

Cabinet

Report Title	Employment Transition Fund
Date of Meeting	Wednesday, 11 March 2026
Report Author	Kelly Harris
Lead Officer	Executive Director Children and Education
Lead Cabinet Member(s)	Cabinet Member for Business & Skills
Why is this a key decision?	This funding will have significant community impact by providing a physical space for employment support.
Wards Affected	(All Wards);
Identify exempt information and exemption category	Open
Is the report urgent?	No
Reasons for urgency (only where applicable)	
Appendices (if any)	N/A

1. Executive Summary

- 1.1 The UK Government's 'Get Britain Working' white paper set out requirements for the Council to have an Employment and Skills hub in the borough. The Employment Transition fund, administered through the West Midlands Combined Authority (WMCA) is enabling the establishment of the hub and provides infrastructure for the delivery of employment support in the borough. This report seeks approval to accept funding from the WMCA through the Employment Transition Fund. Authorisation for the procurement of works to establish the Employment and Skills Hub will be undertaken through a cabinet member delegated decision once costs have been confirmed.

2. Recommendations

For the reasons set out in the report, it is recommended that Cabinet -

- 2.1 Authority be delegated to the Executive Director for Finance and Transformation to accept £1,208,619 funding from 01 April 2026 for 2026/27 from the West Midlands Combined Authority for the Employment Transition fund to establish an Employment and Skills hub in Sandwell and to accept further allocations of funding for years 2 and 3, indicative values of £720,000 2027/28 and £360,000 2028/29.
- 2.2 Delegate authority to the Executive Director for Children and Education in consultation with the Monitoring Officer, Service Director - Governance to enter into contract with the West Midlands Combined Authority.

3. Proposals – Reasons for the recommendations

Background and drivers

- 3.1 Funding from the UK Shared Prosperity Fund (UKSPF), which has supported employment initiatives in Sandwell for the past three years, is scheduled to end in March 2026. Before UKSPF, this support was financed through the European Social Fund (ESF).
- 3.2 The proposed Employment transition fund from the West Midlands Combined Authority (WMCA) will provide interim funding for employment and skills infrastructure in the borough and help to establish an Employment and Skills hub in Sandwell.
- 3.3 Creating an Employment and Skills hub forms part of the requirements set out in the *Get Britain Working* white paper and is a key component of WMCA's West Midlands works plan. Currently, the employment rate in the West Midlands is 69%, with Sandwell performing below this at 65.7%. Unemployment is also an issue, with 6.6% of Sandwell residents in receipt of out of work benefits compared to 3.8% nationally.
- 3.4 Across the region, there are 400,000 economically inactive residents, including 61,200 in Sandwell (29%). Health related issues also remain a major barrier to participation in the labour market locally. Youth unemployment is also a significant challenge. Sandwell has the fourth highest rate in the West Midlands, with 11.1% of 18–24-year-olds claiming Universal Credit, almost double the national average.
- 3.5 WMCA invited local authorities to submit proposals for employment support activities that align with local priorities for employment and skills development. Costings and project outlines were reviewed by the Directors of Employment and skills board meeting in December 2025 with final sign off due to take place in February 2026 by WMCA board.

Policy outcomes and objectives

- 3.6 'Get Britain Working' is the Government white paper which aims to reduce economic inactivity levels across the Country, with the long-term ambition of achieving an 80% employment rate which would equate to a further 2 million people in work nationwide.
- 3.7 The West Midlands Works plan is a regional employment and skills strategy designed to complement the national Get Britain working agenda by addressing local labour market challenges. The plans core objectives include reducing economic inactivity and unemployment particularly amongst disadvantaged young people, closing the skills gaps in priority sectors and supporting inclusive growth by improving access for women, carers and those with health barriers. The plan has been developed in partnership with key health stakeholders with the aim to deliver on this shared objective of reducing economic inactivity in the region.
- 3.8 The employment and skills hub contributes towards multiple themes of the Council plan, including Growing up in Sandwell, Thriving Economy and Healthy in Sandwell. The hub will help to tackle youth unemployment by supporting young people to find career and employment opportunities. Businesses will be supported to recruit to reduce skills gaps in their workforce. There is a distinct link between employment outcomes and health and wellbeing improvements.
- 3.9 The employment and skills hub supports the delivery of the Council's Skills and Employment Strategy by improving access to employment support and advice and guidance for residents. The multi-agency hub will create a collaborative environment which will improve the customer experience and foster more of a seamless journey.

