

Written evidence from Local Government Association (SFF0012)

About the Local Government Association

The LGA is the national voice of local government. We work with councils to support, promote and improve local government.

We are a politically led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils, so they are able to deliver local solutions to national problems.

Summary

Councils have wide-ranging responsibilities as part of their role in shaping their local skills and the employment system. Despite these, councils have very few formal levers over the commissioning or co-ordination of provision to ensure statutory duties are met. This makes it difficult for councils to plan, target and join-up provision and to provide place leadership or to build wider wraparound support for those with complex or additional needs.

Every area has its own unique labour market and economy, including a mix of jobs, qualification levels, unemployment, vacancies, levels of deprivation and geographic challenges, with often as many differences within regions as between them. A national one-size-fits-all approach cannot therefore deliver on an area's diverse needs.

The national employment and skills system is currently too centralised, short-term, and operates in silos. This makes it difficult to plan, target and join up provision and leads to gaps and / or duplicated provision. No Government strategy sets out how schemes should work together or how local stakeholders can complement each other to deliver effective career guidance and support.

There are various Government policies which, whilst helpful in supporting people to find opportunities to participate in employment, makes the overall system difficult to navigate. However, recent developments, such as the Department for Work and Pensions Universal Support scheme, indicate an understanding of how councils can support local delivery of national

programmes.

Indeed, local leaders want to create inclusive, sustainable, and thriving local economies where people want to live and work, and where employers want to invest. Place makes a difference to a person's life chances, access to support and economic opportunities. The LGA would therefore like to see the UK move towards a more place-based model for employment and skills support and provision, decentralising the current national structure.

Our 'Work Local' proposals aim to improve the impact of the employment and skills system work for people and places. It would give elected local leaders powers and a single pot of funding to work with local partners, to design, commission and have oversight of a 'one stop' all-age service bringing together careers' advice, employment support, training and apprenticeships, and business support connected to wider services.

Local authorities are also often the biggest employers in their local areas but are challenged by recruitment and retention difficulties. One of the main ways many councils are attempting to address these difficulties is by investing in apprenticeship schemes, however, the apprenticeship levels and the framework governing the apprenticeship levy don't currently work as well as possible to support the skills development or career progression of current or new staff.

There are also specific skills important to councils in the delivery of key services and in responding to changes across the wider employment landscape. This is particularly the case in council planning departments and for the social care workforce. We want to continue working with Government departments to ensure that council planning departments are properly resourced and have the right skills and experience. Equally, the LGA agrees that a national framework showing routes into and through a social care career would be useful.

It is important to recognise that the future jobs market will consistently evolve in response to changing local and national economic needs. It will also need to respond to external factors such as the rise of Artificial Intelligence and to deliver net zero and climate adaptation. It is important, therefore, that there is a sustained pipeline of talent to fill these roles, with young people trained in the right skills and sufficient opportunities for upskilling and retraining.

A one stop shop for employers would help them navigate the skills offer,

ensure they are aware of, and can access health, wellbeing and workplace support including Access to Work, getting advice on how they can build more inclusive recruitment and employment practices, and benefitting from job matching / job brokerage. Many mayoral areas have already developed variations of Good Work charters as highlighted in our recent report. Healthcare providers will see significant benefit through reduced demand and cost if we can integrate their offer effectively with employment support.

1. What kinds of skills do you think will be needed for the future of the UK economy? Is the UK's skills and training system capable of equipping increasing numbers of people with these skills?

The LGA would like to see the UK move towards a more place-based model for employment and skills support and provision, decentralising the current national structure. There are also specific skills important to councils in the delivery of key services and in responding to changes across the wider employment landscape.

Place-based economies

Place makes a difference to a person's life chances, access to support and economic opportunities. Every area has its own unique labour market and economy, including a mix of jobs, qualification levels, unemployment, vacancies, levels of deprivation and geographic challenges, with often as many differences within regions as between them. A national one-size-fits-all approach cannot therefore deliver on an area's diverse needs.

Councils and combined authorities, with the right powers and resources, could do more to bring together decisions around the economy, job creation, transport, skills and employment support and wider support services, to create a joined-up offer around the needs of place.

As employers themselves, 94 per cent of local government employers report recruitment and retention difficulties and have adapted a range of measures to address this, according to the LGA's most recent workforce survey (2023).

The future jobs market will evolve in response to changing local and national economic needs. It will also need to respond to external factors such as the rise of Artificial Intelligence and to deliver net zero and climate adaptation. It is important, therefore, that there is a sustained pipeline of talent to fill these roles, with young people trained in the right skills and sufficient opportunities for upskilling and retraining.

National system

The current national employment and skills system is too centralised, short-term, and standalone. On the ground, this makes it difficult to plan, target and join up provision and leads to gaps and / or duplicated provision.

Our analysis (April 2021) revealed that across England, £20 billion is spent on

at least 49 nationally contracted or delivered employment and skills related schemes or services managed by 9 Whitehall departments and agencies, multiple providers and over different geographies. No Government strategy sets out how schemes like UK Shared Prosperity Fund, Levelling Up and Towns Funds, Help to Grow, Restart, Bootcamps, National Careers Service etc should work together.

