quarterly data from DWP Work and Pensions Longitudinal Study, Feb 2014, May 2014, Aug 2014, Nov 2014.

More information about statistical groups is found here: https://goo.gl/nqm8aC

Source: NOMIS annual population survey – economic activity

England



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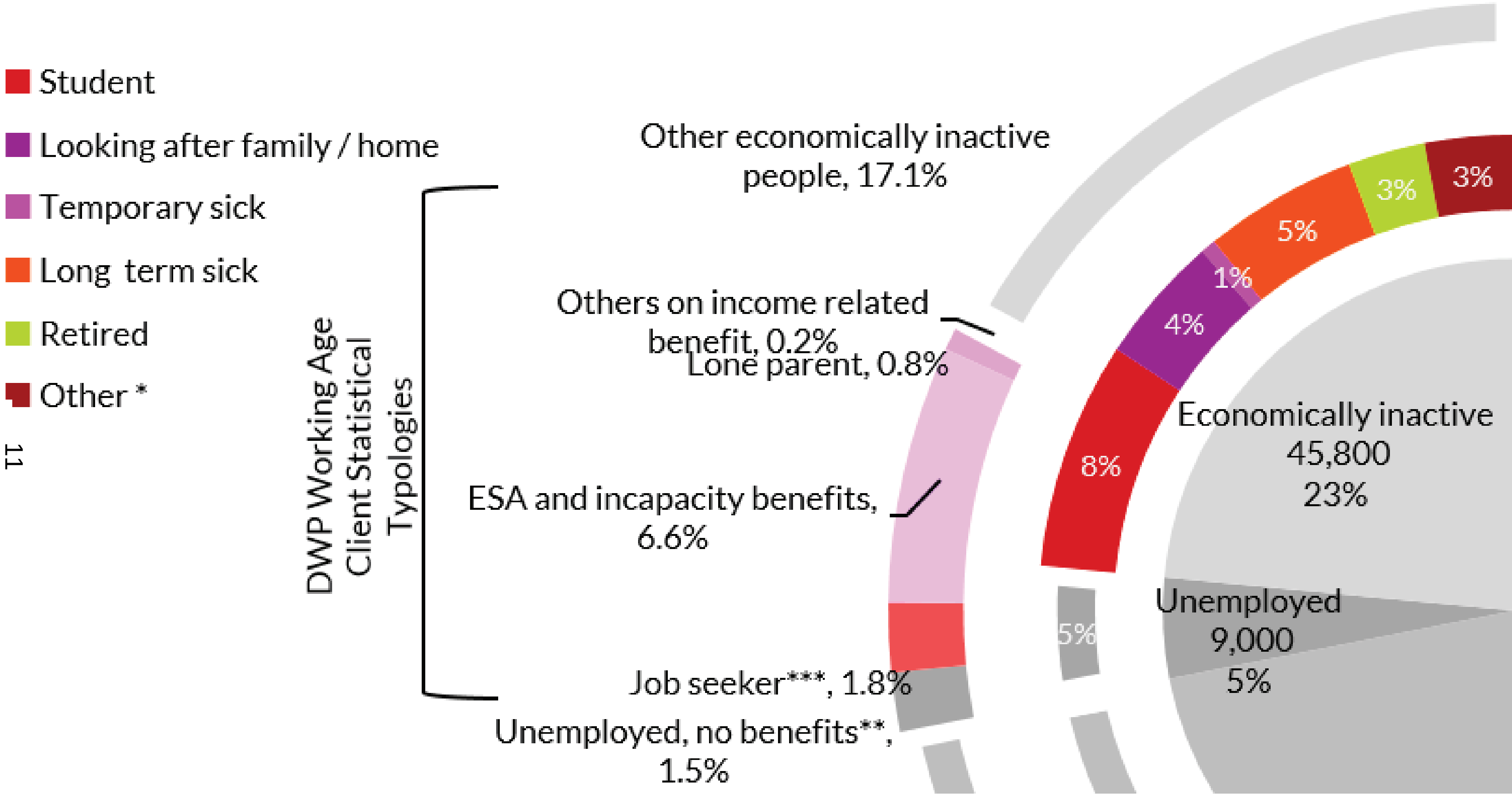
Source: NOMIS annual population survey – economic activity

Economic activity and out of work benefits among working age (16 - 64) residents

Reasons for Economic Inactivity:



Ensuring no one is left behind . . . supporting the most marginalised

Brighton & Hove City Council

ESA: Generally higher claimant rates in B&H than England

	Contributions based	Both income and contributions based	Income based	No payments - credits only	Total
Assessment phase	360	40	1,550	50	1,990
Work related activity group	70	20	2,290	150	2,530
Support group	1,450	1,740	4,260	10	7,470
Unknown				270	270
Total	1,880	1,800	8,100	480	12,260
	Contributions based	**Both income and contributions based**	**Income based**	**No payments - credits only**	**Total**
Assessment phase	0.82	0.81	0.90	0.72	0.87
Work related activity group	1.12	1.01	1.25	0.65	1.18
Support group	0.81	1.29	1.37	0.45	1.19
Unknown				0.75	0.75
Total	0.82	1.27	1.21	0.70	1.11

Source: NOMIS (benefit claimants - employment and support allowance; 2014 mid-year population estimates)

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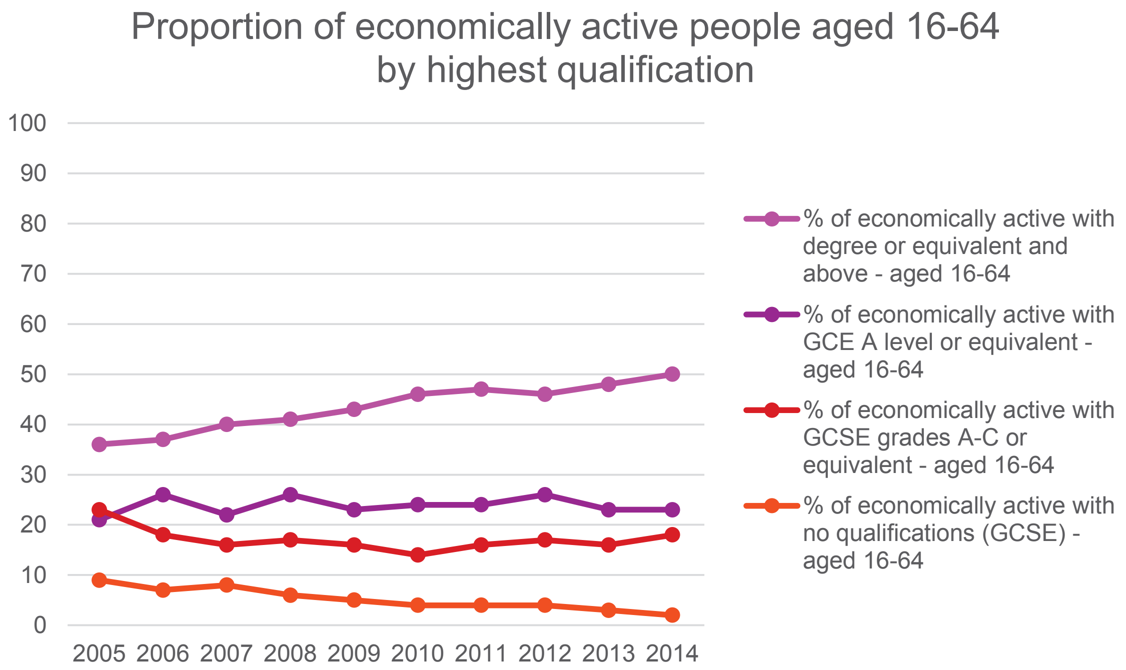
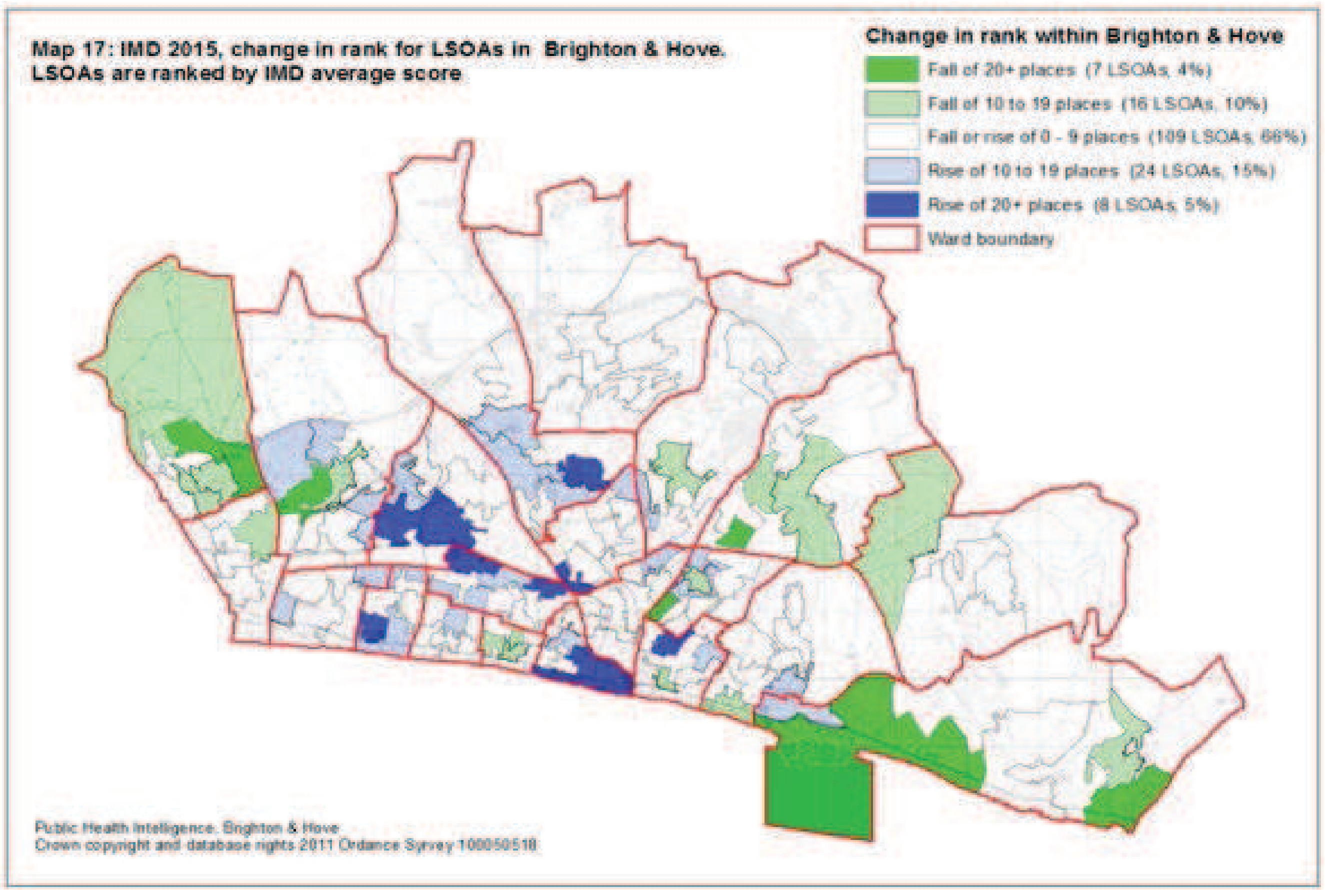
Higher skills - growth of economically active people with degree-level qualifications



Source: NOMIS annual population survey – workplace analysis

Some indication of LSOAs further from city centre becoming relatively more deprived



Source: Reproduced directly from provided local information *"Briefing: English Indices of Deprivation 2015 and the Index of Multiple Deprivation 2015"*

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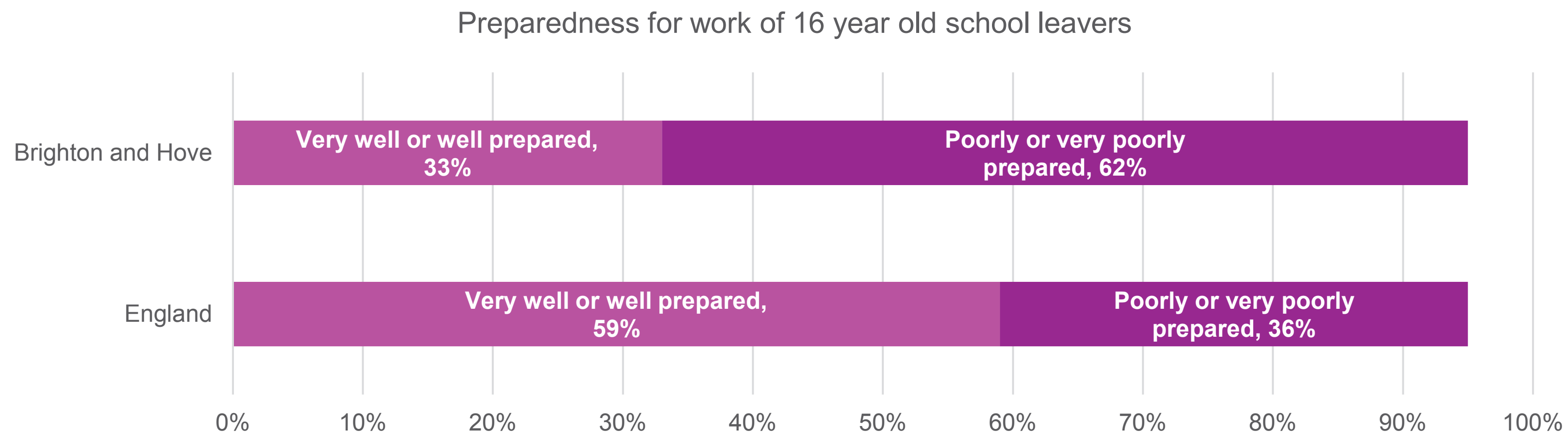
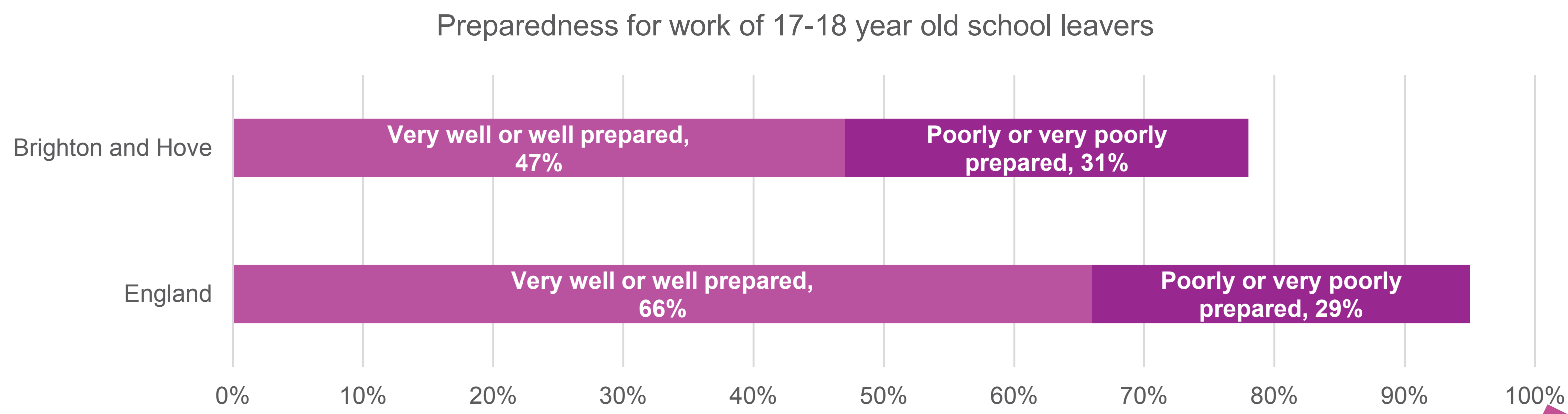
Supporting young people in their journey from learning to earning

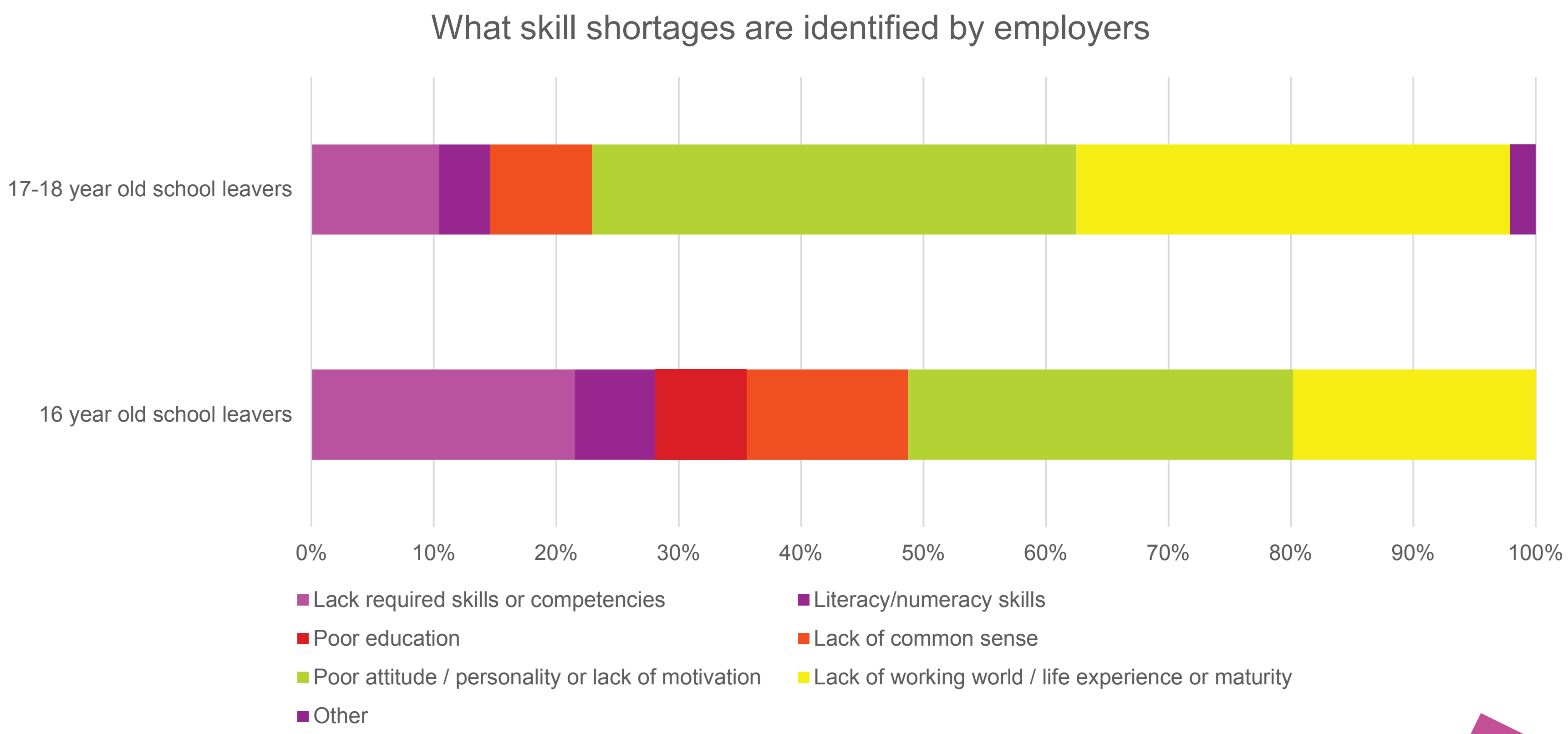
Many young people are not well prepared for work



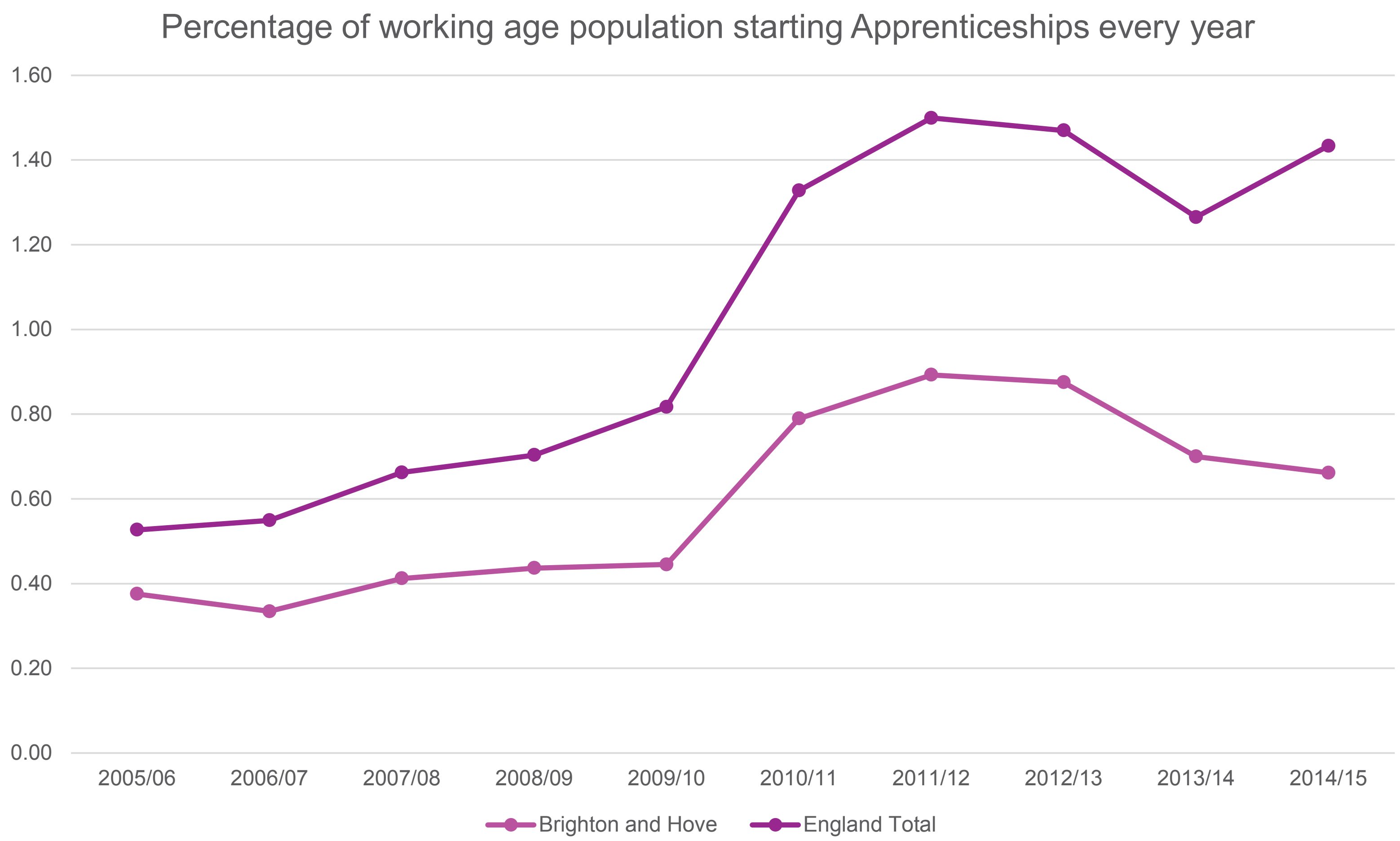


Source: UKCES Employer Skills Survey 2013

Most reported skill gaps are soft skills



There are fewer Apprenticeships started each year in Brighton and Hove compared to the national average



Source: ONS mid-year population estimates

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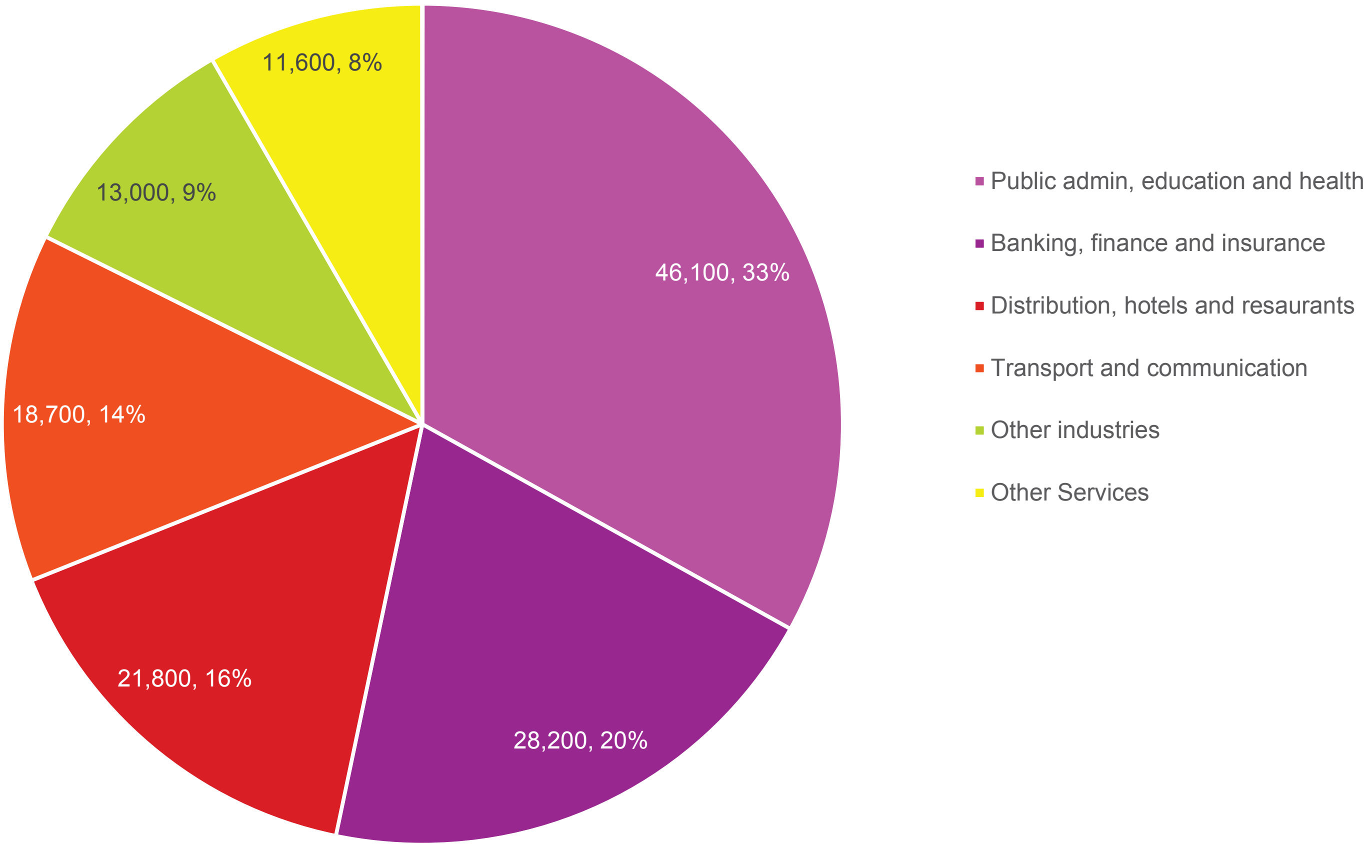
Harnessing the employment opportunities in key growth sectors

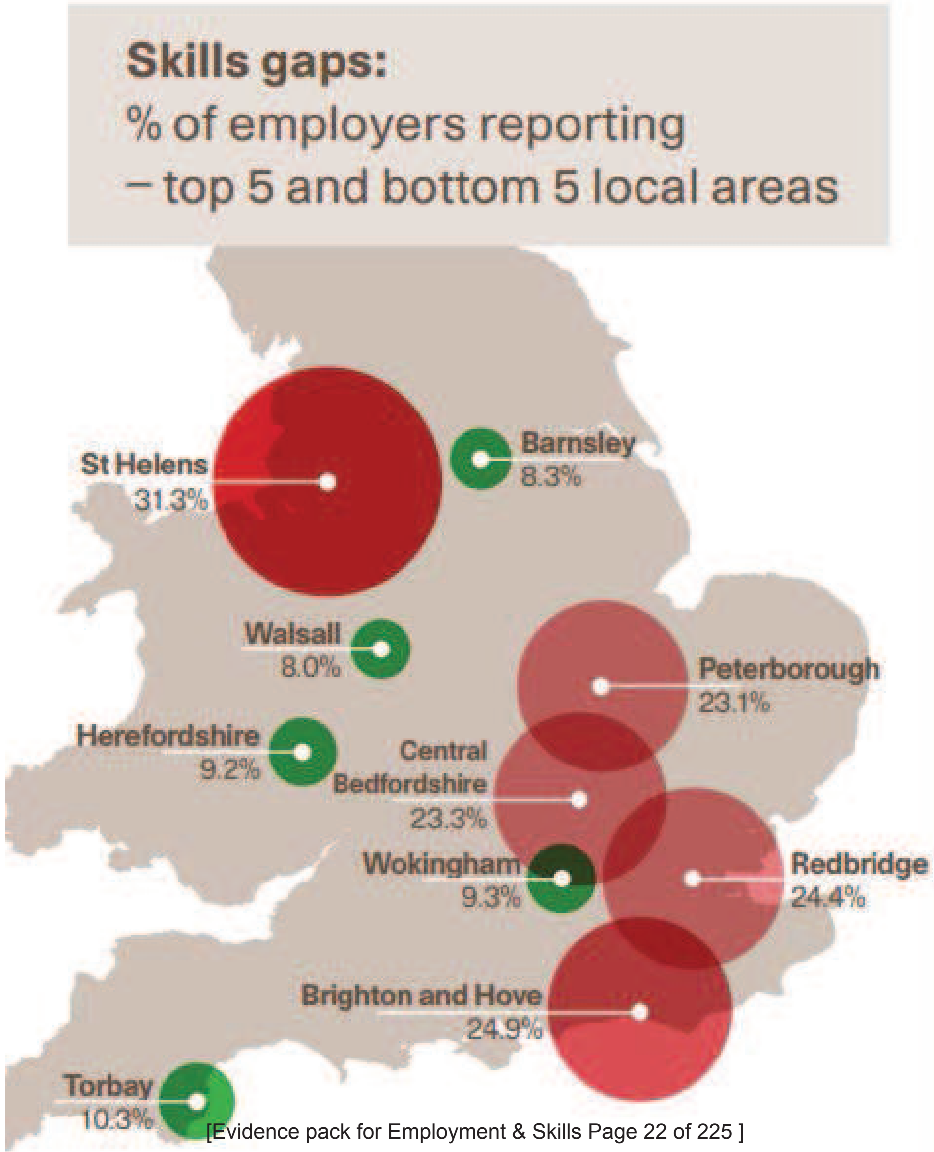
Brighton & Hove City Council

Brighton and Hove – dominant sectors



Source: NOMIS annual population survey – workplace analysis July 2014 – June 2015

Brighton and Hove has the second highest recorded skills gap in England according to employers



Source: UKCES Employer Skills Survey 2013

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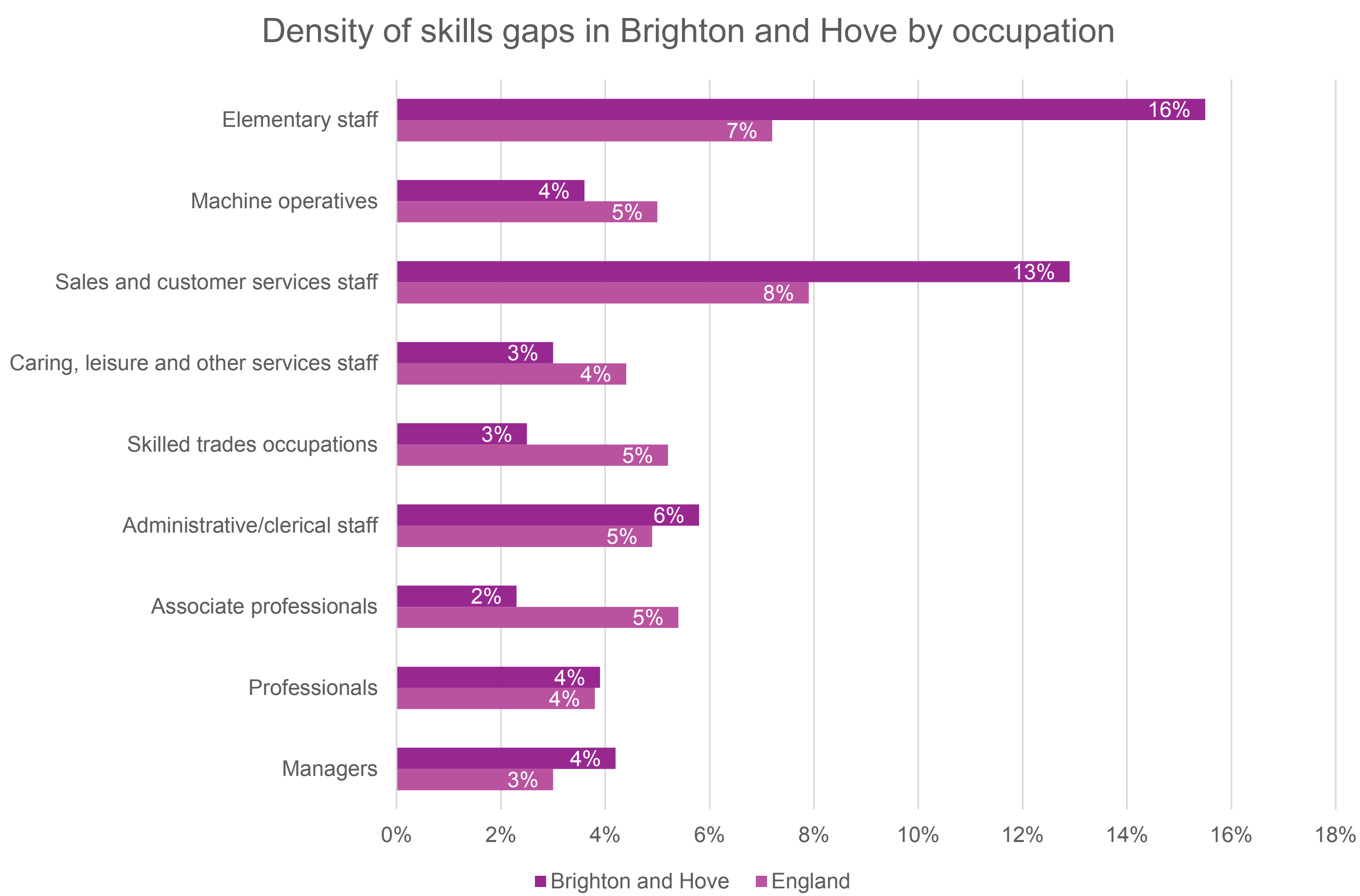
Skill gaps are not consistent across occupations



Source: UKCES Employer Skills Survey 2013

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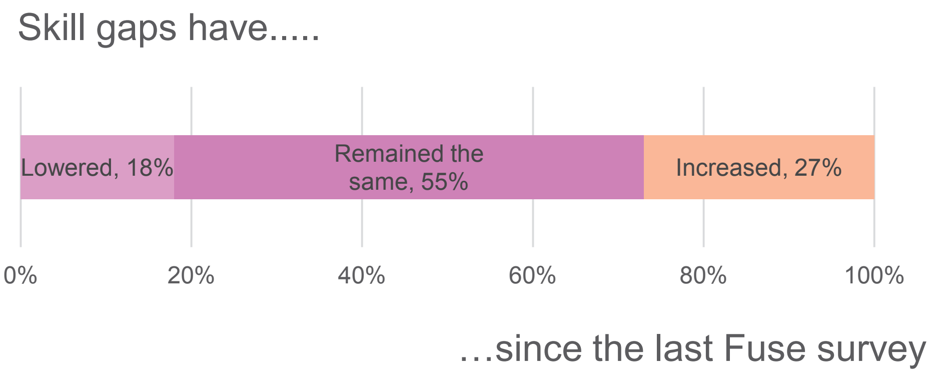
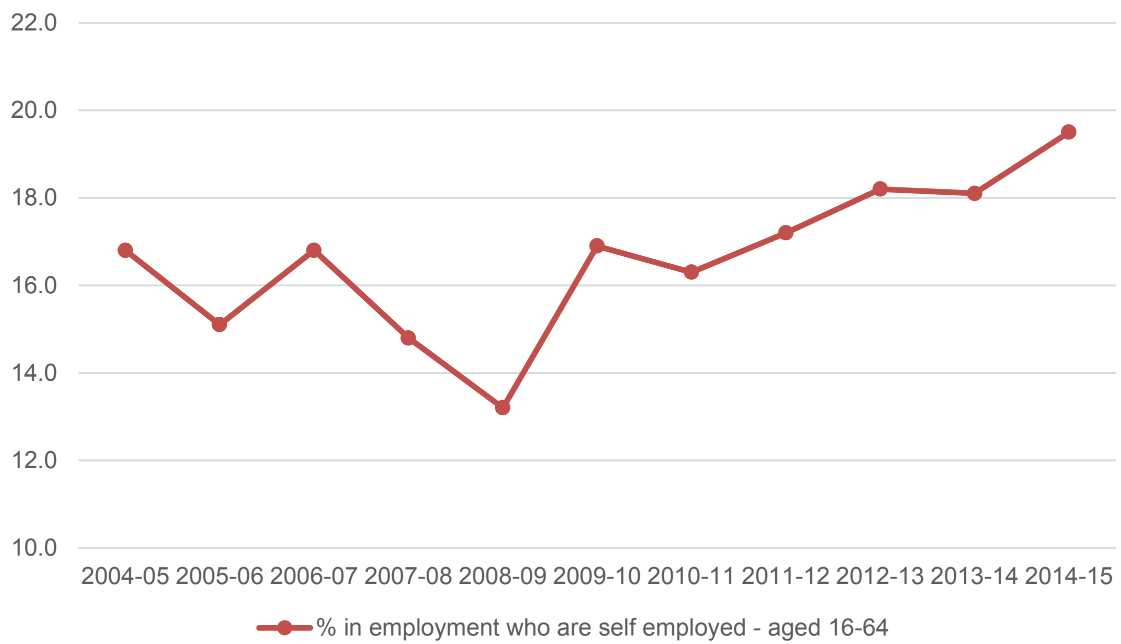
Skill gaps in the Creative, Digital and IT industry

"Not only has the problem not improved, it has actually worsened, and this is in spite of the one increase in innovation over the last three years: internal staff training. The provision of skilled talent to work in these high growth businesses is not a simple process to remedy."

Brighton Fuse Second Wave Firms Survey



Recent shift towards self-employment



Source: NOMIS annual population survey – workplace analysis

Brighton & Hove Economic Partnership

Consultation on a new City Employment and Skills Plan

1 December 2015

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Consultation – nine table topics

Ensuring No One's Left Behind	**1.** In-work Low pay	**2.** ESA over 50 m/health	**3.** Entry level employer
From learning to earning: transitions to work	**4.** In school Year 9/10	**5.** 18-24 NEET	**6.** Group Training micros/SMEs
Harnessing economic growth	**7.** Mid Career Changer	**8.** Graduate Under-employed	**9.** New investor

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Consultation – table discussions

- **Each of the nine tables will focus on <u>one</u> of the three priority issues:**
  - Ensuring no one is left behind
  - Supporting young people's transition from learning to earning
  - Harnessing the growth in key sectors of the city-regional economy
- **Approach the issue by considering the experience of either the resident of the City, or the business(es) whose case you have been assigned**
- **Describe their situation "as is" at December 2015 . . . ie the current employment and skills offer for that individual/business**
- **How does the situation need to change for this individual or business(es) in the context of this Plan, 2016-20?**
- **Facilitator will keep you to time, focused on the task and record the discussion**

Brighton & Hove City Council

Employment and Skills Devolution: lessons and implications from Greater Manchester

1 December 2015

Brighton & Hove City Council

Greater Manchester Narrative

Manchester - 511,000 people

Greater Manchester – 2.55m people

Brighton & Hove City Council

Greater Brighton City Region

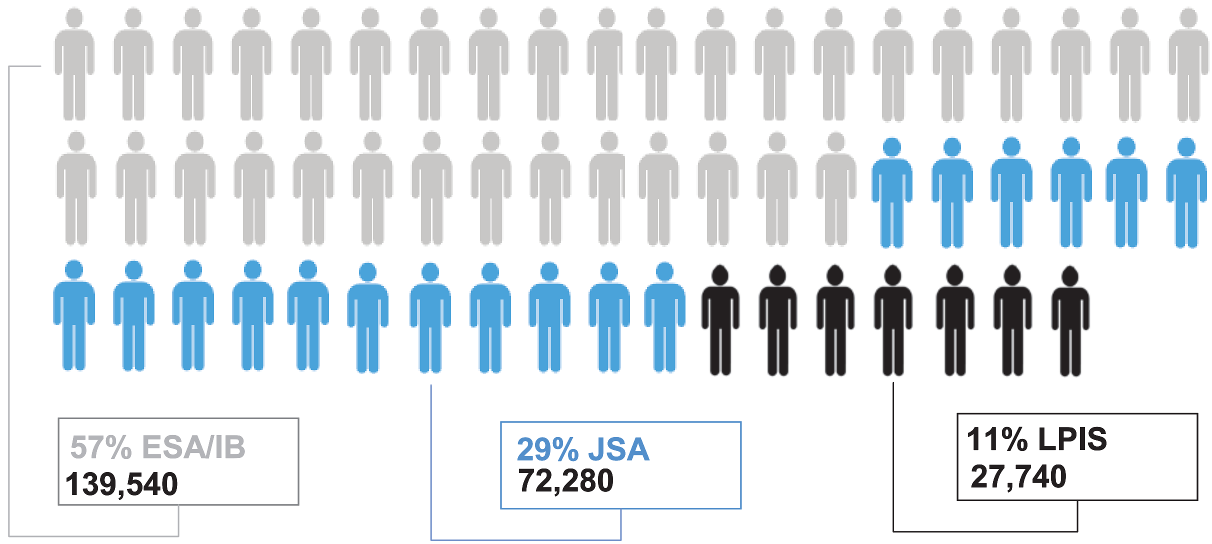
Brighton & Hove - 280,000

Greater Brighton – 700,000

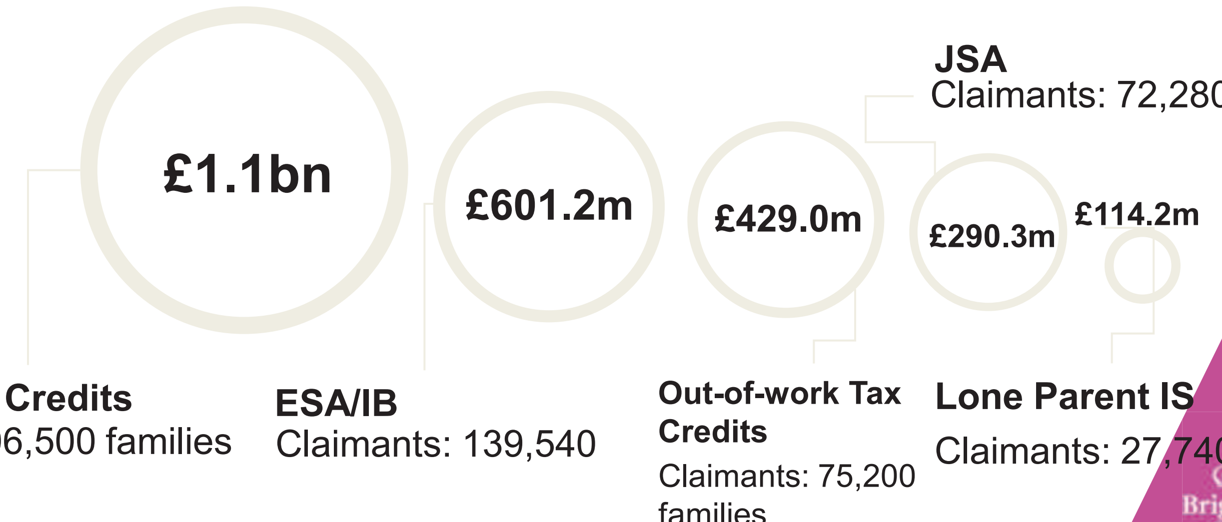
Brighton & Hove City Council

Greater Manchester Narrative

Across GM, around **227,000** people are claiming out-of-work benefits…



The cost of worklessness and the impact of low-pay has now reached over **£2 billion**



What role devolution?

- **Reduce the fiscal gap and drive productivity** through a devolved, integrated employment and skills eco-system
- Create significantly enhanced **performance and impact** from investment in the employment and skills system
- **Develop a future workforce** with the skills to support growth and increased levels of productivity
- Shift commissioning strategies to deliver against city region priorities with **local accountability**
- Ensure Government agencies and contracted services **operate consistently** on the right footprint

Conditions for devolution?

- ✓ **Governance** – a Combined Authority (probably) a pre-requisite for a significant devolution deal
- ✓ Informed political and officer **leadership** on the work and skills agenda
- ✓ Investment in **capacity and capability** – analytical; commissioning; policy; partnerships
- ✓ **Narrative** – avoiding a zero sum game ‘give it to us and it will be better’
- ✓ **Pragmatism** – identifying gaps & solutions to government policy
- ✓ A consistent **development framework**

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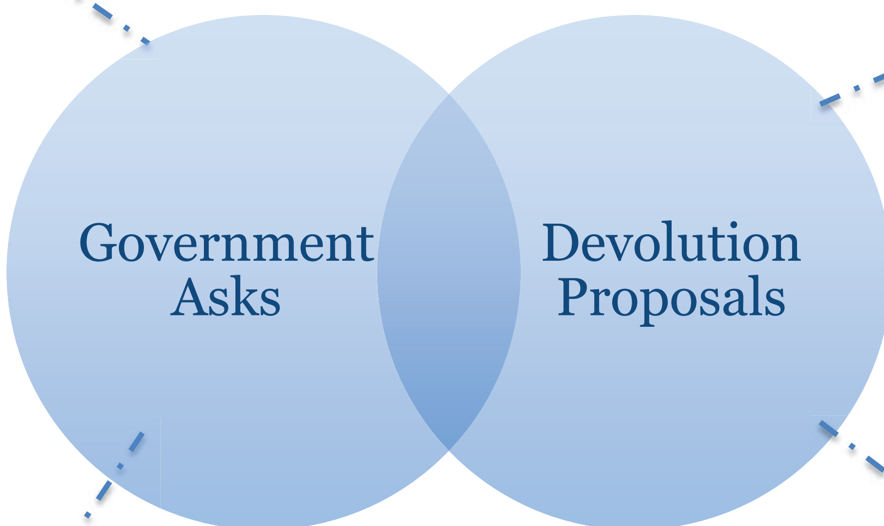
Consistent development framework

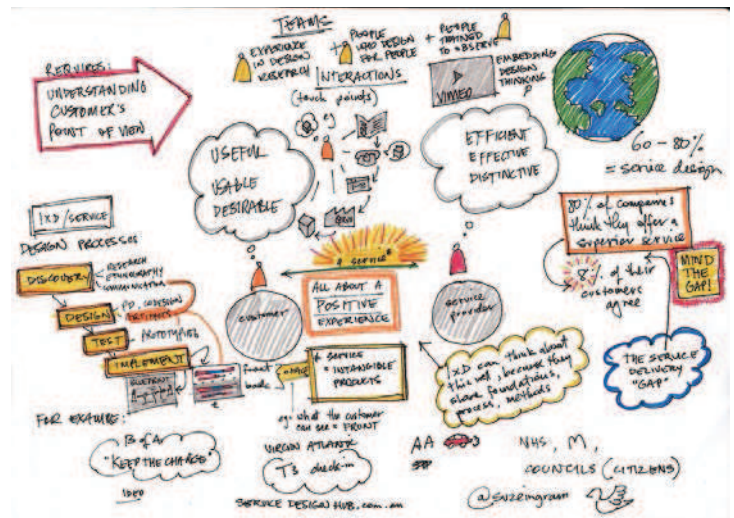
1. Joint Accountability over decisions / commissioning
2. Transfer of power / decision making
3. Financial devolution (transfer existing budgets)
4. New money



1. Articulate the system problem(s)
2. Cohort(s)
3. Investment Model and System CBA
4. Delivery Model
5. Evaluation Model

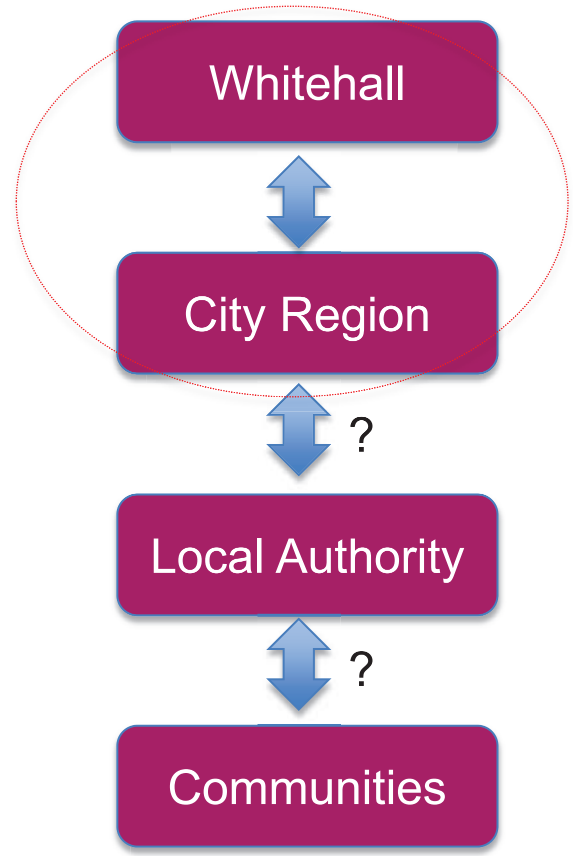
Devolution Considerations

- Clarity on the **end game** and **roadmap** to get there. What do you want and why?
- **Think through the How** - What is your role? Commissioner? Provider? Integrator?
- Understand **government (and your) red lines** and departmental appetite – where are the opportunities?
- **Market engagement** to test assumptions, stimulate interest and bring providers with you
- Service **user voice and innovation in service design**
- Having "**skin in the game**" and an appetite for risk = serious player



Devolution delivered?

- Very early days in terms of delivery and impact on the ground
- 4 levels of devolution – sufficient focus at each level? What role communities and the VCS?
- Danger of the same delivery models and providers doing the same things – but commissioned locally
- Gaps in knowledge and understanding e.g. Behaviour change models?
- Ongoing investment in evaluation
- More radical and ambitious reform proposals including Fiscal Devolution?