Proposals and delivery

- 3.10 The Skills and Employment service plans to establish a multi-agency employment and skills hub in Sandwell following the release of the Get Britain Working white paper and launch of the West Midlands Works plan. At present, Sandwell and Birmingham are the only areas within the West Midlands Combined Authority without a physical hub.
- 3.11 The Hub will provide a range of employment, skills and training services including information, advice and guidance sessions to help residents access work and learning opportunities. Key services such as Connexions, Employment and Skills and Sandwell Adult Family Learning (SAFL) will form part of the hub's infrastructure. Programmes including Workwell, Connect to work and the Youth Employment Trailblazer will all be delivered from this location.
- 3.12 The space is expected to host multiple partners, including Jobcentre Plus, Sandwell College, and various training providers. Discussions have taken place with Regeneration colleagues regarding relocating a scaled-down version of the Start-Up Hub as part of this initiative. Health partners are also anticipated to join, ensuring integration of work and health support. Discussions are also taking place around co-location of debt and benefits advice due to the synergies of the work. The space will be open to businesses to conduct interviews and briefing sessions and creates a collaborative space

for partnership working to enable inclusive and accessible pathways to employment.

- 3.13 Scoping work has commenced with a specification in development with the urban design team to establish the employment and skills hub. All procurement regulations will be complied with to determine the contractor to undertake the works.
- 3.14 The Employment transition fund funding will commence in April 2026 with a further 2 years until March 2029. Options are currently being explored regarding how the facility can be sustained in future years including use of the Adult Education Budget.
- 3.15 The employment and skills hub will act as a central pillar with employment spokes across the remaining 5 towns. The spokes will provide localised employment support activity including job clubs and interview/application support. A tendering exercise will be undertaken in the summer to establish the 5 community spokes.

Costs

- 3.16 WMCA have provided confirmation of Employment Transition fund funding as £1,208,619 in 2026/27. There will be a further 2 years of funding with indicative values of £720,000 in 2027/28 and £360,000 in 2028/29. It is anticipated this tapered funding model will be supported by a utilisation of external funding streams to support sustainability of the hub, including the existing Adult Education budget contract.
- 3.17 Capital funding for the build of the Employment and Skills Hub will come from £250,000 from UKSPF to be spent by September 2026 and £250,000 in 2026/27 from the Employment Transition fund. Further capital funding of £105,000 is available for furniture and ICT infrastructure in 2026/27.
- 3.18 A full capital appraisal will be submitted to strategic finance once the scoping exercise with the Council's urban design team has been completed.
- 3.19 WMCA have requested estimated costs to include capital/revenue split, with the opportunity to amend funding lines once the full scope of works is determined. Funding for the employment hub spokes is anticipated to be aligned to a procurement exercise of Voluntary Sector grants which are due to be commissioned in September 2026.
- 3.20 This funding also provides resource for posts within the Employment and Skills service which previously have been funded through UKSPF. These posts will be utilised to deliver the infrastructure of the Employment and Skills hub and spoke model. Posts will include Hub Co-ordinators x 2, Receptionists/admin x 2, Spoke engagement/mentoring officers x 4, Hub engagement/mentoring officers x 2 and 1 Employment Advisor. The hub and spoke model will also be supported by posts which are funded via alternative funding streams including the Youth Employment trailblazer and Connect to Work.

Outcomes

- 3.21 It is anticipated in the first year the employment transition fund will result in 800 residents reached, with 500 engaging in activity. The aim is to increase the employability of at least 250 residents of those engaged. The funding requires the formation of the central employment and skills hub and 5 community spokes.
- 3.22 Outcomes have been scheduled for later in the financial year to allow time for the employment and skills hub model to be established. The employment and skills team will also be able to deliver some outcomes against the funding within existing outreach arrangements.

4. Alternative Options Considered

4.1 The following options have been considered –

4.1.1 Option 1 (Recommended option) - Development and delivery of employment and skills hub including 5 locality spokes. This is the preferred option since it provides a central hub to provide a space for collaboration between partners and will be in an area of high footfall in the town centre.

4.1.2 Option 2 - Delivery of six local hubs across the borough with partners attending multiple localities. This model was less conducive to collaboration and is less efficient for time and financial resources. This is not recommended.

4.1.3 Option 3 - For the Council to decline the Employment transition fund funding and to not create an employment and skills hub or any spokes. This option would have a negative impact on employment support delivery in the borough. This is not recommended.

5. Consultation

5.1 Consultation is not required at this stage to accept the Employment transition fund funding. Advice will be taken for any consultation required for the establishment of the employment and skills hub in West Bromwich and the 5 community spokes.

6. Financial Implications

6.1 WMCA have provided confirmation of Employment Transition fund funding totalling £1,208,619 in 2026/27. There will be a further 2 years of funding with indicative values of £720,000 in 2027/28 and £360,000 in 2028/29. It is anticipated this tapered funding model will be supported by a utilisation of external funding streams to support sustainability of the hub, including the existing Adult Education budget contract.

6.2 Capital funding for the build of the Employment and Skills Hub will come from £250,000 from UKSPF to be spent by September 2026 and £250,000 in 2026/27 from the Employment Transition fund. Further capital funding of £105,000 is available for furniture and ICT infrastructure in 2026/27.

