



# Oldham

Work and Skills Strategy 2016 – 2020



# Contents

Executive summary	04
Introduction and strategic context	06
Vision, goals and proposed outcomes framework	10
The emerging Greater Manchester employment and skills system	15
Employment and skills: the financial and policy context	17
Apprenticeships policy in Oldham, 2016–20: the impact of the apprenticeships levy on the work and skills strategy	22
Employment Support Programmes Strategy, incorporating business case for the pilot Oldham Career Advancement Service	29
<b>Analysis of need:</b>	
The Oldham employment and skills context, incorporating:	34
• Business and enterprise	
• The Oldham labour market and skills	
• Post–16 education and training providers in Oldham	
• Employment growth by sector in Oldham	
• Transport and labour market mobility	
• Health and wellbeing	
Partnership structures and governance	51

# Foreword

It is a pleasure to introduce our 2016-20 Work and Skills Strategy for Oldham.

At a time of great change in the skills and employment systems nationally and across Greater Manchester, the strategy sets out our plans to work with local employers, training providers, schools, residents and other partners to improve the prospects of our residents and provide them with high quality and relevant skills training.

It is focused on Oldham and the needs of our residents whilst positioning the borough's economy in the context of emerging strategies for employment and skills across Greater Manchester.

Our values as a council put residents at the heart of everything we do and the strategy's vision is that everyone has the opportunity to access high quality skills training and employment. We also recognise that there are barriers to employment and we are working hard to overcome these to ensure the best possible outcome for the people of Oldham.

We have strong and thriving public and private sectors in Oldham and we will continue to work closely and cooperatively with local employers. We recognise that access to an appropriately skilled workforce is one of the major factors in influencing business location and we have made great strides in attracting new firms to the borough, which we will continue to build on. We also need to support our businesses to grow and prosper by helping them to find a skilled and motivated workforce.

We have a strong and improving provider base for skills and training. Supporting our local colleges and independent providers to deliver the vision of this strategy after a challenging period of skills funding changes and restructuring is also an important part of our vision.

One of our great strengths is a young and growing population. We will continue to work closely with local colleges to improve the prospects of our young people and ensure they get the best possible start to their working lives. It is important they are given the correct support to develop their skills and also gain experience in the workplace.

But skills support for working age adults is also key. Investing in support for in-work progression is a major part of our social regeneration agenda and a major component of this strategy. There are many people in work who could progress their careers and increase their incomes if they had access to the right training. We are confident that our new pilot Career Advancement Service will help to address this.

Unprecedented investment and development in transport, education, housing and healthcare are all contributing to making Oldham a great place to live, work and do business. Oldham has always been an ambitious borough and with the building blocks already in place, we are confident of a bright and prosperous future. This strategy is the foundation for continuing that success.



Council Leader  
**Cllr Jean Stretton**

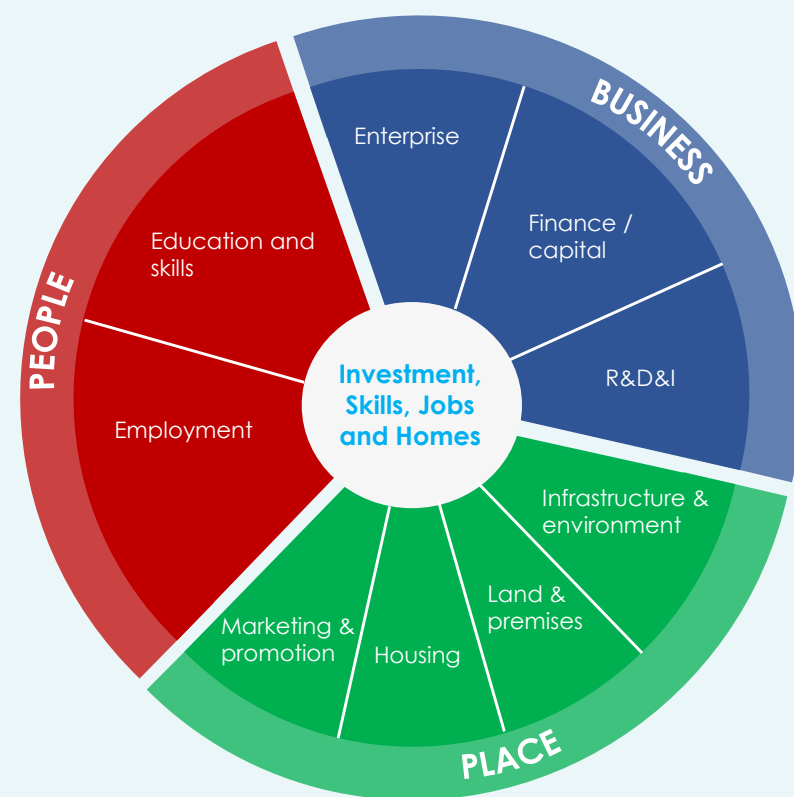


Cabinet Member for  
Employment and Skills  
**Cllr Shoab Akhtar**



# Executive Summary

1. Oldham is a co-operative council, and the vision of our corporate plan in respect of employment and skills is that by 2020, the borough will be a productive place where business and enterprise thrives, with improved education and skills outcomes for all people, giving residents the best possible preparation for adulthood and the world of work.
2. In line with our co-operative vision, the council's new Work and Skills Strategy aspires to achieve four simple strategic goals over the 2016-20 period:
  - 2.1. Create jobs
  - 2.2. Social regeneration and in-work progression
  - 2.3. Deliver the Oldham Education and Skills Commission (OESC) recommendations and improve the colleges
  - 2.4. Support a thriving private sector
3. The strategy contains a new outcomes framework for employment and skills which seeks to improve population skills outcomes to support these strategic goals. It also seeks to inform and raise awareness across the Oldham Partnership of the complexity of and multiple challenges facing these systems, and positions the Oldham economy in the context of emerging strategies for employment and skills across Greater Manchester (GM).
4. The council and the borough of Oldham face major challenges in employment and skills – a low level of population skills, a predominantly low wage local economy, alongside demand and demographic pressures.



5. At the same time Oldham has equally formidable strengths – a young, growing and entrepreneurial population, a diversity of talent and provision in the local skills system, and a thriving and engaged business sector. Alongside this, the council's co-operative vision and ethos has seen it support pioneering programmes in skills and employment support in recent years, from the Get Oldham Working employment support programme to practical initiatives such as the Warehouse to Wheels scheme and adoption of the Living Wage and the Fair Employment Charter.
6. This strategy complements the new regeneration framework for Oldham, by focusing 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 new Oldham Strategic Investment Framework (SIF) for economic regeneration.
7. The strategy challenges the Oldham Partnership to recognise competing pressures which have contributed to structural weaknesses and skills under-performance and under-utilisation in Oldham, including the combined impact of a national austerity programme and “trickle down” economic strategy, and the success of Oldham's physical transformation contrasted with our continuing poor performance on skills.
8. The Work and Skills Strategy comes at a time of significant challenge to the provider side in skills and employment with the GM Area Based Review (ABR) of colleges nearing completion, and imminent changes to the national Work Programme and its successor Work and Health Programme. In particular, the strategy commits the council to support the emerging ABR settlement for Oldham and its future sustainability, and to work with all local and GM partners to secure this over the coming years.
9. The strategy needs to be owned and developed by the partnership's Economy and Skills Cluster, whose work it also needs to guide over the 2016-20 period. A revised membership and structure for this cluster is proposed in this strategy, which recognises the council does not control all aspects of this partnership system and nor does it aspire to.
10. The strategy aims to set out the population outcomes from the learning, skills and employment support systems it wishes to see locally and sub-regionally. The proposed outcomes framework covers 12 areas, and it is recognised that in many of these areas there has been no clear strategy in Oldham in recent years.
11. The strategy also provides the framework for development of the contributions to the learning, skills and employment support system that the council directly provides or aspires to pilot over the life of this strategy, including:
  - Aiming to engage more than 6,000 residents through the second phase of Get Oldham Working from 2016-20, and to fill more than 5,000 jobs and work-related opportunities through this programme
  - Investing in a new pilot Oldham Career Advancement Service – an extended information, advice and guidance offer seeking to help more than 400 residents already in work to progress from low pay, low skill jobs during the initial pilot phase
  - Scenario planning the impact of the new apprenticeships levy, to support the outcome of delivering high quality sectoral specific and relevant apprenticeships across Oldham, maximising the value of the levy and meeting business needs
  - Fully engaging in the devolution agenda on employment and skills across Greater Manchester, including the outcomes of the Area-Based Review of colleges, to achieve improved learning, skills and employment outcomes for Oldham residents
  - Continuing to focus on transitions and the improvement of secondary school performance in Oldham through supporting the implementation of the Oldham Education and Skills Commission outcomes

## Introduction and strategic context

1. This strategy sets objectives for employment and skills in Oldham. It articulates an outcomes framework for employment and skills as the basis from which the council and its local partnerships might better navigate a fragile economic recovery, and rapidly changing and financially uncertain national systems for employment and skills. It also seeks to inform and raise awareness across the Oldham Partnership of the complexity of and multiple challenges facing these systems, which the council and its partners will be required to navigate in order to improve outcomes for residents of Oldham.
2. The strategy also seeks to positively position the Oldham economy and the Oldham employment and skills system in the context of emerging strategies for employment and skills across Greater Manchester. It recognises GM devolution presents risks and opportunities in equal measure, particularly for devolution and local self-determination of what have been highly centralised, rigid and inflexible national systems for employment and skills that have demonstrably served residents in Oldham poorly in recent years.
3. The need for a new strategy for employment and skills in Oldham has been identified by a number of place, financial and external factors. The place need is by far the strongest, with historic underperformance on skills being a longstanding and damaging feature of Oldham's economic landscape, and a predominantly low-skill, low wage local economy widely perceived as holding residents back and making a negative contribution to the productivity challenges facing Greater Manchester as a whole.
4. These place challenges require the Oldham Partnership to recognise competing pressures which have contributed to structural weaknesses and skills under-performance and under-utilisation in Oldham. These include the combined impact of a national austerity programme and 'trickle down' economic strategy, the success of Oldham's physical transformation contrasted with our continuing poor performance on skills, and the failure of aspects of our secondary education system, as captured in the OESC report in early 2016.
5. The period 2010-15 has seen a step change in physical regeneration in the borough with a particular focus on Oldham Town Centre, alongside bringing forward strategic employment sites. The service sector offer, often characterised by retail, leisure and hospitality employment, has seen a dramatic improvement that will accelerate in 2016 with further schemes in the pipeline. But this brings an added challenge to employment and skills for Oldham in maintaining the focus of much new employment supply in this sector, assisting a low skill/low wage cycle that has characterised much of the borough's recent economic performance.
6. At the same time, an emerging Greater Manchester narrative on inclusive growth and securing transformational improvements in productivity is providing a positive backdrop for addressing skills and employability challenges across all of the GM authorities. This is assisted by GM work including the 'Deep Dive' analysis of economic performance across the city-region, and the Joseph Rowntree Foundation funded Inclusive Growth Analysis Unit at the University of Manchester. The council will proactively engage with these and related developments to support the implementation of this strategy over the 2016-20 period.
7. The strategy is also required because of substantial financial and policy change affecting post-16 learning and skills and the employment support system. Both areas have been characterised by policy fracture and disproportionately high levels of political intervention at national level for decades. Dramatic changes to the national settlement and future devolved GM commissioning arrangements for learning and skills will take effect from 2016 onwards, alongside expansion of GM employment support programmes affecting Oldham residents, and a new

national Work and Health programme will replace the Work Programme, but with a substantially reduced budget. The strategy describes these changes in more detail as they will affect council provider functions and our partners in the Oldham system in equal measure.

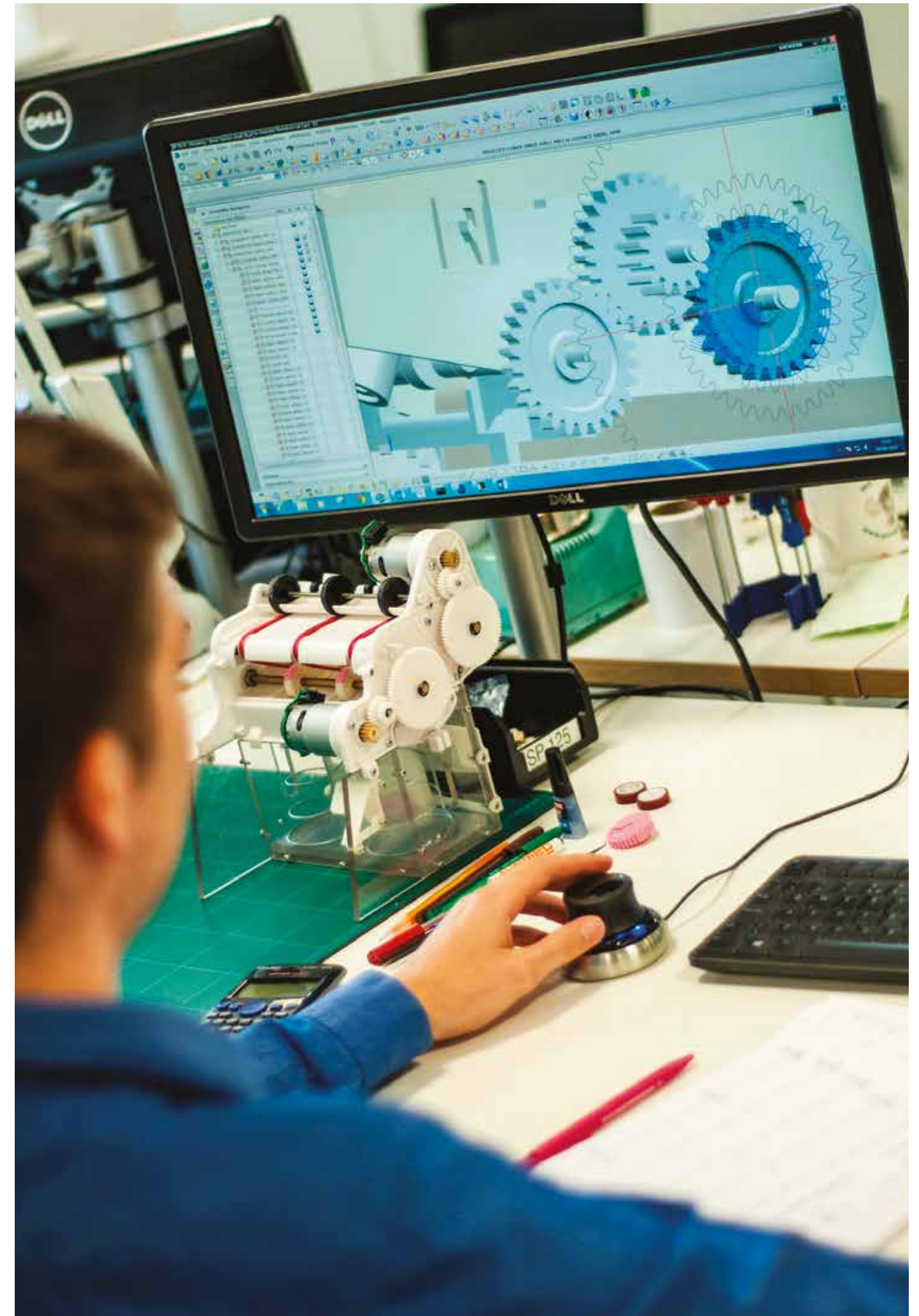
8. The changing external landscape is also a significant factor in the timing of the new strategy. Alongside financial challenges, the policy change in skills and employment arenas remains relentless, with new national strategies for delivery of apprenticeships, a continuing demand for quality from all providers, and the GM Area Based Review (ABR) of FE and Sixth Form Colleges due to report later in 2016, with significant implications for re-organisation of the provider side. The strategy also seeks to explain and contextualise some of these key developments and to better situate them in the Oldham economic context for the years ahead, but commits the council to support the emerging ABR settlement for Oldham and its future sustainability, and to work with all local and GM partners to secure this over the coming years.
9. There are four key stakeholders in the local employment and skills system, who are central to the partnership environment in which the council operates and to the delivery of this strategy. Each of these stakeholder groups have rapidly changing





roles in the new and evolving system as a consequence of national policy change, funding issues and supply and demand pressures. Their representation on, and active engagement in Oldham Partnership bodies supporting this strategy will be critical to progress in 2016/17 and beyond. These key stakeholders are:

