



Report of the Director of Environment and Neighbourhoods

Executive Board

Date: 6 January 2010

Subject: Employability Initiatives

<p>Electoral Wards Affected: All</p> <p><input type="checkbox"/> Ward Members consulted (referred to in report)</p>	<p>Specific Implications For:</p> <p>Equality and Diversity <input checked="" type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input checked="" type="checkbox"/></p>
<p>Eligible for Call In <input type="checkbox"/></p>	<p>Not Eligible for Call In (Details contained in the report) <input type="checkbox"/></p>

EXECUTIVE SUMMARY

The report details the current position on the claimant rates for out-of-work benefits and provides a summary of work undertaken to address unemployment in the City through partnership working. Information is provided on the key Council led initiatives currently being taken forward to support individuals and families and young people at risk of becoming long-term unemployed.

The report clarifies the roles and responsibilities of the Council and Jobcentre Plus, the key Government agency with responsibility for worklessness. The report sets out the future direction of this activity to respond to changing claimant needs as a result of the recession and a changed funding environment to make the best use of public sector resources through partnership work.

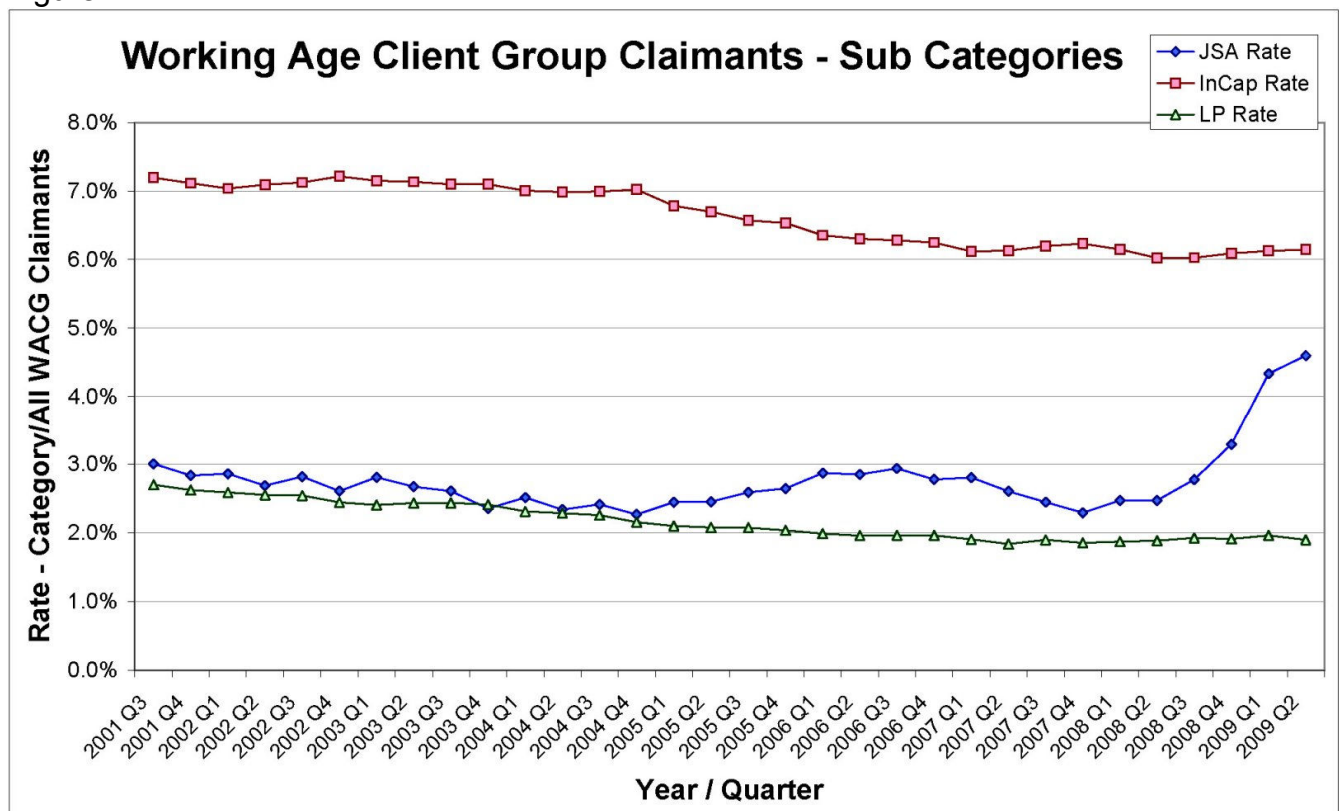
1.0 Purpose of this Report

- 1.1 The report summarizes the current claimant rates for out-of-work benefits and provides information on the new employability initiatives to support priority groups back into employment. This includes information on the 4 Families and Future Jobs Fund programmes.
- 1.2 The report also highlights the changes required to enable the Council to continue to provide support to priority groups in a changing funding environment to make best use of resources through partnership working.

