



Collected case studies:

City Deals and Growth Deals

- *Providing support for employment and training*
- *Improving business growth*
- *Tailored support for residents*

This paper brings together a number of case studies on how cities from the UK have made use of City Deals and Growth Deals to support economic growth.

In the last few years, the Government signed a number of city and growth deals to promote decentralisation across the country (particularly in English city regions).

These deals have given places more power and flexibility in terms of employment and skills, business support, housing, transport and investments.

Cities have used these powers to achieve different goals, such as providing support to the unemployed, offering relevant training to meet local needs and supporting a low carbon economy.

The case studies demonstrating how cities use City Deals and Growth Deals and what they are trying to achieve are split into four groups:

- **Providing support to move the unemployed into work**

The government has made a renewed commitment to devolve power to give cities greater control over local housing, transport, healthcare and skills. Employment and skills has been a central feature in these policies, particularly the City Deals and Local Growth Deals, designed with the overarching aim to drive employment.

- **Providing training relevant to local needs**

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- **Overcoming financial barriers faced by employers in taking on apprentices**

The Employer Perspectives Survey 2014 found that 8 per cent of employers who do not currently offer

apprenticeships are discouraged by the cost of taking on an apprentice.¹ To overcome the financial barriers faced by employers in taking on apprentices, local partners have found additional ways of making funding more flexible or supplementing funding for training and wages.

- **Supporting the growth of a low carbon economy**

Internationally, some cities are championing green legislation in the building and waste sectors by implementing targeted laws and complementary support at its biggest source of carbon emissions – large buildings. Whilst UK councils do not have the same breadth of powers, they can still use the powers they have (for instance in relation to transport and planning) to target their city’s main emitters.

Providing support to move the unemployed into work

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Offering dedicated help for employment and support allowance (ESA) claimants

Lead organisation: Central London Forward

Location: London, UK

Keywords: City and growth deals; Adult employment programmes

Read the full report: [City deals and skills](#)

As part of the London Growth Deal in 2014, Central London Forward (a sub-regional strategic organisation representing the eight central London local authorities) piloted a new model, Working Capital, to support ESA claimants into work.

The pilot will run for five years with a budget of £11 million and aims to support nearly 4,000 central London ESA claimants who have left the national Work Programme after two years without finding long-term employment. The scheme is wholly funded by the London Enterprise Panel’s European Social Fund (ESF). Central London Forward is leading the scheme, working in partnership with London Councils, the Mayor of London and central government. DWP has worked with local partners to design the scheme. Every person supported by Working Capital will receive dedicated help from a case worker who will use existing local council, health and voluntary sector services, but also bring in specialist services, such as mental health provision or specific skills training where required, to support the claimant find work.

A rigorous independent evaluation will be run throughout the programme and government has agreed that success will unlock a series of progressive steps towards further local service integration for London.

¹ UKCES (2014) Employer Perspectives Survey 2104: UK Results. Evidence Report 88. London: UKCES. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/373769/14.11.11_EPS_2014_-_Main_Report_full_V2.pdf.

Filling gaps in national provision

Lead organisations: MyGo, Job Centre Plus

Location: Ipswich, UK

Keywords: City and growth deals; Youth (16-24) employment programmes

Year: 2014 - present

Read the full report: [City deals and skills](#)

MyGo in Ipswich is one example of local partners using agreements with national government to fill gaps in national provision.

As the UK's first youth employment centre, set up following Greater Ipswich's City Deal, the centre acts as the delivery vehicle for the area's Youth Guarantee. It offers all 16-24 year olds in Ipswich and the surrounding area free training, career and employment support. It works with Job Centre Plus to provide additional intensive caseworker support at the centre, including helping young people find and prepare for interviews. It also offers a range of training programmes, such as IT, construction and business admin. The Centre also reaches out to employers to ensure it is aware of local job and work experience opportunities and offers shortlisting services to firms.²

Introducing a payment-by-results mechanism

Lead organisations: The Big Life, Ingeus, DWP, Treasury, DCLG

Location: Manchester, UK

Keywords: City and growth deals; Adult employment programmes

Year: 2014 - present

Read the full report: [City deals and skills](#)

The Manchester Working Well pilot, implemented in May 2014, is built around a payment-by-results mechanism which rewards service providers for employment related outcomes achieved.