- 9.1. Schools and post-16 providers: the system leaders in education – with limited council control.
  - 9.2. Employers: major stakeholders in driving demand for provision, represented by the six priority growth sectors identified in this strategy and the SIF.
  - 9.3. Individuals: a key role and growing financial leverage in an increasingly personalised skills system.
  - 9.4. The council: co-ordinators of provision for marginalised and disadvantaged groups; a growing role in provision.
10. This strategy operates in the context of a number of other recent local and GM-wide plans and strategies. Amongst the most significant of these in which Oldham Council has an interest and ownership are:
- 10.1. Oldham Strategic Investment Framework (SIF). Developed during 2015/16, the SIF provides a guide to investment and development activity in the short to medium term. It expresses Oldham's economic and investment ambitions, identifies priorities for action, based on robust analytical research, and provides an overarching linkage between the Greater Manchester Strategy, the Greater Manchester Strategic Spatial Framework, the Oldham Plan and individual council action plans. Its audience is local partners and GM partners, and importantly, the SIF provides a more explicit framework for linking the people, business and place (physical) domains of regeneration investment activity, connected into the wider GM context. This strategy acts as one of the three major components of the SIF. A review of business and investment strategy will also be undertaken during 2016/17 as part of the SIF approach.
  - 10.2. The Oldham Education and Skills Commission (OESC) chaired by Baroness Estelle Morris reported in early 2016. Its report set out a new self-improvement agenda for schools across the compulsory education system, but also includes a proposed framework for 'aligning education with the economy'. The Commission identified a number of inefficiencies in the local education system including skills under-utilisation, poor performance on higher level skills and low levels of working age adult progression in the Oldham labour market; it also made recommendations in relation to a review of vocational education, higher level skills, and tackling worklessness. The issues identified by the Commission and the further work it recommended are taken forward by this strategy.
  - 10.3. The Oldham Local Economic Assessment was refreshed in 2015, and organised around three key themes – business and enterprise, labour market and skills, and transport and connectivity. It provides up-to-date evidence of sectoral growth priorities in relation to business, skills needs, and labour mobility challenges and opportunities within and to/from the borough. Its findings support this strategy throughout.
  - 10.4. A suite of Greater Manchester strategies have also influenced the Work and Skills Strategy for Oldham. Principally the 2013 GM Strategy, which sets out the productivity and growth challenge facing the city region and the growth and public service reform programmes intended to tackle this, and work is also well advanced on the Greater Manchester Spatial Framework (GMSF), which will guide physical and spatial development and prioritisation across the conurbation and provide the principal spatial planning framework for the GM Combined Authority. In addition, GM is close to completing a series of significant analyses of economic issues and opportunities across GM (the Deep Dives) which apply at district level and inform and complement local economic assessments in providing a broader evidence base for sectoral prioritisation in relation to employment growth opportunities, and on skills challenges facing areas of high need across the city region. The Deep Dives in particular will provide a further evidence base for Oldham on which this strategy is now able to draw.



# Vision, goals and outcomes framework

1. The vision for the Oldham Work and Skills Strategy is drawn from and builds on that in the council’s current Corporate Plan:

**By 2020, Oldham will be a productive place where business and enterprise thrives with improved education and skills outcomes for all people, giving residents the best possible preparation for adulthood and the world of work.**

Corporate Plan 2015-20

2. In line with our co-operative vision, the council’s new Work and Skills Strategy aspires to achieve four simple strategic goals over the 2016-20 period. These goals build on the recommendations set out in the council’s 2015 Local Economic Assessment, and provide the strategic context for the outcomes framework described below:
  - 2.1. Create jobs
  - 2.2. Social regeneration and in-work progression
  - 2.3. Deliver the OESC and improve the colleges
  - 2.4. Support a thriving private sector
3. Outcomes framework: the strategy commits partners to working collaboratively in pursuit of 12 priority themes, and associated high level goals articulated in a new work and skills outcomes framework for Oldham. This begins to articulate the Oldham expectations of the learning, skills and employment support systems locally and across GM for the 2016-20 period. It provides the basis for developing work plans for the new strategic partnership on skills and employment for Oldham; it also sets out the initial ask of devolved commissioning of these systems from the council to GM. As such it will be subject to review and adaptation over the life of the strategy.

Ref	Priority theme	2016 status	2020 outcome
1.	Population skills outcomes	Summarised in section on Analysis of Need	Closing the gap: consistent with the SIF, population skills outcomes (% of residents qualified at Level 1-4+ inclusive) should demonstrate a rate of improvement at or above GM averages
2.	Provider performance	Current OFSTED judgements	No provider rated less than ‘Good’ by OFSTED

Ref	Priority theme	2016 status	2020 outcome
3.	Apprenticeships	As of 2013/14 data, 2nd lowest Apprenticeships pass rate in GM – 2040 leavers with pass rate of 65.8%	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  2. Closing the gap with GM success rates in context of onset of apprenticeship levy  3. Maximise the value of levy-funded provision for Oldham Council as an employer
4.	Schools	Actions as per December 2015 Oldham Education and Skills Commission (OESC) report	1. Improved secondary outcomes at age 16  2. Establishment and successful mobilisation of self-improvement vehicle recommended by OESC Report
5.	GM Area Based Review (ABR) of colleges	Not yet reported	1. Implementation of a sustainable and supported ABR settlement for Oldham, including a strong, financially sustainable institutional presence retained in the borough  2. An Oldham post-16 provider market with a comprehensive entry – Level 2 offer for residents  3. A provider offer for Level 3+ in Oldham focusing provision on sectoral priorities



Ref	Priority theme	2016 status	2020 outcome
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>
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 more than 6,000 residents through the second phase of Get Oldham Working from 2016-20</li> <li>2. Fill more than 5,000 jobs and work-related opportunities</li> </ol>
8.	Progression strategy	No comprehensive progression model in place	<ol style="list-style-type: none"> <li>1. Invest in a new pilot Oldham Career Advancement Service – an extended information, advice and guidance offer seeking to help more than 400 residents already in work to progress from low pay, low skill jobs during the initial pilot phase</li> </ol>
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>	<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>

Ref	Priority theme	2016 status	2020 outcome
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> </ol>
11.	Community Learning and Lifelong Learning provision	Service rated 'Outstanding' by OFSTED in December 2015	<ol style="list-style-type: none"> <li>1. Strategic review of the council's Lifelong Learning Service to be undertaken in advance of the 2017/18 academic year.</li> <li>2. Retention of current OFSTED quality rating and learner outcomes</li> <li>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</li> <li>4. Develop an adapted referral and progression model and evaluate impact across providers in Oldham</li> </ol>
12.	DWP commissioned national employment support programmes	Work programme performance Working Well 1 performance	<ol style="list-style-type: none"> <li>1. Fully engage in GM-wide Work and Health programme commissioning against risks of depleted national employment support budget</li> <li>2. Support local contractors in supply chain management to deliver a successful expansion of the phase 2 Working Well programme for Oldham, and manage new Integration Board successfully</li> </ol>

## The emerging Greater Manchester employment and skills system

1. A new paper on skills and employment priorities for GM was produced in November 2015. It describes the new GM work and skills system in the context of the GM Strategy and the most recent devolution deals, which will see the commissioning of the adult skills budget move to GM from 2018/19 onwards, and also a greater level of involvement in the commissioning of the new Work and Health Programme, which will be the successor to the national Work Programme the same year.
2. The Greater Manchester skills and employment system is changing rapidly and the November 2015 paper gives a clear account of the national and local changes having a significant impact on all areas of the city region. It also sets out a high level needs analysis for the conurbation, and contains objectives and priorities for the period to 2019. One of the key provisions of this will be the development of new outcomes frameworks for work and skills focused on positive progression pathways for learners and employees, which has informed the development of such a framework for Oldham as part of this strategy.
3. Devolution of skills funding at the GM level provides opportunities and also limitations for localised commissioning of skills provision to support the goals in this strategy. The opportunity focuses on government's commitment to fully devolve the new Adult Education Budget for GM commissioning from 2018/19, and the influence GM will have over employment support programmes during this period. The limitations include government's present refusal to consider similar devolution of three key areas of post-16 funding and policy, i.e. EFA 16-18 funding, the national budget for apprenticeships and the growing national facility for advanced learning loans. Oldham Council will continue to support GM in pressing for these asks and making the case for other freedoms and flexibilities under devolution as part of this strategy.
4. The Oldham Work and Skills Strategy has a close alignment to the six GM skills and employment priorities articulated in this paper, which are summarised below:

### The six Greater Manchester skills and employment priorities:

1. GM employers will be able to grow, have access to, and invest in the skills they require from their workforce both now and in the future utilising the skills of their employees to increase productivity;
2. GM residents will have the right support to make the best choices about their employment and skills option; and once they are in-work have career and wage progression opportunities;
3. GM schools will ensure all individuals are prepared for the labour market, including higher levels of education attainment and first class careers information, advice and guidance;
4. FE Providers will progress more individuals to Level 3+ qualifications in a vocational or technical area closely linked to GM's economy's core and growth sectors;
5. Our GM employment and skills initiatives will be developed and commissioned at a local level, providing unemployed residents and those furthest from the labour market, the right integrated support required to move them closer to work;
6. Initiatives will integrate health commissioning and help realise a health system which understands that 'good work, is good for your health'.  
GM Work and Skills Priorities Paper, November 2015.

4. The council also recognises that many elements of the outcomes framework are directly in its gift to control as lead agency, either through financial mechanisms or through its role as a provider of aspects of the learning, skills and employment support infrastructure. Others are within the council's direct or indirect influence, through the Economy and Skills Cluster partnership in Oldham, and through its GM and national relationships and partnerships.
5. The programme management approach for the Work and Skills Strategy recognises this lead/influence distinction clearly, and the diagram below summarises the strategic goals and outcomes framework in a lead/influence matrix to clarify the focus of direct influence and partnership working over the 2016-20 period.

#	Outcomes ↓	Strategic Goals →	Tranche 1 (commencing Summer 2016)		Tranche 2 (commencing Autumn 2016+)	
			Create Jobs	Social Regeneration & Progression	Deliver OESC Action Plan	Thriving Private Sector
1	Population Skills Outcomes			Influence		
2	Provider Performance				Influence	
3	Apprenticeships		Lead			
4	Schools and OESC Action Plan				Influence	
5	GM Area Review of colleges				Influence	
6	Sectoral Priorities					Influence
7	Get Oldham Working #2		Lead			
8	Progression Strategy			Lead		
9	Advanced learning Strategy loans		Merge this outcome as task within outcome 8: Loans enable progression strategy			
10	Higher Level Skills and HE Strategy				Influence	
11	Community Learning and Lifelong Learning provision				Lead	
12	DWP National employment support programme		Lead			

Priorities      High      Medium      Low







## Employment and Skills: the financial and policy context

1. The learning, skills and employment support systems have been under considerable financial pressure since the 2008 recession. Alongside this is a relentless pace of policy change in post-16 education and training, and in welfare reform, that has resulted in public confusion and disorientation, elements of inefficient provider competition, and an array of policy instruments and national policy reviews being introduced, frequently with overlapping or conflicting objectives.
2. In a landmark 2015 King's College report, Professor Alison Wolf argued that current further and higher education policies were "heading for the precipice" of being entirely unsustainable, given the failure nationally to fund further education to an adequate level, and the absence of "parity of esteem" between university education and other forms of vocational and tertiary provision that is replicated in national policy. Her report noted that:

**Debates over higher education take place as though further education and adult training do not exist, despite its small size the adult skills budget has been one of the most actively managed parts of central government spending.**

**Overall, the picture is one of a sector which, after some growth in the early 2000s, now sees total funding declining in real terms. It is a sector funded much less generously than school provision, and universities. Moreover, its shrinking share of total education funding indicates that it is not, in practice, a top priority for governments.**

3. Wolf's warnings were borne out in the recent funding settlement for 19+ adult learning and skills in December 2015. This settlement was characterised by a number of policy drivers and funding pressures affecting the way these national budgets will be managed, commissioned and devolved by the funding agencies, which can be summarised under the following headings:
  - National outcome priorities from these budgets are focused largely on delivery of an expanded apprenticeships programme – with an emphasis on 'starts' against a £3m target for this parliament, as opposed to focussing on improving the quality/level of apprenticeship provision or the experience for the apprentice
  - Delivery of the bulk of the expanded apprenticeships programme will be financed via the new employers levy, not by any new public funding
  - Abolition of the ring-fencing of the £210m community learning budget, which currently funds a significant proportion of the council's Lifelong Learning service, and amalgamation of this into the new Adult Education Budget alongside some limited flexibilities in the use of funding for qualification and non-qualification based provision
  - A sustained growth in personalisation in post-19 skills and training with a growth in the Advanced Learner Loans budget for 19+ year olds' Level 3+ training, the budget for which is currently showing extremely poor levels of publicity and uptake across the country, in sharp contrast to equivalent loan funding for Higher Education
  - A consequent effective cessation of publicly funded support for learning and skills needs of people over the age of 19 who have qualifications at or above Level 2, leaving those cohorts reliant on either personal borrowing through loans, or funding via their employer to meet their learning and skills needs
  - Substantial phased reductions to support funding including for national information, advice and guidance functions

4. These policy drivers and funding pressures are borne out by the forecast funding allocations for 2016/17 through to 2019/20, issued by the Skills Funding Agency to providers in December 2015:

	Baseline	Funding	Indicative		
	2015-16 £000's	2016-17 £000's	2017-18 £000's	2018-19 £000's	2019-20 £000's
<b>BIS Core Teaching &amp; Learning</b>					
1 19+ Apprenticeships	740,000	926,019	1,076,004	1,246,996	1,422,999
2 Adult Education Budget	1,494,000	1,494,000	1,503,000	1,511,000	1,512,000
<b>TOTAL: Core Teaching &amp; Learning</b>	<b>2,234,000</b>	<b>2,420,019</b>	<b>2,579,004</b>	<b>2,757,996</b>	<b>2,934,999</b>
3 Advanced Learner Loans	202,000	260,000	325,000	440,000	480,000
<b>TOTAL: Adult Teaching &amp; Learning</b>	<b>2,436,000</b>	<b>2,680,019</b>	<b>2,904,004</b>	<b>3,197,996</b>	<b>3,414,999</b>
4 Offender Learning & Skills Service	130,350	130,350	130,350	130,350	130,350
<b>Funding to Support</b>					
5 19+ Apprenticeships	30,000	79,000	80,000	74,000	62,000
6 Adult Education	343,113	311,324	259,921	192,809	177,427
<b>TOTAL: Funding to Support</b>	<b>373,113</b>	<b>390,324</b>	<b>339,921</b>	<b>266,809</b>	<b>239,427</b>
<b>GRAND TOTAL</b>	<b>2,939,463</b>	<b>3,200,693</b>	<b>3,374,275</b>	<b>3,595,155</b>	<b>3,784,776</b>