This is further complicated by the fact that different Whitehall departments are responsible for different age ranges:

- Department for Education (DfE) – 16-18 years.
- Department for Work and Pensions (DWP) – 19-24 years, who are not in education or employment.
- Department for Digital, Culture, Media & Sport (DCMS) is responsible for youth services for those aged 13-19 (or up to 25 for those with learning difficulties) and the National Citizen Service for 16-17 year olds.

All of this makes the system complicated. Many councils have established employment and skills board or similar to help cohere the system. But without formal levers or a duty to discuss with councils how services will operate in local areas, councils can only at best knit together the patchwork of different initiatives. This also means that there is no single organisation nationally or locally responsible for coordinating these, with no one organisation accountable over how these are improving local outcomes both singularly and as a collective. Furthermore, there is no collective assessment of the impact of these different programmes or the value added.

Careers education, information, advice and guidance (CEIAG)

Quality, locally-tailored and independent CEIAG is vital to ensure young people are fully informed of the full range of careers and pathways available to them, including vocational and technical education training options, apprenticeships, and university degrees. It also plays an important role in raising aspirations, particularly for those experiencing disadvantage or those who are not in education, employment or training (NEET) and those at risk of being NEET

Recent years have seen a plethora of new policies, initiatives and new bodies, some of which have proved counter-productive. In schools, careers advice has

been identified to be often inconsistent, not independent, and does not start early enough. Poor CEIAG risks disproportionately impacting young people from disadvantaged backgrounds, as they are potentially less likely to benefit from resources and advice from family and friends about the breadth of career options.

It is important that CEIAG informs young people about the local and national job market, which industries/sectors are growing, and which skills are in demand. Too often, young people finish training and struggle to find suitable employment or take up low-paid or insecure jobs that do not match their skills or interests with vacancies. This can lead to frustration, disillusionment, and a lack of motivation to pursue further education or training.

Councils report that the reduction in careers advice over recent years means that young people and their families are less well informed about career options due to insufficient staff and resources to spend sufficient time looking at options, support, and reasonable adjustments. The Gatsby Benchmarks are a framework of guidelines that define the best careers provision in secondary schools and colleges. The Careers and Enterprise Company's (CEC) Ready for the Future report showed that for each Gatsby Benchmark achieved by a school or college, the likelihood of a young person being NEET is reduced by 1.1per cent. It estimates that, if this was represented across all benchmarks in all schools, such a level of careers guidance would be worth £150 million in annual fiscal savings from lifetime costs of those NEET alone. The reduction in Disability Employment Advisors in local jobcentres has further reduced the support available.

Nevertheless, local government is working to ensure an inclusive service for all. With the integration of Local Enterprise Partnerships (LEP) functions within local government, and the role of councils in influencing Careers Enterprise Company (CEC) provisions for areas, it is essential to maximise the opportunities that this presents. Most councils are actively engaged with Careers Hub in supporting young people, including those with SENDs. For example:

- In Surrey, the Careers Hub team also works across the internal directorates in the council, particularly with colleagues in Education and Lifelong Learning who are providing support services to special schools, and alternative provisions and PRUs and providing direct

support services to young people in these settings who have EHCPs and/or are at risk of being NEET. Surrey Youth Voice provide advice and support to help young people take the next steps into education or employment.

- The West Midlands Combined Authority has developed an online platform for adult education and employment support as well as a website for young people seeking work and training, and wants to do more to join this up locally.
- Babergh & Mid Suffolk Councils' Careeriosity inspires young people about new career opportunities in an area which has traditionally been characterised by low skilled and low wage jobs.

Skills for the future

Net zero and green jobs

Local authorities have great ambitions to achieving net zero, with over 300 councils declaring a climate emergency and they understand the need to act now to achieve net zero and mitigate climate change. These ambitions can only be achieved if there is the skilled workforce and the availability for good jobs, matched with the right support and investments to deliver it.

There is a huge opportunity for local communities to create green jobs which can also help tackle inequalities, support people through the cost-of-living crisis, as well as achieving levelling up ambitions. For example, with proper investment, local government could retrofit 1,000 properties a day, which would create **31,000 new skilled jobs** in construction and retrofit industries, and there is the potential of **1.18 million new jobs by 2050** in low-carbon and renewable energy industries. There are also significant opportunities in nature restoration, food, agriculture, and STEM industries.

The LGA engaged with local authorities and their partners and identified the following challenges to developing the skilled workforce needed to deliver net zero and mitigate climate change:

- **Lack of long-term certainty for local businesses:** The current system does not enable local businesses, specifically SMEs, to invest in the green skills of the future, as they only have the capacity to focus on the short term.

- **Funding is short-term and fragmented:** There is a lack of coherence and alignment across different national funding pots for both net zero and employment and skills. They are often met with short term timeframes and competitive bidding. This fragmentation makes aligning funding to build the skills, capacity, and local supply chains to deliver net zero investments challenging.
- **Capacity challenges:** The short-term nature of funding creates challenges for skills providers, SMEs and micro businesses to invest in capacity building, as well as general local government capacity.
- **Fragmentation of career pathways:** There are a range of qualification and training routes available, but these are often difficult to navigate locally, with national and local partners offering different options, with occasional duplication.

