

Thames Valley Berkshire Local Enterprise Partnership City Deal



Executive summary

The Thames Valley Berkshire City Deal aims to address the skills gaps and unemployment and underemployment of our 16-24 year old population in order to maximise the impact of our collective investment and unleash growth in this important economic area. It acknowledges the region's strong track record of delivering growth and seeks to support those existing, and new, businesses in achieving their full potential. The deal we have agreed with Government allows us to maintain and grow our status as a prosperous economic area. Our deal will:

- Aim for a 50% reduction in youth unemployment within 3 years;
- Secure £1.5 million of private sector investment to support employment and up skilling of young people;
- Generate 1,300 new employment opportunities for young people including helping 800 sustain work for at least six months;
- Develop new approaches to help more young people into sustainable employment ensuring 900 young people do not make a repeat claim within 9 months of their last, and increasing the earnings of 450 young people;
- Deliver improvements in existing schemes including 1,500 new work experience placements; create 300 additional Apprenticeships and 800 new Youth Contract Wage Incentives.

Our signing of this document confirms our joint commitment to ensure the full implementation of the Thames Valley Berkshire City Region City Deal, proposed by the Reading, Bracknell Forest, Slough, West Berkshire, Windsor & Maidenhead and Wokingham Local Authorities and the Thames Valley Berkshire Local Enterprise Partnership; consistent with the attached detailed implementation plan. To ensure implementation and demonstrate success we will jointly track progress against milestones and outcomes.

Introduction and economic overview

Thames Valley Berkshire is the Local Enterprise Partnership which brings together business, the university, colleges and local authorities in the area: Bracknell Forest, Reading, Slough, West Berkshire, Windsor and Maidenhead, and Wokingham. The area is a successful high performing economy second only to London in gross value added (GVA) per capita terms. However, we cannot afford to stand still if we are to continue to contribute to UK growth and remain internationally competitive. Despite a buoyant local economy some of our businesses are struggling to fill vacancies and experiencing skills shortages which are stifling growth potential. Our City Deal offers a real opportunity to fuel growth where the business sector wants it and where the UK needs it.

Our vision for the City Deal reflects our relative national competitiveness, but acknowledges that growth has not been equally shared within the Thames Valley Berkshire area. This is especially true for many of our young people who have been left behind as a result of the recession. Our vision is to improve impact of our investment in jobs and skills so that we can better meet the expectations of young people and our businesses.

We will achieve this through our Youth Guarantee that aligns our collective local and national investment in order to provide high quality, personalised advice and support so that every young person has the opportunity to undertake the right training, improve their skills, find an apprenticeship or get a job. To do this we will work closely with local businesses to interpret and adapt our collective services to meet their needs.

This will be underpinned by an integrated support structure for young people and businesses that is able to match supply and demand, align incentives, reduce duplication and increase impact. This will include a single Local Enterprise Partnership-branded offer on skills and jobs for local businesses; and a new contracted-out Business Engagement Unit tasked with driving up demand for jobs and skills using a payment-by-results model with an established track record locally.

Our City Deal will aim to reduce youth unemployment by half within three years by providing targeted support for local employers and engaging 4,500 young people (16-24 year olds), including helping 1,300 into work, 300 additional apprenticeships and 1,500 additional work experience placements. Moreover, we also recognise that some of our young people are underemployed and moving between low paid work and benefits. To address this we will work with 1,500 young people to deliver job sustainability and increase their earnings to take them out of benefit entitlement altogether.

While our focus is on young people and providing our business with the skills they need, we also need to ensure we provide our businesses with the right conditions to remain competitive and productive. Through our City Deal we will develop the speed and impact of locally targeted and delivered business support with an explicit focus on high growth and export-led SMEs.

Why are we doing this?

Despite a high performing economy Thames Valley Berkshire has not been sheltered from the impact of the recession. Youth unemployment and long term youth unemployment rose following the financial crisis. The actions we are taking address this challenge.