Potential asks of Government?

No One Left Behind

- Developing a Health and Work Pilot (£40m fund announced within Spending Review)?
- Align ESF funds with the Work and Health Programme and co-commission?
- Pilot programmes that address under-performance with existing programmes / cohorts?
- Explore public health budget as match and re-design substance misuse provision alongside ESA focused interventions?
- Explore opportunities to test contribution and connectedness reforms?
- Housing Benefit / Houses with Multiple Occupancy reforms?

Learn to Earn

- Devolution of the AGE grant (short term measure)?
- Devolution of post 19 vocational education, delivered through a shared outcome based agreement via a multi-year financial settlement?
- Influence over 16-18 vocational education, developing a shared outcome based agreement with the EFA?
- Vocational pathways, increasing role of local employers from priority local sectors?
- Tracking and monitoring wage progression (not just job placements)?

Harnessing Growth Sectors

- Integrate business support, skills and investment funds?
- Explicit alignment of skills funding to economic growth and creation of "good quality" jobs?
- "Skills Bank" pilot model – more flexible, demand led brokerage
- Differential business rates?

Brighton & Hove City Council

Brighton & Hove Economic Partnership

Consultation on a new City Employment and Skills Plan – QnA

1 December 2015

Brighton & Hove City Council

QnA / Discussion

- Reflecting on your table discussions, what are the key priorities/actions which the City Employment and Skills Plan will need to include?
- How could you use the opportunity of greater devolution of employment and skills budgets to make a difference to outcomes for Brighton and Hove residents and employers alike?

Brighton & Hove City Council

Brighton & Hove Economic Partnership

Consultation on a new City Employment and Skills Plan

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Brighton and Hove

CESP – Early consultation findings

ROCKET SCIENCE

Caroline Masundire
John Griffiths

1. Introduction

This report highlights the initial findings and themes emerging from our early stage consultation on the City Employment and Skills Plan (CESP), 2016-2020. It draws on the conversations held with 20 stakeholders and a summary of discussions from a consultation event held with the Greater Brighton Economic Partnership on the 1st December 2015. There has been additional input via an online survey which will be analysed in order to feed into a second consultation event that will be held on the 27th January 2016. At that event, we will draw on the reflections and insights of stakeholders to inform the production of the CESP and associated actions in order to ensure that:

- Those suffering disadvantage in the labour market either through unemployment, low pay or lack of aspiration are supported effectively to make the most of the economic opportunity that Brighton and Hove and its wider partnership can offer – **No one left behind**
- Young people and those making career transitions are supported on their journey from learning to earning and can take advantage of the career, lifestyle and further education opportunities that the city has to offer – **Learn to earn**
- The key growth sectors, such as Creative, Digital and IT which are critical to sustaining a healthy and vibrant city, can access employees with the right technical skills, aptitude and readiness for work – **Benefiting from growth.**

This report is one of three research outputs (appendices) produced to inform the development of the CESP and should be read in conjunction with both the Labour Market Assessment and a horizon-scanning report which highlights how other area partnerships have, in the current policy and funding climate, developed solutions to support their respective local labour markets.

2. Some emerging issues

Our discussions with stakeholders have identified a number of themes which cut across the three areas of focus, which will be important to explore further as part of the consultation process and CESP design:

2.1 The need for leadership - moving from strategy to delivery

A recurring theme in our discussions has been the need for the council to lead the delivery of the recommendations coming out from the consultation. There is a recognition that the CESP is being developed in quite a turbulent time: changes to funding arrangements and programmes such as the Work and Health Programme and Apprenticeships nationally, which will impact on local delivery, require coordination and collaboration to work effectively on the ground; devolution with its opportunities and limitations, particularly around timescales; reduced funding and resources available to invest in and develop the kinds of delivery models needed to take forward the apprenticeship/employer-brokerage ideas emerging from the Employers Skills Task Force.

There is a perception that without a shared focus and strong leadership, many of the recommendations are likely to fall at the first hurdle. Too many previous initiatives have been started only to flounder, which means this CESP can ill afford to present any half-baked propositions; less, in this case, may be more. The council still has sufficient leverage and influence on investment to hold key agencies and stakeholders to account as national policy and funding decisions are, through the prism of a devolutionary settlement, translated into practice at the local level.

2.2 Too many ideas and initiatives in a crowded market

Most stakeholders have reflected that the current infrastructure for delivering employment and skills support is fragmented, confusing and unhelpfully competitive, but that some current and previous models of good practice that should be retained. The need to ensure effective transitions and quality of support to both the individual and employer is a clear message coming through, as is the need to rationalise existing provision in order to improve the quality and bring greater coherence and clarity to the City's employment and skills offer.

This will present particular challenges for some current delivery organisations which benefit from the status quo. It is important that future provision is developed or incentivised so that it does not offset the impact of another initiative, or disadvantage either the individual or employer engaging with the system. New models will have to be sustainable beyond the typical life-cycles for skills and employment schemes. This will be difficult to achieve given reductions in funding year on year, requiring robust business cases which show a clear return on any necessary up-front investment.

2.3 Where is the money coming from?

The tightening of public expenditure and reductions in investment in national programmes, including the new Work and Health Programme (currently estimated to be 80% less than the expenditure on Work Programme and Work Choice); the continued cuts to local services; the reduced control over who is commissioned through ESIF and issues around lack of potential match funding for EU programmes, combine to make decisions around co-investment much more difficult. The council will need to think creatively about funding packages, including:

- The way in which it uses its assets by working with the voluntary and community sector to harness opportunities from other funders and, in return, requires the sector to provide greater coherence in its offer to residents
- How it could tap into social investment, or develop a social impact bond to support its work with the most disadvantaged
- How it could use sponsorship or licensing to fund the emerging idea to develop for a brokerage for apprenticeships and single point of access for employers
- Opportunities to extend the case worker model, developed in health and social care for troubled families, to Employer Support Allowance cohorts. Clients are common across key statutory agencies in the city, including the council, Jobcentre Plus and the health service which creates an opportunity to align support far better. This will be an important requirement of the chosen provider for the Work and Health Programme which the owners of the CESP will need to influence.

Several people commented on how the council, and the public sector more generally, have not taken full advantage of the levers available to it through procurement and social value legislation. An increasingly tight funding environment calls for some fresh thinking about how partners are using procurement to create jobs, invest in or support local initiatives.

2.4 Expectations are high - how will they be managed?

It is important that the Council takes full advantage of various groupings, including the Brighton and Hove Economic Partnership, the Employment and Skills Task Force, the Learning Skills and Employment Partnership and the Fairness Commission and ensures that the numerous stakeholders who have so far been engaged feel that they are listened to and that a clear set of recommendations is implemented. Some have commented that 'we have been here before' and feel that the current level of employer commitment could be lost if nothing tangible comes out of the consultation process. There is a sense of considerable employer enthusiasm for a brokerage model and investing in the system, but that this will also require some early wins and a clear roadmap by which progress and outcomes can be tracked and measured.

2.5 The spotlight on apprenticeships could overshadow other needs for vocational pathways for all ages and a coordinated careers offer

The commitment to eliminating youth employment and the focus on improving apprenticeships is clearly important and a key motivation for many stakeholders involved in initiatives such as the ESTF and the apprenticeship pledge. However, many also feel that focusing purely on apprenticeships will not address the wider issue that young people, schools, parents and others do not understand vocational pathways, or their value.

The world of work and the nature of careers have fundamentally changed and will continue to do so; resilience and methods to cope with change will be just as important as improving apprenticeship/qualification frameworks which are, in some cases, considered inadequate by employers (particularly those in non-traditional sectors). The paucity of good quality, accessible careers advice and the lack of incentives or regulation requiring schools to develop a better quality offer to their students, is contributing to the failure of the current system. This is compounded when schools are incentivised by national policy on performance to favour academic routes which reduces the demand for IAG and support for vocational training at source.

In short, the strong focus on apprenticeships, whilst important, cannot be at the expense of considering wider vocational pathways, an improved careers offer and ways to incentivise schools and other education providers to help local students and residents consider and take up vocational options.

3. No one left behind

The early findings from our consultation have revealed the following key issues:

3.1 The ESA Challenge and moving people with health conditions and disabilities into employment

There are over 13,000 residents claiming Employment Support Allowance and will be targeted through the new Work and Health Programme. With over 70% over 50 and more than half reporting mental health as a key condition, this group of residents will be much harder to support and require greater investment. However, reduced funding and investment will require greater collaboration between JCP and other agencies to ensure money goes much further and that people do not fall through the gaps at key transition points. Our recent research for Dundee City Council highlighted that the annual fiscal cost of an individual on ESA is £9,091 and a lost economic benefit of £13,236. This group is likely to place significant demand on a wide range of council services. More integrated support to move this group into employment is an imperative which, whilst possibly attracting quite high up-front costs, will deliver higher returns in the long run.

However there are a number of difficulties to be overcome:

- **Where will funding for additional support come from**? Firstly, the Work and Health Programme funding is significantly less than its predecessors and unless the council and partners become direct providers of services (either as a lead or sub-contractor), the ability to shape and ensure the effectiveness of delivery to this group will be out of their control. Secondly whilst control of the Adult Skills Budget through devolution will allow for elements of training (particularly around functional skills) there will need to be additional support across a range of services; volunteering, life skills, work readiness. Being able to access other discretionary pots of funding, as well as harness Building Better Opportunities funding, will need collaboration with, and support for, voluntary and community sector partners. Thirdly identifying match funding to ESIF has been unsuccessful thus far, but accessing funding through ESF will provide extra investment into the city and therefore alternative match for this funding needs to be identified and secured.

- **Changing the delivery model**. Jobcentre Plus is moving its model to one of outreach, work coaching and progression measures towards employment, rather than a job in and of itself. Moving JCP services into the community should enable closer working and collaboration with services operating from community and council venues. However, the negative messages around sanctioning and issues around trust of JCP, may frustrate attempts in a number of ways: providers may feel their services could be compromised if they are viewed by their clients to work with a government agency; individuals may not wish to disclose personal information or issues which may affect their benefit to those organisations they have previously trusted; and venues may not have the privacy or a designated area for confidential discussions to take place and thus deter people from attending in the first place. Further, it is unlikely in this period of austerity and cuts that venues which rely on generating income to stay open, will offer these facilities for free.
- **Data sharing and tracking.** Linked to the two points above, effective case-working and wrapping of support which enables agencies to join up and complement interventions require two things. The first is an agreement to share data and information on clients; this has been an on-going challenge between DWP and local authorities. The second and equally important is a common system/process of tracking so that the person does not fall through the gaps and that where budgets have been pooled interventions can be measured and accounted for. Many have commented that transitioning from one service to another is the primary reason for disengagement. Individuals that are not mandated to a

programme and want support are less likely to continue to engage in a system where their early engagements result in a poor experience or failure.

3.2 The issues facing a hidden labour market

Many people have commented about the grey economy at work in the City and its impact. This has several manifestations:

- Topping up of benefits through cash in hand and sole trading activities. Whilst this creates short term relief it has the long term consequence of embedding a culture of benefits and does not help move individuals through and up the system enabling them to work and earn more legitimately.
- Employers contravening employment law and minimum wage requirements by offering cash in hand employment for those workers that are more vulnerable (and desperate) to work, yet either cannot find work legally or have barriers to work such as language and/or literacy needs.
- Certain groups who through changes to entitlement and benefits have disengaged from the system and are likely to remain hidden, working in situations described above.

Attempting to unravel this hidden market will be difficult. Possible solutions tend to focus on turning these challenges into opportunities:

- Enhancing the offer and incentives of self-employment as a route to improving income and as a way of supporting individuals with health conditions that fluctuate from day to day (i.e. depression, fibro-myalgia).
- Providing packages of support to businesses so that they work within the law and as a result, through improved workforce management, help them raise their quality of service and offer.

3.3 Managing transitions into work and making it pay

Much of the focus around employment interventions is around supporting the unemployed into work. However many have commented on the challenges facing people once they have secured a job, and how they are supported to develop their career and increase their pay.

- **Providing interim financial support to help manage transition**. There are a number of initiatives to help reduce barriers to getting and keeping a job for. For example a discounted travel scheme is an initiative offered through the credit union, although only available to members. Costs around uniforms, equipment and specific support to help manage a transition into work need to be covered where individuals are being paid in arrears. This is recognising that the transition into work is stressful enough without having the added pressure of managing finances. The Fairness Commission are looking at how interim financial support can help individuals and families manage finances once they start work and when they might be facing a challenge i.e. moving from one job to another which will affect their ability to pay rent and household bills. This is something where flexible tailored funds such as ESIF can come into their own, particularly through the use of discretionary budgets to build packages of support to manage the transition into work.

- **Supporting individuals move up and move on.** Whilst Universal Credit is seen as a mechanism to support families and individuals to improve their earning potential, this is still to be rolled out beyond couples. As highlighted above, there may be reputational challenges for JCP as they shift emphasis in approach to supporting individuals in the community. The lack of a careers offer for all ages is frequently referred to as a failure of the system. As the priority has been on moving people into work, those who work part-time or who are struggling to manage on minimum wage are not well-served in the current system. The supply of young talent will be insufficient to meet the future employment demands, therefore it becomes increasingly important to recognise that individuals of all ages understand vocational pathways and can access opportunities available to them.

4. Learning to earning

4.1. Quality and scale of apprenticeship offer

Partners and stakeholders across the City concur that Brighton has had a number of false starts in terms of developing and delivering a quality apprenticeship offer at a scale commensurate with the size of the local/Greater Brighton economy. Various explanations are put forward including:

- a lack of independent careers advice across the City
- insufficient connectivity between employer demand and what is offered in the curriculum, reflected in the very patchy engagement of employers in schools.
- the apprenticeship offer lacking coherence and the poor quality of information, advice and support for employers
- the pitch to companies has been overly focused on HR/CSR and not enough on the opportunity to increase productivity and skills.

Some have commented on how comparisons with other similar sized cities like Sunderland or Coventry are not particularly helpful ("we don't have a Nissan or a Ricoh"). Instead, Brighton should play to its particular and distinctive qualities as a City, and design interventions accordingly, including developing a strong city brand and marketing a common offer which builds momentum, raises interest and sustains commitment. This could extend to shaping more of a local Brighton curriculum – ie taking advantage of the devolution of skills funding and the post-16 Area Review - as well as apprenticeship frameworks which reflect key growth sectors. There is already evidence of this happening (eg Wired Sussex adapting apprenticeship frameworks for the digital sector):

- A City brand and offer will be stronger if local employers are centre stage, and to that effect the CESP has to build on and take forward the ideas and proposals emerging from the

Employer Skills Taskforce, which include potentially asking large corporates to champion and sponsor provision, with a management fee paid by providers who 'under licence' can provide the 'Brighton' Apprenticeship.

- The branding and marketing exercise also needs to promise and deliver a simplified offer. A single entry point is needed for an employer using a range of media and technology and that those providing the training and apprentices need to be signed up to a (Brighton) quality standard which is on a par with the best in class. (Similarly there needs to be a simpler way of accessing careers information and advice for all ages through a branded signposting portal/service).
- There is a recognition that Brighton's business base and the preponderance of micro and small businesses will require a particular type of intervention or apprenticeship model in order to pool and aggregate opportunities – possibly managed on their behalf by an independent broker or Apprenticeship Training Agency (ATA). However, there are also a number of large employers, not least in the public and health sector which will come into focus given the levy.
- Brighton seemingly does not need more provision (certainly not in the apprenticeship market). The ATA or equivalent needs to be an honest broker/adviser, not provider or competitor with the colleges which already offer ATA type provision, ie aggregated provision for SMEs/micros (eg City College; SEAC). "If they are not working/meeting demand, why not?"

Brighton could begin now to prepare for the levy, but also the wider changes to apprenticeships and vocational education which are coming. This could include:

1. Analysis of the scale and impact of the Levy – on the demand side, mapping the employers that will fall within the remit of the Levy. On the supply side, analysing the performance of providers; the extent of subcontracting; the shift and take up of Trailblazers to get to a baseline assessment of Apprenticeship reform readiness.

2. Targeted engagement with employers – Investing in targeted work with large employers (i.e. those in scope of the Levy) in both the public and private sectors so that both they, and the local economy, get the most out of the Levy.

3. Targeted engagement with providers – Investing in capacity building work with local providers to increase awareness of the Apprenticeship reforms and the potential implications for their business.

4. Influence local stakeholders to secure funding for city-wide brokerage activity – securing leadership buy in (extending from the work of the Taskforce).

4.2 Careers information, advice and guidance

In all our discussions with stakeholders, and with participants in the first consultation event, the issue of poor quality provision and access to careers information, advice and guidance has been a constant theme. The need for a coordinated, integrated IAG offer for all ages is fundamental to the effective implementation and on-going delivery of an employer/ apprenticeship/vocational offer. IAG generates interest and labour supply; without it employer expectations in terms of the level and supply of quality labour are unlikely to be met.

This is not a new issue, but arguably something which has been exacerbated by changes to the responsibilities for delivering and payment of careers advice. Although the council has a statutory responsibility for ensuring that careers advice is available, it falls on schools to provide and pay for these services. This has created fragmented and patchy delivery of variable quality. Many report that schools are pushing young people into academic routes at the expense of vocational pathways and frustrating access to Year 11 (at 16).

There have been a number of initiatives and pilots developed, a current one is funded through Coast to Capital - Enterprise and Careers Advisors, but it is one of many initiatives that have been trialled with small scale investments (eg The Beach, an online portal with information on careers and work readiness) which fall by the wayside when funding ends. A frustration felt by all consultees has been the lack of long-term thinking and investment into what a good quality IAG offer would look like.

The proposed 17 year old guarantee is an "ask" in the devolution deal ie to provide an IAG offer to all 17 year olds in the Greater Brighton area. However, each local authority has a different response to its IAG services and this is likely to be inconsistent if not part of a common and agreed framework. It is also important that messages around careers are adapted for parents, as well as young people and teachers, alongside those that are older and already working. The latter need ideas on how to adapt and develop their careers, particularly those individuals in entry-level jobs who may want to move on, but do not know how.

Whether the provision is virtual, face-to-face or a combination of the two, the current IAG offer needs transforming into a service which:

- complements and adds value to the employment and skills offer in the City and more broadly across Greater Brighton
- builds on what already works and can be scaled and replicated
- uses the expertise and insights of employers and brings vocational pathways to life for young people, parents, teachers and others
- compels or incentivises school participation and engagement – this is critical to its success.
- secures long term investment and support to build credibility and trust in a service that will stand the test of time within the CESP timeframe and become an integral part of the employment and skills offer in the City.

4.3 Vocational pathways

Brighton is by no means alone in trying to reverse, or at least rebalance, the effects of decades in which vocational pathways have been the poor relation of an academic education. This remains apparent, for example, in the way local institutions' performance targets are overly focused on achieving academic rather than vocational qualifications and the competition for pupils at 16 to stay on in school to complete A-levels, even though many may be better suited to a vocational pathway into an apprenticeship and/or employment.

The lack of understanding of the difference in vocational pathways extends to the way we use misleading shorthand to equate a particular level of apprenticeship with educational levels (eg 2 A levels equating to intermediate). This completely fails to take into account that progression into a skilled trade takes considerable time and is not likely to be entirely linear.

Many stakeholders commented on how the City needs far greater clarity and coordination around its key sectors' pathways. A variety of different vocational pathways now exist in order to make the transition from school into work and at different levels (ie intermediate/advanced/ degree), but these are still insufficiently understood. Potential solutions include:

- Teacher training and continuous professional development so that schools are better equipped to interest and advise pupils of how particular education and skills are applied in different trades and vocations. In Brighton there appears to be a particular opportunity in terms of digital and technology skills and how these can better be used in the classroom "we should be looking at embedding a digital culture as part of the fabric of the community."
- Engaging more employers in schools, both in particular aspects of the curriculum and at the key transition points in pupils' education. Wired Sussex has done work in schools, but with a membership of largely micro companies, found it hard to do this in a sustained way; the closer the talent is to the market the more interested the firms will be. A membership or sector network like Wired Sussex can corral businesses, but at the right point in the transition from learning to earning.
- Recognising that apprenticeships are not necessarily the answer! Several interviewees commented that the move to some form of Brighton Apprenticeship Company or ATA is not going to work if it just focuses on apprenticeships. There needs to a broader engagement around how to move from school through a vocational pathway. An example of an alternative route is the successful internship programme run by Wired Sussex which offers 6 week placements in companies – targeting appropriate qualified candidates, but who may be out of work or underemployed. The scheme removes all the administration and bureaucracy from the participating companies; it pays the interns (from the companies' contributing) and essentially de-risks the recruitment process for the employers. 70% of participating interns are subsequently taken on.

The biggest challenge for the CESP and partners is understanding what is already there (and delivering to employers' requirements) and connecting it up better. One of the consequences of localism is that coordination and central planning has become more difficult. If the council and its partners do not know the full picture, it means that users (learners, parents and employers) will be even more in the dark. In the face of an increasingly fragmented quasi-private market for training provision/adult learning, the council's influence is waning ie providers ignore the plan in search of paying customers, looking increasingly to differentiate themselves (which only creates the patchwork effect, confuses employers and learners, and wastes resources). Potentially further devolution, the recommissioning of future skills and employment programmes and the process of the post-16 Area Review give the City the opportunity to exert more influence over provision locally, by connecting it far more effectively to the current and future demands of the Greater Brighton labour market.

5. Benefiting from growth

5.1 Don't forget key employment sectors in the City.

One of the key messages coming out from the consultation so far has challenged the view that the focus of the plan should be purely on growth sectors; creative, digital and IT, the green economy and renewables. Whist this is critical to ensure the city remains competitive, there needs to be a balance struck between supporting growth sectors and those that are also important to the City economy.

The hospitality sector, for example, has been quoted several times as an area for development and investment. The City economy is highly reliant on the sector, yet local people are rarely seen providing front of house services and because of its image and association with low pay and unsocial hours not seen as career opportunity for people. However there are flagship hotels in the City and opportunities to progress which should be taken advantage of.

Similarly there are skills and people shortages in sectors such as health and social care, construction and retail which need to be taken into account in the plan and in particular how training providers can work more collaboratively with employers to improve the quality and relevance of provision.

Consultees have said that issues around work-readiness, technical and practical skills must be tackled to; help move local people and those with entry-level skills into key employment sectors, reduce 'job-blocking' by graduates by enabling local people to be equally employable to an employer and ensure that the City retains and grows its visitor economy and attractiveness to live.

The issue around accessing good quality IAG for all ages is seen to be a key ingredient in supporting and promoting opportunities for careers at all levels and in all sectors.

5.2 The inward investment and support offer to businesses

There has been significantly less commentary so far on how the City supports inward investment and what it can offer businesses in terms of workforce development and general business support. This has been overshadowed by the apprenticeship discussions but is equally important and relevant to the need for a more comprehensive and productive engagement with employers.

Feedback suggests that the offer is currently limited and despite there being pots of support on offer, these are dispersed and not signposted to well.

Where new investment is being made in terms of creating workspace, this should be focused on developing workplace solutions, where employers are incentivised to recruit graduates from the area into growth sectors. This could be through reduced rates, improved access to 'work ready for the sector' graduates and/or improved influence over provision.

The work that has already supported the Creative, Digital and IT sector is an example of how this could work or be extended to other sectors.

5.3 Moving the higher skilled into higher skilled employment

There have been several comments made on the issue of graduates opting to stay in the City post qualification and retain jobs that could otherwise be taken up by local residents. The scale of the problem is seen to be unknown but has a number of consequences.

- Graduates need to earn whilst they study and are likely to be more work-ready for an employer and willing to work hours around their study. A challenge is to ensure that proposed interventions do not impact on the genuine need for under-graduates to work.
- Some of the volatility in the employment market for local people is attributed to them filling vacancies outside of term time whilst students leave the area only to be pushed out when term begins and students return to the jobs they held before leaving. This can perpetuate the negative image of retail and hospitality sectors as being sectors which do not offer job security.
- The City is an attractive place to live, with many graduates choosing to stay on and continue to work in low-level employment either to remain independent, take time out from study or not sure of their next step. Whether this remains the longer term choice for an individual is unclear, however every year a new batch of graduates opt to remain in the area. It is probably at this transition point where interventions need to be targeted.

There are internship programmes available in the area and support provided by the universities to help graduates move into employment relevant to their skills and level of education. However these initiatives are struggling to attract graduates as pay does not cover the living costs of the graduate and therefore take up is low.

Similarly there are not the short or conversion courses for graduates to take up at little cost to help them develop more relevant skills for employers. This is seen to be a potential opportunity for colleges to step in and work with employers to develop far more tailored and appropriate vocational learning. However funding for these will need to come from employers and other sources as graduates are not eligible for government funding for what might be considered a need for a 'gradprenticeship'.

6. Consultation event feedback

Each table was designated a 'case study' which reflected a situation from either the viewpoint of an individual or an employer. Over 50 minutes, attendees were asked to consider the current situation in Brighton and Hove and how this supports or hinders the subject of the case study and then to focus on what the CESP would need to put in place to enable the situation to improve by 2020.

The following is a summary of the feedback from each of the tables.

6.1 No one left behind (Tables 1 -3)

Table 1 – Jenny, single parent in part-time low paid employment

Case study

Jenny is a single parent with a child in primary school and another who has just started secondary school. She joined a back-to-work programme in 2013 as she was placed on Job Seekers Allowance when her youngest child started in reception. She had previously worked in catering and was offered help and support to access part-time work as a lunch-time assistant in the local school during term time; this meant she didn't have to pay for childcare. She lives in private-sector, rented housing following the break-up of her marriage and is struggling to make ends meet. She needs to get a better job and work more hours, but she feels stuck and there doesn't appear to be anyone who can help her.

Current Support/Problems:

- The system is not currently designed to support people in work and/or on low pay; the system is focused on those out of work.
- There is a lack of visibility / brand awareness of services available that could potentially support the individual.
- Perception on the table that the problem was not the lack of interventions available (plenty of examples listed of interventions) but more the awareness of organisations/services.
- The general consensus was that the capacity and quality of IAG to prevent someone getting in to a similar space is poor.
- The case study highlighted the impact of social isolation and lack of connectedness and the limited interventions in place to support - one example of something happening is the CCG navigators project but very small scale.
- Examples of interventions that could support the case study included 'the bridge' and Gingerbread.
- Brighton College were highlighted as an organisation that should be able to support, but the consensus on the table was that the college was not meeting expectations in terms of IAG or skills delivery more generally for this case study.
- The costs of childcare are prohibitive and there is no flexibility from employers to recognise and support the difficulties raised by childcare.
- There are no real opportunity for development as jobs with higher skills are not advertised as part time.
- The high cost of housing in the private rented sector along with the high cost of transport means that moving out and commuting into the centre is difficult.

Solutions:

- There should be more coherent brand awareness or clarity of the IAG offer required so that the case study could know where to turn to for help.
- There is a potential for UC to have a positive impact - JCP working with part time workers as part of in work conditionality.
- We need to ensure the in work / low pay group is a higher priority for the Council - people falling through the gaps.
- We need to pilot and evaluate different approaches to IAG particularly for the in work group - lack of evidence base.
- We should question mark the impact of a careers service to reach individuals -traditionally poorly funded and lack quality staff - so better to use existing routes more effectively than a new service.
- We need to consider a more place-based approach targeted rented accommodation in more deprived areas of Brighton.
- Jenny should be paid the living wage.
- Relatives who help with childcare should be able to claim the childcare allowance.

Table 2 – Mike, an ESA client over 50 who has been out of work for seven years

Case study:

Mike is 51 and has been suffering with depression for the past seven years having been the victim of a road traffic accident in 2006. Although he made a good recovery and went back to work as the manager of a retail store in the city centre (where he had worked for over ten years), his illness was too much to manage and he was dismissed in 2008. He has not worked since and has been claiming Employment Support Allowance. He has been receiving some support from his GP and has been through the Work Programme where he did some voluntary work in a charity shop, but didn't get a job. He feels very nervous about the benefit changes and he has no confidence in himself or his future prospects – he feels too old to learn anything new.

Current Support/Problems:

- Mental health issues can have a huge impact on someone's ability to carry out a normal job.
- Benefits are incredibly low.
- Mike is likely to have feelings of failure and/or stigma.
- There are now greater conditions to receive ESA and some people with mental health issues have responded negatively.

- Has Mike been engaged in the wellbeing service? This is commissioned by the CCG and provided by BIC and CPFT. Mike probably doesn't know about it but should be told by his GP.
- There is also a lack of in-work support – Access to Work (the government's 'best kept secret') is aimed at supporting those with mental health issues who are in work.
- Employer engagement is a massive gap in employment and skills support.
- We need to acknowledge the inadequacies of the Work Programme; there needs to be a conversation about local co-commissioning of employment and wellbeing service.
- Was there actually a job at the end of his voluntary work? Probably better placements out there.
- Mike is lacking in confidence which can affect his ability to stay in employment.
- There is a lack of co-ordination of support services; employer support services need to be engaged at the right time.

Solutions:

- CYP Team – lead professionals.
- A wellbeing service founded on integrated health and social care; this could be commissioned by statutory services but delivered by the voluntary sector.
- Work/job coaches – led by JCP?
- Mike's GP needs to have a more complete understanding of Mike's situation – explore the potential of social prescribing.
- Creation of 'Connexions' for older people?
- The ESF/Building Better opportunity projects for which funding will be confirmed in 2016 may offer solutions. The three organisations through to the next round are Community Works, Friends Centre and Care Co-ops.
- Government and LEP priority is reskilling of older people. Not enough young people coming out of schools/colleges/universities to meet the employment demands of the next 5 years.
- We need to tap into older workers and offer programmes, work-based or otherwise, to re-skill; this needs to be addressed in the CESP.
- We need to challenge employers to consider what they could offer in terms of employment to people with mental health issues and SEND e.g. supported internships, adjusted recruitment process, flexible working.
- Job Centre work coaches could act as a 'care co-ordinator', arranging support from a range of services but ultimately being the responsible adult for Mike. This would avoid Mike being passed 'from pillar to post' – a common criticism.
- There could be specialised career change support for people aged 50+ by people over 50.
- There needs to be a joined up network of support that Mike can access.
- There should be a specialist recruitment agency for people with disabilities or health issues.

Table 3 – ACME leisure, an employer struggling to fill vacancies

Case Study:

ACME Leisure is a major employer in the South East, offering a range of entry and lower level jobs starting at National Minimum Wage in hospitality and catering, administration, customer service and security. It has a number of contracts with public sector organisations for providing outsourced catering and hospitality services, as well as managing a number of venues and leisure centres. ACME always have lots of jobs on offer, but struggle to recruit local people and often complain that local people do not have the skills and aptitude to work in their businesses. They mainly employ students to cover seasonal peaks, but are keen to recruit more locally as the churn of staff means that they are constantly recruiting and this impacts on their ability to develop and train staff especially for supervisory and management jobs (and struggle to fill externally). They receive over 60 calls a week from recruitment companies and providers to offer them help, but do not know who to work with.

Current Support/Problems:

- There are huge retention issues with hotels.
- Foreign candidates often have a better attitude and perception of these sectors.
- We need to link employment providers to agencies like Housing.
- Further work is required by schools and adult learning providers to provide the right learning and courses.
- There is a widespread feeling that there is a PR problem with the sector.
- Also a common perception that more can be done to sell these sectors as a longer-term career path.
- There is also a capacity issue for all employers except the largest.

Solutions:

- There should be direct access to providers and new talent.
- There could be a platform that creates skilled labour as required by local employers; this needs to be inclusive so that certain groups e.g. older people, are not disadvantaged.
- There could be a greater emphasis on skills swapping (online for customer services).
- ACME could offer an apprenticeship scheme but this should not be just about quantity but also quality i.e. apprentices need to develop skills that are useful and applicable to the labour market in Brighton & Hove.

6.2 Learn to Earn and apprenticeships (Tables 4-6)

Table 4 – Cameron, 14, some learning needs and not likely to meet GCSE attainment thresholds

Case study:

Cameron is 14 (year 9). He comes from a single parent family and has lived in the Moulsecoomb area of Brighton all his life. He has had some trouble at school although has not been excluded. His favourite subject is PE and he has a mild form of dyslexia which makes it difficult for him to write things down quickly and he struggles with Maths and English, he is predicted to get a D in both subjects and mainly Cs and Ds in most other subjects for his GCSEs. He has been assessed for SEN and does not meet the threshold for needs although gets some support from a teaching assistant an hour a week. He is definitely not academic and cannot wait to leave school and start work but doesn't know what to do.

Current Support/Problems:

- Cameron has gaps in soft skills.
- Cameron does not use digital technology enough; this could help with his dyslexia.
- Employers and the world of work need to have a greater presence in the classroom.
- There should be more role models for young boys to motivate them.
- Quad blogging – sharing between schools.
- Power of sport to motivate – Albion in the Community.
- Employer engagement can be used to identify alternative pathways.
- At BACA (Mouslecoomb local school) all year 9, 10 and 11 students are offered one-to-one career appointments to which parents are invited
- Cameron will have met with local employers through business networking events in year 9 and in year 10 will meet local apprenticeship training providers. He will have help from Elev8Careers to consider his options, think about what he might like to do and apply to appropriate apprenticeship opportunities in year 11. Elev8Careers would also try to help him arrange some work experience during holidays to try out some career ideas

Solutions:

- Young people should be involved in developing the solutions.
- Young people should be understood as citizens who are not driven solely by academic achievements.
- There could be a digital festival to explore how young people can promote their skills.
- '**Open badges'** to demonstrate skills developed outside of mainstream education to showcase to employers.

- There is going to be an '**Enterprise passport'** designed to record employability skills and enterprise skills which could be used by employers. This will be implemented in Spring 2016 by Careers and Enterprise Company.
- Information, Advice and Guidance (IAG) on employment pathways should be available from year 7.
- There should be more and better work experience.
- Employers should be placed at the heart of the curriculum and its delivery in schools.
- Suggestion to talk to Dylan Davies at BACA about an alternative skills-based curriculum.
- There should be greater recognition of apprenticeships in schools.
- There should be greater awareness of options other than university (Theo Rodgers).
- We need to bring technology into schools as this can make learning more accessible. Students also need greater support with non-tech skills such as communication skills.
- We need to make it clear that it isn't all about grades; you can still get a job if you have other skills and C-E grades are not failures.
- Careers and enterprise education should be embedded into every subject lesson.
- Additional work needs to be done to ensure that local apprenticeship standards meet employer demand.
- We need to educate employers on the move from ABC grades to Performance 8/Attainment 8.
- The world of work and demand for skills moves faster than our education system can teach; active engagement of local employers in the curriculum is critical to preparing young people for the local jobs e.g. guest speakers, site visits, skype calls with local businesses (Georgina Angele).
- There should be a teacher CPD on how to embed the world of work into every lesson
- Careers and Enterprise Company have set up an Enterprise Adviser Programme.
- There should be greater promotion of STEM subjects.
- There needs to be a good careers advice service that provides advice on a range of pathways, such as vocational routes and higher education.
- We need to encourage local employers to see schools and colleges as a talent pipeline for their skills gaps.
- All students at school should do National Citizen Service (NCS) to build confidence e.g. trips away from home, social action projects.
- Apprenticeships and traineeships must be marketed to schools and pupils as a positive choice.
- If they had more resources Elev8Careers would like all year 9s to receive a one-to -one interview (as year 11s do), to have weekly career skills input (learning about and for work) and all year 10s to have the opportunity of meaningful work experience
- Ideal system overhaul: Allow students to pick and choose from vocational and academic approaches to learning but give them equal standing and respect. Subjects should be

integrated on themes that are connected to life and work. This is the approach a small group of students successfully trialled at BACA as part of Team Academy.

- Example: Elev8Careers provides independent, impartial CEIAG across 4 schools in B&H. The other schools are looked after by two other independent advisors. The key to supporting Cameron and any young person is to start early. Get them inspired and aspiring in years 7 and 8 and understanding the skills they do have so they do focus on where they are 'lacking '.

Table 5 – Rachael, 18 and NEET with some learning issues

Rachael has just turned 18 and is unemployed. She is currently in Temporary Accommodation having had a row with her parents when she was 16 and 'sofa surfed' with friends until she was made homeless at 17 - she is estranged from her family.
She was considered a difficult pupil at school and was excluded a number of times, ending up in a Pupil Referral Unit and left at 16 with 6 GCSEs at E's and F's. She has done some work, mainly 'cash in hand' and is interested in working with people. But she can be aggressive and emotional and doesn't bond well with authority figures. She was offered work experience but walked out after three hours.

Current support/problems:

- Rachael is currently supported by the YMCA and community schemes such as Albion Community.
- She could also access the Youth Employability Service, Jobcentre Plus or Youth Peoples Centre (YPC).
- It is a long process getting a young person ready for work experience.
- Rachael should be identified earlier as at risk of becoming NEET.
- Services Behaviour challenges: City Princes Team.
- Free counselling e.g. YP Centre, YMCA.
- Rachael could meet other people in her situation i.e. peer support.
- Services to support people like Rachael are fragmented.
- Rachael has access to anger management services.

Solutions:

- The curriculum needs to be more **vocational**; it currently does not prepare students for the working world.
- There should be a greater emphasis on work experience in the curriculum.
- The **Youth Council** could develop a 'curriculum for life'.
- People like Rachael should have access to a **Youth Worker**.

- Rachael needs a longer-term plan; this could be developed in collaboration with **Careers Advisors**.
- **Prevention** work could be carried out by the **Youth Employment Service**; this can highlight who may be 'at risk'.
- Businesses could go into schools and carry out 'crash' courses for students.
- Businesses could also create a short e-learning programme that directs students to online videos of skills that they can develop in their own time.
- Look at **Barclays LifeSkills project**.
- Apprenticeships need to be promoted by ambassadors and not presented as a second choice.
- Example**: Multi-Agency Safeguarding Hub,** a new early help hub that was launched in September 2014 to organise and coordinate support and advice to children and families.
- Example: **The Prince's Trust** run programmes from City College offering career skill learning and team building.
- Example: **Building the Bridge** was a 6 week project that developed young people's career development skills and digital media skills.

Table 6 – Micro businesses in the digital sector wanting apprentices

The creative district in Brighton has over 40 businesses (micro <10 people) that offer services in the digital and creative sectors: ecommerce, branding, reputation management, social media through to product design, digital innovations and animation. There are three or four businesses that have decided they would like to offer apprenticeships for young people with an interest in IT as they have heard that the Government is offering employers help and that they are funding 3 million apprenticeships. They want to attract young people with an interest in IT who don't have to be graduates, but have an aptitude for coding and a good work ethic – they can provide on-the-job training, but don't know whom to contact.

Current Support/Problems:

- There are only government appointed providers i.e. Sussex Council of Training Providers.
- Business Navigators have a lack of ability to promote apprenticeships.
- There is significant difference between the quality of providers.
- In the early days of digital apprenticeships they were not well received.
- Apprentices are in competition with the growing number of graduates.
- There is a lack of information about which qualifications you need to complete an apprenticeship.
- There is not a networking hub for similar micro-businesses.
- Apprenticeships may not be a viable option for small businesses with less than 10 employees.

- There is a lack of knowledge in schools about the Creative, Digital and IT (CDIT) sector.
- Micro-businesses need financial and other support to offer apprenticeships.
- The poor take-up of apprenticeships by businesses is partly due to the lack of soft skills among students.
- Apprenticeships have a poor reputation and are complex to access.
- How effective are apprenticeships in developing 'soft skills'?
- It is very difficult for individual SMEs to offer the full length of an apprenticeship.

Solutions:

- There needs to be easier access to apprenticeships for employers and not just one route in for the employer.
- Socio-cultural programmes e.g. Raspberry Pi Advocates.
- Engineer progression routes, possibly via Brighton Digital Festival.
- Apprenticeships should not be the only route i.e. also work experience, internships and volunteering.
- There needs to be a better relationship between schools and employers, particularly those in the CDIT sector e.g. build on the success of Digital Education Brighton.
- Businesses from the CDIT sector could give more talks at schools to increase knowledge and understanding of the sector.
- There needs to be greater funding for careers guidance.
- We need to look at best practice e.g. AA Careers, Brighton Aldridge Community Academy (BACA) and FuseBox24 (a programme of start-up business support hosted by Wired Sussex at the FuseBox in Brighton).
- Careers services should be run by businesses.
- Employers need to play a greater role in the education system: they know what skills are needed in the workplace.
- Small businesses within the CDIT sector could share apprenticeships if they are not able to hire an apprentice for the full length of their training.
- We should use business support organisations to disseminate/co-ordinate with businesses e.g. Wired Sussex, the Chamber.
- Employers need to work with teachers to help them to understand the value and breadth of apprenticeships.
- There could be a networking event for small businesses and training providers to encourage them to work together to increase the number of apprenticeships in Brighton & Hove.
- We need a strategic, culturally diverse, multi-level talent pipeline, funnelling young people from 12-24 into employment in the CDIT sector.
- There needs to be internships, work placements, apprenticeships and sponsored studentships through universities.

- Employers need to work more closely with schools to identify talented young people.
- Teachers need to have a greater understanding of the CDIT sector e.g. they could have Continuing Professional Development (CPD) on digital careers.

6.3 Benefiting from growth sectors and opportunities (Tables 7 – 9)

Table 7 – Alison, 31, STEM graduate being made redundant and looking for a career change

Alison has lived in Brighton all her life. She is 31 and has spent the last ten years working as a project manager for a financial services firm which has lost its major contract and is now making most staff redundant. Alison has a degree in Maths and was recruited through a graduate scheme to the company back in 2005 as a project support officer. Although she is experienced in management she is more interested in developing her technical and programming skills. She knows that the area is up and coming and wants to get into a 'tech' role where she can eventually design software and systems that make people's lives a lot easier. She bought a flat last year but with her mortgage she has little disposable income and is wary of taking up a loan to pay for a post-graduate course.

Current Support/Problems:

- Issue around whether the CESP should take account of people like Alison on the basis that she should be self-serving and be able to navigate independently. However given the nature and length of employment and potential responses or lack of (i.e. would the company offer outplacement service or support) on offer how would she access information.
- A view that Alison would probably be using a range of sources, internet searching (although this would be quite confusing as there is no one place from which to source or identify courses or employers); possibly LinkedIn or recruitment agencies, but again this would not necessarily help her move into a different career. Some universities offer their alumni forever career guidance and support, although this is now likely to be limited in some areas. Would she access and pay for private careers advice? She probably would not engage with JCP or National Careers Service… either through stigma or lack of knowledge. The issue is that because information and access to choices is complicated and incoherent then she would find it very difficult to pick her way through unless she had a mentor or someone with the knowledge/contacts.

- Another view is Alison making the right choice, with her Maths could she not retrain as a teacher and where would she go to be challenged/supported about alternative options?
- She would not qualify for any financial support. Any funding available is for higher level skills is targeted for apprenticeships for which she would not be eligible. She could access funding through a loan for a secondary degree, but it would be at her risk. Challenge would also be finding a course that was affordable… most degree courses are based on term times and could be more flexible around the needs of individuals and businesses. They could be shorter and condensed and therefore cheaper and more attractive to employers
- Some employers offer internships, but at reduced pay, what would be on offer to someone who needs to work and retrain at the same time – there is a need for flexibility in the provision.
- Issue around employers not knowing or having links to support which could be provided – where do employers go and to whom do they turn?

Solutions:

- Definitely need a common pathway/clearing house/ signpost offer that anyone can go into and be signposted to the correct information… already so much out there and needs something to bring it together so that there is a Brighton one stop shop (already have Brighton jobs can this not be developed further)?
- How can the levy or other funding be linked to funding higher level learning around STEM, we need to be able to find funding and course packages that provide the skills without making cost too much of a barrier. Is there some form of local levy or pot to be used by growth businesses that could support this i.e. employer contribution matched with other funding? Talent and funding matching service?
- Colleges and universities need to offer more nimble and responsive courses – how can we engage more effectively with sectors and ensure that provision is available at the right time and scale to meet demand?
- What could we ask of devolution offer to help around an offer for post grad in work training offer and support SMEs
- Definite opportunity in providing career support and mentoring between businesses and colleges, how could this be facilitated better?
- How could we use the alumni services of universities beyond the early years of support?
- **Examples**: Whitehawk Inn – careers provision and support at the Bevvie (Beverdeen); Wired Sussex – do meet ups for women in programming; NetBuilders; and University alumni services.

Table 8 – Jamie, engineering graduate working as a Barista and in debt

Jamie is 23. He came to study at Brighton five years ago and when he got a 2:2 in Engineering decided to stay and live in the area. During his degree course he trained as a Barista working part-time for a national chain. When he left university his employer offered him a full-time role and he is now the manager of the largest outlet in the city earning £21k pa plus bonuses. The company have put him on a graduate training course but he is undecided about his future and is worried he has lost the opportunity to work within the engineering sector. Not achieving a higher degree meant that he missed out on opportunities for a graduate programme and is now worried about getting further into debt. He owes around £13k for student loans.

Current Support/Problems:

- Graduates who are under-employed are effectively bed-blockers in the labour market unintentionally stopping low-skilled people from getting a job.
- It will depend on the sector whether there is a mismatch between supply and demand for jobs.
- Work experience is no longer mandatory on curriculums.
- Graduates do not qualify for funded apprenticeships.
- Employers not kept up with creating graduate training schemes.
- The University of Sussex run a scheme to help graduates who are under-employed. Over 300, 10 week funded internships (PR, digital media, IT, logistics etc) targeting unemployed graduates advertised since Oct 2015 but only 29 places filled. Situation been the same for the last 3 years.
- Graduates who are under-employed can't take time out of work to study to gain transferable skills or up-skill because they have student loans to pay, rent for housing, other bills etc. They may not have a support network to help them financially (e.g. Mum and Dad). Graduates are stuck as need to pay their bills for 10 weeks during period of conversion/upskilling course.
- The University of Sussex offers funded internships but not all internships are funded.

Solutions:

- Need to say to employer to release staff for 10 weeks to help smooth the path/transitions.
- Offer a **one-stop shop** either city-wide or across the Greater Brighton City Region to collate information to support under-employed graduates. Need to map labour market and understand what is available to graduates. Lots of resources. Graduates need to be better informed.
- There should be **cohesive approach** between employers, universities and the local authority to sign-post under-employed graduates to opportunities and support. Suggestion the Local Authority could offer sign-posting service. BHCC inundated with offers from employers for young people to get work experience in arts and media but need someone to facilitate it. Range of options available to case study Jamie i.e. speak to university, employer etc.
- **Employers offer work experience**, internships etc via a supportive network to people / graduates aged under 25 years. Work experience is not about quantity offered but quality of work experienced offered by employers. Employers in Brighton & Hove should commit

to giving work experience to graduates as part of good succession planning. Businesses and students need to interact.

- There should be **better careers advice** e.g. mentor programme with employers in city, university, Local authority to help under-employed graduates consider other options.
- Graduates should get extra-curricular **work experience while at university** or internship immediately after graduation so don't need break in earnings. Internships currently offered in autumn c. 4-6 months post-graduation.
- Both universities in the city offer **aftercare service** (at least 3 years) for post-graduates providing access to resources, help with transferable skills etc.
- Graduates need **funded transitional pathways** to enable them to think about and help them in their careers. For example, people who have studied science and are under-employed offered conversion courses or re-training courses. Programmes miss the ability to upskill and retrain graduates. Need work experience funded courses for skills gap areas. Could be provided by universities, FE colleges or private training providers.
- **Employers sign-up to Living Wage** and ensure decent pay during quality work experience.

Table 9 – An inward investor coming to Brighton with skills needs

A multi-disciplinary creative and digital technology business is relocating to the area and has reported that they will need to recruit around 20-30 staff over the next three years to manage anticipated demand from markets in the Europe and US. They are looking for experienced post-graduate programmers and designers who can bring leading-edge thinking and solutions to clients they work with. Their MD and major shareholder lives in Brighton, along with a number of other key staff, but the business is currently based in London.

Current Support/Problems:

- Wired Sussex would be able to offer them appropriate and useful support.
- The University of Brighton is unlikely to be the first port of call but they operate a 'Business Help Desk' which could be useful for the relocating business.
- Employers could go into both the University of Brighton and the University of Sussex and give work-based presentations about their business.
- The new investor should approach the careers services within local universities.
- Graduates come out of university educated but not necessarily job ready – placements helped but these are now subject to funding cuts.
- Brighton & Hove Economic Partnership (BHEC) have an inward investment website but it is currently under-resourced and poorly funded.
- Some experiences have been very positive e.g. bhjobs.com.

- There are specialised recruitment agencies for each industry – perhaps the Economic Partnership can direct firms towards this?
- There is a lack of office space in Brighton & Hove – does the business know where it is going to locate?
- Does the new investor need post-grads? What about NVQ/high-level apprenticeships?

Solutions:

- Educational institutions should be more focused on the jobs that are available and businesses should be better informed of the demand requirements i.e. skills need to be matched with available jobs.
- There should be more efficient and better funded inward investment websites with links to university job boards i.e. these need to be more visible to employers.
- There should be a greater availability of workspace to create jobs.
- More local control of skills budgets (i.e. by the Local Authority) so that employment and skills support is tailored to respond to local needs.
- By 2020 business rates will be controlled by Brighton & Hove City Council. Although the implications of this are difficult to predict, it would be advisable to put together a strategy to respond to potential effects.
- The Apprenticeship Levy will provide greater ‘ownership’.
- There should be a greater number of innovation spaces/hubs.
- There needs to be more and better opportunities for businesses to engage with schools and universities.
- Example: Newhaven Enterprise Centre and Intensification Areas.

Appendix II – Examples of Employer Engagement Models

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1. Introduction

This draft paper presents several examples of employer engagement models, with a particular emphasis on the diverse ways in which small and micro businesses can engage with young people and other groups who may be excluded from the labour market. This paper will inform wider discussions and further consultations on how the Brighton & Hove City Employment and Skills Plan will need to take account of what works in terms of employer engagement.

Firstly, this paper outlines the defining characteristics of Apprenticeship Training Agencies (ATAs), details their strengths and weaknesses, and draws upon examples from across the country to gather key insights. The second section of this paper focuses on broader examples of employer engagement. It presents initiatives that seek to encourage micro businesses to engage with apprentices, to encourage employers to support ESA clients, and to encourage collaboration between different partners to deliver a more consistent offer to employers.