5. Much of the commissioning power over the new Adult Education Budget will rest with GM from 2018/19 onwards under the recent devolution deals, and it is essential that Oldham is equipped with an outcomes framework to help to navigate the commissioning challenges at a sub-regional level that this will entail. The future of the national Skills Funding Agency is also uncertain as commissioning moves to a devolved model over this period.
6. At the same time, recent analysis suggests that GM's share of the new AEB under devolution is likely to be in the £60m-70m region, alongside devolved Working Well and ESF programme resources. Analysis also suggests that to tackle GM's historic skills deficit and get all GM districts up to the UK average for Level 2 qualification achievement could cost in the region of at least £250m, setting significant challenges for the new devolved employment and skills system. Oldham will need to be equipped to stay very actively and robustly engaged in these debates during the transition period over the next two years.
7. As part of GM devolution the GMCA agreed to undertake one of the first Area Based Reviews of colleges in 2015, which will report later in 2016. GM's ABR covers FE and Sixth Form Colleges, and will have significant implications for re-organisation of these skills providers. This strategy will depend heavily on this and other parts of the provider side to deliver the aspirations set out in the outcomes framework for Oldham. Against the backdrop of continuing financial challenges facing colleges and other skills providers, the success of the new model for Oldham will be essential. Consequently, this strategy commits the council to support the emerging ABR settlement for Oldham and its future sustainability, and to work with all local and GM partners to secure this sustainability over the coming years.
8. A new Skills White Paper is also anticipated from government in Summer 2016 which is likely to propose clearer choices for 16-year-old school leavers between academic courses leading to university, or new technical professional education (TPE) routes into work. The implications of this will need to be worked through including as part of the delivery model for the ABR settlement in Oldham, but could signal a further period of policy change affecting the FE and skills sector during the life of this strategy.
9. The government's principal skills policy focus within this budget is to deliver a substantial increase in the national apprenticeships programme, financed via the new levy which is set to be introduced from 2017. The skills funding settlement shows the potential impact of the levy will see a doubling of the national apprenticeships budget to around the equivalent of the whole remaining adult education budget (c. £1.5bn nationally). The impact of this policy on skills provision and population skills outcomes could be significant, and like advanced learning loans, the budget is currently entirely excluded from GM devolution.

10. The government is focused more explicitly on quantity – at target of three million new apprenticeship starts over the course of the 2015-20 parliament – than on quality or the level of training undertaken. The challenge will now be to secure an expanded apprenticeship programme for Oldham with sectorally relevant training provision, against the drive for the three million target which clearly risks a 'gold rush' approach to apprenticeships that may be less sectorally or population relevant.
11. The council and other large employers in Oldham and GM will be contributors to the levy. The framework will be complex and the government's implementation strategy is not yet finalised. Oldham Council's ambition is that 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. Given the complexity of the apprenticeship policy, a separate section on the achievement of this ambition, projecting implementation scenarios for the council, providers and employers across the borough is included in the Apprenticeship Policy in Oldham 2016–20 at section F as the basis for engagement over the period up to the introduction of the levy in 2017 and beyond.
12. Alongside apprenticeships, the new national policy of Advanced Learning Loans now needs to play a stronger role in the skills strategy for Oldham. Funding allocated by the SFA to Advanced Learning Loans over the next spending review period is set out in the table above. In 2015/16 Advanced Learning Loans are available to those aged 24+ and studying at Level 3. Learners aged 19-23 who do not have a full Level 3 qualification are eligible for SFA grant funding. In 2016/17 Advanced Learning Loans will be expanded to include those aged 19-23 and those studying at Levels 5 and 6. Learners aged 19-23 who do not have a full Level 3 qualification remain eligible for SFA grant funding.
13. Advanced Learning Loan funding enables providers to offer loan-funded provision to learners and receive loan payments on behalf of the learner from the Student Loans Company. Learners are responsible for making an application for funding to the Student Loans Company. To date, a significant amount of the national allocation for Advanced Learning Loans has not been taken up. There are many reasons for this which include a reluctance to take on a debt which must be repaid once the earnings threshold of £21k per annum is reached - lack of confidence in the employment market, the many learners not aware of loans when they first start thinking about studying, and the inflexibility of the loans system which is available largely for full qualifications funding only. However, learners in receipt of loans report completing courses sooner, at higher levels or taking a longer course than would have been possible without the loan, and that learning skills for a future job or to help with a change in career as the motivating factor. Learners in receipt of loans seemed more optimistic in regard to their earning potential.
14. Recent BIS research suggests only between 150-300 applications for advanced learning loans were made in Oldham in 2014–15. BIS also report that nationally, the number of applications received for 24+ Advanced Learning Loans decreased from 70,820 in the 2013/14 academic year to 67,280 in 2014/15, and that the total value of loans ready for payment increased from £139.8m in the 2013/14 academic year to £148.8m in 2014/15. This demonstrates a significant demand failure and a consequent lack of training provision against an advanced learner loan budget now forecast to grow to some £500m over the life of this parliament.
15. An integral part of the Work and Skills Strategy now requires the development of a co-ordinated approach to maximise the uptake of provision funded through Advanced Learning Loans linked to the aspirational employment growth sectors for Oldham. Alongside the apprenticeships levy, loan funded provision will form an important aspect of the provider environment over the period of this strategy and it will be essential for Oldham to engage with this proactively, recognising that local economic conditions will present major challenges to securing significant increases in loan-funded provision.



16. The council recognises in this strategy that these funding pressures in post-19 learning and skills resources amount to potentially destabilising funding pressures on many of the providers currently active in Oldham over the period to 2019/20. Alongside this the policy and institutional re-organisation challenges being applied by government are not always conducive to forging a new partnership environment for the borough.
17. The council recognises that this policy and funding environment places a high burden and expectation on local employers – both in terms of the expectation that employers will be one of the primary sources of learning and skills funding over this period, and that there is a significant direct contribution being made by employers through the apprenticeships levy in particular. This, alongside the growth in personalisation and capacity to increase loan-funded provision in Oldham, are amongst the primary drivers for the council seeking to improve employer engagement in its partnerships, and to enhance employer and learner voice in the development and implementation of this strategy.
18. The council also recognises that whilst it cannot seek to set targets for employer investment in training, such investment has been in decline nationally in recent years, alongside a number of government-initiated employer ownership of skills programmes, some of which have been successful in Oldham. Re-engaging employers in this debate, alongside the introduction of the levy, will be a key priority for this strategy.
19. Alongside this are continuing policy and funding pressures affecting 16-18 provision via the Education Funding Agency (EFA), and those affecting employment support and welfare reform. The Department for Education has so far resisted attempts to negotiate devolution of 16-18 EFA resources to Greater Manchester, but this remains an unresolved issue to complement the deals agreed in respect of current SFA funding, and Oldham will support this approach through its engagement in GM devolution debates, where this results in increased leverage for the borough over the distribution of these resources and improved planning and delivery against the outcomes framework.
20. Despite the potential benefits of devolution of Department for Work and Pensions (DWP) employment support commissioning, the re-commissioning of the Work Programme itself will also take place against an extremely challenging financial backdrop. Although the Work Programme will not be re-commissioned in its current form, DWP has committed to co-commissioning the new Work and Health Programme with GM from April 2017. However, whereas annual spending on employment programmes was between £800m and £1bn per year over the last Spending Review period, the successor Work and Health Programme is only expected to be c.£130m per year nationally at its peak.
21. It will be a strategic priority for Oldham to be fully engaged in this programme, for the council to play a contributory role in managing the supply chain that will help deliver outcomes for ESA benefit claimants under the expanded Working Well 2 programme in Oldham, and for this strategy's outcomes framework to play a key role in describing local outcomes we expect the commissioning of the Work and Health programme to deliver. The council will also reserve the option to bid to become a sub-contractor under the Work and Health programme, and should it choose to do so, will enter into this process by prioritising the best interests of the Oldham partnership and adding value to the employment support eco-system.
22. This strategy recognises the increasingly high expectations being placed on local employment support and early intervention programmes such as Get Oldham Working and Oldham's Early Help scheme, to contribute to supply chain performance for nationally-commissioned DWP programmes. Whilst continuing to play an active partnership role in this regard, the council also recognises that the limited access to payment-by-results benefits for local authority funded services that play these roles is a pressure that will have to be addressed to make this mainstream investment from local government sustainable over the medium term.
23. With reducing government funding for welfare to work and skills programmes, Oldham will also support GM in seeking to maximise the impact of the new

European funding programmes alongside these pressures on UK government resources. The ESIF programme is designed to create a more integrated work and skills system that effectively moves more residents into work and supports their in-work progression, and Oldham's selection as a provider for the ESF Skills for Employment contract, aligned to Working Well 2, is a good example of this influence extending in practice. ERDF business support programmes, match-funded by the council, will also launch and expand over the life of this strategy. Oldham will also actively engage with GM in respect of additional funding pots that are managed at a GM level, including City Deal, GM Commitment, the Apprenticeship Hub and Local Growth Fund, which need to be focused on delivering work and skills priorities for Oldham where they can add value and achieve greatest impact.



# Apprenticeships Policy in Oldham

## The impact of the apprenticeships levy on the Work and Skills Strategy

1. The government’s skills policy is now focused largely around expanding the apprenticeship pathway. The combination of technical and functional skills delivery and work experience provides a well-rounded package which provides a stronger chance of progression into employment. Through the Get Oldham Working initiative apprenticeship success rates have been significant - a 98% pass rate (across all levels – the Oldham average was 65.8% in 2013/14) and an 86% progression into sustained employment at day one of leaving the programme (no comparator data). The rationale for creating new apprenticeship opportunities is evident in terms of achieving our medium term goals to increase the skills and employability within Oldham. This focus should not be lost within the policy reforms that are being developed.
2. Alison Wolf’s 2015 report Fixing a Broken Training System: The Case for an Apprenticeship Levy argued that there needed to be bold reforms of the apprenticeship system if the government is to meet its target of three million new apprentices. The paper called for a small levy paid by employers, in exchange for greater control by employers, and with an expectation that employers would be able to extract more than they paid in.
3. In summer 2015 the government confirmed it would create an apprenticeship levy of 0.5% of the wage bill to be paid by all employers that have a pay bill of £3m or above. Employers with a pay bill under £3m are exempt from the levy and those over the threshold will be given a £15,000 levy free allowance. The Work and Skills strategy is sensitive to the impact of the levy on the council as a major employer in the borough, as well as its impact on and for businesses and other employers in Oldham. The initial approach is to analyse and understand the impact on the council as an employer, as part of the over-arching strategy to ensure that across all employers, 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.
4. The table below provides the potential levy cost for Oldham Council. Government has yet to decide if non-council wages will be included in the levy, i.e. the inclusion or exclusion of school-based staff. Subject to this, the cost to the council of the levy is likely to be in the £400k to £800k per annum range.

### Potential cost to Oldham Council of the apprenticeship levy

	Salary costs (excluding oncosts)	Levy
Non-schools wages costs	60,950,185	304,751
School wages costs	98,549,130	492,746
Total	159,499,31	797,497

5. The levy will be paid to HMRC through the PAYE return and held in central fund. The employer then has two years to use the voucher. Any unspent vouchers will then be offered to non-levy paying businesses. There is an expectation that a company paying the levy can allocate a proportion to its supply chain. Furthermore, if an organisation can spend more than its levy value, it will be able to do so. The response from industry is mixed with some companies expecting to do little with vouchers, whereas others will aggressively maximise their access. The balance of this is difficult to determine and the outcome will not be known until Quarter 1, 2019. The position for Oldham should be to aim to support the council ambition to deliver high quality apprenticeships, alongside supporting the large SME community to access any unused levy e-vouchers.

6. The levy will be used to pay for the training costs element of the apprenticeship framework. The business will need to also pay staffing costs. The scale of this cost is dependent on the level of apprenticeship and its correlated salary costs. The levy will be applied from 1st April 2017 with public sector organisations also being required to employ 2.3% of the workforce as apprentices.
7. Eligibility for provision funded by the levy falls into four broad categories:
  - Existing staff: can be used to enhance skills of existing staff
  - New recruits
  - There is no age restriction
  - Apprentices can register on relevant frameworks from Level 2 to 7

### Maximising the value of a levy-led apprenticeship system

8. The eligibility criteria will mean that the new levy-led system should be a blended mix of new opportunities alongside supporting existing staff to develop their skills base. The strategic demands for the wider economy means the focus for all agencies in Oldham that are eligible should be encouraged to state or demonstrate a focus on new starts, whilst recognising the benefit to upskilling existing staff.
9. Existing staff: the Wolf review was critical of training providers subverting the apprenticeship model by converting existing staff into apprentices where this drew down funding, but delivered substandard training to workers. The levy itself does little to address this, but implicit within the framework is the desire to see greater engagement with employers to shape the delivery of apprenticeships (including direct delivery via Trailblazers) and exercising its purchasing power to meet strategic staff development goals. This relies on the employer to have a system that assesses the skills issues facing staff and can find a mechanism to express this through the apprenticeship framework.
10. The council, and partners, utilise an annual performance review process to assess skills demands. From April 2017 onwards this will require review in terms of accessing the apprenticeship framework. In future, some of the corporate organisational development training costs could be eligible to be recouped via the apprenticeship e-voucher scheme. For example, if a member of staff needs to be supported with management training, they will be able to access NVQ 2-7 via Chartered Management Institute’s Leadership and Management qualification via an apprenticeship route.
11. New recruits: The second cohort is via the new recruit pathway. This should become the major focus of the levy to help address skills and employment gaps in Oldham. The achievement and progression into employment of this pathway is excellent and can be achieved whilst living in Oldham and at the same time as earning a wage. The levy can be used only to cover the cost of the functional and technical skills training and will not fund the salary costs.
12. The council, through Get Oldham Working, has succeeded in expanding the apprenticeship programme from 10 a year to between 50-75 opportunities a year. This was delivered by engaging with managers, providing support with developing role profiles, selection of candidates, and in work support and with a subsidy from a corporate budget. Despite ongoing budget pressures it is anticipated that the wider offer will still be attractive to budget holders as the levy creates a different opportunity to re-affirm the corporate objective to support new recruits via the apprenticeship pathway. The council has several options as to how this can be achieved including departmental quotas to achieve, aligned to sectoral/ professional requirements under the emerging People Strategy for the council. The Get Oldham Working monthly KPI report provides an overview by department which shows a major shift from what was a mono-departmental programme to one which operates across all departments.



