

Comments on the Leitch review from Tower Hamlets Council

Governance

The new strategic leadership role for local authorities 'ensuring the integration of the delivery of 14-19 reform with the wider agenda for children and young people in the locality' has been taken very seriously in Tower Hamlets in one of its key objectives; breaking the cycle of generational worklessness.

Working through the Local Strategic Partnership, the Creating and Sharing Prosperity sub group have developed a Regeneration Strategy offering a blue print for taking advantage of the unprecedented growth forecast for the Tower Hamlets economy.

The Local Area Agreement process has enabled this partnership to consider the step change needed to improve the skills of the local community in a way that will enable the securing of sustainable employment.

The sub group of the LSP, the Employment Task Group, brings together the main players and funders of employment related and skills activity and between them they have created innovative responses to local need.

The partnership includes representation at a senior level from Jobcentre plus, Education Business Partnership, Education Improvement Partnership, Tower Hamlets College, London Development Agency, Learning and Skills Council , Connexions and officers from both Children's Services and Development and Renewal Directorates of the Local Authority. Private sector employers are represented by East London Business Alliance and specific links to their board of major private sector corporates in the area completes the effectiveness of the partnership.

This group is able to pilot new initiatives through Neighbourhood Renewal activities that can challenge and offer alternatives to mainstream national programmes and secure complimentary funding on a partnership basis.

This partnership approach has already delivered improved joined up planning and delivery in respect of the skills and employment agenda for the NEET group. An original concept within the second round of LAA participating Local Authorities offered the step change of integrating all employment related services for young people under 25 through the Employment Task Group.

This concept would fit well within the recommendations of the Leitch review, especially in relation to the proposed integrated employment and skills service.

Tower Hamlets has a very young population with 30% of the population below the age of 25 (**check**). The economy is thriving with Tower Hamlets first in the country in terms of economic growth and 7th in the country in terms of

economic productivity. There are 2 jobs for every economically active resident yet the employment rate is the worst in the country and the unemployment rate the second highest in the country. 30% of JSA claimants are under 25 and this figure has remained fairly static for many years. Tower Hamlets performs poorly in respect of education and skill, ranking 374th out of 408 districts.

Taking the scale of unemployment and lack of labour market skills in the borough, and also across East London, our conclusion, with its robust evidence base, is that it is vital that we target young people helping them to access and maintain sustainable employment. This will have the long term effect of preventing our young population becoming the workless families of the future.

The Tower Hamlets approach is to have a well structured programme of activity to raise skills and aspirations of young people to ensure they are able to meet the needs of the thriving labour market. This includes improving the transition from education to employment, preventing young people becoming NEET, preventing them from becoming young adult JSA claimants and preventing the ongoing cycle of worklessness.

The proposal suggested through the LAA process was not able to include young adults due to the decision by the Department for Work and Pensions not to align current New Deal funding or assist with mandatory referrals from other JSA claimants. However subsequent work of the partnership has continued to yield success rates of 97% into employment with 80% sustainability rates against figures of 40-45% success in Government national Welfare to Work programmes.

The aims of the Tower Hamlets partnership mirror many of the recommendations contained within the Leitch report. The high level of input from employers that the programme offers helps in providing the appropriate pathways to employment that will meet both the skills needs of employers as well as raise aspirations, send positive messages back to those still to make the transition from education to employment, raise aspiration and reduce unemployment.

Tower Hamlets Council has an excellent record of partnership with key inward investors such as Canary Wharf Group and the major corporates investing in the borough as well as its joint work with the Health Trust to transform the London Hospital to the largest hospital in Europe. Initiatives such as ringfencing all hospital entry level jobs to local recruits and developing further career pathways with the LSC, local colleges and Universities, linked to the potential to secure affordable housing to help employees remain within the area are just one example of creative partnership work led by the local authority.