2. Apprenticeship Training Agencies

2.1 What is an Apprenticeship Training Agency?

An apprenticeship is a form of 'work-based learning', leading to a nationally recognised qualification. Training takes place in the workplace, but apprentices also spend a considerable length of time at a college or local training provider. Apprenticeship training can take between one and four years to complete; its length depends upon the level and industry of the apprenticeship, as well as the existing skills of the apprentice.

The defining feature of an Apprenticeship Training Agency (ATA) is that, in contrast to more traditional apprenticeship schemes, the Agency acts as the apprentice's employer. This means that the ATA places the apprentice with the host employer who then pays the ATA a fee for the apprentice's services; this includes the apprentice's wage (at least the Apprentice National Minimum Wage) and a management fee. If the host employer is no longer able to pay the apprentice and retain their services it is the ATA's responsibility to find an alternative workplace for the apprentice.

ATAs have a diverse remit of roles and responsibilities. As the Confederation of Apprenticeship Agencies (CoATA) suggests[1], ATAs act as recruitment agencies, employment agencies, manage staff training, and provide support and mentoring to apprentices. They often carry out all of these tasks simultaneously. Their multifaceted nature is reiterated by the Department for Business Innovation and Skills, and the Skills and Funding Agency (SFA), which oversees their regulation:

- An ATA is a business whose core functions are the sourcing of employers and potential apprentices, leading to the employment, training and development of apprentices.

[1] http://coata.co.uk

- The ATA also organises training to be delivered by a registered training provider. The ATA works very closely with the training provider to ensure that apprentices are of a high quality.
- The ATA focuses on the creation of new apprenticeship opportunities with employers who are unable to hire apprentices through more traditional schemes. The ATA is designed to create new apprenticeship opportunities and not to displace existing programmes.
- The ATA will agree clear terms and standards with all the employers, providers and apprentices with which they work.
- The ATA must be aware of and comply with all relevant employment law and regulation, including those appropriate to Employment Agencies and Employment Businesses where these apply.

The ATA model is designed to support the delivery of high-quality apprenticeships to smaller employers who may not be able to commit to the full framework of the apprenticeship and employ an apprentice directly. ATAs can respond to the recognition that market demand for apprentices among small and medium-sized enterprises (SMEs) is relatively low. However, as a 2013 report by the Learning and Skills Improvement Service suggests, an ATA is unlikely to be sustainable if it only targets SMEs[2].

2.2 An assessment of ATAs

ATAs are complex models that have a range of strengths, weaknesses, opportunities and threats (see Figure 1). They have many different stakeholders, notably the host employers, apprentices, training providers and sometimes the Local Authority. The success of the model depends upon balancing the needs of each stakeholder. For example, whilst the transferal of risk from the host employer to the ATA is of benefit to the former, this means that the ATA has to deal with the responsibility of ensuring the sustained employment of the apprentice and the financial risks this presents.

Arguably the main strength of the model is that ATAs offer 'flexicurity' for host employers and apprentices. According to Flaschel et al. (2008)[3], the 'flexicurity' model balances the need for both flexibility and security in terms of employment. The ATA model enables flexibility of labour and the movement of the apprentice between different host employers but it also ensures the security of the apprenticeship when a host employer is no longer able to retain an apprentice.

[2] Learning and Skills Improvement Service (2013) 'Apprenticeship Training Agency Model: An independent review of progress, prospects and potential'

[3] Flaschel, P., Greiner, A., Luchtenberg, S., & Nell, E. (2008) 'Varieties of capitalism: the flexicurity model', Mathematical Economics and the Dynamics of Capitalism, London: Routledge.

Strengths	Weaknesses
• Flexibility for host employers – small organisations who may not traditionally have been able to offer apprenticeships are now able to do so; • Flexibility for apprentices – apprentices are able to experience a range of different employers and workplaces; • Security for apprentices – if the host employer is no longer able to retain an apprentice there is the reassurance that the apprentice will be able to continue their apprenticeship elsewhere; • Reduction of risk for host contractors – the risk is transferred from the host to the ATA as the apprentice is employed by the agency and placed with a host; • High standards – ATAs must comply with employment law and regulation including the Employment Agency regulations.	• ATAs have to ensure that the apprentice can continue their apprenticeship if the host contractor is no longer able to retain an apprentice; • ATAs have to deal with tax, National Insurance, performance management and administration; • ATAs have the ultimate responsibility for the welfare, health and safety, learning and employment of the apprentice; • If the host employer does not discharge their roles and responsibilities appropriately, the ATA has the responsibility to withdraw the apprentice and find an alternative; • Apprentices are usually paid the Apprentice National Minimum Wage which may be insufficient to retain apprentices, as they may be able to find employment at a higher hourly rate elsewhere.
Opportunities	**Threats**
• ATAs can encourage partnerships to develop between the government, local authorities, developers, contractors, subcontractors, training providers, VCSOs and umbrella organisations, such as the National Apprenticeship Service (NAS); • ATAs can increase the total number of apprenticeships, as they are intended to create additional apprenticeships and not to displace existing schemes; • ATAs can provide additional support for apprentices seeking employment, such as job search skills, CV writing, interview techniques and networking skills.	• An ATA invariably requires considerable start-up/risk capital to cash flow the business until it becomes sustainable; • ATAs could be used as a 'temporary work business' – there is the concern that employers will use the service as a means to find temporary workers and fill short-term labour gaps; • ATAs can encourage a casualised relationship between the host employer and the apprentice; • ATAs could displace existing apprenticeship schemes; • ATAs depend on the fees received from the host employer to cover the cost of employing the apprentice; this can be

	unreliable.

Figure 1 – Apprenticeship Training Agency SWOT analysis

Although ATAs have a few key defining characteristics and share many of the same strengths and weaknesses, they exist within a variety of different organisational structures. These include: private training providers; sector skills councils; social enterprises; as part of a Local Authority; and private companies. This paper will look at an example of a social enterprise ATA, ATAs which exist within Local Authorities and an ATA delivered by a private company.

2.3 Social Enterprise ATAs: K10

Approach

K10 is an independent social enterprise that employs apprentices and places them in the London construction industry. K10 was founded in 2010 to respond to the declining number of apprentices working in the construction sector, and the difficulties that contractors face when trying to deliver an effective apprenticeship scheme. Like other ATAs, K10 takes full responsibility for the apprentice and all the associated contractual obligations. K10 provides apprentices with a PAYE contract, holiday pay, SSP and all required HR functions.

Although K10 is independent of any contractor or developer, it works in collaboration with government, local authorities, developers, contractors, sub-contractors, training providers and voluntary sector organisations. K10 works with local authorities to provide employment opportunities to local people, through outreach programmes and pre-employment training. This pre-employment training programme integrates employability training with skills gaps that have been identified within the industry. The ATA works with developers and contractors to produce an Employment and Skills Plan. K10 also partners with SFA-funded colleges to design and deliver relevant training leading to recognised accreditation for apprentices.

K10 apprentices are over 18; this means that as an ATA they have to pass on up to 50 per cent of training costs to the employer. There is no upper age limit but the apprenticeships are not available to graduates. K10 pay their apprentices more than the Apprentice National Minimum Wage. This arguably helps to overcome one of the weaknesses of the ATA model, namely that apprentices may not complete the full length of their apprenticeship because they can gain employment at a higher hourly rate outside of the apprenticeship, particularly in the context of construction work where there is a growing demand.

Outcomes

K10 works with developers and contractors to create apprenticeship opportunities that would not otherwise have existed. K10 has a successful track record of reaching previously underrepresented groups in construction apprentices, such as women, ex-offenders, ethnic minorities and people who have been unemployed for more than 12 months. In particular,

- 15 per cent of K10 apprentices are women;
- 12 per cent are ex-offenders;
- 10 per cent have a disability;
- 30 per cent were unemployed for more than 12 months.

K10 also helps its partners to improve their success rates in placing people into sustainable employment by providing them with a greater understanding of the construction industry.

Funding

Social investment was used to provide capital to grow the team and build the social enterprise. Big Capital Society have invested £15 million in the ATA over a period of 10 years whilst Impact Ventures UK has invested £800,000 in K10. Other investors include: London Borough of Waltham Forest Pension Fund; Deutsche Bank Impact Investment fund; Golden Bottle Trust; European Investment Fund; and Trust for London.

2.4 Local Authority-led ATAs: Bradford and Leeds

Background

The Leeds City Region Enterprise Partnership (LEP) Apprenticeship Programme was agreed in January 2013 as part of the area's City Deal settlement. The programme has been funded by the Department for Business, Innovation and Skills (BIS) through the SFA and has two key targets:

- To engage with 2,142 eligible SMEs;
- To create 2,500 new apprenticeships for those aged 16-24.

The City Region's model combines a central Apprenticeship Programme and eight local Apprenticeship Hubs covering Barnsley, Bradford, Calderdale, Kirklees, Leeds, North Yorkshire, Wakefield and York. Each Hub operates its own model based on local demand and circumstances. The City Deal also funded the development of two new ATAs, one in Bradford and one in Leeds.

Bradford Apprenticeship Hub and ATA

In 2012, unemployment – and in particular youth unemployment – in Bradford was very high and the City was keen to develop an Apprenticeship Hub and an ATA. Both were established in 2013 as separate entities. The Bradford Apprenticeship Hub is managed by the Council's lead Officer and employs one dedicated Hub Officer. The Hub has not yet commissioned out services on a contract basis. Instead, its model is focused on delivering much of its work through partnerships with other Council services, training providers, the Bradford ATA, public sector agencies and business partners.

Bradford ATA acts as a recruitment and employment agency that deals with all the HR and payroll services. Apprentices are paid at least the Apprentice National Minimum Wage. If the apprentice is 19 when they have completed the first full year of their apprenticeship, the host employer is required to pay the apprentice at least the National Minimum Wage. Bradford ATA works with a range of training providers across Bradford and in the wider metropolitan area. There is not an age limit for apprenticeships, but the national funding arrangements apply. For apprentices aged 19 and over the host employer is expected to make a contribution to training costs.

Leeds Apprenticeship Hub and ATA

The Leeds Apprenticeship Hub was launched in July 2013 with an ambition to improve outcomes for young people through positive career progression pathways. The Hub has four full time staff, including a Manager, two officers and an apprentice. The model recognises the scale of opportunity to encourage Small and Medium Enterprise (SME) take-up of apprentices as well as the need to change the perceptions of apprenticeships so that they are seen as an equal employment pathway.

Under the Leeds City Deal, the targets for apprenticeship starts in the city are shared between the Leeds Apprenticeship Hub and the Leeds ATA. The ATA is a not-for-profit organisation that was set up by Leeds City Council and Leeds City College, and is supported by the West & North Yorkshire Chamber of Commerce. Leeds ATA takes on the administrative requirements and legal responsibility of employing staff members.

The framework of the Leeds ATA is designed to be flexible to meet the needs of host employers. Leeds ATA charges the host employers a fee; this comprises the apprenticeship wage and the support fee. It is an all-inclusive cost agreed on an individual basis. All of Leeds ATA's apprentices are paid more than the Apprentice National Minimum Wage. The ATA also offers pre-employment training and support for apprentices, such as interview guidance and supervision. The ATA's charges are as follows:

- £150 fee on placement fee (no placement, no fee)
- 20 per cent management fee levied on top of the wage (i.e. 80p per hour for a £4 ph apprentice; £1.20 ph for a £6ph apprentice)
- Should the company decide to take on the apprentice and employ them directly prior to the apprenticeship being completed (i.e. before 12 months) then a further £150 fee is charged. Currently about 75 per cent of ATA apprentices do get taken on before 12 months which is both a success (i.e. "job created") but a problem for the ATA as it impacts on their projected maximum income. Currently the full effect of this is cushioned by the subsidy from the LEP/City Region.

The ATA's annual running costs are currently around £180k per annum. 60 per cent of this is covered in grant funding from the City Region LEP (£108k pa) and 40 per cent from earned income in the form of fees from employers. However, there is an expectation that the ATA will move to becoming become wholly self-financing. To that effect, the ATA model aspires to place c130150 apprentices per annum across the City; it currently has a caseload of around 60pa. The Agency has a full time team of 5 and believes this staff overhead can manage a significantly larger caseload than it currently does and achieve the higher volumes without necessarily further increasing the management overhead.

Lessons from Leeds Hub and ATA:

- Establishing any apprenticeship scheme takes time: during the first year of any new programme there is a high degree of trial and error;
- Funders must be made aware of the requirements of evidence for achieving targets at the start of the programme to avoid the time consuming revisiting of data;
- Engagement with the training provider network has supported quality and maximum impact in delivery;
- Engaging with young people at apprenticeship events or in schools is an effective way of challenging the perceptions of apprenticeships and increasing their take up.

General Lessons

Over the two years of its operation it has identified a wide range of insights, lessons and good practice examples:

- The Hubs have benefitted from being located within a local authority, as businesses recognise that local authorities are independent and as a result they trust the advice that the Hubs provide;
- The promotion of apprenticeships to young people, schools and parents should be integral to any future apprenticeship scheme;
- There should be an emphasis on high quality and sustainable apprenticeships, such as a focus on apprenticeships that pay higher than the Apprentice National Minimum Wage;
- The Hubs have benefitted from maintaining a flexible structure that responds to changing demands and needs;
- Partnerships between the Hubs and businesses, training providers and public agencies such as Jobcentre Plus and the National Apprenticeship Service have been integral to their ability to connect with employers and young people;
- Proactive performance management and monitoring has been instrumental to ensuring good output levels across the Programme;
- Employing an apprentice as part of the Hub Team has helped with communicating to young people, providing hands on insights into the process, and demonstrating confidence in apprenticeships to employers;
- Local Hubs and ATAs can operate well together in the same locality; naturally strong collaboration and distinct roles for the two bodies have been vital in achieving the best results.

Private Company ATAs: South East Apprenticeship Company

Approach

The South East Apprenticeship Company (SEAC) is an approved ATA that offers apprenticeships to young people who live in Kent & Medway, London, Berkshire, Buckinghamshire, Hertfordshire, East & West Sussex and Surrey. The apprenticeships offered by SEAC are geared towards key sectors in the South East. They include: business administration and law, retail, health and public services, care, IT and telecommunications, engineering and manufacturing, leisure and education. SEAC target employers of a range of sizes to ensure its sustainability.

SEAC provides various services:

- Consultation with host employers to agree the role of the apprentices;
- Screening and interviewing of potential apprentices;
- Shortlisting of most suitable candidates for the role;
- Setting up government-funded training for the apprentice;
- Employing the apprentice directly;
- Support to apprentices from an Apprenticeship Support Consultant;
- Organisation of training and support by a training provider.

The fee that is charged to the host employer covers statutory deductions such as payroll, tax and National Insurance. The host employer will not be charged for the apprentice's training if the apprentice is aged 16 to 18 as this is fully funded by the SFA. If the apprentice is aged 19 to 24 the host employer will normally be asked to contribute towards training costs. The recruitment process is at no cost to the host company.

In addition to providing work-based learning schemes, SEAC provide pre-employment training, such as CV and interview advice, and mentoring during the apprenticeship. If the host employer cannot retain an apprentice for the full length of their apprenticeship SEAC will pay the apprentice for 2 weeks. The minimum salary for apprentices is aligned with the Apprentice National Minimum Wage. SEAC was created by Keeping Excellence in Training Standards (KEITS) and Kent Association of Training Organisations (KATO). KEITS was one of 12 organisations to receive a share of £7 million government funding to set up new ATAs.

General Lessons

- Charging the host employer for some of the apprentice's training costs can reduce the pressure placed on the ATA;
- Offering a range of pre-employment training and skills courses can make apprentices more attractive to potential host employers;
- Targeting both SMEs and larger companies can ensure that the ATA is more sustainable. Indeed, the resource applications for an ATA for individual apprentices being placed within

a number of host SMEs in order to complete an apprenticeship are too great for such placements to be viable in significant numbers.

3. Broader examples of employer engagement

3.1 How can micro businesses be encouraged to take up apprentices?

Background

A range of recent research has identified the issues around micro-businesses and recruitment, and specifically how to encourage micro-businesses to realise their potential as employers[4]. The most important finding of this research is that micro-businesses have an exaggerated perception of the risks of taking on employees. These risks are about getting the right person, the affordability of the position in the medium term, and anxieties about managing staff and the associated administrative systems.

This has led to a range of initiatives being put in place to provide micro-businesses with the specialist HR support they need (alongside business development advice) to recruit and manage a new member of staff. These approaches have proved highly successful and even in small economies can lead to 100s of new jobs.

The experience of these approaches suggests that an approach which focuses on the take up of apprentices needs to be built on the back of these approaches rather than be an up-front objective: micro-business owners need to be helped to overcome their anxieties about recruiting first – only then are they in a position to consider an apprentice.

Approach

A number of Scottish local authorities have now established micro-business recruitment projects. These projects involve the recruitment of specialist HR staff to provide advice to micro-businesses about all aspects of employing a new member of staff:

- Is this the right time to recruit;
- What job should the recruit carry out and how should this be described;
- How to recruit – in terms of advertising, selection, interviews;
- How to create an appropriate contract;
- How to put in place the administrative systems;

[4] Notably, Federation of Small Businesses (2012), 'Micros Untapped: Realising the employment potential of micro businesses, Rocket Science UK Ltd

- How to induct and support.

Some of these clients can be encouraged to explore the apprenticeship option, and there are examples of this being very successful. But it will not suit all micro-businesses:

- Micro-business owners tend to be anxious about making such a relatively long term commitment;
- Many will not be in a position to provide the range of experience needed to fulfil the requirements of an apprenticeship. There have been some 'shared apprentice' approaches where a number of micro-businesses have worked together to provide an apprentice with the range of skills needed (with a third party sometimes taking on the role of employer) – but in practice these have proved difficult to manage;
- Some of the most successful examples have focused on highly skilled sole traders/micro-business in the trades and within sight of retirement, which are keen to recruit an apprentice to ensure succession.

What this experience suggests is that the most effective approach to promoting apprentice recruitment by micro-businesses will involve a micro-business recruitment initiative with a particular focus on targeting those who are in a position to recruit an apprentice.

Outcomes

An initiative which involves 2 full time HR specialists could be expected to support c300 micro-businesses per annum. The conversion rate of existing initiatives (ie the proportion of supported micro-businesses which actually recruit staff) varies between 20 per cent and nearly 70 per cent - one of the key determinants is the focusing of support on those who realistically can expect to recruit in the near future with the right kind of support. Assuming an annual turnover of 300 businesses supported then this would mean that 150 jobs would be created. Based on our analysis of the business profile it would be reasonable to assume a minimum 10 per cent take up of apprenticeships – or 15 apprentices pa. However, we believe that careful targeting of support could increase this significantly.

Funding

The projects have been funded by Local Authority with European Social Fund support. The costs involve c£30k per specialist post plus management time.

3.2 Encourage employers to work with/support ESA clients

Approach

There are a range of different approaches to encouraging employers to work with those on ESA. This group includes both Work Related Activity Group (WRAG) and those in the Support Group. In this section we focus on those in the WRAG. These clients are likely to be facing a range of issues in their journey to work, which could involve issues around health, dependency and a lack of some of the required structures that allow work – including a bank account, money management skills and structured child care support. This means that any effective approach is likely to involve an integrated service offer which incorporates a range of specialist and mainstream services. This group will be a priority group for the planned national Work and Health Programme that will be introduced in April 2017.

The different approaches break down into two types of initiative:

- Working with larger employers with an established CSR approach. This involves the employer 'meeting the client half way' – in other words putting in support at work that provides the client with a supported transition into work. The key feature of successful approaches is to provide the employer with a client who is ready for the experience and keen to contribute – and an effective support structure around them which can rapidly respond to any issues and provide additional assistance and advice as needed.
- Working with clients to get them to a level at which they are able to be productive employees. This involves working closely with employers to understand their requirements and tailoring the later stages of a client support and training service to match these requirements. The success of this approach is enhanced by the use of 'graduate pool' approaches as pioneered by Ingeus with ESA clients on Work Programme. These provide an intensive 2 or 3 day experience for those who are considered work ready to turn them into job ready. It involves:
    - A rapid review of their preparedness in terms of: managing the first month before they are paid; having reliable childcare in place; having thought through travel to work routes and costs;
    - Training in dealing with competency based interviews;
    - Understanding the required routines and habits of work and their significance to colleagues and employers;
    - Training and advice in early weeks survival – how to work effectively with colleagues, how to 'manage up' with a difficult supervisor, how to ensure that instructions are heard and understood.

Outcomes

While there is strong evidence of both the approaches working – that is delivering enhanced outcomes when they are implemented effectively, the local outcome will depend on the scale of resource that is devoted, the quality of engagement with employers, and the quality of the staff who are involved in face to face support with the client, and the relevance of training to the exact needs of employers.

Funding

The main focus in the short term should be on piloting an effective ESA WRAG approach with current Work Programme Prime Contractors – based on a sharing of enhanced income that comes from enhanced support.

3.3 Collaborate to deliver a more coherent and consistent offer to employers

There is a strong focus in a number of areas on creating a coherent and consistent Employer Offer which is designed to present employers with a clear, obvious and appealing source of recruits who will do a good job for them. While the objective is to identify and meet the recruitment needs of employers, the underlying purpose of the partners is to help unemployed people find and keep work. It is therefore not a conventional recruitment offer:

- It is focused on employers with vacancies which are realistic for unemployed clients;
- It only helps to place currently unemployed people into work. In practice, there is a particular focus on longer term unemployed people or those facing a range of barriers as they make progress towards work;
- The partners are competing in the market on behalf of unemployed people and are seeking to present employers both with a better, more rounded service and with work ready candidates who can do a good job.

Making sure that vacancies are uncovered and that employers get the right recruits – from welfare – at the right time will be fundamental to success. This in turn means:

- Widening the range of employer relationships in a coherent way to maximise opportunities;
- Ensuring the quality of employer relationships is good enough to spot all job opportunities, and 'market' individuals with skills and attitudes who will benefit the employer;
- Ensuring there is follow up support to help employers deal with any teething issues and help embed individuals in work.

Providers need to further enhance the skills and work readiness of their individual clients to ensure that they are appealing to employers and that they can compete with others who have just lost jobs or are changing jobs. These changes raise significant issues about what the partners can do to create an appealing environment for new entries into the local provider market, and avoiding actions that may discourage new investors.

The unfolding context creates a major issue for the partnership. More than ever, circumstances require collaboration rather than competition, but there are significant forces that are already driving more competition and less collaboration – and these forces are likely to strengthen. There is a business case for greater collaboration:

- A clear and coherent offer to employers and an organised supply chain for them;

- Building the scale and range of opportunities for unemployed people in an increasingly competitive labour market (in other words, making the cake bigger for service providers serving unemployed people);
- Improving the dynamics of client flow through the network of providers with enhanced cross referrals to ensure that at any stage both individual clients and employers are getting the service they need;
- Developing a shared commitment to performance which means that providers are helped to tackle their weaknesses and deepen their areas of strength – so providing systemic quality for employers and individuals.

There is a need to ensure that providers and other partners are clear about this business case and its implications – otherwise any employer offer will deteriorate over time as providers compete with each other for clients, vacancies and employers. The findings from employer interviews reveal a common set of issues:

- With some notable exceptions (eg large retailers keen and able to recruit unemployed people; employers with a strong CSR commitment; local businesses keen to help young people in the area) most employers simply want the best person for the job and have little interest in whether recruits are employed or unemployed. So the partners can only 'sell' their unemployed clients in terms of their work readiness and potential contribution rather than their unemployed status.
- Employers are not interested in who delivers the service – they just want a good service. And it is not interesting to them that it is joined up – this is an expectation rather than a selling point. In other words, service structure and parentage is not important – effective delivery is.
- Employers are becoming increasingly cost conscious in how they recruit, making the free service of the partners more appealing.
- Employers prefer to deal with a particular individual who over time develops a strong understanding of their needs, style and values and uses this to actively identify appropriate candidates and draw their attention to people who could do a good job for them.
- Employers want a clear and obvious place to go for support. Most of the employers we interviewed recognised this to be Jobcentre Plus.
- Employers expect a high quality service. What this means is:
    - A rapid response to an approach;
    - A quick and accurate understanding of their requirements;
    - Meeting these requirements rapidly in terms of a short list of work ready candidates;
    - Follow up to ensure that their needs have been met and to help them deal with any early issues;
    - Each response being part of a deepening longer term relationship;
    - The availability of add on support;
    - The coordination of the offers available from public sector organisations, with employers being made aware of other help which may be valuable.

Funding for employability is becoming tighter and this is tending to increase the competitive pressures on providers. This is producing a range of responses, for example, providers failing to share vacancies which they can't fill, or widening their offer into new sectors. Some of these responses may improve the employer offer, while others may not and it will be important for the partners to be clear about the behaviours expected of partners to ensure that employers experience the best possible service.

This raises some fundamental issues for partners in any area:

- The competitiveness around vacancies combined with more limited funding means that there is a temptation for providers to compete rather than collaborate – and to generalise rather than specialise. It will be important for the partnership to ensure that the business case for collaboration is understood (ie it builds a bigger market where everyone can have a larger slice).
- A period which is forecast to display relatively slow economic and job growth suggests that the partners will need to be both more active in their engagement with employers – uncovering latent vacancies and removing all the issues and barriers that discourage employers from creating jobs – and link their work more strongly to business development and inward investment.
- Many of the more reliable long term pipelines – for example in the health sector and more widely in the public sector – are drying up and in the private there is evidence that job growth is occurring in a much more scattered way related to the quality of company leadership and ambition rather than to sector characteristics. This means that partners need to rethink their approach to sectors and to reconsider the value of other types of targeting.

We have identified 7 areas for action to develop an effective employer offer:

- Being clear about what the employer offer is – for both partners and employers;
- Widening active engagement with employers who have realistic jobs for currently unemployed people and extending the routes to the employer market;
- Deepening employer engagement by creating an effective account management system for employers;
- Driving up the quality of the response by the more active management of performance and behaviours;
- Promoting added value services for employers such as the use of short list selection as a free specialist service, large scale redundancy support and bespoke skill development;
- Building a strong collaborative brand to send a strong signal to employers that there is a commitment from partners to work together to meet their needs;
- Creating a central development and management resource to support the offer, including the creation of a central source of information, insight and intelligence.

Appendix III – Apprenticeship Options in City Regions

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1. Introduction

This summary paper provides an overview of existing practice in city regions to increase Apprenticeship take up, quality and alignment to local growth sectors. It is split into three parts. Firstly, an overview of existing interventions, models and approaches being adopted in selected city regions in the UK. Secondly, how city regions are approaching the potential implications of the Apprenticeship Levy, being introduced in April 2017. Thirdly, lines of enquiry and options to explore in Greater Brighton, based on the above practice and research.

2. Why are city regions intervening in the Apprenticeship market?

Whilst the local context is different in each city region, the system challenges, barriers to Apprenticeship take up and priorities for improvement are similar. The table below highlights the primary supply and demand side challenges cited by city regions.

Supply	Demand
• Poor IAG in schools which promote Apprenticeships as a viable alternative • Low levels of progression from school to Apprenticeships (5-6%) • Lack of Apprenticeship ready learners - Potential apprentices are not equipped with the required skills to secure an Apprenticeship, particularly maths • Limited pre-Apprenticeship pathways including Traineeships • Lack of progression pathways from schools, to FE providers to HE • Lack of supply of UTCs / specialist vocational provision at 14 • Insufficient provider innovation and flexibility, particularly large volume providers • Performance (attainment) levels remain varied across providers • Lack of competition in the supply of higher level Apprenticeships (Level 4+) • Lack of responsiveness to changing employer demands, e.g. introduction of new	• Low levels of Apprenticeship growth year on year • Lack of market penetration of Apprenticeships with SMEs, particularly in emerging / growth sectors • Apprenticeships are predominantly at Intermediate Level, with limited higher level Apprenticeships • Highest Apprenticeship demand is within health and social care; retail; hospitality; and business administration • There is generally a mismatch between local priority sectors and the provision of Apprenticeships

frameworks/standards in niche sectors/occupations	

There is consensus across city region stakeholders that the Apprenticeship market is not functioning effectively to meet local economic growth priorities, and that without a more interventionist role for LEPs, Combined Authorities and local skills partnerships, city regions will not develop the skills needed to meet future growth aspirations.

Looking across Sheffield, Leeds and Manchester City Regions as examples of the different approaches being adopted to address the Apprenticeship challenge, there are seven strategies being adopted:

1. Influence national policy and local actors outside of the LEP, CA or local authority control to improve the pathways to Apprenticeships and increase the number of Apprenticeship ready learners, through for example more effective IAG, or curriculum design mapped to local growth occupations/sectors;

2. Seek devolution deal(s) to secure responsibility and control of elements of the skills system that may positively impact on Apprenticeship take up;

3. Use levers such as the Area Based Review process to improve the quality of Apprenticeship delivery and alignment to local economic priorities;

4. Introduce demand side pilots that increase flexibility to fund training in demand by local employers that can be used to leverage increased Apprenticeship take up (i.e. 'we'll fund X if you employ Y Apprenticeships');

5. Shape and influence the Apprenticeship market directly, particularly through a demand and supply side brokerage model, marketing directly to priority sectors/employers and then connecting high quality providers through a provider neutral brokerage model;

6. Capacity building of suppliers, helping providers to understand local employer demand through more effective LMI; promoting new Trailblazer / standards opportunities;

7. Directly intervening to address market failure, through establishing Apprenticeship Training Agencies which employ Apprenticeships on behalf of host employers.

These strategies are explored below, firstly within the context of the devolution agenda, and, secondly, the specific interventions/models being used by city regions.

3. Increasing Apprenticeship take up – the devolution context

Devolution of responsibility for further education funding and commissioning is a strategic priority for each of the above city regions, with Apprenticeships a key strand within the broader education and employment policy landscape. As Sheffield City Region states in their devolution asks,

"The national system is not working for us. At the heart of the problem is the fact that employment and skills policy is designed and services are commissioned in silos across Government Departments to address a problem that does not sit neatly within Whitehall boundaries but within the complexity and opportunity presented in a local economy."

The argument put strongly by city regions is that only by having greater local influence and control can cities better connect demand and supply, driving up the quality and responsiveness of Apprenticeship provision, alongside wider education and employment reforms.

Previous City Deal (2012) and Growth Deals (2014) are being used by city regions to fund, develop and test different models/interventions to create a more highly skilled workforce, better aligned to local growth priorities.

The eight Wave One City Deals give greater powers to city regions to pilot and design skills interventions, with Apprenticeships a common theme across each deal. In the majority of cases, this included the funding of Apprenticeship Hubs, as well as ring fenced allocations (and flexibility) of the Apprenticeship Grant for Employers (AGE) and in Leeds the set-up of an Apprenticeship Training Agency.

Growth Deals further enhanced local powers in the design, funding and delivery of skills policy. For example, Sheffield secured £21.7m over six years to fund the Skills Bank, a demand led brokerage model (expanded on below). Greater Manchester secured control of £12m of Adult Skills funding in 2015/16 and 2016/17.

Collectively these deals have provided city regions both the crucial funding to develop and test different models within the context of local government budget reductions, as well as provide deeper insight into what is and isn't working within the skills system.

In 2014 and 2015, as the devolution agenda progressed with a series of Devolution Agreements between the government and city regions, the devolution and reform of the vocational skills system was a consistent 'ask' from each city region. For example, the Sheffield City Region, seen to be furthest ahead in its approach and positioning with Whitehall, asked for the following specifically in relation to Apprenticeships (September 2015):

"Sheffield City Region to have fully devolved responsibility and freedom to incentivise take up of Apprenticeships including brokerage activity and other financial incentives, on the basis that we will do this through a fiscally neutral model that drives greater economic return by increasing the take-up of higher level Apprenticeships in high value sectors. Building on existing infrastructure and

programmes in SCR, as well as the results of the planned Area Based Review, we are seeking devolution of this ask from academic year 2016/17."

Whilst city regions have secured a number of key asks around skills (most notably, devolved responsibility for Adult Skills Budget[1] funding), there has been firm resistance from BIS and HMT to further devolved powers, particularly in relation to a) careers advice and IAG; b) influence / co-commissioning of 16-18 provision; and c) Apprenticeships, the latter being a particular red line for Government, with the 3 million Apprenticeship target over riding other potential considerations.

As a result, the approach being adopted by city regions is to consider the powers and influence they do have to exert influence over the Apprenticeship market in relation to both the quality of Apprenticeships (right qualification for the right learner in the right sector) and quantity (overall volume of Apprenticeships). Approaches being explored that may be applicable to Greater Brighton in the near future includes:

- Using the flexibility of devolved Adult Skills Budget funding to secure desirable behaviours from skills providers, flexing budget allocations; payment rates; and payment mechanisms to achieve local priorities. For example, growth in ASB funding allocations contingent on Apprenticeship Level 3+ delivery.
- Using the Area Based Review process to exert influence and pressure on FE colleges to respond proactively to the opportunities (and challenges) of Apprenticeship reform. For example, establishing collaborative Apprenticeship delivery models with other providers; commercialising their sales and employer engagement function, particularly directed towards large employers and in non-traditional sectors.

4. What models are city regions adopting to improve Apprenticeship take up?

Using City Deal, Growth Deal and in part Devolution Agreements, city regions are investing in a series of interventions and models designed to improve the quality and quantity of Apprenticeships. These can be grouped in to three themes, summarised below.

[1] There is general consensus that ASB funding will be devolved to the majority of LEPs across England on a phased basis. It is predicted that in January 2016, guidance will be circulated on developing shared outcome agreements between LEPs and the SFA, the basis for devolved ASB funding.

	Sheffield City Region	Greater Manchester	Leeds City Region
Improving Information, Advice and Guidance to increase the number of learners choosing Apprenticeships	Apprenticeship Ready Programme, engaging with schools in SCR, offering impartial IAG on Apprenticeships and helping students become Apprenticeship Ready	Increase the proportion of 16-18 year olds that participate in Apprenticeships through IAG; increasing NEET participation in Traineeships; and tackle wider barriers to take up, particularly transport. Different models and approaches are being tested, particularly within schools, led by local authorities.	Primary focus of IAG activity is within schools, with local Apprenticeship Hubs delivering a strand on schools engagement in each area, including Apprenticeship Ambassadors; awareness raising with parents; and targeted work with teachers.
Investing in supply and demand side brokerage to stimulate demand and better match supply	Skills Made Easy brokerage model, to stimulate Apprenticeships starts and upskilling of existing workers in SMEs based around a £1,000 per learner incentive for providers to train according to business needs.	Apprenticeship Hub established, particularly focused on low levels of unemployed young people entering Apprenticeships and low volumes of Apprenticeships offered at Level 3 and above in priority growth sectors.	Apprenticeship Hubs established, with one central programme management function and eight local Apprenticeship Hubs in each of the main conurbations in the city region, with local flexibility to respond to local needs.
Capacity Building of providers (both college and independent providers) to better prepare them for changes in the market	Programme of support to providers to help them more effectively develop economic and business cases (showing how provision meets local demand); better meeting and responding to employer needs; and preparing for the introduction of new Apprenticeship standards.	Development of market intelligence to influence provider activity; supporting providers develop capacity at Level 3+ in key sectors; and support providers present an integrated offer to employers.	Focus on a partnership approach each Hub area, bringing together employers, providers and other intermediates to promote Apprenticeships and secure buy in to shared priorities.

An overview of some of the particular characteristics and models within each city region is described in more detail below.

4.1 Sheffield City Region

Funded via the City Deal, Skills Made Easy is the local branding for a demand and supply side brokerage model led by Sheffield City Council on behalf of the LEP / Combined Authority. It delivers a provider neutral brokerage service, marketing and promoting Apprenticeships to SMEs in priority growth sectors, and matching providers to employers.

Skills Made Easy from a standing start is now delivering 100 new Apprenticeship starts a month after two years, and is now the third largest Apprenticeship ‘provider’ in the City Region – highlighting the lack of market penetration of existing providers.

As well as volume of starts, Skills Made Easy has had a particular impact on stimulating the supply of bolt ons to frameworks and introducing new frameworks not previously available, encouraging providers from outside of the Sheffield City Region to bid for call off opportunities to deliver Apprenticeships. This includes Drone pilot; Social media; Robotics; Fenestration; Roofing; Arboriculture; Silversmith; Lab technician.

In addition, Skills Made Easy has prioritised the marketing and brokerage of Apprenticeships at higher levels, including level 3 and 4 Apprenticeships in social media and digital marketing and accounting.

4.2 Leeds City Region

Again funded by the City Deal, Leeds City Region has pursued a similar brokerage model but via a hub and spoke model, with a central programme management function and eight Apprenticeship Hubs (and two ATAs) located in each town / city within the LEP area.

By May 2015, 2,000 small businesses that have not been offered Apprenticeships previously have been supported to offer an Apprenticeship, with nearly 1,500 young people (the priority target group) supported in taking up new Apprenticeship roles.

Learning identified by the mid-point evaluation of the Apprenticeship Hubs model suggests:

- Commissioning elements of marketing activity has driven the creative engagement of potential learners and employers. However, this increases the lead time for lead generation;
- Flexibility within the Hubs has been important, for example, enabling Hubs to switch their focus to recruiting Apprenticeship ready learners to an existing pipeline of businesses;
- Existing training providers in the Leeds City Region perceived the Hubs to be a threat to their business, requiring good early and consistent engagement to get them on board;
- Future provision could be more effectively integrated with wider LEP / CA funded business support, e.g. the local Business Growth Hub.

The City Deal has also funded the development of two new Apprenticeship Training Agencies, located in Leeds and Bradford, offering an additional service to business, including recruitment;

employment (wages, tax and NI); support to the apprentice; and quality assurance of Apprenticeship providers. The ATAs are intended to work as sustainable, viable organisations through charging fees for service, however the financial viability of the ATAs (similar to many ATAs nationally) are in doubt.

In addition, funded via the Growth Deal, Leeds City Region through Leeds City College established a 14+ Apprenticeship Academy, supporting students access Apprenticeships mapped to local economic growth priorities.

4.3 Greater Manchester

Funding for the Apprenticeship Hub in Greater Manchester (GM) is through the City Deal, reflecting similar operating principles to the Sheffield and Leeds models. In particular, in GM the focus is on:

- Maximising employer take up of Apprenticeships in GM's key sectors
- Improving information, advice and guidance for young people
- Developing the capacity of providers, ensuring supply is matched to demand

The primary difference between the GM model and Sheffield / Leeds is the emphasis on delivery through existing partnerships in GM. This includes:

- 10 GM local authorities
- Careers education, information, advice and guidance providers
- GM Chamber of Commerce
- GM Colleges Group and its members
- GM Learning Provider Network and its members
- National Apprenticeship Service/Skills Funding Agency
- Higher Education Institutes
- National Careers Service
- GM Centre for Voluntary Organisations
- Department for Work & Pensions
- JobCentre Plus

4.4 Key themes and considerations for Greater Brighton

Whilst at different stages of implementation and delivery, and adopting alternative ways of approaching the same problem, some consistent themes emerge for consideration by Greater Brighton (GB).

- On balance, city regions highlight the supply of Apprentice ready learners as a bigger challenge than employer (and SME) demand, with a particular emphasis on the English and Maths of prospective Apprentices. The interim evaluation of the Leeds City Region Apprenticeship Hubs states, *"The supply of able young people who are keen to start an Apprenticeship has become the key limiting factor".*
- Each city region has prioritised improving IAG, particularly within schools, to promote Apprenticeships as a positive progression route, from school and through to higher levels of education. However, not only is the current IAG system perceived to be failing, it is also over crowded with interventions from different agencies – with Jobcentre Plus now engaging directly with schools, alongside SFA funded provision, the Careers and Enterprise Company, and local initiatives. It is as much about coordination as the intervention(s) themselves.
- It is too early to determine whether the investment in IAG by city regions is having a positive impact on the through flow of apprentice ready learners. Anecdotal evidence in each city region suggests positive progress is being made but this is yet to convert to starts. Also, attribution will be particularly difficult to determine within any evaluation.
- Investment in brokerage models have had particular success in increasing the supply of new / niche Apprenticeship frameworks / Trailblazers to meet employer demand. Brokerage models are perceived as helping stimulate provider innovation.
- There is a strong belief that a local market shaping and influence role is critical to align delivery with economic priorities, working on both the demand and supply side.
- A partnership approach is perceived as a critical success factor, bringing local employers, providers, representative bodies and commissioners to the table to develop and agree shared priorities.
- Intervention(s) within the Apprenticeship market take time to both implement and deliver. There is a strong belief that there are no quick fixes – it takes time to engage with employers; capacity build suppliers; see new learner leads convert to Apprenticeships etc.
- ATA models as currently funded and delivered are not perceived to be financially sustainable.

Finally, and importantly, city regions have not secured on-going funding as part of their Devolution Agreements to fund brokerage services. When the current City Deal / Growth Deal money ends, city regions will need to decide whether to invest local funds (e.g. their single pot devolution package) in continuing their current models, cease investment, or attempt to secure funding from BIS/HMT (with city regions assuming there will be market failure in the delivery of the 3 million target, and a need to drive performance within cities in 2018-2020).

5. The potential impact and implications of the Apprenticeship Levy

The Spending Review (November 2015) and the subsequent 'English Apprenticeships: Our 2020 Vision (December 2015) policy paper provided confirmation of key changes to Apprenticeship policy over this Parliament. The reforms constitute the biggest change in Apprenticeship policy in a generation. Whilst a lot of the detail is now being worked through and stakeholders consulted, a number of firm commitments have been made. In particular,

- Confirmation of the 3 million Apprenticeship target, a manifesto commitment and the overriding driver within the package of reforms;
- The introduction of an Apprenticeship Levy of 0.5% for employers with an annual pay bill of over £3m from 2017;
- An allowance of £15k towards the Levy for large employers;
- No geographical allocations of Apprenticeships;
- The introduction of a Digital Apprenticeship Service for all employers, who will choose a course, find a candidate and choose a training provider through the system;
- The phasing out of existing Frameworks and the introduction of new Apprenticeship Standards;
- The set-up of a new Institute for Apprenticeships to oversee the design and delivery of high quality Apprenticeships.

The impact of these changes is that the overall funding for Apprenticeships is forecast to increase from £1.5bn now to £2.5bn in 2020, albeit that the balance of funding is shifting from the state to employers. However, the cash contribution for SMEs is unknown at this stage.

As stated above, alongside the lack of funding for existing brokerage models, the reforms have a number of critical implications for city regions and Greater Brighton to consider.

- What role does the LEP / city region play in a national market, with no devolved powers? Should, given the wide range of other priorities and areas for investment, LEPs / city regions invest in Apprenticeships, or let the market take care of itself?
- In the government's push for 3 million Apprenticeships (quantity) how can city regions influence quality, i.e. Apprenticeships at the right levels in the right sectors to meet local economic growth priorities?
- There is a perception (informally held within SFA) that the 3 million target can be hit via churn of existing employers that recruit Apprenticeships, and the introduction of public sector targets of 2.3%. For example, early estimates suggest that national growth to 2020 in the public sector will include over 100,000 in the NHS and 30,000 in the road and rail sectors. Within this push for numbers, how then do city regions prioritise and target take up in priority growth sectors?
- Without a formal role, how do city regions encourage employers to use the Levy to recruit Apprenticeships, on the basis of 'use it or lose it'?
- There is considerable doubt across stakeholders over the Digital Apprenticeship Service, not only its functionality, but more the assumption that employers are informed consumers and can make informed choices over the course and provider.

- Large Apprenticeship providers that subcontract their Apprenticeship delivery (a particular challenge for many FE colleges) are at risk from subcontractors exiting their supply chain and directly working with employers – as they hold the relationship with employers in a more open market. In macro terms this should create a more efficient market nationally (i.e. less money being taken out via managing agent / prime contractor fees) but increase revenue pressures on FE colleges already feeling the squeeze from wider FE reforms.
- Existing providers have been slow to adapt and get involved in Trailblazers – will providers be able to quickly adapt to both the new standards being developed and also the shift towards large employers and public sector employers?
- SMEs are currently large recruiters of apprentices, but will any cash contribution and the focus of providers on large employers mean a reduction in Apprenticeship take up?
- Finally, the big unknown is how employers will respond to the Levy and wide reforms. For large employers, this is no longer a conversation with the HR department, but with the Finance Director. What will the financial incentive to recruit mean?

As city regions are working through the implications of the Levy, there are five strands of activity underway.

1. Analysis of the scale and impact of the Levy – on the demand side, mapping the employers that will fall within the remit of the Levy. For example, in the Sheffield City Region, 500 out of a business stock of 44,000 employers will be subject to the Levy. On the supply side, analysing the performance of providers; the extent of subcontracting; the shift and take up of Trailblazers to get to a baseline assessment of Apprenticeship reform readiness.

2. Targeted engagement with employers – Investing in targeted work with large employers (i.e. those in scope of the Levy) in both the public and private sectors so that both they, and the local economy, get the most out of the Levy. For example, one large public sector employer in Greater Manchester to meet its Levy requirements would require a fivefold increase in Apprenticeship employment, which it wouldn't fulfil through direct employment but would achieve through its supply chains. This however will take time to implement and promote.

3. Targeted engagement with providers – Investing in capacity building work with local providers to increase awareness of the Apprenticeship reforms and the potential implications for their business.

4. Leverage Growth Deal funded interventions – using existing investment in marketing and capacity building support to prepare stakeholders for the Apprenticeship Levy.

5. Influence local stakeholders to secure funding for brokerage activity – Securing leadership buy in and commitment to fund brokerage models from devolved single pot funding, competing for funding alongside other local priorities.

6. Lines of enquiry and key considerations for GB to increase the quality and quantity of Apprenticeships

Taking the practice and learning from the work in city regions on Apprenticeship take up, alongside the potential implications of the Apprenticeship Levy and wider Apprenticeship reforms, what are the options for Greater Brighton to increase the quality and quantity of Apprenticeships in the Greater Brighton area?

If Government is to be believed, there is no formal role for city regions within the Apprenticeship market. However, there is a strong sense in city regions that this may result in a lack of take up of Apprenticeships; a lack of alignment between Apprenticeship starts and local growth priority occupations/sectors; and, through a lack of effective IAG and vocational pathways, insufficient supply of learners that are Apprenticeship ready.

There are probably three strategic options for Greater Brighton:

6.1 Do nothing

Not as glib as it first appears, the do nothing option reflects other aspects of FE reform and changes in skills policy. The likely devolution of Adult Skills Budget to LEPs; the impact of the Area Based Review; the potential to agree shared outcome agreements with the SFA – all these elements may (as seen above) positively impact on Apprenticeship take up in GB.

Does GB have confidence in the market (on both the supply and demand side) that it can achieve its economic growth objectives without intervening? How important are Apprenticeships to achieving GB's economic growth priorities?

6.2 Focus on a leadership and influencing role

Adopting a partnership approach to lead and influence actors in the system, particularly working with schools to develop the pipeline of Apprenticeship ready learners. For example, working with schools to understand how the current curriculum maps to the new Trailblazers and standards?

In terms of leadership, Councils in the GB area can build on their position as role models for Apprenticeships, particularly with the introduction of public sector targets for recruitment. For example, analysis of supply chain potential to recruit Apprenticeships and maximising the use of supply chain contractual commitments to Apprenticeships as part of Social Value procurement.

6.3 Adopt a more proactive role

Building on the experience of Sheffield, Leeds and Manchester, the option to invest in IAG, brokerage and capacity building is compelling. Examples of potential actions against each of these strands of activity is illustrated below.

Strand	Possible Interventions
Information, Advice and Guidance	• Targeted marketing and promotion of Apprenticeships to schools • Establishing a careers working group across agencies to promote a more coordinated IAG delivery model • Establishing a LMI and data group, to develop GB's approach to the collection and sharing of LMI with providers and other stakeholders • Exploring alternative models of IAG, particularly peer to peer and low cost technology solutions
Brokerage	• Establishing a neutral mechanism to develop employer demand and broker with the provider market • Targeted engagement with large employers and providers subject to the Levy • Establishing a working group to focus on the impact of the Levy • Undertake pre-emptive work on developing outcome based agreements – what would the statement of priorities look like? How could these be translated into targets/funding?
Capacity Building	• Working with providers to develop better progression pathways/ compacts for vocational and technical qualifications including destinations into employment • Establishing a programme of workshops with providers to promote the opportunities/risks attached to the Levy; local framework/standards priorities; etc • Developing a prospectus which state GB's priority sectors, qualifications and levels to promote to potential new providers in GB and steer the existing market

4. Wider considerations

Four more considerations in the development of Greater Brighton's Apprenticeship approach, reflecting on the successes/challenges in the above city regions:

- Ensure that the governance model for skills effectively brings together stakeholders on the supply and demand side, including schools, providers, the LEP, local authorities and employers;
- Build on the Employer Task Force to engage with local employers and involve them in the design and delivery of Apprenticeship provision;
- Review local LMI analytical capacity to ensure that stakeholders are equipped with relevant and up to date LMI that directly impacts on provision;
- Establishing an evaluation programme alongside any new delivery models for Apprenticeships to review the quality and impact of changes.

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15 December 2015

Dear Peter,

SKILLS FUNDING AGENCY (SFA) PRIORITIES AND FUNDING FOR THE 2016 TO 2017 FINANCIAL YEAR

I am writing to you with details of the budget for adult further education which is available to the SFA in 2016-17 and the funding that we expect to make available in the following years up to 2019-20. This letter sets out the total spending available for adult further education and how it is broken down; it also provides instructions for how that money should be spent. These instructions are valid through to 2020. It is my intention that future grant letters will confirm the funding available for the next year but not set new strategic direction**.** This will give you and the FE sector the ability to plan over the longer term.

Overall funding

In 2016-17 we are making available £1bn in grant funding to support the costs of apprenticeship training for adults. We are also making £1.5bn available to support adult further education outside of the costs of apprenticeship training. This second figure forms a new budget which we call the *adult education budget (AEB)*. The new AEB is a single funding line which replaces what had been three separate funding lines: funding for adult further education outside of apprenticeships (previously held within the adult skills budget); Community Learning; and Discretionary Learner Support.

The settlement is a good one for adult further education in the context of a spending review where the Government has again stressed its commitment to healthy public finances. Funding for non-apprenticeship core adult education has been protected in cash terms, in recognition of the contribution that adult further education can make both to improving productivity and creating opportunities for the most disadvantaged in our society. And this is only part of the story. The settlement means that there is a significant increase in the resources that government is making available for adult further education. Five years ago grant funding paid directly to providers was the only way in which government funded the provision of adult education. This has now diversified.