2.0 Background Information

- 2.1 The Leeds Strategic Plan 2008-11 includes targets to reduce the Working Age Client Group (WACG). This is a measure all those people of working age that are either unemployed (in receipt of Jobseeker Allowance Support) or economically inactive (in receipt of Incapacity Benefit and Employment Support Allowance and Lone Parents on Income Support). The plan includes targets at both the City wide level (National Indicator 152) and in the areas with highest claimant count (National Indicator 153). These targets were set prior to the recession in a period in which job vacancies exceeded the number of people in search of work in the local economy.
- 2.2 During the course of the previous decade, job growth has been strong, with a relatively low JSA rate, whilst the claimant rates for the economically inactive (IB/EAS and IS claimants) have remained stubbornly high. Figure 1 below shows the changing claimant rates for each quarter since 2001 of Job Seeker Allowance, Incapacity Benefit and Lone Parents on Income Support. The focus of interventions until 2008 had been one of re-engaging those without work into a buoyant economy. The onset of the recession has clearly changed the context in which we are operating.

Figure 1



3.0 Current Position

- 3.1 The latest available data for October 2009 shows that there are approximately 64,670 WACG claimants in Leeds of which 24,000 were claiming Job Seekers Allowance, 31,000 were claiming Employment Support Allowance or Incapacity Benefit and 9,670 were lone parents in receipt of Income Support. The number of 16-18 year olds not in employment, education or training was 2,355.
- 3.2 As a result of the recession, the Job Seeker Allowance (JSA) claimant rate has increased significantly across the district by 60% over the last 12 months. Whilst there has been a fall in the number of new claims over the last 2 months, the claimant rate for Leeds is 4.7%, which is higher than the national average at 4.1% (October 2009)
- 3.3 Incapacity Benefit / Employment Allowance Support (IB/EAS) claimants are likely to be further away from the labour market than JSA claimants who are actively seeking work. The latest DWP data available for May 2009 identifies 30,685 IB/EAS claimants, 6.1% of the working age population. There are 9,495 Lone Parents not in working claiming Income Support, 1.9% of the working age population. The highest concentrations of inactive claimants are in inner South and East Leeds.
- 3.4 The impact of job losses across all sectors has been felt across the whole of the district but the highest claimant rates are concentrated in the inner city. Evidence from the last recession and the current data indicates that increased unemployment has disproportionately impacted on those neighbourhoods with the highest levels of claimants and in particular young people, leaving those groups furthest removed from the labour market dependent on benefits for a longer period of time.

4.0 Policy Context

- 4.1 There have been a number of Government policy changes which have resulted in changes to priorities, delivery operations and the commissioning strategies of the Department for Work and Pensions. These include the New Deal for Welfare; the Freud Review of Benefit Dependency; the Leitch Review; In Work, Better Off, the Tackling Worklessness Review; and the white paper, Getting Britain Back to Work to be published in December 2009. These have been concerned with linking worklessness interventions to economic competitiveness and reducing poverty by delivering a more co-ordinated and integrated programme of employment, skills and health support; improving basic skill levels; providing more flexible and intensive support for jobseekers; and providing a more tailored service for employers;
- 4.2 Resulting changes have included the establishment of Employment and Skills Boards to influence delivery of employer-led skills training and strengthening the work with partners at the local level through partnerships led by local authorities. A number of the reviews also concluded that local authorities and partnerships could do more as employers and use their existing powers to promote local employment around major regeneration and investment projects.

