



Report of the Director of Environment and Neighbourhoods

Date: 6 January 2011

Meeting: Scrutiny Board (Environment and Neighbourhoods)

Subject: Monitoring report on the Recommendations of the Worklessness Inquiry

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

1.0 Purpose of this report

- 1.1 This report provides an update on actions taken to respond to the recommendations of the Board's inquiry into Worklessness undertaken earlier this.
- 1.2 Significant changes have been made to both national policy and funding for employability and skills provision since the recommendations were made. The key changes that will have an impact on local delivery are summarised for information.
- 1.3 The impact of the recession and the planned reductions in Government expenditure continue to have an impact on the number of out-of-work claimants. The latest figures were released by the Department for Work and Pensions (DWP) on 22 November and the key changes in these figures are also reported.

2.0. Inquiry Recommendations

- 2.1 The Scrutiny Board (Environment and Neighbourhoods) published a statement on Worklessness on 17 May 2010. In accordance with the requirements of the constitution, the formal response of the Director accepting the Scrutiny Board's recommendations was reported to Executive Board in June 2010. This report provides an update on actions taken to implement the above recommendations and these are summarised in the standard reporting format at Appendix 1.

2.2 Since publication of the Scrutiny Board's statement, there have been a number of changes introduced by the incoming Government and further changes are being planned for. The impact at the local level of some of these changes is not yet fully clear but this has resulted in changes in the planned activity and the delivery timetable to respond to the Board's recommendations. For example, the need to source alternate funding to support Employment Leeds following the reductions in funding the Government made available to regional development agencies has delayed the establishment of Employment Leeds.

3.0 Government Policy and Funding

3.1 There have been a number of significant changes to both policy and funding and a number of these will impact on the delivery of the employment and skills agenda at the local level. The key changes and their potential implications are summarised in Appendix 2. These relate to changes to the benefits system, changes to the delivery and funding of skills and training provision, changes in the delivery of employability programmes and enterprise support and further guidance on data sharing.

3.2 Whilst the direct impact of the above changes at a local level is not yet fully known and understood, it is clear that greater partnership working will be required at the local level to support individuals to gain skills and employment. These will include:-

- the provision of up-to-date information on claimant numbers and types and labour market information and intelligence to inform skills provision made by the Council and others providers such as Leeds City College to better meet the needs of residents and employers
- working in partnerships with employers through Employment Leeds and the National Apprenticeship Service to stimulate demand for apprenticeships and working with individuals and learning providers to put the appropriate accredited training frameworks in place and
- working in partnership with DWP contractors under the Work Programme framework to align and target effective interventions and make best of public resources invested locally in outreach and employer engagement through Employment Leeds.

4.0 Out-of-work benefit claimants

4.1 The Department of Work and Pensions provides information on Job Seeker Allowance claimant rates monthly and quarterly on all other out-of-work benefits, the latter with a 6 month time lag. Appendix 3 summarises the latest available claimant information for the City and those lower super output area with the highest rates.

4.2 There were 64,290 out-of-work benefit claimants in Leeds in May 2010, 11.8% of the city's working age population. 48% of claimants were on Incapacity Benefit or Employment Support Allowance (IB/ESA), 34% were on Job Seekers Allowance (JSA), and 14% were Lone Parents in receipt of Income Support (LP). It is anticipated that these proportions will change as claimants are migrated from inactive out-of-work benefits to Jobs Seekers Allowance over the next few years.

4.3 Over the last 2 years the JSA rate has doubled as a result of the economic downturn whilst the claimant rate for other benefits has remained fairly static. JSA claimants now total 22,758, a slight decrease from last month and for the same period last year.

4.4 There are still significant movements of people on and off the JSA register, however, 54% have been claiming JSA for longer than 13 weeks. 57% of JSA claimants are

aged between 25 and 49, with 29% aged between 18 and 24. Those aged 50 and above account for 13% and 0.1% are aged under 18 years.

- 4.5 Increases in claimant rates have been greatest in the inner city with the highest concentrations of workless households in inner east, inner north east and inner south Leeds.

5.0 Recommendations

Members of Scrutiny Board are asked to:-

- Note the progress made to implement the recommendations
- Note the key changes in Government policy and funding and the potential implications that this will have at the local level
- Note the key changes in the out-of-work benefit claimant rates.

Background Papers

17 May 2010: Statement of Scrutiny Board (Environment and Neighbourhoods): Worklessness

21st Century Welfare. 30 July 2010

www.dwp.gov.uk/21st-century-welfare

Welfare Reform White Paper. 11 November 2010

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

The Harrington Review of WCA. 23 November 2010

<http://www.dwp.gov.uk/docs/wca-review-2010.pdf>

The Government response to the WCA review. November 2010.

<http://www.dwp.gov.uk/docs/wca-response-2010.pdf>

Skills for Sustainable Growth, and its parallel publication, Investing in Skills for Sustainable Growth 16 November 2010

<http://www.bis.gov.uk/policies/further-education-skills/skills-for-growth>

DWP Work Programme

<http://www.dwp.gov.uk/supplying-dwp/news/#exp>

DWP Guidance for local authorities on the use of social security data. August 2010

<http://www.dwp.gov.uk/local-authority-staff/housing-benefit/performance-and-good-practice/data-sharing-guidance-for-local/>

Data Sharing to Tackle Worklessness. February 2010

<http://www.dwp.gov.uk/docs/datasharingguide.pdf>