

REPORT OF THE CLERK TO THE JOINT COMMITTEE

Establishing Governance Arrangements for Worklessness and Skills Joint Committee of the London 2012 Olympic and Paralympic Host Boroughs 18 December 2009	Classification Public	Enclosures AGENDA ITEM NO. 6
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1. INTRODUCTION

1.1 The Multi Area Agreement gives a strong base for joint investment, influencing the national provision, and holding partners and their service providers to account on delivery of worklessness and skills services. The next step for implementing this flexibility with the Department for Work and Pensions and the Department for Business Innovation and Skills, and for further developing the Strategic Regeneration Framework, is to set the governance structures in place. This report makes recommendations on the governance arrangements.

2. RECOMMENDATIONS

2.1 The Joint Committee is recommended to:

- i) Establish a Worklessness and Skills Sub-Committee comprising one executive member and one substitute executive member from each of the five boroughs, the names of whom shall be notified to the Clerk of the Joint Committee.
- ii) Approve the terms of reference for the sub-committee as follows:
 - to direct worklessness strategies and programmes of the five boroughs;
 - to approve, oversee and direct grant programmes in line with the strategies and programmes;
 - to establish an senior officers and partners Commission and to determine its terms of reference;
 - to establish an advisory Business Leadership Group and to determine its terms of reference.
- iii) Determine the quorum for the Sub-Committee.
- iv) Endorse the existing arrangement that the London Borough of Greenwich takes the thematic lead on worklessness and skills issues for the five

boroughs, pursuant to paragraph 8.1 of the Inter Authority Agreement of the 31st August 2006.

- v) Endorse the existing arrangement that the London Borough of Hackney is the accountable body for grants on worklessness and skills, currently comprising the Deprived Area Fund (DAF) from the DWP, the Local Employment and Training Framework (LETF) from the LDA, the Host Boroughs Future Jobs Programme and a subregional LDA European Social Fund (ESF) programme.

3. RELATED DECISIONS

- 3.1 While considering the successor programme to LETF in October 2009, Leaders and Mayors agreed that the Employment and Skills Partnership Board had fulfilled its purpose and that new arrangements should be established linked to the Joint Committee.
- 3.2 Within the worklessness theme of the Multi Area Agreement, we have secured agreement to a sub regional approach to employment and skills provision through the establishment of a joint investment group made up primarily of the funder stakeholders. This would be encompassed in the proposed Commission.

4. ALTERNATIVE OPTIONS

- 4.1 There is no alternative proposal.

5. SUSTAINABILITY AND LEGACY

- 5.1 The proposals put forward will provide the governance arrangements for:
 - Political oversight and control over important worklessness and skills issues
 - Oversight and strategic management for achieving convergence as set out in the Strategic Regeneration Framework
 - Joint investment planning and influence over central and regional Government organisations commissioning employment services and programmes
 - Management of sub regional performance
- 5.2 In line with the localization agenda set out by DWP, these governance proposals will enable the local partnership to take on responsibility and accountability for national provision, if they so wish.

6. ECONOMIC IMPACT

- 6.1 The aim is to reduce worklessness and child poverty in the 5 Host Boroughs and to bring about convergence objectives set out in the SRF. This would have a very positive economic impact.

7. HUMAN RIGHTS

- 7.1 There are no issues.

8. RISK

- 8.1 The proposals bring about flexibilities which were introduced in the Multi Area Agreement. They establish a focal point for all organisations commissioning worklessness services in the 5 Host Boroughs, enabling investment to be aligned and maximised.
- 8.2 There is a risk of reduced influence and continuing misaligned programmes if we do not move to these structures in time to inform 2010/11 investment decisions. These need to be influenced during 2009/10 Q4.

9. FINANCIAL CONSIDERATIONS

- 9.1 The Joint Committee will agree a performance framework which will deliver convergence targets. They will establish a sub regional programme of employment and skills services, the performance and financial management of which will be monitored on a monthly basis by the Employment and Skills Performance Monitoring Group. (E&SPMG)
- 9.2 The E&SPMG will be managed by the HBU and report performance, including KPIs and spend, to the Employments and Skills Commission on a quarterly basis. The Commission will report performance to Joint Committee twice a year or by exception when issues arise.

10. LEGAL CONSIDERATIONS

- 10.1 The proposals in this report accord with the governance framework in the Inter Authority Agreement of the 31st August 2006 and the Memorandum of Understanding of the 14th September 2009.
- 10.2 There are no immediate legal implications arising from the report.