5.0 Local Partnership Working

- 5.1 A Worklessness Strategic Outcomes Group has been established to drive forward work to achieve the Worklessness targets in the Leeds Strategic Plan. The Group is chaired by Jobcentre Plus and its membership includes the Learning and Skills Council, Yorkshire Forward, NHS Leeds (PCT), the Probation Service, Leeds Initiative, the voluntary sector and the Children's Services, City Development and Environment and Neighbourhoods Directorates of the City Council. The group meets on an 8 weekly

cycle and links to the Leeds Skills Board, the Economy and Skills Partnership and the Narrowing the Gap Board of the Leeds Initiative and others as required.

- 5.2 The Group provides the opportunity for key stakeholders to work in partnership to make better use of public resources to tackle worklessness in our most disadvantaged neighbourhoods. It is enabling partners to move away from the current fragmented largely funding-led approach with its focus on contracted outputs to a more rounded partnership approach which aligns and targets resources and interventions to agreed priority groups to enable the achievement of shared outcomes for the city.
- 5.3 The Group regularly reviews performance data to monitor progress towards achievement of the Leeds Strategic Plan targets and the impact and effectiveness of interventions. Partners work collaboratively on resource allocations and commissioning activity to effectively target resources and ensure that interventions are complementary and add value.
- 5.4 The above approach has been demonstrated by increased joint working on delivery at the neighbourhood level bringing together a range of providers and joint working on bids such as the Future Jobs Fund. It has also developed a new partnership model of working, Employment Leeds, to provide a more coherent offer of support from the key agencies to meet the needs of potential investors and employers. It will seek to maximise the training and employment opportunities for those living in areas with the highest worklessness rates. Tailored pre-employment training of individuals to meet the needs of key employers will be provided through the Local Employment Partnerships, supported by Jobcentre Plus, with a wider package of enabling measures offered by the Council and the Learning and Skills Council. A business plan totalling £4.5m has been submitted to Yorkshire Forward for Single Pot and ERDF funding for a package of employer facing interventions centred on job brokerage and 'in-work' support. Evaluation is built into the programme to capture and maximise the most efficient use of public sector resources from the across the partnership.

6.0 Current Initiatives

- 6.1 **Jobcentre Plus** has introduced a number of additional measures in response to the current recession including an increased number of staff and an increased number of support packages to support JSA claimants and those who have recently lost their jobs, as well as increased funding through the Rapid Response Service to support employers and employees facing redundancies. However, the current economic situation and the increase in unemployment is likely to last for some time.
- 6.2 Current Jobcentre Plus provision includes the following employability support:-
- Jobcentre Plus Personal Advisers, who help, advise and support all unemployed customers across all benefits move closer and/or into sustainable employment.
 - The newly unemployed offer for those JSA customers who have recently left employment and who are likely to find work quickly but are unfamiliar with looking for work.
 - The 6 month offer for those customers aged over 25 who have been claiming JSA for over 6 months. This includes a recruitment subsidy, financial help for those starting their own business or those starting a self-employed job, opportunities for volunteering and work focused training.
 - New Deal aims to help unemployed adults into sustained work. It provides a wide variety of individually tailored support, including training, advice and work experience;

- Pathways to Work helps people in receipt of Incapacity Benefit or the new Employment Support Allowance by providing impartial advice, training and support to help individuals gain suitable and sustainable employment;
- The Jobcentre Plus Support Contract (from December 09) provides support for longer term unemployed Jobseeker Allowance customers, New Deal for Lone Parent participants, New Deal for Partner participants and Carers. Specific modules help customers overcome barriers to work including motivational and confidence building, job search techniques and training;
- Progress to Work / Progress to Work Link Up supports customers with a history of drugs misuse, and offending background, homelessness or alcohol misuse;
- First Step Engagement for those customers furthest away from the labour market who are facing multiple barriers to work and disadvantage in the labour market;
- Newstart for unemployed migrant workers and refugees who have arrived in this country within the last 18 months and have permission to work;
- Job Support for those customers who are new to claiming JSA or JSA customers who are harder to help i.e. persistent returners to JSA or pre and post New Deal customers;
- Think Positive (from December 09) provides support for Jobseeker Allowance customers with mental health conditions and/or learning difficulties. The provision will help to address customers' perceived barriers and develop their employability skills, attitudes and behaviours to enable them to move closer to the labour market and into sustained employment.
- Nextstep provides labour market focused information and advice services for adults aged 20+ (18 or 19 if referred by Jobcentre Plus) which will support individual progression in learning, work and careers;
- Employability Skills Programme offers opportunities to enhance employability, secure and sustain employment and improve the basic skills of literacy, language and numeracy. Customers have the opportunity to gain nationally recognised qualifications;
- Skills for Jobs offers sector specific routeways for customers to gain a better understanding of job roles, within their chosen occupational sector. It also offers pre-employment training for specific employer vacancies.