13. The impact of the loss of the wage subsidy has yet to be felt. Performance during 2016/17 will be reported to EMT and Leadership with a view as to how this will support accessing the levy to support new recruits from April 2017 onwards. The council may also wish to review how a proportion of the organisational development budget might be re-routed to support the new recruits programme, based on savings achieved from existing staff accessing the levy funded activity.
14. Alongside this is the challenge presented by new and changing institutional forms and public services, and development of new roles/job families linked to the devolution agenda, which will need to be reflected in the council's approach to its workforce planning and the apprenticeships levy. Whilst this will prove impossible to future proof completely, it will be critical for the council to seek to influence this emerging system with these changes in mind as it approaches a new people strategy and job re-design over the lifetime of the work and skills strategy and the roll out of the new national apprenticeships policy.
15. In 2016 -17, the following actions will be implemented to support maximising the value of levy-funded provision for the council as an employer:
1. Analyse the 2016/17 PPFs to determine proportion of staff training needs that can be accessed via an apprenticeship pathway.
  2. Comparative cost analysis of the two routes.
  3. Analysis of volume and location of new recruits in 2016/17.
  4. Review how corporate budgets could be re-aligned to offset existing staff training costs and relocate to support the corporate budget to subsidise staffing costs of apprenticeships.
  5. Develop an agreed commitment.

Forecasting the cost of the levy

16. In order to better understand the true cost of the levy it is important to begin to forecast different scenarios which demonstrate the impact of salaries plus levy fee. The salary costs are dependent upon age and academic level. The three scenarios are based on:
- Dominance of Level 2 apprenticeships (reflecting performance in 2014/15)
  - Dominance of Level 3 apprenticeships (reflecting performance in 2014/15)
  - Dominance of Level 4 apprenticeships (potential performance)
17. The numbers used in the scenarios are based on current cohort. However under a previous programme, the council offered an in-house subsidy which due to the lower salary costs of Level 2 provision meant more opportunities were created within the funding that was available – with 75 apprentices employed rather than 51. However, under the new system it is expected that a flatter profile will be achieved closer to the current cohort.
18. The E-voucher is likely to have a maximum spend value based on qualification and framework. The current cap system is very complicated but probable values are provided to provide additional analysis.

Scenario one

19. The first scenario demonstrates the impact on cost if the new recruits model was dominated by intermediate apprenticeships. The scenario demonstrates that the total salary cost is c. £490k, for 51 apprentices with an average salary of £9.5k.

Level	Number of Apprentices	Average Salary	Total Salary Cost	Training Cap	Levy Drawdown
2	40	7500	£ 300,000	2000	£ 80,000
3	7	15800	£ 110,600	4500	£ 31,500
4/Higher	4	19200	£ 76,800	12000	£ 48,000
	51		£ 487,400		£ 159,500
	Average		£ 9,557	Average	£ 3,127

20. The levy accessible training costs are likely to accrue a value c.£160k making the full value of this scenario c.£650k per year (and would leave between £240-£640k of levy funding available).

Scenario two

21. The second scenario demonstrates the impact on cost if the new recruits scheme was dominated by advanced apprenticeships. This represents the current council position. The scenario demonstrates that the total salary cost is c. £775k, for 51 apprentices with an average salary of £15.25k.

Level	Number of Apprentices 2015/16	Average Salary	Total Salary Cost	Training Cap	Levy Drawdown
2	6	7500	£ 45,000	2000	£ 12,000
3	39	15800	£ 616,200	4500	£ 175,500
4/Higher	6	19200	£ 115,200	12000	£ 72,000
Total	51		£ 776,400		£ 259,500
	Average		£ 15,224	Average	£ 5,088

22. The levy accessible training costs are likely to accrue a value c. £260k making the full value of this scenario c. £1.03m per year (and would leave between £140-£540k of levy funding available).

Scenario three

23. The third scenario demonstrates the impact on cost if the new recruits scheme was dominated by higher apprenticeships. The scenario demonstrates that the total salary cost is c. £900k, for 51 apprentices with an average salary of £18k.

Level	Number of Apprentices	Average Salary	Total Salary Cost	Training Cap	Levy Drawdown
2	4	7500	£ 30,000	2000	£ 8,000
3	7	15800	£ 110,600	4500	£ 31,500
4/Higher	40	19200	£ 768,000	12000	£ 480,000
	51		£ 908,600		£ 519,500
	Average		£ 17,816	Average	£ 10,186

24. The levy accessible training costs are likely to accrue a value of c. £520k making the full value of this scenario c. £1.4m per year. The Level 4/higher apprentice training costs vary widely between £6k and £18k. So a midpoint was used which would see a potential overspend of £120k (if the levy excluded schools) or £280k of levy funding remaining (if schools are included).
25. Scenario three is an example of a tipping point whereby the council could seek to draw down more funding than it puts in and the implications in terms of enabling SMEs or supply chain companies' access to the levy.
26. The key issue for the council and other companies will be how to fund the staffing salaries to maximise the drawdown of the levy, alongside the pressure to ensure quality alongside quantity of apprenticeships, and a close relationship to sectoral/ professional relevance of training in line with the People Strategy of the council. The logical route proposed by this strategy is to target vacancy management approaches and embedding apprenticeships within restructured teams, as opposed to seeing this as a new employee costs pressure against budgets for 2017/18 and beyond when the levy is due to take effect.

Other employers: the levy in Oldham

27. The council and health sector are the largest employers in Oldham, followed by national companies such as retailers like Tesco and Asda and other sectors such as logistics/warehousing e.g. Bidvest and JD Williams. The level of levy that will be essentially available within Oldham is difficult to quantify currently but is likely to be within £1-2m per annum. This provides a significant boost to the apprenticeship programme (expected to equate to £700m nationally to match £700m investment from government). This brings with it opportunities and risks.

28. The key opportunities will be the aim to increase provision, whilst ensuring appropriate level of funding is in place to ensure a higher quality standard. Providers appear set to become better resourced in respect of apprenticeship provision, which should in theory lead to better experience and achievement. Set against this is the increasing likelihood of significant disruption to the predictability of curriculum and financial planning in major apprenticeship providers which will need to adjust to be considerably more agile and flexible against an essentially market-led mechanism driving priorities for apprenticeship growth.

The levy in GM

29. The level of funding that government and now industry is investing into apprenticeships is estimated to be worth £1.5bn per year by the end of the parliament. This is not currently part of devolution agreements, but needs to be utilised to maximise flexibilities and ensure the skills and employment gap facing GM can be closed.
30. The GMCA has been examining how a pooled GM levy pot might operate but this proposal has been rejected by government which is currently committed to a national programme. Alternatives could arise, for example in Oldham, the council employs and deploys a small number of apprentices into the private sector via local agreements or through vehicles such as the Construction Group Training Association (GTA). This helps local SMEs who can provide the benefits of employment experience to the candidate but cannot guarantee employment for the full period of time required to complete the framework. This is an area that the Economy and Skills Cluster could examine as to allow local companies to pay the salary bill but receive and unspent levy vouchers.

The impact of the levy on provision and attainment

31. The benefits of the levy should mean better funding for the delivery of apprenticeships which should drive up quality, as well as quantity, something which Oldham providers and the borough should welcome. The table below provides the latest apprenticeship data in terms of pass rate for all levels in 2013/14, based on apprentice residency not location of provider, demonstrating that Oldham currently has the second lowest pass rate in GM. Rochdale, by comparison is seven percentage points higher. If Oldham residents achieved a similar pass rate then this would lead to 130 additional higher qualified residents – but the policy concern is the rush to achieve three million apprenticeship starts over the Parliament could exacerbate the risk of more starts, but fewer completions of quality programmes.

	Number of Leavers	Pass Rate
Bolton	2280	69.50
Bury	1180	70.60
Manchester	5160	68.60
Oldham	2040	65.80
Rochdale	1460	72.40
Salford	2080	61.70
Stockport	2550	66.60
Tameside	1140	68.00
Trafford	1940	68.30
Wigan	2600	69.20
GM Average	2243	68%

Number of apprentices completing (all levels), by GM borough and pass rate, 2013/14

32. There will now be at least a further year of debate, dialogue and policy refinement before the levy becomes a requirement. During this the time the area review and Adult Education Budget commissioning devolution in 2018/19 means that there will be high levels of flux in the system which could be detrimental to the employment and skills landscape. Alongside this, there is clear evidence that employer contributions to staff development have been dropping over the last two decades. This means that the access to Advanced Learner Loans could become more critical and expedient for some residents.
33. The policy tension between the apprenticeship levy and the Advanced Learner Loans policy is also now becoming evident, as employers will increasingly look first to the levy which could hamper the necessary drive to increase demand for non-apprenticeship training at higher skill levels for working age adults funded through loans, as well as any local, regional or national effort to better publicise the loans system. This in turn may result in substantial government revision to the loans policy during the course of this parliament, with a further impact on Oldham’s local strategy.
34. The two year delay before apprenticeship levy funded vouchers can be handed to SMEs risks seeing a continued lack of investment for the local business community, unless a local solution can be brokered, such as the employ/ deploy model.
35. Devolution is unlikely to have much short-term impact on either the apprenticeship levy or the Advanced Learner Loans. Both have been excluded from devolution negotiations by government so will remain national policy and financial instruments still exercising significant leverage over the local skills eco-system. Skills devolution to GM will therefore provide only part of the solution for the local skills strategy, and this will also impact on the strategy and behaviour of local providers. With Oldham Council’s support, GMCA should maintain pressure to attract this investment into GM management, including potential to devolve the management of the Loans process, which will require the alignment of the Student Loans Company to GM priorities, as is now set to happen with the SFA in respect of 19+ skills funding.
36. There are concerns that a substantial expansion in apprenticeships will lead to a confused market place which could lead to poor practice emerging. There is an expectation that large transnational organisations which have developed extensive supply chain management techniques for schemes such as the Work Programme, might act as brokers or even engage in direct delivery. The proposed National Institute of Apprenticeships is expected to provide oversight of the levy led system but it lacks clarity in how that will operate and to what level ‘policing’ will take place. The need for some form of Ombudsman service would be expected in order to handle disputes which will occur as employers take greater interest in where their money is being spent.
37. The impact of the levy will require an Oldham and GM response in order to ensure that key sectors are supported, as the aspiration and ambition of boroughs like Oldham to see a demonstrable growth in skills acquisition.
38. Against this complex backdrop on apprenticeships, this strategy confirms our ambition that 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.





# Employment Support Programmes Strategy

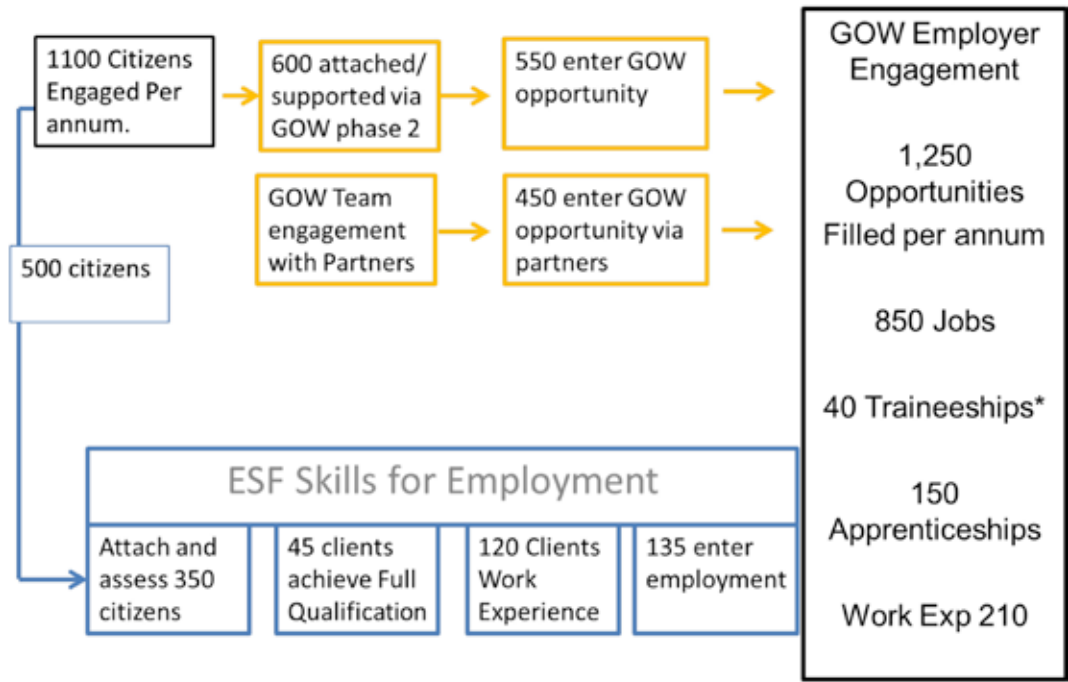
## Incorporating business case for the pilot Oldham Career Advancement Service

1. The Greater Manchester Combined Authority's Growth and Reform plan sets out how GM will need to tackle its position as a cost centre for the UK, requiring more than £22bn of public spending but only generating £17.8bn in taxes. The cost of providing public sector services is becoming increasingly unsustainable, with a greater proportion spent on the costs of dependency and less on opportunities to increase growth and reduce the demand for reactive services.
2. The cost of worklessness and low pay in Greater Manchester is £2bn per year, and whilst the primary focus is on Welfare to Work schemes which support residents into work, this only accounts for £290m per year, whereas £1.1bn is spent supporting residents in low pay jobs via the Working Tax Credits system. Only 53% of the GM working age population is in work and not claiming any benefits.
3. The issues of how welfare to work support and welfare reforms connect are complex and often complicate solutions for residents. Many of these problems are exacerbated when examined against the skills and health provision/access. Recent GM analysis suggests that 26% of the economically inactive population have no qualifications, compared to just 6.5% of the economically active.
4. The Health and Wellbeing agenda is also significant as health-related benefits (Employment Support Allowance and Incapacity Benefit) accounts for £0.6bn of benefits expenditure. The Work Programme has failed to engage effectively enough with the ESA Work Related Activity Group, despite the assessment of ability to progress into work, and whilst this is often reflected as being an issue of assessment, the first GM Working Well pilot has demonstrated that with the right support then residents can progress into work.
5. The council and its partners launched the Get Oldham Working programme as a direct result of underperformance from the Welfare to Work programmes which were failing to meet contractual needs within Oldham and not addressing issues which would slow down Oldham's post-recession recovery. The complexity of the market is demonstrated by the table below which provides an overview of the various local and national employment related programmes which operate alongside the universal Job Centre Plus offer. The Get Oldham Working programme aims to unify this complex offer which includes 14 core providers, plus another associated 30 organisations that provide referral pathways for clients (e.g. RSLs, community groups etc).

2013	2014	2015	2016	2017	2018	2019	2020
Get Oldham Working phase 1				Get Oldham Working phase 2			
				BIS Apprenticeship Levy			
				GMCA Apprenticeship Hub inc. AGE, CEIAG.			
				GMCA ESF inc. Skills for Employment			
GMCA Working Well Pilot				GMCA Working Well Phase 2 and 3			
GMCA Working Well Pilot							
GMCA Nu Traxx							
DWP Work Choice				DWP/GMCA Work and Health Programme			
DWP Work Programme				DWP/GMCA Work and Health Programme			

6. The second phase of Get Oldham Working for 2016-20 will need to build upon established partnership links and referral mechanisms that have been forged as part of the programme, and which have created mutual benefit with the contracted provision benefiting from mainstream investment by the council. The key learning point from the initial GOW programme has been the total focus on supporting clients into work but then a failure within the systems to progress clients into better work – i.e. a continuing system failure to tackle in-work progression after employment is secured. The impact of this can be seen in the increased dependence on in work benefits, and the continuing challenge this presents city-region wide in the productivity aspirations of the GM Strategy.
7. Against this backdrop, the outcomes proposed for the Get Oldham Working Programme for 2016-2020 under this strategy, underpinned by a continuing offer of employment support, maintaining the GOW register, council apprenticeship programme, the Jobs Bulletin Board and engagement with the providers stated above, are:
  - 7.1. Engage more than 6,000 residents through the second phase of Get Oldham Working from 2016-20
  - 7.2. Fill more than 5,000 jobs and work-related opportunities
  - 7.3. Invest in a new pilot Oldham Career Advancement Service – an extended information, advice and guidance offer seeking to help more than 400 residents already in work to progress from low pay, low skill jobs during the initial pilot phase (detailed below)
8. Objectives 7.1 and 7.2 are detailed in the diagram below which shows the operating model for Get Oldham Working phase 2, integrated with local ESF provision.