11. BACKGROUND / TEXT OF THE REPORT

- 11.1 Tackling worklessness has been at the forefront of partnership working in the 5 host boroughs. In the very early days an Employment and Skills Partnership Board was established including; politicians from each of the 5 boroughs; representatives from central government; employer representatives; the LDA; the ODA and LOCOG. This Board has overseen a number of significant developments, including;
- the establishment and strengthening of local labour market brokerages;
 - the development of the single points of access service;
 - the LETF programme and within this targets for jobs on the park;
 - Borough ESF projects;
 - Borough Future Jobs projects;
 - co-ordinate approach to subregional programmes
 - strengthened partnership with JCP.
- 11.2 The success of the approach has established a programme of work worth potentially £39m to the 5 Host Boroughs. This includes the Deprived Area Fund

(DAF), the Local Employment and Training Framework (LETF), the Host Boroughs Future Jobs Programme and the European Social Fund (ESF) programme, as mentioned above in section 2. However, the governance is not properly linked to the recently established Joint Committee.

11.3 As a result, the chair of the Employment and Skills Partnership Board has asked that it is integrated into Joint Committee governance, and takes into account the MAA and SRF commitments.

11.4 This paper sets out proposals for governance which provide legal cover for a sub regional programme of work, as well as providing strong political control and strategic oversight of future developments.

Key Issues

11.5 Effective engagement with employers and business, as well as central government, is critical to the effectiveness of worklessness strategies and programmes. The original partnership board recognized this issue and included representative from all the relevant areas. As a result it was very big and sometimes unwieldy.

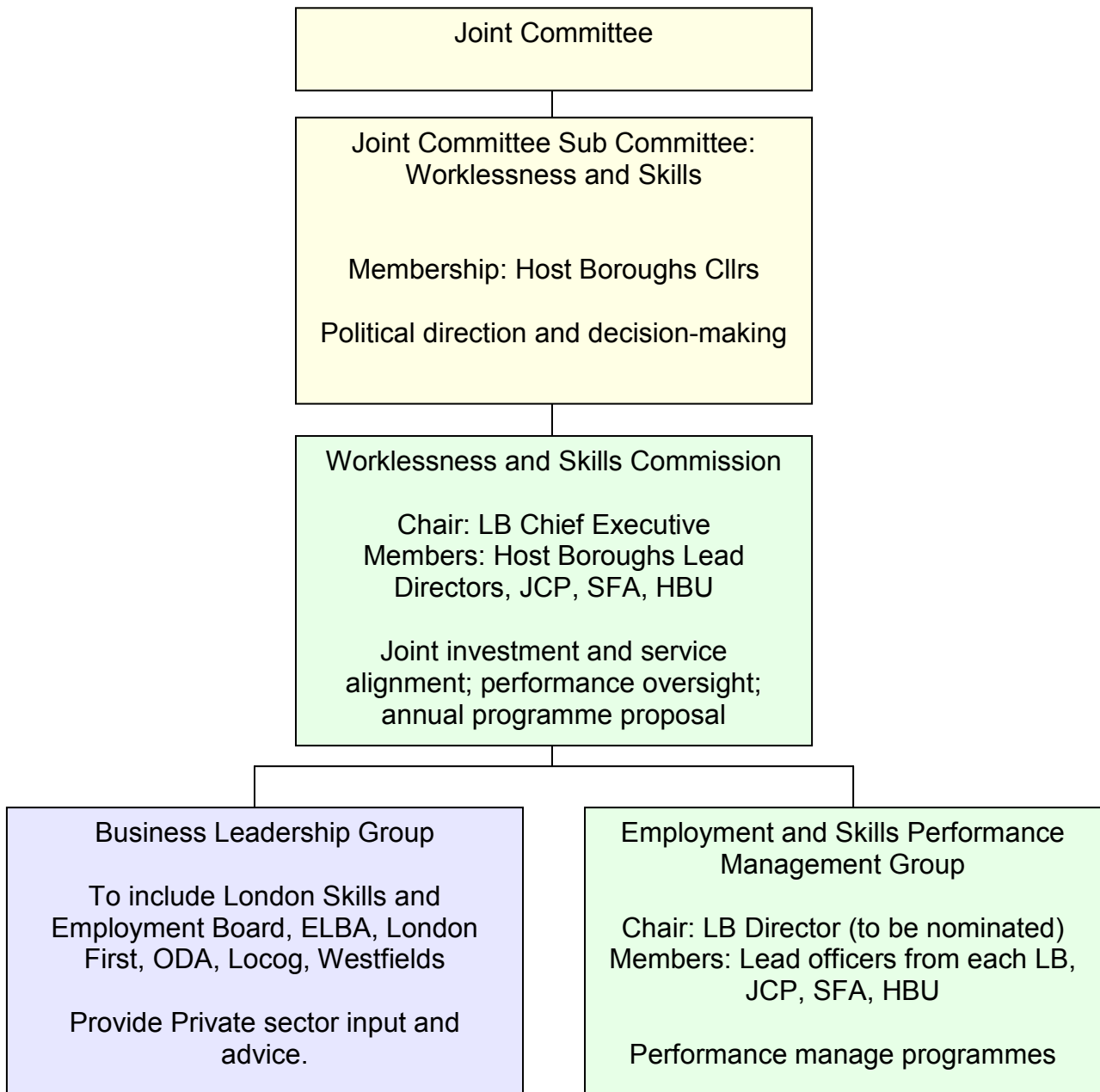
11.6 The new governance should consider how to manage the relationships required. This report recommends separating out these roles into three different bodies so that we have:

- Clear political leadership, direction and decision-making, with a direct link to the Joint Committee
- Effective engagement with partnering organisations in order to influence decision-making on national and regional service provision at an early stage and in line with local needs; and to establish which pieces of national and regional commissioning would be best handled locally.
- Effective employer and business input, a key issue identified in SRF 1, and with the potential to cover a wide range of SRF themes, in addition to the core initially links on maximising employment and understanding the skills needed in our local workforce.

Proposition: A Political Joint Committee Sub-Committee; A Senior Officers Partnership Commission; a Senior Business Group

Overview

The diagram overleaf sets out the proposed arrangements.



Sub-Committee of the Joint Committee

11.7 It is proposed that a formal sub-group of the Joint Committee is established on Worklessness and Skills, meeting twice a year, with political oversight of all worklessness and skills issues and programmes for the sub-region. In accordance with the Memorandum of Understanding, membership must be one executive member from each of the Boroughs. It is suggested that a second executive member from each Borough be appointed as a substitute member to ensure that all boroughs have representation even if their full member is indisposed. The suggested quorum is three. Support to the Committee would be provided by the Chair of the Commission (please see below) and Roger Taylor, Director of the Host Boroughs Unit.

Commission

11.8 It is not possible to have officers form part of a joint committee structure however we need the linkages to influence Central and Regional Government organisations.

Drawing on the Greater Manchester (AGMA) model, the Sub-Committee will be invited to establish a Commission with senior officers from the boroughs and partners, meeting four times a year. It is suggested that the membership could be:

Chair	A Borough Chief Executive (to be nominated)	
	Lead Directors from the remaining four boroughs (to be nominated)	
	Jobcentreplus	Graham Houghton
	Skills Funding Agency	Mary Conneely
	LDA	Stephen Evans
	Host Boroughs Unit	Roger Taylor
Support	CE/Director Hackney (accountable body)	
	Deputy Director Employment and Skills, HBU	

- 11.9 Prior to the start of an operational year, the Commission would propose a strategic programme of sub-regional activities to the Joint Committee Sub-Group for approval, and these will be implemented through the accountable body. The existing officer performance group would continue to meet on a monthly basis to manage these programmes at working level, and report to the Commission.

Business Leadership Group

- 11.10 In support of the commission, it is proposed that the Sub-Committee establishes a separate Business Leadership Group linked to the London Skills and Employment Board (LSEB) and that business representatives from the previous partnership board take a role with this group. The Business Leadership Group should comprise a representative group of employers and businesses, including ODA, Locog and Westfield to provide an employer voice into key strategies moving forward. The Commission should oversee the Group going forwards.
- 11.11 Initially, the Business Leadership Group will be needed to focus on worklessness. However, overtime consideration should be given to building linkages into other areas of partnership work such as business development, visitor economy and education and skills. With this in mind, the aim should be to secure senior representatives for the group.
- 11.12 These proposals build on the experience of the Partnership Board established to oversee City Strategy and the LETF programme and discussions taken forward with central government in the development of the MAA.
- 11.13 The proposals put forward a representative of all stakeholders and comply with Host Borough equalities strategies.

Roger Taylor

**On behalf of Tim Shields,
Chief Executive of the London Borough of Hackney
Clerk to the Joint Committee**

Report Originating Officers: Kim Chaplain ☎020-8432-0224
Financial considerations: David Bell ☎020-8356-7688
Legal Comments: Graham White ☎020-8356-6234

Background papers

The following documents have been relied upon in the preparation of this report:

Description of document	Location	Date
Multi Area Agreement	HBU	In draft
City Strategy Business Plan	HBU	March 2007
SRF 1	HBU	October 2009
Draft Paper on Joint Committee Organisational Arrangements	Hackney Legal	In draft