The LGA have set out principles of what the skills system for green jobs could be with our green jobs framework that would enable local authorities to fulfil their place leader roles and strengthen collaboration with businesses, skills providers, and industry, as well as play a part in supporting national investments in net zero.

The principles are:

- A co-designed strategic timeline of investments to at least 2030 to enable places to plan for skills and jobs.
- The Government should provide data that enables job and skills planning across national, regional and local areas.
- Delivery of green jobs and skills should be based on a local first principle.
- Align funding, qualifications and training to provide a dynamic collective response to the green skills transition and jobs challenge.

To make the framework a reality, the Department for Energy Security and Net Zero should lead a cross departmental co-production process, in partnership with the local government sector. This should include collaboration on a co-production process, working with organisations on the Green Jobs Delivery and other net zero forums and the priority net zero sectors.

Digital skills

We live in an increasingly digital world, with banking, democratic functions, job applications, benefits and other public services increasingly being moved online. Digital skills, equipment and reliable digital connectivity are crucial to enable people to fully participate in society and engage in 21st century education and employment systems.

Councils play an important role tackling digital exclusion. Functions, such as children's services, adult social care, adult education, business support and libraries, all have contact with people who may be digitally excluded. Councils run initiatives to tackle digital exclusion such as digital skills improvement support and refurbish old equipment for donation or lending to residents who lack appropriate devices.

Artificial Intelligence

It's crucial that investment is made to equip public sector workforces with the necessary skills and knowledge to manage and utilise AI effectively, including being able to evaluate the ethical and privacy considerations for its use, and to effectively implement and challenge the AI. This could include online courses, workshops, or dedicated AI certifications for staff. The training available to civil servants should be made available to all public sector workers, including council staff. There needs to be long-term workforce planning and investment in digital and technology practitioners within the public sector. This could save considerable sums of money spent on consultants each year.

Skills shortages impacting councils

Planning

The planning system and local planning authorities must be fully resourced and operating at full capacity to properly plan for town centres and high streets. We would highlight again our concerns to Government about the resourcing of local plans' teams within councils – both the number and capacity of officers as well as the team's and local plan's funding.

Local authorities have experienced a £15 billion reduction, almost 60 per cent in real terms, to core government funding between 2010 and 2020. Planning departments have faced the highest cut of any service between 2009/10 and

2020/21 with net spending per person on planning dropping by 59 per cent. Overall, there is a significant challenge in resourcing local planning authority teams. Councils all over England are struggling to recruit and retain planners. Alongside the difficulties in recruitment and retention of qualified town planners, there is a much more significant challenge in relation to specific planning skills and areas of expertise, such as heritage and conservation.

Steps have started to be taken by Government, such as the planning skills delivery fund, the Pathways to Planning and Public Practice placement schemes and the uplift to planning fees, though sudden changes will not appear overnight and we are likely to continue to face the same resourcing and capacity challenges for a while yet.

We want to continue working with the Department for Levelling Up, Housing and Communities to ensure that council planning departments are properly resourced and have the right skills and experience to deliver effective planning services. Only by giving councils total flexibility to set planning fees at a local level can they cover their full costs relating to planning.

Social care workforce

The LGA agrees that it is useful to have a national framework showing routes into and through a social care career. We understand this is for care workers and will eventually link into the pathways for the wider sector (occupational therapists, social workers and so on) but would recommend thinking wider than that and looking at other roles that support the care sector (roles in commissioning, human resources, training and so on). There is a diversity of roles across the sector, and we would encourage the pathway to reflect this.

The framework needs the will and efforts of employers to make it work and there's not enough focus on the benefits for employers (for example, helping to recruit the right skills and values and behaviours and using it to guide what good practice is in the job that needs doing, not just the next job). The success of competency-type schemes and career pathways relies on managers adopting and promoting them. There needs to be more work on how the framework works for employers. The LGA encourages more focus on the framework's role in helping to manage good performance and how the framework will support good care/service delivery as it sets the standard of what good looks like in each job.

As the majority of the social care workforce is employed by provider organisations, the LGA urges engagement with these organisations in the development of the framework, particularly as this early pathway work is focusing on care workers. Some of the medium and larger providers have well developed local career pathways in which learning can be drawn from in developing any national pathways. Any national work should link in and support local pathways, otherwise providers may not engage with it. The LGA is also keen to promote apprenticeships in social care. We would like to see how they fit in to these pathways and what the range of apprenticeship options might be.

One of the main barriers to training and career progression generally for this sector is that the majority of staff have to train in their own time and not in paid working time. Even if the care worker could do this training in work time, the employer needs to back fill the work that is being missed. For an employer to want to absorb extra costs (either in paying for training or paying for time for training) there will need to be obvious benefits for employers from the framework or possibly some additional funding.

2. Without sustainable investment in training and development of the public health workforce there will be vulnerabilities to future health threats, an inability to reduce health inequalities effectively and to prevent the burden of increasing chronic ill health affecting an already stretched NHS system. Is it clear to everyone involved in the skills system what the respective roles of the Government, employers, individuals and institutions are within that system?

Over recent years, significant changes have taken place across the public health system and national infrastructure that have impacted on resources and capacity in the public health workforce.