**Get Oldham Working Operating Model 2016/17**



\*Traineeships til 2017/18

### Career Advancement Service business case

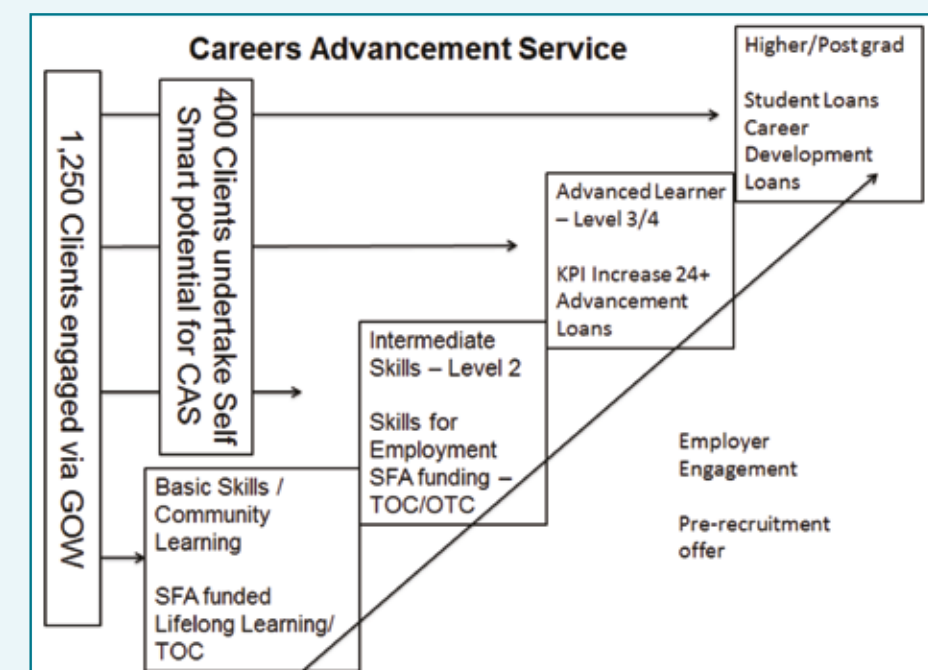
9. In addition to the second phase of Get Oldham Working, the work and skills strategy proposes that the council pilots a new Career Advancement Service offer, commencing in 2016/17. This would represent an extension of the core GOW offer providing an extended information, advice and guidance service seeking to help over 400 residents already in work to progress from low pay, low skill jobs during the initial pilot phase, potentially annualised to 1,600 over the 2016-20 period. This would provide brokerage and progression with outcomes measured in terms of advanced or higher level qualifications (as a proxy for employability and salary progression), and/or employment progression with measurable pay/wage increases.
10. The pilot will be financed by a proposed £250,000 one-off investment from the council for the initial phase commencing in 2016/17 and will be integrated with local and GM ESF provision. If the pilot phase is successful, the extension of the service could become a scalable GM option ahead of forthcoming devolution of Adult Education Budget and Work and Health programme commissioning over the next two to three years.
11. The rationale for the pilot Career Advancement Service is that adults in work do not get a fair share of support for learning and development, and that a shift towards personalisation of information, advice and guidance, alongside skills interventions for this cohort should form a stronger national priority. Given the findings on the relatively low rates of progression from low skilled work in Oldham, the model corresponds closely to local need in the borough.
12. Recent GM analysis has also shown a prevalence of low skill, low pay jobs across GM in a variety of sectors, particularly but not exclusively concentrated in services. The analysis also demonstrates clearly that solving low skills does not automatically solve low pay, as career and wage progression are intimately linked to wider factors including employment supply/accommodation, business support, behaviour change and personal motivation, as well as wider issues of accessibility of employment under inclusive growth agendas. This makes a continuing attachment career advancement model more compelling – whilst increasing qualifications can be a proxy for progression, ultimately the key measure is actual measurable increases in pay/wages and wider outcomes of personal and family/ community well-being, which often require complex brokerage and advice/ guidance support with clients in target groups.
13. The Career Advancement Service concept targets a part of the employment and skills infrastructure that currently has little state support: low paid adults. Traditionally, employment programmes are focused on getting unemployed people into work, while the skills system aims at young people and, to a lesser extent, adults with very low qualification levels. Both of these system failures are experienced by residents in Oldham and their consequences can be seen as structural weaknesses in the local economy borne out by the needs analysis data summarised in this strategy. By contrast, there are no significant national programmes that aim to lift in-work progression through skills acquisition (with the notable exception of adult apprenticeships which typically are taken by those in work). Nationally, projected vacancy rates over the next decade (13.5m) contrast sharply with the seven million young people forecast to enter the labour market for the first time over the same period. It is therefore critical that career and pay progression of adults is improved to achieve full employment and rising productivity in Oldham and across Greater Manchester.



14. Following recent budgets and spending review announcements, it is increasingly clear that in-work welfare recipients will shoulder a large proportion of the public expenditure reductions (£6 bn out of £12 bn) that are to come to 2020 and beyond. The way national labour market services are structured squeezes support from those on low to middle incomes, leaving them to largely fend for themselves if they want to progress and boost their earnings. The result are systems that have created a 'missing middle' of support for low paid workers who are often only eligible for support if they become unemployed, are young, or have very low previous qualifications. Each of these systems may make sense in isolation, but put together they miss key changes in residents' working lives.
15. There is now scope to test this concept locally before (depending on the evaluation) building up to a scalable model. This strategy proposes to develop a Career Advancement Service trailblazer project for Oldham, drawing on a variety of funding pots to enable the pilot to happen, including the Adult Skills Budget, the new European Social Fund round, Advanced Learner Loan resources, and supported by an initial £250,000 one-off investment from the council for the initial pilot phase commencing in 2016/17, enabling an initial target cohort of 400+ local residents to benefit from the extended service offer.
16. Exploratory discussions with local partners including the Oldham College, the National Careers Service and employers have welcomed the concept of the service, providing a positive example of public service reform. The personalisation aspect of the service also provides a strong case for utilisation of underspent regional allocations of 24+ Advanced Learning Loan resources, which will also be built into the asks and funding model. Testing demand for these loans at a local level will be a key objective of the service.



17. In practice, the service will extend the Get Oldham Working core offer, working in partnership across the local provider networks to continue to support residents in progression and skills attainment after they have succeeded in finding work. The offer would involve intensive career coaching to be made available to relatively low skilled workers to help them find paths to better skilled and better paid work. In turn this would provide target cohorts in Oldham in low paid work with a Career Coach and Personal Budget to put together a personalised package of support to build their career and boost their earnings. One of the central differences in the OCAS trailblazer from the existing careers infrastructure would be the personal budgets that could be developed: part of the control of spending rests with the individual learner, as signalled by the increasing personalisation of funding in the national skills system. The aim would be a successful tested and evaluated pilot that is used as the basis for the development of a scalable Career Advancement Service, with Oldham amongst the early adopters of this model nationally.
18. Locally, the model will be designed to support concentrations of low pay and low skill in particular wards of Oldham, as well as the sectoral progression opportunities identified in this strategy. It can also support core GM priorities, including the objective to tackle worklessness and improve skills, by improving the effectiveness of public services to deliver an integrated approach. As clearly set out in the GM strategy: "For Greater Manchester to reach its economic potential, we need to support more unemployed residents into work and enable them to progress into higher skilled (and higher paid) roles". In subsequent phases a GM Career Advancement Service Trailblazer could contribute significant devolved capacity to achieving this objective.
19. The operating model for the Career Advancement Service is summarised in the diagram below:

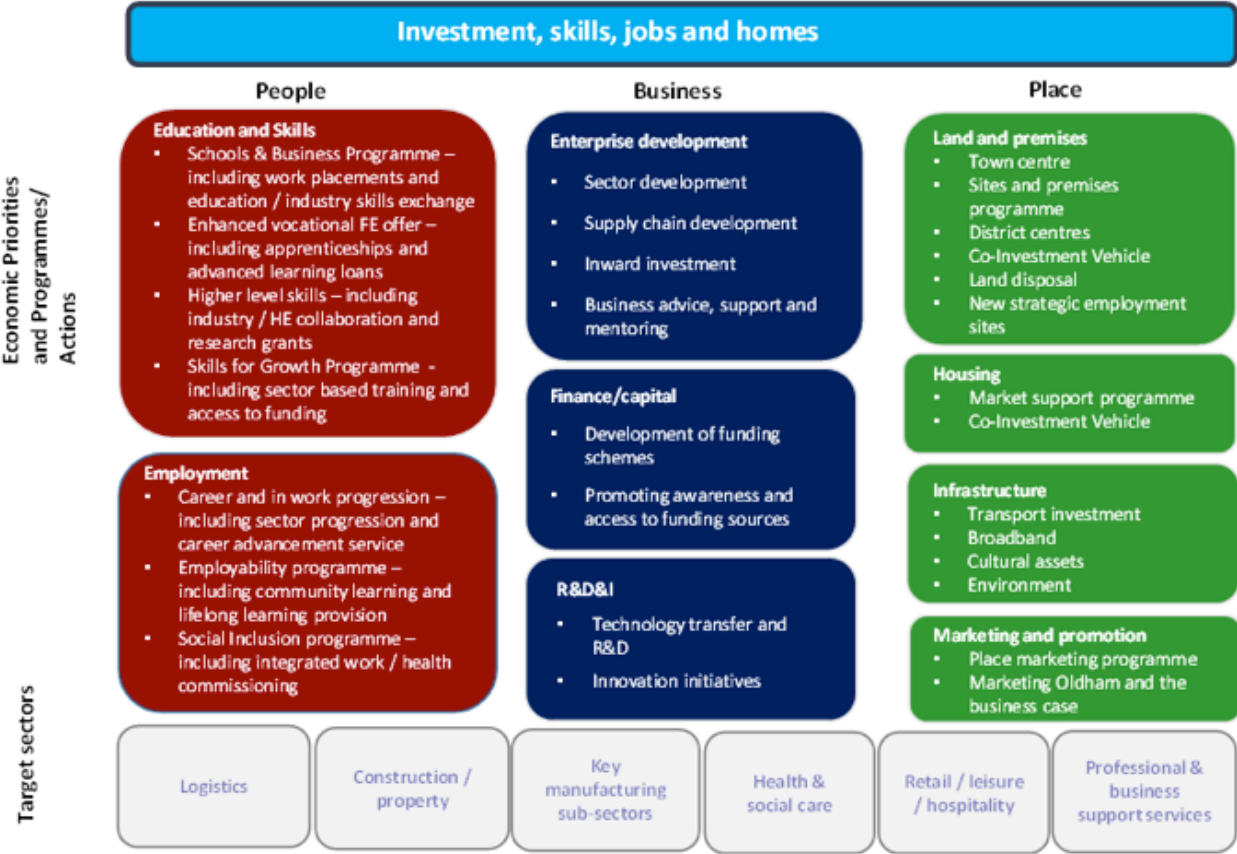


# Analysis of need:

## The Oldham employment and skills context

1. This section of the strategy is for reference, and describes the local context in the Oldham economy for skills and employment, highlighting the particular challenges affecting business growth, employment supply and skills. It connects directly to the aspirations set out in the Oldham Outcomes Framework and builds on the analysis shown in the Local Economic Assessment and SIF. The analysis supports the overall structure of the SIF which focuses on six key sectors for business and investment growth, and a skills and employment system that supports developing business capacity, innovation and workforce skills supply across these sectors, as shown in the diagram below:

### Oldham Strategic Investment Framework (SIF) summary framework:



2. By combining current and forecast employment sector growth strengths, current data supports adoption of a broad aspiration for employment growth and skills/training provision focussing on the six sectors summarised above, based on inherent strengths in the local skills base in Oldham, and priorities for employment for new entrants to the labour market, and working age adults seeking career progression.

## Six priority sectors for employment growth and skills/training provision in Oldham, 2016-20

1. Health and social care
2. Services (1) professional/business/digital services
3. Services (2) retail/leisure/hospitality
4. Engineering and manufacturing
5. Construction and property
6. Logistics

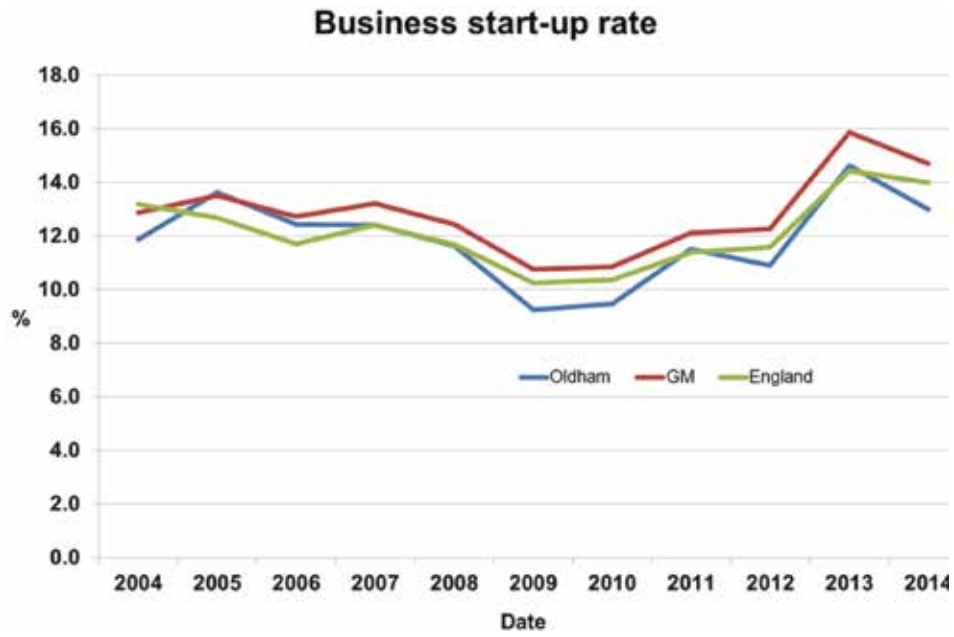
### Business and Enterprise

3. The 2015 Local Economic Assessment demonstrates that Oldham’s business base is not as competitive or productive as it could be. There is a large enterprise gap within the borough, with relatively few businesses as a proportion of the working age population and low numbers of business start-ups. Both highlight low levels of entrepreneurship in the borough, which present challenges for business creation and survival, as well as for the skills needs of businesses, and the supply of work experience and apprenticeship placements across the borough.