The programme provides tailored support for up to two years, with up to one year of in-work support, to individuals who have left the Work Programme to help them find sustainable employment. The programme builds on the Troubled Families initiative and integrates health, skills, education and housing providers with two service providers (The Big Life and Ingeus). The payment-by-results system and in-built cost-benefit analysis has enabled greater coordination. DWP, Treasury and DCLG co-invest in the scheme and costs are shared in line with anticipated benefits, based on the proportions of fiscal benefits that fall to each department.

The 2014 Manchester Devolution Agreement set out a plan to build on the pilot through staged expansion if the programme proved successful. This expansion has recently been confirmed and is expected to be fully rolled out by 2020. Overall the programme is expected to cover 50,000 individuals with a £100 million budget comprising investments of £36 million from Greater Manchester, £32 million from ESF and up to £32 million from central government via payment-by-results.

² <http://www.its-mygo.co.uk/about/>.

Providing training relevant to local needs

The government has made a renewed commitment to devolve power to give cities greater control over local housing, transport, healthcare and skills. Employment and skills has been a central feature in these policies, particularly the City Deals and Local Growth Deals, designed with the overarching aim to drive local economic growth.

Incentivising providers using the Skills Funding Incentive Pilot

Lead organisations: West of England LEP, Stoke and Staffordshire LEP, North East LEP, Department for Business Investment and Skills (BIS) and the Skills Funding Agency (SFA)

Location: West of England (Bristol), Stoke and Staffordshire and the North East LEP areas, UK

Keywords: City and growth deals; Adult skills training

Read the full report: [City deals and skills](#)

The Skills Funding Incentive pilot seek to positively incentivise providers to align their provision to local priorities by allowing the LEPs to recommend for up to 5 per cent of the Adult Skills Budget allocations to be withheld in future if the priorities are not deemed to have been met. Starting as a pilot in the Bristol City Deal, the programme was extended to form a national pilot through an agreement with BIS and the SFA with three LEP areas involved: West of England (Bristol), Stoke and Staffordshire and the North East.

In the Stoke and Staffordshire LEP, colleges and training organisations in receipt of the Adult Skills Budget will be formally recognised for qualifications delivered according to local priorities and the LEP's 'red-amber-green' priorities framework. In the West of England, the pilot is based around challenge frameworks co-designed with employers to tackle the barriers to training provision that meets locally set priorities. The five main FE colleges in the area have formed a consortium to deliver provision according to the framework designed to make the system more responsive to employer need. And in the North East, the LEP will seek to incentivise and reward Adult Skills Budget-funded providers according to their performance against three key metrics - job outcomes, achieving level 3 or above qualifications and moving people into higher level training - using a data-driven approach.

Increasing employer involvement in the design of training programmes (I)

Lead organisation: Greater Manchester LEP

Location: Greater Manchester, UK

Year: 2012 - present

Keywords: City and growth deals; Apprenticeships

Read the full report: [City deals and skills](#)

In Greater Manchester, the city deal has been used by authorities at city region level to involve employers in the design of courses and qualifications. The City Deal created a Greater Manchester Employment and Skills Board, a voluntary partnership to bring the LEP together with providers and government agencies and create greater ownership of skills by employers. Respondents reported that this has encouraged high levels of employer engagement in the skills system more generally. Employers from relevant sectors are involved in

designing apprenticeship frameworks for a range of sectors, including legal, catering, hospitality and digital games sectors. As part of the programme, partners in Greater Manchester will continue to consult.³

Increasing employer involvement in the design of training programmes (II)

Lead organisation: Sheffield City Region LEP

Location: Sheffield City Region, UK

Year: 2012 - present

Keywords: City and growth deals; Apprenticeships; SMEs

Read the full report: [City deals and skills](#)

Sheffield City Region also negotiated a brokerage model through its City Deal, which will involve reaching out to SMEs in particular and determining their needs before seeking applications from providers to deliver apprenticeship frameworks that match these needs (including from local colleges and partnerships of colleges). To date, at least 15 new apprenticeship frameworks have been created that respondents feel meet local business and sector needs more effectively than the national apprenticeship frameworks.⁴