The public health specialist workforce is a multi-sector and multi-agency sector. Local authorities remain the largest employers of this workforce, but the introduction of Integrated Care Boards has increased competition for recruiting these posts. The numbers of specialists have been increasing but so too has demand and significant gaps remain across this workforce.

The [Faculty of Public Health](#) estimates a shortfall of 750 public health consultants. The impact of current training initiatives will not be realised for 4-5 years and therefore it is critical to look for other ways to support the

development and capacity of the workforce.

There are issues around different definitions of the public health workforce, variable and multiple training routes that cause confusion.

3. What is the appropriate level of government intervention in the development of skills policies? How can government best add value in this area?

The current system

The national employment and skills system is currently too centralised, short-term, and standalone. On the ground, this makes it difficult to plan, target and join up provision and leads to gaps and / or duplicated provision.

LGA analysis (April 2021) revealed that across England, £20 billion is spent on at least 49 nationally contracted or delivered employment and skills related schemes or services managed by 9 Whitehall departments and agencies, multiple providers and over different geographies. It shows limited or no connection between initiatives and services and limited understanding of how they will work together on the ground.

No single national or local organisation is responsible for coordinating the whole system. This leads to disconnected, confusing and ineffective support for learners, people who need to find a job or move out of low pay and career changers, and meanwhile peoples' wider support needs often go unaddressed. It is just as confusing for employers frustrated by the number of schemes and the lack of flexibility.

In any one area, schools, colleges, councils and national agencies like the NCS, CEC, Job Centre Plus, and Education and Skills Funding Agency, deliver initiatives for different age ranges and groups, with no one organisation responsible or accountable for coordinating it with the local jobs market.

LGA commissioned research into the range of national programmes and services available to support economically inactive people into work identified a patchwork of 51 national disconnected programmes, services or initiatives operational in England, which to some extent, can support specific issues faced by economically inactive people. These were led by 17 public bodies or organisations. DWP funded the largest number of programmes (over a third), followed by Department for Education (DfE) and the Ministry of Defence

(MOD). The National Health Service (NHS) supports a further eight per cent. A small number of programmes are funded jointly by government departments including the Supporting Families initiative (DLUHC and DfE), and the Individual Placement Support programmes and Employment Advisors in Talking Therapies programmes (DWP / DHSC).

Role of councils

Local government, as democratically elected leaders of place, and often being the largest employer in a place, play a key role in stimulating local economies and want to ensure that employers have a supply of skilled workforce to meet the current and future business demands in local areas.

Councils have wide-ranging responsibilities as part of their role in shaping their local skills and the employment system. Despite these, councils have very few formal levers over the commissioning or co-ordination of provision to ensure statutory duties are met. This makes it difficult for councils to plan, target and join-up provision and to provide place leadership or to build wider wraparound support for those with complex or additional needs.

Councils have several statutory duties relating to ensuring all young people up to the age of 18 (25 for those with learning difficulties) participate in education or training. These include: Raising Participation; September Guarantee; Not in education, employment, or training (NEET); Risk of NEET Indicators (RONI) and Tracking.

Despite these wide-ranging responsibilities, councils have very few formal levers over the commissioning or co-ordination of provision to ensure statutory duties are met. This makes it extremely challenging for local government to provide place leadership or to build wider support for those with complex or additional needs.

Nevertheless, councils are leading from the front in supporting participation in education, employment and training through commissioning devolved and local discretionary provision, by joining-up and adding value to national schemes, and by delivering programmes such as Supported Employment, commonly used to help people with disabilities into work. They continue to work hard to mitigate the negative impact of unemployment by providing a holistic support offer. Examples include: [Nottinghamshire's Future's programme](#); [Bristol City Council's employment, skills and learning service](#); and [South Gloucestershire](#)

Council's Community Learning and Skills service. Further information of each of these schemes can be found in the appendix.

Councils and combined authorities, with the right powers and resources, could do more to bring together decisions around the economy, job creation, transport, skills and employment support and wider support services, to create a joined-up offer for young people and adults around the needs of place.

A reformed system

There is an alternative model to the currently centralised and fragmented system. Indeed, local leaders want to create inclusive, sustainable, and thriving local economies where people want to live and work, and where employers want to invest. As well as being democratically elected, place shapers, and trusted convenors of partners, local government has unparalleled knowledge on how to improve employment, skills and careers services to support people, places and employers working with national and local partners.

The LGA's 'Work Local' proposals aim to improve the impact of the employment and skills system work for people and places. It would give elected local leaders powers and a single pot of funding to work with local partners, to design, commission and have oversight of a 'one stop' all-age service bringing together careers' advice, employment support, training and apprenticeships, and business support connected to wider services. In return, Work Local has the potential to increase the number of people improving their skills or finding work at lower cost by 15%. Each will be underpinned by multi-year devolved employment and skills agreements (DESAs) between government and local areas, covering local objectives, budgets and actions. This should be set within a national framework / strategy. Appendix 2 provides a breakdown of the expected benefits for different council tiers.

Work Local would enable areas to take a whole systems approach to join up infrastructure investment decisions with learning, skills and employment to maximise opportunities for residents, businesses and the wider local community. It would ensure strong and responsive local leadership providing local and national democratic accountability for outcomes – working with national government, employers (public, private and third sector), education, training and employment providers and institutions, health, housing, the VCS and unions - to create an offer that is led by local needs, challenges and

opportunities.