From 2017-18, the new apprenticeship levy will provide new funding to support apprenticeship training, bringing the total investment in adult apprenticeships to £1.485bn by 2019-20. This represents the most significant change in the funding of further education in a generation. It is a reform which ensures that employers contribute to the costs of training the workforce on which they depend, and creates a reliable and expanded funding stream for apprenticeships. With the levy in place, employers, providers and government will be able to work together to deliver a greatly expanded apprenticeship programme which delivers the quality of training that the modern economy needs.

We are also extending the availability of Advanced Learner Loans to those aged 19-23 and to higher levels, to continue to give adult learners access to fees support to invest in their own learning. The combination of the levy, the protection of the AEB, the extension of loans, and the introduction of the youth obligation means that by the end of the Parliament, the cash value of core adult FE funding to support participation will be at its highest ever. The total spending power of the FE sector to support participation will be £3.41bn by 2019-20, which is a cash terms increase of 40% compared with 2015-16.

This diversification of funding routes is important for three reasons. First, it leads to a fairer sharing of cost between government, employers, and individuals. Secondly, it leads to a significantly higher overall level of investment in adult education, as we open up the channels for non-government contributions. Thirdly, it puts funding decisions in the hands of those who benefit from the services which are funded. It will be for businesses to make decisions about where the apprentices they employ are trained. It will be for individuals taking out loans to decide which provider offers a course that is worth investing in. And in making these decisions, employers and individuals will be able to draw on an increasingly rich seam of data about the performance of programmes which allow them to make choices. In short, we are putting more power in the hands of service users, instead of service providers. This is exactly as it should be.

Above all else this is a funding settlement to enable profound change to our system of further education. It is a settlement to enable change, not to maintain the status quo. It allows employers, providers, and government to work together to achieve the growth we need in high quality apprenticeship programmes. It enables us to re-establish high level technical and professional education as a core part of the tertiary education offer. And through the area reviews it will lead to a new pattern of FE provision across England, with much greater specialisation of provision, and institutions that are financially resilient enough to invest in their future development.

The annex to this letter sets out in more detail the funding available for 2016-17 and indicative funding levels for 2017-18 to 2019-20.

Apprenticeships

2016-17 is a transitional year. It is the last year in which government funding for apprenticeship is solely grant, and not levy. In readiness for the transition, your funding for apprenticeships is allocated to you as a separate line, valued at £1bn.

The Government is committed to delivering three million apprenticeships by 2020 and to continuing to drive forward reforms to put employers in the driving seat of designing and delivering apprenticeships. We recently published our plan for growth and reform of apprenticeships over the course of this Parliament - https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020. You will play a key role in delivering this strategy over the next year.

Our vision is that, by 2020:

- Apprenticeships will be available across all sectors of the economy and at all levels, including degree level
- The design and delivery of high quality apprenticeships will be overseen by a new, independent and respected quality body, the Institute for Apprenticeships.
- All new apprentices will be trained to meet levels of professional competence set out in employer-designed standards
- Employers will be confident customers of apprenticeship training programmes, which will be developed by agile training providers to meet the evolving needs of business
- Employers will have the opportunity to choose between more high quality providers and it will be easier for employers to train their apprentices directly
- The funding system will support the commitment to increase the quality and quantity of apprenticeships
- Funding for apprenticeships will be placed on a sustainable footing through a levy on employers
- Employers will choose and pay for the apprenticeship they want through a Digital Apprenticeship Service including using levy funding.

The Government's reform and growth aims for apprenticeships offer significant opportunities for providers, positioning apprenticeships as the biggest part of the vocational market. Training providers need to be proactive in rising to the challenge of reforming apprenticeships and funding, at the same time as delivering growth. The introduction of the apprenticeships levy from April 2017 is likely to lead to significantly increased demand from employers wanting to engage with apprenticeships. It is crucial that providers are ready to respond to this new demand and use the coming months to prepare to develop and deliver the 'off-the-job' training needed for the new employer-designed standards. There are many exciting opportunities for agile providers to operate in this new, more market-style environment to respond to the needs of employers as the purchasers of apprenticeship training. Many providers will need to re-work their business model as the current allocations-based approach moves to the new funding system.

The apprenticeship levy represents a major step forward in putting control of the funding for apprenticeships with employers. Employers are already driving forward with the new standards, which are higher quality and better meet their needs than the frameworks they replace. The levy and the new Digital Apprenticeship Service (DAS) together will encourage employers to invest in their apprentices and take on more.

In England employers will be able to secure quality by directing funding using the DAS. We intend that all employers, whether they pay the levy or not, will have access to the DAS, which will help them to choose an apprenticeship, find a candidate and choose a training provider.

Moving to the new system will take time and need careful handling to minimise the disruption to providers and help employers take up the reins when the levy starts in April 2017. I therefore look to you to manage the delivery of the DAS, to ensure that processes and systems are in place to distribute the levy and to ensure that employers and providers are fully briefed on how the new systems will work.

The adult education budget

In 2016-17 and in subsequent years, I look to the SFA to allocate the adult education budget consistently with three core principles:

- effectiveness;
- simplicity; and
- localisation.

Effectiveness

Effectiveness must be a core principle underlying any allocation of public funds. In the context of your allocation of funds, the established principle has been that providers should be able to respond to the demands of the communities they serve, and your allocations process will support this. I look to the SFA to allocate the AEB in line with the Government's priorities and legal duties to support learning that cannot be funded from other sources, notably employers and learners. I also look to the SFA to use the detailed data available about the outcomes of individuals to inform its own investment decisions where this is appropriate and to promote vigorously the use of this data, so that learners can make good choices and providers can understand their strengths and weaknesses and respond accordingly.

Technical and Professional Education
The Government has set out its plans to reform technical and professional education, which will set England's system on a par with the best in the world. The reforms will focus on simplifying the currently over-complex system, working in direct partnership with employers to ensure the new system provides the skills most needed for the 21st-century economy. We will learn from the best systems around the world to put in place a small number of clear high quality technical and professional routes, which will be as easy to understand as academic routes. These new routes will lead young people from compulsory schooling into sustained employment with the highest levels of technical competence. I have asked Lord Sainsbury to chair a panel looking at how we design these new routes and you should take account of his findings in future funding decisions.

The Government has announced its intention to support the creation of five National Colleges. The Colleges will deliver higher level technical skills in industries and sectors that are key to economic growth and productivity. We are working with the College teams to implement their business and investment plans, with the aim of establishing a network from September 2017. You will be responsible for:

> Managing the transfer of capital funding to the Colleges based on allocations agreed by BIS with the Colleges, following due diligence process jointly conducted by BIS and SFA.
>
> Ensuring that the capital spend on the programme is managed in accordance with *Managing Public Money* and based on agreed working arrangements between BIS and SFA.
>
> Managing and monitoring the drawdown and repayment of any working capital loans provided to the Colleges, based on a loan agreement between BIS and the College.

We have also announced our intention to create a network of prestigious Institutes of Technology, focussed on the higher level STEM skills employers' need. We intend to work with local partners on a number of pilot projects to test this concept and to ensure that it leads to the development of valuable and sustainable provision. We will be providing more detail on the way we will approach this early in 2016, including setting out your role in developing the programme.

Advanced Learner Loans
From 2016/17, loans will be available to those aged 19 and above studying technical and professional qualifications at levels 3 to 6. Those aged 19-23 still retain a legal entitlement to full funding for their first full level 3, with loans becoming an option for those seeking to re-skill. The expanded offer provides a source of fees support to help address the country's technical and professional skills gaps. We expect you to work with and encourage all colleges, training organisations and awarding organisations to explore how they will enhance the higher technical and professional offer through Advanced Learner Loans. You will be responsible for determining the qualifications eligible for financing with a loan and the associated maximum loan values as well as ensuring high quality providers are operating in the market and a sufficient offer is available to learners.

Traineeships
In August 2013 we introduced traineeships for young people who have left school and wish to get an apprenticeship or other employment but lack the basic skills and experience that employers are looking for. They have made an excellent start: almost 30,000 traineeships started in the first two years of the programme; around two-thirds of year-one trainees reached positive destinations following their traineeship, including apprenticeships; and 94% of employers consider traineeships an effective way of preparing young people for work. We want to see continued growth of traineeships. To support this, I ask you to continue to make traineeships a priority including when redeploying AEB funding in year.

When we introduced traineeships, we required that providers are graded 'good' or 'outstanding' by Ofsted in order to ensure quality from the outset, but said we would keep this under review as the programme develops. Now that traineeships are fully established and getting excellent results for young people, from August 2016 we will place them on a par with other provision by removing this requirement. This will enable more providers to deliver traineeships and ultimately more young people to benefit from them.

Youth obligation
We have announced the introduction of a new Youth Obligation (YO) that will support 18-21 year olds to gain the motivation, skills and experience to move into work. The policy will be introduced in April 2017 and will mean that the Jobcentre Plus network will support young people on the YO into sector based work academy places, traineeships and to apply for apprenticeships. We expect that the SFA will encourage providers to continue to work closely with the Jobcentre Plus network to enable these opportunities at no cost to the young person.

English and maths
Strong literacy and numeracy are closely associated with higher rates of earnings, employment and productivity, as well as civic participation, engagement in children's education and positive health and well-being. English and maths qualifications are essential for success in other, higher areas of learning and are often required by employers in recruitment. For that reason we will maintain the statutory entitlement to fully-funded English and maths in the AEB to enable adults to progress up to Level 2 and achieve a GCSE in these subjects if they have not already done so.

The English and maths qualifications you should support in 2016/17 are GCSE, Functional Skills qualifications and approved stepping stone qualifications. Please continue your work with the Department for Education to confirm, where appropriate, a single list of stepping stone qualifications. You should continue to support English for Speakers of Other Languages (ESOL) for those learners who need to develop their English language skills as well as their literacy. The current entitlements for full funding will continue to apply but jobseekers referred by jobcentres should be the priority for full funding. We expect ESOL learners to be able to progress to Functional Skills qualifications and GCSE.

Offender learning
Education in prisons remains a critically important part of the Government's drive to reduce re-offending and drive down the significant costs that imposes on society. We have taken the same approach to the Offender Learning and Skills Service budget as that taken for the AEB, protecting it in cash terms across the Spending Review period. Further decisions about prison education generally, and about commissioning arrangements from 2016/17 particularly, will be announced in early 2016. Those decisions will be based on the interim report from the independent review of prison education being undertaken now by Dame Sally Coates for the Secretary of State for Justice.

Careers Advice and Guidance
We have agreed that the National Careers Service should be re-focussed on the new priority groups, young people aged 19-23 not in touch with schools/colleges, lower skilled adults aged 24 plus and adults (25 plus) with learning difficulties and disabilities. The service should build on the digital first approach already in train, using a triage approach to help citizens make informed choices about learning and work and determine their career pathway and suitability for programmes including apprenticeships and traineeships as well as other learning and skills programmes intended to boost UK productivity. We ask that you work closely with BIS officials to develop a new blueprint for the service to be implemented once the current contractual arrangements expire.

Community Learning
We will no longer provide a separate "Community Learning" budget. As part of the move towards simplification and localisation, all learning providers will be able to offer non-accredited learning if providers and Local Commissioners (where they are in place) consider such activity to be relevant and effective.

The Pound Plus strategy, introduced in Community Learning in 2013, must be used to deliver value for money focus public support on disadvantage and ensure that all learners pay if they can afford to do so. In 2016/17, I ask that you consult with local commissioners and providers to agree how to get the most from the integration of the Community Learning budget, in order to best meet local adult education needs.

Simplicity

My clear view is that the current funding system has become too complicated. It is the product of consecutive decisions about what can be funded, each of which was intended to promote greater effectiveness and in its own right might well have been justified. I am grateful for the good start you have made on simplification, but I would be grateful if you would consider how you can make even more progress over this Parliament to remove disproportionate compliance costs, both in providers and in the SFA, and incentives which cancel each other out.

In particular, I look to the SFA to simplify further the funding system to support the AEB from 2016/17 through block grants. You should do so in a way which is consistent with the objective of moving towards devolution of the budget under wider devolution agreements in some areas, from 2018. This means that you should move towards increased flexibility for providers funded under block grant, with increasing local input into how that flexibility is used; you may find the UKCES/AoC document, *Local Action, National Success*[1] helpful. In 2016/17 you will also support the development of local delivery agreements, in the context of devolution deals which make provision for local influence over funding in 2016/17. You should also be able to ensure a similar approach in the three LEP areas where you have run "local influence" pilots. I know that you are using the funding reform and localism steering group to develop your thinking, and I very much welcome that.

I am aware that you have already made progress by reviewing and updating the rules which set out who we fund on either a full or co-funded basis. Simplifying the 'eligibility requirements' will help providers and learners alike and will ensure that learners included in the statutory entitlements undertake and achieve qualifications to enable them to maximise their potential and secure sustained employment. The continuation of co-funding will further reinforce our commitment to public investment in skills and learning, with the exception of co-funding in the workplace which is to be removed from 2016/17. As part of the diversification of funding we consider that employers should fund learning that takes place in the workplace. The funding released by this change can be used by providers to deliver provision to more priority learners.

The statutory entitlements have not changed. Our policy remains that young adults up to the age of 23 should pay no fees if they study for a first full qualification at either level 2 or level 3 (an entitlement to free education which is anchored in statute). In the past, however, such learners have had access to a bewilderingly wide range of qualifications, quite different to the range of qualifications available to those aged 16-18. This is wrong: there is no reason why the programmes studied under entitlement rules by young adults to catch up with where they should have been on leaving compulsory education should be different. Therefore I expect you to continue your work with the Department for Education to put in place a single offer for ages16 to 23 focussed on high quality technical and professional qualifications and ensure there is a single and effective process to identify these qualifications.

Independent Training Providers
The locally led area reviews of post-16 education and training are looking at how the current post-16 provision is delivering against the economic and educational needs of an area and takes that into account in reviewing how to ensure the long term sustainability of a high quality and responsive general FE and sixth form college sector. The reviews therefore also provide a good source of information to inform the SFA's contracting of the independent provider base to ensure that the provision being contracted is tailored to meet the current and future needs of an area. This is especially timely given that the current contracts with independent training providers expire at the end of 2016/17 and I ask that you ensure that this part of the sector is also well placed to take into account the priorities of localities. In addition, devolution deals will provide specific localities with the power to make their own funding decisions and so it may become less appropriate to let large national contracts spanning multiple geographic areas. Please take this into account in any re-procurement strategy.

Sub-contracting
In last year's funding letter, we noted concerns about how sub-contracting can divert the resources we provide away from the front line into the servicing of additional fees and charges; and we welcome the work the SFA has already done on this. In particular I welcome public transparency on the amount of fees and charges of lead providers and the new external audit assurance arrangements to ensure lead providers have the right capabilities to manage their sub-contracted delivery partners.

[1] https://www.gov.uk/government/publications/local-action-national-success-how-outcome-agreements-can-improve-skills-delivery

I would expect to see less sub-contracting as funding is put in the hands of users or allocated more locally. It will be for employers to choose their own provider of apprenticeship training when we move into the levy system, and I would expect providers to make their arrangements directly rather than via sub-contracting. As the AEB becomes devolved, it will be for local commissioners to take a view about the acceptability of sub-contracting for the money they allocate. Where sub-contracting forms a significant part of a local area's provision, area reviews will want to consider any specific recommendations in the configuration of this provision as part of future arrangements. For 2016/17 you will want to ensure that sub-contracting practices are consistent with the need to achieve value for money in the sector, and to continue to take action against providers who are either operating unacceptable practices, or failing to provide clear and timely information. I would like you to report to me the controls in place by the end of March 2016 to protect the interests of learners and employers.

Localisation

We have in recent years established the principle that while providers should respond to demand, there is a wider public interest in ensuring that provision is aligned with both current labour market conditions and future economic development. That is why, as a condition of receiving funding, we currently require colleges to provide evidence that they are using their best endeavours to meet the needs of those LEPs in which they deliver significant amounts of learning. In future, so far as possible and practical, delivery agreements with providers should reflect local priorities which might include, for example, job outcomes and English and maths achievements. The Government's view is that the AEB funds what is essentially a local service and that in the right circumstances it can be better for funding and responsibilities to be held at local level rather than national level. This view is reflected in recent devolution agreements for areas including Sheffield City Region, the North East, Tees Valley, the West Midlands, and Liverpool City Region which provide initially for local influence over what is to be delivered by providers receiving block grant; and subsequently, subject to readiness conditions being met, these devolution agreements will provide for the full devolution of the AEB. I am asking the SFA to support the progress of these devolution deals, and others as they arise in future.

Area Reviews

Localisation is not solely about financial allocations but also about how provision is structured to best meet the economic and educational needs of each part of the country. We announced in July the launch of a programme of area reviews of further education provision, taking in the whole of England[1]. These reviews are locally led, with steering groups chaired by the FE or Sixth Form College Commissioner, or in areas taking devolution powers, by the Combined Authority. They involve colleges, LEPs, local authorities and regional schools commissioners. The aim is to create in each part of the country a more diverse and specialised network of colleges which is able to meet the post-16 vocational education needs of the area. We need to see much greater diversity of provision and move away from the current norm. We also need colleges which are financially sustainable and able to invest in their futures. It is important to emphasise that the spending review settlement does not obviate the need for the area reviews to restructure capacity across the country: rather, it provides the right platform for big decisions to be taken.

It is important to have in mind that in considering financial sustainability, the reviews should not think only of grant income: loan supported fee income, funding from the apprenticeship levy and wholly private funding are all also part of the picture. It must clearly be a core task for the SFA to support these reviews, and I ask that you continue to do this. There can be no devolution of the AEB to an area before successful completion of an area review. The "readiness conditions" in the devolution agreements[2] expand on this point. The Spending Review has allowed for the

[1] https://www.gov.uk/government/publications/post-16-education-and-training-institutions-review
[2] Page 9 -

requirement of support for the area review process. Access to this support will be assessed on a case by case basis.

Other Matters

College financial health and exceptional financial support
Colleges continue to face significant challenges in their financial health. The SFA (working closely with the Education Funding Agency) has a key role to play in the prompt identification of colleges at risk or requiring intervention and in ensuring remedial action is timely and effective. We have recently revised the guidance on the exceptional financial support available to colleges Further education colleges: financial intervention and exceptional support - Publications - GOV.UK. It is available strictly by exception and can only be considered once a college can provide evidence that they are unable to raise the money from their usual facilities or through other action and where it is necessary to protect learners' interests. Accessing exceptional financial support will trigger intervention action, including potentially an intervention by the FE Commissioner and early involvement in an area review.

European Social Fund
The SFA will continue to procure skills provision funded via the European Social Fund (ESF) under the "opt-in" arrangement until 2018, and provide a matching process with other AEB funding. ESF covers social inclusion, employment (including people in work and at risk of redundancy) and skills support, including higher level skills, but must not duplicate support that is currently covered by national grants or loans (with a very few possible exceptions). Looking further ahead, BIS and the SFA will work together with external stakeholders where appropriate in designing alternative arrangements to ensure ESF-provision can continue to be matched to provision funded through the AEB.

The Prevent duty
On 18 September the Prevent duty came into effect for all publicly-funded and regulated institutions and all non-publicly-funded and unregulated institutions. This includes all FE colleges including sixth form colleges, independent and private training providers and English language schools.

Ofsted will inspect on compliance with the duty in all of our publicly-funded and regulated institutions as part of safeguarding under the heading of governance, leadership and management. In complying with the duty we expect all staff including sub-contracted staff, leaders, managers and governors to be trained in the Prevent duty and in identifying extremist activity. We have agreed with Ofsted and set out to institutions that 2015/16 will be a year of working towards full compliance. However, specific incidents of radicalisation or extremism will be fully investigated and actions taken and reviewed. In addition, we have appointed a team of five advisers to monitor and inspect on a risk-based approach institutions in the non-publicly-funded and unregulated sector. Their approach will mirror closely that of Ofsted. I ask you as the owner of the register of publicly-funded training organisations and the primary contract holder with all publicly-funded FE institutions to fully co-operate with Ofsted and our team of advisers in undertaking background research on institutions and in supporting recommendations made after inspections.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466616/Sheffield_devolution_deal_October_2015_with_signatures.pdf

In conclusion

Your instructions in this letter are pitched at a high level. It is for you and your staff to develop the detailed funding policies that are necessary to implement them, working with BIS officials and consulting with stakeholders as you do so. My officials will establish arrangements with you to monitor progress and to deal with issues as they arise. I take this opportunity to thank you and your team for all that you have done over the past year, and to express my confidence that we will continue to enjoy a productive partnership over the next four years.

NICK BOLES MP

Annex – Funding table

The finance table shows the funding available for the 2016-17 financial year and indicative projections for 2017-18 to 2019-20 (actual budgets will be set out in each year's funding letter).

		Baseline	Funding	Indicative		
		2015-16 £000's	2016-17 £000's	2017-18 £000's	2018-19 £000's	2019-20 £000's
	BIS Core Teaching & Learning					
1	19+ Apprenticeships	740,000	926,019	1,076,004	1,246,996	1,422,999
2	Adult Education Budget	1,494,000	1,494,000	1,503,000	1,511,000	1,512,000
	TOTAL: Core Teaching & Learning	**2,234,000**	**2,420,019**	**2,579,004**	**2,757,996**	**2,934,999**
3	Advanced Learner Loans	**202,000**	**260,000**	**325,000**	**440,000**	**480,000**
	TOTAL: Adult Teaching & Learning	**2,436,000**	**2,680,019**	**2,904,004**	**3,197,996**	**3,414,999**
4	Offender Learning & Skills Service	130,350	130,350	130,350	130,350	130,350
	Funding to Support					
5	19+ Apprenticeships	30,000	79,000	80,000	74,000	62,000
6	Adult Education	343,113	311,324	259,921	192,809	177,427
	TOTAL: Funding to Support	**373,113**	**390,324**	**339,921**	**266,809**	**239,427**
	GRAND TOTAL	**2,939,463**	**3,200,693**	**3,374,275**	**3,595,155**	**3,784,776**

1 – 19+ Apprenticeships

This funding will support high quality apprenticeship training for individuals aged 19 and over. The baseline figure has been adjusted to reflect the inclusion of the funds for the Apprenticeship Grant for Employers in line 5.

2 – Adult Education Budget

Brings together the previous Adult Skills Budget, Community Learning and Discretionary Learner Support into a new single budget line. This figure also includes the budget for Youth Obligation. The baseline in 2015/16 has been constructed by combining the budgets to be spent on non-apprenticeship Adult Skills Budget participation, Community Learning, Discretionary Learner Support, Youth Obligation and funding for basic digital skills, it reflects reductions made in the summer budget in July 2015.

3 – Advanced Learner Loans

From 2016/17, loans will be available to those aged 19 and above studying technical and professional qualifications at levels 3 to 6. The 2015-16 baseline is based on modelled estimates of likely spend against this budget in that year. Budgets from 2016-17 onwards are forecasts.

4 – Offender Learning and Skills Service
This budget provides vocational and employability skills programmes and includes funding for the National Careers Service for those in custody. The 2015-16 baseline excludes a Ministry of Justice contribution of £17m. This budget has been maintained at flat cash.

5 – Funding to support 19+ Apprenticeships
This funding will support activities which help deliver our reform programme and the growth in apprenticeships. It includes funds for the Apprenticeship Grant for Employers.

6 – Funding to support the Adult Education Budget
Includes National Careers Service, quality improvement, data collection and management, financial support for learners and funding for community learning mental health pilots. It does not include the skills surcharge. We will provide information on this and greater clarity on the distribution of this budget in the New Year.

We will provide information on capital funding in the New Year.

English Apprenticeships: Our 2020 Vision

Executive Summary

Apprenticeships

BUSINESS IS GREAT BRITAIN

Foreword

Over the last five years, we have put our country back on the right track. Over the next five years, we must maintain and consolidate our economic recovery, and ensure that it benefits everyone. Raising our nation's productivity is one of this Government's top priorities for achieving this.

A nation flourishes when it realises the full potential of all of its people. As a one nation Government, this is what we are committed to achieve. Around the world, apprenticeships have long been recognised as a crucial way to develop the skills wanted by employers. That is why the Government will increase the quality and quantity of apprenticeships in England, reaching three million starts in 2020.

Our goal is for young people to see apprenticeships as a high quality and prestigious path to successful careers, and for these opportunities to be available across all sectors of the economy, in all parts of the country and at all levels. This will support our aim for young people to get the best start in life, through the opportunity that high quality education and training provides.

Nobody understands the skills employers need better than the employers themselves. That is why we are placing them in the driving seat. They are designing apprenticeships so that they focus on exactly the skills, knowledge and behaviours that are required of the workforce of the future. A levy will put employers at the heart of paying for and choosing apprenticeship training, and place the funding of apprenticeships on a sustainable footing. Employers will choose between high quality education and training providers, or be able to train their apprentices themselves.

Raising our productivity and training our workforce requires a truly national effort. This document sets out the Government's plan for achieving that – working with employers, education and training providers and others in the sector.

The Rt Hon Sajid Javid MP
Secretary of State for Business, Innovation and Skills

Nicky Morgan

The Rt Hon Nicky Morgan MP
Secretary of State for Education and Minister for Women and Equalities

The benefits of apprenticeships

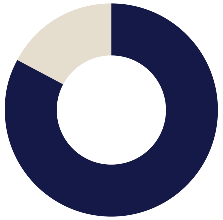
Apprenticeships already deliver real benefits to business and young people: new reforms aim to boost these even further.

The benefits of apprenticeships

Apprentices:

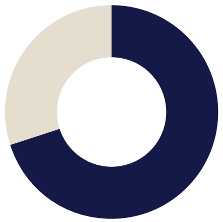
Individual apprentices achieve higher levels of qualification and increase their own employment prospects, productivity and wages.

- 83% of apprentices said their career prospects had improved.[1]
- Apprentices completing an apprenticeship at level 4 or above could earn £150,000 more, on average, over their lifetime.[2]



83%

of apprentices said their career prospects have improved



70%

of surveyed employers said apprenticeships improved product quality and service

Apprentices completing a **higher apprenticeship could earn**

£150,000

more, on average, over their lifetime

Employers:

Apprenticeships deliver important benefits to employers in terms of service and productivity.

- 70% of surveyed employers said apprenticeships improved product quality and service.[3]
- The cost of apprenticeship training pays for itself within a couple of years of completion through increased productivity.[4]

The Economy:

Apprenticeships represent an excellent investment for both the Government and employers, delivering significant benefits for the taxpayer.

- Apprenticeships provide a typical return of £26-£28 for every £1 of government investment in apprenticeships at levels 2 and 3.[5]

Mark Carter, Dale Power Solutions

"Higher level skills are vital to business performance and economic growth. Through higher apprenticeships we have been able to fill our higher level skills gaps efficiently and effectively"

Improving our work skills

UK productivity stands at approximately 20% below the rest of the G7.[6]

A significant factor in this is the low levels of skills in the workforce.[7] And we have a critical need for millions of new technical and professional skilled workers over the next decade.[8]

Our aims to grow and improve the quality of apprenticeships will help address this.

By incorporating some of the best features of apprenticeship systems overseas, we are enhancing our own: with greater employer ownership, improved grounding in English and maths, careers guidance, and high quality, well-equipped training providers.[9]

Investing in our future

The investment of UK employers in training has rapidly declined over the last 20 years, and is low when compared to our international competitors.[10]

The apprenticeship levy builds on the experience of other countries such as Denmark and France.[11] It will shift incentives so that it is far more in employers' interests to take on apprentices.[12] It will put investment in apprenticeships on a long-term, sustainable footing.

By increasing the number of apprenticeships significantly to reach three million in 2020, our goal is to secure greater benefits from apprenticeships for more apprentices, employers and our economy.

Apprenticeships provide a typical return of

£26-£28

for every **£1 of government investment** in apprenticeships at levels 2 and 3

Quality

Our vision for 2020

- All apprenticeships will provide substantive training in a professional or technical route, transferable skills and competency in English and maths for all ages
- Apprenticeships will be an attractive offer that young people and adults aspire to go into, as a high quality and prestigious path to a successful career
- Apprenticeships will be available across all sectors of the economy and at all levels, including degree level
- Every apprenticeship will be a high quality opportunity that delivers the skills, knowledge and behaviours that employers are looking for

Reforms to increase quality

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The existing apprenticeship programme already delivers excellent benefits, but we want to go further to make it truly world-class, relevant and fit for purpose for the future, with:

- An emphasis on quality and rigour;
- Training that is trusted and transferable;
- Relationship between employer and apprentice is at the core;
- Employers at the heart of apprenticeship design and delivery;
- A focus on what apprentices can do at the end of an apprenticeship – not how they get there.

Defined core principles of quality for an apprenticeship:

- It is a job in a skilled occupation;
- It requires substantial and sustained training, lasting a minimum of 12 months and involving at least 20% off-the-job training;
- It develops transferable skills, and English and maths, to progress careers;
- It leads to full competency and capability in an occupation, demonstrated by the achievement of an apprenticeship standard;
- It trains the apprentice to the level required to apply for professional recognition where this exists.

Established milestones, standards and criteria:

An Apprenticeship Agreement establishes a contract of service between the apprentice and the employer, confirming that the apprentice is undertaking an apprenticeship and the standard they are following.

An additional **Statement of Commitment** signed by the employer, provider and apprentice sets out the key expectations, roles and responsibilities of each party involved in the apprenticeship, as well as key milestones and delivery schedules.

New employer-designed standards will replace current frameworks. **End-point assessment** will test the skills, knowledge and behaviours set out in the standard to assess that the apprentice is fully occupationally competent in that role. This could include:

- Written examinations;
- Interviews or viva assessments, on the content of an apprentice portfolio;
- Production of a showpiece;
- Observed practice in the workplace;
- Simulation exercise, if appropriate.

2015 September – December

- Ongoing – Sign Apprenticeship Agreements and Statements of Commitment
- Ongoing – Monthly approval opportunities for EOIs, standards and assessment plans (with employer occupational briefs as appropriate)
- Ongoing – National Apprenticeship Service support for small and large employers
- Ongoing – Apprenticeships considered in government procurement contracts

Until April 2017 – Submit EOIs, standards and assessment plans to BIS

Until summer term 2017 – **Apprenticeship Grant for Employers**

- December 2015 – Updated Trailblazer guidance
- December 2015 – Consultation on public sector duty

2016 January – March

- January 2016 – Funding guidance for 2016/17
- January 2016 – National Apprenticeship Awards
- February 2016 – Employers can post vacancies on new digital service: Find an Apprenticeship
- Spring 2016 – Funding and levy guidance
- March 2016 – National Apprenticeship Week

2016 April – June

- April 2016 – End of NI contributions for apprentices under 25

2016 July – December

- Summer 2016 – Consultation with ITB members on apprenticeship levy
- Summer 2016 – Top 100 Apprenticeship Employer lists
- From October 2016 – Roll-out of Digital Apprenticeship Service functions of find an apprenticeship course and training provider

2017 January – March

- January 2017 – National Apprenticeship Awards
- March 2017 – National Apprenticeship Week

2015 2016 2016 2017

FOR EMPLOYERS

*Subject to Parliamentary approval

*Subject to Parliamentary approval

Apprenticeships must require **transferable skills**, so that they train for more than a single job.

Higher and degree apprenticeships widen access to the professions. From September 2016, they will be posted on UCAS. They are designed by employers, universities and professional bodies and already exist for such diverse occupations as Solicitor, Software Developer, Accountant, Dental Technician and Space Engineer.

Similarly to the term 'degree', we are legislating to **protect the term 'apprenticeship' in law** from misuse by training providers.

Examples of apprenticeship standards available or in development

Junior Journalist
Media

Aerospace Manufacturing Fitter
Aerospace

Dental Laboratory Assistant
Dentistry

Software Developer
Digital

Nuclear Welding Inspection Technician
Nuclear

Laboratory Scientist
Life & Industrial Sciences

Bespoke Tailor and Cutter
Bespoke Tailoring

Chartered Surveyor
Surveying

Solicitor
Law

Professional Accountant
Accountancy

2017 April – June | **2017** July – December | **2018** | **2019** | **2020**

- Ongoing – **Sign Apprenticeship Agreements and Statements of Commitment**
- Ongoing – **Monthly approval opportunities for EOIs, standards and assessment plans (with employer occupational briefs as appropriate)**
- Ongoing – **National Apprenticeship Service support for small and large employers**
- Ongoing – **Apprenticeships considered in government procurement contracts**

Until summer term 2017 – **Apprenticeship Grant for Employers**

- By April 2017 – **Institute for Apprenticeships established**

From April 2017 – **Submit EOIs, apprenticeship standards and assessment plans to Institute for Apprenticeships**

- Autumn 2017* – **Public sector bodies report against apprenticeship targets**
- Autumn 2018 and beyond* – **Public sector bodies report against apprenticeship targets**
- January 2018 and beyond – **National Apprenticeship Awards**
- March 2018 and beyond – **National Apprenticeship Week**

2017 | 2018

FOR EMPLOYERS

*Subject to Parliamentary approval

Employers

Our vision for 2020

- Apprenticeships will be widely recognised and respected as a highly effective means for all businesses to build their pipeline of skilled future staff in all parts of the country
- The new Digital Apprenticeship Service will be simple for employers, particularly smaller businesses, to navigate and use
- Employers will feel full ownership of apprenticeships, designing and owning the content of all apprenticeship standards and assessments
- Employers will be the main advocates of apprenticeships among their partners, peers and supply chain

Developing standards

- Groups of employers representing their sectors or occupations come together to design apprenticeships that meet business needs;
- Involving experts from professional bodies, education and training providers, and assessment organisations, to provide further integrity;
- Approval of standards by Government, then the Institute for Apprenticeships from April 2017 – before they are published and up and running;
- We will continue to simplify this process for employers.

2015 September – December | **2016** January – March

- Ongoing – **Sign Apprenticeship Agreements and Statements of Commitment**
- Ongoing – **Get onto Register of Training Organisations**
- Ongoing – **Review offer as funding for new starts on frameworks withdrawn**

Until March 2017 – **Area-based reviews**

- February 2016 – **Updated area-based reviews guidance**

Up to April 2017 – **Get ready to deliver standards and meet employer demand; re-work business model to move to new funding model**

Until at least March 2016 – **Future Apprenticeships support programme**

- January 2016 – **Funding guidance for 2016/17**
- Spring 2016 – **Funding and levy guidance**
- February 2016 – **Employers can post vacancies on new digital service: Find an Apprenticeship**
- From Spring/ Summer 2016* – **Term 'apprenticeship' protected from misuse in law**
- Academic year 2015/16 – **Minimum standards at 62%**

2015 | 2016

FOR EDUCATION AND TRAINING PROVIDERS

*Subject to Parliamentary approval

The Digital Apprenticeship Service – cutting through red tape and bureaucracy

Employers tell us that concerns about bureaucracy and red tape can get in the way of them choosing to hire an apprentice.[13] We want to make sure this is as easy as possible for all employers.

By February 2016, employers will be able to post their vacancies themselves on the existing online **'Find an Apprenticeship'** recruitment tool.[14]

From October 2016, we will start to roll out the **Digital Apprenticeship Service**, a new simple online portal. It will enable employers to select the most appropriate apprenticeships, choose a training provider and pay for apprenticeship training and assessment.

Digital Apprenticeship Service – employers will be able to:

From February 2016: post apprenticeship vacancies on "Find an Apprenticeship"

From October 2016: find an apprenticeship course and training provider

From April 2017: manage their apprenticeships

Larger businesses:

Supporting larger businesses to start or expand their apprenticeship programmes

The **National Apprenticeship Service (NAS)** provides direct support and advice to large employers to start or expand their apprenticeship programme. It offers a dedicated account management service and provides the latest independent and impartial advice on apprenticeships.

IBM

"We hire apprentices at IBM because there's just so much talent out there and not all of that talent wants to go to university. Apprentices come to IBM with such passion and enthusiasm. Why wouldn't we want to bring them on board?"

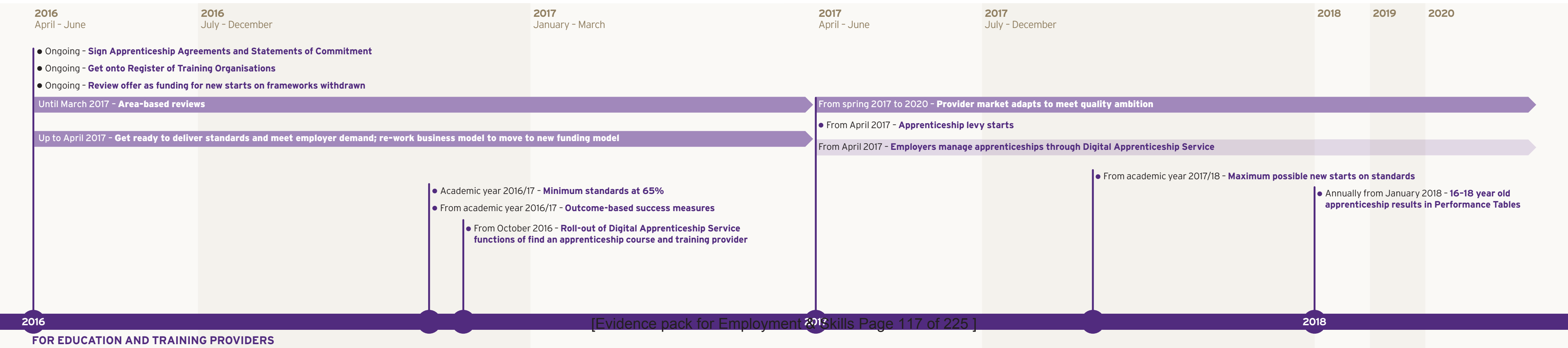
Jez Brooks, Early Professionals Manager, IBM, UK

Small businesses:

Providing advice and support to smaller businesses starting apprenticeships

The **NAS's** well-established **online and telephone helpline** will continue to support smaller businesses to choose the right apprenticeships and the best providers, and to advertise for an apprentice. Local authorities, Chambers of Commerce and training providers will continue to provide front-line support to employers as they prepare for and hire their first apprentices.

Financial support: The Apprenticeship Grant for Employers (AGE) currently provides £1,500 of funding for small businesses to support each of their first five apprentices aged 16–24 working towards apprenticeship frameworks. **The Apprenticeship Grant for Employers is being extended until the end of the 2016/17 academic year**, to provide transitional support until the levy funding system for apprenticeships is in place.



*Subject to Parliamentary approval

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The Apprenticeship Grant for Employers (AGE) currently provides

£1,500

of funding for small businesses to support each of their first five apprentices aged 16-24

Local Enterprise Partnerships will also be encouraged to play an increased role and to share best practice.

Apprenticeship Training Agencies and **Group Training Associations** are also important in supporting smaller businesses to engage with apprenticeships, and we want support to smaller businesses to expand in future.

Stephanie Dunkley, Lettings Manager, AJR Estate Agents (East Midlands Small Employer of the Year 2015)

"July 2015 was our best month in lettings since we started. We believe this success is a direct result of taking on our apprentices – injecting fresh new energy. We have developed and motivated individuals to become exceptional, skilled staff. As a result, our customers feel valued and targets have been exceeded by 150%. For us, apprentices are the future of estate agency."

Apprenticeship growth across the public sector

- The **NHS** has committed to delivering over 17,000 apprenticeship starts during 2015/16, reaching more than 100,000 in 2020.
- The **Department for Transport's** Skills Strategy will support the ambition to deliver 30,000 apprenticeships across the road and rail industry.

- The Enterprise Bill will seek to introduce **statutory targets of 2.3% for public sector** bodies with a workforce of 250 or more in England to employ their fair share of apprentices.
- The rules for **public procurement** have been amended: bidders for all relevant government contracts over £10m, and more than 12 months in duration, will also need to compete on the basis of their contribution to apprenticeships and skills.[15]

Ryan Davies, healthcare assistant at South Tees Hospital and regional Intermediate Apprentice of the Year:

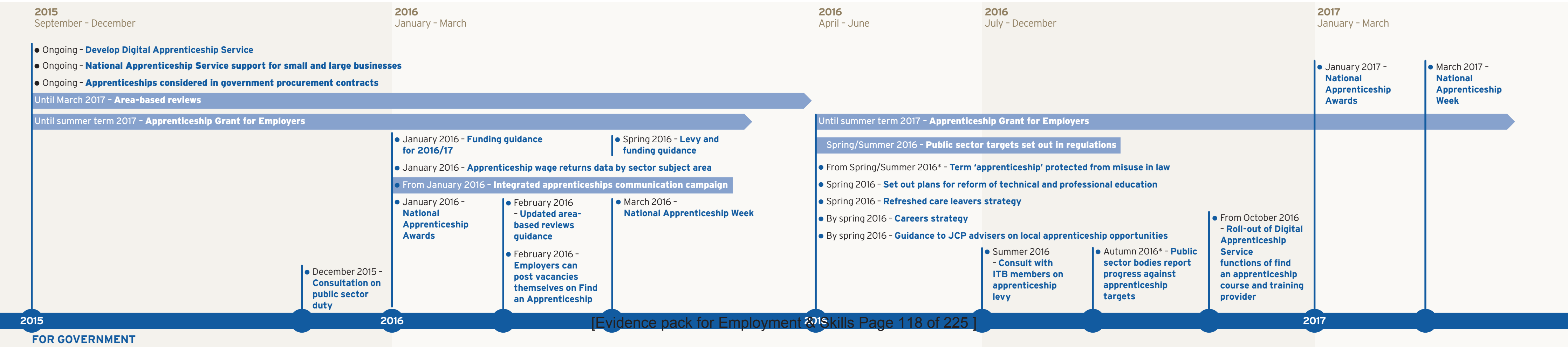
"My apprenticeship has motivated me to learn more, aim higher and change career direction to become a fully qualified paramedic."

Promoting the value of apprenticeships:

The **National Apprenticeship Service** will continue to raise the profile of the programme, with its support of National Apprenticeship Week, and the National Apprenticeship Awards.

The **'5% Club'** has been developed and run by businesses who are committed to achieving 5% of their UK headcount being an apprentice, a sponsored student or on a graduate programme.

Following the success of the *Get In, Go Far* marketing initiative, January 2016 will see the launch of a new **integrated promotional campaign**.



*Subject to Parliamentary approval

*Subject to Parliamentary approval

Supporting routes to apprenticeships and work

Our vision for 2020

- All young people at school will be able to hear from and be inspired by employers and apprentices
- There will be clear progression routes through technical and professional education and into skilled employment, including apprenticeships
- Traineeships will support more young people into apprenticeships and sustainable employment
- Young people from all backgrounds will get the preparation they need to be high quality candidates for apprenticeships

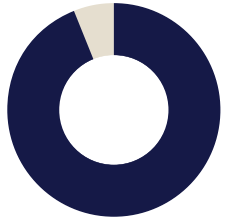
Advice, guidance and support

Quality advice, guidance and support are vital to ensure young people have a full range of career options and are inspired by the prospect of an apprenticeship.

- **Schools** have a statutory duty to ensure year 8-13 pupils have access to independent careers guidance, including apprenticeships.
- The National Careers Service provides information, advice and guidance to help young people and adults make informed choices on learning, work and apprenticeships.
- **The Careers and Enterprise Company**, a new employer-led organisation, is taking a lead role in strengthening the links, and encouraging greater collaboration, between schools and colleges, employers, and careers and enterprise organisations. The Company launched its first services in September 2015.
- **Traineeships** were introduced in August 2013, for young people lacking the basic skills and experience sought by employers. They offer high quality work preparation training, together with English and maths, and work experience.
  - Almost 30,000 young people have already benefited from the traineeship scheme.[16]
  - $^2/_3$ of year-one trainees have reached a positive destination since training.[17]
  - 94% of employers consider traineeships an effective preparation for work.[18]

We will improve advice and guidance further:

- **With high quality data**, information and advice on post-16 routes, institutions and courses, as well as on job demand and availability.
- **Schools will be held to account for what their pupils do next**, including where they go onto an apprenticeship.
- The Careers and Enterprise Company's network of **Enterprise Advisers** will see volunteers from businesses working with schools and colleges to make careers advice relevant and engaging.
- In early 2016, we will publish a **strategy** to ensure every young person has access to top **quality careers advice**.
- From September 2016, **UCAS** will include Higher and degree apprenticeships on their website.



94%

of employers consider **traineeships an effective preparation for work**

FOR GOVERNMENT

2017 April – June | 2017 July – December | 2018 | 2019 | 2020

- Ongoing – **Develop Digital Apprenticeship Service**
- Ongoing – **National Apprenticeship Service support for small and large businesses**
- Ongoing – **Apprenticeships considered in government procurement contracts**
- April 2017 – **Apprenticeshiplevy starts**
- From April 2017 – **Employers manage apprenticeships through Digital Apprenticeship Service**
- By April 2017 – **Institute for Apprenticeships established**
- April 2017 – **Youth Obligation for 18-21 year olds introduced**
- Autumn 2017* – **Public sector bodies report progress against apprenticeship targets**
- From academic year 2017/18 – **Maximum possible new starts on standards**
- January 2018 and beyond – **National Apprenticeship Awards**
- March 2018 and beyond – **National Apprenticeship Week**
- Autumn 2018 and beyond* – **Public sector bodies report progress against apprenticeship targets**
- Annually from January 2018 – **16-18 year old apprenticeship results in Performance Tables**
- **Over 100,000 starts in NHS**
- **30,000 road and rail apprenticeships**
- **Food, farming and agri-tech apprenticeships tripled**

2017 · 2018 · 2020

*Subject to Parliamentary approval

OTHERS

2015 September – December | 2016 January – June | 2016 July – December | 2017 January – June | 2017 July – December | 2018 to 2020

Assessment organisations get onto Register of Assessment Organisations, design tools and methods, deliver end-point assessments
Ofsted inspects apprenticeship training
Ofqual, QAA or professional bodies regulate qualifications in apprenticeships
QAA inspects higher and degree apprenticeships training
Professional bodies work with employers to match apprenticeship standards with professional standards
National Careers Service (NCS) provides information, advice and guidance
Schools have a duty to provide access to independent careers guidance
JobCentre Plus (JCP) advises on local apprenticeships, traineeships and employment opportunities

- January 2016 – **NCS digital platform determines suitability of young person for apprenticeships, traineeships or JCP work experience programme**
- February 2016 – **Careers and Enterprise Company awards funding to initiatives**
- By March 2016 – **National roll-out of Careers and Enterprise Company Enterprise Adviser Network**
- By spring 2016 – **Guidance to JCP advisers on local apprenticeship opportunities**
- From September 2016 – **Higher and degree apprenticeships on UCAS website**
- October 2016–March 2017 – **National roll-out of JCP support for schools on local employment opportunities**
- **Institute for Apprenticeships starts to assume functions**
- From April 2017 – **Institute for Apprenticeships provides advice and guidance and approves apprenticeship standards**

2015 · 2016 · 2017

*Subject to Parliamentary approval

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Rolls-Royce

Jessica is a final year technical apprentice with Rolls-Royce. Her career choice was inspired by the Rolls-Royce Bloodhound Supersonic Car (SSC) and their Science, Technology, Engineering and Maths (STEM) and Education Teams, through a school assignment on the Bloodhound SSC project. The Bloodhound Education Team also ran an extra-curricular activity at Jessica's school. This, as well as a GCSE in electronics, and work experience at Rolls-Royce, prompted her to apply for a technical apprenticeship at their Bristol base. Jessica was recently highly commended in the Jaguar Land Rover Evoque Scholarship and the National Apprenticeship Service Advanced Apprentice of the Year for the South West Region.

Ground-breaking reforms to technical and professional education

- Reforms will mean clearer progression paths from school to employment and high level skills, through up to 20 **new technical and professional routes**, created with direct input from employers.
- An **independent panel**, led by Lord Sainsbury,[19] and made up of industry experts and education professionals, will help deliver these reforms - we will set out next steps in spring 2016.

Supporting more young people who are unemployed or at risk of being unemployed or not in education or training

- We want the highly popular **traineeships** programme to continue to grow and flourish and we will enable more providers to deliver it.
- Jobcentre Plus (JCP) will work with schools to **raise awareness** of local opportunities including apprenticeships, traineeships and work experience.
- A new **Youth Obligation** will be introduced from April 2017 for 18-21 year old benefit claimants to help them develop the skills and experience needed to gain apprenticeships and other jobs.
- Apprenticeships will better promoted in **jobcentres**, supported by improved guidance for JCP advisers.

Supporting diversity in apprenticeships and access for all

- Over the last five years, between **53% and 54.7%** of apprenticeship starters have been **women**, and we want to extend this positive representation across all sectors.
- We will refresh our **strategy for care leavers** in spring 2016.
- We are committed to increasing the **proportion of apprentices from BAME backgrounds** by 20%.
- Support is available for people with **special educational needs and disabilities** who require extra help to gain apprenticeships and other employment, including supported internships for eligible 16-24 year olds.

The long-term apprenticeships system

Our vision for 2020

- The design and delivery of high quality apprenticeships will be overseen by a new, independent and respected quality body - the Institute for Apprenticeships
- All new apprentices will be trained to meet levels of professional competence set out in employer-designed standards
- Employers will be confident customers of apprenticeship training programmes, which will be developed by agile training providers to meet the evolving needs of business
- Employers will have the opportunity to choose between more high quality providers and it will be easier for employers to train their apprentices directly

A new governance body for employers

An independent and employer-led body, the Institute for Apprenticeships, will be set up by April 2017. It will regulate the quality of apprenticeships within the context of reaching three million starts in 2020.

An independent Chair will lead a small Board of employers, business leaders and their representatives, to continue to drive up apprenticeship quality to the highest level and approve apprenticeship standards.

Opportunities for education and training providers in the transition

The Government's reform and growth aims for apprenticeships offer significant opportunities for providers, positioning apprenticeships as the biggest part of the vocational market.

Training providers need to be proactive in rising to the challenge of delivering the new standards, changing their business model and delivering growth.

The introduction of the apprenticeships levy from April 2017 is likely to lead to significantly increased demand from employers wanting to engage with apprenticeships.

It is crucial that providers are ready to respond to this new demand and use the coming months to prepare to develop and deliver the 'off-the-job' training needed for the new employer-designed standards.

There are many, exciting opportunities in this new, more market-style environment for agile providers to respond to the needs of employers as the purchasers of apprenticeship training. They will need to re-work their business model as the current allocations-based approach transitions over to the new funding system.

Higher quality provision:

Area-based reviews of post-16 education and training will examine economic and educational needs in local areas and how current provision must change to meet these needs, involving Local Enterprise Partnerships. Following these reviews and the introduction of the levy funding, we expect to see fewer, larger and higher quality colleges.

