

ITEM OP5

POSSIBLE BID FOR TRANSFER OF POWERS UNDER THE SUSTAINABLE COMMUNITIES ACT 2007 TO DEVELOP AN OXFORDSHIRE INTEGRATED EMPLOYMENT AND SKILLS SERVICE

1. Proposal

1.1 The main function of the Sustainable Communities Act 2007 (hereafter "the Act") is to enable a transfer of funding to a local body, where the exercise of authority at a local level would enable it to enhance the economic, social or environmental well-being of their area. Bids have to be submitted to the Local Government Association (LGA) - the designated "Selector" - by 31 July 2009. Bids which the LGA consider should be adopted will be passed to Communities and Local Government (CLG) for approval. (However, the timescale for this part of the process has yet to be established).

1.2 The Act is largely un-prescriptive about what functions might be the subject of a bid, although the LGA is promoting a number of areas where it considers that there would be significant benefits from devolving functions to local government. These include integrated employment and skills services.

1.3 The concept of integrated employment and skills services can be traced back to the 2006 Leitch Review of skills in the UK. This review found that, on international comparisons, the UK lagged behind many countries in qualification attainments, particularly at Levels 2 and 3¹. In addition to promoting general upskilling targets at these levels - which have since been incorporated into LAA2 targets² for the World Class Economy objective of Oxfordshire 2030 - the Leitch Review also argued for:

- a new, integrated objective for employment and skills services, of sustainable employment and progression, focusing on people's long term as well as short term prospects.
- a new universal careers service, providing labour market focused careers advice for all adults, delivering advice in a range of locations, including co-location with JobCentre Plus, creating a one-stop shop for careers and employment advice
- a network of employer-led Employment and Skills Boards to give employers a central role in recommending improvements to local services.

¹ Broadly speaking, Level 2 is equivalent to 5 GCSEs at grades A*-C, and Level 3 to 2 "A" level qualifications.

² NI 163/PSA2: % of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher to rise from 73.8% (2006) to 79% by 2010/2011

NI 164/PSA2: % of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher to rise from 56.8% (2006) to 61% by 2010/2011

2. Recommendation

2.1 Accordingly, it is recommended that the OCC should prepare a detailed bid under the Act for funding a local, Oxfordshire-wide, integrated employment and skills provision, more responsive to the needs of local employers and the wider resident population than has been feasible under a system where spending priorities and pricing structures are established nationally. Under the proposals envisaged, regular reports would be made to the Oxfordshire Partnership by the Employment and Skills Board of the Oxfordshire Learning and Skills Partnership.

3.0 Next Steps

(i) The bidding process

3.1 The process for submitting a bid and for the selection of bids is set out in LGA guidance attached as an annex to this note. Preparation of the bid requires two sets of consultation. One is with central funding bodies – in this case with the newly-forming Skills Funding Agency which is taking over from the LSC, and with the LSC itself. The other consultation requirement is to agree proposals with a “local panel” which should include local interested parties who are representative of local people, and should also include under-represented people/groups.

(ii) Detailed preparation of a bid

3.2 As the basis for progressing this bid, OCC proposes to coordinate and develop detailed proposals with the Oxfordshire Learning and Skills Partnership, Districts and other members of local employment and skills bodies such as the Steering Group of the MKOB Employment and Skills Board, and with other interested parties.

The detailed bid will only be allowed to proceed with the agreement of stakeholders, including the local panel, to the following:

- satisfactory proposals for the design and location of services
- an agreed assessment of measures needed to deliver flexible, relevant and responsive employment and skills services, including the possible adoption of alternative tariff systems
- an agreed assessment of the likely costs and benefits deriving from a localised service, and the conditions on which these can be realised
- an assessment of the robustness of the proposed arrangements for the transfer of funding functions and of associated risks
- an assessment of the impact of the proposals on all likely stakeholders

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