	Start-ups		Stock	
	2014	2009-14	2014	2009-14
	per 10,000 population	net change	per 10,000 population	net change
Bolton	48	35.0	334	0.6
Bury	54	31.8	380	6.7
Manchester	68	79.4	384	27.0
Oldham	38	44.2	290	2.5
Rochdale	43	37.9	298	2.7
Salford	56	67.5	349	16.3
Stockport	52	32.9	422	2.8
Tameside	37	40.5	287	2.8
Trafford	73	50.2	501	12.7
Wigan	37	35.8	276	3.4
GM Average	52	49.4	354	9.5
England	58	49.8	412	9.6



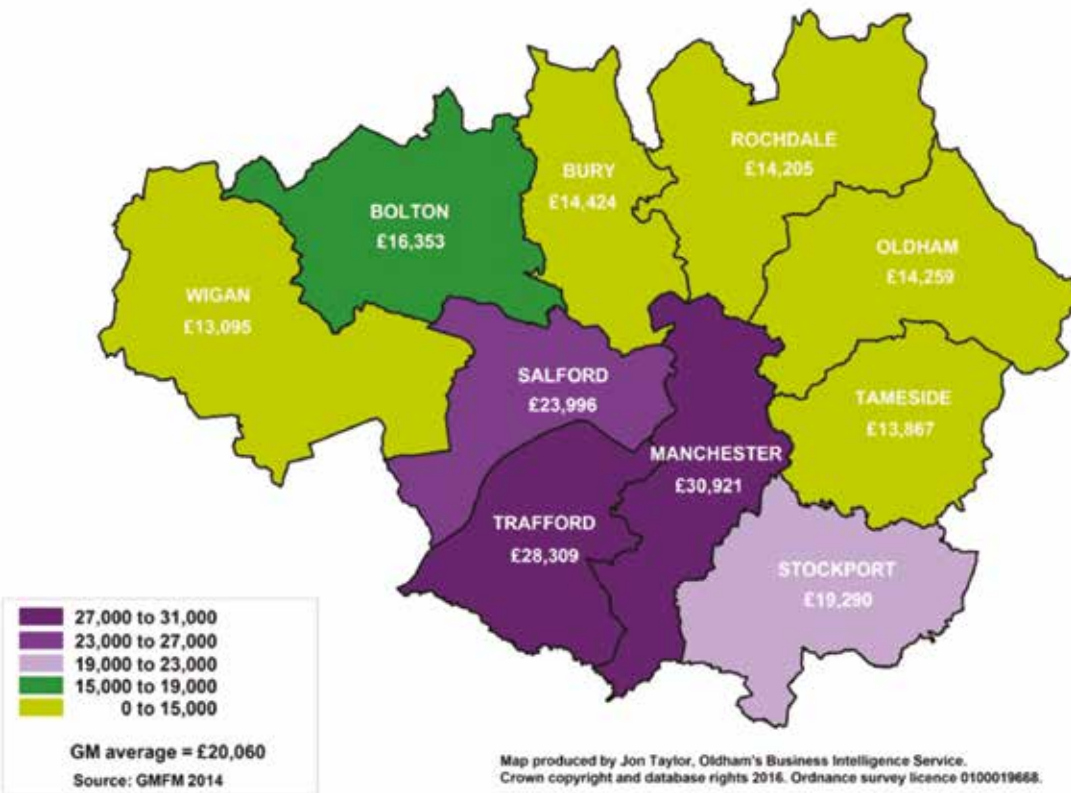
4. Oldham faces similar challenges to the rest of Greater Manchester in business start-up rates. Between 2009 and 2013 business start-up rates increased as the local and national economies strengthened after the previous recession. However, during 2014, start-up rates have slowed down across Oldham, GM and nationally. As described in the Oldham SIF, the issue of closing the gap with GM is one of the key strategic challenges this presents.



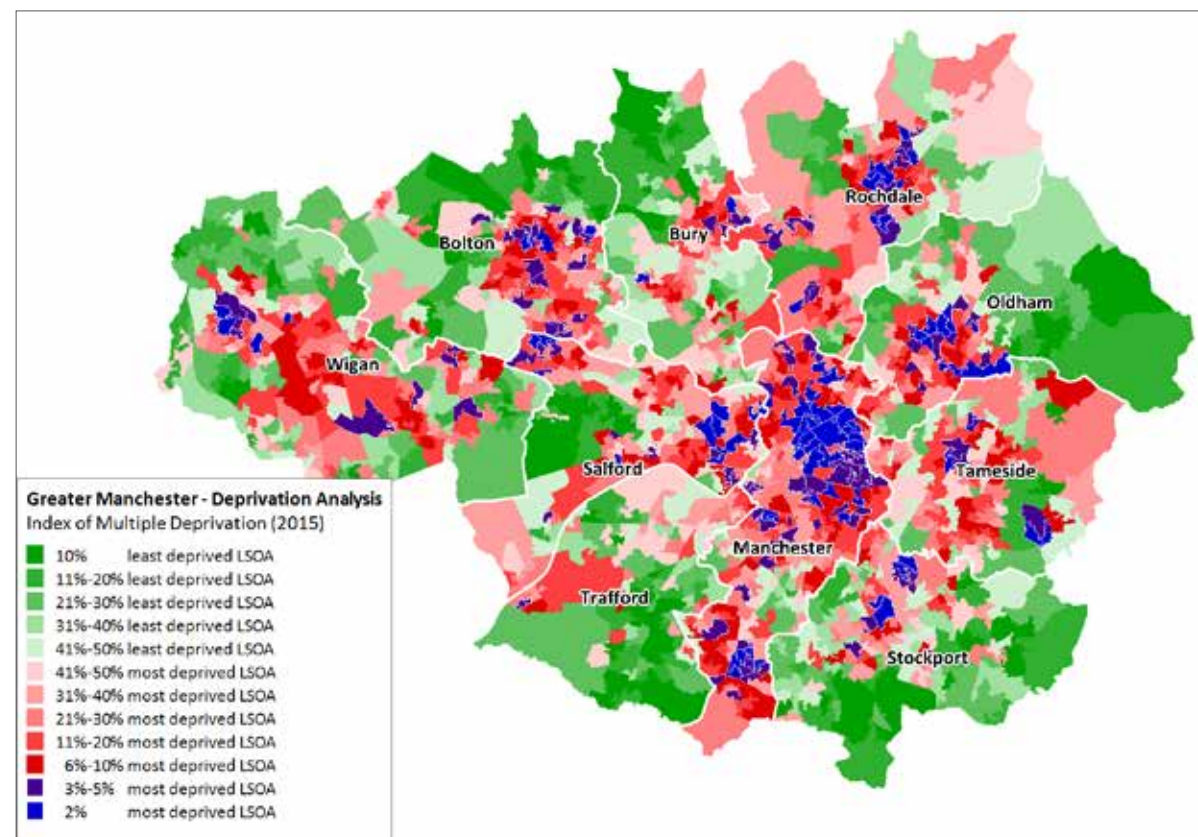
5. Gross Value Added (GVA) performance provides a measure of the wealth created in the local economy. The 2015 Local Economic Assessment describes GVA performance in depth. It also highlights the limitations of the measure, as GVA represents income generated by economic activity within the local economy on a workplace basis – and so does not account for income generated by Oldham residents who work outside the borough (which contributes instead to wider GVA across the city region).
6. However, it is evident that there is a substantial contrast in terms of wealth creation across the region. Oldham, which forms part of Greater Manchester North, along with Bury, Bolton, Rochdale and Wigan account for only £16.3bn (29.6%) of the total £54.7 Billion generated across Greater Manchester.

	GVA 2014 (£Billions)	% of Greater Manchester GVA	% change since 2004
Bolton	16.0	29.3	15.8
Bury	6.6	12.0	4.2
Manchester	5.8	10.6	23.5
Oldham	5.5	10.1	10.6
Rochdale	4.6	8.4	11.1
Salford	4.2	7.7	11.8
Stockport	3.3	5.9	7.5
Tameside	3.1	5.6	7.4
Trafford	3.0	5.5	3.0
Wigan	2.7	4.9	19.8
GM Average	54.7		12.2

**Workplace GVA per head 2014**



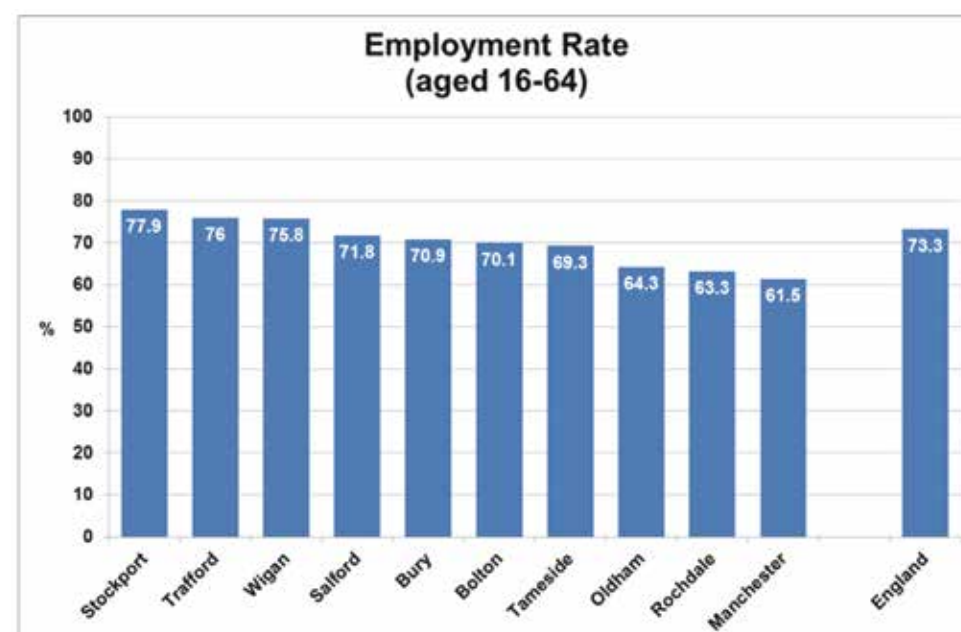
7. The figures for Manchester and Salford may not reflect the full issues relating to each area, as they include the principal regional centre of the city region, comprising Manchester City Centre and Salford Quays. If the economic benefit of these areas was excluded it is likely that the economic performance of the remainder of Manchester and Salford would more closely correspond to the relative levels of performance of the other Greater Manchester areas. This is demonstrated in part by the deprivation heat map shown on the next page, illustrating the concentrations of economic deprivation in the north east of the Manchester City area. Taken together these help to demonstrate the challenges of skill levels and poor productivity as structural weaknesses facing a number of the deprived areas of the city region, to which this strategy seeks to contribute for Oldham.



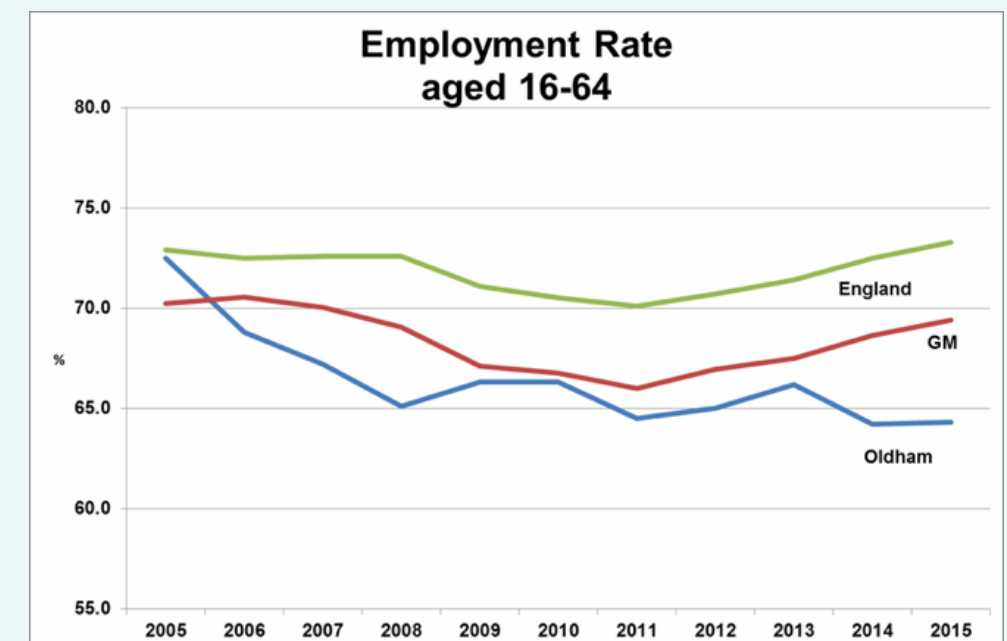
8. Taking business sectoral growth forecasts into account, this means whilst the local preference would be to achieve a significant uplift in workplace GVA per head in Oldham, the medium-term objective of the strategy has to account for localised employment and business growth opportunities, increasing the GVA workplace gain of these opportunities, and also for out commuting of higher skilled Oldham residents to higher skill/wage employment growth concentrations elsewhere in GM in equal measure. Our strategy therefore accounts for the need to support and continually enhance our residential housing and leisure offer within Oldham to support this on a sustainable basis into the future, alongside the career and wage progression opportunities for residents within and outside the borough.

### The Oldham labour market and skills

9. High levels of employment are a key indication that an economy is in good health. At 64.3%, Oldham has the 8th lowest employment rate within Greater Manchester, and is significantly lower than the national average (73.3%).



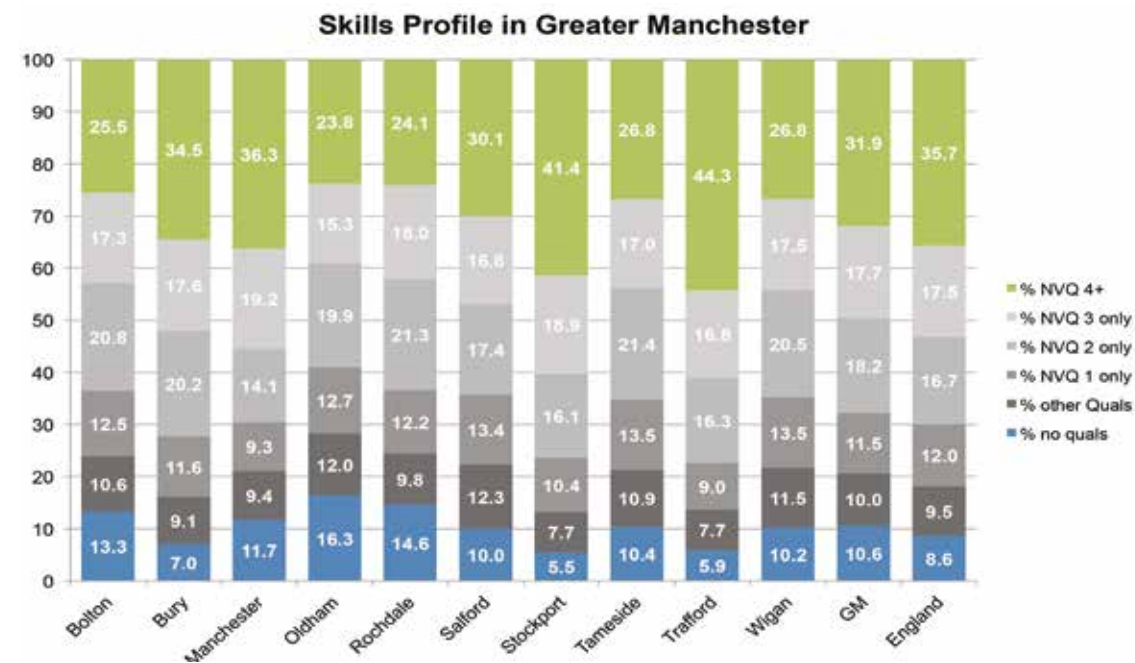
10. The trend of the local employment rate in Oldham also continues to perform poorly in relation to local and regional comparators across Greater Manchester.