By 2020, we will expect to see further education colleges taking a greater share of the apprenticeship training market (including Institutes of Technology and National Colleges), alongside employers offering apprenticeship training directly, universities providing higher and degree apprenticeships, and independent and new types of providers all playing a part.

We will streamline processes to reduce barriers to new providers entering the market and getting on the Register of Training Organisations. The arrangements for sub-contracting between providers will also be reviewed, to ensure these meet the needs of employers and apprentices.

The **Education and Training Foundation (ETF)** programmes support training providers in preparing to deliver the new standards and work with employers.

A new ETF programme, **'Future Apprenticeships'**, will be available until at least March 2016. It focuses on supporting providers in designing training programmes for the new standards and their strategic employer engagement strategy.

Adviser support to IPS International Ltd

IPS International Ltd, a specialist independent apprenticeship training provider and a leading provider of training and consultancy, operates across the UK and overseas.

Through the Education and Training Foundation programme, IPS accessed support from an adviser, enabling senior management to:

- Work through a provider readiness assessment tool, mapping current delivery of frameworks to new standards, and identifying which standards they would be best placed to deliver
- Begin to review their business and marketing strategy
- Start to develop their action plan with heads of departments for implementing the reforms, setting clear targets with timeframes

Funding for Apprenticeships

Our vision for 2020

- Employers will choose and pay for the apprenticeship training they want through a Digital Apprenticeship Service
- The funding system will support the commitment to increase the quality and quantity of apprenticeships
- Funding for apprenticeships will be placed on a sustainable footing through a levy on employers

We have already increased the **minimum wage** for apprentices by over 20% to £3.30 per hour in October 2015,[20] and from April 2016, employers will no longer have to pay **National Insurance contributions** for any apprentice under the age of 25.

Making apprenticeships sustainable in the long term

The Government is introducing a levy on employers to fund apprenticeships from April 2017. It will be collected from eligible employers through the Pay As You Earn system and apply to both the public and private sectors across the UK.

The rate for the levy will be set at 0.5% of an employer's pay bill. Each employer will receive an allowance of £15,000 to offset against their levy payment. This means that the levy will only be paid on any pay bill in excess of £3 million and that fewer than 2% of UK employers will pay it. By 2019-20, the levy is expected to raise £3 billion in the UK. Spending on apprenticeships in England will be £2.5 billion, and Scotland, Wales and Northern Ireland will receive their fair share of the levy.

The levy - key features

- All employers will have access to the Digital Apprenticeship Service to choose and pay for the apprenticeship training and assessment they want, whether they have contributed to the levy or not.
- Those employers who have paid the levy will be able to use the Service to cover or subsidise an apprenticeship with registered providers of their choice.
- Employers who pay the levy and are committed to apprenticeship training will be able to get out more than they pay in, through a top-up to their digital accounts.

The levy will be set at 0.5% of an employer's pay bill. It will only be paid on any pay bill in excess of

£3m

Employers will have an allowance of £15,000 to offset against their levy payment

- Employers who have not had to pay the levy will be able to access government support for apprenticeships through the Digital Apprenticeship Service.
- Every employer will have the opportunity to direct the funds that are available in their digital accounts to meet their apprenticeship training needs with approved training providers and will be given a reasonable amount of time to do so.
- Where employers choose not to use the funds in their digital accounts we will make these more widely available.
- We want to give employers in England flexibility on how they use their levy contributions, without introducing additional and unintended complexity into the system. We will continue to engage with employers in England until the levy is implemented, to fully understand the consequences of any approach before deciding on how to proceed.

Funding apprenticeships

The funding arrangements for providers for 2015/16 are already in place and we are running the employer led trials for delivering apprenticeships against standards. Ahead of the levy, providers (including direct grant employers) will continue to be funded to deliver apprenticeship frameworks.

The trial approach on funding apprenticeship standards will also continue with minimal change and small improvements, until the new funding model is introduced alongside the levy.

Information on the funding arrangements under the levy will be made available by spring 2016

Guidance on funding both frameworks and standards for the 2016/17 academic year will be issued at the end of January 2016.

Once the levy is introduced, we want to make sure that employers are still encouraged to take on 16-18 year old apprentices recognising the additional costs of training and managing younger apprentices. We also want to encourage improvement in the quality of training through greater take-up of apprenticeship standards rather than frameworks.

Information on the funding arrangements under the levy will be made available by spring 2016, with further dialogue with providers and employers in the interim.

There will also be opportunities for employers to be involved in the design of the Digital Apprenticeship Service.

How to get involved

We hope that after reading this document you may like to get involved by employing an apprentice or working on the development of a new standard.

Further information can be found at: https://www.gov.uk/government/publications/apprenticeship-reforms-progress-report

If you would like to employ an apprentice, then please contact the National Apprenticeship Service, either by calling

08000 150600

Or via the following link: http://www.apprenticeships.org.uk/employers/employer-online-enquiry-form.aspx

If you would like to join a group already developing a standard, or if you would like to develop a new standard, then please see the guidance at: https://www.gov.uk/government/collections/apprenticeship-changes

Employers interested in contributing to the development of the Digital Apprenticeship Service should contact DAS@bis.gsi.gov.uk

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Endnotes

[1] Apprenticeship Evaluation: survey of learners (2014)

[2] AAT and CEBR (2013) University education – is this the best route into employment?

[3] Apprenticeship Evaluation: survey of employers (2014)

[4] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32306/12-814-employer-investment-in-apprenticeships-fifth-net-benefits-study.pdf

[5] BIS research paper 229 (2015) Further education: measuring the net present value in England

[6] ONS Statistical Bulletin, International Comparisons of Productivity – Final Estimates, 2012, 20 February 2014

[7] OECD Skills Outlook 2013: First results from the survey of adult skills, Figure 0.3 (OECD 2013). UK Skills Levels and International Competitiveness 2013, Derek L Bosworth, August 2014

[8] Wilson, R., Beaven, R., May-Gillings, M., Hay, G., and Stevens, J. (2014). Working Futures 2012-2022. Evidence Report 83, UK Commission for Employment and Skills, Wath-upon-Dearne.

[9] OECD (2014), Skills Beyond School: Synthesis Report, OECD Reviews of Vocational Education and Training

[10] BIS (2015) Training away from the workplace and reduced hours: January 1995 to December 2014

[11] Alison Wolf, Social Market Foundation (July 2015) Fixing a broken training system: the case for an apprenticeship levy

[12] Ibid.

[13] Find an Apprenticeship is at https://www.findapprenticeship.service.gov.uk/apprenticeshipsearch

[14] CBI/Pearson education and skills survey 2015

[15] Details are set out in Procurement Policy Note 14/15 at https://www.gov.uk/government/publications/procurement-policy-note-1415-supporting-apprenticeships-and-skills-through-public-procurement

[16] Further Education and Skills Statistical First Release November 2015

[17] Traineeships First Year Process Evaluation March 2015

[18] Traineeships First Year Process Evaluation March 2015

[19] Former Minister of Science and Innovation, 1998–2006

[20] This applies to apprentices aged 16–18 and those 19 and over who are in the first year of their apprenticeship.

BUSINESS IS GREAT BRITAIN

Department for Business Innovation & Skills

Department for Education

Further information can be found at: https://www.gov.uk/topic/further-education-skills/apprenticeships

If you would like to employ an apprentice, then please contact the National Apprenticeship Service, either by calling 08000 150600

Or via the following link: https://contact.findapprenticeship.service.gov.uk/

If you would like to join a group already developing a standard, or if you would like to develop a new standard, then please see the guidance at: https://www.gov.uk/government/collections/apprenticeship-changes or contact apprenticeship.trailblazers@bis.gsi.gov.uk

If you are a Trailblazer group and would like to make contact with providers please contact trailblazers@aoc.co.uk

Employers interested in contributing to the development of the Digital Apprenticeship Service should contact DAS@bis.gsi.gov.uk

If you would like to search for apprenticeship opportunities, you can visit https://www.gov.uk/apply-apprenticeship

This publication available from www.gov.uk/bis

Contacts us if you have any enquiries about this publication, including requests for alternative formats, at:

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BIS/15/651

Greater Brighton Economic Board
Annual Report 2014/15

Greater Brighton

Greater Brighton Economic Board
Annual Report 2014/15

The Greater Brighton Economic Board was formed in March 2014, as part of the City Region's City Deal Agreement[1] with Government.

1 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288903/Greater_Brighton_City_Deal.pdf

The Greater Brighton Economic Board

The Greater Brighton Economic Board brings together the City Region's five local authorities, two universities, four further education colleges, three business partnerships, the local enterprise partnership and the national park authority as a formally constituted[2] partnership.

5 Local Authorities
Adur District Council
Brighton & Hove City Council
Lewes District Council
Mid Sussex District Council
Worthing Borough Council

3 Business Partnerships
Adur & Worthing Business Partnership
Brighton & Hove Economic Partnership
Coastal West Sussex Partnership

2 Universities
University of Brighton
University of Sussex

4 Further Education Colleges
City College Brighton and Hove
representing
City College Brighton and Hove
Northbrook College
Plumpton College
Sussex Downs College

Local Enterprise Partnership
Coast to Capital Local Enterprise Partnership

National Park Authority
South Downs National Park Authority

2 http://present.brighton-hove.gov.uk/Published/C00000855/M00005735/AI00045746/$20150703162136_007353_0032255_Item03Appendix01DraftHdsTerms304142reps.docxA.ps.pdf

The aim of the Greater Brighton Economic Board is to protect and grow the economy, by co-ordinating economic development activities and investment at City Region level. By joining together places and working collaboratively to build on the area's economic assets and unblock its barriers, the City Region will be able to fulfil its economic potential to become one of the United Kingdom's top performing urban economies.

The Greater Brighton Economic Board works to benefit the City Region's people and businesses by:

- Providing support to businesses;
- Creating new jobs and businesses;
- Growing high skilled jobs and wages, and;
- Creating more and better employment floor space and housing.

The Greater Brighton City Region

The Greater Brighton City Region covers the city of Brighton and Hove and the districts and boroughs of Lewes, Adur, Worthing and Mid Sussex. It features a number of different and important areas, from the urban centres of Brighton and Hove, Worthing, Shoreham and Newhaven along the South Coast, to the South Downs National Park and the market towns of Lewes and Burgess Hill. The area is home to 689,000 people, 442,600 of whom are of working age and 92% of whom live in urban areas, and it provides 275,145 jobs. The City Region economy is caught between a traditional coastal economy and a modern, high-tech economy. While it has some high-value industries – particularly its tech sector, creative industries, advanced engineering, health and life sciences, pharmaceuticals and insurance – more than half of all jobs in the area are in tourism, retail and public sector industries, well above the national average.

The Greater Brighton Investment Programme

The Greater Brighton Economic Board has made enormous progress in building a strong alliance and 'brand' that is recognised by Government, investors and stakeholders.

Through the Greater Brighton City Deal Agreement and the Coast to Capital Local Enterprise Partnership's Strategic Economic Plan[3], the Greater Brighton Economic Board has set out it's aspiration to become the South East's most successful economy, connected to London. This will be delivered through the ambitious £1.6 billion Greater Brighton Investment Programme, which requires £211 million in Local Growth Deal funding, £145 million in public and higher education investment and £1.3 billion in private sector investment.

It is estimated that, over its lifetime, the Greater Brighton Investment Programme will deliver:

20,000 jobs

11,000 homes

495,000 m^2 employment floor space

To date, the Greater Brighton Investment Programme has successfully secured approximately £96 million in Government funding, through both the Greater Brighton City Deal Agreement and Rounds One and Two of the Coast to Capital Growth Deal[4]. This co-ordinated programme of regeneration and infrastructure projects aims to:

- Establish a network of university-backed growth centres in key locations across the City Region, acting as anchors for growth in high-value businesses in the creative digital, eco-tech and life sciences sectors and thereby reducing reliance on lower-value industries;
- Maintain, manage and improve the infrastructure needed to support these major growth centres, providing private sector investor certainty and confidence, and;
- Improve support for the City Region's 32,340[5] active businesses.

These projects bring a total investment of over £487 million across the City Region and are expected to unlock approximately 15,500 jobs, 7,700 homes, 432,000 sqm employment floor space.

3 http://www.coast2capital.org.uk/strategic-objectives/29-creating-a-new-strategy-and-structure-for-growth/22-strategic-economic-plan.html#sthash.cDMoi5yU.e8XgTtMS.dpbs

4 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398841/04_Coast_to_Capital_Growth_Deal.pdf

5 ONS UK business count data 2014

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City Deal and Local Growth Fund funding allocated to date

City Deal and Local Growth Fund funding allocated to date	£ millions
New England House (Creative Tech Growth Centre) refurbishment and expansion	4.9
Digital Catapult and 5G	1.77
Advanced Engineering Centre	7.0
Central Research Laboratory Growth Centre, Preston Barracks	7.7
Newhaven Flood Defences (Clean, Green and Marine Tech Growth Centre)	7.5
Newhaven Port Access Road	10.0
Shoreham Flood Defences (Environmental Tech Growth Centre)	10.5
Circus Street Innovation Growth Centre and Regeneration	2.7
City College Brighton and Hove, Construction Trades Centre	9.0
Brighton Valley Gardens Phase 1 & 2	8.0
Brighton Valley Gardens Phase 3	6.0
A2300 Burgess Hill	17.0
Brighton and Hove Intelligent Transport Systems Package	1.83
Brighton and Hove Bike Share	1.16
Worthing Sustainable Transport Package	0.8

Please see the map on page 19, for further information on each of the projects contained within the Greater Brighton Investment Programme.

Due to their scale and complexity, many of the projects contained within the Greater Brighton Investment Programme will take several years to come to fruition. Others are, however, already making an impact.

Greater Brighton City Region Wave 2 Growth Hub Programme

The Programme was awarded £1.79m in January 2014 under a grant from the Regional Growth Fund (RGF) to enable companies in the City Region to grow jobs and increase productivity and competitiveness through improved access to and use of more effective and integrated business support. The grant has funded the:

- Business Navigator – a business sign-posting service;
- Business Support Toolkit, delivered by the Universities of Brighton, Chichester and Sussex, Wired Sussex and the Sussex Innovation Centre, and;
- RGF Business Grants Programme, which included both Greater Brighton and the Coast to Capital Local Enterprise Partnership's grants schemes.

The RGF Business Grants Programme offered business growth grants to 21 companies from across the City Region, totalling over £1m and with private match funding totalling £5.59m. This will realise 204 planned jobs before April 2017 (against an original jobs target for grants of 65).

Parafix Tapes and Conversions received a total grant of £118,500. This grant will create 16 direct jobs by March 2016.

Parafix converts and distributes self-adhesive materials for clients across a huge range of industries, as diverse as healthcare, aerospace and defence. The company makes components that are used in products by most people, every day, without them ever being aware of it. They are essential parts in mobile phones, aeroplanes, cars, medical equipment and top end woundcare dressings and many everyday products.

From its base in West Sussex, Parafix works with manufacturers from around the world to adapt adhesives to meet their customers'

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needs. These are often highly specialised, with the company working at the cutting-edge of its field to produce components that are just right. Parafix is constantly working to create advanced technology and improve its engineering processes. The components it makes can go on to drive further technical advances for its customers.

The Challenge

The healthcare sector is a vital market for Parafix, but one which can be difficult to expand into without investment in state-of-the-art manufacturing technology. One of the company's existing customers has asked it to manufacture a new product for it in large numbers. But while Parafix has the expertise and experience to meet this demand, it does not have enough of the top-end machinery it needs to do so.

The Solution

The Business Growth Grant means that Parafix can invest in new machinery and fulfil its customer's demand. As well as creating jobs immediately, this will allow the company to continue growing and taking on new contracts in the healthcare sector.

Michael Punter, Managing Director, said *"failure to invest will result in Parafix losing the opportunity to produce this range of products. Investment of this nature is significant, as it is believed that no other competitor in the United Kingdom has technology to match the capabilities of this machine. New machinery is critical to deliver growth. The investment will allow immediate demand to be manufactured as well as provide scope for additional shifts to be run. We are confident that this project will deliver growth not only in the short term, but medium to long term and will generate returns that will enable significant reinvestment to achieve our vision".*

Image courtesy of Parafix Tapes and Conversions

SuperFast Britain Broadband Connection Scheme

The scheme, which was originally launched in Brighton & Hove in April 2014, provides up to £3,000 to small businesses, charities and voluntary organisations to gain access to faster broadband connectivity and thereby benefit from a stronger digital and on-line presence. This can support businesses in the following ways:

- Improve business efficiency, by enabling more effective communications and helping staff to work more flexibly, thereby saving time and money;
- Increase reliability and ensure confidence in communications with suppliers and customers;
- Save on the need for servers, by enabling the business to use cloud storage;
- Improve the capability to work in partnership and compete for larger projects and contracts, and;
- Grow the business in new directions and be more competitive in local and international markets.

The Scheme strongly supports the aim of the Greater Brighton City Deal; to promote the growth of the City Region's high-value industries, starting with the burgeoning creative-tech cluster, and thereby reduce reliance on lower value industries and the public sector.

Following the success of the Scheme in Brighton & Hove, where by the end of March 2015 253 vouchers had been offered, the Greater Brighton Economic Board made the decision to roll it out across the whole Coast to Capital area (excluding Croydon). The new Scheme was launched on 01 April 2015 and by the end of June 2015 157 vouchers had already been offered.

Digital Exchange

New England House is already one of the major hubs for Brighton's thriving Creative, Digital and IT (CDIT) businesses. The building accommodates 96 businesses that are primarily from this sector. These businesses employ approximately 1,000 people and many more are employed by the companies that form part of their supply chains.

City Deal and Local Growth Fund funding will enable the development of New England House into an improved and expanded facility for nurturing small creative-tech businesses and fusing together people with creative and digital skills. This work will put Brighton firmly on the map as Tech City South.

There are three critical elements that, delivered together, form the overall strategy to significantly improve the value of New England House to the local and regional economy, by sustaining and accelerating the growth of the City's CDIT sector:

Workspace: upgrading and expanding the building, which will more than double the number of people employed at the site;

Business support: specifically designed for small, innovative businesses in the CDIT sector, this will expand and develop existing work through the FuseBox24 business support programme and the Digital Catapult Brighton Centre, and;

High speed and high capacity connectivity: providing ultrafast broadband to small businesses at affordable price, which will stimulate the CDIT sector and encourage innovation and the development of new products and services. This will be delivered through the Brighton Digital Exchange.

Funding for the Brighton Digital Exchange, which costs a total of £700,000, was secured by the City Deal and comes from BDUK's Super Connected Cities Programme. The Brighton Digital Exchange is due to launch in July 2015. It will be run by a group of six small internet service providers that collectively own and manage the data centre.

These businesses will pool their resources and invest in shared broadband capacity and equipment, to enable them to provide high speed connectivity at a reduced costs to the businesses within New England House, the Creative Digital and IT cluster and across the city. They will also work together to develop a range of new products and digital infrastructure services for Brighton and Hove's business community.

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The achievements of the Greater Brighton Economic Board in this, its first year of operation, have been vast. In March 2015, the Greater Brighton Investment Programme won the LGC Award for 'Driving Growth'. The judging panel commended that:

"The combination of clear measurable ambition and tangible projects shows that this impressive programme is working. Creating a new city region is very ambitious. Bringing five very different councils, some of which would not previously identify themselves as part of a Greater Brighton, shows that it can be achieved. Putting universities and businesses at the centre of the programme shows that skills and innovation are central to its success."

In March 2015, the Greater Brighton Investment Programme won the LGC Award for 'Driving Growth'

Image courtesy of Local Government Chronicle

The Year Ahead

The Greater Brighton Economic Board is looking forward to ensure that the City Region:

- Continues to work collaboratively, so that all parts of Greater Brighton benefit from its work;
- Is ready to respond to the national policy debate on place-based devolution and, in so doing, is able to both seize any new opportunities, freedoms and flexibilities created by Government and to successfully negotiate new funding with HM Treasury and the Coast to Capital Local Enterprise Partnership;
- Has the on-going capacity to deliver, particularly in response to the rapid and profound reductions in local government funding, and ultimately;
- Has a clear and agreed plan for how it will strengthen and boost the local and national economy over the next 5 years.

The Greater Brighton Economic Board's key areas of focus for 2016/17 are to:

- Work with key stakeholders to identify and agree the City Region's long-term economic priorities and goals, and;
- Develop a co-ordinated economic strategy that addresses the City Region's key strategic issues, including housing, employment space, transport and other infrastructure, in an integrated and deliverable way to;
- Formulate a coherent and viable devolution proposition for the City Region, which includes clear 'asks' of and 'offers' to Government, that supports delivery of the long-term economic priorities and goals to;
- Work with the Coast to Capital Local Enterprise Partnership and Government's Cities & Local Growth Unit to develop and roll-out robust project governance and reporting arrangements, to ensure delivery of both the City Deal Agreement and Greater Brighton Investment Programme to;
- Continue to develop the Greater Brighton 'project pipeline', ensuring that these are aligned to the City Region's economic priorities and goals, and secure funding for these as future opportunities arise, and;
- Assess and recommend options for the most effective delivery model for the services that relate to economic development and growth, to ensure that the City Region has the continued capacity to deliver.

Closing Statement from Councillor Neil Parkin

Leader of Adur District Council and Chairman of the Greater Brighton Economic Board 2015–16

Building on the firm foundations laid by the Greater Brighton Economic Board over the past twelve months under Councillor Jason Kitcat's Chairmanship, I am looking forward to a year of continued growth and development across the entire City region.

As representatives of all of the key sectors in the Greater Brighton area, it is incumbent on us to work across our borders for the benefit of the whole region, from Worthing in the west to Newhaven in the east. Having already leveraged funding of approximately £96 million into the City Region, I can see the clear benefits of working together as one to develop common solutions to issues which affect us all.

Over the next 12 months, we will lead programmes in developments and physical enhancements for the direct benefit of our residents and businesses, improving our social and economic fortunes alongside our regional presence on the international stage. We will get ourselves ready for the next round of Local Growth Funding, being proactive in developing projects which will result in skills for our businesses and jobs for our communities.

We are on the cusp of many great things happening and I feel that this is a time to be bold; to speak with one voice and act with one mind behind a strong Greater Brighton Economic Board brand.

Together, we will achieve long-term sustainable growth. This is the tone already set for the City Region, and this is the tone I shall continue to take during my year as your Chairman.

Together, we will become recognised as a City Region which delivers on its promises.
Together, we will achieve more.

Greater Brighton Investment Programme

1 New England House Creative Tech Growth Centre
2 Advanced Engineering Centre
3 Central Research Laboratory Growth Centre, Preston Barracks
4 Newhaven Flood Alleviation Scheme and Clean, Green and Marine Tech Growth Centre

Shoreham Flood Alleviation Schemes and Environmental Tech Growth Centre:

5 Adur Tidal Walls
6 Western Harbour Arm
7 Circus Street Innovation Hub and Regeneration
8 City College Brighton and Hove Construction Trades Centre
9 Brighton and Hove Bike Share Scheme
10 Brighton and Hove Intelligent Transport Systems Package
11 Brighton Valley Gardens
12 A2300 Corridor Improvements, Burgess Hill
13 Worthing Sustainable Transport Package
14 The Sussex Innovation Centre – Brighton and Hove

1 New England House Creative Tech Growth Centre

New England House is already one of the major hubs for Brighton's thriving Creative, Digital and IT (CDIT) businesses. The building accommodates 96 businesses that are primarily from this sector. These businesses employ approximately 1,000 people and many more are employed by the companies that form part of their supply chains.

City Deal and Local Growth Fund funding will enable the development of New England House into an improved and expanded facility for nurturing small creative-tech businesses and fusing together people with creative and digital skills. This work will put Brighton firmly on the map as Tech City South.

There are three critical elements that, delivered together, form the overall strategy to significantly improve the value of New England House to the local and regional economy, by sustaining and accelerating the growth of the City's CDIT sector:

Workspace: upgrading and expanding the building, which will more than double the number of people employed at the site. The redevelopment options are currently being explored and discussions had with private sector investors. It is anticipated that planning permission will be sought in April 2016. Construction, which should be completed within one year, is expected to begin in November 2016.

High speed and high capacity connectivity: providing ultrafast broadband to small businesses at affordable price, which will stimulate the CDIT sector and encourage innovation and the development of new products and services. This will be delivered through the Brighton Digital Exchange.

Funding for the Brighton Digital Exchange, which costs a total of £700,000, was secured by the City Deal and comes from BDUK's Super Connected Cities Programme. The Brighton Digital Exchange is due to launch in July 2015. It will be run by a group of six small internet service providers that collectively own and manage the date centre.

These businesses will pool their resources and invest in shared broadband capacity and equipment, to enable them to provide high speed connectivity at a reduced costs to the businesses within New England House, the Creative Digital and IT cluster and across the city. They will also work together to develop a range of new products and digital infrastructure services for Brighton and Hove's business community.

Business Support: specifically designed for small, innovative businesses in the CDIT sector. This is delivered in two ways. Firstly, through FuseBox24[1], a radical programme of start-up business support that is hosted by Wired Sussex at the FuseBox in Brighton.

1 http://www.fusebox24.co.uk

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Images courtesy of Wired Sussex

FuseBox24 provides:

- 24/7 access to the facilities at the FuseBox, a studio and collaboration space for start-ups from the CDIT sector launched as part of the Recreate project, over 24 weeks;

- Access to knowledge networks of thought leaders and practitioners from the worlds of art, technology and business, and;

- Personal and professional support and development.

This programme comes as a result of the FuseBox24 research, which builds on the findings of the Brighton Fuse Report[2]. The research concluded that CDIT innovators:

- Trade ideas and content but tend not to worry about protecting intellectual property – open innovation and collaboration approaches dominate;

- Often as sole traders or micro-businesses, need shared space in which to collaborate with others to develop ideas, and;

- Need support, capability and new tools to enable them to get the most out of collaborations for sustainable innovation.

Secondly, through the Digital Catapult Centre Brighton[3] that was launched in March 2015. This is a local centre of the national Digital Catapult Centre, which aims to rapidly advance the United Kingdom's best digital ideas by providing platforms for small businesses to innovate on at speed and with less risk so that new digital products and services can be accelerated to market.

The Digital Catapult Centre Brighton will focus specifically on projects that encourage innovation and value from real-time and location-based data – known as the Internet of Place. An additional £4m of inward investment has been created as a result of this new project.

Over the next three years, led by the Coast to Capital Local Enterprise Partnership with the University of Brighton and Wired Sussex as the core delivery partners, the Centre will be tasked with delivering a range of innovation projects that are designed to be accessible to start-ups and SMEs to use and learn from. The Centre will work across the whole Coast to Capital region, which includes Lewes, Brighton & Hove and West Sussex.

In Summer 2015, the Centre will be launching a programme of events to help create opportunities for SMEs, big business, public sector and academia to collaborate and unlock new value for the Coast to Capital area. Other project partners include American Express and Brighton & Hove City Council. As part of this, the Centre will create links between universities and businesses that enable cutting edge, pre-commercial research and development findings in the Digital Catapult challenge areas to be converted into commercial market opportunities that can be prototypes and piloted by start-ups and SMEs.

2 http://www.brightonfuse.com/wp-content/uploads/2013/10/The-Brighton-Fuse-Final-Report.pdf

3 http://www.digitalcatapultcentre.org.uk/local-centre/brighton/

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2 Advanced Engineering Centre

Image courtesy of Hassell

The University of Brighton is to create an Advanced Engineering Centre in Brighton, which has received funding of £7m from the Local Growth Fund.

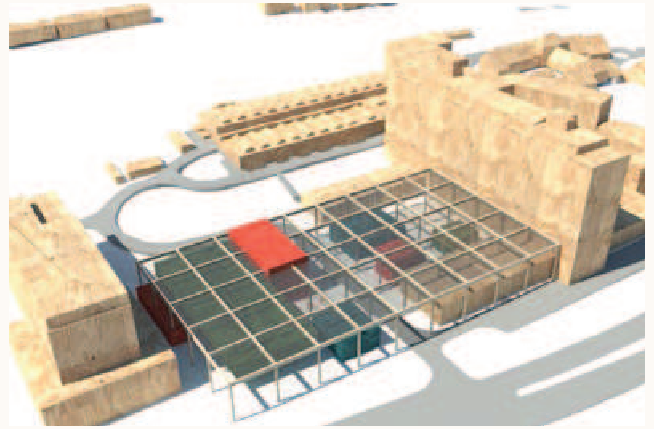
The central objective of the Centre is to advance the design and development of novel low carbon internal combustion systems, with the wider objective of advancing technological knowledge and supporting the advanced training needs of the next generation of engineers for the City Region.

The Centre will allow the expansion and enhancement of the partnership between the University of Brighton and Ricardo, which is bringing its technical expertise to the project and will be working closely with the University in designing the Centre to meet the needs of engineering and other specialist companies.

The Centre will be constructed on a site that forms a central part of the University's Moulsecoomb campus in the Lewes Road, Brighton. The existing facilities used by Ricardo and the University are divided between Shoreham and Brighton and present limited scope for growth and enhancement. A central facility is required which will further enhance joint working, allow the installation of state of the art equipment, provide flexibility for future expansion and create opportunities for the cross transfer of knowledge, ideas and practices between Ricardo and the University and within the interrelated academic activities of teaching and research.

The City Region has a high concentration of higher value advanced engineering companies. Focused investment is needed to respond to rapid changes in technology and intensive international competition – with the objective of maintaining the competitiveness of companies in the City Region. This intervention is therefore also required to support advanced research in these companies and to meet the demand for specialist engineers required by such companies in the City Region. The Centre will therefore also support all companies in the sector, including SMEs, looking to access the advanced facilities and specialist expertise of the University.

The Centre will generate around 30-50 additional research posts, plus 15 additional academic/technical engineering posts to support teaching and will deliver an additional 60 trained engineering graduates per annum into the local employment market. The Centre will increase employment floor space by 2,680sqm and provide facilities that will be used to support research and training for local engineering companies.



Images courtesy of Hassell

Local companies will have access to state-of-the-art manufacturing facilities and to specialist expertise. Training and support will be readily accessible to local companies to increase skill levels in the workforce.

The total cost of the new Centre is £14m, with a Local Growth Fund contribution of £7m. Significant support is also being provided by the Higher Education Funding Council for England, in the form of a £5m STEM – Science, Technology, Engineering and Mathematics – teaching capital grant. The balance cost is being funded by the University.

The total funding is to be applied to the refurbishment of laboratories within the existing Cockcroft Building and the construction costs of a new building including site clearance, superstructure, roofs, stairs and lift, walls, windows and doors, fixtures and fittings, IT/AV equipment, decant and move costs, specialist equipment and professional fees.

The new build element of the project will be achieved rapidly, with a planning application submitted in early June 2015, work starting on site in October 2015 and completion of fitting out and opening in February 2017.

3 Central Research Laboratory Growth Centre, Preston Barracks

Brighton has already made its mark on the world stage as a hub of creative talent. Increasingly, it is also being seen as a great place to start and grow a business. The Central Research Laboratory's goal is to help cement Brighton's position as one of the best places to work as an entrepreneur and an inventor.

The Preston Barracks Central Research Laboratory will be a truly place making project. It will drive the regeneration of the site and cement it as a vibrant, innovative gateway to the city. Once the permanent building has been constructed, hundreds of entrepreneurs will work side-by-side to develop innovative new products and services. They will benefit from access and proximity to the University of Brighton's world-class research base and from the Central Research Laboratory's high specification prototyping lab. Put simply, the Central Research Laboratory will be a factory for jobs and innovation. In order to achieve this vision, the Central Research Laboratory will have four key components:

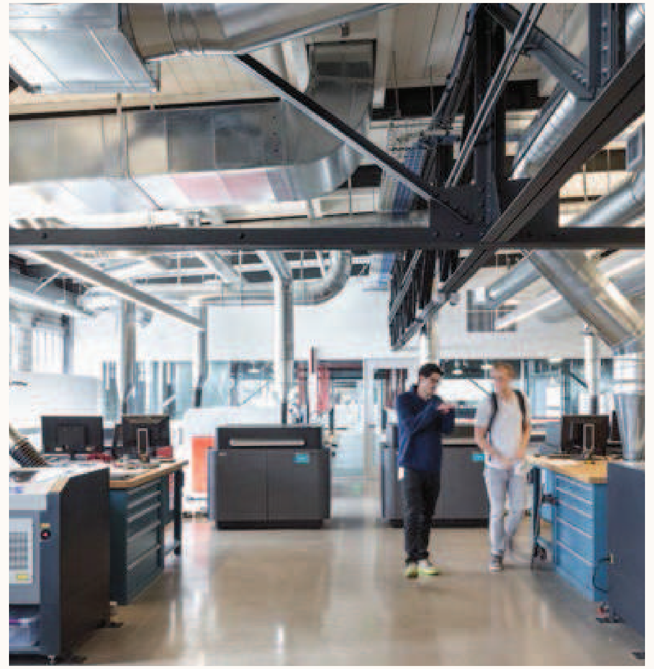


Image courtesy of Cathedral Group

High quality, flexible, collaborative work-space: the intention is to provide a mixed economy of workspaces that offer the flexibility and diversity required by young creative and tech businesses. This will enable the Central Research Laboratory's residents to alter the amount and type of space they rent as the nature of their business changes.

Design, prototyping and experimentation facilities: perhaps most uniquely, the shared access facilities will include a digital fabrication space. This will take the form of an actively managed, shared workshop area containing a mixture of traditional and digital manufacturing tools. The facility is likely to offer access to the latest 3D printers, laser cutters and CNC machines as well as the technicians, software packages and computers required to use them effectively. This will enable businesses to conceive an idea, prototype it and sell it all on the Central Research Laboratory site.

Community: workspace and facilities alone do not generate the level of collaboration required for true innovation to take hold; that occurs as a result of the cross-pollination of ideas and cultures. It happens when companies from different sectors and industries work together, share experiences and collaborate in the spirit of experimentation. Well before the permanent facility opens, the Central Research Laboratory team will be on-site, proactively engaging with a wide cross-section of the City Region's creative and technology businesses in order to involve them in the design of the space and equipment offer.

Business Support and Investment: the Central Research Laboratory will offer a wide range of business support – from one-to-one mentoring for the most inexperienced to technical advice on specific issues, like intellectual property and research and development tax credits. The Central Research Laboratory will provide a neighbourhood of support through partnerships with professional services firms and a network of mentors. This will be in addition to running an on-site Pitch School, an in-depth programme of support targeted at helping entrepreneurs to understand how to present their business plans to investors. Even with the right workspace, facilities and support in place, access to finance is still one of the biggest barriers to growth. For that reason, the CRL will act as a match-making service; helping entrepreneurs and investors find one another. As the Central Research Laboratory community grows, it will leverage the profile and attractiveness of the user-base and establish a Central Research Laboratory specific investment fund.

The total cost to construct the Central Research Laboratory is £13.18m, with a Local Growth Fund contribution of £7.7m. It is anticipated that planning permission will be sought in August 2015, with construction starting in autumn 2016 and completing in winter 2018.

A pilot project, which is focused both on building the Central Research Laboratory's community prior to opening and on deepening the team's understanding of user requirements, is underway.

Image courtesy of Cathedral Group

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4 Newhaven Flood Alleviation Scheme and Clean, Green and Marine Tech Growth Centre

Being part of the Greater Brighton City Region has helped to attract considerable new investment to Newhaven. The City Deal and Local Growth Fund have attracted direct investment into key infrastructure, while also leveraging in further investment from the private and public sectors.

A pipeline of projects worth over £50m is expected to be delivered by 2020. Some key projects include:

Flood Alleviation Scheme: In December 2013, the south coast of England was hit by a storm surge coming down from the North Sea. The storm saw hurricane-force winds and the highest tide in some places for almost 60 years. The tidal surge in the Newhaven area affected between 50 and 100 properties in the Railway Road area, as well as closing the railway line between Lewes and Seaford. The Environment Agency, in partnership with Lewes District Council, is developing a scheme to reduce flood risk from the sea and the river along the Ouse Valley. The Scheme covers both banks of Newhaven, including the commercial areas near the Port.

The Scheme will reduce the risk of flooding to 437 homes and 392 businesses in and around Newhaven. Some areas of Newhaven currently have a 1-in-10 chance of flooding in any given year. The scheme will be designed to provide at least a 1-in-100-year standard of protection, taking into account the effects of climate change. This will mean that in any one year, there will be a less than 1% chance that Newhaven will experience flooding from the sea or River Ouse. The Scheme will also protect local infrastructure such as the road network, railway tracks and train station. It will also support the wider regeneration of Newhaven, helping to bring new investment, jobs and homes to the area.

The Scheme is estimated to cost around £9m, with the majority of funding coming from the Environment Agency in the form of central government Flood & Coastal Risk Management Grant in Aid that was secured through the City Deal. The Coast to Capital and South East Local Enterprise Partnerships are each contributing with a £1.5m Local Growth Fund allocation. In addition, the Environment Agency is seeking funding contributions and co-operation from companies and organisations that will benefit most from the work, including Network Rail, landowners and others to help with building and securing additional funds for the Scheme.

Construction of the Scheme is planned to start in early 2016 and is scheduled to be complete by 2019. The preferred design options will be agreed during summer 2015

Image courtesy of the Environment Agency

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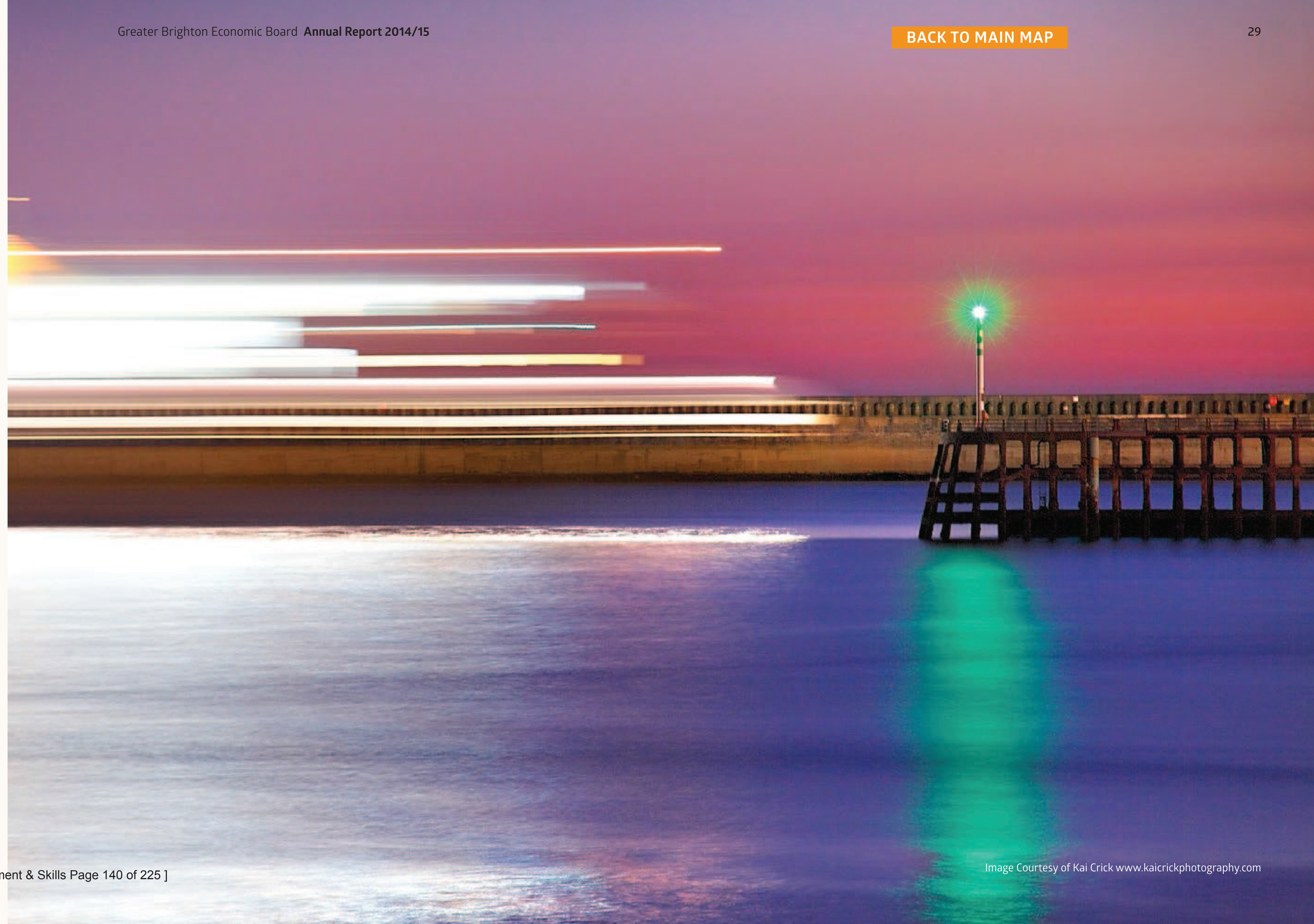

Image Courtesy of Kai Crick www.kaicrickphotography.com

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and the Environment Agency will then be consulting those residents and businesses that may be directly affected by the proposals before any detailed designs are finalised.

Port Access Road: construction of the Newhaven Port Access Road, which has been allocated a £10m Local Growth Fund contribution, will:

- Help to unlock the economic potential in Newhaven and facilitate the development of land that is currently underutilised and severed from the main economic base in Newhaven. Dependent on the long term re-development of the Port, this could amount to 167,000sqm of employment space coming forward, creating approximately 9,000 jobs as well as unlocking 190 new homes;

- Enable port operations to be located further south towards the harbour mouth, which will free-up existing port land for development and enable the Port Authority to deliver their long-term aspiration of creating a new outer harbour and ferry terminal off the east quay;

- Provide new access to the area identified for the operations and maintenance that will serve the Rampion Wind Farm (subject to current planning application), and;

- Facilitate journey time savings and improve journey time reliability for access into the Port.

The Scheme is being delivered in phases. Construction of Phase 1A, from the Pargut Roadabout to the Outer Harbour, is to start in early 2017.

The University Technical College: the University Technical College (UTC@ harbourside) is a new school for 14-19 year olds, situated in listed buildings on Railway Quay. The University Technical College will focus on creating the skills base necessary for Newhaven to become a centre for the 'clean, green and marine' technologies sector. The University Technical College is a partnership project, with funding and course content coming from the University of Brighton, the Aldridge Foundation, Lewes District Council, Veolia, E-on and the Department for Education. The marine and carpenters workshop buildings will be brought back into use allowing students, as well as residents of the town, better access to the river. The University Technical College will open in September 2015.

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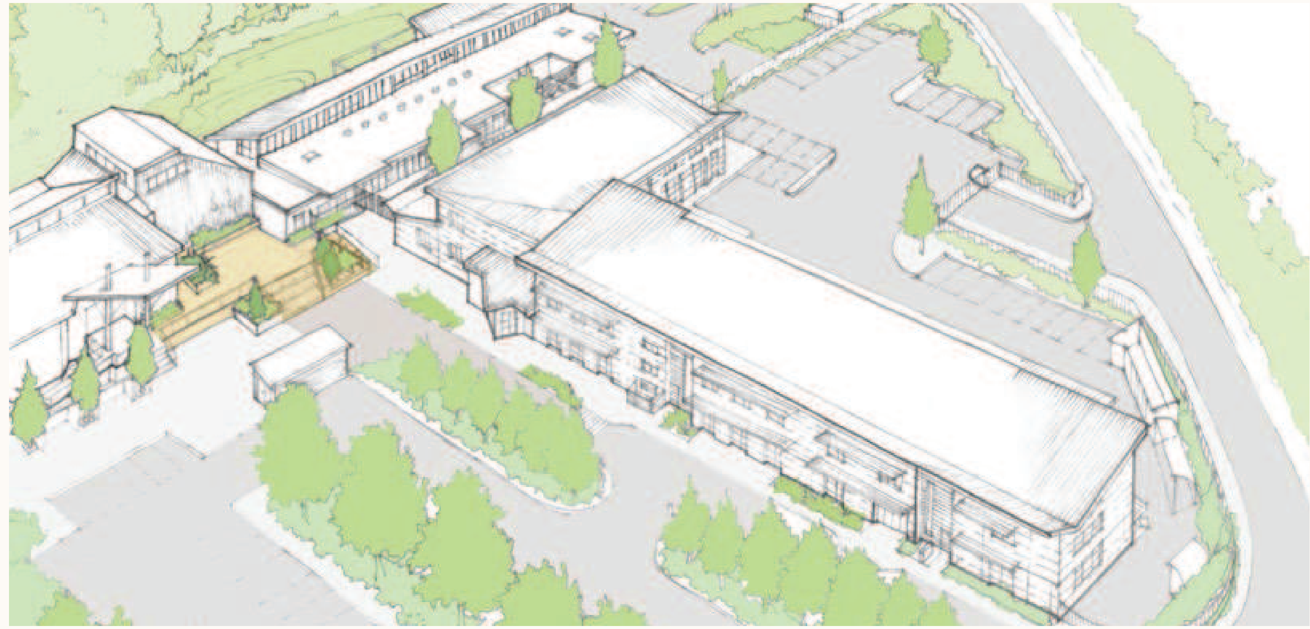

Image courtesy of RH Partnership

Image courtesy of WSP

Newhaven Growth Quarter: Construction of the £2.25m Newhaven Growth Quarter Scheme is underway on Denton Island in Newhaven and will be completed by March 2016. In 2014, Lewes District Council was awarded £1.9m by the Coastal Communities Fund to develop the Newhaven Growth Quarter initiative in partnership with Sussex Downs College, Sussex Community Development Association and Basepoint Business Centres. This is supplemented by £150,000 from East Sussex County Council and additional funding from Lewes District Council. The project is intended to ensure that the Newhaven Growth Quarter will act as a catalyst for growing the emerging 'clean, green and marine' technologies sector locally, linking with other developments. Newhaven Growth Quarter has five main elements:

- Extending the highly successful Newhaven Enterprise Centre to create new space for emerging businesses specialising in clean, green and marine technologies;

- Extending the rear of Denton Island Community Centre to create additional nursery and crèche facilities – supporting parents re-entering the workplace and addressing key barriers to work;

- Providing a new café facility and central 'hub' within Sussex Downs College for all users of Denton Island, including a new alfresco coffee and meeting experience;

- New training space at Denton Island Community Centre to provide local people with new career development opportunities, and;

- The creation of a new community garden and a more attractive 'campus-style' environment for all users and build upon the existing strong partnerships.

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5 Shoreham Flood Alleviation Schemes and the Environmental Tech Growth Centre
Adur Tidal Walls

To superfuse the City Region a network of growth centres are planned that will be priority business locations. In Shoreham an Environmental Technologies Centre is planned at Brighton City (Shoreham) Airport, that will build on the success of Ricardo UK'S new £10m Vehicle Emissions Research Centre. The project proposes a minimum of 15,000 square metres of employment floorspace and has the capacity to provide an estimated 340 net new jobs and annual GVA impact of around £15m.

Image courtesy of Ricardo UK Ltd

Over 2,300 households and 150 commercial properties are currently at significant risk of flooding from overtopping or failure of the existing tidal river defences. It is anticipated that, due to the sea level rise, this will increase to over 4,400 residential and 330 commercial properties by 2110.

In December 2013, the flood defences on the River Adur breached adjacent to Shoreham Airport affecting eight industrial units and closing Shoreham Airport for 24 hours. The Environment Agency estimates over 200 residential properties could have been at risk without their emergency repairs.

This section of the embankment is included in the Environment Agency's £25.5m scheme to improve over 7km of the tidal defences along the east and west banks of the River Adur. The scheme is being delivered in partnership with West Sussex County Council, Adur District Council and the Coast to Capital Local Enterprise Partnership, who have collectively contributed £7.5m (of which £6m is from the Local Growth Fund).

The scheme promotes a consistent Standard of Protection of 1 in 300 (0.33%), taking into account 50 years of predicted sea level rise. The scheme will:

- Enable the strategic employment allocation at Brighton City (Shoreham) Airport to come forward for development – delivering the planned Environmental Technologies Centre.
- Protect over 2,300 households and 150 commercial properties that are currently at significant risk of flooding from overtopping or failure of the existing tidal river defences, and;
- Protect an additional 2,100 households and 280 commercial properties that would otherwise be at risk due to sea level rise by 2110.

Construction will start in early 2016 and complete in 2017/18.