This requires accelerating, deepening and extending employment and skills devolution, and developing a more joined up system. Critical to achieving this is improving the partnership between national and local government. Our proposals aim to raise the baseline of local government's involvement in influencing national policy that impacts their areas, enabling areas with the capacity and appetite to move further and faster, recognising this can set the pace and raise aspiration for the rest of local government.

We want to ensure that all politicians take a place-based approach to employment and skills. Future governments will face competing priorities and budgetary challenges from day one, so the LGA is working with its sector colleagues to set practical and realistic measure, working with us to improve employment and skills services everywhere through a national framework. We are exploring four inter-linked offers:

- Planning for resilient, inclusive, and sustainable growth helping employers and sectors with their current and future skills needs, so they can recruit, maintain a skilled workforce, and be more productive and inclusive. Linked to this is local government's place shaping role, supporting existing sectors to evolve, attracting new and emerging sectors to invest.
- Improved youth pathways ensuring all young people (16-24) 'not in employment, education or training' can secure and retain their first job, progress in work or get back into learning.
- Deliver better working futures for disadvantaged adults – those out of work for a long time, often with disabilities and health conditions, who need the personal support to find work or better work, including though increasing their skills.
- Working with partners to address local skills demand and supply gaps, improving the supply of learning opportunities locally, and promoting a lifelong learning culture.

The foundations for these offers exist already, building on local government's existing, or upcoming responsibilities and powers. These would be planned and commissioned to fit local need through some form of local employment and skills agreement between national government and local government partners,

drawing on their strategic planning and community reach. These would fit within a clear national framework which sets standards.

Existing devolved authorities ^[1] and their constituent councils could deliver more and at a quicker pace. For instance, where we describe the offer of supporting adults into work, Universal Support is a starting point for all of local government as it will be grant funded to them to plan and deliver. There is appetite across local government to also go further, either through expanding the cohorts of people that they can support, co-designing the wider jobcentre plus offer to piloting what a devolved jobcentre plus would look like and do.

Our aim is to further develop proposals across these offers, so they form the basis of a dialogue for future governments. To have confidence our offers can be delivered, we are working with a cross-section of councils and devolved authorities and seeking views more widely.

DWP has a vital role within a devolved employment system which could include:

- Provide strategic leadership, address national issues, join up policy and funding in its own Department, and other Government departments so there is a coherent policy.
- Map provision and help focus on developing pathways.
- Co-design with devolved commissioners a light touch, permissive devolved employment (and skills) framework allowing for maximum local flexibility. This could cover over-arching principles, broad objectives, outcome measures, minimum standards, and a 'what good looks like' tool for procuring and managing provision.
 - Analysis of other countries' devolved systems, including employment services, suggest that at a national level government could support the development of a national framework that:
 - i. ensures accountability;
 - ii. determines strategic aims of services;
 - iii. sets performance standards;
 - iv. defines responsibilities;
 - v. determines funding agreements; and
 - vi. acts in the case of national emergencies.

- Support local government to produce robust devolved outcome agreements.
- Convene a partnership between local and national government to coordinate action.
- Adopt a 'local-first' approach to new or repurposed skills activity with the aim of taking more decisions locally.
- Share data to local and combined authority level to enable effective planning and delivery of services with providers mandated to support integration.
- Free up jobcentre plus staff to make decisions locally without having to seek approval from the centre enabling them to work with local government and others.

We need to work towards developing an ecosystem of support which connects national and local provision.

It is only right that central government looks at the national level of employment, productivity and economic inactivity, and when appropriate responds to address these. However, it is important that when responding to market changes and devising national schemes that have localised functions delivered through councils and devolved authorities, these recognise the expertise of local knowledge and partnerships.

Even with current financial challenges facing local government, many are already delivering some national employment and skills related programmes and funds at short notice and with limited resources.

4. Are current Government policies on skills, particularly apprenticeships and training, sufficiently clear? Have policies and the institutional set-up been sufficiently consistent over time? If not, what changes or reforms would you recommend?

There are various Government policies which makes the overall system difficult to navigate and presents a challenge for individuals, businesses and councils to utilise support available.

The economically inactive

Evidence on the economic and social impact of the pandemic demonstrates that young people were the worst-affected group not just in the labour market

but also in terms of mental health and well-being outcomes. Youth unemployment can have significant long-term effects, with periods of unemployment having a 'scarring' effect on young people's future employability and wage potential. Therefore, it is important to ensure that young people can access early support to secure employment to avoid long-lasting adverse impacts.

Disabled people's participation in the labour market has been particularly impacted by the pandemic. During 2020 employment fell among disabled people and the disability gap widened. Research by the TUC on disabled workers experiences during the pandemic found that COVID-19 has exacerbated the workplace barriers disabled people encounter and identified that existing legal protections have not been effective in protecting disabled workers from discrimination and adequate workplace health and safety measures.

In April 2022, 52.3 per cent of disabled people were in employment, down from 54.1 per cent a year previously, which indicates that the pandemic has had an ongoing impact on disabled people's participation in the labour market. Many people who face complex barriers to work, and multiple disadvantages in the labour market, will require wrap-around and tailored support to secure and maintain employment. However, across the country the availability of this support is often either not available or difficult to secure through the national system of skills and employment support, which is complex and fragmented.