- 6.3 It is anticipated the reduced funding in year 3 would require additional funds to be found to support the running costs of the hub and the staffing infrastructure. Funding sources could include external funding grants including funds from within the existing adult education contract with WMCA. It is also the intention to raise funds from co-location arrangements with hub partners.
- 6.4 A full capital appraisal will be submitted to strategic finance once the scoping exercise with the Council's urban design team has been completed. All expenditure of the Employment and Skills transition fund will be fully recoverable from WMCA subject to meeting the conditions of the grant.
- 6.5 In the event of sustainability funding not being found post March 2029 the implication would be the employment and skills hub would need to close. In the absence of alternative funding sources there could also be the implication of staff redundancies.

7. Legal and Governance Implications

- 7.1 Subject to the recommendations being approved, Legal Services will review the proposed terms and conditions of the contract and funding agreement provided by WMCA. No activity or expenditure will commence until strategic finance and legal agree and approve the final conditions of the funding.
- 7.2 The report seeks approval to delegate authority to the Executive Director for Children and Education, in consultation with the Monitoring Officer, Service Director – Governance to complete and enter into the contract with the West Midlands Combined Authority subject to completion of the review by Legal Services
- 7.3 The authority to procure the works for the establishment of the Employment and Skills hub is anticipated to be undertaken through a Cabinet Member delegated authority report once the estimated costs are available.

8. Risks

- 8.1 A risk assessment has been undertaken with the following risks identified as key risks.
- 8.1.1 **Risk 1** – The allocated capital funding available for the establishment of the hub is not sufficient for the works required. This is mitigated by the use of multiple funding sources and reserve monies in place as contingency in the case of higher than anticipated costs.
- 8.1.2 **Risk 2** – Delays to the construction phase of the Employment and Skills hub which would delay delivery taking place to achieve project outcomes. This is mitigated by scheduling project outcomes for later in the year and the ability to achieve some of the project outcomes via the spoke delivery.

9. Equality and Diversity Implications (including the public sector equality duty)

9.1 It has been assessed that there are no adverse impacts to any protected characteristics since there are universal access and accessibility to the funding for all groups. It is anticipated the Employment and Skills hub will not have any age requirements and will be open to all residents regardless of employment status. It is anticipated the hub and spoke model will improve accessibility for disadvantaged groups to access services face to face and out in their local communities.

10. Other Relevant Implications

- 10.1 **Workforce and Human Resources (HR) implications** – The employment and skills hub staffing infrastructure will come from existing staff previously funded through UKSPF. The new Hub Co-ordinator and Receptionist roles will be evaluated to determine grades with the intention to appoint displaced staff into the new roles formerly funded by UKSPF. The appropriate union consultation will be followed at all stages of the process.
- 10.2 **ICT/digital implications** – The ICT infrastructure requirements of the Employment and Skills hub are being included within the specification with the urban design team. Further discussion will take place with ICT to determine the ongoing ICT maintenance requirements of the Employment and Skills hub and if this will be managed through an external contractor.
- 10.3 **Procurement implications** – All procurement regulations will be followed in the procurement of the contractor to deliver the Employment and Skills hub. Regeneration colleagues are supporting with the project management process including procurement. There will be a compliant grant tendering exercise for the commissioning of the 5 community spoke locations.
- 10.4 **Climate change** – Climate change will be factored into the employment and skills hub specification and design.
- 10.5 **Corporate parenting** – The employment and skills transition fund supports the corporate parenting agenda since it provides employment support infrastructure to generate opportunities for employment, education and training.
- 10.6 **Social value** – The proposal supports social value since the employment and skills hub will work closely with local employers to bring about employment and skills opportunities for the benefit of residents. Social value opportunities from contracts will also be advertised in the venue.
- 10.7 **Health and Wellbeing** – It is anticipated the proposal will have a positive impact on health and wellbeing since there is a direct link between employment outcomes and health and wellbeing outcomes. It is also anticipated health services will be part of the delivery model of the employment and skills hub.
- 10.8 **Crime and Disorder Act 1998** – The establishment of the employment and skills hub will require a health and safety assessment which will review any community safety implications of the premises including staff safety.

11. Background Documents

- 11.1 Get Britain Working white paper.
- 11.2 West Midlands Works plan.
- 11.3 Skills and Employment Strategy.

12. How does this deliver the objectives of the Strategic Themes?

- 12.1 The proposals set out in this report will support the delivery of the following Strategic Themes:-

- **Growing up in Sandwell** – The Employment and Skills Hub is anticipated to be an all age facility which will include careers advice and guidance for post 16 young people. NEET young people are also likely to benefit from the funding which will help them to enter education, employment and training.
- **Healthy in Sandwell** – The Employment and Skills hub will include delivery from health partners to improve health outcomes. It is also recognised that there is a direct link between employment support and health and wellbeing outcomes.
- **Thriving Economy in Sandwell** – The Employment transition fund will support the engagement of businesses to support them to recruit and to address skills shortages in their workforce.
- **One Council One Team Approach.** – The employment and skills hub will provide a collaborative space for Council teams and partners to work together for the benefit of residents.

To be completed if you do not need an Equality Impact Assessment.

Relevance Check

Budget Reduction/Service Area:

Service Lead

Date:

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No