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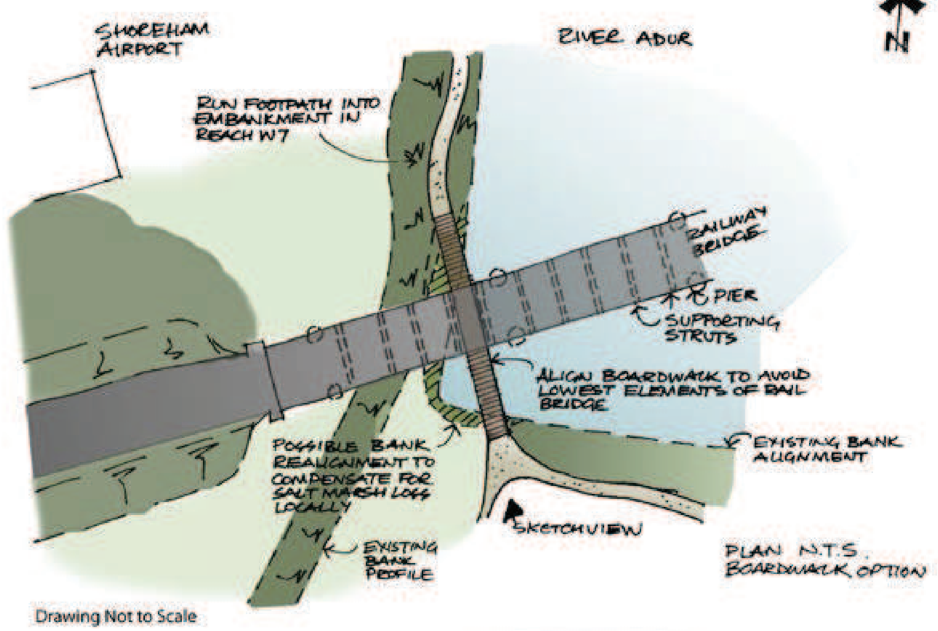
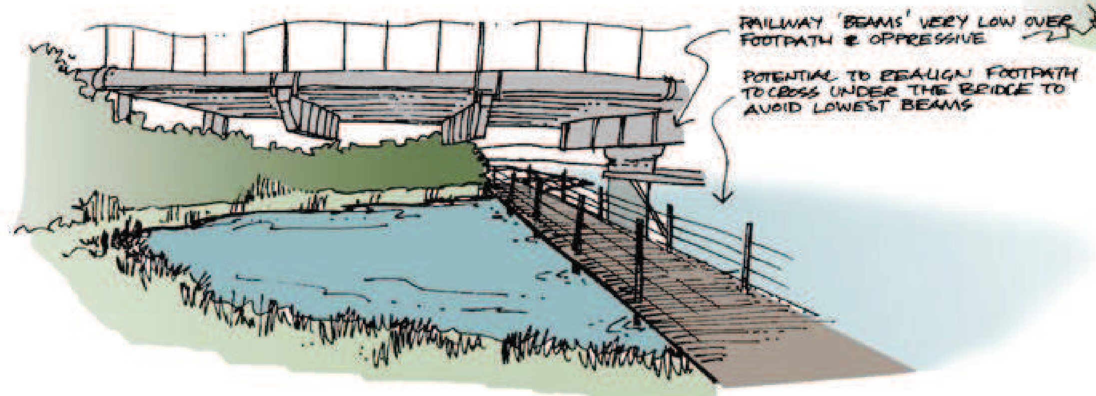
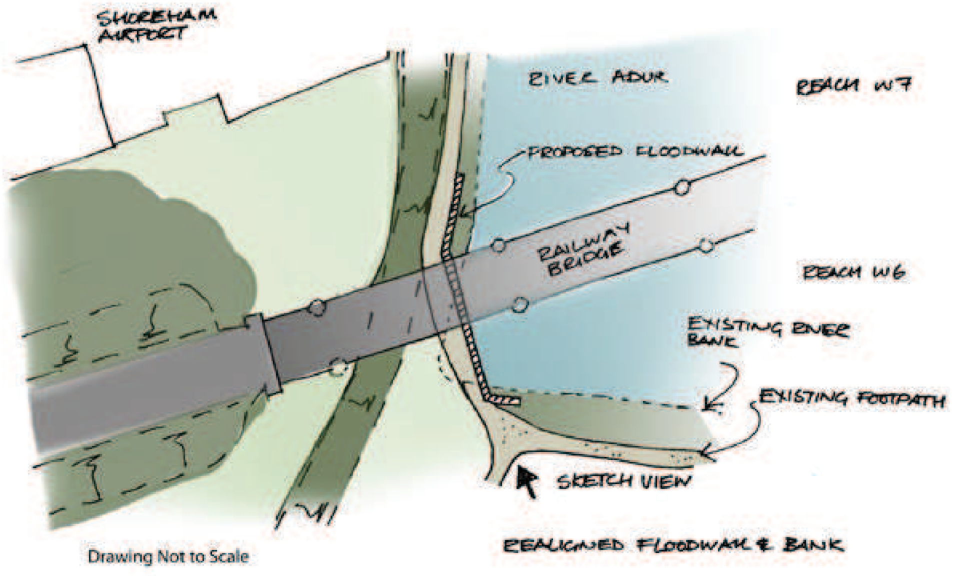
Shoreham Adur Tidal Wall
Sketch Landscape Design Proposals
Reach W6
MMD-339663-L-DR-03-W6-1280-SK

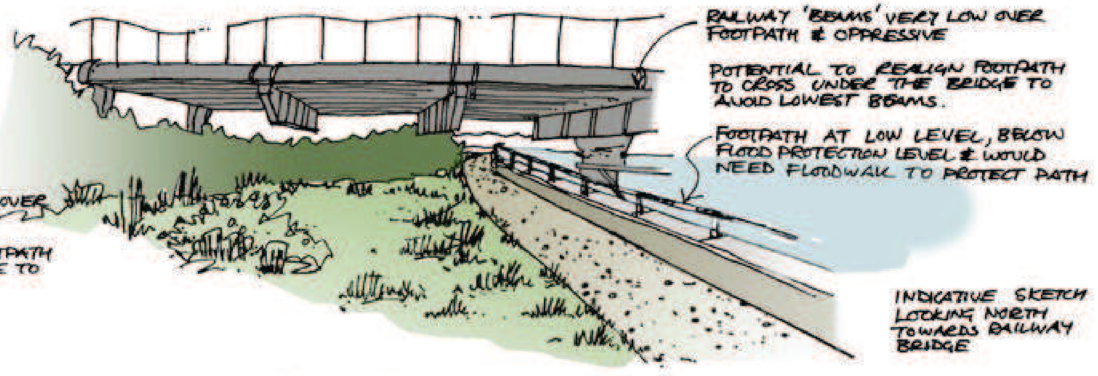


Option 1: Boardwalk



Option 2: Realigned footway with Flood Wall





Existing Situation:

Mott MacDonald

Environment Agency

6 Shoreham Flood Alleviation Schemes and the Environmental Tech Growth Centre Western Harbour Arm

The regeneration of Shoreham Harbour's Western Harbour Arm and the consolidation of the Port would provide for approximately 1,500 jobs with an additional economic output of up to £34m per annum.

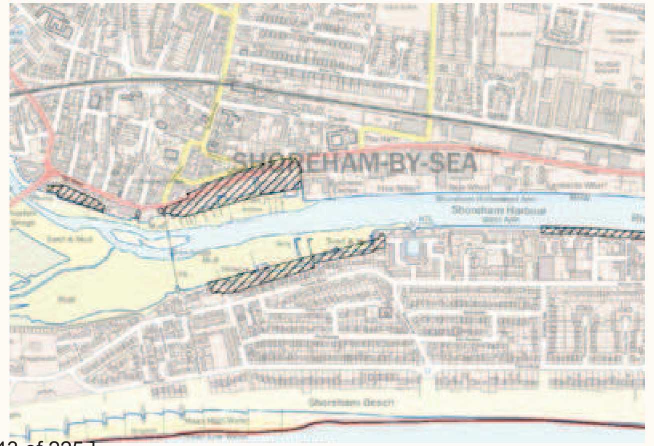
Shoreham Town Centre and Shoreham Harbour are at flood risk, putting over 3,500 residential and business properties as well as the A259, the main coastal road, at risk of flooding on an annual basis. While the Adur Tidal Walls project has been fully funded, land to the east of the footbridge, which includes the development sites of the Western Harbour Arm, remain at significant risk.

The regeneration of Shoreham Harbour has been a priority for over 25 years but, despite various ambitious projects, the potential for significant economic growth has not yet been fully realised. The project was awarded £2.3m Eco Town and Growth Point funding in 2010. In addition, £5m worth of Community Infrastructure Grant was secured. This enabled the Regeneration Partnership, consisting of Adur District Council, Brighton and Hove City Council, West Sussex County Council and the Shoreham Port Authority, to develop detailed plans to transform the Harbour into a vibrant, thriving waterfront destination that will deliver new homes and jobs – also envisaged as part of the emerging Adur Local Plan – alongside a consolidated and enhanced commercial Port.

It is estimated that the cost of the entire scheme is £12m. Partial funding, including a £3.5m contribution from the Local Growth Fund, has been secured but a shortfall of £4m remains. Nonetheless, the existing funding levels do provide an opportunity to begin the comprehensive flood defence solutions at both ends of the Western Harbour Arm – the Yacht Club and Kingston Beach – to deal with current weak points and assist development sites by ensuring that only the River frontage (as opposed to all four sides of the individual parcels) need to be protected. As well as new flood defence walls, these projects will provide a flood gate for the Yacht Club slipway and the start of a new off road cyclepath at Kingston Beach, which will eventually provide access along the entire Western Harbour Arm and link development sites with the town centre.

It is anticipated that work will commence on site in 2016/17 and will focus initially on the Sussex Yacht Club, currently the lowest and most vulnerable section of the flood defences.

The early implementation of these projects will set the tone for the subsequent sections of the comprehensive flood defence solutions, as development sites come forward. To address the remaining shortfall, more detailed viability assessments will be undertaken that take account of both increased land values for residential and more detailed analyses of the infrastructure costs. This will help to inform future funding bids, including to the Local Growth Fund.



During the Local Plan period up to 2031, it is envisaged that the regeneration of Shoreham Harbour will:

- Deliver up to 1,450 new homes;
- Create approximately 21,500m2 of employment floor space;
- Directly generate 1,500 – 1,700 new full time jobs and between 620 – 870 net additional job;
- Support 1,630 – 1,720 full time temporary construction jobs, and;
- Consolidate Shoreham Port operations in the Eastern Arm and Canal, securing existing jobs and creating 500 new jobs at the Port.

7 Circus Street Innovation Hub and Regeneration

This mixed use regeneration project will drive social, cultural and economic change for the Tarner and Valley Gardens areas of Brighton and Hove, some of the city's most deprived neighbourhoods. The site, approximately a hectare in area, houses the former Municipal Market building, a university building and a car park. Despite it being in a sought after location, close to the city centre, the seafront and major transport interchanges, the site is grossly underutilised and has lain largely vacant for nearly 12 years. The regeneration will provide:

- A 30,000 sq ft office building that will be cohabited by the University of Brighton's research functions and private organisations. It will be an Innovation Hub, which will create and support fledging new businesses and generate opportunities for students, graduates and university staff to work alongside SMEs and larger organisations. Demand for office space is high and there is an acute shortage of quality space in the City, causing barriers for companies both as they are looking to locate and grow;

- New start-up workshops, retail units and restaurants. The workshops and retail units will provide manufacturers, creative businesses and artists space to create and sell locally produced products;

- A library and academic building for the University of Brighton, which will include exhibition space and a café. The building will also be accessible to the public and the University of Brighton will run a programme of educational courses that the local community and City's residents can attend;

- 450 student accommodation bed spaces;

- "The Dance Space": This will be the City's only dedicated public dance space and will provide production space, a theatre and public space for community learning and participation and a new head quarters for South East Dance, who have successfully gained over £300,000 in funding towards The Dance Space from Arts Council England;

- 142 new homes, and;

Image courtesy of Cathedral (Brighton) Ltd

Images courtesy of Cathedral (Brighton) Ltd

- New public realm to include a public square and landscaped courtyards.

The mix of residential, business, education and cultural occupiers on the site will bring a wide variety of people into the area, benefitting existing local businesses. Economic impact studies indicate that the development will create approximately 232 predominately local jobs. It will generate £1m in council tax, new business rates contributions and new homes bonuses. It will encourage student and new resident population spending in and around the site and boost the local economy by more than £10m each year due to the multiplier effect.

The project is being delivered by Cathedral (Brighton) Ltd in partnership with Brighton & Hove City Council and the University of Brighton. The project has been awarded £2.7m of Local Growth Fund towards the development costs. Demolition of the current site is due to begin in summer 2015 and the project will then be delivered in phases: the office building will be completed by April 2017 and the workshops and retail units by June 2017; The Dance Space will be built by June 2017; the library and academic building and student accommodation by July 2017, and; the new homes will be completed by April 2018.

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8 City College Brighton and Hove Construction Trades Centre

City College Brighton and Hove's 10 year plan is a plan for growth. By 2022, the College anticipates: growth in 16-18 full time learners of 128; growth in 16-18 apprenticeships of 179; growth in adult apprenticeships of 664, and; a 25% growth in higher education, international and full cost training. Since the plan was drafted, Government has also increased the target number of apprenticeships to be achieved by 2020, increasing local demand further.

A key element in the delivery of the College's future plan is the provision of a new Construction Trades Centre at the City College East Campus at Wilson Avenue. The demand for learning and training programmes to equip learners to work within the construction sector and allied trades is growing and the requirement for the Construction Trades Centre is increasing.

Construction trades are currently taught across three separate campuses and generally delivered in outdated accommodation that is not ideal for the delivery of a modern Construction Trades curriculum. The new Construction Trades Centre will replace existing accommodation at the City College East Campus with a modern, purpose built facility that will allow the construction trades curriculum to be brought together and delivered on a single site. The design of the workshop and facilities will be bespoke to the particular requirements of the various trades and the curriculum will allow learners to follow each other through the construction process, mirroring true site conditions.

The project will benefit the following numbers of learners.

Actual provision for 2014/15 in Construction

	Headcount	FTE
Adult Classroom	117	88.7
EFA	370	367.4
Advanced Learning Loan	6	5.8
Full Cost	193	78.8
16-18 Apprenticeships	64	-
19+ Apprenticeships	86	-
Total	**836**	**540.7**

146

Planned provision for 2015/16 by specialism

	14-16	16-18 EFA	19+ SFA	24+ Loans	Full Cost	16-18 Apps	19+ Apps	24+ Apps	Total
Electrical	-	72	-	63	58	10	5	2	**210**
Plumbing	-	84	6	-	36	14	8	3	**151**
Carpentry	-	201	105	-	36	15	5	3	**365**
Maintenance	11	87	3	6	70	29	11	-	**217**
Total	**11**	**444**	**114**	**69**	**200**	**68**	**29**	**8**	**943**

Proposed provision for 2016/17 by specialism

	14-16	16-18 EFA	19+ SFA	24+ Loans	Full Cost	16-18 Apps	19+ Apps	24+ Apps	Total
Electrical	-	86	0	76	70	12	6	2	252
Plumbing	-	101	7	-	43	17	10	4	181
Carpentry	-	241	126	-	43	18	6	4	438
Maintenance	13	104	4	7	84	35	13	-	260
Total	**13**	**533**	**137**	**83**	**240**	**82**	**35**	**10**	**113**

Apps = Apprenticeships

Construction of the new Construction Trades Centre is scheduled to commence in August 2015 and be completed by the end of 2016. The cost of the Construction Trades Centre is £9m and it will be financed through the Local Growth Fund.

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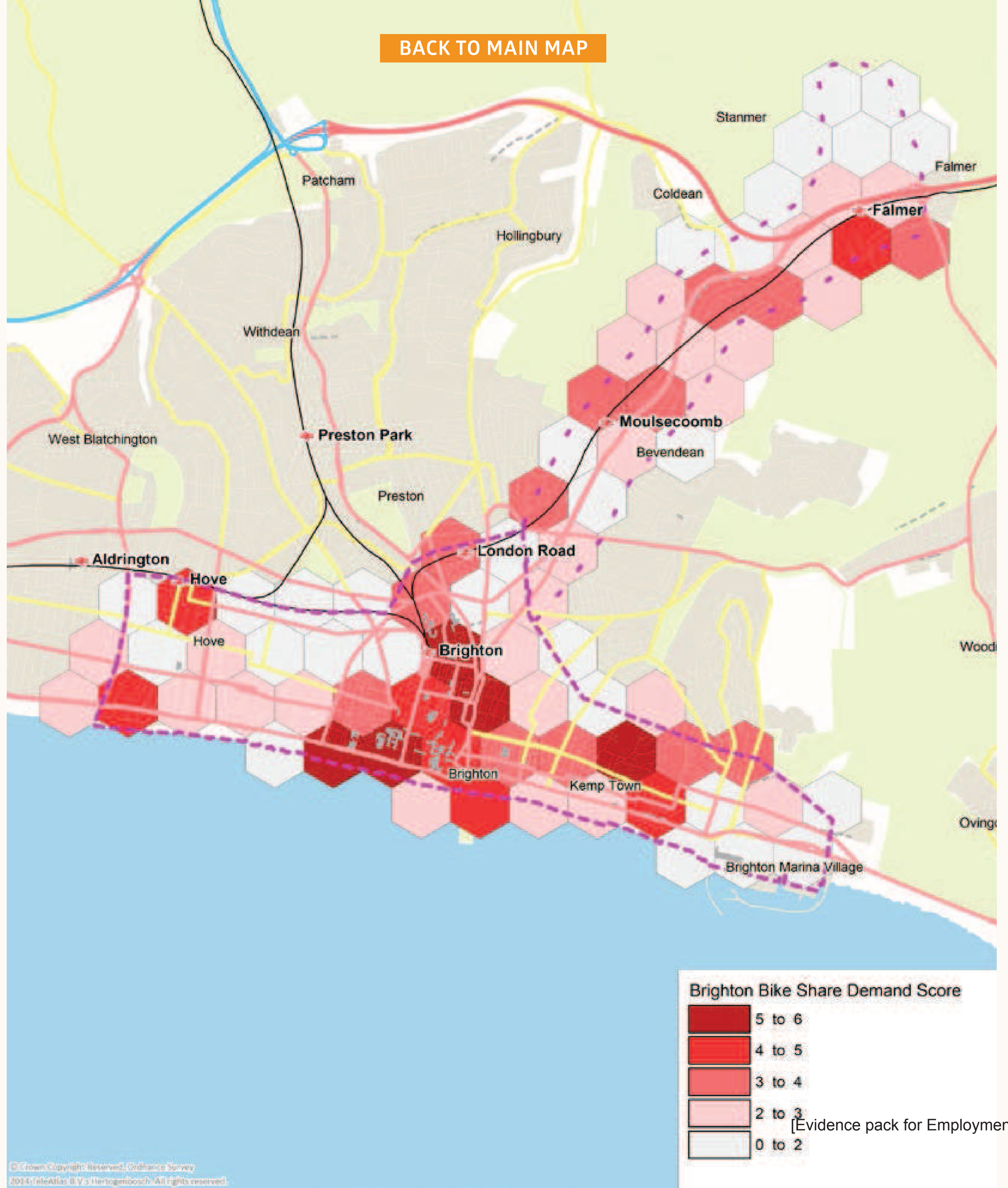
9 Brighton & Hove Bike Share Scheme

The project will implement a Bike Share (hire) scheme in Brighton & Hove. The scheme will comprise 430 bikes and 50 docking stations, covering the area in the map shown right:



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Public bike share is part of a wider strategy to enhance public transport infrastructure, walking and cycling across the city to improve connectivity between existing employers and developments, the city centre and more local/district centres.

The scheme will be linked to, and promoted alongside, Brighton and Hove's eco-tourism initiatives and could be expanded to cover parts of the City Region and provide cycle access to the South Downs National Park.

As with Cycle Hire in London, the bikes will be available for use across the mapped area. Further extensions to the scheme are likely over time. The benefits of the scheme include:

- The provision of affordable access to employment and study. By providing access to bikes and parking at both ends of the journey, the scheme will help to overcome mobility issues for some non-car users. In parts of the scheme area, 46.6% of residents donot own a car and the city's residents have advised that the most significant barrier to cycling is not owning a bike. The area covered by the scheme has an unemployment rate of 1.8%. It contains over 83,000 jobs and 30,000 pupils and students. The scheme development involved identifying major existing employers and developments, including Circus Street, City College Brighton and Hove and Preston Barracks, to enable residents to directly access jobs and wider opportunities, for example via the railway stations in the area. The scheme will work closely with employment services, offering free bike access to those that would not otherwise be able to access specific jobs due to the costs of transport;

- Reduced road congestion, traffic accidents, parking demands and carbon. It is estimated that 32% of Bike Share trips will transfer from former car users.

- Improved health and wellbeing, increasingproductivity. Cycling is effective in achieving good health, providing predictable andinexpensive forms of transport for short trips and can easily fit into people's daily routines.

Forecasts estimate that the scheme will generate in excess of 570,000 new active travel trips per year and that there will be approximately 400 regular users per day. There is evidence that people who are more active are generally healthier and have fewer days off sick than less active workers.

- Help to bolster tourism economy. By providing easier and quicker access to/from railway stations, tourists will be encourage to visit more places and attractions, such as the Brighton Marina.

The total cost of the scheme is £1.45m, with a Local Growth Fund contribution of £1.16m. The scheme is expected to launch in 2017 and will benefit the local workforce through direct employment (generating approximately 6 jobs), training, creation of apprenticeships and skills development.

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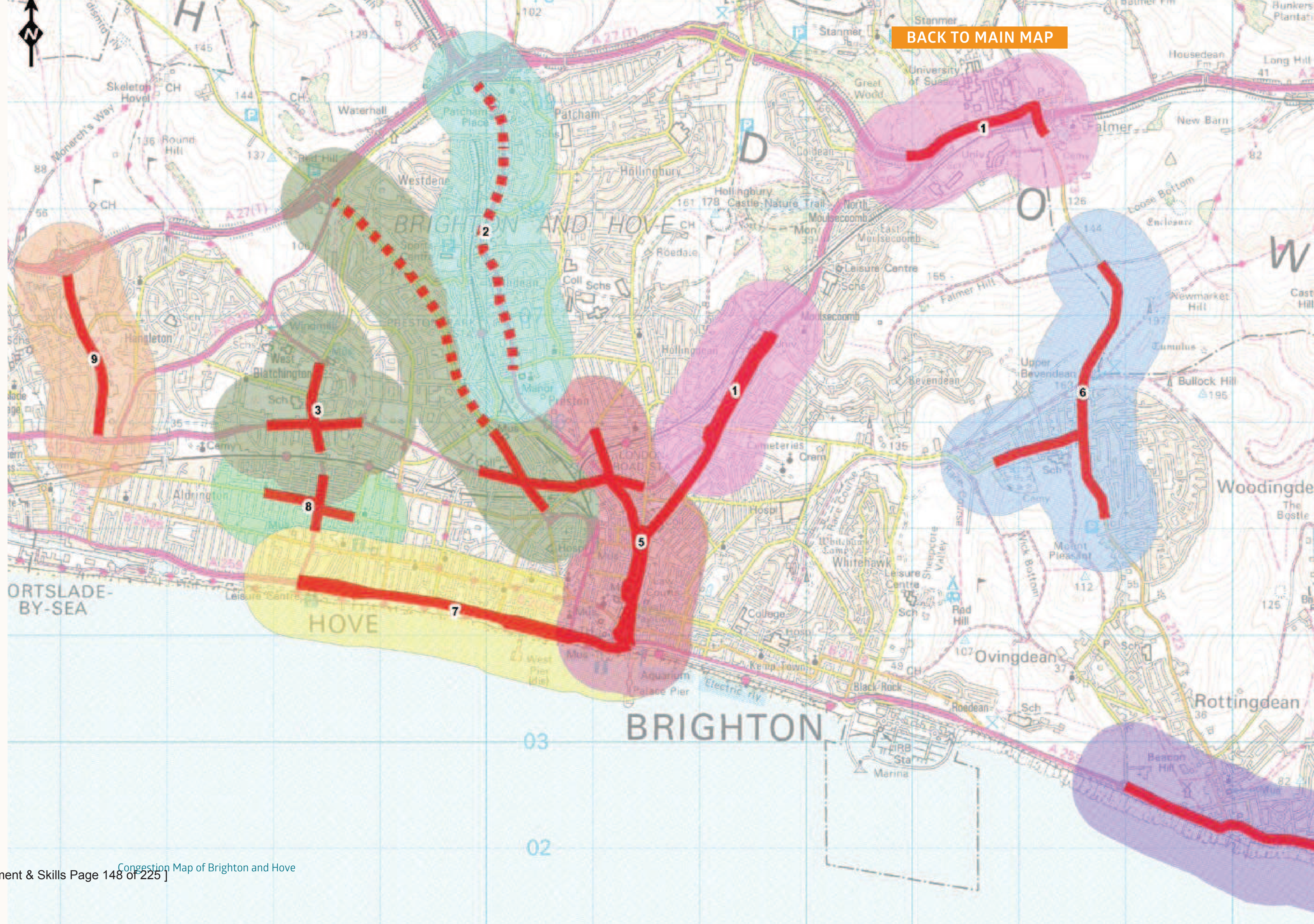
10 Brighton & Hove Intelligent Transport Systems Package

Managing movement on the transport network is focused on changing travel behaviour and informing people's travel choices in dynamic ways, to increase efficiency and sustainability. This can be achieved in a number of ways, traffic and parking management, the promotion of sustainable forms of transport and through the use of technology to improve access to information to inform decision-making before and during a journey.

High traffic flows on several strategic roads means that they are operating above their design capacity during peak times, resulting in congestion and unreliable journey times. This congestion means that there is limited resilience in the network to cope with incidents relating to accidents, adverse weather, road works or deployment of any strategic/emergency diversion routes.

The Intelligent Transport Systems Package is focused on the implementation of enhanced technology along the three main principal road corridors that serve the City and its hinterland, namely the A23, A259 and A270. It is based on 'strategic corridor approaches' to strengthen the resilience of routes that lead to/from, or are within the vicinity of, the priority development. These are the Seafront, Valley Gardens, the New England Quarter, the Lewes Road Corridor and the Shoreham Harbour Regeneration Project. The Intelligent Transport System Package will enable a more effective and efficient operation of the highway network by improving traffic flows, reducing delays and congestions and improving junction and corridor performance by using 'real time' travel information. This will not only benefit the City's 273,000 residents and 11 million plus visitors per year, but it will also support the economic growth of the City Region through improved network performance.

The total cost of the Intelligent Transport System Package is £2.152m, of which £1.83m will be funded by a Local Growth Fund contribution. Design and procurement is due to complete by October 2017 and implementation is scheduled to take place from September 2015 to March 2018.



Congestion Map of Brighton and Hove

11 Brighton Valley Gardens

An area of approximately 1.4km in length, Valley Gardens incorporates a series of green spaces running through the heart of the city centre between the Level and the seafront. The area is intersected by the main transport routes into and across the City.

Valley Gardens is currently dominated by an overly complex transport layout. This creates a perceived and physical barrier that segregates the city. Despite having huge potential as a city amenity space and playing an important role in connecting various city destinations, there's not a lot to attract residents and movement through the area can be difficult whether you are travelling by vehicle or on foot. The Valley Gardens project aims to bring the area 'back to life' as the social, cultural, economic and environmental centre of the city.

Images courtesy of Untitled Practice Ltd

This project, which is being led by Brighton & Hove City Council, seeks to transform the area to create:

- An attractive, flexible, safe space that enhances the city centre environment;
- A place that will attract residents and visitors at all times of the day and year, with something for everyone to enjoy, and;
- A meeting place, connecting the city efficient and safely however people travel.

By tackling the overly complex, illegible and disparate simplifying transport infrastructure transport corridor and making better uses of the public spaces, it is anticipated that the project will:

- Improve the perception and arrival experience of the city;
- Reduce congestion, through both the simplification of traffic and public transport priority corridors and by encouraging the use of public transport, walking and cycling by providing enhanced facilities;
- Reduce journey times and driver frustration;
- Tackle the causes of vehicle related collisions and casualties;
- Create a more attractive environment and event space, generating increased footfall and greater economic activity within the gateway to the city;
- Enable the area to operate more effectively as a cultural centre, bringing jobs and increased visitor investment;
- Reduce barriers to movement between the city centre and the eastern and northern commercial and residential districts, helping to reduce social exclusion and encouraging commercial development, regeneration and employment, and;
- Improve biodiversity opportunities and climate change resilience in the city centre.

The project is divided into phases. Phases 1 and 2 are focused on the geographical area between Saint Peter's Church and the Royal Pavilion, while Phase 3 extends from Edward Street to the A259 Aquarium Roundabout. It isanticipated that Phases 1 and 2 will be completedby 2018. The project has received a Local Growth Fund contribution of £8m. An additional £6m has been allocated to enable Phase 3 to follow, subject to submission of a successful Business Case.

12 A2300 Corridor Improvements, Burgess Hill

Burgess Hill is a key growth location within the City Region. It will accommodate over 5,000 new homes, 5,000 new jobs and 200,000 m^2 new employment floor space.

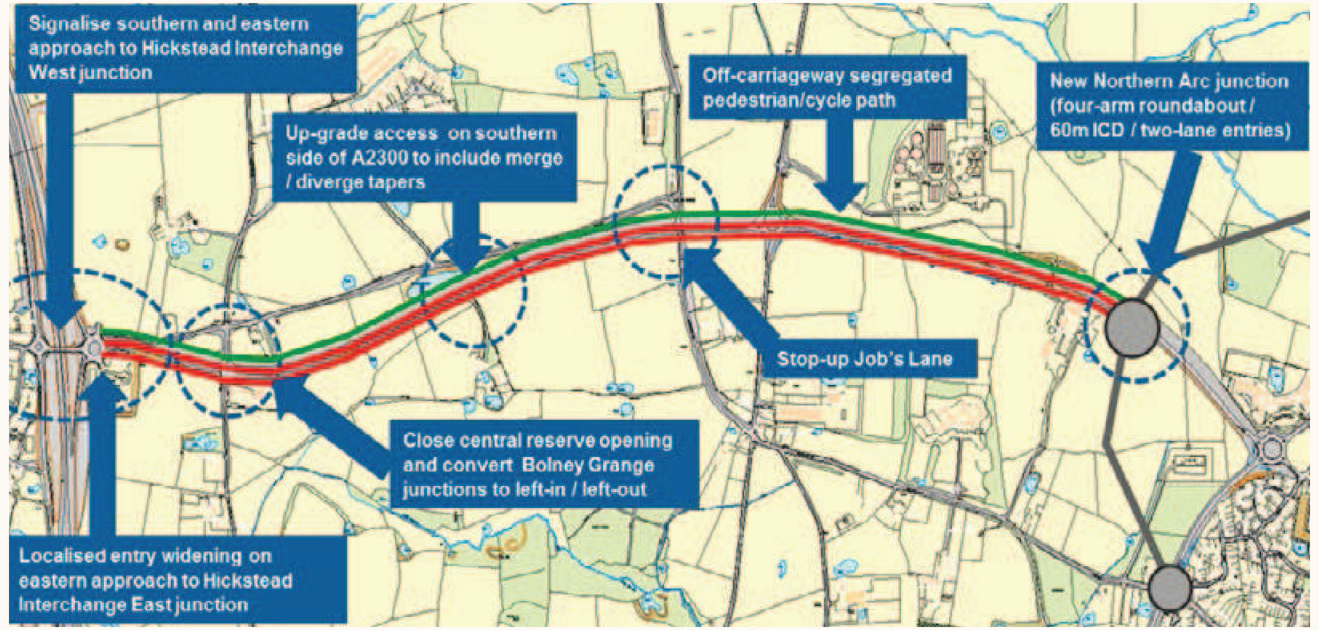
There are existing planning approvals for 1,280 houses and also a strategic employment site (up to 50,000 m^2 floor space) on land at Goddard's Green (immediately south of A2300). The Northern Arc strategic allocation within the Mid Sussex District Plan will provide up to 3,500 additional new homes and a further 15 hectares of employment land. Northern Arc planning applications are anticipated in autumn 2015. A further 440 new homes will be developed within Burgess Hill town centre.

The Burgess Hill proposals will deliver in respect of all six of Coast to Capital's identified priorities for economic growth and housing/infrastructure provision. Burgess Hill is also a key Growth Centre for the Greater Brighton City Deal.

Image courtesy of Ordnance Survey

The Mid Sussex Transport Study identified a need for works within the A2300 corridor to facilitate these major proposals. The A2300 link road was completed in February 1997, largely as single carriageway but with land and earthworks provision to enable later improvement to higher capacity/standard. Traffic flows on the road are currently in the region of 20,000 vehicles per day. The dualling of the single carriageway has been identified as providing the necessary increased capacity.

Feasibility work by West Sussex County Council has found dualling the A2300 between the A23 and the Northern Arc junction to be the most appropriate improvement (see plan on next page).



The A2300 scheme would improve access from the A23 trunk road and help to deliver the town's new residential and employment developments. It would also reduce congestion and journey times in the Burgess Hill area and improve road safety. This will support the delivery of the major new residential and employment developments proposed.

The total cost of the A2300 improvements is £23.2 million. The Coast to Capital has secured one of the largest Local Growth Fund contributions, of £17m, towards the A2300 improvements. Other contributions will be made by developers (£5.58 million) and local authorities (£0.66 million).

In total, the Burgess Hill developments will draw in developer investment of around £570 million in development costs and related infrastructure provision.

Completion of the A2300 improvements is anticipated by 2021.

13 Worthing Sustainable Transport Package

The Worthing Sustainable Transport Package will deliver a range of transport and urban realm schemes in the town. The Package is split into several stages, the first of which is the Worthing Connectivity Public Realm Scheme which will also improve walking and pedestrian movements.

The Worthing Connectivity Public Realm Scheme is focused on the town centre. It aims to make this more attractive, by improving connectivity and tackling the declining urban realm. It will refurbish the urban realm along the pedestrian section of Montague Street, the Montague Street and Crescent Road junction and Portland Road.

Improvements will also be made to Montague Place, including the removal of the Rotunda to create an area for events and stalls, to strengthen the link between the main shopping area and the seafront. Once constructed, the improvements are expected to have an estimated design life of 40 years.

Phases of the Scheme. Phase 1 is located at Montague Place, highlighted in green

By improving the public realm and the connectivity of the key town centre shopping street, the area will become a more attractive and safer environment, particularly for pedestrians.

More people will shop in the area – footfall and turnover are anticipated to increase by approximately 25-30% and 18% respectively.

This will improve the town's competitiveness and thereby encourage higher-end shops into the area. The rate of vacant properties is expected to reduce by as much as 21%, creating new businesses and jobs and improving the overall vibrancy of the town centre. The Worthing Connectivity Public Realm Scheme will be truly transformational.

The Worthing Connectivity Public Realm Scheme is split into six phases, the first of which is located at Montague Place. The cost of Phase 1 is estimated to be £1.2m, with an £800,000 Local Growth Fund contribution. Construction of Phase 1 will commence in January 2016.

14 The Sussex Innovation Centre – Brighton and Hove

The Sussex Innovation Centre provides specialist support and accommodation to start-up and established businesses that are developing new innovative products and services. The original Centre, which opened in 1996 at the University of Sussex, has helped hundreds of businesses to realise the market potential of their ideas creating thousands of jobs and significant economic growth through their activity. Now a wholly owned subsidiary of the University, the Sussex Innovation Centre also supports the commercialisation of academic research and the student entrepreneurship programmes.

Image Courtesy of Aros

The Block J development at Brighton Station is an exciting extension of the Sussex Innovation Centre's internationally recognised technology incubation facilities and will make access to the specialist support even easier within the city. Block J also provides a new base for the University of Sussex in the heart of the city.

The new Innovation Centre at the Brighton Station site, which is being developed alongside a new Indigo hotel, will provide 20,000 square feet of new high quality office accommodation for high growth potential businesses over 6 floors, together with a new cafe opening onto New England Square, collaborative workspace, hot-desking and meeting space.

Construction of the new Innovation Centre, which received a Coast to Capital Local Enterprise Partnership investment of £3.8m, has commenced and is due to complete in Summer 2016.

As part of a new network of Centres, Sussex Innovation – Brighton member's will also be able to access space and services at both the University and new East Croydon Centres.

BACK TO MAIN MAP

Image Courtesy of Aros

COAST TO CAPITAL

LMI SUMMARY

UKCES
UK COMMISSION FOR
EMPLOYMENT AND SKILLS

ABOUT

This document provides a summary of key findings for the Coast to Capital LEP area, based on findings from three major UKCES research products: Working Futures, the Employer Skills Survey (ESS) and the Employer Perspectives Survey (EPS).

Throughout the document, findings for the LEP area are compared with England or the UK as a whole. For ESS and EPS differences are only reported when they are statistically significant; when figures are described as 'similar' or 'no different', this means that there is no statistically significant difference. Whilst the percentages may differ slightly between the figure for the LEP area and England/the UK, when we say 'similar' it means that we cannot be confident that the difference is due to anything more than chance. In the case of Working Futures statistical significance is a more complex issue, since the analysis is forward-looking. The published guidelines relating to the interpretation of this dataset have been followed.

W F

Working Futures

Working Futures uses robust sources of national data on demographics, education, employment and the economy to make projections of the UK labour market. Whilst not a crystal-ball, Working Futures moves beyond anecdotal guesses to provide rigorous, evidence-based projections through the application of proven models.

E S S

Employer Skills Survey

The Employer Skills Survey is the UK's definitive source of intelligence on employer investment. Exploring the skills challenges that employers face, the levels and nature of training investment, recruitment of young people and the relationship between skills challenges and business strategy, the ESS gives us a reliable, timely and valuable insight into the skills issues employers face.

E P S

Employer Perspectives Survey

The Employer Perspectives Survey provides insights into the thoughts and behaviour of UK Employers as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need.

WORKING FUTURES

2012-2022

Jobs and the economy

- The overall picture for the UK economy over the next decade (2012-2022) is one of gradual upturn, but with no quick return to long term trends as observed following previous recessions.
- Overall, the number of jobs in the Coast to Capital LEP area is projected to rise by around 45,000 over the next decade (2012-2022), an average annual rate of growth of 0.5 per cent. This is slightly lower than the UK average rate (0.6 per cent).

Sectors

- The sector profile of the LEP area is similar to the UK as a whole. However, the Coast to Capital area is somewhat "over-represented", relative to the UK, in the accommodation and food sector. It is "under-represented" in manufacturing (excluding engineering).
- Private sector services as a whole are expected to contribute around 99 per cent of net job growth in the LEP area between 2012 and 2022, higher than the UK average of 85 per cent.
- The leading sources of employment growth in the Coast to Capital area (in absolute terms) are forecast to be professional services (+10,000), support services (+7,000), information technology (+7,000) and construction (+6,000).
- Public administration is projected to see a net decline in its level of employment between 2012 and 2022 in the LEP area (loss of 5,000 jobs, equivalent to a fall of 10 per cent); this decline is in line with the overall UK picture.
- Manufacturing is projected to see a continued decline in jobs (with a loss of 5,000 jobs – the equivalent of a fall of 14 per cent - over the decade in the LEP area). This decline is greater than for the UK as a whole (-9 per cent).

Occupations

- The Coast to Capital LEP area has a slightly higher representation of employment in higher skilled occupations, compared with the UK as a whole. In the LEP area, 45 per cent of employment is in the three high skilled occupational groups: managers, professionals and associate professionals. This compares with a UK average of 43 per cent. The figure is much higher in London (57 per cent).
- The proportion of employment in the three lowest-skilled occupations is slightly lower than the UK average. In the LEP area, 23 per cent of employment is in sales or customer service, plant/process operatives and elementary roles, compared with a UK average of 25 per cent.
- The proportion employed in middle-ranking occupations is in line with the UK average: jobs in administrative, skilled trades and caring/leisure roles account for 31 per cent of employment in the LEP area, compared with 32 per cent in the UK.
- As with the wider UK picture, we expect to see job growth concentrated in higher level roles, as well as in lower level roles relating to care. The projections for the LEP area are for:
    - 65,000 additional high level jobs (for managers, professionals and associate professionals), with almost half of these in professional roles. Higher skilled jobs are expected to grow at a similar rate to in the UK as a whole (15 per cent in Coast to Capital compared with 17 per cent in the UK over the course of the decade).
    - 31,000 fewer jobs in middle ranking administrative, secretarial and skilled trades occupations. Nevertheless, these areas of decline are expected to remain significant sources of employment by the end of the decade. For example, there are still expected to be around 95,000 administrative and secretarial jobs in 2022 in the LEP area, despite the loss of around 22,000 jobs in the previous decade.
    - Around 20,000 additional jobs in caring or leisure roles.

- Women are expected to take around two-thirds of the additional high level jobs created in the LEP area over the decade, as well as most of the additional jobs in caring roles. However, female workers will be hit by the losses noted above in sales, administrative and elementary jobs.

Qualifications

- As a result of supply and demand factors, the qualification profile of employment is expected to shift markedly in the LEP area:
    - The proportion of jobs held by people qualified at a higher level (level 4 and above) is projected to increase from 41 per cent to 51 per cent between 2012 and 2022.
    - Workers with low qualifications (below level 2) are expected to decline from 18 per cent to 12 per cent of the total workforce over this period.

Replacement Demands

- We estimate that replacement demands (i.e. job openings created by people leaving the labour force temporarily or permanently) will contribute around eight times as many job openings as net job growth over the next decade: 369,000 openings compared with 45,000.
- Replacement demands mean that there will be a need to recruit suitably skilled people across all broad occupational groups, including those projected to decline:
    - For some occupational groups (mostly higher skilled ones), we expect to see strong net growth in the number of jobs, supplemented by large replacement demands. For example, net growth of 29,000 jobs in professional roles is projected to be supplemented by 74,000 job openings arising from replacement demands.
    - For those occupational areas in which we expect to see a net decline in the number of jobs, replacement demands mean that we can still expect a strong supply of job openings. For example, in administrative roles, it is projected that a net loss of around 9,000 jobs will be more than offset by 34,000 job openings resulting from replacement demands.

EMPLOYER SKILLS SURVEY

2013

Skill shortages

- In total, 16 per cent of employers in the Coast to Capital LEP area reported vacancies at the time of the survey (March to July 2013). This is similar to the proportion in England as a whole (15 per cent).
- While in most cases demand for skills is met through successful recruitment, around a quarter of vacancies in the LEP area (26 per cent) are reported to be hard-to-fill. This is in line with the England average of 28 per cent.
- When asked (without prompting) about the main reasons for hard-to-fill vacancies in their establishment, a shortage of suitably skilled workers is seen as the main reason in the Coast to Capital area, reflecting the England-wide picture. Employers in the LEP area also reported a lack of interest among applicants in the types of job on offer.
- Overall, 'skill-shortage' vacancies represent 20 per cent of all vacancies in the LEP area, similar to the England-wide figure of 22 per cent.

Skill gaps

- Most employers say that they have a proficient workforce with no skill gaps. However, the proportion reporting skills gaps is slightly higher in the LEP area than in England as a whole: 17 per cent compared with 15 per cent. This represents six per cent of the total workforce in the Coast to Capital area, similar to the figure for the whole of England (five per cent).
- In most cases, proficiency problems are due at least in part to employees being new in their roles and/or still in training for their roles. These factors account at least in part for 66 per cent of all skills gaps in the LEP area, slightly lower than in England as a whole (75 per cent). In addition, employers in the LEP area also attribute skills gaps to staff lacking motivation, and this factor features more strongly in the LEP area than in England generally.
- In the Coast to Capital area, and in England more widely, the main impact of proficiency problems is an increased workload for other staff.
- In the LEP area, (internal) skills gaps are most prominent in elementary jobs, while the greatest density of (external) skill shortages are among caring and leisure staff and machine operatives, as well as in managerial and professional roles. In England as a whole, (internal) skills gaps are also focused on elementary staff as well as sales and customer services; however, the England-wide picture for (external) skill shortages is somewhat different, with skill shortages most acute for skilled trades.
- In general, employers tend to be challenged either in terms of having inadequate skills among some of their existing workforce or struggling to find new recruits with the skills that the vacant positions require. It is very rare for employers to be challenged from both directions; just one per cent of all employers experience both skill-shortage vacancies and skills gaps; this proportion is the same in the LEP area as in England as a whole.
- Just over half of employers in the LEP area (52 per cent) report skills under-use (i.e. they have staff who are over-skilled and over-qualified for the jobs that they are currently doing); this is higher than the England-wide figure of 47 per cent.

Training and Workforce Development

- Most employers fund or arrange training for their staff: in the LEP area, around two-thirds had done so over the previous 12 months (68 per cent); this is similar to the England-wide figure (66 per cent).
- Half of employers in the Coast to Capital area provide off-the-job training (51 per cent), while one in six offer on-the-job training only (17 per cent). These proportions are similar to the England-wide average figures (48 per cent and 17 per cent respectively).

- The number of staff receiving training in the LEP area (64%) is in line with England generally (62 per cent). The number of days training is also similar. In the LEP area, each person trained received an average of 6.5 days training over the previous 12 months, compared with 6.7 days on average in England.
- While most employers could be described as being in 'training equilibrium' having been able to provide all the training that they wanted over the previous 12 months, over two-fifths of all employers in the LEP area (42 per cent, including non-trainers that had not delivered any) wanted to provide more training than they had been able to do. The proportion in England as a whole was the same.

Recruitment of Young People

- Almost a third of employers in the LEP area (28 per cent) recruited at least one education leaver in the two to three years preceding the survey, similar to the England-wide figure (27 per cent). Specifically:
    - Eight per cent had recruited a 16 year-old school leaver (the same as the England average);
    - 11 per cent had recruited a 17-18 year old school leaver (the same as the England figure);
    - 12 per cent had recruited a 17-18 year old college leaver (again, the same as the England-wide figure);
    - 15 per cent had recruited someone from a university or HEI (similar to the England figure of 14 per cent).

High Performance Working practices and Product Market Strategies

- High Performance Working (HPW) is defined by the UK Commission as 'a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance' (UKCES 2009).
- The survey identifies a minority of employers – 10 per cent in the LEP area – who are "HPW employers" in the sense that they adopt a number of HPW practices. This is similar to the proportion in England as a whole (12 per cent).
- Product Market Strategies (PMS) are defined within the survey by aggregating responses to a series of questions exploring pricing strategies, approaches to innovation and the nature of the product market (the extent to which the market attracts a "premium" and the extent of customisation of products and services in the market).
- Aggregating these responses classifies almost half (45 per cent) of private sector employers in the Coast to Capital area as having a high or very high product market strategy, indicating that their competitive success is not dependent on price, they pursue innovation, they compete on quality and/or that they offer customised goods or services. This is the same as the proportion in England as a whole.

EMPLOYER PERSPECTIVES SURVEY

2014

Employer Perspectives on Recruitment

- Half (50 per cent) of employers in the Coast to Capital LEP area recorded at least one vacancy in the 12 months preceding the survey. This is the same as the proportion across England as a whole.
- Relevant work experience was rated by two-thirds of recruiting employers in the Coast to Capital area (67 per cent) as being a critical or significant factor looked for in candidates. Core Maths and English skills followed next, rated as critical or significant by 63 per cent of recruiting employers. More than half of recruiting employers rated academic qualifications as critical or significant (55 per cent), while around half (51 per cent) said this about vocational qualifications. These priorities reflect the wider picture across England, although academic qualifications are more likely to be seen as important in the LEP area than in England as a whole (55% compared with 49%). Over time, the survey as a whole has seen an increasing importance placed on both academic and vocational qualifications by recruiting employers.
- Overall, 31 per cent of employers in the Coast to Capital area had taken on someone under the age of 25 in the previous 12 months (the same as the England-wide figure). On the other hand, one in seven employers had taken on someone aged 50 years or older (14 per cent – also in line with the figure of 13 per cent in England as a whole).

Employer Perspectives on Work Experience

- Two in five employers in the LEP area (40 per cent) had provided individuals with work placements in the previous 12 months, while 14 per cent had conducted 'work inspiration' activities with people in education (such as mock interviews, delivering talks and holding site visits for students). These proportions are similar to the average figures across England.
- EPS 2014 canvassed employers' awareness of Traineeships and found that around two-thirds of employers in the Coast to Capital area (69 per cent) had heard of the scheme, similar to the figure for England. However, the survey as a whole indicates that many of these employers had limited knowledge of the scheme.

Employer Perspectives on People Development

- A considerable proportion of employers in the Coast to Capital area use external providers to deliver training (51 per cent), although internal training provision is more common (59 per cent). The LEP figure for external training is higher than the England-wide figure of 45%, while the figures for internal training are similar.
- Employers most commonly look to private providers (private sector training firms or third sector providers) when they are looking outside of their own organisation to deliver training: 49 per cent of all employers in the LEP area engaged the services of private providers (higher than the England-wide figure of 41%), while only seven per cent used FE Colleges and five per cent HEIs (similar to the figures seen in England generally). The survey as a whole indicates that the gap between use of private and public provision has widened in recent years.
- Around a quarter of establishments in the Coast to Capital area (27 per cent) offered training that is designed to lead to a vocational qualification (similar to the figure for the whole of England – 26 per cent).
- One in five employers in the LEP area (19 per cent) had worked with other employers to access, develop or share expertise on skills and training. This is in line with the proportion for England as a whole (17 per cent). In general, the survey found that the nature of these relationships was equally likely to be formal or informal/ad hoc.

- A third of establishments in the Coast to Capital area (32 per cent) had sought external information, advice or other practical help on skills and training-related issues in the last 12 months. This is higher than the England-wide figure (27 per cent).

- National Occupational Standards (NOS) specify the standard of performance an individual must achieve when carrying out a function in the workplace, together with the knowledge and understanding they need to meet that standard consistently. Broadly speaking, there was some awareness of the standards: around a third of all employers in the LEP area (34 per cent) had heard of National Occupational Standards; this is broadly in line with the proportion in England generally (39 per cent).

Employer Perspectives on Apprenticeships

- One in eight employers in the LEP area (12 per cent) offered formal Apprenticeships (following a framework and designed to lead to a nationally recognised qualification), similar to the England-wide figure of 15 per cent.

- At the time of the survey, around a third of all employers in the Coast to Capital LEP area were expecting to offer formal Apprenticeships in the future (31 per cent, broadly in line with the figure of 35 per cent for England as a whole).

UK Commission for Employment and Skills (UKCES)

www.gov.uk/ukces

Analysis of Parent Carer Questionnaires Received from 1st April – 9th Dec 2015

Number of questionnaires completed by parent carers = 305

On average, how long is spent each week looking after or helping child (additional to 'normal parenting' role) as a result of their special educational needs or disabilities?

69% of parent carers report that they spend 20 or more additional hours per week on the caring role due to their child's SEND. This is a rise of 3% on the results of the Amaze Parent Carer Survey in 2013. 24% say that it is more than 100 additional hours which is a rise of 9% on 2013's figure.

When did parent carers last get a break from their caring role?

44% of parent reported that they haven't had a break from their caring role in the past year and 35% of parent carers report that they have never had a break.

The Amaze Parent Carer Survey in 2011 reported that 25% of parent carers had never had a day off from their caring role, so this is potentially a 10% increase in 4 years.

How many parent carers are single-parent families/households?

32% of parent carers report that they are single-parent families.

According to the Census 2011, in Brighton and Hove 29% of households with dependant children are single-parent families so this is higher than the local average.

How many parent carers have a disability themselves?

31% of parent carers reported that they have a disability, learning difficulty or long term-health problem, and more than 1 in 3 of these receive Disability Living Allowance or Personal Independence Payment for themselves.

According to the 2011 Census, 16% of Brighton and Hove residents are disabled or have a long term health problem that limits their day-to-day activities to some degree, so our figure is higher than the local average.

Do parent carers usually get a good night's sleep?

Only 32% of parent carers answered yes. This drops to 26% if the parent carer has a disability, learning difficulty or long-term health problem.

Has parent carer been offered a Carers Assessment in the past 12 months?

We define this on the questionnaire as being 'where someone asks about your needs as a carer' as some parent carers may not be aware of having received a Carers Assessment. However, only 9% answered yes to this question (26 parents in total). 78% of parent carers answered that they hadn't been offered one.

Do parent carers have Carers Cards?