Thames Valley Berkshire faces a unique set of challenges. Within the Thames Valley Berkshire area significant opportunities for employment exist, however, some of our young people are not able to access these roles and some of our employers risk being deterred from further investment due to the problems in recruitment. We must improve the way in which we engage with our young people and our local businesses.

There are a range of national and local initiatives focusing on employers and young people, many of which could be better aligned.

Our Deal proposes to make it more straightforward to get young people into work aligning the needs of young people with business needs and the labour market demands of economic success.

The Deal

Thames Valley Berkshire and the Government have agreed:

- A new approach to provide a single access point to employment and skills opportunities for 16-24 year olds across Thames Valley Berkshire. It will link directly to labour market intelligence and real-time business needs; as part of this:
 - That we will deliver enhanced support and outcomes for 4,500 young people over three years, including helping 1,300 young people into work and 800 to sustain work for at least six months;
 - We will enhance existing schemes including 1,500 new work experience placements, 300 additional Apprenticeships and unlock 800 new Youth Contract Wage Incentives for eligible businesses;
 - To pilot a new approach to help more young people into sustainable work ensuring 900 young people do not make a repeat claim for Jobseekers' Allowance within 9 months of their last and increasing the earnings of 450 young people;
 - That £2.4 million from the Youth Contract will be invested to support our new approach to providing a single, integrated point of access for employment and skills opportunities in our area. Thames Valley Berkshire Local Enterprise Partnership has committed to match fund this, and we will commit to securing private sector investment through business engagement;
 - To work with the Cabinet Office's Behavioural Insights Team to trial and apply the insights from behavioural economics to reduce youth unemployment, and increase the number of business that offer opportunities to young people;
- Subject to a successful bid to the Wave 2 Business Growth Fund, grant funding (to be matched by Thames Valley Berkshire businesses) we will develop a new, more joined up approach to business support services in the area, raising awareness and increasing uptake of local and national business support and developing bespoke programmes to support growing firms;
- To put in place a governance structure that enables Thames Valley Berkshire local authorities to work together and with the Local Enterprise Partnership to deliver the City Deal and to prepare for the Local Growth Deal.

Key elements of the deal

The Thames Valley Berkshire **Youth Guarantee** will offer all young people in the area access to high quality, personalised advice and support so that every young person has the opportunity to undertake the right training, improve their skills, find an apprenticeship or get a job. We will offer more intensive support to those who need it most. We will do this through:

A single access point for employment and skills opportunities

The City Deal will support the creation of a new approach which will bring together partners, better align services, reduce bureaucracy and duplication to deliver common skills and employment goals. It will deliver improved employment and skills support for 16-24 year olds in order to maximise impact and enable collaboration and alignment rather than duplication and competition. In addition, our approach will provide a focussed real exit opportunity for all young people to ensure they do not move in and out of publically-funded initiatives.

We will bring together existing resources in a way that reduces bureaucracy and duplication, improves value for money from existing investment and delivers better outcomes for our young people and our businesses.

The key activities will include:

- Development of a Thames Valley Berkshire-wide Labour Market Intelligence platform managed by the LEP;
- Introduction of a Thames Valley Berkshire-wide Professional Development Network;
- Employment brokerage including intensive caseworker support for those in most need, e.g. care leavers, young offenders and including targeted interventions for lone parents;
- Integrated Information Advice and Guidance;
- Management of other new initiatives and pilot programmes (for example in relation to lone parents and in partnership with the Behavioural Insights Team).
- Roll out of a web platform to act as a portal for young people and businesses.

Underpinning this will be a website, ElevateMe, already in development in Reading in collaboration with our strategic business partner O2. This will be adapted and rolled out across Berkshire, tailored to each individual area under a Thames Valley Berkshire Local Enterprise Partnership branding. Partners across Berkshire are fully supportive of this development. Similarly our discussions with businesses (Thames Valley Chamber, Federation of Small Businesses and via the Local Enterprise Partnership) have indicated a strong appetite for the development of a business facing element which will be integrated as part of the development plans for the platform.