Tower Hamlets is unique in terms of the vibrancy of its economic prosperity sitting alongside pockets of structural generational deprivation. The relationship that the Council have developed with inward investors, from initial

discussion with developers to innovative programmes with tenants, will continue to put the Council in pole position for negotiating real progress in terms of harnessing some of the economic prosperity for its local community. However, it will be essential for ongoing flexibility around key constraints to continue to be negotiated.

The local authority is well placed to facilitate area-wide partnership planning and play a pivotal role in ensuring an inclusive offer whether working with the LSC or directly with central government.

Convening

We welcome the views contained in the report that confirms that skills and employment systems are often disjointed. Joining up pre-employment and post-employment assistance was at the very heart of the principles offered within the first round of our LAA process.

The recent DWP paper indicating that two-thirds of Jobseekers' Allowance claims are repeat ones confirmed earlier reports commissioned through the Tower Hamlets LSP. With all our skills and employment programmes sustainability is one of the key elements of any of the partnership work.

The programmes that have been delivered through the partnership are all based on effective screening and matching to both training and to employment to ensure sustainability, which is not only key to assisting both employers and employees to consider future skills enhancement, but is cost effective to the public purse.

We also welcome the view that on the job training is a vital source of skills development and career progression and that skills training must keep up to date with the ever changing portfolio of skills required in today's labour market.

The success of our programmes is based on providing the essential skills required by an employer and combining this with paid work placements. This allows the employer to identify the potential worth of the employee and continue their development and skills training once employment has been offered.

More flexibility within the Train to Gain programmes as well as apprenticeship programmes to meet the skills needs of employers will enable these programmes to be offered on a larger scale and meet the key findings of the report. These types of programmes work just as well for young adults as older adults returning to the workplace, but they must be flexible enough to meet the needs of employers and, in our area, where jobs are not the issue, and the recruitment area is global, they must be attractive enough to employers to help them consider the recruitment of a local workforce.

We do have some concerns that the approach to route all public funding for adult vocational skills through Train to Gain and Learner accounts by 2010 will

have the effect of further isolating workless individuals who are not JSA claimants from receiving assistance with ESOL and basic skills training.

It is unclear how this group will be able to access learning. Social exclusion inhibits access to services to which there is a formal entitlement and these individuals are unlikely to be users of Learning Accounts.

Through our Living Well programme in the LSP we believe it important for local residents to have access to ESOL and basic skills provision in order to fully access local services such as health. It is also important for parents to have basic skills in order to play more of a role in their children's education or take effective decisions on their children's education. Whilst the cycle of disadvantage is highlighted elsewhere in the report access to a basic platform of skills needs to be followed through.

There is agreement between the LSC and the Local Authority that the market is not a secure mechanism for ensuring that 14-19 learning needs are met. We are also concerned about the risks inherent in planning and performance management systems that focus on provider institutions and fail to address the needs of NEET young people who are outside the system. In order to ensure the skills levels of adults it is vital to ensure that appropriate 14-19 pathways send clear messages to parents and to those yet to make the transition from education to employment.

Tower Hamlets would welcome the opportunity to be part of the proposed integrated adult careers service, integrating this into our Local Strategic Partnership. The work of the sub group, the Employment Task Group, has already achieved, albeit on a small scale and often restricted due to current restraints that national prescriptive programmes bring, effective integration of IAG, skills development and employment brokerage.

There is further potential to pursue this through the City Strategy mechanism. Where this favours a family focussed approach the Local Authority can help to facilitate this through such avenues as our Ideas Stores.

We believe it essential that local authorities play a lead role in the proposed boards, both as major employers and to reflect the role in economic and skills planning.

Funding

With regard to the recommendations for fully integrated 14-19 phase and alignment of curriculum, funding and financial support across the range of 14-19 providers we are fully supportive and agree that this process now needs to be accelerated.

The opportunity to lead within the partnership of the LSP has the potential to provide routes through the LAA process to better align funding to help create effective pathways to economic prosperity.