Only 27% of parent carers reported having a Carers Card. 91% of the total survey group have Compass Cards so should automatically be eligible for Carers Cards. However, some parent carers completed the questionnaire at the same as their Compass registration form so may have only just received their first Compass Card. This may mean that they have yet to apply for their Carers Card.

However, it would be useful if we could compare Carers Card uptake numbers with The Compass, as all parent carers who receive a Compass Card also receive written information on how to apply for a Carers Card. However, Amaze currently has no figures on Carers Card uptake.

How do parent carers describe their current social situation?

33% of parent carers report that they have as much social contact as they want, with people that they like. 49% report that they don't have enough social contact and a further 17% report that they have little or no social contact and feel isolated. This is similar to figures from our 2013 survey.

How does the caring role impact on a parent carer's physical and mental health and wellbeing?

70% of parent carers report that they have experienced physical or mental ill-health as a result of their caring role.

What is the impact of the caring role on parent carers' ability to work?

44% of parent carers report that they do paid work and 44% report that they don't. 56% of those parent carers who don't current work (or 25% of the whole survey group overall) report that their family relies solely on benefits and has no other income.

31% of parent carers report that their caring role has stopped them from being able to work and a further 32% do paid work but have had to take less senior roles or reduce work hours due to their caring role. In 2013 38% of parent carers reported that their caring role stopped them from working altogether and 22% had had to reduce their work hours because of it.

Have parent carers struggled to feed their families due to financial issues?

17% of parent carers reported having skipped meals themselves, or reduced the size of them, as there wasn't enough money to feed the whole family. Almost two thirds of the parent carers who reported this rely solely on benefits but one third report that they have at least one paid income coming into the household.

Have parent carers experienced domestic abuse?

14% of parent carers report that they have at some time experienced domestic abuse, i.e. threatening behaviour, violence or abuse from an adult who was a partner or family member.

National charity Refuge states that 25% of women will experience domestic abuse in their lifetimes, but that only 35% of incidents are reported to the police. We would therefore assume that the true figure for parent carers would be higher.

Tina Brownbill
Database Manage
Amaze Dec 15

Childcare Entitlement and Provision in Brighton & Hove

Free childcare for two year olds

Parents are eligible if they are in receipt of one of the following benefits

- Income Support
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- support through part 6 of the Immigration and Asylum Act
- tax credits and have an annual income under £16,190 before tax
- the guaranteed element of State Pension Credit
- the Working Tax Credit 4-week run on
- Universal Credit

Children are also entitled to a place if:

- they're looked after by the local authority
- they have a current statement of special education needs (SEN) or an education health and care plan
- they get Disability Living Allowance
- they've left care under a special guardianship order, child arrangements order or adoption order

For eligible children the entitlement is 570 hours a year. The child can start from beginning of the term after their second birthday.
Once a child is eligible they retain eligibility, even if their parents' circumstances change.

Children living in Brighton & Hove and taking up free childcare place, autumn term 2015
Data at 8/12/15

Number of children in a childcare place	784
Per cent of DfE target number (868 children)	90.3

Of these children	Number	Per cent
Eligible from families on Income Support	397	50.6
Eligible from families on Working Tax Credit and income less than £16,190	351	44.8
Eligible because child looked after or adopted from care	20	2.6
Eligible because child disabled	16	2.0
Living in poorest 20% area of Brighton & Hove	279	35.6
Attending a maintained nursery or school nursery class	62	7.9
Attending a children's centre nursery	123	15.7
Living in Moulsecoomb or Whitehawk	139	17.7
Female	368	46.9
Male	416	53.1

Share your community group's views - FS794873

What does a fair city mean to you? : A place where all people are able to take part, contribute, be supported, travel and live their lives to the fullest.

What is fair about life in Brighton & Hove at the moment?: We have a strong voluntary sector, a diverse community, lots of assets in terms of geography, parks, arts & heritage opportunities and strong sense of place. Generally, statutory agencies want to work in partnership with their communities, and in some cases they do this well.
The council's Third Sector Strategy supports fairness, as does the CCG's commitment to Social Value in its commissioning.

What is unfair about life in Brighton & Hove at the moment?: We are making three separate submissions to put forward three issues that are unfair about life in Brighton & Hove.

Parents with Learning Disabilities
Our experience in working with parents with learning disabilities has revealed the unjust and unfair way in which they are treated by the local authority. Parents are repeatedly set up to fail by a system that does not adequately support them to be the parents they want to be, takes a siloed approach to working across Adult and Children’s services and refuses to acknowledge its legal duties under the Human Rights Act, Equalities Act and Care Act. It also fails to adhere to Department of Health guidelines on supporting parents with a learning disability. The result is that our clients regularly have their children removed into care, which has a devastating emotional, social, financial and safeguarding impact on their lives.

There are numerous models from around the UK where Councils successfully support people to parent and save the local authority money in the process . We are using these to raise awareness of alternative models that BHCC could adopt in order to create better outcomes for both parents and children alongside evidence of their obligation to meet relevant legislative duties.

B&H would be a fairer place (and BHCC would save money) if we could adopt a more sensible way of supporting parents with LD.

What specific experience or evidence do you have about inequalities and fairness that may be of use to the Commission? : In Brighton and Hove there are an estimated 5,053 adults aged 18 or over with learning disabilities, of whom 1,065 are estimated to have moderate or severe learning disabilities.

On parents with learning disabilities - much of this is taken from Bristol University's Working Together with Parents Network, who are experts in this field. (http://www.bristol.ac.uk/sps/wtpn/policyessentials/)

The Working Together with Parents Network (WTPN) believes that if provided with earlier personalised support, many parents would not become involved with the child protection system and fewer children would be placed in care.

The foreword to the Department of Health Good Practice Guidance on Working with Parents with a Learning Disability (2007) states in England that:: ‘People with learning disabilities have the right to be supported in their parenting role, just as their children have the right to live to live in a safe and supportive environment.’

The guidance recognises that parents with learning disabilities/difficulties can be good parents if provided with positive support. The five key features of good practice in working with parents with learning disabilities/difficulties:

Accessible information and communication
Clear and co-ordinated referral and assessment procedures and processes, eligibility criteria and care pathways
Support designed to meet the needs of parents and children based on assessments of their needs and strengths
Long-term support where necessary
Access to independent advocacy.

services and across health, social care, housing and non-statutory sector) of the need to provide early (page 45).'

Section 17 of the Children Act 1989 (children in need) states that local authorities have a duty to safeguard and promote the welfare of children within their area who are in need and, so far as it is consistent with that duty, ‘to promote the upbringing of such children by their families by providing a range and level of services appropriate to those children’s needs’.

Early preventative support clearly is essential to this statutory principle and to the principles set out in, for example, Children’s Act 2004, Working Together 2013, Think Family 2009.

The Care Act specifically includes support for parenting in issues for which support and advocacy must be provided.

In addition, on people with a learning disability & Mental health:
• People with learning disabilities demonstrate the complete spectrum of mental health problems, with higher prevalence than found in those without learning disabilities
• Between 25 and 40% of people with learning disabilities also suffer from mental health problems
• The prevalence of dementia is much higher amongst older adults with learning disabilities compared to the general population (21.6% vs 5.7% aged 65+)
• Prevalence of anxiety and depression in people with learning disabilities is the same as the general population, yet for children and young people with a learning disability, the prevalence rate of a diagnosable psychiatric disorder is 36%, compared with 8% of those who do not have a learning disability.

We would like to ask the Fairness Commission to consider the above in conjunction with evidence from the Council itself about issues related to the fairness commission. For example we have been refused sight of the full Learning Disability Review and feel that the summary report lacks detail around the views on parents with a learning disability. The reason given for refusing to share this report is confidentiality but we feel that this issue can be surmounted and an open appraisal of the full content is important, including areas where service users were critical.

We want the full Learning Disability Review and the above evidence to be considered by the commission along with BHCC data on:
* numbers of parents with learning disability in child proceedings
* number of parents with learning disability who have had their child(ren) removed
* number of parents with learning disability who were offered a reasonable adjustment to the PPP course
* numbers of parents with learning disability who were offered any other kind of support to parent

Based on your experience or evidence, what is your or your organisation’s analysis of the causes of inequalities in Brighton & Hove? : This is far too complex an issue to be summarised in a box!

However, as we have set out above, there are systemic issues which exacerbate inequalities - the way that adults and children's services operate, for example, make lives much less fair for parents with learning disabilities - and needlessly so.

Funding and finance issues - the current reduction in public services supporting certain groups means that that these groups don't have access to the kind of opportunities that others do. These are fundamental to our lives - being a parent, being able to access education, training or employment, being able to travel independently, take part in society, volunteer and contribute.

Are there any people or communities for whom life in Brighton & Hove is particularly unfair? : People with a learning disability, parents with a learning disability, adults with Asperger's, older people who are isolated, those with mental health support needs.

What do you or your organisation believe would be the best ways to tackle inequalities and increase fairness in the city? : Implement learning from other local authority areas on how models such as Shared Lives and adjusted parenting support programmes can enable parents with a learning disability care for their children. We are organising a round table discussion on this issue shortly, with colleagues from areas who are already working in this way, and we would welcome Fairness Commissioners at that meeting. Details provided to Julia Reddaway.

Your first fairness priority: Enable parents with a learning disability to be able to care for their child by providing adjusted support

Your second fairness priority: Support community based activity which can prevent loneliness, isolation and the health impacts of these

Your third fairness priority: Providing services for adults with Asperger's to be able to engage in work, learning, volunteering.

Share your community group's views - FS796137

What does a fair city mean to you? : A place where all people are able to take part, contribute, be supported, travel and live their lives to the fullest.

What is fair about life in Brighton & Hove at the moment?: We have a strong voluntary sector, a diverse community, lots of assets in terms of geography, parks, arts & heritage opportunities and strong sense of place. Generally, statutory agencies want to work in partnership with their communities, and in some cases they do this well.
The council's Third Sector Strategy supports fairness, as does the CCG's commitment to Social Value in its commissioning.

What is unfair about life in Brighton & Hove at the moment?: Services for adults with Asperger Syndrome
Asperger Syndrome is a life-long social condition, which some evidence shows, can cost the state more than diabetes, cancer and heart disease put together. Many people with Asperger's are capable of work, education, volunteering, living independently, but need some support to do so. The absence of a fairly small amount of resource for this group costs much more overall in cash terms, but also in terms of the human cost, mental health the limitations put upon people's lives. We don't think it's fair that this group are ignored and left on the shelf, in spite of the laudable intentions set out in the Autism Strategy.

What specific experience or evidence do you have about inequalities and fairness that may be of use to the Commission? : Health and cost impact of Autism & Asperger's:

http://www.theguardian.com/society/2014/jun/09/autism-costs-more-cancer-strokes-heart-disease
The London School of Economics estimates that Autism and Aspger's cost the UK £32 billion a year, more than any other medical condition and greater than the cost of cancer, strokes and heart disease combined, according to an economic analysis of the condition's impact. The comparatively high figures – mainly made up by costs for residential accommodation, medical care and productivity losses – is because it is a life-long condition.

Mental health cost of Asperger's:
• People with autism or Asperger’s are particularly vulnerable to mental health problems such as anxiety and depression.
• 65% of people with Asperger’s Syndrome also present with a psychiatric disorder.
• 1 in 15 people with Asperger’s experience depression.
• Depression in people with Asperger’s may be related to a growing awareness of their disability or a sense of being different from their peer group and/or an inability to form relationships or take part in social activities successfully. People with Asperger’s are also particularly prone to anxiety disorders as a consequence of the social demands made upon them.
• The Government Autism Strategy points out, “poor mental health is not an inevitable consequence of having autism and when someone with autism has a mental health problem, such as anxiety or depression, it is essential that they can access appropriate help and support.”

What we know is that people are incredibly likely to hit bottom, and very little is done until they are already there. If we knew a group of people had a 65% chance of developing a particular cancer we'd be making huge efforts with health promotion and screening for that group, but with mental health people get nothing until it's already having a gigantic, and potentially fatal, effect on their lives.

Mental health in Brighton and Hove more generally:

Brighton and Hove residents have higher levels of mental ill health than the average for England, across a range of indicators. For example, a third more people have a diagnosis of severe mental illness and nearly 10% more (aged 18 and over) have a diagnosis of depression recorded by their GP.

The BHCC Mental Health and wellbeing strategy (2014) identifies volunteering, trying something new and learning new skills as important tools to improving mental health. It also states 'having some control over one's life and having a sense of purpose are all important attributes of wellbeing.' We believe that this should apply to people with Asperger's as much as anyone else.

Based on your experience or evidence, what is your or your organisation's analysis of the causes of inequalities in Brighton & Hove? : Across the spectrum people with autism will receive much greater support because of their inability to live unsupported. Because they need help with everyday tasks which could include the very basics of washing, dressing, and eating, then they have round the clock support that serves multiple purposes including supporting their mental health.

At the Asperger's end, because they don't have these basic support needs, they are denied any level of support so their mental health is extremely likely to deteriorate. 65% of people will develop a significant mental health problem, most commonly anxiety disorders, depression, or OCD and they are very often entitled to no support until this happens. 80% of people with Asperger's are unemployed, despite having average or above average IQs. Employment support, despite being shown to be incredibly cost effective (http://base-uk.org/sites/base-uk.org/files/%5Buser-raw%5D/12-03/the_social_return_of_real_jobs.pdf Social return on investment is 5:1) continues to be very limited.

This relates again to the short sighted nature of public sector finances and decision-making. A much greater understanding and commitment to preventative work is needed, especially in this field.

Are there any people or communities for whom life in Brighton & Hove is particularly unfair? : People with Asperger's are unsupported until they develop mental health conditions. We feel it is unfair that people who could be well, working, learning or volunteering are denied any kind of support until they find themselves in a crisis. We feel it is unfair that employment support is not available for this client group, in spite of how effective - and cost effective for the state - it can be.

What do you or your organisation believe would be the best ways to tackle inequalities and increase fairness in the city? : Across the spectrum people with autism will receive much greater support because of their inability to live unsupported. Because they need help with everyday tasks which could include the very basics of washing, dressing, and eating, then they have round the clock support that serves multiple purposes including supporting their mental health.

Employment support programmes for adults with Asperger's is proven to be very cost effective - with a 5:1 social return on investment ratio
80% of people with Asperger's are unemployed, despite having average or above average IQs.

Employment support, despite being shown to be incredibly cost effective (http://base-uk.org/sites/base-uk.org/files/%5Buser-raw%5D/12-03/the_social_return_of_real_jobs.pdf Social return on investment is 5:1) continues to be very limited.

Theoretically the Care Act should be helping address this inequality, with the emphasis on preventative support, people with Asperger's should be entitled to services that will help prevent them from developing significant mental health problems in the first place, and support to understand their condition, volunteer, work, and prevent the anxiety based isolation that stops them from spending time in their communities. We are yet to see this in effect, or hear any plans for how support will be extended to this group. The Fairness Commission could usefully investigate how the council plans to meet it's duties under the Care Act for people with Asperger's.

Care plans and personal budgets could see people accessing PAs (or mentors) to give them social contact and promote positive behaviour cycles that can build into significant confidence building and life changes.
Funded supported employment and volunteering could be the steps they need to long term employment saving money on multiple levels.
Early access to mental health support could prevent more serious problems developing - perhaps an annual mental health check much like the council funded learning disability physical health checks would see results.

Your first fairness priority: Adults with autistic spectrum disorders

Your second fairness priority: parents with a learning disability

Your third fairness priority: isolated older people, people with disabilities and their carers

EARLY
INTERVENTION
FOUNDATION

ADVOCACY

SPENDING ON LATE INTERVENTION

HOW WE CAN DO BETTER FOR LESS

HAROON CHOWDRY AND CAREY OPPENHEIM

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Foreword

Early Intervention is about addressing the root causes of social disadvantage, ensuring that everyone is able to realise their full potential by developing the range of skills we all need to thrive. It is about getting extra, effective and timely interventions to all babies, children and young people who need them, enabling them to flourish and preventing harmful and costly long-term outcomes.

The Early Intervention Foundation's (EIF) aim is to shift spending, action and support for children and families from Late to Early Intervention, from picking up the pieces to giving everyone the best start in life. We are a charity championing Early Intervention programmes and practice from conception to young adulthood. As a 'What Works Centre' our focus is on catalysing the use of evidence to inform policy and practice, with the goal of driving improvements to children's outcomes and breaking intergenerational patterns of disadvantage and dysfunction.

The focus of this report is on the immediate and short-run fiscal costs of Late Intervention: the acute, statutory and essential benefits and services that are required when children and young people experience significant difficulties in life, many of which might have been prevented.

We estimate that in England and Wales we are spending nearly £17 billion[1] per year on addressing the damaging problems that affect children and young people such as mental health problems, unemployment and youth crime. This is only the immediate fiscal cost in a single year and although it is substantial, it does not capture the longer term impact of these poor outcomes (which can last into adult life and sometimes into the next generation), nor the wider social and economic costs. Late Intervention is not just expensive, it is also difficult to argue it is money spent well. It rarely turns lives around, as seen in recidivism rates for young offenders and poor transitions to adulthood for children in care. What these figures represent is merely the immediate impact on the taxpayer of thousands of lives blighted by thwarted potential and missed opportunities. The human and social costs are far greater.

We do not argue that *all* of this cost could be prevented. Going into care or receiving treatment for acute mental health problems is unquestionably the best solution available for some children and young people. But many of these children and young people might have had a different journey if they or their family had received the right help at an earlier time. Effective and timely Early Intervention should at least put a dent in the need for Late Intervention, and in so doing will free up space in services that are under unprecedented pressure. It can change the life-chances of those children and young people in a way which is better for public services and the economy, generating long term savings as well as improved lives.

This report not only looks at the total cost of short-run Late Intervention but also where that cost currently falls. The £17 billion is spread across different public

[1] See box on next page for further detail.

agencies at national and local level – from local authorities, the NHS, schools, welfare, police to the criminal justice system. Local authorities bear the largest share at £6.5 billion, followed by welfare costs of £3.7 billion and NHS costs of £3 billion. The national estimates we provide are drawn from a similar analysis for each local authority in the country. At local levels we hope that the analysis will catalyse a more preventive approach to commissioning services, by giving local decision-makers and commissioners robust local numbers to help them make the case for increased local pooling of budgets and improved joint action on Early Intervention.

The Report highlights the promising ways in which Early Intervention can and is working in some of our Pioneering Places. These areas are leading the way in understanding local needs, using evidence to shape decisions on commissioning, and engaging in bold system change from the grassroots to the political leaders, to address problems earlier and use resources much more effectively.

While we have estimated how much is spent on Late Intervention, there is no comprehensive estimate of Early Intervention spending for children and young people at either national or local level. And, while all the major political parties are signed up to Early Intervention in principle, there is no government department or Cabinet Minister charged with putting prevention and Early Intervention into action. Yet, the scale of costs illustrated in this report, and the wasted potential and anguish that these costs represent, should make Early Intervention a key priority of any incoming government.

If we are committed to reducing the fiscal deficit that the adults of the future are left with, we should also apply such foresight to reducing the social problems they will experience. This report shows that these two aims are not mutually exclusive, but can be achieved jointly. That is the prize to be won if the next government can put Early Intervention at its heart.

Carey Oppenheim
Chief Executive, Early Intervention Foundation

<u>Late Intervention spending on children and young people</u>

Definition: the short-run direct fiscal cost of acute, statutory and essential benefits and services that are required when children and young people experience severe difficulties in life.

This is an annual fiscal cost in England and Wales and therefore does not capture the longer term impact or the wider social and economic costs.

Approach: this is a first estimate of these immediate fiscal costs. It is original work conducted by the EIF. The technical paper is available now for consultation. We welcome comment and methodological challenge. We intend to have improved estimates that HM Treasury and others can use to inform the next Spending Review.

Summary

Aims

- This report estimates how much our public services – locally and nationally – spend on Late Intervention for children and young people, responding to the more severe problems that they experience. We use 'Late Intervention' as an umbrella term for a range of acute or statutory services that are required when children and young people experience significant difficulties in life, as well other support they may draw upon such as welfare benefits. This report provides initial estimates of the annual cost to the taxpayer of such Late Intervention. As an annual estimate it only captures the immediate fiscal costs, not longer-term impacts.

  In focussing on this spending, our work aims to identify current potential fiscal benefits of Early Intervention, and to show a trajectory for what might be aspired to over the life of a five-year parliament. These costs can not all be reduced quickly, but neither are they all necessary and inevitable.

- We estimate how much is spent each year in England and Wales on dealing with the following issues:

  - Crime and anti-social behaviour
  - School absence and exclusion
  - Child protection and safeguarding
  - Child injuries and mental health problems
  - Youth substance misuse
  - Youth economic inactivity

- The costs are broken down by fiscal cost for each outcome, spend by area of government and spend by area of government in a local authority.

Findings

- Nearly £17 billion per year is spent in England and Wales by the state on short-run Late Intervention, with the largest single items being the costs of children who are taken into care (Looked After Children), the consequences of domestic violence, and welfare benefits for 18-24 year olds who are not in education, employment or training (NEET). Late Intervention services in the area of child protection and safeguarding account for over a third of the total, followed closely by spending in response to crime and anti-social behaviour.

- The £17 billion is spread across many different public agencies at national and local level – from local authorities, the NHS, schools, welfare, police to the criminal justice system. Local authorities bear the largest share at £6.5 billion, followed by welfare costs of £3.7 billion and the NHS at £3 billion.

- Providing effective Early Intervention in a local area requires commitment across the relevant partners in a place. The local analysis of Late

Intervention spending will provide evidence to make the case to Health and Wellbeing Boards, Community Safety Partnerships and others about the need to reduce demands on their acute or specialist services through a combined focus on effective Early Intervention.

- While a detailed 'bottom-up' estimate of spending on Early Intervention has never been collated, existing estimates suggest this spending represents a much smaller fraction of relevant budgets than Late intervention does. For example, while we find that Late Intervention spending in response to anti-social behaviour and youth offending amounts to £1.4 billion a year, it has been estimated previously that the Home Office and Ministry of Justice spend only £200 million on Early Intervention to prevent youth crime.[2]

- The EIF has now reviewed the evidence for hundreds of Early Intervention programmes in order understand what works; many have shown the potential to address the problems outlined in this report, with careful commissioning and high quality implementation.

- As examples from our Pioneering Places show, impactful Early Intervention requires effective systems for identifying individuals or families with problems, working out what help is needed and bringing different services together to work collectively to reduce demand in the system. Close collaboration and alignment of the work of different agencies is necessary and can reduce duplication.

- Success also depends on the skill of frontline practitioners in building relationships with families, identifying need and providing the appropriate support or opportunity. This is not however just the responsibility of the team or service with Early Intervention in their job title; all of the workforce and wider community should feel able to spot and help a struggling family, parent or young person.

The way forward

We believe we can start to turn things around through the following steps:

Prioritising Early Intervention

- A challenge for national and local government to reduce the £17 billion Late Intervention spending by 10% – £1.7 billion – over the life of the next Parliament, through better and smarter investment in Early Intervention.

- An incoming government should redirect resources and inefficient spending into a dedicated and ring-fenced Early Intervention Investment Fund tied to the life of the next Parliament. Supplemented by private sector capital such as social investment, this would be awarded to councils, healthcare providers, schools, the voluntary and community sector and other organisations with ambitious plans to redesign local public services around effective Early Intervention.

[2] National Audit Office (2013), *Early action: landscape review*.

Incentivising local services to work together better through public service reform and system transformation

- Ensure public agencies are better able to pool budgets and share information about the communities they serve.

- Health and Wellbeing Boards should have a key focus on Early Intervention for children and young people.

- Putting those most in need at the centre of public service reform efforts by ensuring that all public service transformation plans have a clear focus on how they will improve the reach of services locally and prioritise the most vulnerable.

Putting the Early Intervention agenda at the heart of government

- Early Intervention is the smart and realistic choice for using ever scarcer public money. However, the current broad acceptance of this principle must be matched by the political will to back it for the country's long-term interest.

Introduction

Our vision at the Early Intervention Foundation is to ensure that every baby, child and young person is able to realise their potential. By intervening early before problems become difficult to solve, we can reduce the likelihood of poor long-term outcomes for children, their families and society at large. This not only benefits children themselves but also the wider economy.

If we are to catalyse and achieve a shift in how we support children and young people by intervening earlier, we need to know how much money we spend on both Late and Early Intervention and who spends it. In this first briefing the main focus is on the overall scale and costs of Late Intervention for children and young people – that is, acute services and other spending required because of significant difficulties and problems on the journey to adulthood. We also look at which agencies at national and local level carry those costs. Our analysis only examines short-run annual costs, not potential longer-term costs which are substantially higher.

More specifically, we estimate how much is spent each year on the following sets of issues:

- Crime and anti-social behaviour
- School absence and exclusion
- Child protection and safeguarding
- Child injuries and mental health problems
- Youth substance misuse
- Youth economic inactivity

Knowing what is spent on Late Intervention is useful because it illustrates a *potential* 'fiscal prize' from Early Intervention: if children at risk can be helped early on and their needs prevented from becoming entrenched, then they are less likely to require statutory intervention or acute services – freeing up resources and reducing pressure on the system. While the services themselves are valuable and important, and it is neither desirable nor possible to completely eliminate the need for them, the fiscal challenges we face do require action to minimise the demand on them as far as possible.

Importantly, the figures presented here are merely the immediate, short-term annual cost, not a projected cost cumulated over years or decades. Expressing Late Intervention spend in this form makes it more comparable to the current costs of Early Intervention. It is well accepted that Early Intervention can provide substantial potential benefits over the very long-term, estimated elsewhere to be as much as £486 billion over 20 years.[3] However, not only are there considerable uncertainties inherent over such a long time frame, but these potential benefits do not sit easily within budgetary or political cycles. By focussing on *current annual* government spending on Late Intervention for children and young people while they are still

[3] Action for Children (2013), *The Red Book 2013: Children under pressure.*

children and young people, this work aims to identify current potential fiscal benefits of Early Intervention, and show a clearer trajectory for what might be aspired to over the life of a five-year parliament. These costs cannot all be reduced quickly but neither are they all necessary and inevitable.

Other studies have estimated annual costs of specific problems: youth crime and unemployment both cost over £1 billion a year,[4] and the cost of dealing with child behavioural disorders is estimated at £1.6 billion a year.[5] In healthcare, it was estimated that the NHS spent nearly £10 billion in 2011–12 on the costs of obesity, alcohol misuse and smoking-related illness.[6] In this work, we provide a more 'global' estimate of costs which aggregates across all the key issues above rather than focussing on one. The costs presented here are also 'bottom-up' estimates, rooted in actual data on children and young people and the services they use, within each local area and for the country as a whole. This means we are also able to estimate acute service spend for each local area, in addition to the overall national amount.[7] Technically these are ***first estimates*** that will be improved through consultation over the next six months; nevertheless, they are the best available estimates and can be used to inform decision-making and debate.

Methods and data sources

Our general approach for arriving at the immediate fiscal cost of each of the issues above is to take the quantity of acute services or other Late Intervention – obtained from published statistics – and combine that with an estimated 'unit cost' of providing it. This has the advantage of being directly linked to what we know about outcomes for children and young people, and the services they require. However, estimates of unit costs for public services tend to be for the country as a whole, even though the true cost of providing a service may vary significantly from one local area to another. Therefore, where it would lead to more robust results, we have also used published data on actual local authority spend on particular acute services. Table 1 sets out in more detail the costing approach for each issue.[8]

[4] The Prince's Trust (2010), *The Cost of Exclusion: Counting the cost of youth disadvantage in the UK*.
[5] Department of Health (2013), *Annual Report of the Chief Medical Officer 2012, Our Children Deserve Better: Prevention Pays*.
[6] National Audit Office (2013), *Early action: landscape review*.
[7] We have local estimates for every local authority in England, but not in Wales. This is because many of the figures used in this report are only available for Wales as a whole.
[8] More detail on the costing methodology is available in a separate technical appendix.

TABLE 1. INFORMATION USED TO ESTIMATE IMMEDIATE LATE INTERVENTION COSTS

Issue	Information upon which fiscal cost is based
Crime and anti-social behaviour	• Reported cases of domestic violence[9] • Reported anti-social behaviour incidents • Young people in the Youth Justice System (YJS)
School absence and exclusion	• Number of persistent absentees • Number of permanent school exclusions • Annual spending on Pupil Referral Units
Child protection and safeguarding	• Annual spending on Looked After Children • Number of Child Protection Plans • Number of Children in Need[10]
Child injuries and mental health problems	• Children admitted to hospital due to injuries • Children admitted to hospital due to mental health • Children admitted to hospital due to self-harm
Youth substance misuse	• Young people admitted to hospital due to substance misuse • Children using specialist substance misuse treatment services • Children admitted to hospital due to alcohol
Youth economic inactivity	• 16-17 year olds who are NEET[11] • 18-24 year olds who are NEET

It important to note certain limitations of this analysis. As stated above, this is a *first estimate* that we intend to improve through consultation. Judgements have been made about which items to include in the analysis; there are additional items that could be included, and different conclusions which might be reached about some of the items that have been included. Second, the items in Table 1 in no way represent the totality of acute services or Late Intervention spending. Rather, these are the principal social issues faced by children young people for which national and local data are available, along with information on total or unit costs. Third, these measures provide information about *services* not *children*: they reflect local and national decisions about the availability, resourcing and use of services, rather than the underlying well-being of the population. Finally, all the items in Table 1 are important and valuable services for children who need them. While the total cost of these services should not be regarded as wasteful spending, we should take action to reduce the burden placed on these services where we can.

[9] This analysis focuses on the proportion of cases where children are present, which has been estimated at 90%. See http://www.refuge.org.uk/get-help-now/what-is-domestic-violence/domestic-violence-the-facts/.

[10] Excluding cases where the need is classified as child or parental disability.

[11] Not in education, employment or training.

Current spending on Early and Late Intervention

How much do we spend on Late Intervention for children and young people?

The national perspective

Table 2 shows the scale of each issue, across England and Wales as a whole, along with our first estimate of the resulting fiscal cost. These figures are based on the latest available year (rather than one specific year), which varies for each cost item.

TABLE 2. FISCAL COSTS OF LATE INTERVENTION BY OUTCOME

Cost item	Total number	Annual spend (£m, 2014–15 prices)
Domestic violence cases	750,000	4,060
Anti-social behaviour incidents	2,700,000	960
Young people in the YJS	53,000	474
Persistent absentees	320,000	420
Permanent school exclusions	4,700	450
Looked After Children	73,000	5,150
Child Protection Plans	51,000	280
Children in Need	360,000	570
Child injury hospital admissions	106,000	140
Child mental health hospital admissions	10,500	440
Child self-harm hospital admissions	17,500	40
Youth substance misuse hospital admissions	5,200	3
Children in specialist substance misuse services	23,000	440
Child alcohol hospital admissions	5,200	9
16-17 year olds who are NEET	49,000	30
18-24 year olds who are NEET	800,000	3,690
Total (excluding double-counted costs)		**16,640**

Overall, nearly £17 billion per year is spent by the state, with the largest single items being the costs of children who are taken into care (Looked After Children), the consequences of domestic violence and welfare benefits for 18-24 year olds who are not in education, employment or training (NEET). Figure 1 presents the breakdown visually.

FIGURE 1. LATE INTERVENTION SPEND ON EACH COST ITEM

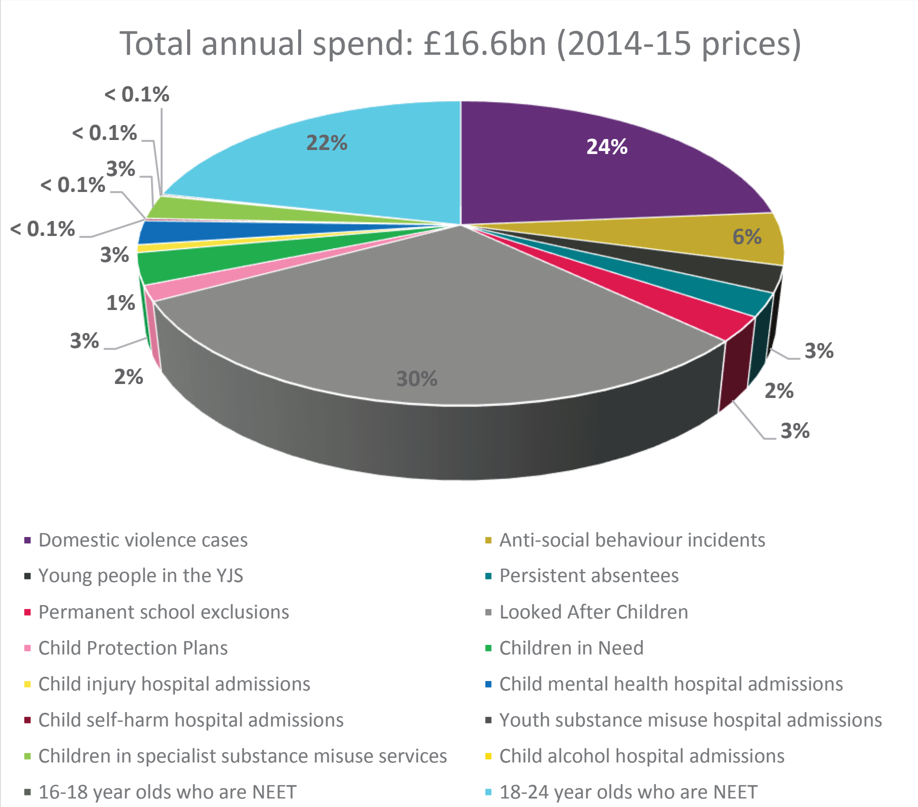
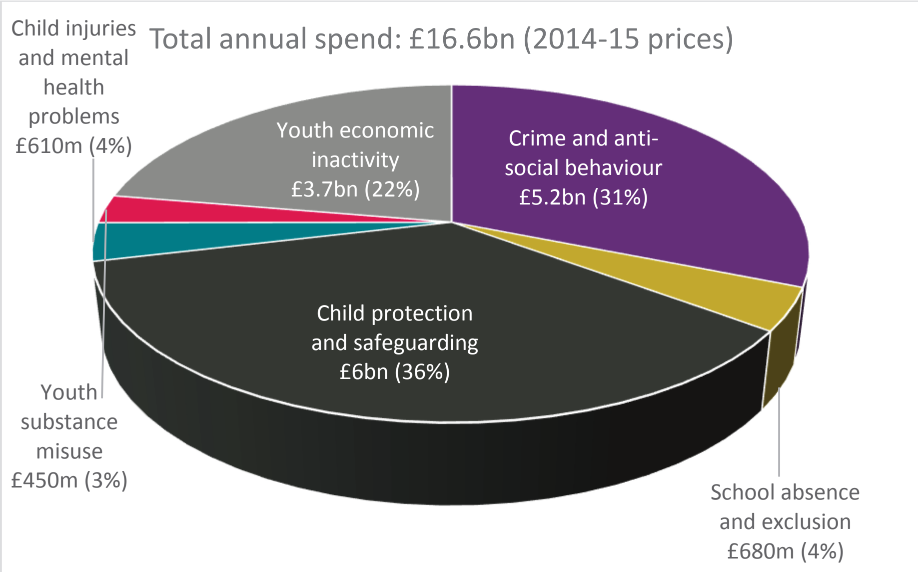


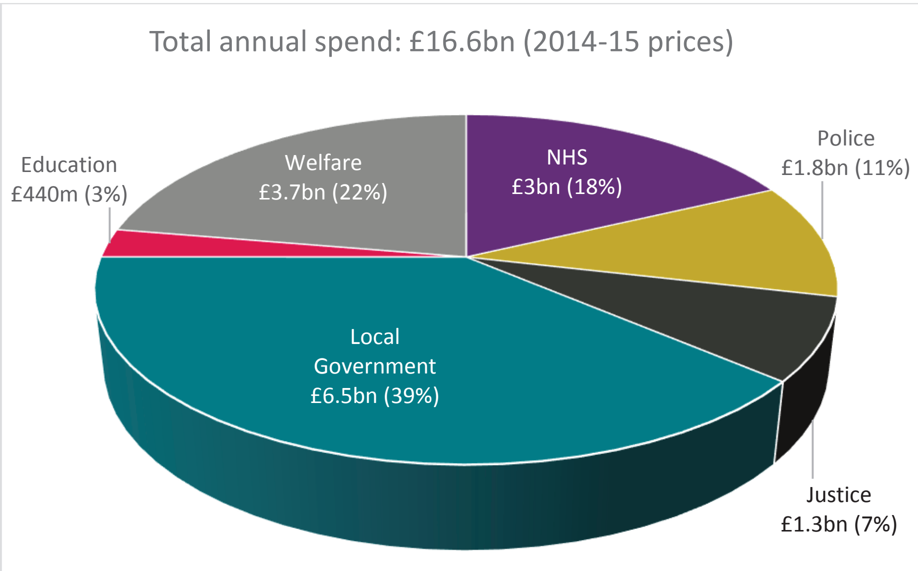
Figure 2 provides a higher level summary by aggregating the cost items under broader headings reflecting a particular issue. This reveals that Late Intervention in the area of child protection and safeguarding accounts for a third of the total amount, followed closely by spending due to crime and anti-social behaviour.

FIGURE 2. LATE INTERVENTION SPEND ON EACH ISSUE



The costs of dealing with these issues fall across different parts of the public sector. Figure 3 sheds light on this by splitting up the £16.6 billion according to the spending department or government agency that ultimately bears the cost. This answers the question of who currently pays for Late Intervention, which is relevant to the debate on public spending but also to the debate on how Early Intervention and prevention should be funded; that is, where the financial contributions towards preventive activity should come from.

FIGURE 3. LATE INTERVENTION SPEND BY AREA OF GOVERNMENT



The local government share is the largest because it reflects the costs of child protection and safeguarding, including over £5 billion per year on Looked After Children. However, it also includes significant costs associated with persistent absence from school and the consequences of domestic violence. This is shown in more detail in Table 3, which breaks down the £16.6 billion both by issue and area of government. Interestingly, the healthcare costs of domestic violence constitute the largest item within the £3 billion acute service spend by the NHS.[12] Many of the issues considered here are multi-faceted, necessitating late spending by multiple organisations or areas of government. Understanding how these costs are distributed may assist with co-ordinating preventive action at national and local levels.

Locally, these figures can provide useful evidence in making the case to key partners for their contribution to Early Intervention activity. The EIF will provide this analysis individually for our 20 Pioneering Places and support them to use it in highlighting to partner agencies – such as Police, Health, Clinical Commissioning Groups or schools – the extent to which they 'pick up the tab' for failure to tackle problems early enough.

[12] While these services are used by the victim (the abused partner) rather than the child, they nevertheless represent an important part of the total short-run fiscal cost of domestic violence incidents where a child is present.

TABLE 3. LATE INTERVENTION FISCAL COSTS BY OUTCOME AND AREA OF GOVERNMENT (£M, 2014-15 PRICES)

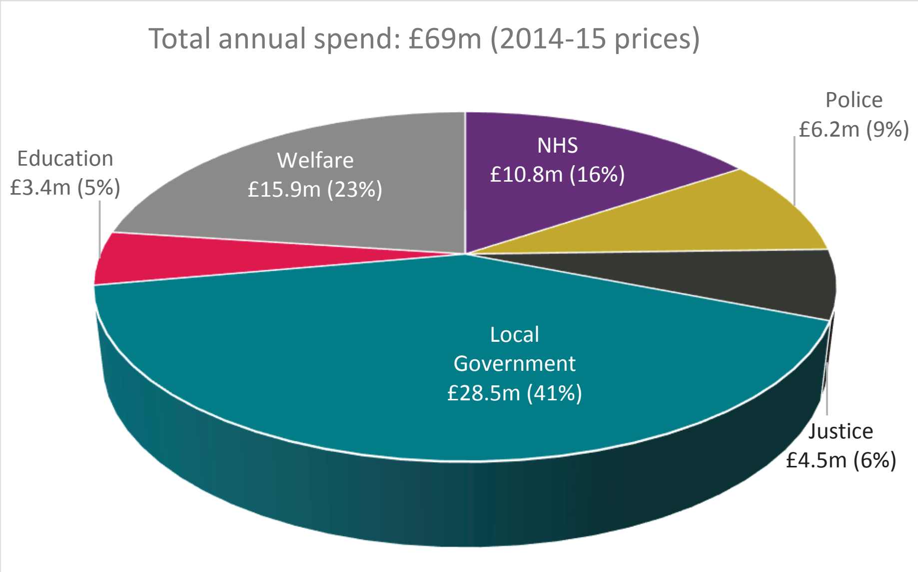
	NHS	Police	Justice	Local Government	Education	Welfare	Total
Domestic violence cases	1,920	760	880	500	-	-	4,060
Anti-social behaviour incidents	-	960	-	-	-	-	960
Young people in the YJS	2	60	390	20	-	-	474
Persistent absentees	20	80	80	230	-	-	420
Pupil Referral Units	0.4	2.8	2.8	6	440	-	450
Looked After Children	-	-	-	5,150	-	-	5,150
Child Protection Plans	-	-	-	280	-	-	280
Children in Need	-	-	-	570	-	-	570
Child injury hospital admissions	140	-	-	-	-	-	140
Child mental health hospital admissions	440	-	-	-	-	-	440
Child self-harm hospital admissions	40	-	-	-	-	-	40
Youth substance misuse hospital admissions	3	-	-	-	-	-	3
Children in specialist substance misuse services	440	-	-	-	-	-	440
Child alcohol hospital admissions	9	-	-	-	-	-	9
16-18 year olds who are NEET	-	-	-	-	-	30	30
18-24 year olds who are NEET	-	-	-	-	-	3,690	3,690
Less double-counting of costs	*-20*	*-90*	*-90*	*-320*	*0*	*0*	*-520*
Net total	**2,990**	**1,770**	**1,270**	**6,450**	**440**	**3,720**	**16,640**

Note: Numbers do not add up exactly due to rounding.

The local perspective

As the information presented in Figure 3 has been gathered through the use of local statistics as far as possible, we can also repeat the exercise for a specific local area, showing how much of the immediate fiscal cost in that area falls upon different agencies and areas of government. In Figures 4 and 5 we show examples of this for two local authority populations in England; the exercise can be done for any local authority area.[13]

FIGURE 4. LATE SPEND BY AREA OF GOVERNMENT IN LOCAL AUTHORITY 'A'



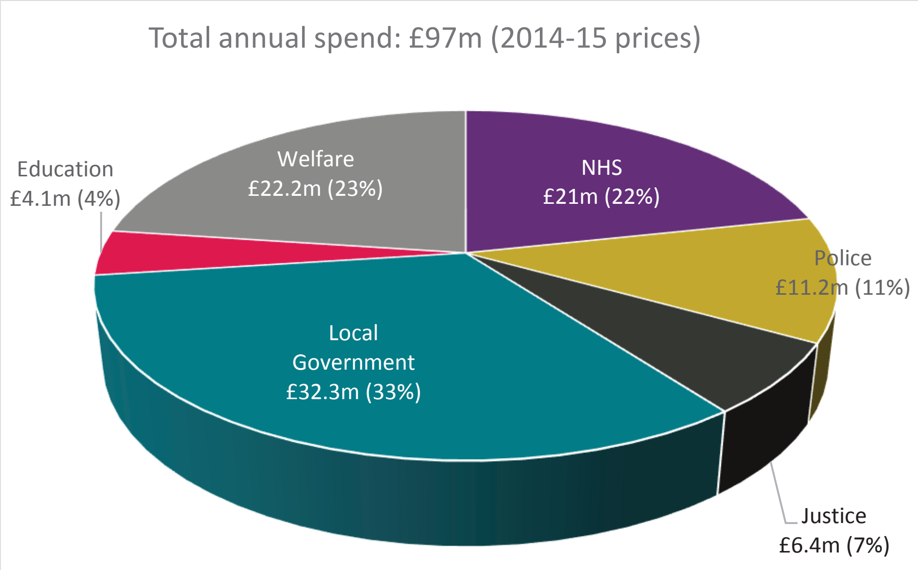
What these figures show is the variation across different local areas in the amount of Late Intervention spend but also in terms of who pays for it. In local authority 'A' a larger share is borne by local government; this reflects the higher rate of children's social care caseloads in that area. In local authority 'B' the local government slice is a smaller share of the overall total; acute health service and police spending are instead larger shares of overall spend. These variations reflect inevitable differences in levels of deprivation and the specific issues and challenges that each local area may face.

Providing effective Early Intervention in a local area requires commitment across the relevant partners in a place. For those areas where the budgets, priorities and commissioning of some key agencies are not sufficiently aligned in support of Early Intervention, this analysis will provide evidence to make the case to these partners about how they might reduce demands on their services. We hope those thinking about Early Intervention in local areas will use this data in making presentations to their Health and Wellbeing Boards, their Community Safety Partnerships, their Children's Partnerships and others, to provoke fresh discussion about the need for a

[13] Repeating the analysis for Welsh local authorities is more difficult since many of the items of source data are only available for Wales as a whole.

collective effort to take demand out of the system through a combined focus on effective Early Intervention.

FIGURE 5. LATE INTERVENTION SPEND BY AREA OF GOVERNMENT IN LOCAL AUTHORITY 'B'



How much do we spend on Early Intervention and prevention services for children and young people?

Measuring how much is spent on Early Intervention and prevention is a more challenging exercise for a number of reasons. By their very nature, these activities intend to promote better outcomes for children and young people and prevent negative outcomes and acute service demand, they cannot be quantified using the methodology above: that would require information on outcomes that did not happen or acute services which were not used. Instead, to measure preventive spend would require classifying each service or activity under consideration as prevention or Early Intervention (see box below).

WHAT COUNTS AS EARLY INTERVENTION?

'Early intervention' is *targeted, preventive activity* which supports people who are at risk of experiencing adverse and costly life outcomes, in order to prevent those outcomes from arising. The activity is not early in terms of a particular stage of life, but early in the onset of problems – *before* the occurrence of such outcomes in order to prevent the costs associated with them. These costs involve some combination of the following:

- Personal harm, with long-lasting effects for the individual or their family
- A wider cost imposed on other people
- A public cost through increased demand upon local or central government resources.

The EIF's focus is on services and provision from conception to young adulthood, but early intervention applies as a principle across the entire life course; it is in such cases referred to as 'early action'. In the language of prevention and public health, Early Intervention corresponds to 'secondary prevention'. It is conceptually distinct from universal services which are early and preventive, but not targeted.

While a detailed 'bottom-up' estimate of spending on Early Intervention has never been collated, the estimates that do exist suggest that such spending represents a fraction of the amount spent on Late Intervention. Work by the National Audit Office estimated that only 6 percent of social policy spending (across health, education, crime and justice) could be designated as "early action" – approximately £12 billion in 2011–12.[14] However, almost all of this was in the health and education budgets, where a broader definition of early action had been applied that included universal early years provision, and health services which are not specific to young people. In the Home Office and Ministry of Justice budgets, where the scope of activity was restricted to more closely match the above definition of Early Intervention, only £200 million of relevant spend was identified.

The Troubled Families programme has provided another estimate of the comparative levels of Early and Late Intervention spending – albeit only for the specific group of 120,000 families served by the programme. As part of the business case, a number of government departments identified the fiscal expenditure attributable to these families, both in terms of "targeted" (Early Intervention) and "reactive" (Late Intervention) spend. The analysis revealed that while £8 billion was spent on the Late Intervention for the 120,000 families each year, only £1 billion was spent on services that might be categorised as Early Intervention and prevention.[15]

If a future government is serious about moving towards a more preventive approach which addresses problems early on, it will be important to understand current

[14] National Audit Office (2013), *Early action: landscape review*.
[15] Department for Communities and Local Government (2013), *The Fiscal Case for Working with Troubled Families.*

spending on prevention and Early Intervention, linked to actual outcomes for children and young people. Only then can progress be made on both fronts.

In the next section we identify some ways in which Early Intervention is happening in practice in our Pioneering Places. These promising examples illustrate the potential efficiencies and improvements in outcomes for children and young people from acting earlier.

What might a better way of doing things look like?

It does not have to be this way. Whilst the fiscal costs shown in the previous section arise from complex and often entrenched issues which cannot always be predicted or prevented, the evidence is starting to show how these challenges can be tackled to turn lives around and save money. Commissioners and policy makers want to understand what this evidence tells us about how practitioners can support children, young people and families to develop skills and change behaviours. We also need to look at new and innovative approaches to delivering public services, redesigned around the needs of children and families with different agencies working together more effectively to provide the support that is needed.

Effective and timely Early Intervention – providing the 'right' help to a child, young person or family at the 'right' time – can stop problems getting worse removing the need for much of the expenditure outlined in this report. The EIF has now reviewed hundreds of programmes designed to address the problems that lead to the Late Intervention costs outline above; many have been shown to work if they can be implemented well. Our online Early Intervention Guidebook provides information and evidence for an initial 50 programmes, which aim to improve child outcomes such supporting children's mental health, reducing child abuse and neglect, and reducing youth crime.

FIGURE 6. THE EIF GUIDEBOOK FRONT PAGE

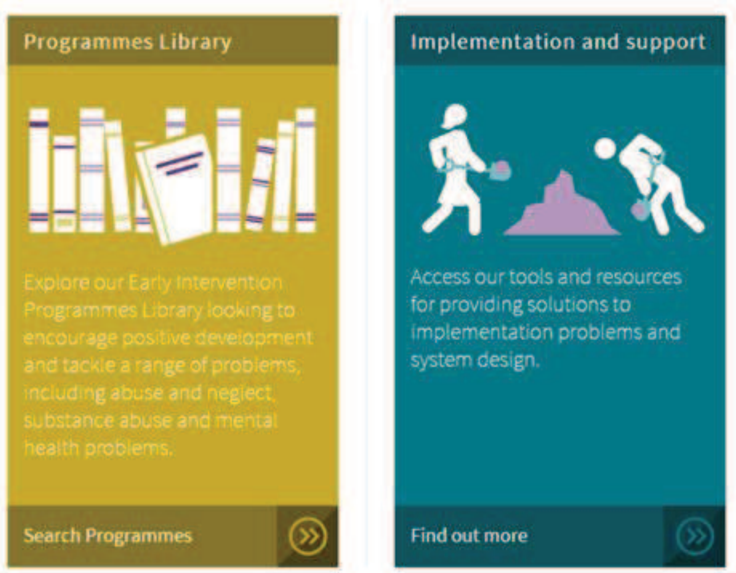


FIGURE 7. THE EIF GUIDEBOOK'S PROGRAMME SEARCH TOOL

Two examples of programmes which have been shown to have strong impacts on improving children's outcomes are *Incredible Years* and *Multi-systemic Therapy*. They are described below. There are many other programmes and approaches which have also been found effective, if implemented well. We have chosen these two to illustrate the potential of Early Intervention.[16]

[16] These are programmes that have found ways to package effective skills and activities, and support their wider implementation. Beyond programmes, other ways to better support children and families through improved commissioning and design of services, training of existing workforces, and better understanding of local needs and provision. Moreover, no programmes or practice has a guarantee of success. However, the evidence on these two programmes provides a well-established proof of concept.