The ElevateMe website, including a mobile version usable on phones and tablets will deliver pooled, local information and a personal planning tool to enable young people to find the support they need to successfully progress into work or further training. All agencies involved will be able to use the tool as an active component of engagement and delivering support. Young people can both use the website independently, getting the information and signposting they need. If they need greater levels of support they can request the face-to-face help they need more quickly. This set of features is a unique offering and a powerful tool to shift the culture towards the customer being in the driving seat, rather than service providers.

Delivering the Model

Our approach will have common elements (such as the ElevateMe website) and will be tailored to meet the nuanced needs of each locality embedding the principles of value for money:

- **Aspire – Slough:** Slough Aspire will work to increase opportunities for young people to engage with the business community building on existing commitment and joint working with local businesses and enable all 16-25 year olds, whether or not they in employment, education or training to develop the right skills to meet the needs of business now and in the future.
- **Construction Hub – Wokingham:** a focus on maximising the local employment benefits of significant residential and town centre development schemes in the pipeline, securing employment for those who need it most and to improve the skills pool through work based training opportunities. There will also be a parallel emphasis on reducing the numbers of young people who are underemployed or in jobs without training.
- **Grow our own – Windsor and Maidenhead:** the Grow our Own service manages the Council's Apprenticeship and Work Experience schemes providing employment and training opportunities for over 100 young people as well as working with local employers to establish similar schemes. We will use the City Deal to deepen and broaden employer engagement to greatly increase the range and number of opportunities for our young people.
- **Sustainable Employment – Bracknell:** complement existing provision by providing independent, co-ordinated business engagement that will support current providers to successfully 'convert' their contact with young people into long-term employment.
- **West Berkshire Futures – West Berkshire:** West Berkshire will continue to work to reduce the number of young people who are not in education, employment or training, but the main focus of City Deal will be to tackle the increasing problem of young people in jobs without training.
- **Productive Pathways – Reading:** building on an existing approach that delivers a cohesive approach to employment and training services, with a focus on young people who are not in education, employment or training. It will have a physical base at our local careers advice service (Adviza). This is based in the town centre with customer facing premises that are highly accessible to young people who are accustomed to accessing services there. . We would rebrand this building under the ElevateMe banner will:
 - Pool resources to create an information, advice and guidance service right across the 16-24 age-range. Commitment has already been made by the National Careers Service (including New Directions the Council's learning and employment service that is a sub-contracted provider), Adviza (our local careers advice service) and Reading University. Further discussion is underway with Job Centre Plus and Reading College to integrate with these offers.
 - Include an employer facing brokerage service co-ordinating and meeting the needs of employers and young people through matching employer generated opportunities with appropriate young people and driving employer demand.
 - Increase our capacity to reach disengaged young people (16-24 year olds) who are not in education, employment or training, and will target key groups on behalf of a number of agencies. This will include a focus on lone parents, building on joint working between New Directions and Job Centre Plus using existing resources.

Detailed plans for each of these spokes will be developed as part of the Deal implementation plan over the autumn.

Enabling young people to gain sustainable employment

The Universal Credit will be rolled out across the UK by 2017 bringing the benefit system into the 21st Century and recalibrating incentives for people who are out of work or stuck in low paid jobs to earn more and to progress in work. Working in partnership with local Department for Work and Pensions we have identified a significant number of young people who move in and out of the benefits system in what appears to be a relatively stable and slowly reducing total number of young claimants. For the Reading office for example new claims are currently running at 300 per month. This is indicative of the particular issue in Berkshire of young people moving in and out of the benefits system as they have periods of short-term, low-paid and relatively insecure employment. Working with Job Centre Plus we will seek to identify and target this group and pilot earlier and new interventions through referral to support services and the design of bespoke post-employment support to sustain work and to help people into better paid jobs or increase their hours of work. We would also wish to work closely with Government to further develop employer focused interventions as this emerging area of policy develops.