6.2 **The Council** continues to provide targeted employability and signposting services to those seeking work through its network of Jobshops located in communities with the highest levels of out-of-work claimants. Joint working with Leeds Benefits Service enables effective targeting of individuals and the opportunity to offer 'better off in work' calculations and advice. This work is supported by Community Engagement Officers working across the 3 Area Management areas to extend the outreach into communities and contribute to the Worklessness, Learning and Economy and Enterprise targets in the Area Committee Area Delivery Plans. Work also continues to support key employers in the City through initiatives such as the NHS Employability Programme and the Tesco Regeneration Partnership programme to recruit individuals from those communities with the highest levels of worklessness.

- 6.3 The move to a 'prime contractor' approach at a regional level means that the DWP contracts are no longer delivered through the Council. However, the Council acts as fund manager on LSC and Yorkshire Forward programmes to commission interventions tailored to meet local needs through local external providers. In total, these programmes have supported almost 4,700 people with 700 individuals securing employment over the 12 month period since October 2008. Work continues to maximise employment opportunities through external funding streams to deliver programmes such as the 4 Families programme and the Future Jobs Fund detailed below.
- 6.4 The changes in the economic climate have also brought to the fore the role of the Council as an employer leading and promoting the skills and employability agenda. As one of the city's largest employers, Leeds City Council is committed to developing the skills of its workforce. Currently, 6% of employees in the council are between 16-24 years of age and there is a recognised need to improve the diversity of the workforce. A new council-wide employer-led **Apprenticeship programme, Work4Leeds**, has been developed to enable young people and adults to access council job vacancies and encourage residents from key target groups to apply for entry level posts. The programme offers a new way of recruiting and training people for work with Leeds City Council and has been designed to help young people and adults to access employment and encourage applications to entry-level posts.

New Initiatives

- 6.5 The Work4Leeds programme forms part of the Council's over-arching recruitment strategy. Appropriate vacancies of 30 or more hours per week are ring-fenced for apprentices. New recruits are supported by a nationally accredited programme of on and off the job training to develop the necessary skills, knowledge and competencies required for the job profile and secure the relevant accredited qualifications. This is being delivered through quality assured external training providers and funded through the National Apprenticeship Service via the Learning and Skills Council. It is anticipated that by the end of March 2010, there will be between 200 to 250 apprentices employed within the Council, in areas such as catering and cleaning, domestic support roles, recreation assistants, visitor and library assistants and child care assistants.
- 6.6 **The 4 Families project** pilots a new case management approach to supporting workless individuals and families and developing and strengthening partnership delivery of employment and training support. Funding was secured from Yorkshire Forward through the Leeds Access to Employment programme. The total cost of the pilot is £244,745 over 12 months from 01 March 2009. The primary outputs are 80 families receiving intensive support, 50 people into employment and 380 people supported towards employment.
- 6.6.1 The project targets 4 neighbourhoods which are amongst the NI 153 target areas with the highest levels of claimants. These are Halton Moor, Osmondthorpe and Gipton (located within the EASEL area) and New Wortley (within the West Leeds Gateway area). The project team is led by a Project Coordinator and supported by 5 Family Mentors and a Project Assistant. The main project office is based at Gipton Access Point, with the Family Mentors working in the target neighbourhoods.
- 6.6.2 The objectives for the project are to help the case managed families (or individuals) towards employment or training and to develop, improve and strengthen how partners work together to deliver services. It will consider the ways in which agencies can co-operate more effectively and ascertain gaps or duplications in provision.

