

## Report to OVERVIEW AND SCRUTINY BOARD

# Oldham Work and Skills Strategy Update

### Portfolio Holder:

Cllr Shaid Mushtaq, Cabinet member for Employment and Skills

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### Purpose of the Report

Cabinet agreed the Council's new Work and Skills Strategy on 27 June 2016. The strategy was presented to Overview and Scrutiny in July 2017. The Strategy was written to complement the new regeneration framework for Oldham, by focussing particularly on "social regeneration" objectives for the borough, developing a shared ownership of these across all partners and providers. It acts as one of the three major components of the Oldham Strategic Investment Framework (SIF) for economic regeneration, and to position the Council in the context of GM devolution of employment and skills.

At the meeting the Board **RESOLVED that:**

1. The update on the Work and Skills Strategy be noted.
2. A further meeting be arranged with the Principal of Oldham College for an update on the Area Based Review.
3. An update on the Work and Skills Strategy be received by the Board in 12 month's time.

The purpose of this report is to update the Board on the progress in relation to the key components of Work and Skills Strategy as requested.

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## Executive Summary

The strategy sought to improve population skills outcomes to support Oldham's strategic goals. It was intended to inform and raise awareness across the Oldham Partnership of the complexity of and multiple challenges facing the employment and skills systems, and positions the Oldham economy in the context of emerging strategies for employment and skills across Greater Manchester (GM).

The Work and Skills strategy is organised around four strategic goals, supported by a new outcomes framework for work and skills:

- 1.1. Create jobs**, including targets for Phase 2 of Get Oldham Working
- 1.2. Social regeneration and in-work progression**, including the new pilot Career Advancement Service
- 1.3. Deliver the OESC and improve the colleges**, including a commitment to support the sustainability of the post-Area Based Review settlement for Oldham
- 1.4. Support a thriving private sector**, including to better represent our six priority employment sectors in our partnership framework

This report provides an update against the Outcomes framework.

## Recommendations

1. Comments and feedback from Overview and Scrutiny Board are invited on the update.

## Oldham Work and Skills Strategy 2016-20

### 1 Background

- 1.1 The Work and Skills strategy complemented the regeneration framework for Oldham, by focussing particularly on “social regeneration” objectives for the borough, to develop a shared ownership of these across all partners and providers. It acts as one of the three major components of the Oldham Strategic Investment Framework (SIF) for economic regeneration, and to position the Council in the context of GM devolution of employment and skills (This now includes £92.3m Adult Education Budget from August 2019 and the £50m Work and Health Programme).
- 1.2 The strategy seeks to improve population skills outcomes to support Oldham’s strategic goals. It seeks to inform and raise awareness across the Oldham Partnership of the complexity of and multiple challenges facing the employment and skills systems, and positions the Oldham economy in the context of emerging strategies for employment and skills across Greater Manchester (GM). It is organised around four strategic goals, supported by a new outcomes framework for work and skills:
- **Create jobs**, including targets for Phase 2 of Get Oldham Working
  - **Social regeneration and in-work progression**, including the new pilot Career Advancement Service
  - **Deliver the OESC and improve the colleges**, including a commitment to support the sustainability of the post-Area Based Review settlement for Oldham
  - **Support a thriving private sector**, including to better represent our six priority employment sectors in our partnership framework
- 1.3 The Work and Skills Strategy is developed around an Outcomes framework which commits partners to working collaboratively in pursuit of twelve priority themes. Cabinet agreed the Council’s new Work and Skills Strategy on 27 June 2016. The strategy was presented to Overview and Scrutiny in July 2017. The Strategy was written to complement the new regeneration framework for Oldham, by focussing particularly on “social regeneration” objectives for the borough, developing a shared ownership of these across all partners and providers. It acts as one of the three major components of the Oldham Strategic Investment Framework (SIF) for economic regeneration, and to position the Council in the context of GM devolution of employment and skills.
- 1.4 This report aims to provide the Overview and Scrutiny Committee and update at the end of the second year.

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1.5 Key highlights include the successful attraction of £1.4m of European Social Fund monies to deliver the Skills for Employment, RAISE and National Careers service programmes, which enable a full programme of employment and skills support to be delivered by Get Oldham Working.

