

# Subject: The Role of the Third Sector in Employment and Skills Programmes

Report to: Economy Committee

Report of: Executive Director of Secretariat

Date: 14 July 2015

This report will be considered in public

## 1. Summary

- 1.1 This paper provides information on the Committee's investigation into the role of the third sector in employment and skills programmes.

## 2. Recommendation

- 2.1 **That the Committee puts questions on the role of the third sector in employment and skills programmes to invited guests and notes the subsequent discussion.**

## 3. Background

- 3.1 In May 2015, the Committee published a call for evidence to a range of stakeholders working in the employment and skills sector. At its meeting on 18 June 2015, the Committee agreed the terms of reference for its investigation into the role of the third sector in employment and skills programmes. This included the voluntary and community and social enterprise sector. The terms of reference for the investigation are:
- To explore the specific initiatives, or barriers, in London which help or hinder the third sector's role in employment and skills programmes;
  - To identify how the Mayor, central and local government can ensure the third sector has a role in delivering employment and support programmes in the capital; and
  - To examine how future developments, including possible devolution, can be exploited to develop a more diverse supply chain, including the third sector, in employment and skills programmes in London.
- 3.2 The Committee held its first meeting in the issue on 18 June 2015. Guests included representatives of private, voluntary, community and social enterprise organisations active in the employment services field. The meeting explored a number of challenges for third sector organisations delivering employment and skills programmes, including:
- Cash flow and incentives under current payment by results models;
  - Increasing costs (such as rents, rates, property);

- An ongoing focus on price over wider social value; and
- Tensions with organisations' social mission (for example, when hosting or facilitating mandatory work placements or fulfilling their role to speak up for their beneficiaries).

3.3 Guests also identified a number of opportunities for action to foster a mixed economy of employment and skills providers, including:

- Early involvement of third sector organisations in programme design;
- Increased consideration of social value within commissioning ;
- Reform of payment by results mechanisms;
- Capacity-building, particularly to develop third sector consortia or other joint mechanisms; and
- Maintaining a regular pipeline of opportunities for tender.

## 4. Issues for Consideration

4.3 At this meeting the Committee will put questions to a panel of expert guests including:

From 10.00 am:

- Laura Furness, Local Deals Manager, Big Lottery;
- Adrian Smith, Director of Commissioning, London Borough of Lambeth; and
- Dan Gasgoyne, Director, West London Alliance.

From 11.00 am (approximately):

- Alex Conway, European Programmes Director, Greater London Authority; and
- Julie Sexton, Senior Programme Manager, Skills and Employment, Greater London Authority.

## 5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

## 6. Financial Implications

6.1 There are no direct financial implications arising from this report.

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### List of appendices to this report:

None

<h3>Local Government (Access to Information) Act 1985</h3> <p>List of Background Papers: None.</p>
<p>Contact Officer: Simon Shaw, Scrutiny Manager</p> <p>Telephone: 020 7983 6542</p> <p>E-mail: <a href="mailto:scrutiny@london.gov.uk">scrutiny@london.gov.uk</a></p>