- 6.6.3 Through the pilot we are seeking to improve our understanding of the issues which prevent individuals joining or returning to the labour market including practical issues such as skills through to attitudinal / aspirational limitations or reluctance. It will test whether a personalised approach is a cost effective way of reducing worklessness.
- 6.6.4 With the support of agencies such as housing providers, children's centres etc, individuals are being referred who have a number and range of reasons why they are not currently employed or seeking employment. Many of the cases are young parents with a number of children, many of whom have never worked. Anecdotal information indicates that unemployment across generations is high in these areas. In many instances the families face multiple barriers from low confidence, poor self esteem and low skill levels to childcare, debt, housing issues, drug and alcohol misuse and domestic violence. The Family Mentors are responsible for coordinating appropriate support from partners recognising that specialist support is needed from a range of agencies.
- 6.6.5 By getting to know the individuals, developing a bespoke route or action plan with them and supporting them through its implementation, the programme aims to not only achieve a positive outcome for the clients but to also understand the patterns, mind-sets and thus solutions to delivering services in these neighbourhoods.
- 6.6.6 To date, 40 families (118 individuals) have been assessed and supported through the programme. All of these have Back to Work Plans in place. Around 12 people are undertaking training and 6 people have obtained employment.
- 6.6.7 An evaluation has been commissioned to shape and direct the project using best practice from elsewhere. The evaluation will include the development of a model which will show the costs of worklessness to the public purse, including benefit take-up and service interventions so that we can better understand the effectiveness of the mentoring approach.
- 6.7 **The Future Jobs Fund Programme** was announced by the Government earlier this year as one of a number of measures that would make up a 'guaranteed offer' for all young people nearing 12 months on Jobs Seekers Allowance. £1.2 billion was made available nationally. The programme is targeted at people who face significant disadvantages in the labour market and who are particularly at risk of becoming long-term unemployed in the current economic climate. This provides an opportunity to address the growing problem of youth unemployment by providing young people with skills and work experience in readiness for the upturn and to undertake work in communities which would otherwise not happen.
- 6.7.1 Through a competitive bidding process the Department for Work and Pensions approved a Leeds partnership bid coordinated by the Council with a total value of £4.7m to create 734 jobs over an 18 month period. DWP approval to the bid was received at the end of September and a contract was issued at the end of October for the first 6 months with maximum funding of £1,709,500 to provide 263 jobs up to 30 April 2010. Continued funding will be subject to performance.
- 6.7.2 The programme allows for a maximum contribution of £6,500 per job including wages and management and support costs. The programme requires that:-
- Jobs must be additional i.e. would not have happened anyway
 - Jobs must be suitable for young people aged 18-24 yrs nearing 12 months on JSA
 - Jobs must last at least 6 months for a minimum 25 hrs per wk
 - Payment to participants must be at least equal to National Minimum Wage

- Jobs should include a range of work focused training and 'wrap around' support, including job search tailored to individual needs
- Jobs must be of benefit to local communities

6.7.3 Council officers co-ordinated the development of the programme with support from Jobcentre Plus and Leeds Voice to include a wide range of jobs across a large number of public and third sector organisations, including the Royal Armouries, Leeds Teaching Hospital NHS Trust, Council services, Yorkshire Dance, Learning Partnerships, Groundwork Leeds, Health for All. Third sector organisations are well placed to deliver community benefits and all partner organisations are well placed to deliver an appropriate and diverse range of employment opportunities based on their existing experience of supporting young people.

6.7.4 Job opportunities have been developed under the following key strands:- Youth & Community; Children & Families; Environment & Construction; Arts and Creative Industries; Social Care; and Public Sector. There are a wide range of jobs which Jobcentre Plus can refer young people to including the following roles:- Youth and Community Worker, Crèche Worker, Trainee Health Care Assistants, Administrative and Clerical Workers, Receptionists, Technicians, Junior Graphics Designer, Construction and Horticultural trainees, Teaching Assistants and Research Assistants. These include 45 pre-apprenticeship places linked to the Council's Work4Leeds scheme. Links to employers, particularly in growth sectors, will be key in ensuring that there are sustainable ways forward for participants on the programme. The full schedule of jobs and community benefits can be provided on request.

6.7.5 Jobcentre Plus will be the single point of referral for the scheme. 63 jobs have been notified to date with anticipated starts in December, January and February.

7.0 New Ways of Working

7.1 The recession has required a review of strategies and targets both nationally and locally and increased funding has been made available via Jobcentre Plus for the newly unemployed. However, increases in the number and type of claimant resulting from economic recession will require increased and different interventions and will further stretch public sector resources if these are not provided. The evaluation of the 4 Families Programme will provide evidence to inform the future targeting of resources and how these are most efficiently deployed to achieve successful outcomes.

7.2 The loss of discretionary funding streams such as NRF along with changes in DWP commissioning and procurement strategies requires a different approach be developed to make effective use of limited resources. Jointly planning interventions to provide a more coherent offer of support from the key agencies involved will better meet the needs of employers and maximise the training and employment opportunities for those living in areas with the highest claimant rates.