Coordinating skills provision with DWP, JCP and Work Programme providers

Lead organisations: Local and national Government, including LEPs, DWP, National Careers Service and JCP

Location: Various cities and LEPS including Nottingham, Stoke & Staffordshire, Sheffield, UK

Year: 2014 - present

Keywords: City and growth deals; Adult skills training

Read the full report: [City deals and skills](#)

In Nottingham, the Integrated Employer Hub negotiated as part of the City Deal is building on an existing council run service to deliver a co-ordinated, bespoke training and recruitment service. It will bring together local and national partners to improve employer engagement through brokerage, reporting to a board made up of representatives from local agencies, as well as national government departments such as DWP.⁵

In Stoke-on-Trent and Staffordshire, to ensure the Skills Plan is effectively delivered, the LEP is working closely with the National Careers Service, DWP and JCP. These relationships have developed outside of the formal deal process, but they have been formalised and given a clear direction through city and local growth deal process. Similarly, in Sheffield partners reported improved consultation with JCP on employment and skills issues.

Overcoming financial barriers faced by employers in taking on apprentices

The Employer Perspectives Survey 2014 found that 8 per cent of employers who do not currently offer apprenticeships are discouraged by the cost of taking on an apprentice.⁶ To overcome the financial

3 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221014/Greater-Manchester-City-Deal-final_0.pdf.

4 <http://sheffieldcityregion.org.uk/city-deal/>.

5 <http://www.nottinghamjobs.com/>.

6 UKCES (2014) Employer Perspectives Survey 2104: UK Results. Evidence Report 88. London: UKCES. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/373769/14.11.11._EPS_2014_-_Main_Report_full_V2.pdf.

barriers faced by employers in taking on apprentices, local partners have found additional ways of making funding more flexible or supplementing funding for training and wages.

Providing incentives using the Apprenticeship Grant for Employers

Lead organisation: Greater Manchester Apprenticeship Hub

Location: Greater Manchester, UK

Year: 2014

Keywords: Apprenticeships; City and growth deals

Read the full report: [Delivering change: Making apprenticeships work in cities](#)

The national Apprenticeship Grant for Employers (AGE) has existed since 2012 and provides an additional financial incentive for employers to take on apprentices. As part of the Greater Manchester Devolution Agreement in November 2014, the Greater Manchester Combined Authority received local control of the AGE, which is managed by the Greater Manchester Apprenticeship Hub.⁷ As a result Greater Manchester has flexed the funding eligibility to better respond to the requirements of the local area. Nationally, the £1,500 grant is available to workplaces with up to 50 employees. In Greater Manchester, in order to cater to the needs of its medium-sized businesses, the grant is available for business with up to 250 employees. This is supplemented with additional grants of £1,000 for employers that progress an apprentice from a Traineeship to an Apprenticeship, or employ an Advanced or Higher apprentice. During 2015-16, there were also additional grants for training providers in Greater Manchester who support the development of a Trailblazer standard.⁸

Greater Manchester's ability to flex the amount and type of funding in order to fit local skills needs has been well received in the city.⁹ The devolved AGE is currently being evaluated by New Economy to inform the programme for 2016/17.¹⁰

Supporting the growth of a low carbon economy

Internationally, some cities are championing green legislation in the building and waste sectors by implementing targeted laws and complementary support at its biggest source of carbon emissions – large buildings. Whilst UK councils do not have the same breadth of powers, they can still use the powers they have (for instance in relation to transport and planning) to target their city's main emitters.

⁷ HM Treasury and GMCA (2014) Greater Manchester Agreement: devolution to the GMCA & transition to a directly elected mayor <http://bit.ly/1qHB0zd>.

⁸ New Economy (2017) GM AGE – Greater Manchester Apprenticeship Grant for Employers – UPDATE. <http://www.neweconomymanchester.com/our-work/skills-employment/gm-age-greater-manchester-apprenticeship-grant-for-employers>.

⁹ Roue L (2015) Opinion: Sir Howard Bernstein. Manchester Evening News. <http://bit.ly/1V0Swey>.