Kickstart

The Kickstart scheme had the potential to deliver even better outcomes for young people, businesses, and communities if it was planned in partnership with councils and their local partners. The LGA proposed to Government various ways in which local government could help augment the Kickstart offer. A collaborative local approach could have ensured that the scheme was effectively signposted, targeted and delivered at the local level, offering more choice for young people, including those with disabilities by supporting local businesses to develop and host placements; with wrap-around support to ensure uptake and completion rates, and developing progression routes for young people after work placements ended.

As Kickstart was a DWP scheme, it was entirely focused on supporting young

Universal Credit claimants into work (18-24). Kickstart could not therefore be used to support under 18-year-olds who were NEET as this group is not a DWP responsibility. Nor could it support the 480,000 young people who are estimated to be 'hidden' unemployed each year and do not access the benefits system.

In April 2022, 162,000 young people had started a Kickstart job, which is 36 per cent lower than the 250,000 target, resulting in an underspend of at least £665 million which could have been used to support disengaged young people who were not on Universal Credit.

We believe Kickstart was a missed opportunity to support 16–17-year-old NEETs and 18-24 NEETS who are not in receipt of benefits, who could have benefited from a period of experience with a local employer. The LGA repeatedly urged the DWP to extend the eligibility criteria for accessing the scheme to all young people who had been NEET for six months or more and to allow council skills and employment services, and their local partners, to refer young people into the scheme. Nevertheless, many councils continued to support Kickstart and provide opportunities for key priority groups - young people with disabilities, care leavers.

Back to Work Plan

The Government's £2.5 billion Back to Work Plan, announced at the 2023 Autumn Statement, builds on the earlier Spring Budget. It includes more rigorous expectations and measures to support unemployed claimants into work, as well as new initiatives to help those that have left the jobs market ('economically inactive') including older people, people with caring responsibilities, people with health conditions, get back to work.

This vital investment is needed but with so many initiatives being developed at the same time, it is important that there is coordinated planning at a national and local level about how these will work alongside each other. The LGA is committed to working with Government to achieve this, however in the longer term, we would like to see a place based single pot approach to plan and commission a more streamlined offer for people needing back to work support.

Universal Support (US)

The 2023 Autumn Statement announced a £2.5 billion Back to Work Plan which included a range of support for people with physical and mental health conditions who account for the largest proportion of the 'economically inactive' group. This includes Universal Support (US), a £1.4 billion 'place and train' employment programme covering England and Wales, to be phased in from Autumn 2024 and which will run to 2028/2029.

At its peak, we understand that US aims to support per year 100,000 people with disabilities and other health conditions, and those that experience additional barriers finding a job, into sustained work. It will provide up to 12 months of personalised support through a keyworker to access training, find suitable work, and wraparound support to sustain the job long term. It will also provide work retention support for up to 4 months for people (self) employed but at risk of inactivity.

It will be grant funded to clusters of councils and devolution areas to plan and deliver. We welcome the Department for Work and Pension's (DWP) new approach to route this type of employment support activity through local government, rather than to deliver it through Job Centre Plus (JCP) or to nationally contract through prime providers. DWP is engaging with councils and devolved authorities on certain aspects of the design. We continue to advocate for maximum flexibility, an implementation fund, and timely information to be shared with the sector so planning and delivery is done in an appropriate way.

Other provision

Alongside US, a range of provision is targeted at similar groups that will stop, start or be extended around the same. This includes 15 Work Well pilots to be led by Integrated Care Boards (ICBs), with support from local government, which will design a new early intervention work and health service, triage service and have lead responsibility for developing work and health strategies for local places.

Other provision includes Restart, Work and Health Programme and Pioneer, Individual Placement and Support in primary care (IPSPC), and Local Support Employment (LSE). This is a complicated mix. Partnerships between work and health are being established locally, but will take time to bed in. The piloting of Work Well could support more coordination, with referral on to Universal Support.

5. Are the right institutions in place to ensure an effective skills system for the future? Should co-ordinating institutions be national, regional or sectoral, or a mixture of each?

The national employment and skills system is too centralised, short-term, and standalone. On the ground, this makes it difficult to plan, target and join up provision and leads to gaps and / or duplicated provision.

The LGA's 'Work Local' proposals aim to improve the impact of the employment and skills system work for people and places. It would give elected local leaders powers and a single pot of funding to work with local partners, to design, commission and have oversight of a 'one stop' all-age service bringing together careers' advice, employment support, training and apprenticeships, and business support connected to wider services. In return, Work Local has the potential to increase the number of people improving their skills or finding work at lower cost by 15%. Each will be underpinned by multi-year devolved employment and skills agreements (DESAs) between government and local areas, covering local objectives, budgets and actions. This should be set within a national framework / strategy. Appendix 2 provides a breakdown of the expected benefits for different council tiers.

Work Local would enable areas to take a whole systems approach to join up infrastructure investment decisions with learning, skills and employment to maximise opportunities for residents, businesses and the wider local community. It would ensure strong and responsive local leadership providing local and national democratic accountability for outcomes – working with national government, employers (public, private and third sector), education, training and employment providers and institutions, health, housing, the VCS and unions - to create an offer that is led by local needs, challenges and opportunities.