11. The skills performance of the local labour market is also a significant and continuing area of concern. Oldham has a higher proportion of residents with no qualifications and fewer residents holding degree level qualifications or higher compared to the Greater Manchester, North West and national averages (data based on 16-64 cohort, 2014). Obtaining a degree or equivalent level of qualification can enhance opportunities for individuals to find work and progress to employment in higher wage jobs. Whilst the trend in Oldham on Level 4+ performance is currently on an upward trajectory, the gap in performance to GM and England is still widening. Out-migration of skilled residents has also played a factor here, and the impact of historical qualification attainment vs permanent out-migration is not captured in these figures.

	Oldham (%)	GM	North West (%)	England (%)
NVQ 4 and above	23.8	31.9	30.9	35.7
NVQ 3	15.3	17.7	17.9	17.5
NVQ 2	19.9	18.2	18.7	16.7
NVQ 1	12.7	11.5	12.1	12.0
Other qualifications	8.3	6.3	6.0	6.2
No qualifications	16.3	10.6	10.6	8.6





12. Oldham's comparative population outcomes on skills have a consequential effect on inward investment, and on labour market mobility. Whilst connectivity has improved significantly, particularly with the introduction of Metrolink, Oldham is at a net disadvantage in terms of labour market competitiveness as a consequence of historically poor performance on skills. Alongside this the effect of low skill levels in the resident population is experienced in the wage structure of the Oldham economy. Oldham has traditionally had low wage levels in terms of residents and work place earning potential (as measured by median weekly wage levels). This reflects a combination of the sectoral employment mix within Oldham and the relative skill levels of the local workforce.

	Resident			Workplace		
	Annual	Weekly	PT Hourly	Annual	Weekly	PT Hourly
<b>Bolton</b>	23,656	469	8.0	23,221	458	8.0
<b>Bury</b>	27,421	517	8.7	25,011	482	7.8
<b>Manchester</b>	24,968	484	7.8	27,454	533	8.8
<b>Oldham</b>	22,810	444	8.2	22,562	428	8.0
<b>Rochdale</b>	23,799	463	7.9	22,196	430	7.9
<b>Salford</b>	24,499	477	7.7	27,145	516	8.3
<b>Stockport</b>	27,519	540	8.7	26,310	502	8.3
<b>Tameside</b>	23,485	447	8.1	21,724	435	8.9
<b>Trafford</b>	30,946	566	9.0	26,544	476	8.1
<b>Wigan</b>	26,206	503	8.2	23,655	460	8.3
<b>GM Average</b>	25,531	479	8.2	24,582	472	8.2
<b>England</b>	27,869	533	8.5	27,872	532	8.5

13. Recent analysis of low pay across Greater Manchester established that (a) increasing qualification levels does not automatically solve low pay, and (b) that levels of upward mobility amongst the low wage workforce are limited, due to a combination of low levels of skills acquisition, and limited career progression potential within sectors characterised by low wage employment. This adds greater depth and analysis supporting labour market interventions designed to help low skill low wage adults already in work to raise their skill levels, and make more substantial moves between sectors in order to progress their careers and therefore their pay. For Oldham and for GM, this is a further argument in favour of career advancement interventions to support the skills and employment systems.

14. The causal effects of performance in the schools system and the consequences of these in the wage structure of the economy have been accounted for in part in the January 2016 OESC report. But in the post-16 education and training system, targeted interventions for skills uplift and workplace progression must now form a major priority for action in this strategy against an increasingly challenging financial and institutional change process affecting this sector.

### Post-16 education and training providers in Oldham

15. This strategy recognises that there are a wide range of post-16 education and training providers in the borough, comprising further education colleges, independent/private training providers, the council's provider arm (the Lifelong Learning service), a growing higher education offer, alongside out-of-borough learning, and learning at work/employer-based training. This breadth of providers is a strength in terms of diversity of opportunity for young people and adult learners alike, but can also act as a limitation in terms of complexity, choice and the challenges facing information, advice and guidance across Oldham and nationally. The picture is further complicated by the Area Based Reviews, which now take a partial view of post-16 provision with a particular focus on reorganisation potential across and between FE and sixth form colleges in an area.

16. Within Oldham, across the Oldham FE College, the Oldham Sixth Form College and the council's Lifelong Learning service alone, there is currently more than £31m of expenditure on skills and training provision p/a in Oldham (based on available data for the 2015/16 academic year allocations from the SFA and EFA), excluding other income and employer contributions to training provision by these providers. Quality levels as evaluated by OFSTED vary across providers and are affected by many interrelated factors. Nationally provider relationships are heavily influenced by the two principal funding agencies, the Skills Funding Agency (SFA, for 19+ provision) and the Education Funding Agency (EFA, for 16-18 provision).

17. A new office of national FE Commissioner was also created during the last parliament with powers of intervention on behalf of the secretary of state. The trigger points for FE Commissioner intervention are an inadequate Ofsted inspection and/or failure to meet national minimum standards of performance and/or an inadequate assessment for financial health or financial control as identified by the Skills Funding Agency. The FE Commissioner intervenes in FE colleges, designated institutions and local authority maintained FE institutions. The FE Commissioner is closely involved in the GM Area Based Review, but to date has had no direct involvement in regulatory or other matters with providers active in Oldham.

18. The main provider of further education within Oldham is Oldham College who offer vocational learning opportunities to young people aged 16+. In 2014/15, the college had 2,623 students with around 80% of these being Oldham residents, 23% of students were recorded as having some form of special educational need. The learning offer spans pre-entry provision for young people with additional needs up to level four; supported internships and apprenticeships are also available for suitable students.

19. Oldham Sixth Form College also provides a route for young people aged 16-18. In 2014/15, the college had 2,255 students with around 86% of these being Oldham residents, 23% of students recorded as having some form of special educational need. On offer are Level 2 and Level 3 programmes as well as some GCSE provision where this is required in order to access Level 2 provision. On site is the Regional Science Centre which aims to provide engagement to promote science skills to a wider audience, working in partnership with primary and secondary schools, further education colleges and universities.

20. University Campus Oldham was created in 2005 in partnership with the University of Huddersfield, Oldham Council, Oldham Sixth Form College and The Oldham College. This provided a Higher Education offer within Oldham



offering 11 degrees, including provision in Business Studies, Law and 10 Foundation Degrees. Following the change to student tuition fees the management of UCO was transferred to The Oldham College. The Campus has reshaped its offer which now includes five degrees and eight Foundation Degrees.

21. As an alternative to a college setting, young people can choose to access training at one of four local providers; young people also travel to Rochdale, Tameside, Manchester and Bury to access Study Programme, traineeships and apprenticeships. Oldham's local providers include Rathbone, YMCA, OTC and Mantra, all of which offer programmes to 16-18 year olds and those aged 19-25 where they have a learning difficulty and/or disability. OTC and Mantra also offer programmes to adults.
22. Rathbone has around 30 Oldham residents on programme, 2% of which are recorded as having some form of special educational need. YMCA has around 233 Oldham residents on programme across its two centres; 4% of which are recorded as having some form of special educational need. Oldham Training Centre (OTC) offer traineeships and apprenticeships to young people and adults. Mantra offer traineeships and apprenticeships to young people and adults. In 2014/15, a total of 125 16-25 year old Oldham residents accessed provision and a further 42 aged 25+; of these students, around 28% were recorded as having some form of additional learning need.
23. The council's Lifelong Learning service remains a significant provider primarily of entry level learning for residents in Oldham. It was recently assessed as an outstanding provider across all areas under the new OFSTED Common Inspection Framework (CIF) in 2015.
24. The service is a direct provider of accredited and non-accredited courses, focused on entry level with a small proportion of targeted provision at Level 2 and Level 3. Last year the service provided 974 courses with more than 11,000 enrolments covering more than 5,500 learners. It also supports 58 community groups/self-organised learning groups across the borough with over 730 community group members. The service attracts approximately £3m of funding from SFA adult skills and community learning budgets, and additional funds from the Department for Communities and Local Government (DCLG) for English for Speakers of Other Languages (ESOL) provision and a recent bid to the European Social Fund (ESF) has been successful to deliver the C2 Employment and Skills programme in partnership with Economy and Skills team. The service's work to engage disadvantaged communities in Oldham and its engagement of those who are least likely to participate in learning are key strengths of the approach. It has existing close relationships with a wide range of partners including Jobcentre Plus, the National Careers Service, employers, voluntary sector organisations and Oldham College.
25. All skills providers in Oldham will face a range of challenges over the 2016-20 period, including the introduction of the single Adult Education Budget (AEB), enhancing the progression offer, the impact of the GM area based review, and maximising their leverage over an increasingly market oriented skills system. Part of the response to this will need to include a strategic review of the council's Lifelong Learning Service to be undertaken in advance of the 2017/18 academic year. These challenges have been described in more detail elsewhere in the strategy.
26. The strategy recognises that this broad provider mix represents essential stakeholders in the work and skills strategy and that the council now needs to improve its comprehensive engagement with this breadth of providers in pursuit of population based skills and employment outcomes. The outcomes framework recognises that the performance/quality of this system needs to be monitored and tracked more systematically in future for the borough, alongside a more representative and comprehensive engagement across the breadth of providers active in Oldham, pre- and post-Area Based Review.

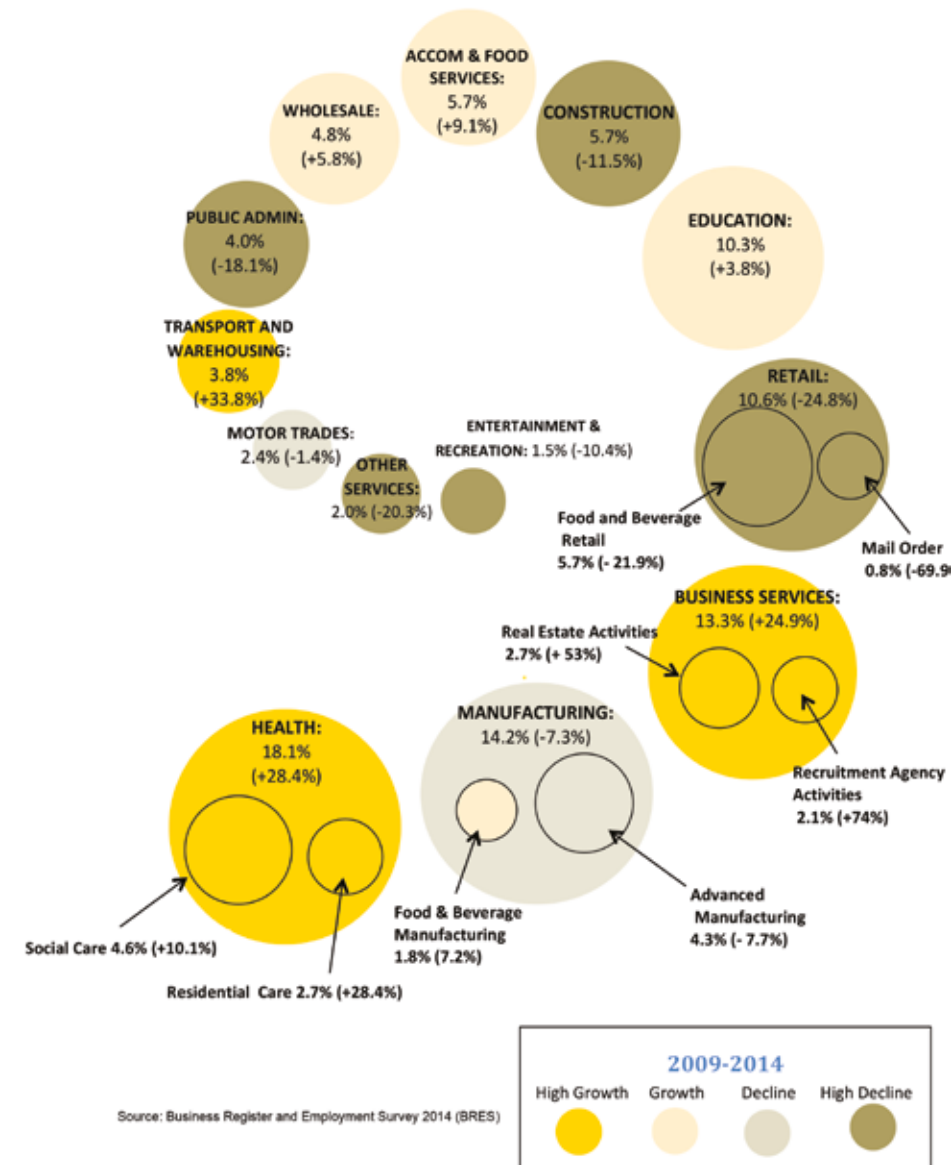


### Employment growth by sector in Oldham

27. A detailed analysis of employment by sector and forecast growth is provided in the 2015 Local Economic Assessment (LEA) and in the SIF. This section summarises the key trends and headlines from these, linked to some of the local interventions proposed in this strategy's outcomes framework. It builds on the commentary on the labour market and the summary of the six priority sectors set out earlier in this section.

28. The shape of employment composition in the borough in 2014 was as shown in Figure 1 below.

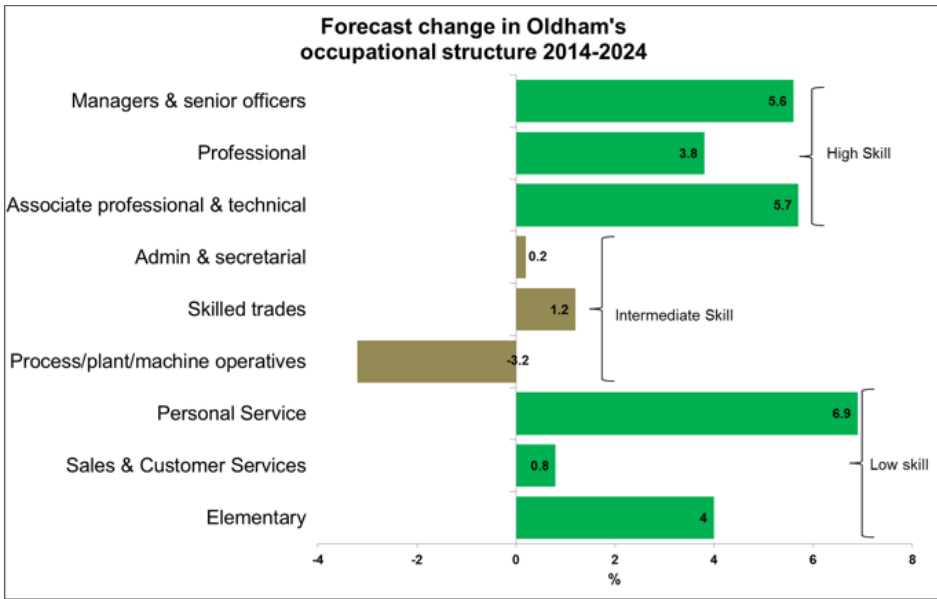
**Figure 1 - Oldham employment composition (workplace based), 2014**



29. As the LEA describes, this demonstrates historic sectoral strengths alongside structural weaknesses, particularly in relation to the dependence on public service employment, and a predominance of sectors that are frequently characterised by lower skill and consequently lower wage employment (retail and manufacturing in particular). These in turn result in related structural limitations on Oldham's potential contribution to raising productivity across the city region. The economic consequences of this employment base on GVA were described earlier in the strategy.