Lone parents

Lone parents face particular barriers to employment. As part of our proposals we will pilot a new approach targeting lone parents to help them to develop their skills and move them into, or closer to, employment. Building on existing work in development with Job Centre Plus on improving engagement with lone parents and better understanding issues affecting them, we will develop and deliver a lone parent 'traineeship'. This will combine high quality personalised information, advice and guidance with help to build skills and confidence, and including a work experience placement. Additional support will be offered to deal with childcare commitments and other challenges faced by lone parents. We believe that through this approach we will secure employment outcomes for 40% of the pilot group and move a further 60% closer to the labour market through improving skills, confidence and work readiness.

Professional Development Network

A Berkshire-wide Professional Development Network of employers and advisors will share their experience of young people in the workforce and develop a 'Young person friendly workplace' including recruitment policies that do not disincentivise young people. A coordinator will work with existing employer networks to identify successful models and practice and share them widely through events and speakers, building our engagement with business.

The Network will also support development of high quality employee mentoring schemes to support young people who are accessing the brokerage in each of the areas and help them implement their 'productive pathway'.

Good practice, case studies and 'how to' guides and templates will be integrated with the business-facing element of the ElevateMe portal.

Applying behavioural insights to youth unemployment in Thames Valley Berkshire

We recognise that in order to bring about radical improvement in the outcomes for young people, we will need to engage with them in a transformative way. On the supply side of employment opportunities we need a similarly transformative approach to translate businesses' expressed willingness to engage into real opportunities for young people. Behavioural science shows us that we can achieve better outcomes by persuading people to change their behaviour and habits and by going "with the grain" of how people think and act.

Working with the Cabinet Office's Behavioural Insights Team we will trial a series of techniques to reduce youth unemployment and improving access to services. We will put these insights to practical use – and share what we learn with other interested parties across the country.

Thames Valley Berkshire Business Growth Programme

The proposed Thames Valley Berkshire Business Growth Programme would boost economic performance, increasing growth and jobs, by better aligning to the local business support landscape, raising awareness and improving the effectiveness and efficiency of business support programmes across Berkshire.

Through improved management and better coordination, marketing and responsiveness to local businesses, the Business Growth Programme would create a more positive and responsive environment in which companies can more easily find the help they need to thrive and invest in Berkshire. The Business Growth Programme would also fill gaps in the business support landscape identified over the last 10 years of working with innovative high growth potential companies, to ensure they can make better use of Government's growth business programmes.

The Thames Valley Berkshire Business Growth Programme proposal is subject to a successful bid into the Wave 2 Business Growth Programme. Provided Thames Valley Berkshire's bid is successful and meets the criteria set by this fund, including securing private sector leverage at a minimum ratio of 2:1, Government will provide funding for the Programme. As part of its bid into the Wave 2 Business Growth Programme, Thames Valley Berkshire will submit a more detailed proposal for the Business Growth Programme, setting out a clear model for delivering defined economic impacts.

Aims of the Business Growth Programme

The Thames Valley Berkshire economy is already a high performer, benefitting from the presence of many large, renowned technology companies. However, if the area is to continue its strong record of economic growth, it needs to nurture more entrepreneurs and growth businesses in cutting edge markets. Business have also expressed concerns that the business support landscape is confusing, with a wide range of local and national offers that are hard to understand. The Business Growth Programme would seek to make business support simpler and easier to access for businesses, while also targeting the entrepreneurs and growth businesses that Thames Valley Berkshire will rely on for its future growth.

The Hub's aims are aligned with Thames Valley Berkshire's developing Strategic Economic Plan, which identifies as priorities: new enterprise formation; the growth of existing SMEs; and inward/re-investment by established firms.