2 **Current Position**

2.1 Figure 1 presents an overview of each outcome in June 2018 compared to that in 2016 and the intended outcome by 2020

Figure 1 – Progress update

<b>Outcome</b>	<b>Priority Theme</b>	<b>2016 status</b>	<b>2020 Outcome</b>	<b>2018 Update</b>
1.	Population skills outcomes	Summarised in section H on skills performance	Closing the gap: consistent with the SIF, population skills outcomes (% of residents qualified at L1-4+ inclusive) should demonstrate a rate of improvement at or above GM averages.	<p>The Local Economic Assessment will be published in July 2017 which demonstrates an improvement in skills outcomes with nearly 4 percentage point increase in NVQ 4 and above (degree level) compared to a 1 percentage point increase in GM and a reduction in citizens with no qualifications. (A new Economic Assessment will be produced in early 2019.)</p> <p>The ESF Skills for Employment, ESF Skills for the Workforce and the Apprenticeship Levy programmes will continue to support this uplift alongside the Career Advancement Service.</p>
2.	Provider performance	Current OFSTED judgements	No provider rated less than “Good” by OFSTED	<p>Support is ongoing with key local providers. The Oldham College recently posted significant improvements in achievement rates – with the fastest rate of improvement of any GM FE college</p> <p>Oldham Lifelong Learning Service is still Outstanding and self-assessment maintains this expectation.</p>

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3.	Apprenticeships	As of 2013/14 data, 2 <sup>nd</sup> lowest Apprenticeships pass rate in GM – 2040 leavers with pass rate of 65.8%	<ol style="list-style-type: none"> <li>1. By 2020, high quality sectoral specific and relevant apprenticeships should be provided across Oldham, maximising the value of the levy and meeting business needs of our future employment base.</li> <li>2. Closing the gap with GM success rates in context of onset of Apprenticeship Levy</li> <li>3. Maximise the value of Levy-funded provision for Oldham Council as an employer</li> </ol>	<p>Latest data set for 2016/17 (published March 2018) demonstrates significant improvement in apprenticeship achievement rates for Oldham citizens. Average pass rate is now 70.1% (1.9 percentage points higher than 2015/16) which continues to be higher than the GM average of 67.6% (1.2 percentage points higher than 2015/16).</p> <p>Significant work has been undertaken to prepare for the Apprenticeship Levy within the Council which has a target of c. 63 apprentices per year with funding of £310k per year to fund the training (equivalent to c. 100-150 apprentices per year).</p> <p>Work is ongoing with GMCA to develop new apprenticeship standards to support key sectors.</p>
4.	Schools	Actions as per December 2015 Oldham Education and Skills Commission (OESC) report	<ol style="list-style-type: none"> <li>1. Improved secondary outcomes at age 16</li> <li>2. Establishment and successful mobilisation of self-improvement vehicle recommended by OESC</li> </ol>	Work is continuing apace with the OESC activity and will be reported separately.
5.	GM Area-based review (ABR) of colleges	Not yet reported	<ol style="list-style-type: none"> <li>1. Implementation of a sustainable and supported ABR settlement for Oldham, including a strong, financially sustainable institutional presence retained in the borough</li> <li>2. An Oldham post-16 provider market with a comprehensive entry – L2 offer for residents</li> <li>3. A provider offer for L3+ in Oldham</li> </ol>	<p>The Area Based Review was completed but the proposed merger between Oldham, Tameside and Stockport is no longer feasible.</p> <p>The Council is now supporting the College to stabilise its position following the ABR activity and to re-shape its offer to meet local employer and citizen needs with ongoing</p>