30. The forecast growth in employment by sector appears set to repeat these patterns, and two analyses are shown below to illustrate the challenges these present for spatial planning alongside skills and employment interventions. The first, drawn from the Greater Manchester Forecasting Model (GMFM), predicts that Oldham's labour market will be reshaped over the next 10 years and that jobs will be created at the top and bottom of the skills scale, while those in the middle tier will increasingly be squeezed out.

31. This forecasting demonstrates that without sustained interventions focusing on in-work progression there is a higher likelihood of protracted labour market disadvantage for Oldham residents who, due to the borough's skills profile, may continue to succeed in finding employment at the lower skill areas of the local labour market, but will struggle to progress to higher skill and higher wage employment that is nonetheless forecast to grow at the upper end of the local employment market.



32. The following two tables show the forecast growth by sector of employment opportunities as a direct consequence of market interventions the council is taking via its physical regeneration strategy/capital programme – by type of employment, and secondly by project.

33. Whilst to a large extent the council's physical regeneration strategy/capital programme has to be market-led and the council is a key strategic influencer of market demand for investment that can subsequently change the character of the local employment market and sectoral mix, the analysis also illustrates the challenges arising from the predominance of service sector employment growth as a consequence of the regeneration programme. These challenges will contribute to and exacerbate the low wage, low skill structural effects that are direct causes of the borough's economic underperformance in skills, employment and ultimately workplace GVA. They contrast with the challenge of continually improving Oldham's town centre place and leisure/retail/ cultural offer for residents, alongside the strategic objective of achieving a continual uplift in this offer to complement the council's and GM's residential housing growth strategy.

34.A further detailed business and investment review to be undertaken later in 2016/17 will also examine strategies to rebalance employment growth to other sectors to address some of the structural challenge sin the lower skill/wage occupations currently represented in the Oldham economy.

Figure 5 – Number of potential jobs created through Invest in Oldham 2013-2023.

Sector	Totals
Apprenticeships	151
Construction	2803
Retail	1009
Customer Service	47
Warehousing/ Distribution	1777
Office/Business Admin	423
Hospitality	95
Manufacturing	1866
Teaching	2
Ancillary staff	3
Other	669
Leisure	38
Totals	8883

Forecast job creation through Invest in Oldham, by key project:

	Jobs	Net Additional GVA £ p.a.
Old Town Hall	233 Permanent Jobs	£5.6m
	172 Construction Jobs	
	115 Net Additional Jobs	
New Coliseum & Heritage Centre	21 Permanent Jobs	£5.2m
	20 Construction Jobs	
Princes Gate	839 Permanent Jobs	£21.7m
	40 Construction Jobs	
Independent Quarter	50 Permanent Jobs	
	50 Construction Jobs	
Hotel Future	111 On-Site Jobs	£4.3m
	43 Off-Site Jobs	
Foxdenton	2094 Jobs	£5.3m
Hollinwood	750 Jobs	£25.m
Totals	4,500	£67.3M

35.Once complete, the GM-wide Deep Dives data will assist further with confirming and refining these job growth projections, alongside identification of locations and concentrations of higher skill/wage employment growth across the city region, which higher skilled Oldham residents will need to be able to access competitively. Together with the findings set out earlier in the strategy on business/enterprise and the labour market and skills, this supports the need for a twin track approach in the work and skills strategy that supports residents in three priority areas:

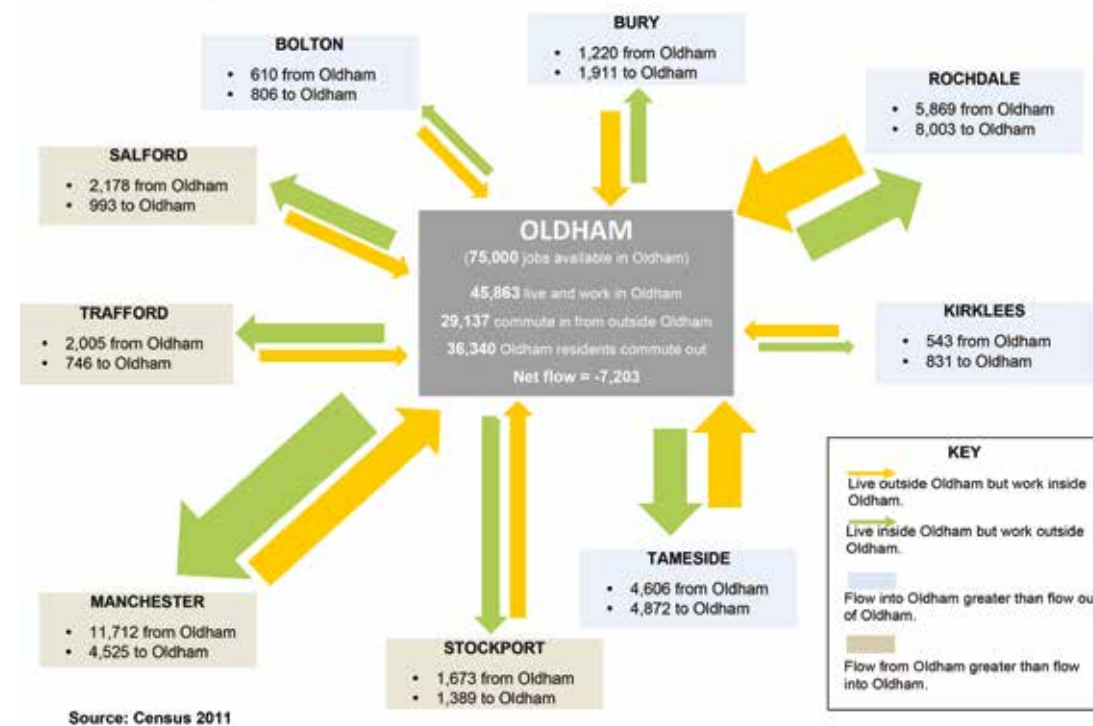
- Entry level skills provision raising resident skills levels, leading to employment in jobs indigenous to Oldham;
- In-work progression strategies enabling residents currently employed locally to progress to higher skill and wage opportunities within Oldham, and elsewhere in the city region, both within their current sector of employment, and also across to other sectors (in line with the recent studies on low pay and progression across GM).

36.This strategy recognises that the council cannot and does not seek to centrally plan provision for the six priority areas of sectoral growth, but prioritises them in this strategy and the SIF as the basis for developing the Oldham Outcomes Framework with schools, employers, training providers and individuals as a starting point for reforming the provider offer across Oldham and GM over the life of this strategy. The council’s contribution to these areas of priority will come through managing the strategic partnerships for the borough, and the contribution to progression that its lifelong learning, employment support, business/investor relations and others functions can provide. Pilot interventions, such as the Career Advancement Service model, can also assist in helping individuals navigate a career pathway within and between these sectors, where skills mismatches exist and/or where individuals are currently employed in other sectors.



## Transport and labour market mobility

37. To achieve the strategic goals set out in this strategy, it is essential that Oldham residents have access to a transport system that does not present barriers to them taking up work or training opportunities or moving to a better job, either within or beyond Oldham. Linkages between the Work and Skills Strategy, and local/GM Transport Strategy developments are important. This Strategy also recognises that a balance between locally created employment opportunities, alongside out-commuting of residents, will continue to be important to the economic success of Oldham residents in the short to medium-term, given that it is economically unrealistic for Oldham to aspire to be entirely self-sufficient in employment terms over the medium or long-term.
38. Oldham is already a net exporter of labour, with more people commuting out of the borough each day (36,340) than commuting in (29,137 2011 census). Metrolink has significantly improved transport connectivity, with 4,400 people a day using the system to travel from Oldham into the regional centre of GM, predominantly for work. This is summarised in the chart below.



39. The council's capital investment programme is forecast to create thousands of new jobs, but it is unlikely to fully meet the employment needs of Oldham's economically active population, as well as reflecting sectoral concentrations which are not on their own conducive to raising wages and productivity on a transformational scale for Oldhamers. Job seekers may be required to travel up to 90 minutes to get to employment opportunities outside the borough, while 31.2% of households in Oldham do not have access to a car and therefore rely heavily on public transport and active travel.

40. Although Greater Manchester has an extensive public transport network, there are many locations that are not well served, including parts of Oldham. Jobs in the major employment concentrations of Trafford Park/Trafford Centre, Salford Quays, the airport/Enterprise Zone and the future Port Salford are particularly difficult to reach by non-car modes from this borough. Many of these areas will benefit from concentrations of higher value/higher wage employment growth in GM in the short to medium term, meaning their accessibility to Oldhamers will be increasingly important. There are also challenges in terms of the cost of public transport and its availability where businesses operate 24/7 or have variable working hours. There is also a need to improve access by public transport, active travel links and measures such as car club/cycle hire as well as Travel Choices interventions to make people aware of their travel options.

41. Work is already underway to develop a new transport strategy for Greater Manchester for 2016 – 2040. This transport strategy is being developed by Transport for Greater Manchester, in consultation with the ten councils, including Oldham. It will support the emerging Greater Manchester Spatial Framework and will identify the infrastructure needed to serve new development areas as this becomes known.

42. One of Oldham Council's key priorities is for the GM 2040 Transport Strategy to address the current lack of orbital public transport routes and thereby improve connectivity from Oldham to the new jobs that are being created predominantly in the south of the conurbation, such as those associated with the airport's expansion plans, where only 2% of staff are currently resident in Oldham.

43. Connectivity is an underlying theme throughout the 2040 Transport Strategy and is considered at five different spatial levels, with access to employment addressed at each level:

- Global connectivity looks at the need for better links to ports and airports;
- City to city connectivity looks at transforming links to other UK cities;
- Regional centre connectivity addresses the transport needs of the regional centre;
- City region connectivity looks at travel needs across the wider Greater Manchester city region; and
- Connected neighbourhoods addresses the needs of shorter local trips.

44. There are also policies and principles within the GM 2040 Transport Strategy that will apply to the transport network throughout Greater Manchester, including Travel Choices interventions and a new public transport fares and pricing strategy.

45. Greater Manchester has a comprehensive Travel Choices programme focused on the journey to work, working with businesses to encourage their staff to travel sustainably; helping jobseekers travel to interviews and to their workplace during the initial period of employment; encouraging individuals to use public transport, cycling or walking infrastructure in their area; and promoting cycling in secondary schools and colleges. The GM 2040 Transport Strategy will seek to maintain this programme, subject to resources being available to enable it continue.

46. Oldham Council will continue work to maximise the benefits to Oldham of support programmes such as this. Since 2013, Oldham jobseekers, residents and businesses have benefitted from the following support:

- More than 900 free day bus tickets have been provided to jobseekers in Oldham to enable them to travel to interviews;
- More than 1,000 free monthly bus and tram tickets have been provided to jobseekers for their first month's employment, followed by discounted tickets for a further three months;
- Personalised travel planning, involving the preparation of bespoke travel packs including information and incentives, has been carried out in Hollinwood,

Werneth, South Chadderton and Shaw;

- Several Oldham businesses and organisations have been engaged in the Travel Choices programme to encourage sustainable commuting and business travel, with JD Williams highlighted as a successful case study on the GM Travel Choices website.

47. The new public transport fares and pricing strategy will need to address the affordability of public transport, particularly for residents on limited incomes, many of whom depend on public transport. Flexible ticket options will be important for people working or studying on a part-time, flexible or short-term contract basis. Public transport is also particularly important for young people, for whom fare concessions are currently linked to being in full-time education. The GM 2040 Transport Strategy will seek to introduce a more flexible system that recognises the role played by apprenticeships, work placements and part-time study in improving their future prospects.
48. Improvements in public transport access, active travel links and measures such as car clubs and cycle hire, as well as Travel Choices interventions to make people aware of their travel options, delivered through the GM 2040 Transport Strategy, will all have a role to play in achieving the strategic objectives for employment and skills in Oldham.

## Health and wellbeing

49. Pathways to employment have a substantial impact on population health and well-being outcomes. Alongside the population health needs across Oldham the initial success of programmes such as Working Well phase 1, and its subsequent expansion to a second phase from 2016/17 onwards, signal a continuing priority focused on connecting health improvement strategy to labour market and productivity impact over the 2016-20 period.
50. As described above, there is also a significant sectoral growth opportunity in health and social care in Oldham which will continue to be a major priority for workforce and employment interventions under this strategy.
51. Previous Public Health Annual Reports have also discussed, the priority on work and health. The 2012/13 report noted that “In this continuing period of economic challenge retaining work and reducing impact of sickness on productivity are essential priorities. In health terms the priority is supporting people to stay in work and supporting employers to make work a positive attribute to good health. Health and wellbeing programmes produce economic benefits across all sectors and all sizes of business: good health is good business. Being in a job is better for health and having employment that is secure, offers the individual a level of control and a fair wage is better still. Absence from work through ill health can arise from conditions in work and/or be a reflection of the individual's health behaviour outside work and of the features of the environment in which communities live. Unemployment is bad for health and in Oldham unemployment is currently higher in young people and in black and minority ethnic groups”.
52. In addition, the recently published Oldham Locality Plan for Health and Social Care Transformation (April 2016-March 2021), adopts a proactive community resilience approach to supporting the delivery of population public health outcome improvements. The plan notes that by taking this approach community resilience can help overcome barriers to wellbeing and health, including debt, unemployment and in-work poverty. This has a strong correlation to the Work and Skills Strategy's assessment of need and proposed interventions to support in-work progression and skills acquisition for working age adults, alongside those for young people entering the labour market for the first time. These linkages will be strengthened over the life of the strategy, alongside the relationship between skills and employment, and health and social care devolution strengthening at city region level across Greater Manchester during the same period.

## Partnership structures and governance

---

53. The development of partnership working in Oldham has seen the establishment of three Commissioning Clusters responding to the Oldham Leadership Board. They are Co-operatives and Neighbourhoods, Health and Wellbeing and the Economy and Skills Commissioning Clusters.
54. These clusters were set up to enable the partnership to better pool, align and commission across organisational boundaries and explore new organisational forms. It was also agreed that the clusters would not add more governance or duplicate existing partnership arrangements. This is particularly important at this time with the often fast moving Greater Manchester Devolution agenda that we operate within and would wish the board and the clusters to drive. The Partnership is linking directly to the growth and reform ambitions for Greater Manchester but delivering it the ‘Oldham way’ through our co-operative approach where everybody does their bit and everybody benefits.
55. The Economy and Skills Cluster will be the key partnership board for this strategy specifically in relation to the outcomes framework and interventions. Its membership is currently being reviewed to more strongly reflect the six priority employment sectors described in this strategy and the SIF. The cluster will call upon experts within the field, those people and organisations that can influence and deliver against the vision and goals. The Oldham Leadership Board will receive progress updates on the strategy via the cluster.
56. The cluster will have three main areas of responsibility on behalf of the Oldham Leadership Board, covering the three domains of the SIF, namely:
- Work and Skills strategy (people domain)
  - Business and investment (business domain)
  - Physical regeneration (place domain)



**working for a  
co-operative borough**