6. Concerns have been raised over the operation of the Apprenticeship Levy, particularly in relation to the decline in young people taking on apprenticeships. Is there a case for reforming the levy, for example by ring-fencing more levy funding for training for younger apprentices?

Local authorities are often the biggest employers in their local areas but are challenged by recruitment and retention difficulties (94% of councils reported this in our most recent workforce survey). One of the main ways many councils are attempting to address these difficulties is by investing in

apprenticeship schemes, however, the apprenticeship levels and the framework governing the apprenticeship levy don't currently work as well as possible to support the skills development or career progression of current or new staff.

With the support of DLUHC and DfE, the LGA's apprenticeships support programme provides a range of practical support and advice for local authorities and their maintained schools on developing and enhancing their apprenticeship programme and investing their apprenticeship levy to invest in skills development in their areas.

Apprenticeships & T Levels within councils

As a significant employer and apprenticeship levy payer, councils provide support for young people, including those with disabilities to gain access to employment with their local council. The LGA has been providing improvement support to councils as employers to help them create more apprenticeship and T Level Industry Placement (IP) opportunities.

All councils in England have active apprenticeship programmes and since the launch of T levels in 2020 councils have been providing IPs where training providers exist. More of course can be done and having the appropriate brokerage in place to help all employers work successfully with providers is essential. Although we welcome the additional investment in provider support, for example, to help increase T Level placements, direct employer incentives have a greater impact in changing employer behaviour. Consideration should be given to how and when incentives can be used to increase opportunities.

In a recent LGA T Level survey of councils, the majority said they would provide more Industry placements if incentives remained in place to help with the additional capacity needed to provide placements for young people. The LGA is committed to working with DfE to promote how T levels and apprenticeships can continue to be a positive experience for young people to gain long-term employment.

Apprenticeship Levy funds

Currently, Apprenticeship Levy funds can only be spent on apprenticeship training and not on many of the other associated costs. The LGA believes the

government should introduce flexibilities on what apprenticeship levy funds can be spent on.

Only 4% of employers are spending their full apprenticeship levy (according to City & Guilds), with an estimated £3bn of unused App Levy funds being returned to the Treasury since 2019 under the current system. Extending the spending window of the apprenticeship levy from 24 to 36 months would alleviate this by allowing greater time to plan and spend the funds appropriately.

We have consistently called for employers to be granted greater flexibility over how they can spend apprenticeship levy funds, including on administration costs, salaries and pre-apprenticeship training. Councils should also be given maximum local freedom, including the ability to pool levy funds to better plan provision and skills development across their areas, and use a proportion of the levy to subsidise apprentices' wages and administration costs and devolve non-Levy apprenticeships funding. This flexibility would better support areas where apprenticeship providers don't have national coverage (for example, in rural and coastal areas) and where there is a scarcity of specialist providers to meet skills needs.

If levy payers were permitted to use a portion of their levy funds to pay for some of the wider costs of maintaining an apprenticeship programme, it would help to create more apprenticeships and give local government greater flexibility to tackle our own skills shortages and bring more young people into the sector. There have been significant changes in national planning policy and approaches to development in the last five years that have had a considerable impact on high streets.

It is important that the levy should be used for all levels across the working population – restrictions on what the levy can be spent on, especially restrictions on its use at graduate and post-graduate levels, will hugely impact on councils' ability to spend and invest in skills at the current and required levels.

T Levels

Councils recognise that T Levels are pivotal for addressing skills shortages, to develop a pipeline of skilled young people ready for the workforce. They are committed to ensuring there is a strong local T Level offer and the LGA is

supporting the roll out of T Levels across local government through the improvement offer for councils. This includes a pilot programme to promote T Level industry placements within councils and work to capture and share best practice.

Through their wide-ranging role in the skills system, councils are well-placed to support the T Level rollout by engaging with young people from all backgrounds to improve take-up, build in wrap-around support for learners and support the provision of quality industry placements. Joining up T Levels with other local support will be crucial to re-engage those who are NEET, provide the additional support needed for students with SEND and those from disadvantaged backgrounds, to enable all young people to get the most out of T Levels.

Councils and combined authorities, working with their local FE sector, employer base and the forthcoming Employer Representative Bodies, are well placed to take a lead role in planning and promoting the new Post-16 local offer, so there is a coherent local picture with joined-up pathways of progression, with built-in wrap-around support for learners.

To ensure the rollout of T Levels is a success, it is crucial that they are effectively promoted to students and their families, through quality CEIAG, as part of the wider Post-16 education offer. As T Levels are still relatively new, confidence will need to be instilled in the long-term value of these qualifications to boost uptake and ensure the reforms do not inadvertently result in a drop in learner numbers and an increase in NEETs, including linking the T Levels skills development and pathways into apprenticeships.

7. What should the role of business be in encouraging the development of skills in the UK? Should business be a consumer, funder, trainer or co-designer of skills provision?

The Department for Education (DfE) recently grant funded devolved authorities and individual county and unitary authorities to design and deliver Multiply. Devolving in this way meant that local government was able to work with providers early on attracting new ones that would not have been able to engage with national programmes.