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			focussing provision on sectoral priorities	dialogue with the FE Commissioner and Board of Governors. The FE Commissioner's latest report has given approval to maintain "stand alone" status.
6.	Sectoral priorities	Not currently articulated	<p>Consistent with the SIF, the strategy focusses on six key sectors for employment growth and skills provision in Oldham:</p> <ol style="list-style-type: none"> <li>1. Health and social care</li> <li>2. Services (1): professional/ business/digital services</li> <li>3. Services (2): retail/leisure/ hospitality</li> <li>4. Engineering and manufacturing</li> <li>5. Construction and property</li> <li>6. Logistics</li> </ol> <p>The strategy seeks to support development of a sustainable provider base for Oldham to secure skills and progression pathways appropriate to these sectors.</p>	<p>The Economy and Skills Partnership has undergone a full system review and has enlarged its private sector membership which is driving 6 sector networks which will provide key intelligence to shape our business off. The majority of this activity will sit within the Business Growth and Investment strategy but the skills dynamic will feed into dialogue with key providers to ensure responsiveness to the key sectors.</p> <p>The Council is also engaged with the Greater Manchester Combined Authority to ensure that the Area Based Review activity meets our key sectors needs.</p>
7.	Get Oldham Working #2: local employment support programmes	Get Oldham Working exceeded objectives for over 2,015 job, apprenticeship and traineeship opportunities from 2013-15	<ol style="list-style-type: none"> <li>1. Engage over 6,000 residents through the second phase of Get Oldham Working from 2016-20,</li> <li>2. Fill over 5,000 jobs and work-related opportunities</li> </ol>	<p>Over the last 2.25 years the programme has filled 3,581 work related opportunities by the end of June 2018 against the target of 2,812. This consisted of 2,550 jobs (target 1,913), 109 salaried traineeships (target 89) 490 apprenticeships (target 336) and 432 Work experience placements (target 474).</p> <p>On the ESF Skills for Employment project 848 residents have received intensive mentoring and coaching support with a GOW learning mentor, so far, 64 have completed a valuable and meaningful work experience</p>

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				<p>placement, 78 achieved a qualification and so far resulting in 102 moving into a sustainable job. These are within contract expectations.</p> <p>In addition to the above programmes we have also been running two career management contracts. RAISE is for independent career management and NCS (National Career Service) is for guided career management. We have supported 220 people on RAISE so far and 60 on NCS resulting in over 240 career management outcomes. Job and Learning outcomes currently being tracked and reported later in the year.</p> <p>ESF Awarded programmes:  Skills for Employment £1,277,536  RAISE £89,760  National Careers Service: £56,160  Lottery funded: Stronger Communities £77,000  Ageing Better Hub £5k</p>
8.	Progression strategy	No comprehensive progression model in place	1. Invest in a new pilot Oldham Career Advancement Service – an extended information, advice and guidance offer seeking to help over 400 residents already in work to progress from low pay, low skill jobs during the initial pilot phase	The Career Advancement Service was launched in December 2016 and is now currently working with 316 residents engaged to date, 48% under-employed working part-time. 23 of these engaged have started new jobs as a result of the support so far resulting in an average increase in salary of £5,750. 69 residents have started new learning aims, 3 advanced learning loans, 30 apprenticeships and 35 AEB funded. The CAS project was promoted at the Institute of Learning and Work conference.

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9.	Advanced learning loans strategy	<ul style="list-style-type: none"> <li>• 150-300 applications in Oldham in 2014-15</li> <li>• Nationally, total value of loans ready for payment £148.8m in 2014/15, against forecast national budget of £500M p/a by 2020</li> </ul>	<ol style="list-style-type: none"> <li>1. Work with providers and employers to increase demand for loan-funded provision for 19+, L3+ provision as alternative to Apprenticeships route</li> <li>2. Build loans promotion into Career Advancement pilot model</li> <li>3. Develop local strategy to manage emerging tensions between loans and Apprenticeship Levy policy</li> </ol>	<p>As above.</p> <p>However, Government announced in the Autumn Budget that a new re-training scheme will be piloted (predominantly due to the poor take up of Learner Loans).</p>
10.	Higher level skills and HE strategy	Provider environment including University Campus Oldham, the GM UTC in Oldham and other aspects of provider offer	<ol style="list-style-type: none"> <li>1. Retain and support growing UCO presence in Oldham, and the enhanced HE offer proposed in Oldham's ABR settlement</li> <li>2. Retention of specialist L4/5+ provision in Oldham supporting the emerging curriculum model for ABR settlement</li> <li>3. Achieve higher level apprenticeships growth with providers as Levy takes effect</li> <li>4. Grow L4+ loan funded provision in line with advanced learner loan strategy</li> </ol>	<p>The UTC closed in summer 2017. However, the Council is supporting the local providers to develop their expansion of higher level skills and this will form part of the GM Skills Strategy.</p> <p>The Council is supporting Oldham College to develop a Construction Skills College which will support</p> <p>Higher Apprenticeships are becoming more available and have formed a key part of the Council's organisational development focussing on Leadership and Management (level 3 &amp; 5) and the recent launch of the Level 7 MBA apprenticeship will be popular.</p> <p>The Career Advancement Service has demonstrated a demand for increasing skill levels. (Level 3 = 35%, Level 4+ = 13%)</p>
11.	Community Learning	Service rated	1. Strategic review of the Council's	Strategic review has been carried out in