THE INCREDIBLE YEARS PROGRAMME

Incredible Years (IY) is for any parent with a child between the ages of 0 and 12 who has concerns about their child's behaviour. Parents attend between 12 and 16 weekly group sessions where they learn strategies for interacting positively with their child and discouraging unwanted behaviour.

The IY series includes four separate programmes targeting infancy, toddlerhood, the pre-school years and later childhood (e.g. eight to twelve years). Each programme can be implemented universally to all families through schools or children's centres, or can be offered as a specialist Child and Adolescent Mental Health (CAMH) intervention to parents with a child with diagnosed behavioural difficulties.

The IY pre-school programme has consistently demonstrated positive outcomes through multiple randomised controlled trials conducted in the UK and abroad. These outcomes include significant improvements in children's reading skills and pro-social behaviour, as well as decreases in parental reports of physical abuse, stress and depression. In addition, there is good evidence that these benefits are sustained over time. For example, a recent UK study found that IY parents with a child (aged three to seven) diagnosed with severe behavioural problems were significantly less likely to report behavioural and reading difficulties ten years later in comparison to parents who did not attend an IY programme.

The IY programme has undergone several cost-benefit analyses, all demonstrating considerable financial savings when the programme is implemented effectively. One such study conducted in Ireland found that the IY preschool programme had the potential to deliver a taxpayer return on investment of 11% due to reduced education, crime and unemployment costs.*

*O'Neill, D., McGilloway, S., Donnelly, M., Bywater, T., Kelly, P. (2013), "A cost-effectiveness analysis of the Incredible Years parenting programme in reducing childhood health inequalities", *The European Journal of Health Economics*, Vol. 14, No. 1, pp. 85–94.

MULTI-SYSTEMIC THERAPY

Multi-systemic Therapy (MST) is an intensive, family-based intervention that aims to reverse established patterns of anti-social behaviour in teenagers between the ages of 12 and 17. MST does this through a 'whatever it takes' approach that addresses problems existing at the level of the child, family, school and community. Young people identified through the juvenile court system are assigned an MST therapist who is available to the family on a 24/7 basis, but typically provides individual and family therapy through weekly visits that lasting over a period of four and six months.

The MST programme has evidence from several rigorously conducted RCTs of reducing youth offending and improving family harmony. The MST model has also successfully demonstrated benefits in reducing child maltreatment and problematic youth sexual behaviour. A long-term study in the US found that every $1 invested in the programme returned a saving of $6.60 to taxpayers via reduced crime costs.* The MST programme is currently being piloted in Essex as part of a Social Impact Bond to reduce young people's entry into the care system as a result of antisocial behaviour (see Essex example below).

*Klietz, S., Borduin, C., Schaeffer, C. (2010), "Cost–benefit analysis of multisystemic therapy with serious and violent juvenile offenders", *Journal of Family Psychology*, Vol. 24, No. 5, pp. 657–666.

Of course, ensuring the 'right' service or intervention is delivered to a child, young person or family, when it is needed, is not an easy task. It requires effective systems for identifying individuals or families with problems and working out what help is needed; it also requires close collaboration between agencies, using combined intelligence to target limited resources for services like home visiting. Rather than health visitors or children's centres alone trying to identify which families may struggle to give their children a good start in life, it is more powerful if this is combined with police data about families where there is drug use, domestic violence, offending or anti-social behaviour. These approaches can also mean Early Intervention reaches those who may be most in need, but who are not in touch with the services that can assist them.

Effective Early Intervention is dependent on the quality and skill of frontline professionals and their ability to build relationships with other professionals and most importantly with the children and families they are there to help. It requires frontline workers who can build trust, really listen to what families tell them they need and who can respond to this creatively even if it means pushing the boundaries of public service roles and silos.

Ensuring Early Intervention reaches those who need it is not just about public services, but also building the capacity of the local community to take an Early Intervention approach. Through the development of various models of community based support, increasingly many parents, young people and others are being supported to mentor, befriend and help other parents or young people on either a voluntary or paid basis.

Examples among the EIF's 'Pioneering Places'

EIF is working closely with 20 Early Intervention "Pioneering Places" across the country. In these areas, different local partners – including councils, police, clinical commissioning groups and voluntary and community organisations – are joining forces in various ways to deliver a more joined-up and effective approach to Early Intervention.

Cheshire West and Chester

Cheshire West and Chester is delivering many of its Early Intervention services through an Integrated Early Support service which was introduced in October 2013.[17] The service brings together the work of over 20 different agencies and data systems into a single and coherent model. This includes a single 'front door' into services, a single assessment model, shared IT and co-located workers in 7 multi-agency locality teams. A menu of evidence based interventions is available for children and families; for more complex cases a range of different professionals act as the lead worker, developing a clear family plan that meets the needs of the particular family.

An independent evaluation is being commissioned to test the impact of this changed way of delivering Early Intervention. But early monitoring data is showing a range of positive trends since the new system was put in place:

- 13% reduction in Children in Need
- 23% reduction in inappropriate referrals to Children's Social Care
- Increase in the proportion of family support cases managed below the statutory level
- 54% reduction in violent offences among domestic violence perpetrators
- Estimated 20% reduction in demand on Cheshire Constabulary for a sample of people whose cases were managed through Integrated Early Support.

Croydon

Demand for public services in Croydon is increasing: the population is growing, particularly the under-16s; and the area has high rates of A&E attendance, high levels of domestic violence and low rates of immunisation and school readiness. Croydon Council believes that outcomes in the early years could be radically improved by greater integration, aligned work processes and workforce reform. Under their new 'Best Start' programme they are integrating their early years services.

Service delivery will also be brought together through multi-disciplinary local teams of health visitors, nursery nurses, family support and specialist workers who will deliver the Healthy Child Programme and targeted family support delivering services across the community to ensure that support is always 'in pram pushing distance'. New 'community builder' roles are also being pioneered by Croydon's

[17] For more information, see http://www.altogetherbetterwestcheshire.org.uk/?page_id=2186.

voluntary and community sector to ensure families are supported families within strong social networks.

Croydon has carried out financial modelling work which predicts that the total investment of £2.9 million will yield a return of £2.34 for every £1 invested. The upfront investment includes £1.5 million from the Department of Communities and Local Government's Transformation Challenge fund combined with resources from local partners. Over the life of the ten year transformation programme there will be estimated efficiencies from the new ways of working of over £4 million.

Essex

Essex County Council has used a Social Impact Bond (SIB) to provide upfront investment to fund Multi-Systemic Therapy (MST), an evidence-based intervention as part of their strategy to reduce the numbers of children who are taken into care. Their goal was to improve the outcomes for this group and to reduce demand and deliver savings. The catalyst for action was the steady rise in the number of Looked After Children, with 1,600 children on the books when the initial Social Impact Bond feasibility work began.

Investors committed £3.1 million up-front to fund MST interventions for 380 young people aged 11-17 at risk of entering care or custody, over a period of five and a half years, with future outcome-based payments to be reinvested into the scheme over its duration to increase investment to around £5.9 million. This social investment enabled the funding of a new intervention that would not otherwise have been available, to specifically target a cohort whose needs would otherwise be at risk of escalating further into very costly acute services.

The aim was to divert around 100 of these young people away from care, resulting in savings of an estimated £17.3 million gross (at medium performance level), with Essex's repayments capped to ensure they retain net savings of £10.3 million in this scenario. The savings assumptions behind the business case are being tested now that the work is bedding in. Outcomes are tracked for 30 months and repayment to investors is based on reduction in the number of care days (designed to incentivise work with all cases, not just those likely to stay out of care). Additional outcomes around school attendance, wellbeing, and reduced offending are also monitored, but are not associated with repayments.

In its first year, results are broadly as expected.[18] There have been 75 referrals, with 50 cases opened and 24 MST cases completed so far. Of the young people worked with, only five children have gone into care – four of whom were cases opened in the first 4 months of the service, when referrals and other operational processes were still bedding in.

[18] An independent evaluation on the impact of the SIB has been commissioned which will aid further understanding.

Though it is early days and information on success is limited at this stage, the use of social investment to help test and scale evidence-based interventions as part of wider cost reduction and outcomes improvement strategies, looks promising. As Nick O'Donohoe of Big Society Capital (one of the investors) sums up:

"*Essex is leading the way in using outcomes-based finance models to enable innovation and improvement in children's services. As a result not only are we seeing fewer vulnerable young people ending up in care or in prison, but we are also learning valuable lessons about what does and doesn't work in the design and structure of social impact bonds."* [p31, Essex: A Year in Review].[19]

The current financial challenges facing public services require us to think again in order to radically reassess what support is delivered and how. The examples above are just three ways in which our Pioneering Places are innovating, through social investment, bringing services and separate agency processes together, stripping out duplication and building workforce capacity to intervene earlier and more effectively.

To really shift the spending and figures in this report, however, requires us to do more to equip those working on the frontline to respond when they see the need for Early Intervention. Early Intervention must be seen as relevant to *all* the professionals who interact with children and families, not just specific practitioners or services. Noticing and helping a struggling family, parent or young person must become part of the day job of anyone who comes into contact with them. The first worker in the door or that makes contact needs to have the 'Early Intervention toolkit' they need in order to offer support. Many of these frontline workers – police officers, teachers, GPs, housing officers, nurses and others – will have entered these professions to help others. We need to build on this motivation by empowering those on the frontline to do what they came into public service to do, giving them the tools they need and listening to what they tell us about the obstacles they face.

[19] Sources:
Social Finance, *The Essex SIB: A Year in Review*
Essex County Council *People & Families Scrutiny Committee Report, 4 Sept 2014*
Bridges Ventures and Bank of America, Merrill Lynch, *Choosing SIBs: A Practitioner's Guide*

The way forward

We have shown that the immediate fiscal cost of Late Intervention for children and young people in a single year amounts to nearly £17 billon. This cost is spread across different local and national agencies, and the picture in each local area varies depending on the needs of the population.

In response to these findings, policymakers need to take three steps:

1. *Prioritise Early Intervention funding*
2. *Incentivise local services to work together better through public service reform and system transformation*
3. *Put the Early Intervention agenda at the heart of government*

There will always be children and young people who fall through the net and need acute services or other forms of Late Intervention. However, the evidence shows that the right Early Intervention at the right time can help to improve the life-chances of children and young people, addressing problems that emerge and enabling us to reduce the costs of Late Intervention.[20]

1. *Prioritise Early Intervention Funding*

We propose a challenge for national and local government to reduce the £17 billion Late Intervention spending by 10% – £1.7 billion – over the life of the next Parliament, through better and smarter investment in Early Intervention.

One step towards this is for an incoming government to finally measure accurately what we spend on universal services, Early Intervention and Late Intervention for children and young people. The next government should then set a goal of a concerted shift in spending from Late to Early Intervention by 2020. Alongside this the government should track child and family wellbeing using a basket of indicators relevant to Early Intervention. This will ensure that progress is made on the quality and effectiveness of Early Intervention spending, not just the quantity.

The costs of Late Intervention are in danger of stifling investment in Early Intervention. Social finance models offer some important opportunities for investing up front while still dealing with acute need, but there is more that can be done. An incoming government should redirect resources and inefficient spending into a dedicated and ring-fenced Early Intervention Investment Fund tied to the life of the next Parliament. Supplemented by private sector capital such as social investment, this would be awarded to councils, healthcare providers, schools and other organisations with ambitious plans to redesign local public services around effective

[20] See the forthcoming publication from the Early Action Task Force '100 days'.

Early Intervention. Inviting bids from local areas it could develop the evidence base for effective Early Intervention programmes, practice and systems.

2. *Incentivise local services to work together better through public service reform and system transformation*

Ensuring that public agencies pool budgets and share information about the communities they serve is crucial, both to protect Early Intervention but also to make it more effective. Reforms which enable commissioners to secure contributions from other agencies and levels of government (and indeed from the private sector) will help catalyse Early Intervention on the ground.

Health and Wellbeing Boards in each area provide an important focus for working across local government and health functions. Early Intervention for children and young people should feature more centrally in their role.

Finally, even the best Early Intervention can fail to reach those who most need them. Public service reform needs to put this centre stage ensuring that data, whole family approaches and the Early Intervention workforce (such as Family Support and mental health workers, and Health Visitors) reach and prioritise the most vulnerable.

3. *Put the Early Intervention agenda at the heart of government*

Early Intervention is the smart and realistic choice for using ever scarcer public money. However, the current broad acceptance of this principle must be matched by the political will to back it for the country's long-term interest. If we are committed to reducing the fiscal deficit that the adults of the future are left with, we should also apply such foresight to reducing the social problems they will experience. This report shows that these two aims are not mutually exclusive, but can be achieved jointly. That is the prize to be won if the next government can put Early Intervention at its heart.

The Careers & Enterprise Company – Enterprise Adviser Programme

The world of work is changing. Small and medium size businesses account for the majority of employment opportunities in the UK. More people than ever run their own businesses.

Industries are transforming and many companies that will become household names in 10 years' time do not yet exist.

It's a time of great opportunity, yet many young people are not always in a position to take advantage of it. Youth unemployment remains high at the same time that many good jobs go unfilled.

Against this background, the Government has strengthened its statutory guidance for the provision of careers guidance and inspiration in schools.

The Careers & Enterprise Company was set up to inspire and prepare young people for the world of work. Working in partnership with LEPs the company is now rolling out a national network of Enterprise Advisers.

> The duty on schools and colleges, to secure independent careers guidance for all year 8-13 pupils, is intended to expand advice and guidance for young people so they are inspired and motivated to fulfil their potential. Schools and colleges should help every pupil develop high aspirations and consider a broad and ambitious range of careers. Inspiring every pupil through more real-life contacts with the world of work can help them understand where different choices can take them in the future.

Department for Education

The offer to you

I am building a local network of Enterprise Advisers - high calibre volunteers with experience of employment or self-employment.

Together with myself, as Enterprise Coordinator, they will guide you through the range of possible employer interactions and help you create a strategy for careers, enterprise and employer engagement.

How it works

I will meet with you and your senior leadership team and work through an activity planning guide to understand your current careers and enterprise strategy. This will help identify any gaps and priority areas for action.

An Enterprise Adviser will then be carefully matched to your school or college and will work with you to enhance your existing activity and increase your engagement with local employers.

The following principles guide their work:

• Enterprise Advisers will support a school or college for at least one academic year, committing to a minimum of one day per month.

• They will have a sound knowledge and understanding of the needs of the local labour market.

• Their support will be complementary to any existing activity.

• Enterprise Advisers will work alongside providers such as the National Careers Service, Young Enterprise and Business in the Community's Business Class where they can add value

• They will help to improve your links with local employers and signpost useful activities and programmes that you may wish to build into your careers and enterprise strategy.

What they won't do:

• Enterprise Advisers will not deliver activity directly into schools or colleges.

• The programme will not duplicate existing activity.

"What they will all have in common is an enthusiasm and dedication for helping young people to realise their potential by using opportunities that enterprise can offer."

Lord Young - Enterprise for All

Throughout the programme during this academic year, I will continue to liaise with you and will invite you to network meetings for schools and colleges participating in the programme so that you can share your experiences and best practice.

Thank you for agreeing to be part of this very exciting programme and I look forward to working with you!

Kindest regards,

Georgina Angele, Enterprise Coordinator – Coast to Capital.
(On secondment from role as Head of Community at LoveLocalJobs)
Georgina.angele@coast2capital.org.uk / 07879 980444

Q1 and Q2

Achievements Row Labels	2011/12	2012/13	2013/14	2014/15
Brighton and Hove	**919**	**1,047**	**903**	**378**
Under 16				
16-18	277	254	229	122
19-24	340	326	344	148
25+	302	467	330	108

Achievements Row Labels	2011/12	2012/13	2013/14	2014/15
Brighton and Hove	**919**	**1,047**	**903**	**378**
Advanced Level Apprenticeship	336	452	353	147
Higher Apprenticeship		1	1	2
Intermediate Level Apprenticeship	583	594	549	229

Achievements Row Labels	2011/12	2012/13	2013/14	2014/15
Brighton and Hove	**919**	**1,047**	**903**	**378**
01 - Health, Public Services and Care	141	281	207	101
02 - Science and Mathematics		9		
03 - Agriculture, Horticulture and Animal Care	4	6	1	2
04 - Engineering and Manufacturing Technologies	84	44	86	19
05 - Construction, Planning and the Built Environment	62	58	20	7
06 - Information and Communication Technology	44	15	13	7
07 - Retail and Commercial Enterprise	257	195	200	73
08 - Leisure, Travel and Tourism	77	101	95	19
09 - Arts, Media and Publishing	1	0	13	12
13 - Education and Training	19	46	10	7
15 - Business, Administration and Law	230	292	258	131

Grand Total
3,247
0
882
1,158
1,207

Grand Total
3,247
1,288
4
1,955

Grand Total
3,247
730
9
13
233
147
79
725
292
26
82
911

Introduction to the business benefits of flexible working

The business case

Why should organisations and businesses, small and large, welcome flexible working? Apart from legal obligations, what is the ***business*** case for doing so? Identifying sound business reasons for flexible working strategy will not only assuage concerns which some organisations have about flexibility issues; it will also provide an opportunity to look at and make positive changes in the way work is organised – the win-win situation which mutually benefits the business and the employee.

There are a range of benefits which accrue, and which can have a real impact on the bottom-line and these are set out below. It is important to remember that the business case for work-life balance policies may work well in tandem with other company initiatives, like wellbeing programmes, for example, or moves to cut costs by reducing office space. And it is vital to appreciate that the employees who wish to work in a different way still retain the knowledge and skills that not only allowed them to do their job, but also the intangibles like relationships with colleagues and understanding of the company culture and ethos which can be of huge value in effective working.

Retaining your staff

Organisations invest a significant amount in training and developing staff.

Most managers would agree it is worth building on an existing team and holding on to people with skills, expertise and a proven track record, rather than starting all over again, saving time and money recruiting and developing a replacement. The more experienced an employee is, the more it will cost to recruit and train a replacement.

Improving efficiency

Related to staff retention, improving organisational efficiency through the benefits of long service (such as institutional memory, industry knowledge, networks and contacts) are benefits you can expect from encouraging, for example, women to return after maternity leave.

Organisational reputation

For the wider organisation, enhancing public profile, being an employer of choice, enhancing diversity and broadening the recruitment pool are all reasons given for offering more flexible work options. Research indicates that work-life balance opportunities will be a major factor for 21st Century graduates when choosing an employer. If you want to attract good people, then you will need to have a good policies in place.

Morale, motivation and productivity

You can improve your bottom line through improvements in staff morale, their motivation and individual productivity. All three are positively linked to good work-life balance opportunities, where employees feel more in control and are less stressed when reconciling their home and work life. Parents and carers often want to work in different ways than before they had a parental or caring responsibility. Finding ways to do this, perhaps by using flexible working options, will let them give of their best at work.

Flexible working

All employees now have the Right to Request Flexible working, not just parents and carers. Flexible working can take many different forms. You need to know what options are available, and what will work best for the business and for the employees. Flexible working can include part time working, job-sharing, flexible working hours and remote or home working. Whatever options you decide to use, the business benefits of offering flexible working include:

1. keeping skills and experience (return on investment)

2. boosting morale by giving people more choice and control over their hours

3. keeping a successful team intact

4. having staff you know and can trust to delegate to

5. saving time and money recruiting and developing a replacement

6. aligning work time with individual peak-productivity time

7. keeping people onboard once they start a family or take on other caring responsibilities

8. increasing diversity to reflect customer/client base

9. strengthening the business by having a mixture of talent and leadership styles

10. flexibility to cover a wider span of hours to meet 24/7 demand

11. lowering stress and/or the impact of personal issues on productivity

13. reductions in travel expenses, office space costs and impact on the environment

14. Improving employee wellbeing as a result of a good balance between work and home life. This can positively impact on absenteeism rates, discretionary effort, loyalty, motivation and morale.

For more information, examples and case studies, please go to www.workingfamilies.org.uk and click on the Employers tab.

Flexible Working

Flexible working practices are now becoming the norm in most organisations. There is a widespread recognition that it is important to offer a degree of flexibility to all employees, and an understanding that doing so can bring a real commercial advantage to employers. In June 2014, this principle was given legal recognition, when the right to request flexible working was extended to cover the majority of employees.

This guide is intended to give practical advice on some of the key issues and challenges of effectively implementing flexible working.

In this context, flexible working refers mainly to arrangements set up at the request of the employee, which represent a change in the 'standard' working arrangements set up by their employer.

This guidance is intended to cover both:

- **Informal variations** to the ways in which teams or individual employees might work. Sometimes you may be asked to agree small or short term variations in the way in which teams or individual employees work on an informal basis, perhaps agreed locally by the line manager. For example, if one of your team wanted to work 8.30am to 4.30pm rather than 9am to 5pm, or if someone wanted to make a short term change whilst setting up care arrangements for an elderly relative.
- **Formal requests** – where an employee makes a formal request to make a permanent change to their working arrangements – either their hours of work or their place of work (e.g. working from home).

What is flexible working?

The term flexible working refers to working arrangements which give an employee some degree of variation in their working pattern, in terms of how long they work, when they work and where they work. Flexible working covers a wide variety of different working patterns.

Examples might include:

- Working part –time or reduced working hours – when an employee is contracted to work anything less than the standard full-time hours for that organisation. (e.g. 2 or 3 days per week, or shorter days than standard, for example, 10 am – 4 pm where standard hours are 9-5).
- Job –sharing – a form of part-time working where one full-time role is shared between two (or occasionally more) employees.
- Working from home (all or part of the time) or mobile working or teleworking i.e. working at another location remote from the office/main site. There are some particular considerations which apply, and you may also wish to refer to the Homeworking factsheet on our website.
- Mobile working or teleworking – working at another premises other than the contractual place of work or the employee's home – for example at clients' own offices, at a different site belonging to the employer, whilst travelling by train or air (e.g. travelling to work or meetings) or at other locations such as cafés or hotels (whilst away on business).
- Condensed/compressed hours – these arrangements normally involve reallocation of working time over a week or a fortnight. For example, where the standard hours are Monday to Friday 9am-5pm (with a one hour lunch break), an individual might complete their 35 hour working week by working 8am – 6pm (i.e. total of six additional hours) on Monday to Wednesday then 8am – 5pm on Thursday (i.e. one additional hour), and then have Friday as a day off.
- Annual hours – the individual is employed on the basis of a total number of working hours across the year (this may be the standard number of hours or part-time), but will work different hours on different days and weeks. Normally the pay and benefits will be calculated as if the employee worked the same hours all the time.
- Term-time – where an employee is on a permanent contract but takes paid or unpaid leave during the school holidays (in addition to their normal holiday allowance). This arrangement is often done as a form of annual hours contract i.e. the employee will receive the same pay and benefits on each pay-day, irrespective of how many hours they have worked in that particular period.
- Flexi-time – an arrangement whereby employees can chose their working hours within certain agreed limits. Often this pattern will be in place for a whole team rather than just one individual. For example a team might be required to be at work between 11 am and 3 pm, but each individual have the freedom to decide which hours to do outside that time – so one individual might normally start at 10 and finish at 6, whilst their colleague works from 8am until 4pm each day.
- Employee self-rostering – employees within a team are given the responsibility of decide as a team who will work each shift, in order to cover the total working week between them.
- Shift-swapping – team members may agree (normally with the agreement of a manager or supervisor) to swap their allocated working shifts. This may often be done on an informal ad-hoc basis, to allow team members flexibility when they need it.
- Zero hours contracts – where the number of hours contracted is completely flexible. These contracts can be contentious as they offer no guarantees to the employee,

and should be used with great caution. It is good practice to guarantee an agreed minimum number of hours each week to give the employee a level of security, and it should always be clear that the employee has the right to refuse additional hours that you offer if they wish to do so, without any fear of adverse consequences.

Business case

There is strong evidence to show that flexible working can have numerous significant benefits as a strategic tool for the employer, and a large proportion of employers have gone beyond the mere legal requirements for some time, as a matter of best practice, and to support improvements in individual and business performance. Flexible working can benefit both the employer and the employee.

- Offering a variety of different flexible working patterns and options may often be a valuable tool to facilitate a business being able to offer the kind of customer – driven flexibility that is increasingly demanded by today's 24/7 operations.
- Employees who have a working pattern that suits their personal needs have a higher level of commitment, and are consequently more engaged, motivated and productive 'An employee who gives everything they can within flexible working hours offers more than someone reluctantly working a 'typical' working day because that is all that is on offer'[1].
- Different working patterns will often lead to higher productivity – for example working from home can lead to a significant increase in performance due to increased opportunity to concentrate.
- Employees are likely to be attracted to an employer who offers a degree of flexibility, particularly if this is made clear when roles are advertised. A culture that supports flexible working and a good work life balance can be a significant part of a company's employment brand, and play an important role in attracting candidates. Offering flexible working options makes it easier to become an employer of choice for a wider range of candidates, thus widening the recruitment base and attracting the best available talent.
- In addition, offering flexibility can be a significant factor supporting an organisation's Diversity strategy, attracting a larger pool of potential recruits and allowing a wider range of people to continue to participate in the workforce, including those whose external responsibilities might otherwise exclude them. The changing profile of the workforce has means that a higher proportion of employees are only able to work if they are able to balance their jobs with their caring responsibilities. For example there are currently 2.3 million carers in the UK who have given up their jobs to meet their caring responsibilities.[2]
- Options such as home-working may also enable you to widen your available talent pool for recruitment across a wider geographical area, since the need for candidates to relocate or regularly face a long commute can be minimised.
- There is a growing expectation that a good employer will offer flexible working options to their staff, and an increasing demand for work life balance. Being seen to encourage and support flexibility can therefore lead to improved retention, meaning a significant saving in recruitment and training costs.

- Offering flexible working may be one of a range of tools used to support a Stress management strategy. The inability to balance working and other responsibilities is a major cause of stress. The cost of stress to British Business in 2010 was estimated at £13.2 billion [3].
- There may be many other benefits to the business. For example, a job-sharing arrangement might allow you to employ two individuals with different but complementary skills and knowledge, which, added together, could be far more effective than any one employee. Or encouraging home-working arrangements might enable you to reduce the costs of running a central office space.

Bearing in mind these benefits, it makes strong business sense to encourage the introduction of flexible working practices and create an environment in which flexibility is seen as a positive choice, and is supported by managers and colleagues. In line with such an approach, it would make sense to make every reasonable effort to accommodate **any** requests to work on a different or flexible basis (whether this is part-time, working from home or any other different working pattern), irrespective of whether or not an employee has made a formal request (although you may find it helpful to suggest they do so) and whether they have a legal right to do so. Such an approach can form an important part of supporting your diversity and inclusion agenda (flexible working can often enable individuals to remain in your workforce who might otherwise have been excluded) and commitment to help employees achieve a good work life balance, thus improving their well-being and productivity.

Getting ready for flexible working

If your organisation does not already have flexible working as a normal part of day to day arrangements, you may need to do some preparatory work to ensure flexibility is successfully embedded in your way of working.

Establishing the business case

It is often helpful to start by thinking about the business case that is specific to your particular organisation. Many of the elements mentioned in the 'Business Case' section may apply, but there may also be others particular to your own needs. For example if you have particular peaks and troughs in workflow, compressed hours options may help you to have increased resourcing when you most need it. Similarly if you need to expand the hours your staff are available to your clients, you might want to expand the range of shifts available so that some employees to work an earlier shift (e.g. 7 am to 3pm) and others a later shift (11am to 7pm).

Articulating a clear business need can be helpful as a foundation for communicating your approach, and influencing the key stakeholders who need to be on board to ensure success.

Policy

Putting a policy in place is often one of the first steps for most organisations (although some may operate some kinds of flexible working on an informal basis). A policy should cover your general approach to flexible working (for example, the fact that you support it and accept requests from all employees irrespective of whether they meet the statutory requirements) and lay out the practical processes you intend to use. An example of a standard policy is attached, which you may find useful as a basis. LINK

Don't forget that you will also need to consider the impact of flexible working on other HR Policies, and these should be reviewed at the same time. Relevant policies might include:

- Recruitment – you will need to ensure that your recruitment policy and processes don't discriminate against candidates who would like to work flexibly, and that all staff and outside agencies involved in recruitment fully understand your approach. Flexible working options should be taken into account when designing roles, and when looking/advertising for candidates (both internally and externally), and further guidance on this topic can be found at LINK to STRAPLINE section.
- Training and development – ensure flexible workers are taken into account when organising and designing training programmes. For example if all training on a particular topic is scheduled for Mondays, a part-time employee who works Tuesday to Friday each week will miss out.
- Promotion and talent development – again it is important to ensure that flexible workers are not discriminated against, and that everyone is evaluated fairly on the contribution they make and the potential they have, irrespective of the hours they work. It is important that staff don't see flexible working as limiting their future career development prospects.
- Family friendly policies – whilst flexible working is open to all employees, not just those with family responsibilities, it is often useful to refer to the flexibility options available in your policies in respect of parents and carers (e.g. maternity, paternity, shared parental leave, leave for carers etc).
- Appraisals – ensuring flexible workers are fairly evaluated on their contribution rather than the hours they work, and that targets are adjusted where appropriate.

Culture of the organisation

Whilst many organisations may have put in place a policy regarding flexible working, this is likely to have a relatively limited impact unless the culture of the organisation is supportive. Without this, employees are less likely to apply for the arrangements they need – they will either struggle on – with the resulting negative impact on their productivity and engagement – or they will look for opportunities to leave the organisation. Similarly, if their managers and colleagues are not supportive, more flexible working requests will be turned down (because the manager may assume that they can't work, and make little genuine attempt to overcome potential issues) or the arrangement may work poorly, because the necessary trust and communication aren't in place. Culture change can be complex and take time to accomplish, but there are a number of important practical steps that you can take to help build a culture that supports rather than hinders flexible working:

- **Leadership** – it is important that the leadership of your organisation is visibly supportive – most people look to those more senior than them for guidance on how they should behave in the workplace.

- **Role models** and **case studies** – it is not enough for the senior people in an organisation to simply pay lip-service to supporting flexibility – their support needs to be visible through their actions. This may be through working flexibly themselves and making sure this is known throughout the organisation. Or it may be through their obvious support for others who would like to work in a different way. You may also want to think about who your flexible working role models are, as this can influence employees' understanding of who flexible working is available to. For example, it is useful to ensure that both men and women are seen as able to work flexibly, as well as those with and without children, and those at both senior and junior levels in the organisation. When show-casing your case studies, it is important to ensure that you clearly communicate the benefits of the arrangement to the organisation as well as the individual.
- **Champions** – it may be helpful to have specific champions for flexible working in the organisation. This category may overlap with leadership and role models, but may also include a broader range of people. Their role is to assist communication and help ensure everyone in the organisation knows that the company welcomes and values flexibility, and is open to any employee who wishes to work in a different way. In some cases champions may be associated with an internal committee such as a Diversity and Inclusion committee, or may be linked to a network such as a Family and Carers Network. If you go down the latter route, however, it's important to make sure that it is clear that flexible working is open to all, and not limited to a specific group (such as those with caring responsibilities).

Overcoming managers' concerns about flexible working

Employers and managers, who have not previously managed staff working flexibly, are often concerned about the potential impact of agreeing a flexible working arrangement. This can be in terms of the operational impact or the impact on clients and customers. In reality these fears often prove unfounded, and can often be allayed through thinking through the impact of specific requests fully, and having a proper discussion within the team (including all team members and not just the individual wanting to work flexibly).

Common myths about flexible working include:

- *If I agree one request to work part-time everyone will want to, and we won't be able to manage.* In reality people don't actually request to work part-time just because they know the option is available – they normally do so after thinking through their options very carefully, and because they feel it will work for them. In many cases it would be difficult (or impossible) for them to continue working without some degree of flexibility. A large proportion of people need to work full-time for financial reasons, or prefer to do so.

- I *don't want to set a precedent – otherwise I will have to agree every request or it wouldn't be fair*. Each time you receive a request you will need to consider it on its own merits, in the context of your business needs, and taking into account the circumstances at the time. When considering subsequent requests, you will again need to take into account the circumstances at the time, and this will include any impact on staffing that previous requests may have had. In some cases this could mean that you are unable to accept the second request as it stands, although it is possible that a compromise arrangement might work, or another option might be available (e.g. voluntary changes by other members of the team or recruiting a job-share partner).

- *No-one will work Friday.* It is highly unlikely that every request you receive will be for the same working pattern, and individuals are likely to request a range of days as their day off. If you do receive several competing requests e.g. several members of your team want the same day off, you will need to look at each request in the order you receive them, taking into account the existing staffing arrangements at that point. It may be that you will be unable to accommodate later requests as they stand, and instead suggest a compromise arrangement – for example that the latest applicant has Monday off instead of Friday. You may also wish to consider discussing overall resourcing with the rest of your team and considering other options (e.g. voluntary changes by other team members, recruiting a job-share partner).

- *Flexible working can't work here.* This response tends to be a gut reaction arising from a fear of change. There are very few (if any) organisations that cannot accommodate some degree of flexible working. Good communication and a constructive discussion of potential issues should normally help to overcome most barriers, and use of a pilot or trial period might be helpful to iron out any problems and dispel fears. See also 'flexible working myths' –*Link to WF page.*

Colleagues can also have concerns about the impact on them – for example that they will end up covering for their colleagues who work flexibly. Good communication and trust within the team are important in overcoming these fears. Taking a more team based approach can also be valuable, with the whole team encouraged to work together and take responsibility in getting the work done in a way that works for every team member. Some organisations have found that team self-rostering can be a valuable tool in this respect.

Pilots and trial periods

Many organisations have found that trialling flexible working practice is a valuable way to fully assess the impact and overcome the concerns that managers and employees may have. Trialling arrangements can be useful in terms of

- Allowing individuals to see if their proposed arrangement really works for them (e.g. whether they feel isolated working from home or whether they can manage the longer working days associated with a compressed working week).
- Assessing any communication problems and whether the intended solutions are adequate.
- Building managers' and colleagues' confidence to try something new.
- Identifying issues with overall resourcing of the team e.g. specific peaks in workflow.
- Piloting larger scale projects where a whole team or department might need to work in a different way.

Communication

Effective communication of your approach to flexible working is key to making it work. You should ensure that there is ongoing communication and awareness work so that all employees are aware of the options available, and of the commitment of your organisation to ensuring flexible working is part of your culture.

It is important to think about how flexible working is perceived in your organisation, and whether this perception needs to be changed. For example, many organisations find that there is a perception amongst their employees that flexible working is limited to women with childcare responsibilities, and this can cause resentment across the wider workforce. Good communication can spread the message that flexible working is available to all, subject only to managing business needs.

Communicating with flexible workers

When employees work flexibly, you will need to think about adjusting the ways in which you communicate with them, so that people who are not in the office every day don't miss out on important information, or simply become disconnected.

Managers will of course play an important role in keeping the members of their teams connected to the workplace, even when they are physically absent, but there may well be steps that the organisation as a whole can take. These might include:

- Training managers to ensure that they have the appropriate skills to maintain good communication with all their team members, including those working flexibly.
- Effective use of technology can be valuable communicating with employees whilst they are off-site, and you may wish to consider whether you need to increase the range of options you use in terms of file sharing and storage, internal social workspaces for collaboration and messaging, video conferencing facilities etc.
- However it is important to ensure that other communication channels remain open too, and that all staff are able to have some face-to-face time in the office.

Management Capabilities, Skills and Training

For flexible working to work well, it is important that line managers have the right skills to effectively manage staff who work (or wish to work) in a flexible way. This extends beyond the practicalities of managing the request process, to their attitude to flexible working and ability to manage the wider implications and challenges of managing flexible working individuals and teams. For some this may mean acquiring a very different mindset and way of managing their teams – changing the emphasis from controlling the work that is done, to trusting their team members to effectively carry out their tasks unsupervised. Generally speaking most organisations find that although flexible working doesn't require managers to acquire a new skillset, it does place a greatly increased emphasis on particular existing areas of management competence.

To support the effective management of flexible teams and individuals, managers may need to receive coaching or training (internal or externally sourced as appropriate) to develop the necessary capabilities. Ideally this should include:

- How to manage individual requests for flexible working (see section in this guidance for more information on this), including not just the mechanics of the process, but also coaching to encourage an open-minded attitude and willingness to think creatively to overcome barriers.
- Understanding the business case for flexible working, and the business benefits for their own team – because it is vital that they are able to build and operate in a culture that supports flexibility.
- Effective communication is critical to making any team work efficiently, and this is even more the case when not all members of the team will be on site at all times. Managers will need to have particularly good communication skills in order to maintain effective working relationships, based on trust. They will need to ensure they have thought about all the mechanisms they use for communicating within their team, and ensured that these are sufficient for a flexibly working team, making changes as required. Articulating an agreed set of ground rules for communicating within the team may be a useful starting point. For example if the team relies on a regular weekly team meeting to catch up this may need to be moved to a different day (when everyone is present), or be on alternating days (if different team members are present on different days) and/or make use of conference call facilities so home-working team members can still participate. Forward planning for such meetings will be particularly important – whilst it is reasonable to ask home-workers to attend the office for important meetings, they are likely to need a reasonable amount of notice to do so. Managers should also be prepared for the possibility that they will need to spend a slightly increased amount of time in communicating with their team on both a one-to-one and a group basis, to ensure that effective working relationships are maintained.
- Managing a flexible team – understanding how to manage the impact on different team members, allocating work effectively across the whole team taking into account different working patterns. Resource planning can be much more complex when managing a flexibly working team than in dealing with a team that all work the same set hours, and wherever possible the whole team should be involved in discussions to ensure any difficulties are ironed out. It may be useful to invest some time up-front in analysing the workflow more closely, looking at volumes, patterns of work, and productivity levels, reviewing the approach taken and considering what factors drive the way in which work is organised (for example service level agreements or times when certain clients are available). Managers are likely to need to think creatively about how the workload of the team can be effectively organised. If they can do so, they may be able to use flexible working to create positive advantage for the organisation (for example in providing customer service over a longer period, or managing peaks and troughs in workflow). Training and coaching in order to create a more multi-skilled team can also be helpful in improving ability to manage workload across the team, and may also have advantages for the employees in terms of giving them more varied work and improving their career development potential.

- Setting specific and measurable objectives and effectively evaluating how these have been achieved through good performance management. It is important that managers are in a position to judge on achievement rather than hours worked.

Measuring output

- Anecdotal evidence suggests that employees who work flexibly are often even more effective in their roles than their full-time colleagues, but often their performance appraisal scores do not reflect this. It is worth ensuring additional checks are made to ensure flexible workers are treated fairly. If your organisation monitors and compares performance scores across the whole workforce (for example looking at particular diversity statistics such as the scores given to men and women) it would be worth looking at the feasibility of taking a similar approach to flexible workers – for example measuring the relative scores of full-time and part-time employees, and following this up with appropriate challenges where discrepancies appear.
- Where employees working on longer-term projects spend a substantial amount of their time off-site (e.g. working from home), it may be useful to think about adjusting the types of goals set to reflect this, and including a higher proportion of short-term, concrete objectives which work towards the long term goals. This may be helpful in improving communication as the manager and employee will need to meet on a regular basis to discuss progress to towards the short term goals. This is beneficial for both manager and employee, as both can be reassured that the project is progressing effectively towards the desired outcomes.
- It is important to ensure that you review performance expectations when setting up a flexible working relationship. This means changing the way in which output is measured, and ensuring that you don't fall into the trap of judging employees on the number of hours spent at their desks. 'Managing by results' is essential. It is important to ensure that the outputs expected from each employee are clear and measurable, and that they have the accountability for completing tasks within agreed timescales. A relationship of trust is fundamental, and of course good communication is vital to this. Once this is in place, the need to see the employee at a desk working is removed – as long as the agreed work is completed the time and place at which the work is done is no longer of importance.

Appendix: What the law says

The law says that the statutory right to request flexible working applies to all employees who have at least 26 weeks' continuous employment, irrespective of whether they have family or caring responsibilities. Some specified categories of workers are excluded, such as 'employee shareholders' and some agency workers. Under the legislation an employee can make a statutory request once in any 12 month period.

As an employer, you have a legal duty to consider a statutory request for flexible working (i.e. one made by an eligible employee under the legislation) in a reasonable manner.

ACAS has issued guidance and a Code of Practice for employers on handling such requests in a reasonable manner. The guidance in the Code of Practice will also be taken into account by employment tribunals when considering relevant cases.

Any statutory request made should be in writing and should state that it is a statutory request, and if and when the individual has previously made a request. Any requests should also include the date, the change of working pattern (time or location) requested, the date the employee would like the change to come into effect, what impact the employee thinks the request would have on the business and how they believe such an effect might be dealt with.

When you receive a request you must:

- Consider the request carefully, including weighing the benefits against any possible adverse impact on your business.
- It is recommended that as a matter of best practice you should meet with the employee to discuss their request, and allow them to be accompanied to the meeting by a work colleague.
- Inform the employee of your decision as soon as possible and in writing.

If you accept the request (or accept it with modifications) you should discuss with the employee how and when the change will come into force.

If you reject the request it must be for one of the following business reasons:

- burden of additional costs
- detrimental effect on the ability to meet customer demand
- inability to rearrange work amongst existing staff.
- inability to recruit additional staff
- detrimental impact on quality or performance
- insufficiency of work when the employee proposes to work
- planned structural changes.

It is good practice to permit an appeal if you reject the request.

To comply with the Employment Rights Act 1996 and discrimination legislation, it is important to ensure that the procedure is followed correctly, and that any decision to reject a request can be objectively justified. You must tell the employee what your decision is within 3 months from when the request was first made.

The ACAS code of practice gives further guidance. You are not legally obliged to follow the best practice guidance given, but doing so (and using the advice in this guide) should help to ensure that you do meet your legal obligation to handle the request in a 'reasonable manner'.

Finally you should be aware that all employees are protected against being subjected to any unfair treatment as a result of their having made an application to work flexibly (whether such an application was successful or not).

Useful sources of information and additional reading

ACAS guidance:

Code of practice on handling in a reasonable manner requests to work flexibly. http://www.acas.org.uk/media/pdf/g/s/Code-of-Practice-on-handling-in-a-reasonable-manner-requests-to-work-flexibly.pdf

Homeworking: a guide for employers and employees. http://www.acas.org.uk/media/pdf/o/3/Homeworking-a-guide-for-employers-and-employees.pdf

The right to request flexible working; An ACAS Guidehttp://www.acas.org.uk/media/pdf/1/a/The-right-to-request-flexible-working-the-Acas-guide.pdf

Guidance on the process for dealing with requests for flexible working, from the Government Department for Business, Innovation & Skills: https://www.gov.uk/flexible-working/applying-for-flexible-working

Standard form an employee can use to make a statutory application for flexible working provided by the Government Department for Business, Innovation & Skills: https://www.gov.uk/government/publications/the-right-to-request-flexible-working-form

Guidance on Health and Safety aspects of home-working: HEALTH AND SAFTEY EXECUTIVE Homeworking: guidance for employers and employees on health and safety: http://www.hse.gov.uk/pubns/indg226.pdf

Sources

ACAS. (2014) *Code of practice on handling in a reasonable manner requests to work flexibly*. London: Acas. Available at: http://www.acas.org.uk/media/pdf/g/s/Code-of-Practice-on-handling-in-a-reasonable-manner-requests-to-work-flexibly.pdf

ACAS. (2014) *Homeworking: a guide for employers and employees*. London: Acas. Available at: http://www.acas.org.uk/media/pdf/o/3/Homeworking-a-guide-for-employers-and-employees.pdf

ACAS. (2014) *The right to request flexible working; An ACAS Guide* London: Acas. Available at: http://www.acas.org.uk/media/pdf/1/a/The-right-to-request-flexible-working-the-Acas-guide.pdf

BIS (Department for Business Innovation and Skills: *The right to request flexible working Form FW(A): Flexible working application form* available at : https://www.gov.uk/government/publications/the-right-to-request-flexible-working-form

Carers UK – *Carers at Breaking Point* September 2014.

Carers UK – *Care Leave: Impact on Business* July 2014

Chartered Institute of Personnel and Development (CIPD) *Flexible Working Factsheet* (revised June 2014)

CIPD – *Flexible working – the implementation challenge* (2005)

CIPD – *Employment Law FAQs* (Revised June 2014)

HEALTH AND SAFTEY EXECUTIVE. (2006) *Homeworking: guidance for employers and employees on health and safety*. London: HSE. Available at http://www.hse.gov.uk/pubns/indg226.pdf

JACOBS, S. (2011) *The Economics of Balance: A look at the Business Case for Flexible Working.* London: Working Families.

WALTON, P. (2007) *Hours to suit: working flexibly at senior and managerial levels*. London: Working Families.

Xpert HR – *Policy on employees requesting flexible working (requests made on or after 30 June 2014)*

Notes

[1]Chartered Institute of Personnel and Development Flexible Working Factsheet revised June 2014

[2] Carers UK *Care Leave: The Impact on Business*, July 2014.

[3] Forsyth report, quoted in Jacobs (S) Working Families: *The Economics of Balance: A look at the business case for flexible working*, October 2011.

For further information, please go to our website at www.workingfamilies.org.uk and click on the Employers tab.

Brighton Aldridge Community Academy

January 2016

Brighton Aldridge Community Academy Young People's Response

to Brighton and Hove Fairness Commission

In December 2015 163 students aged between 11 and 17 years old from the Brighton Aldridge Community Academy (BACA) took part in an online survey to collect evidence for the Brighton & Hove Fairness Commission.

Here are some of our key findings.

1) Firstly we asked participating students **what a fair city meant to them**. Most responses included something about *equality, respect*, *having a voice* or *fair share* of what could be described as opportunities for wealth. Here is a selection of answers;

    a) *A city that accepts anyone*
    b) *A city that lets you be free and make your own choices*
    c) *A fair city is a place where people can be themselves without fear of prejudice, abuse or hate, a place that is not only tolerant of difference but accepting and willing to celebrate the differences that exist amongst us.*
    d) *A fair city to me means a fair share of everything.*
    e) *A nice city that is fair and gives u a part to play*
    f) *Equal treatment without favouritism or discrimination*
    g) *I think a fair city is not being judged and having equal rights that lead to a brighter future.*
    h) *In my opinion for me it's if I feel good about life outside*
    i) *A fair city that cares about you*
    j) *The people of the town get a fair say in what happens within their community.*

2) We then went on to ask them to rate **how fair they thought Brighton & Hove was for young people at the moment**. 0 represented *not at all* whist a rating of 5 meant *completely*. The highest result was 35% of students rating 3/5 with a further 24% rating current fairness in the city for young people at 4/5.

3) The next question asked **what they thought <u>was fair</u> for young people in the city at the moment**. The question presented a series of options and invited the participant to select their top three choices. In addition there was an 'other' section where students could select and add to the list.

The three top scoring options in order of popularity were; access to medical care, access to quality education and access to Wi-Fi.

4) The students were then asked **what they thought <u>was not fair</u> for young people in the city** at the moment using the same list of options. This time the three highest scoring responses in order were; access to quality housing, affordable transport and personal rights.

5) Students were asked if they had any **specific experience of being treated unfairly**. Only 10% responded 'yes' to this questions and examples of their explanations include;

a) *A dentist didn't notice my missing tooth. Which made me not be put on the emergency list for braces,*
b) *Being Bullied*
c) *Being let down by courts that the case was not looked into fairly.*
d) *I asked to do a club but I didn't get into it because I had asthma (sports running)*
e) *Not enough room on the bus*
f) *Yes because I really want to move school and I've been on the waiting list for ages*
g) *Someone sent a complaint to the housing association and now I am no longer allowed to play football on my estate. They stated that I had damaged their property even though all I did was retrieve my football from under a car*
h) *Being blamed straight away because of my past.*

6) We then asked what student's thought **the main causes of unfairness in the city** were. Most commented on were; people judging and prejudices, this included anything from where you come from to sexuality and race. In addition, students thought poverty and lack of money played a large part along with a lack of services to support and enable greater equality. Other thoughts included; feelings of powerlessness, no decision making opportunities or voting for under 18's, lack of rights and opportunities.

7) Just over 20% of students asked said they thought there were **specific groups who they thought were treated unfairly** these included; Bisexual/Gay/Lesbian, homeless people, jobless people, disable people, families on low income, senior and young people.

8) Students went on to think about **what they thought would be the best way/s to tackle inequalities and increase fairness** for young people in the city. Here is a selection of responses grouped by type;

- more young leaders,
- making things more affordable,
- working together and in partnership,
- punishing those who treat others unfairly,
- developing young people's skills,
- granting young people more freedom,
- allowing under 18's to vote.

The most popular suggestions included;

1) consulting more widely with young people,
2) discussing issues of inequality,
3) people taking responsibility for being better people,
4) providing more services and more activities for young people.

9) Finally we thought it would be interesting to ask, if they were the young Mayor of Brighton & Hove, what would their **fairness priority / promise be to other young people in the city**?
Promises and priorities included;

- *let people have freedom*
- *All homeless people would have a home*
- *All LGBT's would be accepted and all people would pay equal bills so everyone was treated the same.*
- *Cheap and easy transport and everyone being able to access the internet if they need it for school work at home or many other things*
- *Everyone is equal, everyone will have the support needed and someone to talk to, no one is alone.*
- *help with mental health and more jobs and support instead of cutting support*
- *I not sure what I would do I have never really thought about it.*
- *I would make sure everyone in education gets free transport on school days*
- *make all children's school lunches free*
- *Sanitary towels would be free because they are needed it isn't a choice, condoms wouldn't be free because it is a choice to use them, mental disorders would be taught in school and how to treat them, free Wi-Fi everywhere.*
- *to promise fair travel prices*
- *A fair chance of getting a job as you get older.*
- *To be happy, to feel welcome to the community.*
- *To get more sport groups*

In summary, we hope this goes towards the greater city wide discussion about fairness and that our students' thoughts and suggestions can be included as part of future problem solving and strategic planning.

For further information about this project or for an original copy of the survey responses please contact;

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