¹⁰ New Economy (2017) GM AGE – Greater Manchester Apprenticeship Grant for Employers – UPDATE. <http://www.neweconomymanchester.com/our-work/skills-employment/gm-age-greater-manchester-apprenticeship-grant-for-employers>; Centre for Cities interview.

Improving co-ordination on low carbon infrastructure using City Deals

Lead organisation: Liverpool City Region

Location: Liverpool, UK

Year: 2011 to present

Keywords: Low carbon, Environment; Planning; City and growth deals

Read the full report: [Delivering change: How cities go low carbon while supporting economic growth](#)

Cities such as Liverpool, Manchester, Leeds and Birmingham included green initiatives in their City Deals. If well designed, City Deals offer a good opportunity for cities to accelerate growth in green investment by easing regulatory burdens or targeting funding to green projects.

Liverpool City Region has identified low carbon technologies as a key sector for attracting investment and generating jobs in the region. However, they also found that businesses investing in low carbon infrastructure are facing building delays due to lack of clarity in the planning process and slow responsiveness from local authorities and regulatory agencies.¹¹ To address these regulatory challenges, Liverpool used their City Deal to commit Whitehall and regulatory agencies to improve coordination and set a 13-week deadline for responding to permit applications for low carbon infrastructure (for example offshore wind turbine projects). In addition, the city region has committed to provide a brokerage support service for businesses and work closely with the Local Enterprise Partnership and the Green Investment Bank on delivering new projects. By easing the regulatory burdens, Liverpool is hoping to accelerate £100 million of investment in offshore wind and create 3,000 new jobs.¹²

To date, the Merseyside Environmental Advisory Service (MEAS) has appointed an environmental account manager to establish the brokerage support and is also working with Defra to find the right operational mechanisms for the pilot.¹³ A number of low carbon projects are in the pipeline, although none have yet reached the final consent stage.¹⁴

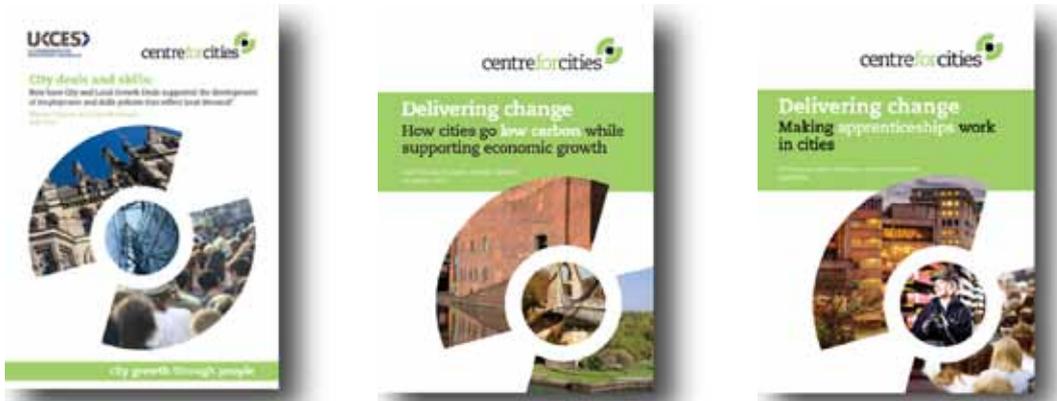
11 Centre for Cities Interview.

12 Liverpool City Council (2013), City deal extract, accelerating investment in the low carbon economy, Liverpool: Liverpool City Council.

13 A sub-regional service that provides environmental and technical advice to councils.

14 Centre for Cities interview.

More information



The case studies in this document came from the reports:

‘*City Deals and Skills*’, published in 2015. Read it at: <http://www.centreforcities.org/publication/city-deals-and-skills/>.

‘*Delivering change: Making apprenticeships work in cities*’, published in 2016. Read it at: www.centreforcities.org/publication/delivering-change-making-apprenticeships-work-in-cities/.

‘*Delivering change: how cities go low carbon while supporting economic growth*’ published in 2013. Read it at: www.centreforcities.org/publication/delivering-change-how-cities-go-low-carbon-while-supporting-economic-growth/.

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