7.3 The Government has indicated a greater involvement in DWP commissioning for local authorities linked to the production of Worklessness Assessments and Employment and Skills Plans through an employer-led Employment and Skills Board. The Leeds City Region forerunner programme and the establishment of an Employment and Skills Board provides the opportunity to explore the potential benefits and added value of such an approach.

7.4 Intervention activities to address worklessness need to be coupled to areas with potential for economic growth and private sector investment over the longer term. The

existing and planned major regeneration schemes where the developers and site users have a relationship with the City Council have the potential to provide training and employment opportunities for local people during construction and on completion of schemes. Such approaches would build on previous experience with Tesco, the anchor store in the redevelopment of the Seacroft Town Centre. Existing and planned regeneration and investment programmes that could potentially offer such opportunities include the EASEL, Aire Valley, Holbeck Urban Village, the Arena, City centre retail developments and housing PFI schemes. A policy framework and implementation plan is being developed to maximise the community benefit through procurement and public sector investment programmes.

- 7.5 Partnership working is key to delivering a sufficiently wide range of support to meet differing needs across the City and to ensure that programmes are complementary and make best use of public sector resources. Disadvantaged areas contain concentrations of people with poor information networks, low self esteem and negative attitudes towards paid work. Outreach work is an important way of overcoming the reluctance to engage with intervention that may help. A person-centered, holistic approach that goes beyond tackling the skills deficit to one that addresses benefit dependency by challenging attitudes and raising the aspirations of individuals in this target group is needed. This will require the active contribution of a wide range of partners working together to deliver complementary programmes to achieve the worklessness outcomes and that will also help to achieve the city's wider objectives of reducing poverty, improving health and well-being, developing opportunity and promoting social inclusion. Contributing partners would include a wide range of public services, locally networked third sector bodies, businesses and regeneration partnerships. The Council is well placed to enable the first steps engagement and co-ordinate the activity at neighbourhood level and link individuals to mainstream provision. To achieve this will require a realignment of Council resources away from direct delivery of Jobcentre Plus contracts to activity that supports individuals to access this provision.

8.0 Implications for Council Policy and Governance

- 8.1 The programmes highlighted in this report will be managed and delivered to comply with Council Financial Procedure Rules and policy.

9.0 Legal and Resource Implications

- 9.1 The 4 Families and Future Jobs Fund programmes highlighted in the report are externally funded.

10.0 Conclusions

- 10.1 Jobcentre Plus is the key agency charged by Government with supporting individuals in receipt of out-of-work benefits to return to employment. Activity undertaken by the Council should be targeted and complementary to this provision to make best use of public resources. The current recession and the increased resources made available to Jobcentre Plus to address the sharp rise in Job Seeker Allowance claimants have brought the different but complementary roles into sharp focus.
- 10.2 The Council has a strategic role to articulate the needs of the City and its localities and ensure that provision is matched to areas with potential for economic growth and private sector investment over the longer term through the City Region and local Employment and Skills Plan.

10.3 The Council has a key role to play in promoting and securing local employment around major regeneration and construction projects through its relationship with investors and developers.

11.0 Recommendations

Executive Board is asked to note and support the work to deliver targeted support to those at risk of becoming and remaining long term unemployed.

Supporting Documentation

Tackling Worklessness Review published on 2 March 2009

<http://www.communities.gov.uk/publications/communities/tacklingworklessnessfinal>

The Government's response to the Tackling Worklessness Review published on 13 May 2009 as a joint report of DCLG and DWP.

<http://www.communities.gov.uk/publications/communities/tacklingworklessnessresponse>

Building Local Jobs was published by The All Party Urban Development Group published on 19 January 2009

<http://www.allparty-urbandevelopment.org.uk/reports.html>

The Freud Report published on 5 March 2007.

<http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/freud-report>

In work, better off: next steps to full employment published by the Secretary of State for Work and Pensions July 2007 <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/in-work-better-off/>

A new deal for welfare: Empowering people to work. Published by the Secretary of State for Work and Pensions January 2006

<http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/a-new-deal-for-welfare-empowering/>

Prosperity for all in the global economy – world class skills. The Leitch Review published in December 2006

http://www.hm-treasury.gov.uk/leitch_review_index.htm