The Business Growth Programme's activities would be split into two areas:

1. A single point of contact to provide strategic coordination of local and national, public and private sector business support, as well as signposting and marketing of support available to all businesses in Berkshire;
2. A number of bespoke programmes designed to help those firms with the greatest potential to grow and therefore creating a more effective and efficient pipeline to national growth business programmes.

A single point of contact

A single point of contact, provided by a website, would make it easier for all businesses in Berkshire to access support from local and national public and private sector providers. This function would act as a central point of contact for businesses, coordinating the range of business support available across Berkshire, signposting businesses towards appropriate support and raising awareness of the support on offer. It will also help national programme providers, such as Growth Accelerator, Technology Strategy Board, Manufacturing Advisory Service and UK Trade and Investment, avoid duplication make better use of the resources available and maximise the impact of these programmes on businesses in Berkshire.

We aim to:

- Target all businesses with an ambition to grow and provide a light-touch diagnostic and triage function that directs businesses to the most appropriate support;
- Improve the efficiency, effectiveness and responsiveness of the local business support offer by understanding customer needs, improving coordination with national support efforts, eliminating duplication, evaluating and continually improving performance and closing local initiatives that no longer offer best value for money;
- Raise awareness and increase uptake of public and private business support at both the local and national levels by providing a recognised local point of access for all businesses wishing to access business, innovation or trade support. The one stop shop will also use existing national assets such as web content, tools and information and the national helpline to ensure a minimum level of consistency and coherence between local and national offers;
- Improve the impact of national policy by signposting or brokering access as appropriate and establishing close working relationship with government;
- Improve reach into the local private sector and ensure private sector ownership of business support coordination by giving local chambers of commerce a key role in the one stop shop;
- Introduce an effective monitoring framework to measure performance, including awareness, uptake and effectiveness of schemes and share data and insight to improve the effectiveness of national business support policy.

Up to 20% of any funding awarded to Thames Valley Berkshire through the Wave 2 Business Growth Fund can be spent on the single point of contact approach.

Bespoke business support programmes

In addition to the single point of contact, the Business Growth Programme would run a series of bespoke programmes to focus on key priorities in Thames Valley Berkshire. These programmes are based on 10 years of work undertaken by the University of Reading and local public sector partners in Berkshire as well as national research notably by NESTA. Most notably our research has identified the need for development of leadership skills in companies with the greatest potential to grow, access to specialist inputs to business plans, assistance with writing bids for support with innovation, and seed finance to support early stage development of new ideas.

These programmes would target businesses and entrepreneurs with the potential to grow especially in key sectors of the local economy, but which are not currently covered by national programmes such as Growth Accelerator and the Technology Strategy Board, thus creating a bigger and better prepared pipeline for Government programmes. All of the proposed programmes would build on existing institutions in Berkshire, and would complement, rather than duplicate, these national government schemes. Proposed programmes include:

- An Accelerator programme led by Reading University Henley Business School, to improve the leadership skills of managers in small companies with growth potential. The target audience would be small start up companies not picked up by Growth Accelerator;
- Specialist support for businesses applying for funding for research and development;
- Proof of Concept awards for innovative, business-to-business companies which would not be eligible for Technology Strategy Board funding;
- Grants to promote Research and Development in companies with growth potential through open innovation generated by large global companies.
- Collaborative research grants, to help companies work together with other experts on research projects;
- Export training and development vouchers and skills recruitment advice and guidance.

The programmes will be supported by a team of sector growth specialists who will respond to customer enquiries coming through the online portal and helpline. They will be key to our triage model to quickly identify priority needs and the most appropriate solutions, through introductory level local programmes as

required followed by the appropriate national programmes. Relationship management principles will be maintained throughout the journey as will access to a local community of innovative and growth companies through our 'Thames Valley Growth Network'.

The Business Growth Programme would encourage all businesses it supports to take on an apprentice, ideally to work on the research project in question. This would provide an excellent link to the skills and employment programme within the Thames Valley Berkshire City Deal.