Progressive devolution allows local government to build on infrastructure and programmes in place, enabling them to develop one stop shops for employers and individuals. This is what underpins the LGA's Work Local, informed by our

member authorities telling us that this kind of support is needed.

A one stop shop for employers would help them navigate the skills offer, ensure they are aware of, and can access health, wellbeing and workplace support including Access to Work, getting advice on how they can build more inclusive recruitment and employment practices, and benefitting from job matching / job brokerage. Many mayoral areas have already developed variations of Good Work charters as highlighted in our recent report. Healthcare providers will see significant benefit through reduced demand and cost if we can integrate their offer effectively with employment support.

8. In a more mobile, flexible labour market, what incentives do employers have to provide training for their employees? Why do you think that employer investment in training has declined in recent decades?

In councils this has to do with a lack of funding – our workforce surveys over the years have shown that in the early years of austerity cuts, learning and development budgets were some of the earliest cuts made. We also have issues with the availability of appropriate courses and assessors – many other sectors have professional bodies responsible for co-ordinating skills development planning (e.g. Skills for Care, Skills for Justice) but local government lacks the overview and provider relationship at a national level.

9. Should further incentives be put in place to reverse the decline in employer investment in training, and if so, what form should these incentives take?

N/A

10. What incentives do individuals have to involve themselves in apprenticeships and training? Is the system available and attractive enough to encourage individuals to seek training, and if not, what can be done to improve this?

N/A

11. How does the UK's approach to skills and training compare to those of other countries? Are there examples of good practice that the UK should be learning from?

We need not look too far to see how other nations draw on local government's expertise in planning employment and skills support. Our UK local government

partners are already on a path to achieving a place-based employment and skills system:

- Scotland's 32 local authorities have formal local employability partnerships which are accountable for annual needs-based funding allocations, agreed by the Convention of Scottish Local Authorities (COSLA) and the Scottish Government. The Local Employability Partnership Framework indicates membership, remit and the coordination role of local authorities. Discussions are ongoing regarding multiyear funding. Scotland's equivalent to Restart (Fair Start Scotland) ran as a national offer until March 2023, until it was localised and rolled in to the No One Left Behind approach. A DWP-local government partnership agreement to improve effectiveness of operations is in the process of being agreed. At a political level, COSLA co-chairs the Tackling Labour Market Inequalities Group with two Scottish Government Ministers. Community Learning and Development Partnerships operate on the same 32 Local Authority footprints so that employment and skills provision is much better aligned locally.
- In Northern Ireland, the eleven councils have local labour market partnerships which bring all partners together to address long term unemployment and inactivity, which are then developed into actions plans and signed off by the Minister for Employment. Northern Ireland local authorities have a much stronger role in setting local priorities for employment and skills provision, funding provision and overseeing delivery across services. Work Local has some strong similarities to the new Northern Ireland structure for delivering services.
- Wales has a strong partnership with local government to deliver 'Communities for Work', an employability support and advisory service in more deprived areas, and Career Wales actively coordinates with local authorities although Employability Plan was not co-produced with local authorities. Local authorities play a key role in the four City and Growth Deals and the Regional Skills Partnerships (RSPs) which lead labour market intelligence and advise Welsh Government on

Appendix 1 – Examples of local partners working together

Area/provider	Scheme, link and summary
Tees Valley Combined Authority	Routes to Work: provided one-to-one support to unemployed or economically inactive people across the area from a dedicated key worker. Follow on support was provided once paid employment was found. It was initially for those over the age of 30 but expanded to cover everyone over the age of 16 in 2020. £6 million funding from DWP and £1.5 million from the combined authority.
Tees Valley Combined Authority	Teesworks Skills Academy: a one-stop-shop to link jobseekers with skills providers and employers to take advantage of job opportunities at the Teesworks development site. Also available to companies wishing to upskill their staff. Funded as part of the redevelopment of the Teesworks site.
Redcar and Cleveland Borough Council	<u>Redcar and Cleveland Training and Employment Hub and Routes to Employment team</u> : hub where residents seeking work or training can access information about live vacancies, training courses, and specialist support.
Stockton-on-Tees Borough Council	<u>Pathways</u> - part of wider <u>Stockton-on-Tees Employment and Training Hub</u> offer: offers one-to-one support for residents aged 16-29 who are not in education, employment or training (NEET) with an advisor to help prepare for interviews, to help with CV writing and targeted support.
<p>Please refer to the appendix for examples of best practice.</p> <p>Appendix West Midlands Combined Authority Appendix 1 – Examples of local partners working together 23 May 2024</p> <p>Page 27 of 27</p>	<u>Thrive into Work</u> : One-to-one job-finding support to people out of work with health challenges, or at risk of leaving work due to sickness. Support included specialist pathways. Provided by the Black Country Healthcare NHS Foundation Trust to people in Dudley and Walsall and by Prospects (part of Shaw Trust) in Birmingham, Coventry, Sandwell, Solihull and Wolverhampton. Trial established in 2018 and extended several times until March 2023. Initial £8.4 million central government funding, and additional £3.1 million government grant in 2021.
	Working Win: supported people with a health