

ITEM

Report of: The Chief Officer

Date: 10th December 2009

Subject: Employment and Skills Board

1. Purpose of this report

1.1 In the context of the forerunner pilot programme, discussed elsewhere on the agenda, the purpose of this report is to:

- Set out the proposition to move to an Employment and Skills Board (ESB) for the city region which would seek to take on statutory strategy-setting powers for adult skills funding and progress the DWP devolution agenda; and
- Seek the ongoing support and views of Leaders in progressing the proposed arrangements.

2. Background

2.1 The proposal to develop an Employment and Skills Board for the city region has been driven by the opportunity identified by the Skills and Labour Market Panel to strengthen the employer 'voice' and 'Place leadership' role in articulating the demand for skills in order to drive the adult skills system to meet the needs of the economy.

2.2 The move to an ESB for the city region formed a key part of the successful initial submission for forerunner city region status and is central to delivery of the Pilot Programme signed off with Government at the Summit in November, and is highlighted in the National Skills Strategy.

2.3 Leaders will recall Government guidance which proposed the ESB as a private sector led body. The powers of the ESB itself would be statutory, setting out the strategic direction of adult skills funding, specifically that which is, at present, under the control of the Learning and Skills Council, and due to transfer to the Skills Funding Agency next year. Currently, the Learning and Skills Council for Yorkshire and the Humber spends approximately £1 billion annually. The strategy setting body would require legal personality in order to be able to secure devolution of strategy-setting powers.

3. Progress

- 3.1 Following the Forerunner announcement in the spring Budget, discussions and negotiations have taken place to develop and progress the City Region proposals for adult skills and DWP devolution.
- 3.2 Cllr Kris Hopkins, Phil Coppard, and John Yeomans (in his capacity as Chair of the Business Leadership Group), supported by Secretariat officers and consultants, have variously been engaged in developing the Skills and Employment proposition with Government Departments (BIS, DWP and CLG) through regular senior official level meetings and with Ministers in July and November. A Steering Group has been established to facilitate discussion with regional agencies including Yorkshire Forward, the Learning and Skills Council, Jobcentre Plus, and GOYH. A working group of Local Authority officers has also been established to promote coherent links with local arrangements, develop the detailed evidence base, and drive the development of the proposed Employment and Skills Plan.
- 3.3 Key outputs of these discussion, forming the basis of the forerunner agreement are:
- Propositions for Skills and Employability, articulating the related devolved powers and responsibilities required to deliver the activity outlined in the forerunner proposal;
 - Scope of the Employment and Skills Plan; and
 - Draft Terms of Reference and Membership for the ESB (shown at Appendix A)
- 3.4 Secretariat resources and capacity have been identified in order to deliver and support the ESB and the proposals for the skills agenda going forward, and the 2009/10 budget is discussed elsewhere on the agenda.

4. Governance arrangements and accountability

- 4.1 BIS has issued updated guidance setting out proposed criteria for designating individual ESBs as strategy-setting bodies. Building on this guidance, the UK Commission for Employment and Skills (UKCES) has prepared a draft assessment process for city region ESBs. It is understood that the application criteria and process will form the basis of UKCES recommendation to the Secretary of State that the ESB either:
- Has robust employer leadership arrangements in place and can be recommended for strategy setting ('Section 4') powers; or
 - Does not yet have sufficiently robust employer leadership arrangements in place and is recommended to undertake the appropriate steps in order to re-apply.
- 4.2 Throughout the above discussions and negotiations, the Leeds City Region Partnership has followed the principle that any new form of governance should flow from the functions and powers that the city region is offered part of the forerunner agreement and that, where feasible, governance changes should build on those already established.

- 4.3 Whilst the draft Terms of Reference align with the Government guidance outlined above, which emphasises the importance of an employer led ESB, ensuring clear democratic accountability of any ESB is considered of particular importance, including its relationship with the Leaders Board.
- 4.4 Therefore, in the first instance, ahead of any broader conclusions reached on city region Scrutiny arrangements, it is proposed that any established ESB for the city region would 'hold' any devolved strategy setting (Section 4) powers, with the Leaders Board endorsing the Employment and Skills Plan. The Employment and Skills Board will be chaired by an appropriately appointed (ie, applying the seven Nolan principles of standards in public life) employer, to be appointed by the City Region Leaders Board in consultation with the Secretary of State. The ESB would be charged with developing and maintaining strong links to existing local and regional arrangements to ensure alignment and to avoid risk of duplication.

5. Next steps

- 5.1 The discussions outlined in 3.2 have indicated that the following key timescales, although challenging, are considered achievable:
- Commissioning of the Employment and Skills Plan, arrangements for Shadow Employment and Skills Board in place and the appointment of an interim (private sector) Chair by December 2009. The draft proposals and arrangements for the establishment of the Shadow Board are shown at Appendix B;
 - Full Board established and Employment and Skills Plan finalised by April 2010; and
 - Assessment and granting of 'Section 4' powers in spring 2010.
- 5.2 A more detailed Action Plan is shown at Appendix C which sets out in further detail the proposed steps for the implementation of the above proposals and the key proposed milestones and deliverables.

6. Considerations

- 6.1 Leaders are asked to consider and comment on:
- Whether the proposed draft Terms of Reference and Membership as shown in Appendix A provide a strong basis for developing an effective employer led Employment and Skills Board, this having sufficiently clear lines of democratic accountability;
 - The draft proposals the Shadow Board which are shown at Appendix B; and
 - The Action Plan for shown at Appendix C which identifies the key milestones and deliverables to spring 2010.

7.0 Recommendations

- 7.1 Leaders are requested to comment on and support the proposals to seek to develop a statutory ESB for the city region, as summarised in 6.1, and in line with our Forerunner Programme.

Previous Papers

Source Papers	Location
<p data-bbox="135 360 619 394">Meeting Date: 26 February 2009</p> <p data-bbox="135 434 783 506">Item Title: Invitation for Forerunner City Regions (Pre Budget Report)</p>	<p data-bbox="810 398 1350 432">All previous papers can be located at:</p> <p data-bbox="810 472 1209 506">www.leedscityregion.gov.uk</p>