Arrangement for delivery of the one stop shop will be agreed as part of the Wave 2 Business Growth Programme process, which will provide funding for the Business Growth Programme. The impact of the proposed Business Growth Programme will depend on the scale of any award from the Wave 2 Business Growth Programme.

Governance for the Business Growth Programme

The Business Growth Programme would be governed by a steering group of practitioners and partners, including the national programme lead in Berkshire, University of Reading, local authorities and business representative organisations. This steering group will report in to the governance structure set up within Thames Valley Berkshire Local Enterprise Partnership to cover the whole of the City Deal. The Chamber of Commerce will be represented at the strategic level of the Local Enterprise Partnership, the City Deal governance level and on the steering group, ensuring a single thread to our dissemination of information and responsiveness to the needs of growth businesses at local and national level.

Leadership and Governance

All of the elements of our deal have been designed with input from The Thames Valley Berkshire Local Enterprise Partnership. The activities of the Local Enterprise Partnership are led by task-specific groups that report into its Forum (Board) and focus on four strategic priorities: the Education, Employment and Skills Group, SME Action Group, Bankers' Forum, and Strategic Transport Forum. They are chaired by Local Enterprise Partnership (private sector) Directors or Members and include private and public sector representatives.

Decision making in relation to the City Deal will rest with a Joint Committee that will include Thames Valley Berkshire Local Enterprise Partnership and the six Unitary Authorities.

This Joint Committee would be established under Sections 101 (2) and (5) [not (4)] of the Local Government Act 1972, and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. Reading Borough Council will be designated as the "Accountable Body" for the purposes of the City Deal with one of the other Unitary Authorities fulfilling the role of "Secretariat" to this Committee.

Annex 1: summary of commitments

Thames Valley Berkshire commitments	Central Government commitments
<ul style="list-style-type: none"> • Creation of bespoke local access point to employment and skills opportunities in the area which will provide employment brokerage, labour market intelligence, a professional development network and integrated careers advice provision. • Drive up demand for apprenticeships, traineeships and work experience provision for young people – 1,800 new opportunities. • Directing 1,300 more young people into jobs. • We will secure match funding (£2.4m) from the Local Enterprise Partnership and a further match of £1.5m from other public and private commitments. • We will set up the Thames Valley Berkshire Business Growth Programme and secure private sector match funding for the Government's contribution at the rate of at least 2:1. 	<ul style="list-style-type: none"> • Provision of grant funding to support our proposed single access point for employment and skills opportunities (£2.4m) from the Youth Contract. • The Cabinet Office's Behavioural Insights Team will work with Thames Valley Berkshire to develop, and test, new techniques to engage businesses and young people. • Subject to a successful bid into the Wave 2 Business Growth Programme, Government commits to provide investment for the Thames Valley Berkshire Business Growth Programme.
<p>Impact</p> <p>Employment and skills support for 4,500 young people (aged 16-24), over 3 years including¹:</p> <ul style="list-style-type: none"> • 1,300 new employment opportunities; including helping 800 sustain work for at least 6 months; • 1,500 new work experience placements; • 300 additional Apprenticeships (by driving up employer and learner demand); • 800 new Youth Contract Wage Incentives; • New approaches to reduce churn in the labour market ensuring 900 young people do not make a repeat claim within 9 months of their last and increasing the earnings of 450 young people. <p>Focused and locally responsive Information, Advice and Guidance. Reduced duplication and focusing delivery.</p> <p>Increased employer engagement and training for those employing young people.</p> <p>The Thames Valley Berkshire Business Growth Programme will increase awareness, and uptake of, business support leading to local business growth.</p>	

¹ 4,500 young people will receive support during the course of the programme. Please note the output numbers do not sum to 4,500 as not all of the young people in the programme will successfully convert this support into successful outcomes due to personal circumstances and choice, as well as outputs leading to successful outcomes i.e. work experience placement leading to sustained job.