<b>Outcome</b>	<b>Priority Theme</b>	<b>2016 status</b>	<b>2020 Outcome</b>	<b>2018 Update</b>
	and Lifelong Learning provision	“outstanding” by OFSTED in December 2015	<p>Lifelong Learning Service to be undertaken in advance of the 2017/18 academic year.</p> <p>2. Retention of current OFSTED quality rating and learner outcomes</p> <p>3. Maintenance of qualification and non-qualification based AEB-funded provision in Oldham under devolved commissioning for 2018/19+, supporting re-engagement of learners with the skills system, and progression pathways</p> <p>4. Develop an adapted referral and progression model and evaluate impact across providers in Oldham</p>	<p>advance of devolution and will continue to be deferred as full GM devolution of the Adult Education Budget has been delayed for a further year i.e. to 18/19 academic year. Government orders expected to be signed in autumn 2017.</p> <p>Outstanding rating currently maintained by the Lifelong Learning Service. Effective delivery of ESFA contract.</p> <p>Delay in AEB devolution but close monitoring of proposed new commissioning framework for devolved AEB at GM level and officers and members closely involved as the system will shift towards economic productivity.</p> <p>Current year ESFA allocations have been maintained for providers going into the 17/18 academic year as interim measure.</p> <p>Lifelong Learning Service continues to review and strengthen referral and progression with providers in Oldham. In addition, the Work and Skills Partnership is reviewing intra-organisational referral and progression models with providers in Oldham linked to the Career Advancement Service.</p>
12.	DWP commissioned national employment support programmes	Work programme performance Working Well 1 performance	<p>1. Fully engage in GM-wide Work &amp; Health programme commissioning against risks of depleted national employment support budget</p> <p>2. Support local contractors in supply chain management to deliver a successful expansion of the phase 2</p>	InWorkGM is a new alliance partnership between Ingeus and The Growth Company. It also includes Pathways CIC and Pluss; specialist health, wellbeing and disability support organisations deliver the Work & Health programme. Ingeus is the delivery

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			Working Well programme for Oldham, and manage new Integration Board successfully	<p>partner in Oldham.</p> <p>It brings a total funding of £52 million to support over 22,000 individuals in Greater Manchester between 2018 and 2024.</p> <p>Starts to the Work and Health programme (WHP) have reached 876, against a forecast of 1,907 (1,031 below forecast, 46% of forecast). When we look at Local Authority level, Oldham started 39 residents, against a forecast of 171 (132 below forecast). We are below forecast due to a number of reasons which includes; mobilisation of the programme, recruitment of staff, and receiving some inappropriate referrals. We are confident that this will not pose an issue and we will catch up.</p> <p>To date, 5 residents from Oldham have secured employment.</p> <p>GOW work closely with Ingeus to ensure a good partnership approach is taken to support Oldham residents. Ingeus Integration Co-ordinator has been co locating with GOW over the past few months and works to the integration plan, which was written with us. Ingeus also keep us updated on performance and issues on a regular basis through the Employment and Skills provider partnership meeting.</p>

### **3 Key Issues for Overview and Scrutiny to Discuss**

3.1 Comments and feedback from Overview and Scrutiny Board are invited on the progress made in delivery of the Work and Skills Strategy.

### **4 Key Questions for Overview and Scrutiny to Consider**

4.1 Specific feedback from Overview and Scrutiny Board is invited on:

- The progress made to date
- The impact of devolution on the Work and Skills agenda for Oldham.

### **5. Links to Corporate Outcomes**

5.1 The Strategy is fully reflective of the Council's corporate plan, particularly the co-operative council vision and agenda, as reflected throughout the document.

### **6 Additional Supporting Information**

6.1 N/A – reflected in the main report.

### **7 Consultation**

7.1 N/a

### **8 Appendices**

8.1 N/A.